AN EVALUATION AND REDESIGN OF THE PERFORMANCE MANAGEMENT SYSTEMS (PMS) OF ABC BANK

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by

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Abstract

In this action research project, I explore how organizations in Kenya can redesign and implement their Performance Management Systems (PMSs). This starts with an investigation as to why my organization is dissatisfied with the PMS, which is considered unfair and risky from a legal perspective. My research question is "How can I use insights from employees, literature from classical work motivational theories and literature on PMS best practices to redesigning and implementing a new PMS which will improve the PMS experience for employees in my organization?". Using literature from classical theory and PMS best practice, I developed a conceptual framework with 5 underpinning elements that are critical when redesigning and developing a new PMS. The 5 elements are goal alignment, control, measurement, training and fairness. The framework also explores 2 factors that are critical during implementation. The factors are leadership support and PMS training. Using an Action Research (AR) approach, I engaged 40 employees using five focus groups to have a deeper understanding of the PMS problems. The focus group discussions highlighted tensions between managers and staff, especially on their perceptions regarding their own performance. Using information from the focus groups and literature from classical theories and best practice, I followed the AR cycle to redesign the PMS. To analyze the results, I organized the information into themes and reflected on whether the results supported or deviated from the literature. The findings suggest that redesigning a PMS using the 5 PMS underpinning elements and 3 implementation factors after including feedback as an implementation factor, does create a better PMS experience for employees. It also shows that the PMS underpinning elements are interlinked and complement each other. In addition, employee involvement, either using small groups like focus groups is critical when developing and implementing a new PMS. The study provides knowledge and input for understanding how PMS can be redesigned and implemented in the Kenyan banking industry. This study may encourage researchers or scholar practitioners in the Kenyan banking industry to undertake PMS redesign and implementation of their own organizations and guide policy makers in Kenya on how to plan and undertake PMS redesign and implementation. Anecdotal evidence suggests that this framework, which is derived from the PMS Framework by Ferreira and Otley (2009), provides a useful research tool for those, especially in Kenya, wishing to study the design, operations and implementation of PMS. While Ferreira and Otley use the tool to describe the structure and

operation of a PMS, I have gone further to explore what underpins the PMS framework. In the closing chapter, I have explored some of the limitations of the study including my biases and recommended future research areas such as how organization culture impacts PMSs.

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1.0 INTRODUCTION TO THIS THESIS

1.1 Introduction

In this chapter, I introduce the nature of the work problem and provide insights why this issue is important to me, and my role in this research. I have also shared the research objective, core research questions, the research method and structure.

I work for ABC Bank as the HR Director. The Bank has a Performance Management System (PMS) which has been in use from 2015. Both management and staff have mixed views on the PMS. This is evidenced by the results of the annual employee engagement survey which has a particular question on the PMS. The question is, 'On a scale of 1 to 10, how would you rate your performance management system?'. The scores to this question have been declining. The scores were 60%, 44% and 30% in year 1, 2 and 3 respectively. In addition, my organization had just been sued by an employee who had been terminated on performance grounds. The employee had stated that the termination was unfair and the whole performance management process was poorly managed. The sales and relationship management teams were also quite dissatisfied with the performance management system. The core reason for their dissatisfaction was the fact bonuses were tied to performance, and in their view the performance management process was poorly managed. Worth noting is that both revenues and profitability had dipped steadily over the last 2 years by about 10% and 7% respectively. The Chief Executive Officer (CEO) and Executive Committee Team (EXCO) or senior leadership team were also concerned about the declining PMS scores as highlighted in the and employee engagement survey and they asked me to investigate the problem and come back with solutions.

1.2 Background

1.2.1 Initial Research Interest

Based on informal conversations I had with various employees, I noted there was regular reference to the fact that our organization was being sued for unfairly terminating an employee on performance grounds. They also linked the demotivation of our sales staff to bad performance management practices that in their view had resulted to a decline in sales and new customer

acquisition. I was keen to know whether improving the PMS experience and process would have a resultant improvement in overall business performance. In addition, I was interested to understand the barriers and facilitators of a successful PMS. With this information, I was confident that I could evaluate and redesign the organization PMS, improve the employee PMS experience, and improve employee performance in the organization. Managing and enhancing of employee performance is critical for any organization. This calls for a creation of a framework that provides support, encouragement, and guidance for the establishment of a performance-oriented culture (Ochurub, Bussin and Goosen, 2012). In addition, many firms put in great effort to enhance their performance in order to give a good return to their shareholders. Such enhanced performance is made possible through knowledge workers and other human resources (Armstrong and Baron, 1998).

This project is important because it provides an additional tool to ABC Bank to make it progressive and competitive. One of the reasons why progressive firms have a competitive edge is because of the performance management culture and systems used (Varma, Budhwar, and DeNisi, 2008). In their view, the PMS sets the tone for talent acquisition and getting the right talent, alignment of individual performance with the organization's vision and strategic objectives, development of people capabilities and rewarding of performance in line with contributions to the organization's success.

1.2.2 My role in the research

As the HR Director of my organization, a position I have held from 2017 when I joined the bank, I am best positioned to address the problem. First, I am a Certified Performance Management Practitioner registered. The certification is from the statutory HR body that governs the HR profession in my country. I also have fifteen years' experience in Human Resources. During this fifteen-year period, I successfully implemented Performance Management Systems in three different organizations that I worked for. In the first organization, the company was a start-up, and they were keen to try out new ideas. As the HR Director, I implemented a manual performance management system that was paper based. Though there was some negative employee feedback on the manual systems, the PMS feedback was largely positive. In the second organization, the company needed to align goals as staff were pursuing goals that had little impact to the overall business goal. As HR Head, I worked in defining company goals, then defining CEO goal from the company goals, then defining Management goals from the CEO goals and finally staff goals

from the managers goals. In the third organization, the company needed to find a way to pay in a differentiated manner the top performers. I designed a PM policy that differentiated performance, for example, excellent, very good, good and poor performance. Again, the employee feedback on the PMS was very positive. In ABC Bank, I see my role as that of teacher and gatekeeper as I design the system, explain to staff the importance and use of system and ensure there are controls (Tasoulis et al., 2019). I have however never sat down with staff to discuss with them their views on the PMS. I am a member of the senior management team directly reporting to the CEO and therefore well positioned to get employee feedback on the PMS, understand the barriers and why some employees may not like the system, understand the facilitators and why some employees may like the system and implement necessary changes. I however do appreciate that my role as a senior member of staff and an inside researcher might impact the research, in that employees may tend to respond in a manner that pleases me, or other biases. In this regard, I purposed to ask open questions, anonymize responses and use other tactics as explained in section 3.2.2 and 7.4.2.

1.3 Research Background

The internal and external environment which my organization operated in also played a critical role in shaping my thesis topic. Take for example the legislative environment, where we had a couple of performance management legal cases where employers had been sued by employees for unfair PMS practices. For instance, in the 2017 appeal case of National Bank of Kenya vs Samuel Nguru Mutonya (KLR cause no. 1279 of 2014) (http://kenyalaw.org/caselaw/cases/view/179822/), an employee had been terminated by his employer for poor performance, the courts took issue with the fact that the bank did not give the employee a fair hearing. In addition, the court found that the bank did not follow due process by giving the employee notification of his poor performance and not giving him a fair hearing. The National Bank of Kenya ended up paying stiff penalties as directed by the courts. Another case of poor performance management practices was developing in the case of Silas Otieno Okumu and Kenya Medical Research Institute (KLR cause no 2248 of 2016). In this case, the claimant was suing the Kenya Medical Research Institute for unfair termination based on poor performance management practices, lack of following due process such as ensuring a performance hearing is held and unfair performance rating. There were many legal cases related to performance management in the Kenyan corporate sector and my organization had just been sued for unfair termination related to employee performance. As the HR Director,

employee performance management was one of my core goals, and I wanted to ensure that the organization had a good PMS. I also noted that many banks in Kenya had started reviewing their PMS to ensure that they followed legal requirements. This research project was therefore quite timely as it was happening at a time when there were multiple PMS related cases in courts and many organizations were reviewing their PMS practices and processes.

The initial PMS design and rollout for my organization had been handled by an external consultant back in 2015 before I joined the bank. Feedback from employees through the employee engagement survey immediately after the rollout showed that there were many issues with the implementation of the current PMS. First, there were complaints that staff were not involved during the design and roll out process and that it was only the consultant with a small group of managers that undertook the entire project. This goes against the arguments by Stouten, Rousseau & de Cremer (2020) who stressed on the importance of involving employees in a change process as this increases change acceptance, reduces uncertainty and increases control. The next issue is that there were complaints that PMS training was not done effectively. This meant that very few employees were trained when the system was rolled out. Twenty managers across the business were trained by the consultant and they were to train the rest of the workforce. The trained staff were a small population of the whole which went against the arguments by Goh and Anderson (2007) who found that there was a direct correlation between PM systems and rater training produced and return on investment for a particular organization. The third issue was that there were complaints of misalignment. The concern was that while the new CEO was focused on innovation and digitizing the bank, the performance management system and many middle level managers were focused on improving controls. In this regard, there was lack of alignment on the focus of the CEO on one end and middle level managers and this impacted how performance management was done across the organization as people focused on different strategies. Kuipers and Giurge (2016) found that there was a positive correlation between organization strategy alignment across the organization and organization performance. Another concern was on performance measures used. The PM measurement tool had only 2 scales namely good and poor. This made measurement very difficult as all employees had to be placed on one of the 2 measurement scales. Many employees who had minor performance issues were rated poor and they found the system unfair as there was no middle ground. According to Aguinis, Joo, & Gottfredson (2011), a performance management system should have performance measures that

are reliable, enhance consistency, minimizes errors, and is accepted as fair. A fifth concern was the poor link between performance and rewards. The Bank only gives a bonus to employees rated good. This means that employees rated poor miss out on the bonus, and this impacts their motivation. Many employees who find the PM system unfair have requested that rewards be delinked from performance. Gungor (2011) found that there was a positive relationship between employee performance and financial rewards. He however noted that there is an impact on employee motivation when rewards are not perceived as fair. The concerns noted in this section especially the legal risk, poor rollout of the PMS especially on training users, misalignment of goals, and perceptions of unfairness, highlighted the need for me to do something about the PMS, and that is why I started this study.

1.4 Problem Statement and Research Objectives

The employee engagement survey provided clear evidence of problems with the organizational PMS. The CEO had used two words to describe the dissatisfaction with the system, which are "unfair" and "poorly managed". Employees were having a bad experience with the PMS as evidenced by the declining scores on the PMS rating in the employee engagement survey. The PMS was also potentially risky as my organization had been sued because of unfair PMS practices that resulted to an employee being terminated unfairly. My action research project required that I work with employees in the organization to identify the problems with the PMS, discuss with them and business leaders the possible solutions and use literature from PMS scholars to provide insights on the problem and solutions. My role in this research project is to investigate why my organization is dissatisfied with the PMS and to develop a new system based on 'classical work motivational theory' and PMS best practice. I opted to use classical motivational theory as this would give me foundational knowledge on what drives people to work towards a particular goal or outcome and what are the motivators for individual performance (DeNisi and Pritchard, 2006).

Research questions and sub-questions tend to emerge slowly after considerable reflection on the problem and published literature (Thomas and Hodges, 2010). Based on the organizational problem, my past practical experience on PM and after some initial reading of published PMS literature, I drafted my core research question as:

"How can I use insights from employees, literature from classical work motivational theories

and literature on PMS best practices to redesigning and implementing a new PMS which will improve the PMS experience for employees in my organization?"

With this underpinning question and after evolution of my action research project, specific sub-questions emerged. The sub-questions below were drafted after many iterations and deep reflection. These are:

1. What do the classical work motivational theories say about factors that influence Performance Management System (PMS)?
2. Based on PMS literature, what are the best practices with regards to PMS development?
3. What are the core elements or factors when redesigning and implementing a new PMS?

The above core research question and sub-questions were discussed and agreed with the senior leadership team have assisted me in shaping the objective of the study which is to improve the employee PMS experience using literature from classical work motivational theories and other PMS best practices.

The findings developed during this study will provide knowledge and input for understanding how PMS can be redesigned and implemented in the Kenyan banking industry. This study may also encourage researchers or scholar practitioners in the Kenyan banking industry to undertake PMS redesign and implementation of their own organizations and also guide policy makers in Kenya on how to plan and undertake PMS redesign and implementation.

1.5 Research method and structure

This is an action research project that will require me to work collaboratively with employees in the organization to identify the problems with the PMS, discuss with them and business leaders the possible solutions and use literature from PMS scholars to provide insights on the problem and solutions (Anderson et al., 2015; Coghlan, 2011). For purposes of this study, qualitative research approach will be used to gain an understanding of the perceptions by employees on the PMS. I have used a qualitative approach to assist me get deeper understanding of the social and organizational issues including attitudes and behaviors, which have a wealth of explanations, ideas, insights and suggestions (Creswell, 2002).

My research project is structured as follows: Chapter 2 focuses on literature that I have reviewed and providing a conceptual framework for this study. In chapter 3, I have outlined my

research philosophy and justified my research method. I have then focused on various parts of the action research cycle in chapters 4, 5 and 6 where I go through the stages of diagnosing and planning, actions and then observations and reflections related to the redesign and implementation of a new PMS. These chapters examined the views of the focus groups, tensions that emerged during the focus group discussions and my reflection on missed opportunities. I have closed with chapter 7 where I have presented my learnings and reflections as I found answers to my research questions. In addition, the final chapter introduces new management knowledge, shares reflections on the limitations of my study and also suggests new areas for future study. Figure 1 below provides a visual representation of the thesis structure over a five-year period from 2018.

2.0 Literature Review	3.0 Methodology	4.0 Diagnose & Plan
Focuses on supporting literature, reviews the body of knowledge and provides a conceptual framework.	Methods used, Action Research and Data Collection	Diagnoses of key pillars, observing linkages and prioritizing of the issues.

7.0 Discussion & Conclusion	6.0 Observations & Reflections	5.0 Actions
My contributions to the study, conclusions, limitations, implications, and future research	Pre-PMS design & post-PMS design results, emerging issues and missed opportunities.	Timeline of actions, senior leadership meeting, employee training, manager training

Figure 1: Research structure

In the next chapter, I will provide literature related to the study with a focus on PM and related concepts, foundational work on work motivation theories and their relationship to PM.

2.0 LITERATURE REVIEW

2.1 Introduction

In chapter one, I gave the context of my organization and the problems we are having with the Performance Management System (PMS). The challenges of the PMS were highlighted in the bi-annual employee engagement survey where employees expressed their dissatisfaction with the PMS and the issues they wanted addressed. In particular, the employees had mentioned that the process was unfair and was poorly managed. This study and the literature therein will try to understand and explore deeper the reasons why employees are dissatisfied with the PMS and provide a framework for re-designing the system.

I begin the chapter by defining core concepts related to PMS, including performance management, performance management systems, and performance measurement. To assist in understanding the PMS problems in an in-depth manner, I have explored a foundational PMS framework by Ferreira and Otley (2009) and the Classical theories of work motivation. I have then developed a conceptual framework to help me organize my ideas and serve as a guide on the issues that I will explore in my focus group for data collection. Finally, I have closed the chapter by reflecting on what the literature review means for my study and how it has prepared me for the PMS re-design and evaluation work ahead.

This literature review looks through existing research in the field of PM and PMS published from 1900 to date. The resources used for searching literature are the University of Liverpool (UOL) online library, Google Scholar and SCOPUS. I mainly focused on peer-reviewed journals, books and conference materials from the UOL online library using Discover search. The keywords searched were performance management, performance management systems, goal alignment, control, measurement, training, fairness, leadership support, PMS training, feedback. I also used reference lists from journals to select resources for the literature review. Google scholar also provided me with valuable information, and I would use the UOL online library to authenticate the Google scholar journal articles. Google Scholar and EndNote reference software helped me with citations and reference management.

2.2 The Concepts of Performance Management, Performance Management Systems (PMS) and other related concepts.

The concept of performance management has advanced over the past forty years as a process that is both strategic and integrated. The process incorporates setting of goals, individual or team performance appraisal, and development into a coherent and unified structure with the goal of ensuring organization objectives are aligned with individual performance goals (Dessler, 2005; Williams, 2002). To get a better understanding of the term performance management, we must first explore the term "performance" from an organizational context. According to De Waal (2013) performance is described as the attainment of organizational goals and targets. De Waal (2013) expands the performance notion by defining performance management as an integrated process where an organization defines the mission, strategic objectives that are quantifiable via key performance indicators and critical success factors so that appropriate preventive and corrective measures are taken to ensure organization meets is objectives. Armstrong and Baron (2005) further refine this argument by stating that meeting of organization goals in a sustainable manner requires the development of individual and team capabilities. In a more holistic manner, performance management has the following objectives: driving achievement of sustainable performance, driving performance oriented culture, lever for generating platform for continuous improvement, enhancing employee commitment and motivation, empowering employees to identify their weaknesses and therefore develop their capabilities benefiting themselves and the organization, and enhancing planning at individual and organizational level (Armstrong and Baron, 2005; de Waal, 2007).

To have a holistic view of PMS, we must also define Performance Management and Performance Measurement and compare the two concepts. Many scholars have tried to define *employee performance management*. According to Armstrong (2015), Performance Management (PM) as a process that is systematic and used to improve performance of organizations through developing individual and team performance. Similarly, PM is considered as wide–ranging practices or activities that organizations engage in to improve performance of an individual or group, with the prime focus being enhancing the performance of an organization (DeNisi, 2000). In many organizations, PM generally would consist of an ongoing process that identifies, measures, and develops individual and group performance (Aguinis, 2007). This would also

involve provision of informal and formal information on performance to staff in an organization (Selden & Sowa, 2011). Armstrong (2000) proceeds to add the word "system" to "performance management" to bring in a notion of mechanism and this was used by several authors like Davis and Albright (2004) and Magretta and Stone (2002) to denote that there is a process, structure and method to performance management. Lohman et al, (2004), Melnyk et al. (2013) and Olsen et al. (2007), went ahead and included the word "measurement" to the performance management discussion to enshrine the element of quantification. Certainly, the catchphrase "performance management system" or (PMS) is used extensively when discussing individual and organization performance. Armstrong (2009) argues that the reasons behind the use of this phrase "performance management system" is the fact that there is a requirement of use of some interdependent actions and processes that are handled as a whole, which is what systems do. On the other hand, *performance measurement* is a subprocess of the broader performance management process. It focuses on identifying, tracking, and communicating performance outcomes and results using performance indicators (Armstrong, 2015).

Performance Management (PM) in organizations and management control are complex problems that are intertwined (Ferreira and Otley, 2009). This means that many organizations struggle with how to design Performance Management Systems (PMS) to manage both organizational and individual performance. It was on this basis that Ferreira and Otley developed a PMS framework hinged on 12 key areas namely, organization mission, key success factors, structure, plans, key performance measures, target setting, performance evaluation, rewards, information flows, PMS use, PMS change and strength & coherence.
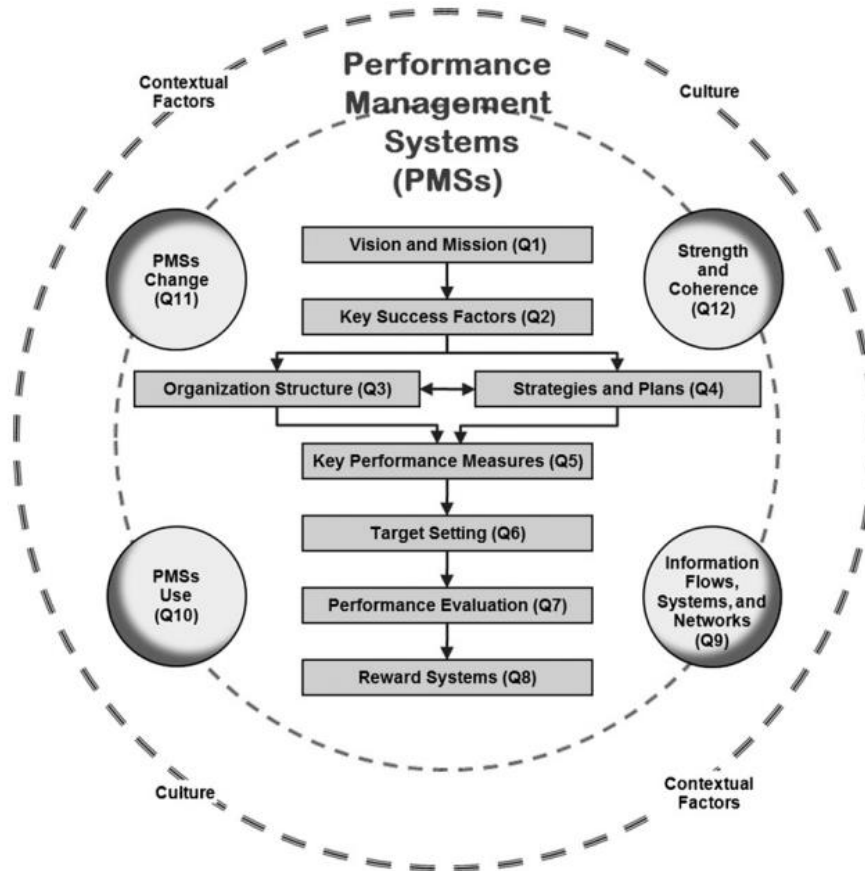
Figure 2: The Performance Management Systems Framework by Ferreira and Otley (2009)

The framework starts with the *vision and mission* of the organization, expounding on how this is defined and communicated to employees. Next are the *key factors* that are critical to the organization's success, and how they are communicated to employees. Then we have the organization structure, and the focus is on how it impacts the PMS and strategic management process. *Key performance measures* derived from objectives and key success factors comes next and the focus here is the role they play in performance evaluation and differentiation of performance. Next is *target setting* which focuses on level of performance organization needs to achieve for every individual key performance measure. After this, we have *performance evaluations* which focus on measurement of individual or group work and results. *Rewards* come next and the focus is on the financial or non-financial benefits of achieving performance targets. Then there is *information flows* which focuses on feedback and feedforward systems that are in place to support the PMS. The next part focuses on *how the PMS information is used* and the

various control mechanisms in place. The next stage focuses on *PMSs change* in light of continuous organization changes and how these impact the organization. The final stage looks at how *strong and coherent* the connections and links between PMS components are. Organization culture and contextual factors which are significantly influenced by the organization itself, pervade the entire system and influence choices and behaviours of individuals. The framework by Ferreira and Otley (2009) has provided me with foundational information in describing the structure and operation of a PMS. I have however noted that the framework does not exhaustively explore what underpins the PMS framework, which is important to me. For example, it does not explain why setting goals and aligning the same is an important element to employee work. To help me understand other PMS underpinning elements, I have explored the classical theories of work motivation as highlighted in section 2.3 below.

In comparing performance management and performance measurement, different scholars highlighted the key issues below:

	Performance Management	Performance Measurement
Concept (Armstrong, 2015)	Overarching process which focuses on different aspects of organizational performance and includes subprocess like strategy, goal setting, planning, execution, training, development and performance measurement.	A subprocess of the broader performance management process that focuses on identifying, tracking, and communicating performance outcomes and results using performance indicators
What they deal with (Armstrong, 2015)	Taking action based on results following a performance evaluation process	Evaluation of results
What they tell us (Armstrong, 2015)	Whether an organization is meeting its strategic goals and objectives, staff alignment to objectives and gaps or reasons why objectives are not being met.	In a quantitative way, tells us important things about our services, products, and the related processes.

Table 1: Performance management vs performance measurement

My understanding based on the above arguments is that PMS is an integrated process that links the organizational goals to individual activities and outcomes with the objective of improving the organization. On the other hand, performance measurement is more about quantifying performance using key indicators and is part of an overall PMS. Though I struggled to get relevant banking related PMS literature by Kenyan scholars, there were some interesting insights by a few scholars. For instance, Mbugua et al (2015) explored PM in the Kenyan banking industry and argued that there was a positive correlation between banks that used strategic PM and employee retention. In their view, using compensation based on performance, target setting, and performance measurements were critical to employee retention. The challenge with this study is that it was narrow and only focused on the retention as a positive impact on strategic PM. Similarly, Korir et al (2015) only focused on the need for banks to enhance financial innovation information to regulatory and advisory bodies to spur performance of banks and individuals. He does not show how financial innovation impacts important PMS elements like goal setting or performance measurement. Nzuve and Njeru (2013) also contributed to this discussion by explaining how institutions and individuals can improve performance in the Kenyan public sector, but their study only focuses on enhancing the control environment such as introducing internal audit practices.

2.3 Classical theories of work motivation and how they are related to performance management

To help me understand common themes and underpinning elements of performance management, I first studied different *classical theories of work motivation*. While psychologists have explained many theories of work motivation (Eccles and Wigfield, 2002), I decided to focus on three theories: *Goal setting theory*, because goals are the foundation and central to PMS (Locke et al., 1981), *Control theory,* because of the aspect of feedback in PM and how managers use feedback to control behavior of employees (Carver and Scheier, 1981, 1998) and Social Cognitive theory because it adds specific goal focused features to the social learning viewpoint of motivation (Bandura ,1986; Donovan, 2001).

With regards to *Goal setting theory*, Latham and Locke (1979) developed the goal theory and highlighted four aspects that connected performance outcomes to goals. The four aspects are first, the fact that they stimulate effort; second, they direct attention to priorities, third, they provoke employees to bring their skills and knowledge so that their probability of success is

increased, fourth, people are more likely to harness their full skills and knowledge when the goal is more challenging. Related to the point of goals stimulating effort, Latham, Borgogni and Petitta (2008), argued that particular high goals or stretch goals, lead to better performance compared to simple goals. In their view goals help managers direct attention to specific priorities which should be achieved by employees hence *controlling* what they do at the workplace. This highlights a key theme of performance management which is control. A second theme related to goal setting that was argued by Chandra and Frank (2004) is *alignment*. In their view, individual goals should be aligned to the organization's strategic objectives. They argued that this is achieved when leaders in an organization develop strategy and cascade this to senior managers who develop their own goals and then they cascade it down to individuals who derive their goals from the goals of their managers. They further argued that for alignment to be effective, individuals must see meaning in their objectives and goals and be able to relate them with the overall organization objectives. A third theme related to goal setting that was highlighted by Ottley (1999) is *measurement*. In his view, Ottley (1999) argued that goals should have targets that are measurable. His view was that measurements provide the expected parameters of performance. He further argued that in some cases, most measures have the minimum expected and maximum target which directs employees on the expected performance parameters. Armstrong (2015) also contributed to this discussion by arguing that Goal setting is connected to the element of measurement. In his view, effective goals are SMART meaning they are specific, measurable, attainable, relevant and time bound. He also argued that effective goals have a 'what' which means what the individual is supposed to do and a 'measure' which communicates the target or expectation or limits. In my organization, the goals are specific and clear, but managers struggle with identifying appropriate measures for the goals. This means that there are too many measures within the organization and the measures or measurement parameters do not communicate to each other. A final theme that is related to goal setting that was argued by Levy & Williams, (2004) is *fairness*. In their view, employees will accept goals when they perceive the system as fair, and goals are measurable, relevant and achievable. To that end, Murphy & Cleveland (1995) argued that employee participation in the goal setting process increases their perception of fairness.

With regards to *Control theory*, Carver and Scheier (1981) argued that Control theory is focused on feedback as a way of influencing people behaviors. In their view, people begin to appreciate the gaps between what they are expected to do and what they are doing as they receive

feedback on their behavior, and then begin to take action to correct the gaps or discrepancies. They further argued that feedback is the key behavior regulatory device and is provided after comparing employee current behavior to the standard or expected behavior. Donovan (2001) added to this argument by explaining how managers use rewards to *control* behaviors by rewarding employees who demonstrate expected behaviours and punishing or denying rewards to those that deviate from standards. The theme of control was mentioned under goal setting theory and is further explored under the control theory as demonstrated in the arguments by Donovan (2001). Another theme that is related to Control theory is *development or training*. According to Barrows & Neely (2012), training of employees is sometimes provided to address certain gaps or behaviors. In their view, training may be tailored to enhance or minimize certain behaviors in an organization. To illustrate this, they used the example of development programs like training on organization code of conduct where leaders use the training to control employee behavior by communicating what is acceptable or unacceptable in the organization.

With regards to *Social Cognitive theory or social learning theory,* Bandura (1986) based it on his fundamental notion of 'self-efficacy'. His argument was that motivation is driven by the working environment, what the employee thinks and what the employee does. In his view, what employees believe that they can do has a powerful effect on their performance. He further argued that to develop and strengthen positive self-belief in people is a critical PM goal. The theme of *development* which was explained before under control theory is explained further under the social cognitive theory. To illustrate this, Bandura (1986) explained how an employee may accept a job position, yet they have never performed the tasks of the role but are confident of their learning abilities. In his view, such an employee may invest more of their personal time learning about the job or undertake training so that they succeed. Employee development is further enhanced when the employee observes others performing the same task which increases his confidence levels. To demonstrate the connections between the social cognitive theory and the underpinning element of development, Barth and de Beer, (2017) analyzed how employees proactively identify their performance gaps and create development plans or training plans that will assist them in addressing the gaps. In their view, this self-motivation drives them to take matters into their hands and invest in their own development needs. They also observed that depending on an employee's motivation, self believe and drive, they are prepared to invest significant amounts of their resources in training and development to ensure they perform well.

2.3.1 Rationale for using Classical literature.

My role in this research project is to investigate why my organization is dissatisfied with the PMS and to develop a new system based on 'classical work motivational theory' and PMS best practice. I opted to use classical motivational theory as this would give me foundational knowledge on what drives people to work towards a particular goal or outcome and what are the motivators for individual performance (DeNisi and Pritchard, 2006). While some modern theories like Ferreira and Otley's (2009) model focus on PMS structure, my model builds its pillars from why individuals are motivated to work. The framework by Ferreira and Otley (2009) has provided me with foundational information in describing the structure and operation of a PMS. I have however noted that the framework does not exhaustively explore what underpins the PMS framework, which is important to me. For example, it does not explain why setting goals and aligning the same is an important element to employee work. To help me understand other PMS underpinning elements, I have explored the classical theories of work motivation.

Classical motivational theories also set a foundation which can be used in analyzing performance management theory and problems (DeNisi and Pritchard, 2006). The theories get into detail on what inspires employees to provide services and achieve goals, help managers understand and manage employee work behaviour at work and basis for why employees are not performing (DeNisi and Pritchard, 2006). As a HR practitioner, understanding the classical work motivational theories has helped me appreciate what makes employees work the way they do, why some go the extra mile while others do the bare minimum. Control theory has made me understand how managers use the tools of rewards and promotions to control and influence employee behaviour in the workplace. Worth noting is that the 3 theories (goal setting, control and social cognitive) were selected amongst other classical work motivation theories because they were most relevant to my topic on performance management systems, and what influences performance in a work setting.

Classical motivational theories such as "Needs Theories" by David McClelland (1961) also provide another perspective of the why we do work and what motivates individuals to perform. He identified 3 needs namely the need for achievement, the need for power and the need for affiliation. In his view, need for achievement will drive individuals to seek and tackle more difficult tasks without fear of mistakes and failure. Need for affiliation focuses on degree which individuals are concerned about interpersonal relations or being liked by other people. This explains why some working environments are characterized by workplace cliques and how individual benefit or

perform better by interaction and being part of these cliques, (Jones and George, 2017). Finally, the need for power which focuses on how some individuals seek power to control or influence other people. This explains why some individual work or perform better when they are placed in leadership positions (Kovach, 2018).

Classical theories especially those related to Human Resource Management (HRM) practices have also been criticized. For instance, Townley (1993) argues that historical HRM practices such as appraisal, recruitment and remuneration try to create order in indeterminate employment relationship between employees and organizations. In her view, using a Foucauldian perspective of power and knowledge provide an alternative way (Foucault, 1980: 102), by ensuring that the focus is not on HR disciplines, but on creating knowledge and power. This has led to debates on the role of HRM in developing sustainable organizations and the need to embrace cotemporary practices which focus on sustainability, corporate social responsibility and productivity (Podgorodnichenko et al., 2020).

In summary, studying the three classical work motivation theories namely goal setting theory, control theory and social cognitive theory has enabled me to identify five underpinning elements of PMS. The elements are control, alignment, measurement, fairness and development. The next section will explore each of these elements in more detail.

2.4 Underpinning Elements of Performance Management Systems

As explained in the previous section, the classical work motivation theories have assisted me in identifying five underpinning elements of PMS. A review of PMS literature highlights key author who have made arguments on the five underpinning elements. The elements and authors are *Control* (Ottley, 1999), *Alignment* (Wade and Recardo, 2001), *Measurement* (Robson, 2004), *Fairness and Acceptability (*Aguinis, 2013; Armstrong, 2009) and *Development* (Barth and de Beer, 2017).

2.4.1 Control

According to Ottley (1999), there is no universally applicable system that can be used for management control, but the option of the desired control methods depends on the unique circumstances impacting an organization. One of the common ways managers use to control behavior and outcomes is with *rewards and incentives*. The focus here is the reward or

consequence that come after the achievement (or the failure to achieve) the set performance goals. There is a strong relationship to the structures, processes of accountability and governance structures within an organization. The consequences may be rewards of a financial nature like bonus payments and salary reviews or of a non-financial nature like recognition and status (Ottley, 1999). Take for instance the concept of pay for performance used in many organizations where employee performance is linked to pay. The notion of pay for performance is based on giving monetary incentives after following a well-designed compensation system that directly links employee pay, for instance salary or bonus, directly to employee performance that is within employees control (Locke, 2004). Armstrong (2015) contributed to this notion by arguing that high performing employees are motivated to perform even better as their pay is differentiated from other employees. This in turn results to retention of high performers leading to improved overall organization performance. Lawler (2003) argued that pay for performance systems are more effective when employees perceive pay decisions as fair, especially when they are linked to their performance. To illustrate this, Odden and Kelley (2002) use an example of teachers. They noted that some learning institutions in the United Kingdom had adopted use of salary scales where teachers go up the salary scales based on the number of years spent teaching, instead of their performance. Their view was that such a system had incomplete criteria for rewarding teachers and would be viewed as unfair and non-merit based by many exceptional teachers who have been teaching for a few years. Such a system would cause some talented teachers to stop teaching and move to other businesses because performance is not rewarded fairly.

Olafsen et al (2015) introduced a different point of view by arguing that managerial need support was more important to promote intrinsic work motivation and job satisfaction compared to pay. Their study focused on 166 bank employees in Norway and the issues that provided intrinsic work motivation and satisfaction. Their conclusion was that while pay was an important factor, employees were more concerned about procedural justice regarding pay. Managerial need support was considered the most important element to enhance intrinsic motivation. Their arguments were that pay and financial incentives had little impact on intrinsic motivation. While the arguments of Olafsen et al (2015) may hold in most developed countries like Norway, the context in developing countries in Sub-Saharan Africa is very different. This is illustrated by Serour (2009) who analyzed healthcare workers and the brain drain especially in Sub-Saharan Africa. Serour argued that about 20% of the physicians working in USA, Canada and Australia

come from other countries, especially Sub-Saharan Africa. In his view, there are several factors that lead to the African health workers migrating, like poor socioeconomic conditions and political instability, but the number one reason is poor wages. He also observed that pay was such a sensitive issue in countries like Nigeria, Kenya, and Ghana that medical practitioners had migrated from rural areas to urban areas where private hospitals paid more. The issue is amplified by the fact that most of the countries in Africa have poor social welfare. For instance, the statutory / government mandated pension for employees in Kenya is only $4 per month, $2 from the employer and $2 from the employee across all income levels (National Social Security Fund Act of Kenya, 2013). This is hardly enough to buy food for most Kenyan's after they retire.

One of the concerns that I have with the performance and pay arguments by many authors is that there is very little literature that covers emerging countries in Sub-Saharan Africa where the principles for pay for performance as seen in developed markets fail to apply as people intensely seek cash for basic needs. In Kenya for example, 36% of the people live on less than $1.90 a day (Kenya Economic Update by the World Bank, 2018). This means that other working environmental factors like recognition and meaningful work are likely to be significantly less important than the amount of pay received for a job. Based on the above arguments, my view is that pay for performance is important in driving a performance culture in the organization. However, organization leaders should also factor in other non-financial factors like managerial support to drive performance and intrinsic motivation.

Another way that managers use to control behavior and outcomes is using performance-based *promotions*. Tessema and Soeters (2006) argued that there was a positive correlation between employee grade promotion and employee performance in high performing organizations. Their arguments were supported by Shahzad et al. (2008) who noted that there was a positive relationship between promotion practices and the performance of university teachers. According to Shahzad, promotion to a higher grade offered power, more status, opportunity for professional development and financial benefits. This in turn had a positive impact on the teacher's performance in Pakistani Universities. Many of the organizations that I have worked in mention higher grade promotions as one of the benefits for high performing employees. Unfortunately, other factors like organization politics and employee length of service tend to have higher consideration than employee performance when promotions are being considered. Another study by Ahmad and Shahzad (2011) reported insignificant relationship between employee performance and promotion

practices in university teachers. This is because other factors like length of service and teacher qualification was considered more important than performance. Thus, promoting teachers based on length of service and qualification could have a negative impact on new teachers who are much younger as their performance would not count during promotions.

This literature has highlighted the importance of the control factor in performance management. In particular, how the use of control elements like rewards and promotions influence employee behaviour in the organization.

2.4.2 Alignment

According to Wade and Recardo (2001), performance Management must be aligned with the organization's strategic focus. Strategic focus is described as the central organization thesis that is across the company. It is what distinguishes one organization to another and primary focus of the organization. In their view, an organization cannot be all things to all people. The example they use is the life insurance company that is trying to rollout twelve different products while trying to cut costs and maintain superior customer service. To illustrate this in my organization, the bank has been struggling to scale the mobile telecommunication business which it will use to grow mobile wallet business. This has confused both our staff and our customers as they know we are a bank and not a telecommunication company. Such misalignment with strategy has hampered optimal performance of our business. According to Ahmad & Bujang (2013), aligning with the strategic objectives of the organization is one of the main functions of a PMS. This argument is further supported by (DeNisi & Murphy, 2017) who explained that demonstration of clear congruence of individual performance with functional goals and organization strategy is the recipe for an effective PMS. The definition of Context congruence engrains the need for a system to be congruent with culture of an organization and the wider cultural context of country or region (Lee & Steers, 2017; Aguinis, 2013). They also argued that the PMS is operating without a focus on the organization context and cultural underpinning, there is a risk of superiors, peers and subordinates being opposed to it. For example, if a community has higher regard for results and outcome over behavior, and an organization implements a system that drives behavior, this system is bound to be ineffective (Lee & Steers, 2017; Aguinis, 2013). In this regard, a PMS that is designed and implemented successfully is one that approaches performance management from an integrated perspective (Saravanja, 2010; Nxumalo et al., 2018; Aguinis, 2013). At the same time, there must

be synergy between the PMS and organization's strategic objectives in areas like organizational culture, strategic planning, organization structure, Human Resource Management processes, and all other critical organization processes and systems (Savanja, 2010; Lee & Steers, 2017). Strategic and context congruence is required when planning the design and implementation of a PMS and it therefore precedes other features which depend on it for foundational direction (Aguinis, 2013).

Chandra and Frank (2004) argue that for alignment to be effective, individuals must see meaning in their objectives and goals and be able to relate them with the overall organization objectives. This means that there is need for systems to be meaningful to users. This also means that evaluations conducted and standards that are communicated must be relevant and important. Chandra and Frank (2004) added to this discussion by arguing that a critical part of meaningfulness is that it should emphasize assessment of performance of objectives that are under the employee's control. For example, assessing performance for a programing engineer using revenue as a measure would be meaningless as the programming engineer does not sell to customers. In some instances, PMS standards and objectives are set without due regard to barriers beyond employees' control and this has a negative impact on employee performance (DeNisi & Murphy, 2017). Aguinis (2013) added to this argument by stating that performance evaluations can only be considered meaningful if they happen at the right period and done at the right intervals. He argued that the common practice by many organizations to undertake one formal performance evaluation every year is not sufficient and recommended that the evaluations be done more often, for instance, quarterly. The notion of meaningfulness and alignment also directs that results from the PMS be used for meaningful and critical administrative decisions (Swaartbooi, 2016). This argument explains to me the reason why PMS might be meaningless to employees, especially where employees struggle to see the meaning and impact of their results in terms of organizational strategy or decision making. Conversely, PMS are more successful where employees see meaning when their outputs / results are used for important decisions (Nxumalo et al., 2018).

To enhance alignment, it is important for goal setting to be inclusive. The principle of inclusiveness focuses on ensuring that there is participation by all stakeholders in the design and implementation of the PMS (Steers & Lee, 1982). This notion of inclusiveness is supported by Saravanja (2010) who argued that systems that demonstrate inclusiveness are more accepted by users as they value inputs from multiple sources. In addition, this participation is critical for the

performance evaluation process as it permits all users to voice their concerns therefore providing an opportunity to address the concerns. Lutwama et al. (2013) added to this debate by stating that employees should be allowed to participate in the PMS design process by providing inputs on the results or behaviors that should be measured and how they should be measured. His view is that this enhances employee buy-in regarding the PMS. Similarly, Lee and Steers (2017) argued that including participants in determining the strategic objectives and the design process of the PMS leads to higher success rate when it comes to implementation of the PMS. Such involvement of users and participation also minimizes employee resistance and legal challenges that may emanate where the PMS is perceived as unfair and non-inclusive (Skinner et al., 2017). Heyden et al. (2016) evaluated the bottom-up approach of goal setting. They argued that individuals take lead in setting their goals and that these goals feed into the next level of goals. In their view, this upward cascading of goals is essential in setting the strategic plan of the organization and enhancing alignment of goals.

In my reflection, I see commonalities between alignment and control. The reason why leaders will invest resources and time to ensure alignment in the goal setting and performance management process is so that there is better control especially because the goals of the business are aligned to the goals of the leaders and the employees.

2.4.3 Measurement

According to Robson (2004), the process of measurement is widely accepted in organizations today and the focus has now shifted to "What" can be measured and "How" the measurement will be done. Measurement activities have a cost element as they must be designed, implemented, and maintained. It is therefore important to have knowledge of the exact circumstances that a measurement system, activity, or process will or will not improve performance (Robson, 2004). With the common clichés such as "If you cannot measure it, you cannot manage it" or "What gets measured gets done", organizations and managers find themselves under pressure to measure. One criticism relating to performance measurement is that there are 'too many' proposed ways of measuring performance which leads managers to a state of "paralysis by analysis" and uncertainty (Callaway, 1999; Miller, 1990; Langley, 1995). Measurement systems and activities help in the process of controlling performance and should therefore be part of the entire control mechanism (Boland and Fowler, 2000). Such a mechanism must have a rule defining what the comparison value is, how information is assessed, trigger for

action and specific action to be initiated. Robson (2004) also argued that measurements are part of effective control mechanisms, and would result in wasted costs and decreased performance if not connected with the control aspect of PM. It is interesting how Robson identifies measurement as part of a control Mechanism which is the first underpinning element that I have explained, and this clearly shows the relationship between measurement and control. Both Waldrop (1992) and Robson (2004) have supported the argument that "What gets measured gets done" but refined the argument by adding "What gets measured gets done by the person doing the measuring". Adding the statement "by the person doing the measuring" closed the loop and suggests that the need to control and remove deficiencies becomes more important.

A common criticism on measurement systems is that they can deteriorate performance if the rules are inappropriate or not well thought out to drive performance (Luther, 1992). To illustrate this, I will use the example of my organization which has a promise to resolve customer queries within 48 hours. Many times, the monthly customer resolution success rate is over 95%, which may imply that the customer service section is performing. However, many banks in Sub-Saharan Africa resolve customer queries within 24 hours and some even shorter periods. This has an impact in that customers end up dissatisfied even though their queries are resolved within the promised 48 hours and are likely move to the competition which resolves queries in 24 hours. Another criticism on performance measurement is the issue of imbalance (Fry and Cox, 1989; Estes, 1996). Using the same example in my organization of customer resolution, the focus is on solving the customer query within 48 hours, but there is no measurement on the number of customers that have their issues resolved. Staff have no incentive in resolving as many queries as possible and tracking them which could mean that there are queries that never picked, or customers turned away and queries not tracked. Customers may seek other organizations for better service, and this would reduce overall performance of the organization.

Another issue discussed by many scholars is how reliable and valid the measurements are. According to Lutwama et al., (2013) and Skinner et al., (2017), reliability refers to the principle that good PMS with performance measures that are free of errors and consistent. The argument here is that should two independent raters assess the same ratee using similar performance parameters, the outcome of the assessment will be similar. For instance, when designing a point-based PMS, it is important to ensure that the points provided for a specific parameter like revenue generated by an employee is consistently applied for all employees being assessed, so that the

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performance ratings / results are similar for employees with the same revenue figures irrespective of the managers assessing the performance. On the other hand, validity as described by DeNisi & Murphy, (2017) is the ability of the PMS measurements to assess what they should. In this regard, a valid measure must include all performance facets and all the relevant constructs. Though there is a focus on ensuring that important aspects are included, Aguinis (2013) also cautioned on including factors that are unrelated to performance. For instance, some managers consider employee tenure in the organization when evaluating performance, yet this has little bearing on current period of performance. Aguinis argues that PMS be standardized, consistent across people and time. Reliability and validity are an important feature for my thesis as they underscore the importance of consistency across all performance facets when designing the PMS.

This literature has been useful to me as it has demonstrated the importance of measurement as a critical factor in PMS especially in communicating expectations of the performance process.

2.4.4 Fairness and Acceptability

Aguinis (2013) argued that employees are more willing to accept performance management systems that are perceived as fair by all parties to the process. Armstrong (2009) contributed to this argument by stating that perceptions of fairness are subjective and that the only way of knowing whether a system was perceived as fair by relevant PMS stakeholders was by asking all the participants of the system. In exploring the topic of PMS fairness, Aguinis (2013) argued that there were four distinct types of justice that have a bearing on fairness and acceptability of a system. The different types of justice are also discussed by Greenberg (1987) who introduced the concept of Organizational Justice. According to Greenberg (1987), the first form of justice is the *distributive justice* which focuses on employee perception of the PM rating they receive relative to work they have done, or the compensation received, in relation to the performance appraisal results. His view is that where there is a divergence in perception between performance appraisal and work done or between compensation received and performance appraisal outcome, then users would consider the PMS unfair. For example, an employee could protest, "I worked hard and in a similar fashion to my colleagues, but they got a bonus as they are considered favorites", would imply that this employee perceives the PMS to be unfair. The second form of justice according to Greenberg (1987) is the *procedural justice* which focusses on PMS stakeholder's perception of processes and procedures applied to get the employee ratings and related processes and procedures

linking rewards with employee ratings. For example, some companies have two step processes to determine employee ratings: first by line managers and also through a "360 review model" where peers, junior employees and other leaders who work with the employee rate the employee. Some employees perceive the "360 review model" more just as it involves more raters as opposed to purely using line managers. The third form of justice as per Greenberg's (1987) arguments is the *interpersonal justice* or sometimes called social distributive which focusses on the manner which employees are handled by the people administering the performance appraisals. The argument here is that employees are affected by how sensitive the appraisers are during the appraisal process and are more like to accept the ratings when appraisers are not only accurate but show interest and concern of the employee (Walsh, 2003). The fourth form of justice according to Greenberg's (1987) is the *informational justice* which focusses on information given to participants to support decisions made by appraisers and other factors like extent of communication and openness on matters like fairness on process and goals or expectations. A common theme that is quite evident is the design and development of a PMS that is perceived as fair from the and informational, distributive, interpersonal and procedural perspective resulting to fewer incidences of complaints of unfairness (Adejoka & Bayat, 2014).

In addition, a PMS that is considered unfair is prone to litigation. This is because employees perceive such systems as unfair or with unethical practices which go against the labour laws of various jurisdictions (Skinner et al., 2017). A good example of litigation risk of a poorly implemented performance management system is the case of Mistretta v Sandia Corporation as explained by Sholl and Strang (1986). In this case, the PMS was deemed to be flawed as it assigned higher performance rankings to employees who were younger and therefore unlawfully discriminated on age. Therefore, a PM system that discriminates on age would lead to staff attrition of older employees who will perceive the system as unfair. Singh and Twalo (2015) also contributed to this argument by explaining the negative impact of poorly implemented PMS on job behaviors, staff productivity and eventually leading to staff attrition. AbuAlRub and Al-Zaru (2008) when studying the impact of poorly implemented PMS on nurses observed that high attrition also resulted to increased staff costs as managers are constantly recruiting and training new staff.

Armstrong (2009) contends that performance management cannot completely remove the element of subjectivity as it is shrouded with human judgement especially when undertaking the

appraisal process. He further argued that subjectivity compromises the elements of openness and honesty as human judgement and emotions take over. To illustrate this in my organization, I will use the example of how a set of employees rated their manager on 'managerial judgement' during a 360-degree bottom-up appraisal. Half the team gave the manager high scores, and the other half gave the manger low scores on managerial judgement. The manager dismissed the results arguing there was no clear guide and that the evaluations were subjective as staff were providing their ratings based on emotions. Ratnawat and Jha (2013) argued that performance appeal processes are established to enhance the element of fairness and correction of unfair processes. In their view, appeals process is critical in the PMS design process as they not only enhance openness but provide employees with the opportunity to correct perceived errors in the PMS process and challenge unjust decisions.

The theme of Ethicality is also important when looking at the issue of fairness in PMS. Ethicality can impact the implementation of PMS because any time judgements are made about employees, opportunities for ethical transgressions are created (Sillup and Klimberg, 2010). It is on this basis that four ethical principles were developed to be incorporated into the PMS process: *Procedural fairness,* which is aligned to procedural justice, *transparency* in decision making, *respect for individual*, and *mutual respect* (Winstanly and Smith, 1996). As a result, managers require training on the four principles and to minimize personal self-interest when undertaking performance appraisals or when making decisions related to the performance appraisals (Swaartbooi, 2016; Nxumalo et al., 2018; Lutwama et al., 2013).

Some authors have however criticized performance management systems because of the subjectivity in measurement stating that it is impossible to achieve absolute fairness. To illustrate this, Holt (2001) gave the example where a teacher is considered a performer because all his students passed national exams. Holt argued that student performance is beyond the control of a teacher. Other factors like family support and role played by the school and quality of facilities should be considered. In such a case any form of consequences or rewards for teachers that may arise out of comparing students' performance may be considered unfair and unacceptable. This literature has demonstrated to me the importance of fairness and the factors to consider enhancing fairness and their impact on the overall acceptability of the PMS.

2.4.5 Development

According to Barth and de Beer (2017), organizations have a keen intertest in ensuring the

continuous growth and development of their people, with a focus on employee's strengths and weaknesses based on their performance. Development of employees provides a competitive advantage to organizations as they focus on the continuous extension of skills, abilities, and knowledge. Erasmus, Loedolff, Mda and Nel (2015) have built on these arguments by explaining how training and development are terms used synonymously to mean the acquisition of skills, abilities, and knowledge in a planned manner to undertake a particular job in a particular manner. According to Barth and de Beer (2017), development and performance are not mutually exclusive. They operate hand in hand. On one end, performance focuses on the organizations desired outcomes or results while development focuses on the means which the outcomes or results will be met. In principle, the achievement of results is a factor of the gained employee skills, abilities and knowledge, and the acquiring of new skills and experiences to deliver on required results. According to Armstrong (2015), employees have their weaknesses and strengths and need to improve, build, or develop themselves. Strengths must be identified so that they are protected, nurtured, and further leveraged to get the most of individual contributions. On the other hand, weaknesses are considered as development gaps and should also be identified to act for improvement and growth. Employee potential that is untapped limits the organization's ability to perform optimally. To illustrate this, I will use the training of tellers in my organization. The tellers are continuously trained on how to serve customers quickly while ensuring there are no errors and cash shortages. Due to trainer availability, tellers in the cities like Nairobi have received almost double the training hours compared to those in the rural areas like Meru. The Nairobi tellers serve on average about 120 customers a day while those in Meru serve an average 75 customers a day. The productivity for tellers in Nairobi is almost 60% more as they can serve more people with fewer errors. This demonstrates the importance of training for the performance of our tellers.

Armstrong (2015) argues that development actions are most effective when identified as gaps following a performance management process where there is two-way feedback. This means that performance gaps should mainly inform the development plans and activities. It also means that the development gaps should be discussed with individuals or employees through a credible feedback process. In other words, Armstrong (2015) is proposing that the feedback should be discursive and most effective when it is two-way, and constructive so that gaps and mechanisms to close those gaps are agreed. El Afi (2019) presents a common criticism of development activity or training by arguing that training is sometimes not relevant or applicable to the work context or

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does not address the performance gap. Take for example the training given to our bank tellers on Sanction Compliance and US Office of Foreign Assets Control (OFAC) Specially Designated Nationals (SDNs). Many of the tellers struggle with this training as they do not see the relevance because they have never encountered or had any experiences with SDNs or sanctioned entities. While this is packaged as employee development, it has little relevance to the bank tellers and has no bearing on their performance. In addition, El Afi (2019) argued that many teachers who were given professional development and training courses by westerners felt that they were not applicable in their context and were contrary to their culture. His view was that such training was not relevant to improve performance of teachers as it did not reflect the life on the ground.

When reflecting on the issue of development, I see a commonality with the element of control. Development is geared towards fostering or developing certain behaviors and addressing gaps related to skills and experiences. The development of these behaviors is geared towards controlling the individual. Take for example a training on company code of conduct or professional conduct. While this adds to the knowledge of the individual, it directs the individual to behave in a certain way when in the organization which is a form of control. This demonstrates the close link between the elements of control and development. In closing, there are many reasons why organizations pursue employee development initiatives, but one of the most important reasons is that research has shown a direct correlation between individual or employee development and organization performance. However, for this to apply, the development initiatives must be relevant and focused on addressing identified performance gaps (Barth and de Beer, 2017).

2.5 Factors that improve the chances of success in performance management system implementation

Having analyzed the five underpinning elements, I will now look at factors that improve the chances of success in PMS *implementation.* Many authors have identified various factors that improve the chances of success in PMS implementation. These include:

2.5.1 PMS implementation training

After the changes have been made to the PM system, training is required to ensure that both managers and employees have an understanding on their roles in the new PMS. This is first done by understanding the gaps by undertaking a training needs analysis. According to Certo

(2003), training effectiveness is dependent on processes used in identifying training needs. It is only after you accurately identify the performance gap that you begin to address it. The most common gaps in PMS implementation that require training include: *First, the manner in which managers provide feedback.* Horwitz (1999) argued that managers need upskilling in providing both positive and constructive feedback. Where such training is not provided, managers may have their entire focus on either providing negative or positive feedback and miss the opportunity and benefit of balanced feedback. Employees are better empowered to take corrective action when the feedback is balanced and provides clear guidance on what is positive and should be continued and what is constructive and can be improved on and how to go about improvement (Armstrong, 2015). *Second, understanding the performance management process and related policies.* According to DeNisi & Gonzalez, (2017), it is critical that both managers and employees have an end to end understanding of the PM process. According to Armstrong (2015), the process as mentioned earlier would typically involve setting organization strategic objectives, cascading goals to functions and teams, deriving of individual goals, managing performance during the performance period, performance appraisal at the end of the period, identification of gaps & provision of feedback and finally training of employees. He also argued that is important for the process to be documented using process flows and policies. In his view, documented processes and policies help with employee training. He illustrated the importance of training of processes and polices by explaining how a manager who does not understand the process may inappropriately commence training of employees before identifying their performance gaps and providing feedback to employees which may impact employee understanding of the process.

    Third, is the use of forms and automated systems. Schleicher et al. (2018) recognized the need to use automated systems to ease the process of PM. His argument was supported by Bhave (2014) who argued that compared to manual PM systems, electronic PM systems have the distinct advantage of information record keeping, ease of information retrieval, ease of information analysis and speed of performance evaluation execution. However, unless employees are continuously trained on how to use the systems, they tend to be less effective by spend more time and energy during the PMS process. Once the gaps have been identified, it is important to select the most effective training delivery method. According to Forman (2003) and Mullis (2007), there are different ways to deliver training including coaching, mentoring, classroom training, workshops, job rotation and on-the-job training. The most common form of training is on-the-job

training because of the low cost, flexibility and relevance to employees. A combination of classroom training followed by on-the-job training and use of user manuals is has proved to be effective when implementing PMS and is also preferred by many organizations (Tyler, 2010).

2.5.2 Leadership support

According to Trader-Leigh, (2002), leadership commitment and support is critical when implementing a new PMS. Studies done by various scholars have demonstrated the negative impact of lack of leadership support during the implementation of PMS and other change initiatives (Trader-Leigh, 2002; Hansson et al., 2003). Where continuous leadership support is lacking, there is diminishing interest in new processes and systems. This waning commitment by the leadership team is because of various factors like poor comprehension of objectives and system methodologies (Hansson et al., 2003; Hipkin and Lockett, 1995), or where leaders perceive the system as a threat to their jobs (Barodoel and Sohal, 1999). In addition, if the leadership team fail to see tangible benefits within a short period of time, their patience begins to diminish, and they revert to systems they have used before. The lack of patience, unwillingness to allow incremental change and poor commitment of senior management is quickly picked up by employees who then perceive the new PMS as a fad that will soon pass, eventually stifling the PMS implementation (Laszlo, 1999). Closely related to leadership support is the issue of culture management. Culture management encompasses many initiatives like influencing attitudes and behaviors, and reinforcing beliefs and norms (Blunt and Jones, 1992). Employees just do not change because they are told to do so, but rather when they are convicted or through professional expert support or counseling. To drive that employee conviction, managers must model the right behaviors and attitudes and set good examples (Armstrong, 2015). For example, when a company is going through financial challenges and management deems it necessary to implement pay cuts, it would be important for managers to lead by example by taking the largest percentage of pay cuts, else the workforce will not rally behind them when implementing this difficult initiative. Similarly, leaders need to do more than merely communicate the importance of effective performance management processes, the need to be the right role models by demonstrating behaviors that drive the implementation of the PMS. For instance, setting their goals on time and communicating the goals effectively across the organization (Carter et al, 2001).

Referring to the underpinning elements of the PMS, leadership support ensures that leaders

have control on the direction of the PMS by ensuring clear goals are set and followed. The cascading of goals if driven by leaders has the impact of ensuring alignment – which is one of the underpinning elements of performance management.

2.6 Conceptual Framework

According to Grant & Osanloo, (2014), a conceptual framework is a structure that assists researchers in identifying and constructing phenomenon to be investigated and to show the relationship between elements. It further explained how the conceptual framework is arranged in a logical manner to provide a visual of how the various elements connect and relate with one another. The below conceptual framework flows from left to right beginning with the Classical work motivational theories. These three theories of goal setting, control and social cognitive helped me understand the views of the different authors relating to motivational theories and how they were linked to performance management. After reading the theories, I was able to develop five underpinning elements required for an effective PMS. The first element is control which focuses on how the PMS is used to encourage certain types of behaviours. Next is measurement which focuses on monitoring and quantifying the extent which goals and targets are met. The third element is alignment which focuses on ensuring there is a strong link between individual goals and behaviours and the organization strategic objectives. The fourth element is fairness which focuses on ensuring that all the PMS elements are just, transparent and equitable. The final element is development or training which focuses on enhancing employee knowledge or skills to address performance gaps or equip them with knowledge and skills required in the organization. After studying the five underpinning elements, I have studied and explained how two PM implementation factors can impact the effective implementation of PMS. The first implementation factor is PMS system training which focuses on providing employees with an understanding of how to provide PM feedback, PMS policies, electronic systems and forms. The next implementation factor is leadership support which focuses on how organization leaders champion the implementation of the PMS, show interest and lead by example. The implementation factors are usually internal to an organization and unique in every company. Failure of the two implementation factors to work together in a harmonious way with the five pillars would lead to poor implementation of the PMS. This means that the five elements are dependent on the two implementation factors to deliver on a successful PMS. For example, for PMS alignment to be

achieved, which is one of the five underpinning elements, then leadership support which is one of the two implementation factors, would be required. A well-designed PMS is shown as the roof of the house with the implementation factors as the roof slab, 5 underpinning elements as pillars and classical theories as the foundation. The conceptual framework in figure 3 below has borrowed some elements of Ferreira and Otley's (2009) PMS model, such as control and reward systems and target setting and alignment. However, unlike Ferreira and Otley's (2009) model which mainly highlight PMS structure, my model builds its pillars from why individuals are motivated to work, by using classical work motivational theories. Finally, and as argued by Camp (2001), the conceptual framework elements provide a framework which will assist in the development of questions for data collection.
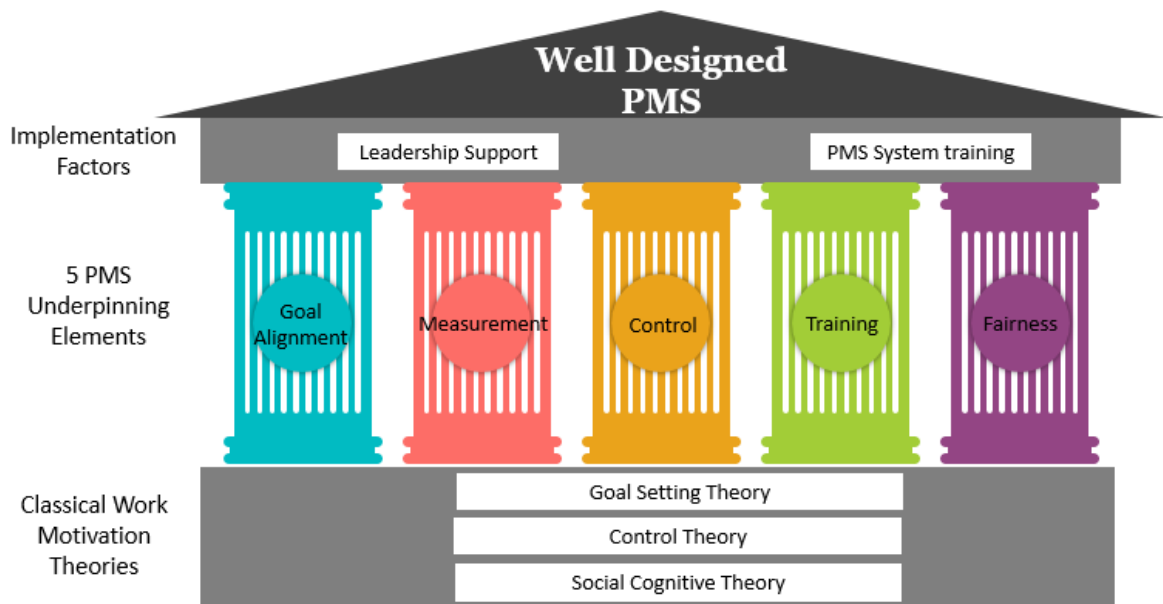
Figure 3: PMS conceptual framework

2.7 Literature evaluation – Conclusion

First, I have noted that the literature on performance management is quite broad. Like many authors as mentioned in section 2.2, I think it is challenging to identify a specific definition of performance management. With the assistance of authors like Armstrong (2015), I was able to

explore the differences between performance management and performance measurement. I also explored PMS views by Kenyan scholars and highlighted the challenges I experienced because the information was focused on how PM impacts only specific areas of corporate or individual performance. I then used the framework by Ferreira and Otley (2009) to provide me with foundational information on PMS, but also explained that the model falls short in highlighting elements that underpin a PMS. To help me understand what underpins PMS, I have studied the classical motivational theories. I have identified that the notion of performance management is underpinned by many management theories that are over six decades old. These theories have made me identify important foundational information that is linked to the five underpinning elements of the PMS. One exciting part of my literature review was reviewing ideas of different scholars with regards to critical features for designing and implementing of a PMS and relating the same with the five underpinning elements. The evaluation of the five key elements was quite insightful and gave me the much-needed confidence on what to expect when undertaking the study and how to apply the theory to different circumstances. Take for example the element of fairness which is indeed a common challenge that managers face when implementing PMS. The arguments from Greenberg (1987) especially on distributive justice were important to me as this is the most common PM challenge I have experienced as a HR leader in my organization. This review has also made me realize the potential pitfalls and consequences of doing mediocre work when re-designing and implementing a new PMS. Take for instance the case of Mistretta v Sandia Corporation as explained by Sholl and Strang (1986), which clearly highlighted the legal and litigation risks of poorly designed and implemented PMS. The analysis on factors that improve that chances of success in performance management system implementation was very enlightening. Take for example the need for training staff especially managers on a new PMS. This is such a critical success factor that is overlooked by many leaders as explained by Pulakos (2004) who identified eleven critical areas for training when it comes to implementation of PMS. Finally, my reflections are consolidated into a visual conceptual framework that will assist me in the development of questions to be used in the focus group when undertaking data collection in the next chapter.

Overall, this Literature Review has appropriately equipped me with the relevant theory and knowledge that I will require when re-designing and implementing a new PMS.

3.0 METHODOLOGY

My research focuses on evaluating, redesigning, and implementing a new Performance Management System (PMS) in my organization. The challenges of the current PMS were highlighted in a bi-annual employee engagement survey where employees expressed their dissatisfaction with the PMS and raised several issues they wanted to be addressed. At the core of the employee complaints was the fact that the PMS was poorly managed and unfair. The literature review in the previous chapter assisted me in identifying five PMS underpinning elements namely – control, development, measurement, alignment, and fairness. In addition, the literature review helped me identify two factors that improve the chances of success in performance management system implementation namely – leadership support and PMS implementation training. In this chapter, I will discuss the methodology I have used and any ethical considerations that I foresee during my research. I will begin with the research philosophy, then the methodology, mode of action research, my role as the inside researcher, pre-thesis research setting, research participants, the action research cycle and finally the research ethical considerations. For purposes of this study, Qualitative research will be used to gain an understanding of the perceptions by employees on the PMS.

3.1 Research Philosophy

My first step in the research methodology is to reflect on the ontological and epistemological assumptions related to Performance Management (PM). Crotty, (2003: 10) defined Ontology as "the study of being" and is concerned with "what kind of world we are investigating, with the nature of existence, with the structure of reality as such". He also defined Epistemology as "a way of understanding and explaining how we know what we know" and is concerned with "providing a philosophical grounding for deciding what kinds of knowledge are possible and how we can ensure that they are both adequate and legitimate." McKenna et al. (2008) explored the ontology and epistemology of PM by examining the positivist approaches. They argued that *positivism* begins by assuming that 'performance' can be defined, identified, and measured. In addition, they assumed that processes can be discovered and performance for such processes can be augmented. In this regard, their view was that causal relations between variables can be discovered and used

to ascertain behaviours and actions required to improve performance in an organization. McKenna et al. (2008) also looked at *interpretive* approaches to PM. Their view was that while positivist approaches to PM provide an understanding of how the goal setting and performance appraisal process should be in an ideal world, interpretivist approaches challenge the assumption that such an ideal environment exists at all. They suggest that most variables cannot be changed in an ideal way and PM happens in mysterious and complex ways. From a philosophical standpoint, one belief that I hold as a HR practitioner is that Human Resources is all about "getting the best from people" and the HR function is a "people function", which means involving and including *people* in matters that impact them so that you get the best from them. This belief influenced my decision to use a participatory approach to solving the PMS problem in my organization, and also my preference for focus groups instead of individual interviews, so as to maximize people involvement. I also believe that knowledge is acquired through observation, engagement and learning theory from reliable literature, such as peer reviewed literature. Again, this belief influenced my preference for getting PMS information from focus groups, as I would acquire knowledge by observing and engaging focus group participants, and crosschecking this knowledge with theory from peer reviewed literature. I have also made some key assumptions based on my experience as a HR practitioner in multiple organization, for instance, I have assumed that PMSs work, and they improve both organizational and individual performance. Reading peer reviewed literature assisted me in confirming and accepting as some of my assumptions as truthful. Also, my epistemological assumption is that the objective of undertaking academic research is not just to explain, understand and describe the world, but also play a role in changing it, hence my role as an insider action researcher for changing the PMS while building knowledge from the research. According to Creswell (2013), this philosophy embraces subjectivity and provides insights into the reality behind the details of the subject matter. My philosophical assumption for this research is interpretivism. This is because my philosophy emphasizes and studies meaning created by people and seeks to understand meanings created by research participants. In addition, many of the PM areas I have researched on are subjective, but I tried to give insight into the reality behind the details by stressing on contexts of the research. I also recognized individual participant differences and tried to capture individual uniqueness by capturing quotes by various focus group participants. My interpretivist philosophy stresses on interpretation of experiences of participants.

My organization wants to reconstruct and redesign the performance management process

which has been deemed ineffective based on the feedback provided from the employee engagement survey. Objectivist approaches are reliable, repeatable, and independent of the researcher, value free and objective (Delanty and Strydom, 2003). My rationale is that certain PM areas are not entirely objective. For example, target achievement, behaviours, and attitudes of sales agents determine sales agent's performance. While achievement of sales targets can be measured objectively, it is more difficult to measure the behaviours and attitudes by the sales agents as these are subjective areas of performance. It is on this basis that some of the objectivist approaches to PMS are unlikely to achieve my goals.

With regards to redesigning the new PMS, my organization would like to do this in a collaborative manner where voices of other people are included in determining reasons why the PMS is not effective. Based on feedback from our employee survey, participation enhances perception of fairness by both employees and leaders in the organization. This has led me to consider the *Critical Realist* (CR) approach as the preferred approach for my organization. This approach fuses the positivist's approach that focuses on evidence of a reality that is external to human consciousness, with the social construct that insists that all meaning be made of a reality that is socially constructed (Oliver, 2012). My selection of critical realism was influenced by my professional HR background where I have to make decisions based on some level of evidence (e.g., employee survey results) and also what I see and experience everyday as I engage employees and people in society (e.g., desire to be fair, being empathetic or sympathetic). My personal values also influenced me when selecting the research approach. In particular, my moral, competency, personal and social values (Hood, 2003; Rokeach, 1973) influenced me to take the CR approach, as I felt it was collaborative, participatory, comprehensive and had depth with an element of evidence and social construct (Houston, 2010).

Sturgiss and Clark (2020) argue that critical realism can be applied by researchers to explain events and outcomes in the natural setting especially relating to queries about why and how outcomes or events occur. For instance, in my case, why there is negative sentiment on the PMS and the poor PMS results as shown in the employee survey. In addition, Sturgiss and Clark (2020) argue that critical realism acknowledges that systems and interventions comprise of emergent mechanisms which could be used to explain outcomes. They further argue that with critical realism, the observable evidence may come close to reality but is often a subjective and fallible account of reality. In their view, complex processes like performance management would

have many inputs to an extent that the outcome is unpredictable, and historical experiences do not reflect possible future occurrences. My selection of critical realism was also influenced by Armstrong (2019) who did a study on critical realism and performance measurement and management (PMM). In his view, CR provides a means of building PM knowledge, provide a generative view of causality and augment a systems view of performance management using a stratified view of reality. I liked his approach because it addresses what PM reality is like and addresses complexity, such as technical aspects of measurement, which empiricist approaches have proved insufficient (Anderson et al., 2014). From a Kenyan perspective, CR was used by Njihia and Merali (2013) to understand and explain the complexity of developing information and communication technology (ICT) projects. Though their study was not focused on PM, they argued that CR provided a foundation for analytical review of social entity relationships which assisted in addressing ICT challenges in organizations. Worth noting is that I have rejected the positivist philosophical approach because it is founded mainly on objectivity, facts and logic (Oliver, 2012), yet performance management has many elements of subjectivity and perception-based evaluation and feedback (Alves and Lourenco, 2021). Also, I did consider a pragmatic philosophical approach, which focuses on what works best and real-world experiences, I decided not to pursue this approach as the time required to prepare and conduct a proper study is longer than other paradigms (Dewey, 2008), and I did have time constraints. This is because pragmatic study requires problem identification and reviewing it within its broadest context using multiple techniques (Dewey, 2008).

Sturgiss and Clark (2020) also argued that critical realism can be used to understand the process and why and how things occur, recognize what is working and what is not, appreciate what is less or more likely to be feasible, and unpack how context influences program outcomes. This is especially important for my organization because management is eager to understand how and why the performance management is not considered to be fair by staff and understand the context of this ineffectiveness and have a collaborative process that is feasible. This will also ensure that there is an understanding of what works for whom, why, and when, which is argued by Pawson and Tilley (1997) to be important. Based on the above arguments, I will be adopting a Critical Realist approach for this qualitative research.

3.2 Methodology

3.2.1 Action Research

My methodological approach to this research is to understand the PMS of my company and redesign the same using the Action Research (AR) cycle which has been provided by Anderson et al. (2015), and ultimately provide a better PMS experience to our staff. Action Research is a method of doing research inside an organization for the mutual benefit of both the organization and the researcher. This involves a team of individuals working collaboratively together, engaged in a cycle where they plan, act, observe, and reflect on their work (Zuber-Skerritt and Perry, 2002).

AR is my preferred approach for this research because I can use it to solve collaboratively the problems and develop new ideas (Anderson et al., 2015). Coghlan (2011) added to these views by arguing that AR is a rigorous method that involves looking into the problems of an organization by analyzing an inside researcher's problem statement, evaluating the situation, developing possible outcomes, and reflecting critically on the researcher's learning. In other words, an inside researcher can solve real-life work problems, assist the organization in learning new ideas and also use this piece of work for their own dissertation. In defining AR, Reason and Bradbury (2001) noted that the process is both democratic and participatory and is focused on developing practical knowledge that addresses human needs. They also added that AR is focused on bringing together action and reflection, theoretical concepts, and practice, through individuals participating with others to get practical solutions to address individual, organizational, and societal problems. According to Houston (2010), there is a concordance between AR and the critical realist approach because of the cyclical inquiry and how social change is advanced. This means that CR approach enables researchers identify why and how interventions work in certain circumstances while AR provides opportunities for researchers to get views of candidates. AR therefore fits with a Critical realist philosophy which is about working with constructive reality but making it better while ensuring the context is well understood and providing feasible solutions of what works and does not work.

AR has its roots from works of Kurt Lewin (1946, 1948) and encompasses collaborative change management where the researcher and management focus on solving organization problems and developing new knowledge. In AR, the researcher and organization are engaged in a collaborative cycle of diagnosing, planning, taking action, and evaluating (Coghlan & Brannick 2010). My organization prefers structured ways of solving problems while ensuring rigor and this

AR cycle provides the required structure and rigor. I had pondered on how to address my organizational PM problems while involving other critical stakeholders to ensure the problem was addressed thoroughly and had buy-in across the organization. I had identified that by using AR, I would have the opportunity to collaborate with relevant staff and managers in addressing the PM problems in my organization, ensure that we all engaged in reflecting on the problems and ensure we collectively produced solutions. Using Coghlan's (2011) argument, AR allowed us to understand our organization's PM problems (what we know) and move towards how the PM process can be enhanced by making use of both internal organization literature and new knowledge obtained from the research process.

According to Sagor (2000) and Reason and Bradbury (2008), AR is a participatory process which focuses on creating practical knowledge through a process of action and reflection, practice and theory, with the intent of getting solutions that are practical and of concern to human beings. They further argued that would involve the following steps: select a focus, clarify theories, identify research questions, data collection, analysis of data, report results and act. Collectively working with the co-researchers helped me get additional deeper insights on our organization's PM problems. This second person form of AR which focuses on inquiry with others in the focus group ensured everyone had a say on the issues, starting with the developing of questions, and including reflection, and analysis of the outcomes (Hynes, 2013).

3.2.2 Inside Research

I am the HR Director of ABC Bank and held this position during the research project. I report to the CEO and work closely with seven other chief officers who head different business units. As the HR Director of the bank, I am responsible for the Human Resources function and take lead on all 'People' related matters. I also lead the HR team which has twelve staff across multiple locations in Africa. In this research project, my individual goals as an employee of ABC bank are fully aligned with my researcher goals which are to improve the employee experience during the performance management process and enhance the performance capability of the organization. As the HR Director of the bank, I interact with all business leaders and managers across the business and have interacted with most of the employees. I have interacted with both managers and employees in many forums both formally, for example in townhall meetings, or informally, for example in the cafeteria during lunch break. This has provided me with good

understanding of the informal and formal structures of the bank, and as a result, developed trust with both managers and employees.

Both my position as HR Director and the trusting relationship that I have with both managers and staff, have put me in a strategic position to drive PM changes across the organization and keep a dual focus of inquiry – as a leader in my organization and a researcher. As explained by Nielsen and Repstad (1993), role duality of this nature has both merits and demerits. Coghlan & Brannick (2010) further contributed to this argument by proving some merits and demerits of the inside researcher which include: you have the merit of having a strong understanding of the organization and therefor a strong desire to want to see positive changes in the organization. Also, as an inside researcher, you have a deeper connection with employees which means you have more empathy than an outside researcher. According to Coghlan & Brannick (2010), a common demerit or challenge of the inside researchers especially the HR Director, is interpreting what participants say through your own perception of the organization or the participant. I experienced this during my research and addressed this challenge by acknowledging I may have some bias, listening to recorded audio discussions multiple times and reflecting on what the participant actually meant. Another demerit that the researcher may be considered a 'spy' or 'informer' especially when observing processes and recording the same. To address this challenge of being perceived as an 'informer', I always started the focus group sessions by assuring participants that the information they shared would be used for the research and improving the PMS and individual quotes would be anonymized. Another demerit of the inside researcher is that he or she must deal with power and politics in the organization, which could impact the quality of research information received by political employees (Dreyer-Gibney et al., 2022). To address this concern, I regularly informed participants that we were 'all equal' in the focus groups, the importance to remain neutral in discussions, and sometimes interjected when participants took a political angle in their contributions. Coghlan & Brannick (2010) also mentioned the challenge where the researcher is 'too close' to participants, which may compromise the quality of the data. Though I used participants close and known to me to 'break the ice' and kick off discussions, I was careful not to have them influence discussions by ensuring participants were asked similar questions and also asking questions to the known participants last after I had engaged other participants.

My role as a scholar practitioner impacted many things – for example how I got information for action purposes, or how I expected knowledge to be created within the workplace and

especially my department. To manage the tensions and address the challenges of being an insider researcher, I did the following: First, and in line with the arguments by Vicary, Young and Hicks (2016), I kept a reflexive journal detailing what had been done, why things were being done, how I felt and how the team felt. This helped me remember and have a better understanding of how things came to pass, decisions made, tensions within the team and how they were addressed. The journal also enhanced reflective practice when I read, asked, watched, felt, talked with others, and then thought about the experiences and learned from them. As explained by Argyris (2004) and Bassot (2015), I then engaged in double-loop learning where I together with the focus groups I was working with, stepped outside the first loop of experience, engaged in further reflection and conceptualization, recognized new paradigms, reframed our thoughts and ideas and acted by changing what we were doing. Finally, I ensured that the focus groups that I was working with had a good representation of both managers and staff. This ensured that views of both managers and staff were taken into consideration and also to minimize potential conflict of one-sided views.

3.2.4 Research participants

Redesigning the PM of the Bank is a substantial change management process. Todnem (2020) argued that organizational change tends to be more successful where the change champions are the leaders. Based on Todnem's arguments, I decided to get the support of the CEO and senior management by engage them on my research and how this was going to improve the PM experience in the organization. In a senior management meeting, the CEO, senior management and I discussed the core challenges of the PM and I received overwhelming support to progress with the research study and PMS redesign. We also agreed that use of five focus groups that had membership from all departments was best placed to address the problem. Nyumba et al (2018) explained how a focus groups are used as qualitative approach for gaining deep understanding of social and organization issues. Using arguments from Kroeger (1988), I explained that that focus groups are widely used in participatory research and are used to have a better understanding of people's perceptions and values, and that they provide an opportunity to elicit opinions from groups as opposed to individual retrospection. Having led focus groups in past organization projects, we agreed that I was best placed to lead the focus group discussions, and also act as a facilitator and moderator for the group discussions. In addition, senior management requested we

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have at least a manager and a staff from each department. This is in line with arguments by Beer (1980) who advocates involving a cross-section of staff and at different hierarchical levels in research to get a holistic view of the problem.

The organization I work for has 8 departments and 162 employees spread across 2 branches in the country. To ensure that I got representation from all departments, I sent out an email to all staff requesting for volunteers to participate in **five** focus groups that would redesigning the PM system of the Bank. My decision to use five focus groups was informed by Krueger and Casey (2015) who recommend conducting at least 2 focus groups for each stratum, and I had 2 strata namely managers and staff. To ensure I had full support of potential participants, I also shared a memo from the CEO and senior management communicating that they were in support of this project and that participants would be provided with ample time to work on the focus groups. Finally, I also mentioned that participants were expected to have participated in at least 2 performance management cycles and that they would be selected on a 'first come first serve' basis if there were to many participants who expressed interest. 62 participants responded and 40 participants were selected (2 managers and 3 staff from each of the 8 departments) based on the order in which their email responses were received. 16 managers were going to form two focus groups (8 in each focus group) and 24 staff participants were going to form three focus groups (8 in each focus group). The age of the participants ranged from 25 to 55 years, with a small majority being male (52%). Based on our organizational demographic records, I noted that the age and gender of the participants was fairly reflective of the staff population in the organization (refer to appendix 7 and 8). I decided to have managers on their own focus groups to ensure that staff felt free to voice their concerns without feeling intimidated by managers, but also made a note in my journal that both managers and staff were to be asked the same questions. The 40 participants who came from the two branches in the organization represented 25% of the entire organization from across all departments and seniority levels. Each of the five focus group discussions was going to take about 2 hours. According to Chioncel et al (2003), reliability of information gathered from focus groups increases when a researcher participates in more focus groups. This is the reason I chose to start with five focus groups and would decide on whether to increase the number of focus groups depending on the reliability and replicability of the information from the different focus groups. In addition, and based on the arguments by Lincoln and Guba (1985) who proposed the criterion of informational redundancy (termination when you get no new information by sampling

additional units) in determining sample size for qualitative research, I was confident that my sample size was good enough. Also, I also considered the sample adequate given the requirements, time frame and the workload of this project. All the participants provided me with written consent for the study.

3.3 Action Research Cycle

The Action Research cycles focuses on understanding why the performance management process at the Bank as described in the pre-thesis research setting is not working as it should, and how to make the process better while incorporating information from my literature review. I describe my journey through the Action Research Cycle as follows: First, I did an assessment of the performance management system and process, then I used some of the insights from my literature review on how to redesign the PM, then I used the insights from the focus groups to get more information on redesigning the PM system. I then held a 2-day leadership workshop to discuss the focus group findings with the leadership team and get their approvals for relevant policy changes. I then held workshops with all teams across the organization to train them on policy changes and the new performance framework. My organization then closed on the performance reviews for the previous performance period and set goals for the new performance period using the new performance management framework. I then held another focus group meeting to discuss what was observed following the implementation of the new PM framework. After this, I took some time to reflect on the findings and also used the literature to provide suggestions for future research. To propose future changes on the findings, I used the revise and reset.
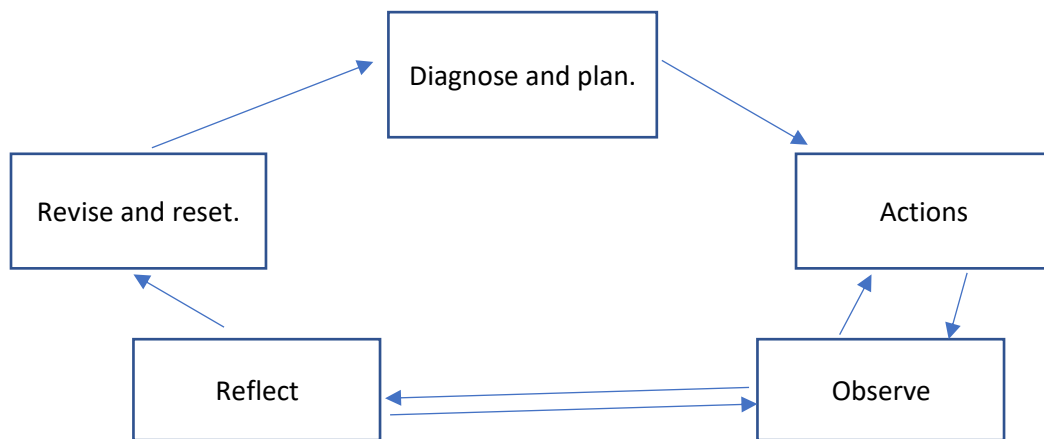
Figure 4: AR Cycle (Anderson et al., 2015, page 115, figure 5.1)

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The diagnose and plan stage which took about 3 months is where I engaged the focus groups to discuss the PMS issues, theme them, identify interlinked themes, and then prioritize the resolving of issues identified. The action stage also took about 6 months and is where I highlighted key actions taken to address the issues or problems with the PMS. Observe and reflect stage took about 3 months and is where I observed and reflected on pre and post PMS redesign participant experiences, and also articulated results of actions taken. The revise and reset is used to propose future changes and research work. Focus groups were mainly used in the diagnose, actions, observe and reflect stages.

3.3.1 Diagnose and Plan

Data can be collected and analyzed in each stage of the process (Anderson et al, 2015). I used focus groups as the backbone for the diagnosing and planning activities. The diagnose and plan stage involved one session with each of the five focus groups. Here, the focus group focused on problem identification where the focus was having an in-depth understanding of the problem. In particular, there was a big focus on analyzing the employee survey feedback as discussed in the pre-thesis research setting. The diverse focus group that had representation from both management and staff from all departments played a critical role in the exploration of opinions and also expressed their own experiences.

3.3.2 Actions and Observations

Actions included a 2-day leadership workshop to discuss focus group findings and leadership approval of budgets and policy changes required for a new PM framework. In addition, there were sessions for training all teams on new PM framework and training managers on what is expected of them in the PM process. In all the sessions (leadership workshop, staff training sessions and manager training sessions), I recorded some parts of the discussions using an audio recorder and then transcribed key information into conversation sheets. I always sought relevant participant approval before recording any discussions. Observation of participants is widely used in various disciplines as a tool for data collection on individuals, groups, cultures and processes in qualitative research (Kawulich, 2005). Making sense of the data collected by the focus group required an iterative approach and reasoning where I kept moving and analyzing my observations,

noting important issues in my journal and comparing this to the literature and at the same time trying to make sense of any emerging new knowledge. Based on Morgan's (1992) format, I decided to use semi-structured guidance questions on the focus group, and also have a funnel interview design format where I would start with general questions and then drill down to more specific issues. I also settled on using theoretical coding where I would group similar responses from the data into categories of phenomena (Miles and Huberman,1994). Constructing a coding system was my preferred method of beginning to get at the meaning of the data. My initial plan was to develop a list of common phrases and words that emerged from our discussions. My final codes list had five core themes aligned to the five core PMS pillars mentioned in chapter 2

Brooks et al (2015) provided a template that can be used in qualitative research that utilizes themes and codes. Using their advice, I designed a template and created a table as shown in appendix 4 where the literature is classified into five themes (tree nodes). The themes are all related to performance management and relevant literature was identified in chapter two. In addition, associated concepts from the literature review have been grouped with the most relevant theme. I also provided references of the themes and associated concepts. These themes are expected to evolve throughout the action research cycle as the focus group participants co-created the themes and concepts and assisted with their interpretation. This is presented in the coded table in appendix 6. Appendix 4 provides the five themes and how they are operationalized in the organization, the associated concepts and references from the literature. Use of a priori structure and priori coding will help me easily organize, theme and analyze my work as I put information into pre-determined codes (Stuckey, 2015)

As an inside researcher and the HR Director of the organization, I had unrestricted access to all PM data and employee survey feedback. The information I could access included individual performance score cards, employee performance appeals, recommendations by performance appeals committees, verbatim comments from the employee survey, notes from employee survey focus groups, strategic goals for the organization, CEO goals, financial information and performance metrics.

3.4 Data Collection

Focus groups usually generate large quantities of qualitative data and have the benefit of

maximizing face-to-face participant–researcher interaction when contrasted with other qualitative methods (Parker & Tritter, 2006). For this particular research project, data collection was done by the focus groups first reviewing secondary data like employee engagement survey responses and performance management session documents. This was then followed by primary data where the focus groups responded to guidance questions done before the redesign process and guidance questions after the redesign process. The secondary data was easy to obtain and provided foundational PMS information, and the primary data was used to get specific information on the PMS and provide deeper insights on the secondary data. The purpose of the guidance questions before the redesigning of the PMS was to understand the performance management employee experience before the redesigning of the PMS. The guidance questions after the redesigning of the PMS had the expectation of understanding the employee experience after redesigning the PMS, and whether the new system met employees' expectations.

The guidance questions before and after the PMS redesign were almost similar to ensure comparison of employee experiences before and after the redesign of the PMS. The reason I selected focus groups was to ensure several people are interviewed together. The focus was applying a flexible and exploratory discussion where the interactions were mainly between the participants instead of the interviewer and interviewee (Dumay, 2011). Focus groups have the benefit of time saving and convenience, for both the interviewees and interviewer (Dumay, 2011). My role was that of moderator. I also audio-taped the focus group sessions and used the audio tapes to fill any gaps on the transcribed data from my journal. There is less bias in focus interviews compared to individual interviews because the researcher takes a less active role in guiding the discussion (Doyle, 2004). A common criticism of focus groups is that they are less ideal for sensitive topics like management ethics because participants are reluctant to discuss publicly (Dumay, 2011).

I created the guidance questions to be answered by the focus group. I first gave a group of three randomly picked employees in the organization and not part of the focus groups the opportunity to respond to the guidance questions as a way of pretesting the questions. The responses by the three randomly picked employees were reviewed by the entire focus group to ensure that the guidance questions covered all the PM areas. The pretest was important to determine whether the survey is reliable, valid, and appropriate (Converse and Presser, 1986). This process was useful as we ended up tweaking a couple of questions to ensure the questions were

relevant, comprehensive, removed obscure terminology, ambiguous phrases and words (Draisma and Dijkstra, 2004). The questions were semi-structured and qualitative. According to (Dumay, 2011), semi-structured interviews consist of prepared questioning that is guided by specific themes and done in a consistent manner. The themes were broad to assist in directing the conversation towards the topics that I was interested in. The benefits of semi-structured guidance questions are flexibility, having the capability of disclosing important and hidden information, is effective, and a convenient way of getting information (Kvale and Brinkmann, 2009). Often, I probed further on the participants' responses with follow up questions that had phrases like *tell me more*, *how would you* and *how did you*. This ensured that the focus group participants provided clarity to their responses. With respect to qualitative interview, they are preferred because they are flexible, encourage discussion and interviewers can get detailed information while exploring interviewees attitudes and behaviours (Roulston and Choi, 2018). Dumay (2011), added to this argument by explaining how qualitative interviews help researchers observe participants body language and emotions which provide the researcher with useful data. He however criticized qualitative interviews arguing they are time and labor intensive. Their arguments were relevant to me because I was keen to engage focus group participants in a deeper way – keenly observing their emotions and body language. Another reason I selected to use focus groups is because it is consistent with critical realist research, in that focus groups are good for gathering qualitative data that may be subjective and understanding different aspects of layered social issues such as PM (Smith and Elger, 2014). The pre and post redesign guidance questions are shown on the appendix 5 and are based on the themes identified in appendix 4 and performance management literature identified in my literature review. The questions were shaped by my PMS experiences as a HR practitioner and literature review, especially the issues I analyzed when reviewing the 5 underpinning PMS elements described in chapter 2.

3.5 Data Interpretation and Analysis – A Priori Coding

The analysis section is more contextual and not statistical. This means that the association and quality of responses is more important and relevant than their frequency. To assist me make meaning of the data in relation to my own beliefs, experiences, and conclusions, I have borrowed from the Action Science approach and drawn on insights from *The Ladder of Inference* (Coghlan

& Brannick, 2010). I also analyzed the information several times, checked and reflected on my own, the secondary data from the employee engagement survey, primary data from the focus groups and the audio recordings of the focus group discussions / interviews. During the focus group discussions, I transcribed into conversation sheets all ideas, important comments made during the conversations and observations by the participants. I had transcribed some ideas in my journal. I also gathered online post-it notes that participants had made. All this information was going to be matched to one of the five corresponding categories.

I made sure that information shared with the focus group that was specific to particular staff in the organization was anonymized. This was in line with Saunders et al. (2015) who explained the importance of ensuring sensitive information was kept confidential and protecting participants. As the leader of the focus group, I would ensure that I reviewed notes in the journal, engage in a reflective session with focus group participants based on key issues in my journal notes and our experiences, and later integrate information from my literature review into the experiences we had discussed (Coghlan & Brannick, 2010). For example, information on employee appeals. The focus group would discuss the employee appeal and its merits, reflect on the entire experience, then review the appeals committee decision, reflect on the decisions, discuss related literature and use any new information to refine what we had transcribed in the conversation sheets.

On my first review, I started by listening to the audio recording and identifying similar responses. Here, I checked for descriptive words that participants had repeated several times (Anderson et al., 2015). Some of the repeated words were, "I did not know the organization overall objectives", "I did not know my own objectives and goals", "I just do as I am told" or "I do not understand my supervisor's goals". I found grouping of these responses easy. It was more challenging grouping other responses, for example, "I'm enjoying the focus group discussions" or "we have a problem in this organization". Such feedback did not fall into a specific code and I had to select the most appropriate code to record them. Sometimes I used vivo coding, where I would transcribe participant actual spoken words and phrases (Manning, 2017). This helped me to have a better understanding of the participants comments. Worth noting is that the coding options I used (priori and vivo) are consistent with a critical realist approach, because they provide options for analyzing a wide array of social issues such as fairness and empathy (Craig and Bigby, 2015)

On my second review, I used abductive reasoning to move back and forth between the literature and the data to explore the responses and their possible explanations (Coghlan &

Brannick, 2010). I used an abductive process to group similar responses into one of the five themes. On my third review of the focus group discussions, I adjusted the coding to ensure that my quotes were accurate and my coding consistent. On my fourth and final review, I studied the comments by code, picked out key points and the references to that point that had a relationship to my research question. An example of a key point would be; where a member of a focus group perceives that their performance objectives are attainable or believe that they can grow in the organization. An example of a refence would be; not having performance objectives or perceiving that they are not going to be promoted in the organization. I used colored post-it notes and stuck them on a white board and this helped me gather and organize my ideas in a simple manner.

I used an almost similar process to the audio recording with the conversation sheets. The conversation sheets were prepared by my assistant who used the Dictate option in Microsoft word to convert the audio discussions to text and then cleaned up the data to ensure that the transcription matched the different speakers. I first had a quick review of the conversation sheets to have an overall understanding of how they were filled out and the content therein. For my second review, I scribbled notes on critical information that was missing but was part of the discussions. In my third review, I explored for critical details in the content, highlighted information and put codes against the highlighted lines. For instance, I would highlight a comment like "there are few training opportunities" and provide a code related to training and development against the highlighted line. In my fourth and final review, I reviewed each question and related response, and made notes on my view on why the focus group had not answered the question in its entirety.

After completing four rounds of reviewing the conversation sheets and four rounds of listening to the audio recording, I ensured that all captured ideas had been matched to their corresponding theme as outlined in appendix 4. I also looked at the word clusters to ensure that they appropriately fit with the coding structure in appendix 4. I then transcribed my notes and did another check to ensure that focus group participants' responses had been appropriately grouped in terms of themes.

Below is an analysis of the questions. I have used open coding (King, 2004) for the subcategories and used short quotes from the focus group participants, which I had gathered and organized using colored post-it notes. The colored post it notes were stuck in a white board which had columns of themes. The quotes used in the post it notes subcategories were selected by listening to the audio recording and reading the highlighted words from the conversation sheets,

and returning to the ideas identified in the literature (King, 2004) to ensure that they were grouped in the appropriate theme in the white board. I used the responses for questions as shown in appendix 5 to adjust how the themes were articulated. I then constructed appendix 6 based on the focus group participants' responses to the guided questions that I had prepared.

3.6 Reflections

This is the next stage in the AR cycle after Actions and Observations. Anderson et al (2015) argued that it is critical to reflect on earlier stages and draw conclusions when creating a new plan. This stage has become a critical feature of Action Research and is integral in making AR a participatory, social, emancipatory and collaborative process (Kemmis & McTaggart, 2000). Reflection gives the researcher the opportunity to pause and question what is happening and begin to develop insights into new actions for the future (Coghlan and Brannick, 2010). Reflection also provides researchers with an opportunity to improve the way they work and how they apply knowledge to take action (Kemmis & McTaggart, 2000). For this research process, reflection has given me the opportunity to rethink my methods at an early stage in the cycle and begin to think about what the results tell me about the performance management process. Reflection of this performance management redesign project has given me the opportunity to think about areas that could be improved, such as simplifying the PM process, improving the PM feedback process, reviewing the connection between performance and rewards, taking a new approach to training and enhancing perceptions of fairness through training. I will discuss these areas in more details in chapter 6.

The biggest challenge I faced when undertaking the action research project in the workplace is limited time. I found myself with limited time to do my work and also focus on the research especially the focus group meetings. Also, getting participants to set aside time for the focus group meetings was difficult. To address this, I had to persuade participants that we do the focus group meetings after working hours, acknowledging that this was not easy for them.

3.7   Revise and Reset (Revise plan)

After reflections and conclusions in the AR cycle, a researcher will revise and reset before moving to the diagnosing and planning of the next cycle (Sankara et al., 2001). Though the AR

cycles as explained appears to have self-contained stages, the reality is that I found my-self moving between the stages because of their overlapping nature which helps to make sense of what is happening. In addition, the AR cycle does not stop after one cycle. Conclusions and reflections of one cycle would be used to revise, reset and then plan the following cycle (Zuber-Skerritt, 2001). I will discuss the suggested revisions and my ideas to re-design the performance management process in future (or doing the same for other organizations) in chapter 7.

3.8   Research Ethical Considerations

For this research project, I have explained a couple of research ethical considerations and how they have been dealt with. First issue I wish to address is whether participation of the 40 participants was voluntary and whether they could freely withdraw from the focus groups. I had shared a memo from the CEO and senior management communicating their support for the project and confirming that participants would be given time off work to participate in the research. I had also mentioned to the participants that participation was voluntary and that they could withdraw any time they wanted. I provided the participants a 'participant consent form' – (see appendix 9) to ensure that they gave their views regarding participation. Also, pressure to participate seemed unlikely as the population is 25% of the organization and none of the participants made any comment to suggest they were being coerced. I also did not hear any concern from the participants or observe behavior demonstrating that the participants were under pressure to participate. With regards to confidentiality of the information, this was ensured by not recording names on any documents. Also, employee survey records and individual performance sheets were anonymized so that participants could not identify the staff. Audio recordings and all documents were saved on an encrypted file which is password protected using single-factor authentication. Access was only granted to me. Also, manager participants were in different focus groups from staff participants to ensure that staff were not influenced in any way by the presence of their managers.

Another issue is that the focus groups were done virtually. This is because all staff in the organization are working virtually to ensure that they social distance and are safe against the COVID-19 pandemic which was prevalent during this research period. As a result of the virtual engagement, we sometimes experienced lack of energy and excitement that is derived from face-to-face engagement, and I had to use many ice-breaker sessions to enhance participant excitement

and energy (Nicholas et al., 2010). Confidentiality was enhanced by ensuring that staff could only access the focus group environment using an internal VPN network that required password access. Also, all participants were required to work in isolated rooms and keep their webcams on so that all participants could see each other.

Finally, I am both an insider researcher and the HR Director of the company. This means that I have access to sensitive information which other researcher or employees would not normally have. For example, verbatim comments of employee engagement surveys or individual records of employee performance management scripts. As a HR Director, I have signed confidentiality agreements with the organization and non-disclosure agreements. In addition, I had to seek written approval from the CEO before I could undertake this project. As a researcher, I also ensured that I informed the participants why we were conducting the research and how I was going to use their information. None of the participants directly reported to me.

3.9   Chapter summary and conclusion

I started the chapter by articulating the different philosophical viewpoints, and then went into some details explaining my own philosophical views. Discussing my philosophical viewpoints enabled me to have a better understanding of myself and my believes. For instance, my view on HR being a 'people function' underpinned with the need to find people solutions in an inclusive manner where people are involved in generating the solutions. This influenced my views on action research, preferring to be more participatory in my approach. My background as HR practitioner also played a role in shaping my philosophical and methodological views. For instance, my preference for the critical realist approach which was based on my everyday experiences when I engage employees and people in society, and the influence of my values which make me seek fairness and empathy. Again, my desire to have participatory solution generation influenced my preference for an Action research approach but fused this desire with action and reflection (Anderson et al., 2015). My analysis of my position as an insider researcher gave me confidence that I can use a research approach to solve organization problems, but at the same time appreciate the challenges that I would have to deal with, such as interpreting participants' views based on my perception of them (Coghlan & Brannick, 2010).

I preferred to use focus groups for data collection. This was influenced by my critical realist views such as desire to have observable events based on human perceptions and interactions

(Mingers, 2006) and desire to see a participatory and collaborative approach to generating solutions. The focus groups were formed by splitting 40 participants into 5 groups of 8, to ensure they were large enough to gain diverse perspectives and also ensure issues were exhaustively discussed (Nyumba et al., 2018). This was then followed by a discussion on the Action research cycle, where I articulated the different stages of the cycle – starting with diagnose and planning, and then followed by action, observation and reflection and finally revision and reflection. I explained my role in each stage and included tables to show the key themes and how I would use coding to assist with organizing and analyzing my work. All along, I explained some of the practical issued I encountered, such as the biases I faced and how I dealt with them. I close the chapter by articulating some of the ethical considerations I encountered, such as ensuring participants participated voluntary and did not feel coerced. The chapter was critical not only to ensure I articulated my philosophical stance and methodological approach, but also set the foundation for the action research cycle. The next chapter will focus on the first part of the AR cycle which is diagnosing the problem.

4.0 AR CYCLE: DIAGNOSE AND PLAN

My objectives in this chapter were to understand the current situation with regards to the performance management systems and processes using focus group quotes and survey comments, understand why they were not achieving their desired outcome using literature form PMS scholars, identify issues that are interlinked, prioritize the issues, and develop an AR Cycle Plan. To achieve these objectives, I needed to undertake an initial performance management process assessment. In chapter one, I described the initial problem statement of the performance management system. To build on this, I analyzed a pack of documents including conversation sheets generated during the focus group discussions, the current performance management policy, the organization strategy documents which had the organization goals, a sample of employee goals, and the feedback from the employee engagement survey where employees expressed their dissatisfaction with the PMS.

4.1 AR Cycle: Diagnose

In chapter 2 (Literature Review) I identified five underpinning elements that were pertinent to the redesign of our Performance Management System (see figure 3). These elements were further analyzed in chapter 3 (Methodology), and though there were multiple themes in the chapter, I focused on 5 themes, associated concepts and related references (see appendix 4). The five themes included: The organization and alignment of goals, work environment and control by management and leadership support, my goals and how they are measured, training and development, and fairness in the processes and acceptability. Worth noting is that some themes such as goal alignment and control were more prominent than the other three themes of measurement, training and fairness. For instance, the theme of goal alignment appeared more prominently in the results of the annual employee engagement survey (see figure 5). In the survey, questions like 'I know my organization's strategic goals' and 'I know how my job contributes to the organization's strategic goals' had poor scores. This meant that people did not know what the organization was focusing on, and also how their roles aligned with the goals of the organization. It also meant that there was confusion as individuals pursued specific goals which were in conflict with the organization goals. For example, the facilities team prioritizing opening of more bank branches whereas the strategy team focusing on digital banking tools which would mean fewer people going to the bank and hence fewer branches. It also meant there was uncertainty as individual managers

were not sure what goals to prioritize. This uncertainty in prioritization led to managers focusing on certain goals which were not supported by other managers as there was no overall direction. Increasingly, there was conflict between managers who failed to agree on priorities and resource allocation. The theme of control which analyzes concepts like promotions and rewards was more a bigger concern with non-managerial staff. Based on employee survey feedback, employees did not understand the connection between performance and rewards and also felt that promotions were done unfairly based on manager perceptions of employees (see chart 2). This meant that there was a lot of mistrust of the HR process related to rewards (bonuses and pay increases) and promotions. It also meant that employees spent a lot of time trying to please their managers instead of focusing on their work. Managers on the other hand did not see elements of control as an issue because they usually had better performance ratings than their own teams, and promotion was not as important for them as most had reached their 'career ceilings'. It was because of these reasons that goal alignment and control themes were considered more important than measurement, training and fairness.

I also analyzed how the focus group spent their time discussing the five themes. This was done by listening to the audio recordings of the focus group meetings. Below is a diagram that summarizes how the focus group spent its time.

Theme	Percentage of Employee focus group time	Percentage of Manager focus group time	Average time spent by both managers and staff
Goal Alignment	35%	40%	35%
Control	30%	15%	25%
Measurement	15%	20%	15%
Training	15%	15%	12.5%
Fairness and Acceptability	15%	10%	12.5%
Total time (%)	100%	100%	100%

Diagram 1: Percentage time spent by focus group discussing each PM theme.

From diagram 1, it is evident that Goal Alignment and Control were the most popular themes as the average time spent on them (35% and 25% respectively) was higher than other themes. This means that the focus groups spent more time discussing the 2 themes of goal alignment and control. A closer look at the theme of control shows that employees spent twice the time spent by managers discussing the theme of control. This is because the core control theme issues of rewards and promotions were more relevant to employees than they were to managers. This is evidenced by the comments made by employees N, E, F, M, C in paragraph 4.1.2 who express their concerns on rewards and promotions, with a view that managers needed to do more for employees. On the other hand, some managers had little regard to the theme of control. This is evidenced by the comments by manager L who explicitly says that the issues of rewards and promotions are less relevant to him as he is well paid and at the apex of his career, therefore not seeking promotion. He goes ahead and says that he believes that in his view, rewards and promotions are less important issues and that some employees had a sense of entitlement which needed to be managed. The great importance of this theme to employees and lack of interest in this theme by some managers demonstrates the tensions between employees and managers. It also explains why the theme of fairness had a higher importance to employees (based on time spent discussing this theme), as many employees felt that reward and promotions processes were not fair (see paragraphs 4.1.5)

Based on this information, I have analyzed the 5 PM themes (goal alignment, control, measurement, training and fairness) in chapters 4,5 and 6, but with a bigger focus on the themes of goal alignment and control. In this chapter, I have taken the five themes and analyzed them in more detail using quotes from the focus groups and employee survey comments. Information on participants (managerial status, age, gender) who have specific quotes can be found in appendix 7 and 8. I have also identified issues that are interlinked, where solving one issue could affect the other issue. I have also prioritized the issues based on importance and urgency as discussed in the focus group and used codes as follows:

Priority 'A' for issues that are important and urgent. In addition, the issues align with business strategy and will have the highest impact on the PM redesign process. These are also problems that could be addressed within a short time frame (1 to 6 months). In addition, my organization has the financial and human resources to address the problems in the short term.

Priority 'B' for issues that are important but can be deferred and addressed in the medium term

(between month 6 and month 9). Training of managers is one example, as this can be done after we have done critical PM changes related to alignment, automation, and policy changes. In my view, doing a comprehensive training after 6 months is ideal because the training can impart knowledge on Priority A issues that have been resolved. I have also considered my own and teams' bandwidth and what we can handle now.

Priority 'C' for issues that are dependent on other organizational issues and would require considerable time to resolve. For example, issues that would involve working on or redefining the organization culture and values. One of the areas I will focus on as a Priority C issue is linking employee performance to certain behaviours and values. The time frame to address Priority C problems is between month 12 and month 24 and this cannot be accommodated within this research timelines.

Table 2 below shows how I have prioritized the different issues. It shows how I integrated the information from the focus group with the literature to make sense of the data. The table is like a summary of this chapter but excludes the detailed illustrations and examples. It summarizes the key PMS issues by placing them into associated themes and identifying important literature that addresses the PMS issues. It also highlights issues that are linked and prioritizes the issues.

My plan which is explained in more detail in the summary section of this chapter is to address Priority A and B issues first and only begin working on Priority C issues after discussing with the organization board and senior leadership team.

Table 2: Integration of information from the focus group with the literature

Theme	PMS issues	Literature	Interlinked PMS issue	Priority
A. The organization and alignment of goals.	1. No cascading of goals downwards to employees hence no alignment	DeNisi & Murphy (2017) argued that strategic goals should be cascaded to ensure congruence of individual performance with functional goals and organization strategy for an effective PMS.		A
	2. Understanding of strategic objectives and employees not seeing connection of their goals, organization mission and strategy.	Chandra and Frank (2004) argument that for alignment to be effective, individuals must see meaning in their objectives and goals and be able to relate them with the overall organization objectives	Linked to issue A1 as cascading of goals helps employees see the connections between their goals and organization mission & strategy	A
	3. Perception of PMS being a threat to collaboration	When a PMS is operating without a focus on the organization context and cultural underpinning, there is a risk of superiors, peers and subordinates being opposed to it (Lee & Steers, 2017; Aguinis, 2013). ⭕

The principle of inclusiveness helps to address this PMS threat perception as it focuses on ensuring that there is participation by all stakeholders in the design and implementation of the PMS (Steers & Lee, 1982). | | B |

B. **Control by management and leadership support**	1. Employees perceive the connection between employee performance and rewards to be vague	(Odden and Kelley, 2002) Have a documented pay and performance policy with clear criteria and that excludes vague criteria like length of service	Linked to A1 (cascading of strategic objectives) as both managers and employees will know that meeting goals is more important than length of service.	A
	2. Employees unhappy about use of forced distribution or bell curve	Chattopadhyay (2019) argued that the forced distribution system of performance evaluation is a discriminatory practice which leads to job dissatisfaction, acts as a barrier to employee motivation and could result to low job performance		A
	3. Employees unhappy about vague promotion process.	(Tessema and Soeters; 2006; Ahmad and Shahzad, 2011).) There is a positive correlation between employee grade promotion and employee performance in high performing organizations. Promotion policies and processes should be communicated		A
	4. Lack of leadership support on goal achievement and new systems / processes	Trader-Leigh, (2002) argued that leadership commitment and support is critical when implementing a new PMS. Good managerial feedback as; immediate and real-time (Bakker & Bal, 2010), sincere and honest (Catteeuw et al., 2007) and something that is continuous (Mone & London, 2010).	This issue is also linked to Manager training (issue D5) and will be addressed when leaders and managers are trained.	B

C. Goal Measurement	1. Measures not focusing on behaviours, only results	Robson (2004) articulated the need for performance management systems to focus on both the 'what' and the 'how' pf performance management. He argued that less collaboration and bullying culture thrives when organizations neglect the 'how' in performance management.	This issue is linked to manager training (issue D5), but considered not a priority at the moment, but as a good to have.	C
	2. Measures focusing on the goals that are not important	Skinner et al., (2017), the importance of ensuring that performance measures weighting reflected importance of both the employee and organization goal.	This issue is interlinked with the issue of goal alignment (Issue A1) and cascading of goals (issue).	A
	3. Vague, unambitious and unbalanced performance measurement rules	Measurement systems can deteriorate performance of an organization if the rules are inappropriate or not well thought out to drive performance (Luther, 1992). Hirschi and Spurk (2021) ambitious goals drive employee performance and overall organization performance. Also, measurement balance to ensure that organizations are focusing and measuring the right things (Fry and Cox, 1989; Estes, 1996).		A
	4. Unreliable measures	Lutwama et al., (2013) argued the importance of having a documented measurement standard to ensure that should two independent raters assess the same ratee using similar performance parameters, the outcome of the assessment will be similar.		A
	5. Measurement Scale with few rating options	Armstrong (2015) advocates for use of rating scales that provide raters with sufficient options to more accurately assess ratees performance.		A

D. **Training, development and automation**	1. Insufficient training	Barth and de Beer (2017), argued that there was a direct correlation between employee training and organization performance.	Linked to A2 depending on whether organization deems training as a strategic priority.	A
	2. Irrelevant training	Deeb El Afi (2019) Training should be relevant and based training needs analysis and performance gaps		A
	3. Training not prioritized. Successors not trained.	Training and development initiatives focused on employees should be aligned to the overall succession planning strategy or retention strategy of the organization (Teke, 2002; and Rahdert 1960).		A
	4. PMS too manual	Automated PMS have the benefit of simplicity, speed and accuracy Tasic et al., (2018). This was also supported by Bhave (2014) who argued that compared to manual PM systems, electronic PM systems have the distinct advantage of information record keeping, ease of information retrieval, ease of information analysis and speed of performance evaluation execution.		A
	5. Manager / leader training	Horwitz (1999) examined the importance of providing constructive feedback during performance management and need for managers to be well trained. Also, lack of skills by managers especially on providing employee feedback and coaching for performance (Nankervis & Compton, 2006 and Brown et al, 2018)	Manager training is closely linked to many issues including leadership support on new systems and focusing on behaviours in addition to results (B4 and C1 in table 7)	B

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E. Fairness in the PMS processes and acceptability	1. PMS process highly subjective	Performance standards, organizational standards, rationality elements and manager training help to reduce subjectivity in performance management and enhance perception of fairness (Choon and Embi, 2012; Cappelli and Conyon, 2017).	Linked to reliability of measures in that when measures are not reliable, you will have different managers providing different performance ratings The issue is also linked to alignment of goals in that when goals are clear and communicated to employees, they know what to focus on and expected achievement standard.	A
	2. Managers not having feedback sessions with staff	Two-way communication and feedback are important PMS processes that enhance transparency and fairness (Swaartbooi, 2016; Skinner et al. 2017)		A
	3. Employees have no avenue or process to raise PMS grievances	Performance appeal processes provide opportunity for employees to air their grievances and therefore enhance fairness, transparency and openness and minimize vindictive behaviour by managers (Ratnawat and Jha, 2013; Joo, and Gottfredson, 2011).		A
	4. Employees being rated by one manager only	'360-degree review model' which has multiple performance raters to enhance objectivity and minimize bias by single managers. 360-degree feedback provides multi-rated feedback, a broader overview, perceptions from different angles, higher objectivity and legitimacy (Hosain, 2016; Basu, 2015).		A

4.1.1 Alignment of goals

From the focus group discussions conversation sheets, I was able to identify the following issues related to alignment of goals. First, though the organizations had documented overall organization goals in their strategy documents, very little was being done to cascade these goals downwards to employees. In addition, leaders and manager were not engaging employees on how their own individual goals were tied to the organizational goals. The organization mission was clear and there was a poster at the entrance of each branch articulating the mission. Employee survey comments showed that some employees assumed the organization mission to be part of the organization strategic goals, as shown in the verbatim comment below that was extracted from the survey.

'I have always assumed our mission and strategic goals are the same. We often hear our CEO talking about strategic goals but not about our mission. Nobody has explained the difference between the mission and strategic goals to us.'

This meant that employees did not understand the difference between the mission and strategic goals, but also did not understand the organizations mission and strategic goals. In addition, people could not see the connection between the organization mission, the organization strategic goals, their own departmental goals, and their own individual goals. This was evidenced by the scores and related comments in the annual employee survey as shown from the employee survey extract below.

Survey Question	Organization score (% favorable)
I know my organization's mission	90%
I know my organization's strategic goals	48%
I know how my job contributes to the organization's strategic goals	35%

Figure 5: Employee survey extract

Employee A, an active participant in the focus group said the following,

'There is no alignment as seen when departments pursue their own goals and fight each other instead of collaborating to achieve the common organization goals. For example, the sales and marketing team continued to sell manual banking products and issue cheque books while the operations and technology team focused on digital products which led to customer dissatisfaction as clients had manual products that were not technologically supported.'

Employee B, a participant in the focus group and works in the Strategy department said the following,

'It is a case of the left hand not knowing what the right hand is doing, when it is clear that the Facilities department is making preparations to open a new branch in contravention of the digital banking goal. This goal misalignment is leading to attrition of customers and costing the Bank because funds are being used for the wrong purposes.'

This meant that there was confusion as different functions were pursuing different goals that were not aligned to a common goal. It also mean that such confusion and misalignment was costing the bank money as funds were being spent on the wrong priorities.

Closely linked to the issue of alignment of goals was the issue of understanding of strategic goals and how they linked to employee goals. These comments demonstrated the fact that goals were not aligned. For instance, comments by employee C like,

'We have no understanding of strategic goals. This is because goals are not cascaded and only discussed at the top. This leads to interdepartmental conflicts as functions are rowing in

different directions. Also, many employees see no connection between what they do and the organization mission'.

Similar comments were repeated multiple times by different focus groups, and I linked them to the theme of alignment of goals. It was clear that the information from the employee engagement survey and conversation sheets showed that goals in the organization were not aligned and cascaded downwards. The focus group agreed that the issue of aligning goals to mission and strategy was a priority A matter as it provided direction to staff.

I then reviewed the literature regarding alignment of goals in an organization. DeNisi & Murphy (2017) argued that strategic goals should be cascaded to ensure congruence of individual performance with functional goals and organization strategy for an effective PMS. This congruence was lacking in the organization and explained why people were pulling in different directions. I also reflected on Chandra and Frank (2004) argument that for alignment to be effective, individuals must see meaning in their objectives and goals and be able to relate them with the overall organization objectives. This explained why some employees perceived a lack of connection between what they do and the mission and the overall organization goals. On a different perspective, the conversation sheets also transcribed how some employee perceived the PMS as a threat to the organization values of collaboration and harmony, and therefore were against implementation of a PMS. Their argument was that PMS led to competition amongst teams and individuals leading to less collaboration, which was against the organization goals and values. The literature related to this perception of PMS being a threat explained that when a PMS is operating without a focus on the organization context and cultural underpinning, there is a risk of superiors, peers and subordinates being opposed to it (Lee & Steers, 2017; Aguinis, 2013). In addition, the principle of inclusiveness helps to address this PMS threat perception as it focuses on ensuring that there is participation by all stakeholders in the design and implementation of the PMS (Steers & Lee, 1982). The review of comments from the conversation sheets and literature by thought leaders in PM gave me a better perspective of the challenges in our organization and the opportunity to reflect on how to address the problem – which I have addressed in the next chapter.

The summary of the issues in this section have been captured in table 2 above (line A1, A2

and A3 in table 2). These are cascading of goals downwards, understanding strategic objectives & connection between employee goals, mission & strategy, and perception of PMS as a threat to collaboration. The first two issues are interlinked because cascading of goals from the top at CEO level helps employees see the connections between their goals and organization mission & strategy. The issues were considered priority A issues except the perception issue which was considered priority B as it could be addressed in an employee training much later.

4.1.2 Control by management and leadership support

From the focus group discussions conversation sheets, I was able to identify the following issues related to control by management and leadership support. First, to control employee behaviour, management used rewards and promotions. In principle, rewards like bonuses and salary increases (or consequences) came after the achievement (or failure to achieve) set objectives. However, there were flaws with the reward for performance process and employees perceived the connection between employee performance and rewards to be vague. For instance, many employees were being rewarded with salary increases for length of service with little regard to performance. Employee N, a participant in the focus group said as follows.

'Our performance and reward philosophies are not connected. It is not clear whether we are rewarded for performance or for loyalty which is demonstrated by length of service. Though most salary reviews are based on performance, some people are given higher salary reviews because they have served longer in the organization.'

This practice demotivated high performing new employees as they felt that their strong performance did not count. It also meant that old performers did not have to work as hard or perform to high standards as they knew their long tenure would elevate their performance scores. As argued by Odden and Kelley (2002), who studied rewards systems for teachers, systems that rewarded longevity in service instead of performance had incomplete criteria for rewarding teachers and would be viewed as unfair and non-merit based by many high performing teachers who had been teaching for a few years. I also noted that this issue is linked to the issue of understanding of strategic objectives and cascading of the same to managers and employees. This is because managers who understand the

strategic objectives will know that meeting of performance objectives and goals is more important than length of service by an employee.

Another issue raised was that some managers rated their employees based on a normal curve distribution (also known as bell-curve) to ensure that the department had about 20% exceptional performers, 20% poor performers and 60% average performers. This meant that they had to 'force rank' employee performance to ensure that the performance ratings were within the normal curve. This system aggrieved employees rated as poor performers because in their view, their performance scores were forced into a normal curve and were not reflective of their actual performance. Employee E, a participant in the focus groups said as follows:

'During the year, my manager informed me that I was performing well. I was very surprised when I was rated as an average performer. My manager informed me that his hands were tied because HR only wanted 20% of employees rated as exceptional performers. This has made me and many of my colleagues very unhappy with the performance management process.'

Chattopadhyay (2019) argued that the forced distribution system of performance evaluation is a discriminatory practice which leads to job dissatisfaction, acts as a barrier to employee motivation and could result to low job performance.

The employee promotion process also had problems. First, there was no documented policy or procedure that guided staff and managers on promotions, and this was left at the discretion of managers. This led to complaints of favoritism and in some cases, complaints of victimization. Some employees believed that the promotion practice was dependent on staff political acumen and which staff knew which manager. There was also a practice of promoting employees depending on how long they had worked in the organization as opposed to their performance. These promotion practices led to employee dissatisfaction as explained by employee F, a participant in the focus groups.

'Here, people are promoted based on who they know, or how well they play their politics. You are basically at the mercy of your manager as there are no promotion guidelines for managers to follow. I know employees who have been here for over 10 years and never had a single promotion, simply because they challenge their managers.'

According to Tessema and Soeters (2006) there is a positive correlation between employee grade promotion and employee performance in high performing organizations. Promotions based on length of service and qualification could lead to deterioration of performance of high performing new employees (Ahmad and Shahzad, 2011). The conversation sheets developed after the focus group meetings had multiple comments related to the fact that employees were unhappy with the employee promotion practices.

Another area that employees complained about is leadership support. First, many employees were unhappy with how managers provided performance feedback. It was clear managers required training on providing performance feedback. Employee M, a participant in the focus group demonstrated this by saying the following:

'Though I had many achievements during the year which helped our department achieve its targets, my manager gave me feedback only once, and only talked about the areas I fell short. He did not recognize any of my achievements. He also gave me no opportunity to give my side of the story where I fell short. In addition, he did not provide guidance on how to improve my performance and I am left to figure things on my own.'

The literature review defines good managerial feedback as; immediate and real-time (Bakker & Bal, 2010), sincere and honest (Catteeuw et al., 2007) and something that is continuous (Mone & London, 2010). This issue is interlinked with the issue of training and development as managers who have received end to end PMS training will know how to provide feedback (see linkage on clause D5 in table 2).

Another concern was that there was little leadership support when launching new automated systems and process. Employee C, a participant in the focus group said the following.

'The reason why we have many automated systems failing after they are launched is because of the poor support provided. For instance, when the current PMS was launched, managers expected employees to read the manuals and there was little engagement on the PMS. My manager was quick to dismiss the system saying that he did not understand it, and quickly advised that we use the manual PM process.'

Trader-Leigh, (2002) argued that leading from the top as one of the most important factors when implementing changes in the organization. In his view, changes such as PM system changes require

leadership engagement, visibility, and commitment so that employees can follow the examples set by leaders. This issue is also linked to Manager training (issue D5 in table 2) and will be addressed when leaders and the organization leaders and managers are trained.

It was interesting to note that some managers had little concerns with the theme of control. This is evidenced by comments by Manager L who stated the following:

'Some managers like myself acknowledge that we are well paid because our pay is at the 90th percentile of the market. We also appreciate that we have reached the ceiling of our careers and that we cannot grow beyond where we are in the organization. I am the Head of Cybersecurity and there is no further growth for me as this organization does not need a Director for Cybersecurity. For this reason, I am content with my pay and grade or level in the organization. This theme of control doesn't mean much to me. Also, my view is that rewards and promotions are less important issues and some employees have a sense of entitlement which needs to be managed.'

This meant that for some managers, control issues related to reward and promotion were less relevant because of the fact that they did not see opportunities for further growth or pay increases. It also meant that they were content with their pay and position within the organization. This also explained the tensions between managers and employees as this was such an important issue for most employees and had little relevance for some managers.

The summary of the issues in this section have been captured in table 2 above (line B1, B2 and B3 in table 2). These are connection between employee performance and rewards, use of forced distribution or bell curve, vague promotion process and leadership support on goal achievement and new systems. All the issues were classified as priority A except the issue of leadership support which was considered priority B since this could be addressed in a manager training that would be offered at a later stage (after 6 months). The linkages between the issues have been explained in the section and summarized in table 2.

4.1.3 Measurement of goals

From the focus group discussions conversation sheets, I was able to identify the following issues related to measurement of goals. First, there was the issue of performance measurement of the 'wrong' things that had little impact on achievement of results and not aligned to overall organization

goals. Employee A, a participant in the focus groups explained it as follows:

'Over 50% of the performance measurement weight in the banking operations team is focused on 'number of errors' and only 5% on innovation which is a key strategic goal of the organization. This is contrary to our core organization goal which is innovation and digital transformation. This is why we continue hiring more supervisors and auditors instead of data scientists and system developers. Our priorities in the operations team are in conflict with the organization's top priorities.'

Skinner et al., (2017), argued the importance of ensuring that performance measures weighting reflected importance of both the employee and organization goal. In his view, regular discussion of critical goals by organization leaders is critical to ensure that everyone is pulling in the same direction and measuring what matters. This issue is interlinked with the issue of goal alignment and cascading of goals (issue A1 in table 2). Managers who understand the top business priorities will know what to pursue and focus on in their own functions.

Reliability of measurements was also mentioned as a challenge. This is because it was common to find two employees achieving the same result but having different performance ratings. This was because there was no documented measurement standard. Employee P, a participant in the focus groups gave an example to illustrate this matter.

'I achieved 20 million shillings in revenue, which was above the target provided at the beginning of the year. My colleague achieved almost the same revenue figures. I was shocked to learn that he was rated exceptional and I was rated average. My manager struggled to explain the reasons for such differences and insinuated that the HR had not provided any measurement standards other than the flawed bell curve.'

Lutwama et al., (2013) argued the importance of having a documented measurement standard to ensure that should two independent raters assess the same ratee using similar performance parameters, the outcome of the assessment will be similar.

Another issue that came up was validity of measures. Employee H said the following

regarding validity:

'Some managers consider employee tenure as a factor when rating employees though this has nothing to do with employee achievement of results. This unfairly penalizes new employees like me. Why should my colleague who has been in the organization longer be rated higher than I even though my achievement numbers are better?'

Validity as described by DeNisi & Murphy, (2017) is the ability of the PMS measurements to assess what they should. They also argued that a valid measure must be focused on results and include all performance facets and all the relevant constructs.

The measurement scale which had three measurement points namely - exceptional, average, and poor, was also mentioned as an issue. This meant that managers had only three rating options which led to most managers rating their employees as average. Employee G, a participant in the focus groups mentioned the following.

'As a manager, I feel I have limited options when rating my employees. I struggle to rate employees who meet 90% of their targets and end up rating them as average. There should be a rating scale between exceptional and average. This will give us managers more options and ensure we are fair to our employees'

The focus group recommended a five-point rating scale instead of a three-point scale. Armstrong (2015) advocates for use of rating scales that provide raters with sufficient options to more accurately assess ratees performance.

Another issue was that there was a big focus on measuring 'what' the staff had achieved and very little focus on measuring 'how' they achieved their goals. This meant that almost all focus of the employees was on achieving their goals and little focus on the behaviours and values they demonstrated in achieving their goals. Employee G, a participant in the focus group stated as follows:

'Because the emphasis is on results and not behaviour demonstrated when getting the results, it was common to see managers stepping on the toes of their staff and bullying them so that they get

what they want. There is little emphasis on collaboration which has led to competition and mistrust amongst staff.'

Robson (2004) articulated the need for performance management systems to focus on both the 'what' and the 'how' of employee performance. He argued that less collaboration and bullying culture thrives when organizations neglect the 'how' in performance management. This issue is closely linked to the issue of leader and manager training (see D5 in table 2). This is because leaders can be trained on how to drive good behaviours and not just focus on results.

In closing, and based on the above arguments, I support the argument by Otley (2003) who argued that 'What gets measured generally gets done'. In his view, PM system should have good measurement system to increase the possibilities of action by both organizations and employees. The summary of the issues in this section have been captured in table 2 above (line C1, C2, C3, C4 and C5 in table 2). These are measures focusing on the goals that are not important, vague performance measurement rules, unreliable/unbalanced measurements, measurement scale with few rating options and measures not focusing on behaviours. I have identified the issues that are interlinked such as using measures for the right goals which is related to goal alignment (A1 in table 2). The issues in this section were considered priority A issues except the 'focusing on behaviours' issue which was considered priority C. The main reasons why employee behaviour was considered priority C is because the business has a strong focus on results and focusing on employee behaviour would require a paradigm shift of the culture and values of the organization. I plan to address priority C issues as a separate project after I have discussed with the Board and Senior leadership of the organization.

4.1.4 Training, development, and automation

From the focus group discussions conversation sheets, I was able to identify the following issues related to training and development. First, there was a feeling that the organization did not invest enough in training and development. Training budgets were insufficient, and the focus group felt that management did not prioritize training. Employee T, a participant in the focus groups mentioned the following:

'There is very little investment in training and development. We are continuously being introduced to new systems and process, but not getting the appropriate training to help us perform effectively. The training budget is almost 0.5% of the total organization budget, which explains why there is very little training in the organization.'

Barth and de Beer (2017) argued that there was a direct correlation between employee training and organization performance. In his view, organizations that invested more in training their employees outperformed organizations that hardly trained their employees. In my view, there is a link between strategic objectives (Issue A2 in table 2) and training & development. Some organizations place development of employees as a strategic objective and will align their budgets to reflect the importance of the objective. Such organizations have bigger budgets focusing on employee training and development.

Another issue raised was that though some of the training was useful, it was not geared to addressing performance gaps. Most managers understood the performance gaps of their employees, but most training was focused on new products as opposed to addressing performance gaps. Employee D, a participant in the focus groups argued as follows:

'We are always being introduced to new products and services. It is clear that many employees, especially in the Operations teams don't understand the existing processes that guide their day-to-day work. This is the reason why they underperform, but very little is being done to address their underperformance from a training perspective.'

Deeb El Afi (2019) argued that training should be relevant and applicable to an employee and assist in addressing performance gaps. In his view, investment in training should fundamentally focus on addressing performance gaps after managers engage employees on the kind of support they need to perform. Closely related to this matter is relevance of training which also came up as an issue. The focus group argued that a lot of training was irrelevant. Employee M, a participant in the focus groups said the following:

'Bank tellers were being trained on Sanction Compliance and US Office of Foreign Assets

Control (OFAC) and Specially Designated Nationals (SDNs), yet they had never encountered any sanctioned individuals or organizations when serving customers. It is clear that this training is not relevant to their day-to-day operations.'

Relevance of training provided to employees is well articulated by Deeb El Afi (2019) who supports undertaking of training needs analysis. In his view, training should be focused on improving the day-to-day performance of the employee.

The focus group also felt that training was not prioritized to ensure the most deserving employees got training first. New managers and leadership successors struggled with their roles because of inadequate training. Below are the views of employee A, a participant in the focus groups.

'It is clear we do not plan and prioritize where our training investments should be directed. New managers and leadership successors are struggling to manage their teams. They do not know how to engage their teams, give employee feedback, and develop skills in people. Why offer OFAC training to a teller yet his new manager does not know how to engage him on his daily work?'

Training and development initiatives focused on employees should be aligned to the overall succession planning strategy or retention strategy of the organization (Teke, 2002; and Rahdert 1960).

Another issue that the focus group raised was that the PMS system had many manual processes and when some automation was done, employees were not appropriately trained on the changes. Employee K, a participant of the focus groups mentioned the following:

'Our PM system does not have the capability of retrieving and copying previous years goals. This means that employees have to manually input their goals even though they are similar to previous periods, instead of just retrieving and copying. This wastes employee time and causes employees to be frustrated with the PMS process.'

Automated PMS have the benefit of simplicity, speed, and accuracy (Tasic et al., 2018). This was also supported by Bhave (2014) who argued that compared to manual PM systems, electronic PM

systems have the distinct advantage of information record keeping, ease of information retrieval, ease of information analysis and speed of performance evaluation execution. Related to automation was the fact that employees were not given sufficient training when new systems or changes to the PMS was implemented. According to DeNisi & Gonzalez, (2017), it is critical that both managers and employees have an end to end understanding of the PM process, hence the need for training.

Finally, the issue of leaders / managers training came up multiple times. Many employees in the focus groups attributed problems related to the PMS to their managers. Employee M said the following:

'My manager needs to be trained on how to give performance feedback. In addition, he should take the lead with regards to training us how to use new systems and processes. The success of the PMS is closely linked to how engaged our managers are.'

Manager training will address the lack of skills by managers especially on providing employee feedback and coaching for performance (Nankervis & Compton, 2006 and Brown et al, 2018). Horwitz (1999) also examined the importance of providing constructive feedback during performance management and need for managers to be well trained. The focus group agreed that manager training was important but not urgent as there were more pressing matters of a PMS structural nature that needed addressing. Manager training is closely linked to many issues including leadership support on new systems and focusing on behaviours in addition to results (B4 and C1 in table 2)

In closing, Training & Development of employees is a critical success factor for organization success and provides a competitive advantage to organizations as they focus on the continuous extension of skills, abilities, and knowledge Barth and de Beer (2017). The summary of the issues in this section have been captured in table 2 below (line D1, D2, D3, D4 and D5 in table 2). These are insufficient training, irrelevant training, lack of prioritizing areas of training, manual PMS systems and leader / manager training. The interlinked issues such as manager training and manager feedback competence have been identified. The issues in this section were considered priority A issues except

the issue of manager training which was considered priority B since this could be addressed in a manager training that would be offered at a later stage (after 6 months).

4.1.5 Fairness in the PMS processes and acceptability

From the focus group discussions conversation sheets, I was able to identify the following issues related to fairness in the PMS process and acceptability. First, the focus group mentioned that the PM process was highly subjective. In their view, lack of goal clarity and documented performance standards meant that goals were evaluated subjectively and heavily dependent on rating managers 'moods'. Differences in PM rating would lead to different reward payouts. To expound on this issue, employee M said the following:

'As a teller, the most critical goal is number of customers served. Over the last couple of performance periods, I have served almost similar or more customers than my colleague. Unfortunately, and for reasons I can't explain, my colleague is always given a better performance rating and bonus. When I asked my manager why this was happening, he informed me that he used his judgement when providing performance scores. It is clear there are no standards and such a subjective way of providing performance scores is demotivating.'

The above issue is linked to reliability of measures in that when measures are not reliable, you will have different managers providing different performance ratings to employees who achieved similar results See C4 in table 2). Performance standards, organizational standards, rationality elements and manager training help to reduce subjectivity in performance management and enhance perception of fairness (Choon and Embi, 2012; Cappelli and Conyon, 2017). In addition, distributive injustice would occur when there is a divergence in perception between performance appraisal and work done or between compensation received and performance appraisal outcome. This is reduced by having clear performance standards, performance and compensation polices (Greenberg, 1987). The issue is also linked to alignment and cascading of goals and targets in that when goals and targets are clear and communicated to employees, they know what to focus on and the level of achievement expected of them.

Lack of procedural justice was another issue raised by the focus groups. For instance, some employees had multiple managers providing performance feedback and rating through a '360-degree review model' while others had only their primary managers providing feedback and rating them. Employee A mentioned as follows:

'My function has been using the 360-degree PM model and I'm evaluated by multiple feedback providers. My peer in Operations has only 1 manager. This is not fair'

Grenberg, (1987) advocated for documented processes that were communicated to all employees to enhance procedural justice. In his view, consistency in practice is critical to enhance perceptions of fairness. Also, 360-degree feedback provides multi-rated feedback, a broader overview, perceptions from different angles, higher objectivity, and legitimacy (Hosain, 2016; Basu, 2015).

The issue of some managers providing performance scores without having feedback sessions with their direct reports was also mentioned. Employees perceived this as unfair as they did not have an opportunity to get feedback or discuss with their managers. Employee B had this to say on this matter.

'In my department, we are provided with performance ratings without any form of engagement with the manager. There is no opportunity for feedback and the manager makes decisions on what employees performance ratings should be based on his gut-feel'

Two-way communication and feedback are important PMS processes that enhance transparency and fairness (Swaartbooi, 2016; Skinner et al. 2017). In their view, opportunity for two-way feedback significantly enhances perceptions of fairness. This matter is closely linked to manager training because trained managers understand the importance of employee feedback (see issue D5 in table 2). It is also linked to the issue of lack of manager support and managers lacking skills for giving feedback as such managers shy away from having feedback sessions with their teams (see issue B5 in table 2)

Also, there are employees who felt that the process was unfair because they had no

opportunity to seek recourse. Employee D mentioned as follows:

'It is unfair that there is nothing you can do about an unfair score or process. We need to be able to appeal and be heard by someone independent'

Performance appeal processes provide opportunity for employees to air their grievances and therefore enhance fairness, transparency and openness and minimize vindictive behaviour by managers (Ratnawat and Jha, 2013; Joo, and Gottfredson, 2011).

Use of a 'bell-curve' or 'forced distribution' was criticized as unfair by the focus group. In their view, employees should be provided a performance rating that is reflective of their performance. Employee E had this to say:

'Why should my performance rating be adjusted so that I can fit in a performance curve? Shouldn't I be given a rating that is reflective of my performance? This bell-curve adjustment is very unfair, especially for employees who have their performance rating adjusted downwards.'

PMS systems based on forced distribution may be considered unfair, counterproductive, and stressful because they do not provide ratings that are a true reflection of employee performance as managers attempt to conform to a provided distribution curve (Chattopadhayay and Ghosh 2012; Chillakuri, 2018). This issue is closely linked to issue B2 in table 2 which explains how dissatisfied and unhappy employees are with the use of forced ranking method.

In closing, employees are more willing to accept performance management systems that are perceived as fair by all parties to the process (Aguinis, 2013). The summary of the issues in this section have been captured in table 2 below (line E1, E2, E3 and E4 in table 2). These are PMS process viewed as subjective, managers not having feedback sessions with staff, employees having no avenue or process to raise PMS grievances and issue of employees being rated by one manager only while others are rated by multiple managers. The interlinked issues have been identified and cross referenced with the relevant issue in table 2. The focus group viewed fairness as such a key issue in PM and rated every issue as priority A.

4.2   Chapter summary and conclusion

In this AR cycle, I have analyzed the critical 5 themes highlighted in chapter 3 by reviewing specific quotes by the focus groups (primary data), and extracting relevant information from the employee engagement survey (secondary data). These quotes helped me better understand the issues as they had relevant examples from both employees and managers. I was able to identify many interlinked issues which is good because resolving one issue has a positive impact on other related issues. Taking into consideration that there are many issues, I decided to prioritize the issues using the simple codes A, B and C. This prioritization will help me in the next AR cycle described in the next chapter which is 'taking action'. My plan is to immediately focus on all issues identified as priority A, defer to the medium term (between 6 and 9 months) the issues identified as priority B and only implement issues identified as priority C when the organization is ready to work on or redefine its values and culture (work to be done between month 12 and month 24).

I prepared a table (table 2) to help me integrate the information based on themes, identify key linkages, and help me easily visualize the prioritization of issues. The table summarized the key PM themes highlighted in chapter 4, identified relevant issues within each theme, incorporated important literature explaining views of different authors on the identified issues, highlighted interlinked issues, and made it easy to show how I have prioritized the issues. It also gave me a good snapshot of the chapter and helped me easily understand how the issues are integrated and linked. As I begin my next chapter which focuses on taking action to address the highlighted problems in this chapter, I will revisit this table as it has organized and prioritized the issues.

While reflecting on this chapter, I noted some key issues that are linked with most of the issues. Addressing these issues would assist in addressing other related issues. For example, there is a lot about alignment of goals and many issues relate to the issue of alignment and cascading of goals. These issues include employee lack of understanding of strategic goals, employee lack of understanding of the link between performance and rewards, misunderstanding on important and critical measures and the lack of strategic importance of training in the organization. Though I have

prioritized the issues, I will give more focus to the issue of alignment and cascading of goals when redesigning the new PM process as it helps to address other related issues. Another key issue that is linked with other issues is training of managers and leaders. Multiple issues including leadership support in the PM process and new system implementation, how to provide PM feedback, minimizing subjectivity in PM are linked to Manager training. Though I have put manager training as Priority B to ensure that the training imparts knowledge on resolved Priority A issues, I will put a lot of focus on this issue as it assists in resolving many other PM issues.

I also noted some tensions and contradictions when analyzing the PM issues. Smith & Lewis (2011: 382) defined paradox as "contradictory yet interrelated elements that exist simultaneously and persist over time". The paradox of the 'good manager performance vs bad team performance' was highlighted by employee M as per quote below.

'I struggle to understand how managers are rated exceptional performers yet almost all members of their team are rated average or poor performers. My view is that team performance reflects manager performance.'

This appeared to be a consistent issue across the focus groups but surprisingly managers defended their good performance ratings and tried to argue that it is possible to have a high performing manager and an average team. According to Al Rahbi et al (2017), the results of a team reflect the performance of a manager. I agree with the arguments of Al Rahbi and will address this matter in the manager training slotted as Priority B (between month 6 and 9).

One of the tensions I noted that is also an ethical dilemma for me is the issue of an organization being very business centered with little regard to the employee experience. What this means is that leaders in organizations tend to focus more on business goals and outcomes and the human experience at the workplace is considered a secondary issue (Bolton and Houlihan, 2007; Harley, 2015). As the HR Director of my organization, I am concerned about the employee experience, and I get concerned when I see a culture that only focuses on results without questioning how the resulting were achieved. It is common in my organization to see managers putting across unreasonable demands and 'stepping on the toes' of employees. This has created a spirit of internal competition instead of collaboration. This is one of the reasons why I classified 'employee behaviour in the PM process' as priority C (addressed between 12 to 24 months), because a paradigm shift in

the culture and values of the organization is required to address this problem. I intend to openly discuss this matter with the board and senior management to push for new project where we shall redefine of our values and culture as an organization.

In closing, this chapter has assisted me better understand the PM issues in my organization and equipped me with the information I will need in the next phase or cycle where I take action to address the issues.

5.0 AR CYCLE: ACTIONS

In the previous chapter, I identified the issues with our organizations Performance Management System and used my analysis of the focus group data to get a better understanding of the issues. I also prepared a table to assist me identify linkages and prioritize the issues. In this chapter I will highlight key actions taken to address the issues or problems with the PMS. The timelines for this AR cycle are January to June 2021 (6-month period) where I focused on priority A issues, July to August 2021 where I focused on priority B issues. The next chapter will focus on observations and reflections. This was covered in the period September 2021 when our organization did performance reviews for the previous period and set goals for the new performance period, and October 2021 when I did a post redesign workshop with the same focus groups to understand their experiences with the new redesigned PMS. Table 3 below provides a visual of the timelines, what was happening/ actions, and comments or reasons for actions.

Table 3: Timelines and summary actions to address identified PMS issues

Timeline	What was happening/ summary actions	Comments
October to December 2020	Focus group discussions to discuss issues with the PMS before it was redesigned.	Detailed conversations sheets were prepared with quotes from the focus groups.
January to June 2021	Addressing of priority A issues. This included a two-day workshop with senior leadership team, 2-day workshops with all teams in the organization.	The actions described in this timeline were presented to the senior leadership team in a two-day workshop. Approvals were provided including budgetary support, proposed policy changes, new PMS processes and systems and employee workshops / training plan.
July to August 2021	Addressing of priority B issues. Focus is on Manager training.	The focus here was sharing with managers critical feedback on managerial gaps identified and train them on how to enhance employee PMS experience.
September 2021	This is the period when the new PMS is implemented. Also, it is the period when staff and managers discuss previous period goals and set new goals for new performance period. This is also the period when both staff and managers will experience the new redesigned PMS for the first time.	September is a regular time when performance discussions for previous performance period are discussed and goals for new performance period are set.
October 2021	This is the period of observation and reflection. This includes 2nd round of focus group meetings to discuss observations and experiences with the new PMS.	The goal was to learn how each participant perceived the redesigned PMS process.
November 2022 or a date to be defined by senior leadership team.	Addressing of priority C issues. Begin process of reviewing and redefining organization values, culture and expected employee & manager behaviours.	Priority C issues and how they are resolved is planned for a future date and therefore not discussed in this thesis.

The above table is just a visual of all the actions and engagements taken that are relevant to this chapter and I have explained them in detail in the paragraphs below.

## 5.1 Senior leadership team two-day workshop

The purpose of the two-day senior leadership team workshop was to brief them on the outcomes of the focus group meetings and get their support on various actions as explained in table 3 above. Prior to the senior leadership team workshop, I had approached the strategy director and shared the feedback from the focus group meetings. My feedback focused on key issues that were under the strategy directors work mandate, such as employees not knowing the strategic objectives and organization mission, and the fact that employees could not see the connection between their work and the organization strategic objectives and mission. I was surprised with the strategy director's reaction as he mentioned that this was one of the biggest challenges he was grappling with. In his view, there was a gap with regards to cascading downwards the organization mission and strategic objectives to all employees. He acknowledged that his team needed to do more to ensure all employees understood the organization mission and strategic objectives. This was excellent news for me as it meant that the strategy director had taken ownership of this matter, and it was not just my problem as the HR director. I quickly suggested to him that we do joint employee workshops where he would take lead training staff on the mission and strategic objectives, and I would handle performance management matters, employee goals and their connection to the mission and strategic objectives. We agreed to a joint workshop for not only our mutual benefit, but also for the benefit of all employees.

At the senior leadership team workshop, I explained to the leaders the purpose of the workshop which was to co-create and address the performance management issues of the organization. I also mentioned that the strategy director and I had discussed the PM issues and had agreed on some key actions which we were going to share with the team. After seeking permission from the leadership team to record non-confidential information, I explained the issues highlighted in table 2 (Chapter 4) and the analysis of the focus group data with current PMS issues. This was followed by a discussion of table 3, which I presented as 'what has been done' and 'what is proposed going forward'. Though the senior leadership team identified with most of the problems presented, some of them were very opposed to holding company-wide workshops and training sessions because of time constraints. In their view, the business could not afford to have staff away from their desks

for 2 days. These sentiments were argued by the Chief Commercial Officer (CCO) who said the following.

"We cannot afford to have our staff not working or selling for two days. This will hit our top line revenues. Goal alignment to strategy can be communicated through power point slides and short videos which can be sent to staff on email. Our employees are smart, and they will understand what is expected of them after watching 1-hour videos instead of time wasting 2-day workshops and training sessions."

The CCO appeared to be getting support from other senior leaders and I was concerned that this would scuttle the action plan and make communication of Goal alignment to strategy ineffective. I made a spirited argument using employee survey results and focus group quotes to demonstrate that many of our employees did not understand the business strategy and how this was connected to their goals. I also shared printouts of verbatim quotes by workshop participants. Names of employees had been anonymized (see appendix 8) to ensure that the leaders did not focus on the identity of the employee, but rather their quoted messages. This had a positive effect on some leaders as they seemed to identify with some of the issues raised, such as employees not understanding organization strategic goals. In addition, the strategy director decided to use a Harvard Business Review study to demonstrate that the biggest obstacles to strategy execution were communication of the strategy and alignment of strategy to employee goals (see diagram 4 below).
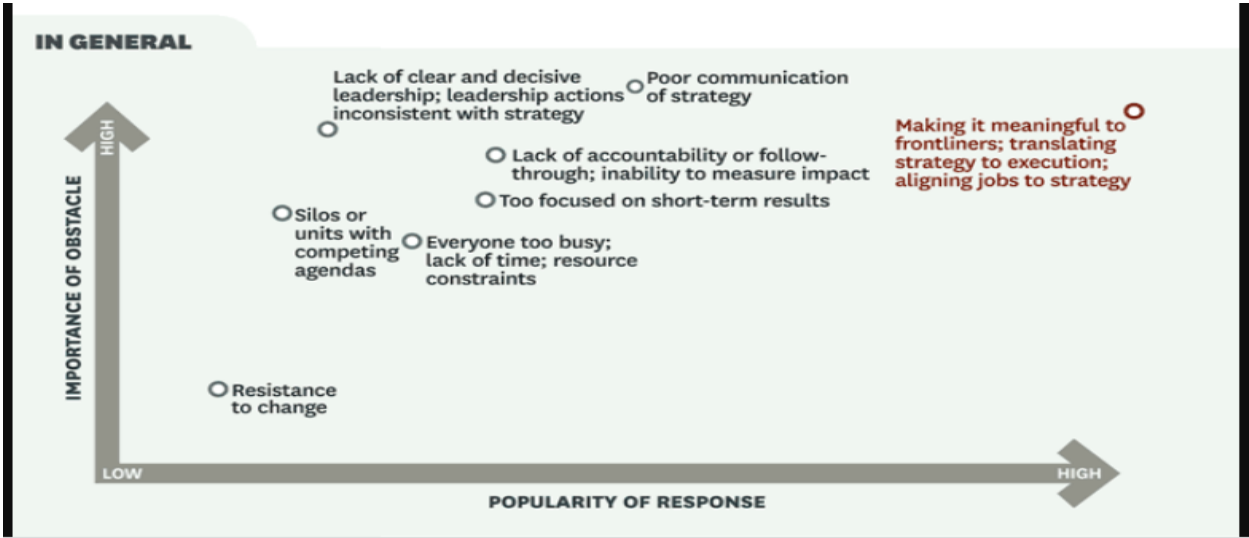
Picture 1: Obstacles to executing strategy, Harvard Business Review, (Article by Harvard Business Review Staff in the July – August 2010 HBR Magazine article 'How Hierarchy Can Hurt Strategy Execution')

As shown in diagram 4, the strategy director explained that the most important obstacle to executing strategy was poor communication of strategy. In addition, aligning jobs to strategy and making it meaningful to staff was popular as another big obstacle to strategy execution. The strategy director used these facts to argue why a 2-day workshop was important, and why a 1-hour video with PowerPoint slides was not going to be effective. The debate was heated, and the CEO had to provide direction on this sensitive matter as per comments below.

"The issues articulated by the focus groups are a fair reflection of the state of affairs in the company and explain why we are struggling to drive both employee and business performance. The employee survey results are clear that our staff do not understand our business strategy, and this makes it difficult for them to relate the strategy to their goals. As the head of this business, I express my commitment in tackling and resolving the highlighted issues and support the 2-day workshops and training for all staff, and 1 day manager training and urge all of you to join me in supporting the HR Director."

Though I was relieved to have the CEO support, it was important for me to ensure that all senior management were on board with the action plans presented. In this regard, I spent many hours during the breaktime sessions in the two days having one on one discussions with leaders on how the PM changes would impact them and how their teams would benefit. These discussions were useful as I was able to explain issues that were not discussed in the main sessions. For example, I noted that many directors were concerned on the time commitments and people resources that would be required during the change process. I was able to demonstrate to the concerned leaders that they would benefit because all individuals in their teams would have refined individual goals by the end of the workshop.

The next sections expound on some of the key deliberations and decisions made during the leadership workshop. I have also referenced the PMS problem being solved in each section with its corresponding number in table 2 in the previous chapter.

5.1.1. Inclusion of 'driving a performance and learning culture' as part of the organization's strategic objectives and approval of a budget to support this objective.

I started by explaining that the current strategic objectives had no focus on the employee and only emphasized enhancing shareholders wealth and customer experience. This meant that many employees felt excluded as they were not revenue generating or customer facing. It also explained why many employees could not see the connection between their goals and the strategic objectives. In addition, I explained how the current strategic objectives did not motivate the employee to improve themselves by seeking learning opportunities. Learning or training and development had no specific budget and leaders had to squeeze their functional budgets to accommodate any training opportunities. I requested for a specific learning and development budget and after deliberations between the CEO, CFO and the senior leadership team, the CEO commented as below.

"To demonstrate our commitment to the People agenda, I approve 'driving a high performance and learning culture' as one of the strategic business objectives. In addition, the business will henceforth commit 4% of total salaries to learning and development and activities related to driving a high performance and learning culture. Though this strategic objective is owned by all of us, the HR director will principally be responsible for providing thought leadership and achieving specific targets that shall be set".

Though driving a performance and learning culture was not one of the issues in table 2, it was a big win for me as performance management and learning matters would now be a key focus for the business. In addition, providing a specific budget for activities related to driving a high performance and learning culture would make it easier to address issue D1 in table 2 (insufficient training) and other related issues raised by the focus group. This was a big win for me because failure to get the requisite budget approvals would have made implementation of a new PMS impossible, especially areas related to employee training, manager training and PMS system tools enhancement / further automation. Training budget as a percentage of labour costs is a preferred way of allocating training budget (Sels, 2002) and there is evidence that staff performance increases with every % increase in

95

training costs (Mohammed et al., 2021)

5.1.2 Enhancement and further automation of the performance management tool

Many staff had complained about the manual PM processes and the focus group discussions had also expressed the same concerns. After I explained the challenges to the leadership team, they approved enhancement and further automation of the performance management tool within the provided 4% budget. The focus here was to automate the PM process eliminating paper-based performance reviews, provide the tool with the capability to incorporate attachments as evidence of performance, and ensure the tool had capability of capturing strategic objectives and linking them to both team and strategic objectives. The Information Technology director said the following in relation to automation of the PM tool.

'In this digital day and age, we cannot be having manual processes. I have experienced first-hand the frustrations of the manual PM system, printing appraisals and struggling to retrieve previous period appraisals. I am one of those who have shied away from the PM appraisal process because of the bad experience. I want to assure the senior leadership team that I will work closely with my HR Director and his team to ensure that these PM tool enhancements, which we have been working on over the last three months, are completed within one month.'

This was another important achievement as I had previously requested for automation of the PM tool, which in my view would improve both employee and manager experience of the PMS. Though I was glad to get the IT director support, I was quick to note the power dynamics and politics in the room. As had been the practice, most of the leaders would quickly support projects when they noted the CEO was supporting the same projects. For instance, I questioned the timing of the IT director declaration of support because he had been very non-committal to the PMS project before this meeting,

5.1.3 Policy change approvals

I used the senior leadership team workshop to get critical policy change approvals that were

required to make the PM process more effective.

5.1.3.1. Employee Performance Management Policy

First, I articulated the need to have an employee performance management policy. I started by sharing relevant comments from both the employee engagement survey and focus groups (see column 2 in table 2) which demonstrated the need for a policy. For example, employees did not understand how promotions are done and the criteria used. This meant that employees felt that there wasn't enough information and clarity on what the requirements were for promotion. It also meant that employees needed a guide or document which they could use when seeking information on promotions. It is for this reason that I had prepared a draft promotion policy using literature from Bonet et al (2019). I then shared a draft of a policy that I had prepared (see appendix 2) which covered some of the policy issues that needed to be addressed including use of forced ranking & bell curves, use of a new PM measurement scale, use of 360-degree performance review process and inclusion of a performance appeals process.

I raised the issue of having limited performance measurement score. The PMS had only 3 measurement scores namely exceptional, average, and poor. This was very limiting, and most managers felt that they required more options to appraise their employees (see quote by manager G in paragraph 4.1.3). It explained why most managers rated their employees as average. I proposed a 5-point measurement score / scale as shown in table 4 below with the acronym PIGEX (see table below):

Table 4: Performance measurement scores / scale and related descriptors

PM Measurement Score / Scale	Descriptor
Exceptional (X)	All Goals met and most targets exceeded
Exceeding (E)	All Goals met and some targets exceeded
Good (G)	Most Goals met (at least 75% of the goals and targets)
Inconsistent (I)	Few goals met. Inconsistent performance
Poor (P)	Many key goals not met

This was supported by the leaders as captured in the statement below by the IT director.

"Managers now have more options when providing performance scores to their employees. This will ensure we have a more accurate assessment and scoring of performance. More importantly, we now have simple descriptors that help both employees and managers to objectively determine level of performance and related scores. As a leadership team, we support the 5-point rating scales" This was a notable achievement of the workshop as it helped address point C5 in table 2 (Measurement Scale with few rating options)

The second issue that needed the employee performance management policy to address was the issue of forced ranking to fit a bell-curve when ranking employees. I argued that performance of the employees in the organization needed to mirror the business performance. For example, it was expected to see more employees rated Exceptional and Exceeding when the organization performed well and achieved most of its business targets. I also argued that if targets were well set and measurable, it would be much easier to score employees based on extent they met their targets. I therefore proposed that we do away with the bell curve taking into consideration that we had now increased the PM measurement scores scales to 5. While most of the directors agreed about eliminating the use of forced ranking to fit a bell curve, there was concern that some leaders would rate many of their staff as exceptional or exceeding. A 'check process' was required to ensure leaders do not overate their staff. The Strategy director proposed a moderating session by the senior leadership team before employee scores were finally approved. This proposal received overwhelming support and was captured by the Strategy director as per quote below.

"Forced ranking of employees is a retrogressive practice perceived as unfair by many employees. We will do away with it and focus our energies on good goal setting practices like ensuring targets are measurable. Leaders have been equipped with a 5-point scale giving them more options to rate their employees. To ensure managers are doing the right thing and not overrating or underrating their staff, we shall have moderation sessions where scores in forms of graphs for each department are reviewed by this leadership team before final approval." This was another great achievement by the leadership team and would assist in addressing issue B2 in table 2 (Employees unhappy about use of forced distribution or bell curve)

We then discussed the issue of whether to use single managers or multiple feedback providers when appraising employees. Feedback from the focus group sessions showed that some functions

used multiple managers to appraise employees while others only used one manager. This inconsistency was making employees quite unhappy (see comments from employee A in paragraph 4.1.5). I argued that use of a '360-degree performance review model' was a progressive practice that ensured employees were more accurately appraised by using multiple feedback providers. I also acknowledged that it would be more time consuming as managers had to consult multiple feedback providers before making a final assessment of employee performance. Unfortunately, I did not receive much support on use of a '360-degree performance review model'. This is because it was deemed to be time consuming and seemed to imply that the line manager rating was not sufficient. The CEO gave his guidance on this matter as per quote below.

"While we support rigour and accurate assessment of performance, we should keep the process simple. Introducing a 360-degree performance review model would make the process complex and time consuming. All employees will have their performance evaluated by one manager. We need to communicate to employees that we trust our managers, but at the same time, train our managers to be objective and thorough when doing performance appraisals. Managers will be encouraged to seek feedback from critical stakeholders who work closely with employees, but this will not be a formal 360-degree performance review model"

The CEOs comments provided guidance on how to deal with this matter and though I would have preferred a 360-degree performance review model for our managers, I accepted the final decision. This also helped address issue E4 in table 2 (Employees being rated by one or multiple managers)

Our final discussion related to Employee Performance Management Policy changes was on having a 'Performance appeal process or grievance process' to support employees when they were not satisfied with how their managers had appraised their performance. I explained the focus group concerns and their request to have a grievance process (see comments in paragraph 4.1.5). I was very happy to get support from our Legal Director / General Counsel who argued that process fairness was critical and providing employees with appeal options when they felt aggrieved was critical. He went ahead and explained how employees in other organizations had worn huge settlements because due process was not followed, and employee grievances were not listened to. The legal director said the following:

"The performance management process is sensitive with high stakes including promotions

and rewards, and it is normal for employees to feel aggrieved. To enhance fairness in the PM process, I support a performance appeal process which will be handled by an independent select committee to listen to employee grievances. This will also reduce potential legal exposure which has become an emerging issue in the industry."

Because of the fairness aspect and the possible legal ramifications, the leadership team agreed to having a performance appeal process. It was agreed that this process would be led by a committee that had both HR and legal staff representation. Line managers would be adequately consulted before appeal decisions were made by the appeals committee. I was pleased with this decision as it helped address issue E3 in table 2 (Employees have no avenue or process to raise PMS grievances)

In closing, the leadership session on Employee Performance Management Policy addressed critical issues raised in the employee survey and focus groups. This would help resolve multiple issues as most of the issues were linked (see column 4 in table 2). Training of employees on policy changes was going to be a critical step to ensure there was good understanding of the policy changes.

5.1.3.2. Promotion Policy

Next was the need to have a promotion policy with clear criteria for promotion. I started by sharing the promotion statistics over the last 3 years which demonstrated that promotions were not done in an equitable manner. Some functions had a disproportionately large number of promotions, and although women accounted for almost 50% of the workforce, they represented only 22% of the promotions. I then shared a draft promotion policy that I had prepared which highlighted 2 key promotion criteria as: 'dependent on the nature of the job that an employee was doing'; and 'employees being considered for promotion should have a good performance score for at least 3 years' (See appendix 1 with the promotion policy). The policy also mentioned that a job evaluation exercise would be done to evaluate the relative worth of a job and support promotion based on the 'nature of the job that an employee was doing'. While all members of the senior leadership team were supportive of the criteria for tying promotions to the nature of the job that an employee was doing, many argued that having well performing employees wait for 3 years was unfair and pushed for a shorter period. In the spirit of compromise, the senior leadership team agreed that employees should have a score of good for 2 years instead of 3 years. With those changes, the promotion policy

was approved by the senior leadership team. This was an important step in addressing issue B3 in table 2 which stated that employees were unhappy about vague promotion process.

5.1.3.3. Reward Policy

Next was the addressing the link between performance and reward. Prior to this 2-day workshop, I had spent several hours discussing the reward policy and designing the bonus provisions with the CFO. I started by providing statistics on how bonuses were paid out over the last 3 years. Though most leaders argued that bonuses were paid based on performance, the data showed a lot of inconsistency between performance scores and bonus payout. There were many instances where employees had similar performance scores but different bonus payout percentages. I then shared the comments from the focus group discussions which highlighted employee dissatisfaction with how rewards in form of bonuses were being allocated to staff. To address this problem, I shared the bonus formula that the CFO and I had designed, which incorporated employee salary, employee performance, and business performance as shown below.

Employee annual bonus = Employee annual salary X Employee performance factor X Business factor

I borrowed this formula from my previous employer and refined it using talent management guidelines from Batu and Yalcin (2015). I also discussed and tested the formula with the CFO. Employee performance factor was based on the table below.

Employee Performance Score	Employee Performance factor
Exceptional (X)	20% of base salary
Exceeding (E)	15% of base salary
Good (G)	10% of base salary
Inconsistent (I)	3% of base salary
Poor (P)	No bonus

Table 5: Relationship between employee performance score and employee performance factor

Based on the above table, an employee performing exceptionally could get up to 20% of their base salary as a bonus compared to an employee whose score was poor who got no bonus. The purpose was to introduce clear link between employee performance and rewards, and differentiate

rewards based on employee performance. Though the amounts in the table look high, they were subject to a business performance factor as discussed below.

Business factor was based on business performance based on extent which business financial targets were met. This factor was crafted by the CFO based on revenue and profitability expectations approved by the CEO and board.

Business factor was based on table 6 below.

Business Financial Targets	Business Factor
Achieving less than 75% of business targets	No bonus
Achieving 75% - 99% of business targets	10% or 0.1
Achieving 100% - 124% of business targets	25% or 0.25
Achieving more than 125% of business targets	50% or 0.5

Table 6: Relationship business factor and business financial targets

Based on the above table, in a year when the company achieved less than 75% of the set business targets, there would be no bonus. Conversely, in a good year when the business achieved 130% of business targets, the business factor would be 50% or 0.5, substantially increasing employee bonuses.

Illustration

If in a particular year the business achieved 90% of its business targets and an employee earning $100,000 per year had a performance rating of Exceeding (E), the employee bonus would be:

Bonus = Employee annual salary X Employee performance factor X Business factor

Bonus = $100,000 X 15% X 10%

Bonus = $1,500

The same employee could get a maximum payable bonus of $10,000 in a year where the business achieved 125% of its business target and the employee was rated as Exceptional (X).

Support of the bonus formula and criteria was unanimous. The CFO captured the mood by saying,

"I worked with the HR director and consulted the CEO in designing this bonus criteria and formula. It drives performance because it factors in both business performance and employee performance. It also aligns performance to rewards and drives employees to perform their best, which in turn pushes the business to perform well. It also removes subjectivity when awarding

bonuses. The HR director has our full support to implement the bonus policy"

This was a great achievement, and I was excited as it also addressed issue B1 in table 2 (Employees perceiving the connection between employee performance and rewards to be vague).

In closing, the leadership workshop had made significant approvals and policy changes. Though I did not get all the approvals that I was seeking, I was pleased that I had the important buy-in from the leaders and the approved changes were going to impact the PMS in a positive way (see summary leadership workshop approvals below).

Table 7: Summary of approvals from 2-day leadership workshop

Requested Policy / Structure Change	Approval by Leadership team	Issue that would be addressed (and related reference in table 7)
Inclusion of 'driving a performance and learning culture' as part of strategic objectives	Approved	Understanding strategic goals, supporting PM and learning. (Issue A2)
Approval of a specific training budget that would also be used to enhance PM framework	Approved: 4% of net revenue	Insufficient training due to budget and lack of budget to implement PMS changes. (Issue D1)
Enhancement and further automation of the performance management tool	Approved: within provided 4% budget	Reduce frustration manual PM system like struggling to retrieve previous period appraisals. (Issue D4)
Use of a 5-point PM rating scale instead of a 3-point rating scale	Approved	Providing managers with options to rate employees. (Issue C5)
Stop using forced ranking to fit a bell-curve team performance	Approved	Employee frustration on performance ratings not reflective of their true performance (Issue B2)
Use of multiple managers to evaluate employee performance and '360-degree performance review model'	Not approved. Guidance was to use single managers.	Enhance fairness and standardization of process. Also have more accurate performance evaluations (Issue E4)
Inclusion of a 'Performance appeal process or grievance process'	Approved	Provide employees with an avenue to channel PMS process grievances (Issue E3)
Have a promotion policy with clear criteria for promotion	Approved	Remove vagueness on how promotions are done (Issue B3)
Approval of a bonus formula and policy	Approved	Employees not understanding link between performance and rewards
Approval of a 2-day workshop 2-day workshop and training session for all teams	Approved	Understand strategy and goal alignment (Issue A1 and A2), plus multiple issues including those addressed by leadership team policy approvals.
Approval of a 1-day workshop to	Approved	Issues related to how managers provide

It was now important to effectively communicate and train employees on the new changes to the PMS. This has been addressed in chapter 5.2 below.

5.2 Teams 2-day workshops and training sessions (for all employees)

The purpose of the team's 2-day workshop and training session for all employees was to highlight critical PMS issues that had emanated from the focus groups, highlight senior leadership

approvals following their 2-day workshop, train stall on strategic goals and alignment of goals and finally train staff on important PM processes and misconceptions. The sessions took place in February and March 2021. Each team had a 2-day session, and the employee sessions took 16 days in total as the organization has 8 departments.

Errida and Lotfi (2021) argued that in a change process, it is important to explain to stakeholders the motivation for the change, engage and involve them during the change and use them as your change agents. In this regard, I started the employee workshops by explaining to the employees why we were redesigning and reviewing our PMS. I used the employee engagement survey results to demonstrate the employee dissatisfaction with the current PMS. I then used table 2 to explain what the focus groups had identified as critical issues ailing the PMS. Many of the employees identified with the issues and gave their own related examples of their frustrations with the PMS. The employee sentiments were well captured by employee N.

"The focus groups were able to identify the issues in a very comprehensive way. Their quotes represent the challenges that many of us have faced. In my view, addressing the PMS issues provides us with the best opportunity to kickstart the transformation of this organization to a market leader. For example, show me how my performance will translate to a bonus and I will play my part to meet my goals"

Communicating short-term wins during a change process, especially visible improvements or matters that demonstrates progress toward the future desired state assist in facilitating the change process (Kanter, 2011 and Mento et al, 2002). To quickly demonstrate improvements and galvanize support of the PMS change process, I decided to share the gains and approvals from the leadership team 2-day workshop. I shared the summary in table 7 above, taking my time to explain the 11 approvals, what each approval meant and the issues that were going to be resolved (see column 3 in table 7). I allowed employees a few minutes to share their sentiments after discussing each issue. There was a lot of excitement during the policy sessions. In particular, the promotion and bonus policy elicited the most excitement because employees could see how they could benefit from the new PMS. The comments below from employee K summarized the discussions.

"Wow, this is exciting and shows senior leadership is committed to changing the PMS. The policy approvals have ensured there is a lot of clarity on many grey areas such as promotions,

bonuses, PM rating scales, performance appeals process and the bell curve. I already feel inspired to improve my performance"

However, a few employees were quick to criticize senior leadership as not being transformational enough. In their view, more needed to be done especially on bonuses and the training budget.

"Based on the formula, I can only get a maximum of 10% of my annual pay if I perform exceptionally well and the company achieves over 125% of its targets. Surely, this does not motivate me to go over and beyond. Many organizations pay up to 100% of employee annual pay when targets are exceeded. Also, how do we say we have embraced a learning culture when only 4% of total salaries is committed to training. This should have been about 10%. Senior leadership should have done more"

I took some time to explain where we were coming from as an organization and the need to celebrate the gains made on the PMS and noted that most of the employees who shared their comments shared my views.

The strategy director and I had a shared goal of ensuring that employees understood the organization strategic goals. It was on this basis that the Strategy Director opened day 2 workshops by explaining our organization vision, mission, and strategic goals. He then articulated how the strategic goals were linked to the departmental goals and how each department supported the strategic goals. He then requested managers to take lead and explain how their functional goals were in line with strategic and departmental goals. Some managers struggled explaining the connection between the goals and were assisted by the Strategy director and fellow managers. After this, I took some time to explain SMART goals and what this meant. SMART is an acronym for *Specific, Measurable, Attainable, Realistic and Time bound*. According to Ogbeiwi (2017), The SMART model was first described by George T. Doran in 1981when he was explaining the 5 criteria that every effective and meaningful goal should fulfil (Doran, 1981; Day and Tosey, 2011). To assist employees better understand how to set SMART goals, the Strategy director and I gave many examples of SMART goals. We then requested employees to develop their own SMART goals and explain how they were linked to organization strategy, departmental goals and functional goals. This was a challenging exercise for many employees as they had never been this detailed when doing their objectives. While employees in the revenue generating functions found this quite easy as they had

always worked with specific targets that were time bound, employees in support functions like Compliance and Information Technology struggled to develop their individual goals. After many iterations and support from relevant managers, most employees were able to develop their SMART goals and link them to organization strategy departmental goals, and functional goals. I also used the training sessions to explain some PMS misconceptions such as 'PMS being a threat to collaboration'. Using the bonus formula which has a business target and factor, I explained to employees how we all needed to collaborate to ensure the business exceeded its targets which would translate to a higher business bonus factor. At the end of day 2, I asked employees to share their view of the 2-day workshop. Employee J captured the mood of the workshops using the statement below.

"As a receptionist, I have never understood the relevance of my job and how it contributes to the organization. After this workshop, I can tell you the mission, vision, and strategic objectives of this organization, and how my individual goals contribute to the strategic goals, my departmental goals, and functional goals. I can now create SMART goals that will push me to do even more and help the organization meet its strategic objectives."

In closing, the 2-day employee workshop was instrumental in ensuring employees understood the PMS framework, relevant policy changes, strategic goals and how their own goals supported strategic goals. The table below summarizes key achievements of the 2-day workshop and issues they addressed.

All Employee Workshop / Training Achievement	Issue that would be addressed (and related reference in table 2)
Understanding mission, vision and organization strategic objectives	Lack of understanding of why organization exists and relevance of employee goals (Issue A2)
Alignment and cascading of goals	Lack of goal alignment and understanding of how departmental and functional goals are linked to individual goals (Issue A1)
Training on PMS, SMART goals and measures, and related PMS misconceptions	Understanding of the performance management process and clarifying any misconceptions (Issues A3, C2, C3 C4 and E1)

Table 8: key achievements of the 2-day workshop and issues they addressed

After this, I started preparing how I will address priority B issues (manager training) which has been

discussed in the next section.

5.3 1-day manager training workshop

The purpose of the 1-day manager training was to address the PMS related manager gaps that had been identified in the focus group discussions. The session took place in July 2021.As explained in the previous chapter, the 1-day manager training was identified as a priority B issue that was important but not as urgent as priority A issues. According to Pulakos (2004), PM is a critical tool for high performance businesses and an important manager responsibility. Unfortunately, most managers are unwilling to have honest performance discussions with their employees because they fear reprisals or the possibility of damaging relationships with their subordinates who they depend on to get work done (Pulakos, 2004). On the other hand, employees feel that their managers are ineffective at coaching them and unskilled at discussing their performance. As a result, employees and managers perceive PM as a necessary evil of work instead of a critical process that assists to achieve organization and individual outcomes (Aguinis, 2013; Pulakos 2004). Taking into consideration the arguments and challenges mentioned by Aguinis and Pulakos, I knew that I had to work extra hard to transform manager views and perceptions on PM.

I started by sharing the focus group comments on manager issues linked to the PM process. First, was the issue that many employees felt that managers were not skilled to provide PM feedback. In particular, the concerns were that managers did not know how to provide constructive feedback and focused mainly on negative feedback, managers were afraid of having difficult conversations with their staff and some managers completely avoided providing feedback to their teams. Initially there was silence in the room, as managers digested the negative comments. After a few minutes, some managers acknowledged the gaps while others criticized the employees for being mean and unrealistic. I was saddened to see a few managers taking a defensive approach and castigating employees as non-performers, hence why they were criticizing them. The Strategy director and I gave multiple examples on how to provide PM feedback, especially constructive feedback. We then requested managers to do some role plays where they were to give employees feedback. The role plays provided some comic relief which eased the tensions in the room. As we progressed with the

PM training and role plays, I was pleased to note that most managers had started understanding their role in the PM process. Employee O summarized the discussion on manager feedback as follows:

"We acknowledge we have gaps when it comes to providing employees with PM feedback. This training and role plays have been useful to guide us on how to navigate the difficult PM feedback discussions. In particular, giving constructive feedback and handling difficult conversations and negative feedback."

We then moved to the topic of fairness. In a similar fashion, the strategy director and I started by sharing comments and examples from the focus groups. Many concerns focused on subjective rating of employees, the fact that employees with similar performance had different ratings and managers using the PM process to settle scores with employees. The strategy director and I provided many examples of how to enhance objectivity – for example by ensuring all goals were SMART and regularly having performance check-in sessions with subordinates. We also used high performing managers as our ambassadors and requested them to share what they do to engage and drive performance in their teams. Employee Q whose department had the highest engagement score said the following.

"My secret is that I start the performance period by sharing my own goals and then take a significant amount of time working on SMART goals for each employee so as to reduce subjectivity. I then develop a cadence of bi-weekly check-in sessions with each employee. I use these check-in sessions to give feedback to the employee on how they are doing and support them in areas they are struggling. Because of the regular check-in sessions, there are no surprises at the end of the performance period."

Many managers found Employee Qs approach to be quite useful and agreed to use the same approach. Our General Counsel joined us towards the end of the session and shared several case studies where organizations and managers were sued because of unfair processes. This really helped drive home the message of fairness as many managers realized the negative implications of unfair PM processes. The CEO, who was vested in this process as he believed managers drive performance, closed the session with a rallying call requesting managers to play their part and support the new PM process, as per comments below.

"As a manager, you are a reflection of your team. We've had a trend where managers used

to get high PM ratings while their teams get average ratings, and I urge you to lead by example going forward. The senior leadership team is committed to the new PM process, and I'm certain that you will join us in ensuring that the new process is successful"

At the end of the manager session, I requested managers to voluntarily sign a commitment document which would demonstrate their buy-in to what was discussed in the manager workshop. I was pleasantly surprised when all managers signed the commitment document while saying out a loud, "I am in!". This action demonstrated manager commitment, emotional engagement to the organization and to each other (Mone & London,2011, Schaufeli et al., 2002).

In closing, the 1-day manager workshop and training had assisted in addressing critical manager gaps that had been highlighted by the focus groups. I was glad that there was actionable knowledge (Argyris, 1993) that was produced, especially through the role playing and training, and managers were empowered on how to practically provide employees with PM feedback. The table below summarizes key achievements of the 1-day workshop and issues they addressed (referencing table 2)

Manager Workshop / Training Achievement	Issue that would be addressed (and related reference in table 2)
Providing feedback to employees	lack of skills by managers especially on providing employee feedback and coaching for performance (Issue D5 and E2)
Leadership support on goal achievement and new systems / processes	Lack of leadership support to achieve goals and when implementing new processes / systems (Issue B4)
Enhancing fairness and objectivity including rater training.	PM process being subjective and unfair practices by managers during the PM process (Issues E1, C3 and C4)

Table 9: Manager workshop achievements

5.4 Chapter summary and conclusion

In this AR cycle, I have focused on actions taken to address the PMS issues that had been highlighted in the previous chapters. The focus has mainly been planning and doing actions that

would address the PMS. I started the chapter by setting the timeline and used a table to explain the chronology of events. The 2- day leadership workshop was critical in addressing the PMS issues as all the key leaders and decision makers participated in the workshop. According to Errida and Lotfi (2021), strong sponsorship and powerful leadership is critical in ensuring success in change initiatives. My role in this change process was that of change agent as I was leading the change and having implementation responsibility, and the leadership team's role was that of change sponsor as they were authorizing and demonstrating ownership for the change (Padar et al., 2017). In particular, defining the vision and strategy, aligning stakeholders to support and own the change, decision making, influencing other and leading by example are key contributors to change success. The 2-day workshop was quite successful as it addressed critical issues raised in the employee survey and focus groups and assisted to resolve multiple interlinked issues (see column 4 in table 2). At the onset of the workshop, there were tensions as some leaders felt that PMS redesign process was taking too much of their time. This matter had to be address cautiously as it threatened the success of the workshop. I addressed this tension by explaining to the leaders how the workshops would benefit the leaders and their teams and using the CEO as the ambassador for change. Demonstrating that misalignment was the biggest impediment to meeting our strategic goals and using multiple examples highlighted in the focus group meetings assisted in persuading the leaders that the workshops were useful. To demonstrate the success of the leadership workshop, I was able to get PMS redesign approvals on 10 out of 11 issues that I presented to the leadership team.

In closing, this chapter was very important as it highlighted critical actions to be taken to redesign the PMS process. The next chapter will focus on observations and reflections after implementing the new PMS and undertaking a round of performance reviews and goal setting. I will also be comparing the focus groups views on the old PM process verses the redesigned PM process.

6.0   AR CYCLE: OBSERVATIONS AND REFLECTIONS

In the previous chapter, I highlighted key actions taken to address the issues or problems with the PMS. This chapter will focus on observations and reflections. This was covered in the period September 2021 when our organization did performance reviews for the previous period and set goals for the new performance period. It also covered October 2021 when I did a post redesign workshop with the same focus groups to understand their experiences with the new redesigned PMS. To set the context, and as explained in table 3, September is a regular time when performance discussions for previous performance period are done and goals for new performance period are set. This was done and it was exciting as all employees and managers were experiencing the newly redesigned PM process for the first time. In early October, I met the same focus groups that I had met the previous year to discuss with them their views and experiences on the newly redesigned PM process. This 2nd round of focus group meetings had the same participants as the 1st round of focus group meetings. I have analyzed the information in this chapter using the five themes presented in table 2 of the Methodology Chapter. As a reminder, the five themes are alignment, control, measurement, training & development, and fairness & acceptability. Key focus areas in my analysis this chapter are: *Past PM process as analyzed by 1ˢᵗ round focus groups, New redesigned PM process as analyzed by 2nd round focus group, Emerging views & ideas and finally Linkages with literature – where I have connected the findings with the literature.* As a reminder, and as mentioned in the methodology chapter, I conducted two sets of semi-structured interviews with the focus groups. I have named the first set of interviews done by the focus group before the PMS redesign as "pre-interviews" whose objective was to understand the participants' PMS experience before the redesign of the PMS. On the other hand, I have named the second set of interviews done by the focus group after the PMS redesign as "post-interviews" whose objective was to understand the participants' PMS experience after the redesign of the PMS interview structure. The detailed interview sheets with participant responses can be found in Appendix 3. Both the pre-interviews and post interviews had 40 participants split in 5 focus groups: 16 supervisors and 24 staff. Each focus group discussions took between 60 and 90 minutes. Also, each participant in the focus group had an opportunity to

provide a 'yes' or 'no' response to the questions I asked, and then provide a narrative to explain their response. To assist me with the post redesign analysis, I have used audio recordings and transcribed conversations sheets for the two rounds of focus group meetings. The conversation sheets have short notes that I took during the dialogue with the participants. The detailed results for the pre-interviews and post-interviews, as well as the comparison information, are in Appendix 3.

6.1 AR Cycle: Performance Management Process Reflect

In this section, I have explored employee experiences and views before and after the redesign of the PMS. I have then interpreted the results using the literature. Going through the audio recording and listening to the focus group discussions provided me with an opportunity to reflect on what the participants were discussing and map the discussions to the relevant theme. The biggest challenge I faced was the large quantities of qualitative data that made analyzing difficult.

As I begin the sharing the analysis, I want to point out that though I have used percentages and analysis of (n=#), I am not doing a quantitative analysis. I am however using this type of analysis to show the changes in a small population between the pre-redesign PMS and post-redesign PMS. The percentages were derived after analyzing the "yes" and "no" results as shown in the pre-interview and post-interview responses in appendix 3.

6.2. Pre-interviews, post-interviews, emerging issues and literature analysis

6.2.1 Theme 1: The organization and alignment of goals.

In the previous chapter, the key issues under this theme were: staff knowledge and understanding of the organization mission statement and strategic goals, understanding on how employee goals are connected to the organization goals, and finally staff level of engagement because of their goals and organization goals.

6.2.1.1 Results – Pre and post PMS redesign.

The chart below shows the impact on the three organization and goal alignment issues before and after the PMS redesign.
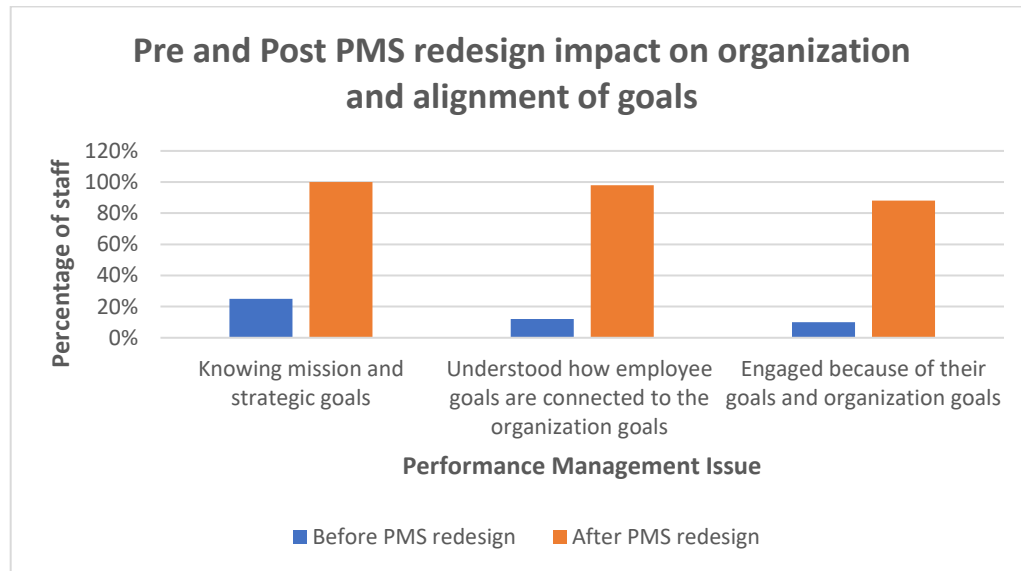

Chart 1: Pre and post PMS redesign impact on organization and alignment of goals

The chart shows that when focus group participants were asked whether they knew and understood the organization mission statement and strategic goals in the first round of focus group meetings before the PMS redesign, only 25% (n=10) said that they knew and understood the organization mission statement and strategic goals, but after the PMS redesign, all participants, 100% (n=40) said they knew and understood the organization mission statement and strategic goals. Secondly, when focus group participants were asked whether they understood how employee goals are connected to the organization goals before the PMS redesign, only 12% (n=5) said that they understood how employee goals are connected to the organization goals, but after the PMS redesign, 98% (n=39) of the participants said they understood how their goals are connected to the organization goals. Finally, when focus group participants were asked whether they are engaged because of their goals and organization goals before the PMS redesign, only 10% (n=4) said that they felt engaged because of their goals and organization goals, but after the PMS redesign, 88% (n=35) of participants said that they felt engaged because of their own goals and the organization goals.

The above results were not surprising as the Strategy Director and I had trained all employees in the 2-day employee workshops. The training focused on the organization mission, strategic goals, how strategic goals were linked to employee goals and the link between employee engagement and goals.

6.2.1.2 Emerging issues post PMS redesign and literature analysis related to theme 1

The data showed a significant improvement on all three questions related to alignment of goals. This is mainly attributed to the extensive training we did with all our staff. The fact that all participants understood the organization mission and strategic goals and that 98% understood how their goals relate to the organization's goals resonates with the arguments by Ahmad & Bujang (2013) who stressed the importance of both managers and employees knowing and understanding the organizations vision and mission as it is a critical step when aligning employees' goals to the organization's goals. This is also reiterated by Shamehr et al (2014) who identified a positive correlation between employees' knowledge and understanding of organizations mission and strategic goals and employee performance. In their view, understanding the mission and organization goals creates alignment of goals right from the top. Comments by employee D in the focus group meeting summarized this matter quite appropriately.

"Before the training, most of us had no clue what the organization mission and strategic goals were. The two-day training helped us know and internalize the mission and strategic goals. Even better was the fact that the IT department had configured all screen savers to show the mission. This means that any time our laptops were locked or idle, the mission would appear as a screen saver. This constant reminder has been made the mission to be etched in our minds. Now that the mission is clear to us, we are able to develop both departmental and individual goals"

The comments from employee D are in line with arguments from Chun and Rainey (2005) who argued that clarity and understanding of mission statements reduces goal ambiguity and has a positive impact on organization performance.

I also noted that 88% of the participants said that they felt engaged because of their own goals and the organization goals which aligns with the arguments by Macey et al. (2009) who explained how employee engagement is improved when employees understand organizations goals, their own

goals and find meaning in their work. This is further reinforced by De Waal (2013), who argues that understanding of strategic goals of an organization by employees has an impact on performance-driven behaviour and employee engagement. In his view, the foundation of driving performance-driven behaviour and employee engagement is knowledge and understanding of organization mission and strategic objectives. I feel that inclusion of "driving a performance and learning culture" as part of the organization's strategic objectives played a critical role as it gave performance management and alignment of goals the strategic importance in the organization.

I feel, however, that I missed the opportunity to institutionalize the understanding of the organization mission, strategic goals, and alignment, which means that employees will, over time, forget what they had learned. More importantly, regular workshops would ensure that the strategic goals were reviewed and remained relevant, and in line with the changing business environment. I could do this by ensuring that the 2-day employee workshops are done every 2 years and getting the relevant approvals from the leadership meeting. This would also ensure we used the workshops to refresh our mission and strategic goals. These continuous reviews and need to refresh mission and goals is supported by Vosburgh (2017) who argued that continuous discussions, reviews and research on mission, strategy, employee goals and performance management, assists to explore and co-create new designs, systems and processes that are better attuned to meet the employee's need for meaningful work on one end, and the evolving organization's need for agility and speed. The need to keep reflecting and refreshing will be important if we are to build on this success and, after discussing this with the Strategy Director, we agreed to ensure that this issue was part of the agenda in the next PM iteration meeting once we were satisfied that this PMS redesign exercise was successful.

Another missed opportunity closely linked to what we have discussed in this chapter was rewording our mission and some of our strategic goals. Though I was pleased that all employees could easily recite the mission, I felt that we could have used these workshops to refine the mission and make it concise and relevant. For example, the mission needed to focus on the fact that we were a 'digital bank' and less on 'operational excellence'. In addition, there was a lot of emphasis on 'shareholder value' and no mention of 'customer'. Similarly, we had not reflected much on 'the communities we serve'. The point is that mission statements should be relevant and inclusive,

focusing not only on the identity, product and who the organization serves, but also views of key stakeholders who should participate in its development (Dorsch, Hardiman & Vierimaa, 2021). This stakeholder issue was articulated by only one participant (n=1) who had stated that she did not understand how his goals are connected to the organization goals. The participant who works in the Bank's Corporate Social Responsibility (CSR) team felt that the strategic goals focused on the shareholder, customer, and employees only, and didn't consider the communities we serve. She said that she felt 'lost' and 'mis-aligned' as nobody mentioned CSR activities or communities in the 2-day workshops or focus group meetings. Her feelings are explained by Braun et al (2012) who argued that there is a behavioral and attitudinal link between mission statements and individuals, which is providing employees with a meaning of their work and enhancing the identification with the organization. I realized that this was indeed another missed opportunity as the Bank had spoken about CSR in the past, but not done enough to make it an important aspect of its strategy.

In closing, though I was happy with the improved numbers where most participants responded 'yes' to the three alignment questions, I felt that there were missed opportunities that could improve our performance culture, ensure everyone was accommodated and maybe even improve the survey statistics. These include continuous review and refreshing of mission and goals and ensuring our mission statement was more inclusive to ensure that all staff like those in the CSR function felt they contributed to the mission. To address this matter, I took note of the two missed opportunities so that I could include them in agenda in the next PM iteration meeting once we were satisfied that this PMS redesign exercise was successful. My view was that we have annual PM review meetings to discuss all missed opportunities and emerging issues, but I needed to discuss this matter with the senior leadership team to get their buy-in on the need for annual PM review meetings.

6.2.2. Theme 2: Work environment, control by management and leadership support.

In the previous chapter, the key issues under this theme were: whether the working environment was conducive, and staff had the necessary tools that they required to perform, whether staff understood the link between performance and rewards, whether staff understood how

promotions were done and their link to performance, and finally whether staff felt like leaders / managers supported staff to meet their goals.

6.2.2.1 Results – Pre and Post PMS redesign

The chart below shows the impact on the four theme 2 issues before and after the PMS redesign.
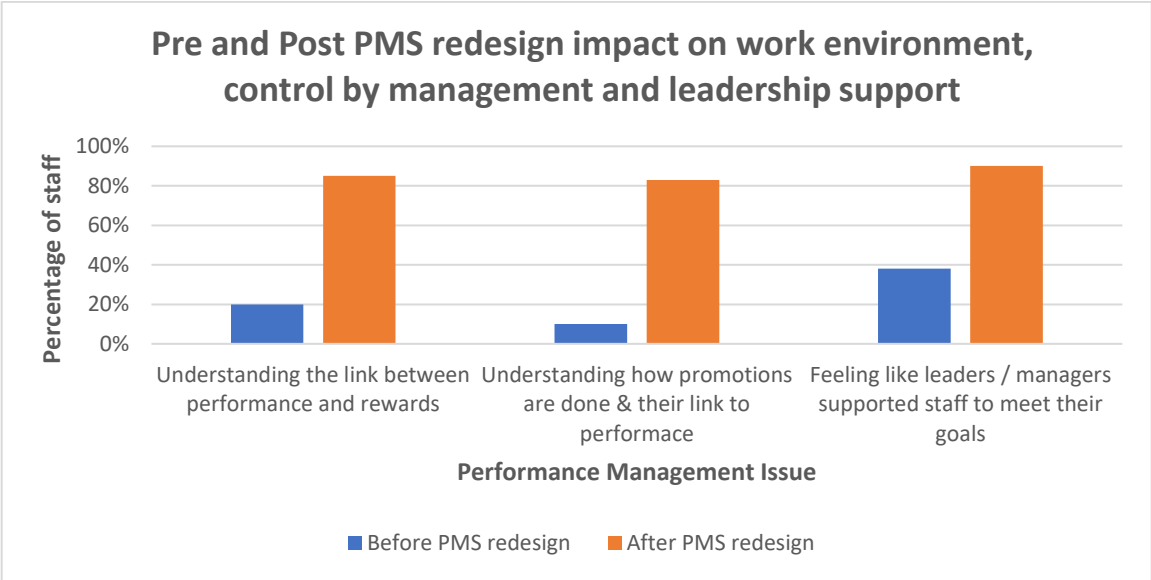
Chart 2: Pre and post PMS redesign impact on work environment, control by management and leadership support

The chart shows that when focus group participants were asked whether they understood the link between performance and rewards before the PMS redesign, only 20% (n=8) said yes, but after the PMS redesign, 85% (n=34) said yes. Secondly, when focus group participants were asked whether they understood how promotions were done and their link to performance, only 10% (n=4) said yes, but after the PMS redesign, 83% (n=33) said yes. Finally, when focus group participants were asked whether they felt like leaders / manager supported them to meet their goals, 38% (n=15) said yes, but after the PMS redesign, 90% (n=36) said yes. Once again, the largely positive results were not surprising as the Strategy Director and I had trained all employees in the 2-day employee workshops. Once again, the results were not surprising based on the effort we had put in reviewing relevant policies like the reward policy and promotion policy, getting senior leadership approval on

the same and finally education and awareness sessions during the 2-day employee workshops.

6.2.2.2 Emerging issues post PMS redesign and literature analysis related to theme 2

With regards to the link between performance and rewards, the was also an improvement where 85% of respondents said they understood the link between performance and rewards post PMS redesign from an initial score of 20% before PMS redesign. The newly designed bonus formula that the CFO and I had designed had been approved by the leadership team. The improved score of 85% was not a surprise as employees had an extensive training and awareness sessions on the bonus formula and the link to performance. Formalization of employee policies, like a bonus policy, and helping individuals understand the policies can help in reducing biases and increase employee motivation (Castilla, 2015; Bonet, Eriksson and Ortega, 2019). Leventhal, Karuza, and Fry (1980) supported these arguments by stating that formalization and standardization enhances perceptions of justice because employees appreciate that they are being evaluated according to similar rules irrespective of who the evaluating managers are. Employee. In exploring the trade-offs of formalized evaluations and policies related to pay for performance, Bonet, Eriksson and Ortega (2019) argued that while formalization reduces favoritism and biases especially when allocating rewards to individuals, there are downsides like system rigidities and lack of manager autonomy in managing employee performance. Bun and Huberts (2018) also contributed to this argument by arguing that performance related pay when well understood has a positive impact on employee productivity and performance. In their experiments, they noted that employee productivity and effort, especially for high-ability employees, increased when organizations focused on increasing bonuses as opposed to increasing fixed pay.

Having a defined manner to increasing fixed pay or merit pay in the form of base salaries is one area that my organization had struggled with, and I realized that we had missed an opportunity to discuss this at the senior leadership forum. According to Nyber et al. (2016), *merit pay*, which is a type of compensation that organizations use to reward high performers through additional pay, is positively associated with future employee performance. They however noted that bonus payouts have higher impact on performance compared to merit pay or salary increases. They stressed on differentiating merit pay or salary reviews by giving more to higher performing employees to drive

a performance culture in the organization.

With regards to whether employees understood how promotions were done and their link to performance, there was a significant increase in understanding from 10% to 83% after the PMS redesign. Again, this was not surprising as there was a lot of education and awareness sessions to employees on the new promotion policy. The policy introduces new criteria for promotion which is *'promotion is dependent on the nature of the job that an employee was doing'; and 'employees being considered for promotion should have a good performance score for at least 3 years.'* Fairness is critical when performance appraisals are used as key criteria for promotion, and if not well implemented can lead to demotivation and undermining of performance (Bonet, Eriksson and Ortega, 2019; Campbell, Campbell, and Chia 1998). In his arguments, Bonet et al (2019) also stressed the importance of a formalized policy for promotion that enhances perceptions of equity. Xie and Yang (2021) also contributed to this discussion by arguing that perceptions of promotion opportunities influence both employee job engagement and task performance. In their studies, they noted that civil servants working in China, a country with a culture of high-power distance, perceptions of promotion opportunities largely impacted their performance. This means that their attitudes and behaviours towards work changes when they perceived that they had a good chance of moving to higher positions. They further stressed the need to have a "promotion policy that is scientific, transparent and equal" which provide better understanding of mechanisms of employee promotion. Based on my HR experience and using Hofstede's cultural dimensions (Hofstede, 1980), both Kenya and South East Asia countries like China have a culture of high power distance, and would therefore have similar cultural perceptions when considering how promotion opportunities impact performance (Ketter and Arfsten, 2015; Insights, H. (2022). Quarles (1994), when studying internal auditor job satisfaction, stressed on the need to have perceived fairness and equity in the evaluation criteria used for promotion. In his view, audit firms that had ambiguous promotion criteria experienced higher employee dissatisfaction and attrition. One of the emerging issues that was raise by employee P, who had been in the organization for 15 years, was whether length of service counted in employee promotion decisions. This was a sensitive issue because he had not been promoted for about 10 years and had seen many newcomers get promoted leaving him at a lower grade. Halaby (1978) stressed the importance of having clear criteria for promotion. In his analysis, fixed promotion criteria such

as length of service was favoured by veteran employees while discretionary promotion criteria like evaluations was by favoured by younger and newer employees. He also underscored the importance of using the right criteria and ensuring that it was well understood by employees. The redesigned PMS focused on performance more than length of service and this was explained to employee P. In closing, though a lot of time had been invested in educating employees on the link between performance and promotion, this continued to be a complicated issue for employees to fully comprehend, a situation that was acknowledged by Campbell, Campbell and Chia (1998) who explored the human aspect and manger autonomy in making promotion decisions.

With regards to whether focus group participants felt like leaders / manager supported them to meet their goals, there was some improvement as 90% of employees felt the leadership support after the PMS redesign while 38% felt supported before the PMS design. Again, this was not a surprise as the Strategy Director and I had conducted 1-day manager training workshop to all managers. Leadership style and support has a significant positive impact on both employee performance and motivation (Saragih et al., 2021). In their argument, Saragih et al argued that leadership qualities such as how leaders engage with their subordinates and the support they provide go a long way in determining their performance. This was also supported by Hasbi et al. (2021) who argued that leadership style that focuses on respect of employee goals and supporting of the employee increases employee confidence and leads to better employee performance. Sherrard et al., (2009) added a different perspective by arguing that leadership coaching where leaders consistently provide advice and guidance to employees has a positive impact on employee performance. In their view, coaching for performance improves the relationship and enhances trust between the leader and employee. This argument is also supported by Valverde-Moreno et al., (2021) who argued that participative decision making enhances employee motivation and productivity, commitment and job satisfaction. In their view, a culture where leaders allowed employees to participate in the day-to-day decisions that impact their work led to better employee performance as the employees were more committed and motivated when they contributed to the solutions.

In closing, though I was happy with the improved numbers post the PMS redesign, where most participants responded 'yes' to the four questions related Work environment and control by management and leadership support, I felt that there were missed opportunities on developing

policies that were more inclusive, especially to longer serving employees who simply did what they were told. This was an important matter and I decided to begin developing the more inclusive policies so that I could have a draft ready for discussion in the next PM iteration meeting with the senior leadership team.

6.2.3. Theme 3: Measurement of goals

In the previous chapter, the key issues under this theme were: whether staff were satisfied with the use of forced ranking and bell curves; whether staff were satisfied rating scale, whether measures were focusing on goals that are important; and finally, whether staff were satisfied with the measurement rules.

6.2.3.1 Results – Pre and Post PMS redesign

The chart below shows the impact on the three organization and goal alignment issues before and after the PMS redesign.
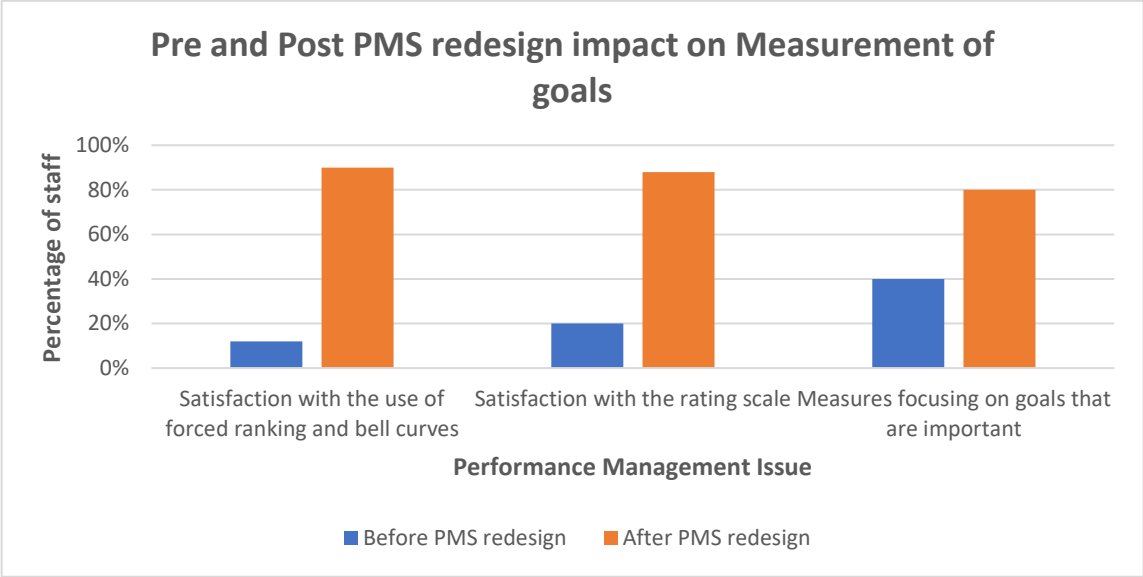

Chart 3: Pre and post PMS redesign impact on measurement of goals

As shown in the chart, when focus group participants were asked whether they were satisfied with the use of forced ranking and bell curves, in the first round of focus group meetings before the PMS redesign, only 12% (n=5) said yes, but after the PMS redesign, 90% (n=36) said yes. Secondly,

when focus group participants were asked whether they were satisfied with the rating scale which had only 3 rating indicators, only 20% (n=8) said yes, but after the PMS redesign and the rating indicators were increased to 5, 88% (n=35) said yes. Finally, when focus group participants were asked whether in their view weighting of PM measures focused on goals that are important, where important goals were given higher weight percentages, only 40% (n=16) said yes, but after the PMS redesign, 80% (n=32) said yes. Again, there was significant improvement on the 3 issues related to measurement mainly because of the new PM policies that did away with forced ranking, staff training and use of a new PM system that had a 5-point rating scale. The positive results were not surprising as both the strategy director and I had trained employees on the various PM changes including PM policy revisions and PM system automation.

6.2.2.2 Emerging issues post PMS redesign and literature analysis related to theme 3 (measurement)

During the post PMS redesign workshop, there were many positive sentiments and comments on regarding the measurement scales. Manager G's comments encapsulated the mood in the focus group:

"Before the PM redesign, we were very frustrated with the 3-point scale, and most managers struggled how to rate their staff as they had only 3 options. With a 5-point scale, staff rating is more accurate as managers have more options. The best part is getting rid of forced ranking as we were compelled to give staff inaccurate ratings to ensure the team PM curve mirrored a bell. Post the PM redesign, we are empowered to allocate more PM rating weight on important goals and not just have equal weights across all goals. There is also a lot more consistency as performance rules are documented in a policy."

Research was done where 4492 managers were rated by two supervisors, two peers, and two juniors (Scullen, Mount and Goff, 2000). The findings of the research demonstrated that perception accounted for 62% of the variance and actual performance only accounted for 21%. In their view ratings are more about the perceptions of the rater than they are about the performance of the ratee. To minimize the impact of perception variance, they suggested using objective measures used by multiple people or a set of standard measures and rules that will be used and accepted across the

organization. In addition, and to help reduce idiosyncratic bias, they suggested use of multi-rater systems which averages ratings of many raters. This argument was also supported by Church et al., (2019) who advocates the use of a 360 feedback multi-rater system to minimize biases and increase proportion of true variance. As mentioned in the previous chapter, the leadership team was not supportive of the organization using a 360 feedback multi-rater system as this was perceived as time consuming. For me this was a lost opportunity as I understood how this measurement technique would reduce bias and free employees from being held hostage by their line managers (Church et al., (2019). I therefore made a point to reintroduce the 360 multi-rater system again in the next PM iteration meeting with the senior leadership team, but ensure I shared more data on the benefits of this system.

In his article, 'Scrapping the Bell Curve', Chillakuri (2018) argued that fitting employee performance into a bell curve with rigidly set parameters like 'only 10% can get excellent', leads to a forced ranking, thereby not reflecting employee true performance. In his view, such systems lead to employees behaving in a manner where they want to please or appeal to their managers and reduces innovation at work. Similarly, Ling et al., (2019) analyzed the impact of the bell curve on students grading systems and argued that there were perceptions of structural unfairness. In their view, this impacted the students' intrinsic motivation and the negative views hindered learning. These feeling are comparable with how employees feel as they stop perceiving company practices in a positive light leading to decreased commitment and loyalty (Shrivastava and Rajesh, 2017). On the flip side, use of bell curves and forced ranking may send a signal to employees that they either perform or perish, which in turn may lead to a high-performance culture in the organization (Shrivastava and Rajesh, 2017). In their view, though there may be some positive implications of using the bell curve, most organizations find its use controversial with many drawbacks, and this has led to some organizations like Infosys Limited and Deloitte to use alternative systems. The statistics in my organization where 90% preferred or were more satisfied dropping the bell curve post PMS redesign compared to 12% pre-PMS redesign when the bell curve was being used, was quite convincing that we had done the right thing to drop use of forced ranking.

Debets et al (2020) did a study on the "Variability of residents ratings on faculty's teaching performance measured by five- and seven-point response scales". Their findings showed that using

the seven-point scale had more evenly distributed results and had a more even distribution compared to the five-point scale. In their view, the seven-point scale provided more rating options for the residents to differentiate performance. This means that a rating scale with more rating options may be more robust than one which has fewer or limited rating options. This may explain the frustration managers had using a PM rating scale with three options. The study by Debets et al (2020) also showed that there were fewer neutral or middle scores when using the seven-point scale compared to the 5-point scale. This is also called centrality bias (Trapp and Trapp, 2108). I had noticed that managers in my organization had a tendency to rate staff as neutral or use the rating "2" when we had the 3-point rating but there were fewer neutral ratings when we moved to the 5-point rating system. This meant that providing our managers with more options empowered them to move away from the centrality bias. On a similar note, Lee and Paek (2014) found that the reliability of psychometric tests increased when scales had more options to select. In their view, a scale with 2 or 3 options was less reliable compared to a scale that had 5 or 6 options for participants to select.

Ittner et al., (2003) argued that weighting of goals and performance measures communicates what is most important. In their view, goals that are most important should have the most weight as this will ensure individuals focus their energies on this goal. This was a major issue in my organization as many employee goals had the same weighting or important goals had lower weighting. For example, the operations team had 50% as the performance measurement weight on the goal of 'reducing number of errors' and only 5% as the performance measurement weight on the goal of innovation which is a key strategic goal of the organization. This was not only contrary to the organization's strategic objectives, but also did not reflect how the operations team spent their time as there was a lot more effort on innovation. Subjectivity during performance evaluation and potential for manager bias is also minimized if weighting of goals and performance measures is done properly and well communicated (Ittner et al., 2003). This is because goals, measures and rewards are aligned to effort and time commitments.

In closing, though I was happy that we had moved from a 3-point rating system to a 5-point rating system, and also done away with a bell curve, I felt that we had missed an opportunity to evaluate whether we should continue with a PM rating system or just our PM process. I reflected on whether going the Deloitte or Infosys Limited way of doing performance management which meant

doing away with rating systems and focusing on development of employees and having regular check-ins between manager and staff. I acknowledged that deciding on this matter required further research and decided to do the research much later after we had implemented the new PMS and tested it for about 2 years. I addition, the issue of evaluating employee behaviours had been classified as priority C in the Diagnose and Plan Chapter, and therefore considered a non-priority during the PMS redesign. This meant that our performance management system only focused on results and had little regard to employee behaviours in achieving those results. Aguinis (2019) is a strong advocate of not just focusing on what employees do and the related results, but how they do it and their related behaviours and attitudes. His view is that focusing on results only leads to some employees 'stepping on toes of other employees' to get things done. The fact that we had not addressed measuring behaviours felt like a missed opportunity. Again, I felt I needed to do further research on this matter before bringing the issue to senior management.

6.2.4. Theme 4: Training, development, and automation

In the previous chapter, the key issues under the theme of training, development and automation were: whether staff were satisfied with the training provided to improve individual performance; whether staff were satisfied with management capability with regards to the PM process, whether understood the PM process; and finally, whether staff were satisfied with the level of automation of the PM process.

6.2.4.1 Results – Pre and Post PMS redesign

The chart below shows the impact on the four training, development and automation issues before and after the PMS redesign.
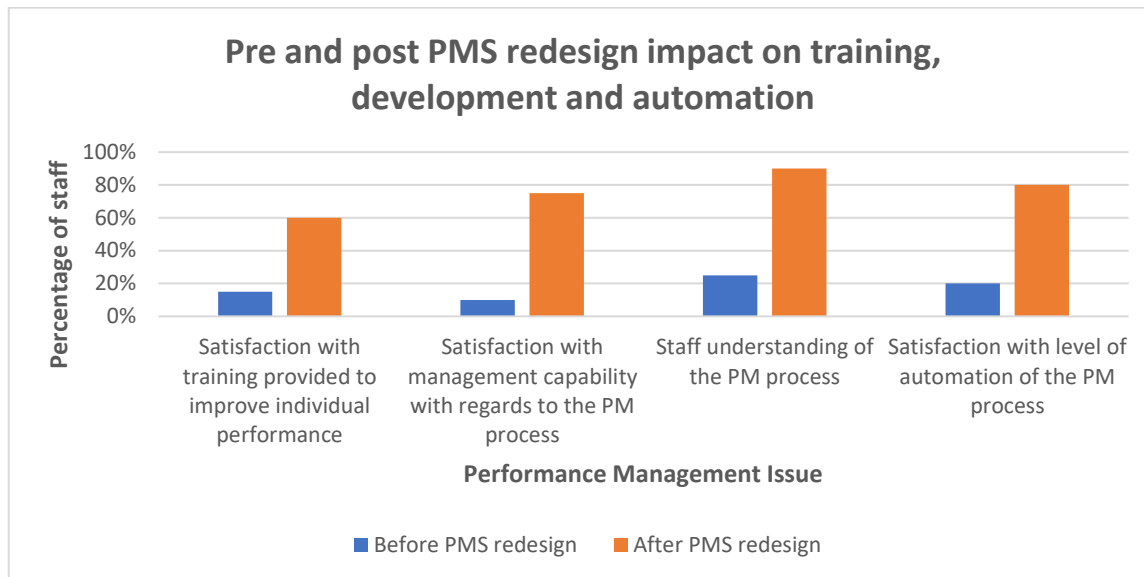
Chart 4: Pre and post PMS redesign impact on training, development and automation

The chart above shows that when focus group participants were asked whether they were satisfied with the training provided to improve individual performance, in the first round of focus group meetings before the PMS redesign, only 15% (n=6) said yes, but after the PMS redesign, 60% (n=24) said yes. Secondly, when focus group participants were asked whether they were satisfied with management capability with regards to the PM process, especially on how managers give PM feedback, only 10% (n=4) said yes, but after the PMS redesign, 75% (n=30) said yes. Thirdly, when focus group participants were asked whether understood the PM process, only 25% (n=10) said yes, but after the PMS redesign, 90% (n=36) said yes. Finally, when focus group participants were asked whether they were satisfied with the level of automation of the PM process, 20% (n=8) said yes, but after the PMS redesign, 80% (n=32) said yes. Though there was improvement across all four issues raised, I was surprised that both satisfaction with training provided and satisfaction with management capability to lead PM process scored lower than 80%. The reason I was surprised is because as HR director, I have responsibility for training and development and I expected the recent PMS training workshops, increased training budgetary commitment and a recent companywide training on presentation skills to make people excited, and therefor drive higher scores in this area. The reasons for the lower-than-expected scores are explained in the next section.

6.2.4.2 Emerging issues post PMS redesign and literature analysis related to training,

development and automation.

Training provided to improve individual performance scored 60%, which was lower than what I expected. Employee L, a participant in the focus group, commented as follows:

"Though we are pleased with the increase in training budgets, and also happy that there has been an increase in the number of training opportunities, we are yet to see training plans and programs structured to address every individual's performance gaps. A companywide training on presentation skills doesn't address my unique training needs. HR needs to conduct a companywide training needs analysis and develop training programs for every individual. The training that is being done at this moment is driven by managers and staff have no input. Most of it, like the global sanctions checks training, is irrelevant. In addition, there is no framework to guide managers on how to deal with poor performing employees"

As described in the previous chapter, there were tensions in the focus group meeting, because managers felt that staff had no role in defining their training, while staff felt that they should be consulted on training recommended for them. When conducting research on training needs assessment of secondary school head teachers, Hanif et al., (2018) argued that involvement of stakeholders, especially the trainees, is critical when developing training programs or when defining training content. These arguments were supported by Al-Moteri (2020), who observed that nurses were more engaged during training when they were involved in developing training content. In his view, the nurses self-directed learning was enhanced, and greater collaboration was observed when the nurses were involved in identifying their learning needs. Irrelevant training programs are a consequence of lack of involvement of trainees when discussing training programs. This was noted by Laberge et al, (2014) who was trying to understand why some occupational health and safety programs were ineffective. El Afi (2019) recommends use of evaluation forms at the end of training to get feedback from participants on the relevance of training. Had the evaluation forms been used, my organization would probably have stopped providing Sanction Compliance and US Office of Foreign Assets Control training. This is because many tellers found this training irrelevant as they had never encountered a situation where they had to apply their training. The other issue raised by employee L was the issue of dealing with poor performance or underperformance. According to

Gingerich et al (2021), underperformance is because of repeated inadequate results, repeated omissions or errors, or lone incidents of significant magnitude where there was negligence or individuals missed things that are obvious. Carleton (2009) recommended implementation and management of Performance Improvement Plans (PIPs) to address poor performance where struggling individuals were provided with a structured tool consisting of goals and targets and supported over a period of time so that they could succeed. In closing, the score of 60% made me reflect on employee L's comments as stated above. Doing a training needs analysis for all employees was going to be a daunting task, but I felt this may help in understanding individual training needs and create training plans for all staff. In addition, I felt I did not have time to empower managers on how to deal with poor performance and implement PIPs. I needed to do further research on how to conduct a training needs analysis and related benefits and how to assist managers deal with poor performing individuals, and so I decided to note this in my journal as 'unanswered questions' and 'areas of future research'.

The score on management capability with regards to the PM process, especially on how managers give PM feedback, had gone up from 10% to 75%. This was not surprising as all managers had gone through an intense 1-day manager training. This positive shift is in line with Harms and Roebuck (2010) arguments that training, and coaching are the most effective ways to empower managers to give feedback. In their view, training managers using feedback models and role-play training focused on giving and receiving feedback provides individuals with necessary tools and experience to give feedback. In addition, and to improve on how feedback is provided, Dweck (2017) argues that leaders and managers should cultivate a feedback culture in the organization. In her view, leaders should have a growth mindset, and package feedback so that it is developmental in nature. She went further to state that individuals are more inclined to change behaviour when feedback is developmental and motivational in nature. Many of our managers had embraced developmental feedback, which further explained the positive shift from 10% to 75%, but some managers were stuck on criticism as their way of giving feedback. Darekar at al., (2016) contributed to this argument by stressing the need for balanced feedback, where managers start by praising employees for positive contributions and then constructively criticize on areas of improvement. In addition, some managers shy away from giving feedback as they lack the skills and training to effectively give feedback, while

other managers are unwilling to give feedback for emotional reasons, especially when they don't want to damage relationships (Lane and Gorbatov, 2017). In closing, though I was happy that the scores on manager capability, especially on giving feedback, had gone up, I felt that there was an opportunity to increase the scores to over 80% by doing further training. I felt I wanted to know more on the manager feedback models described by Harms and Roebuck (2010), and I decided to do further research on this so that I could train our staff how to use the same.

I was quite happy with staff understanding of the PM process, which had moved up from 25% to 90%. This was in line with research from Kroll and Moynihan (2015) who found a positive correlation between training and performance management reforms. The two researchers had studied how training impacted public sector performance management reforms and found that training was positively linked with reform implementation and was mostly the case in managers as they played a central role in the PM process. One of their negative findings was that while training helped in reform implementation, it did not appropriately prepare managers on how to deal with some implementation problems like measurement issues. Their arguments were further reinforced by (Marks et al. 2002) who argued that training ensures that individuals see the 'bigger picture' and have a better understanding of their own and their colleagues' roles, which helps in implementation of reform processes. Yang and Hsieh (2006) brought in a different perspective of how training can assist to change normative beliefs about the importance of the reforms, and help minimize cynicism, fear and uncertainty. This reminded me of the many myths we had to dispel during our training, such as PM reduces collaboration and teamwork. Darnall and Kim (2012) brought in a different argument by suggesting that technical reforms are less likely to be successful if training is not done as the new knowledge has to be disseminated and shared norms explained. Another different perspective shared by Brown (2012), is that training builds capacity which includes new ways of thinking, additional skills and needed competencies. This is true for my organization as both individual and organizational performance, including output, had gone up post PMS redesign.

I was also quite pleased with the satisfaction level of automation of the PM process, which had moved from 20% to 80%. This is in line with arguments from Tasic et al., (2018) who stated that automation leads to efficiency of the PM process. For example, use of manual paper-based PM appraisal which was inefficient and time consuming was gone. In their view, automation made

collection of PM data easier, and the data was more accurate, up to date and complete. With the new system, individuals could only submit their performance reviews after they had filled out all areas of the automated forms, which ensured that forms were complete before submission. On a different perspective, Kaplan and Norton (2011) took PM systems automation to a different level by allowing PM tools to analyze both qualitative and quantitative information. Their systems allowed individuals to calculate weighted average scores for multiple goals and get consolidated weighted average scores. This enhancement allowed managers to get more accurate PM scores for individuals and eliminated the need for manual calculation of weighted PM scores. Another enhancement of PM automated systems is the ability to link individual goals with other goals, all the way up to the CEO goals, and have goals linked together in an Enterprise Resource Planning platform (ERP) Skibniewski et al. (2009). This drives alignment of goals and individuals are leaders right from the CEO are able to cascade their goals downwards to the most junior employee. In addition, automated systems make it easier for individuals and managers to retrieve past or archived PM records (Tasic et al., 2018). This means that there is reduced need to have files of PM paper records which make it cumbersome to retrieve information. It also means that PM data is retrieved quickly, easily and from any location.

In closing this section, I reflected on the two areas I had identified as areas of further research. These include, first, need to do a companywide training needs analysis. Further research will guide me on how to do the analysis and empower me with information that I will use in the next leadership meeting. Secondly, I will do further research on PM feedback models that I can use to teach managers in my organization. For example, Harms and Roebuck (2010), have a BEAR model which stands for Behaviour, Effect Alternative, Result. Such models make will it easier for me to train our staff in future.

6.2.5. Theme 5: PM Fairness and Acceptability

The chart below shows the impact on the three PM fairness and acceptability issues before and after the PMS redesign.
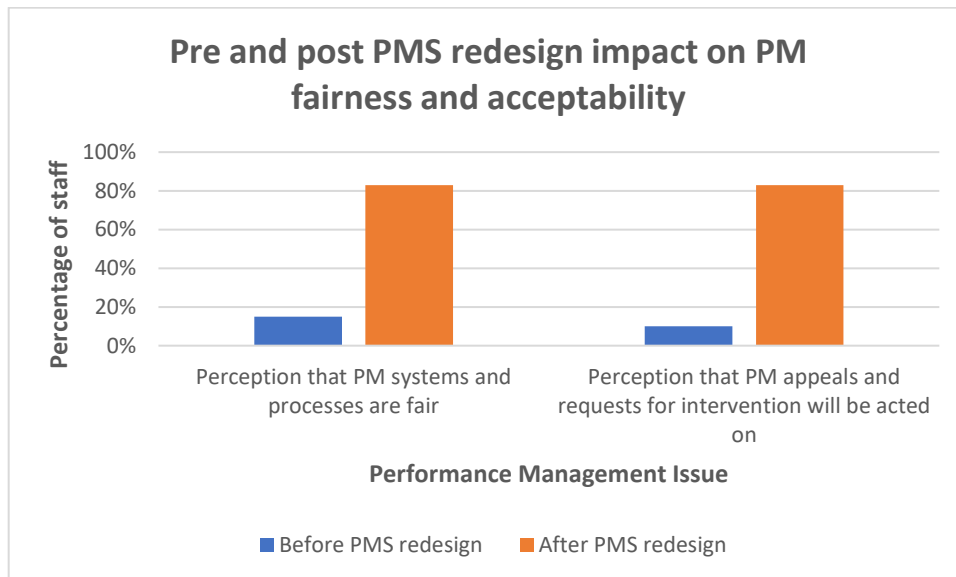
Chart 5: Pre and post PMS redesign impact on fairness and acceptability

The chart above shows that when focus group participants were asked whether they perceived PM systems and process to be fair, in the first round of focus group meetings before the PMS redesign, only 15% (n=6) said yes, but after the PMS redesign, 83% (n=33) said yes. Secondly, when focus group participants were asked their perception that PM appeals and requests for intervention will be acted on, only 10% (n=4) said yes, but after the PMS redesign, 83% (n=33) said yes. I wasn't surprised by the improvement on both parameters as we had changed our policies and trained our people. The reasons and literature behind the good scores are explained in the next section.

6.2.5.2 Emerging issues post PMS redesign and literature analysis related to fairness and acceptability.

I was pleased that perceptions on fairness had gone up from 15% to 83%. The sentiments related to the good scores was captured by employee B's comments as shown below.

"*Before the PMS redesign, your performance score was mainly driven by whether your manager liked you or not. There was a lot of favouritism which led to bootlicking behaviour especially during performance review time. Even worse is that the managers PM review was final and there were no recourse processes. With the redesigned PMS, managers have been trained and are a lot more sensitive on fairness. Also, the PM policy has an appeals process that is working."*

PM perception of fairness is a decisive factor that determines whether individuals accept the

PM process and also influences their subsequent actions and feelings (Bauwens et al, 2019). This means that employees attitudes and behaviours will be influenced by how they perceive the PM process and this may have an impact on their work performance. In their view, perceptions of fairness mainly focus on areas like PM process transparency and consistency of how PM process is applied. The fact that we had a PM policy that communicated every aspect of our PM process in a transparent manner, and also the fact that there was consistency across the organization on how the PM processes were applied, could have influenced the shift of scores from 15% to 83%. This message is further enhanced by Ahmed, Mohammad and Islam (2013), who conducted a study where 318 employees in the banking industry participated in a survey, and the results demonstrated that there is strong positive correlation between perceived fairness in performance management and Organization Citizenship Behaviour (OCB). In addition, they saw a positive relationship between perceived fairness and organization commitment. What this means is that when employees perceived the PM process to be fair, there was a positive impact on their loyalty to the organization, job attitudes, job motivation and commitment. The issue of PM fairness perceptions is also emphasized in organizational justice theory (Greenberg 1987). According to Greenberg, feelings, and perceptions of morality in organizations tend to drive employees' behaviours and attitudes at work. These include organizational citizenship behaviors which drive discretionary actions and assist individuals to contribute optimally while avoiding burnout. In addition, positive perceptions to fairness and organizational justice lead to increased job performance, higher job satisfaction, and lower attrition (Teh, Boerhannoeddin, and Ismail 2012). According to Colquitt et al., (2001), distributive fairness is the most common concerns on PM fairness as it focusses on employee outcomes and their invested efforts. In their view, employees are hurt when their managers fail to recognize their efforts or when they bypass employees on rewards and promotions and offer the same to others who demonstrated less effort. In other words, lack of distributive justice leads to perceptions of favouritism. DeHart-Davis (2009) and Leventhal's (1980) advocated for use of written rules and policies to enhance consistency, reduce subjectivity and elevate perceptions of fairness. This is because they provide a guide to all employees and forms the basis of consistent behaviour. Stritch and Pedersen (2019) contributed to this discussion by arguing that while organization rules and policies guide employee decision-making processes in most organizations, how employees interpret the apparent locus of the

decision, may impact the extent to which they view the decisions as fair. In their view, policies help in legitimizing managerial action and decisions. Employees also want to know how the rules and polices were made, for example, whether they were decided upon by individual managers or a collection of managers.

In my organization, some employees wish to appeal once they receive their performance feedback. The most common appeal request that I see relates to distributive justice (Colquitt et al., 2001) where employees do feel that their performance scores are not reflective of their actual performance or effort they have put in. According to Ratnawat and Jha (2013), good performance management process and policies should provide for appeal processes where employees who have grievances or disputes get the opportunity to be heard. They acknowledged that grievances may arise because of disagreements on output or effort, perceptions of bias or favouritism and recommended the use of an objective PM appeals process that is perceived as fair. This means that employees get to be heard and can share any PM grievances that they may have. Employees generally shy away from initiating grievance activity and appeals as they fear being labelled troublemakers (DeNisi, Cafferty, & Meglino, 1984). This explains why PM appeals are less common in organizations, as employees do not want to damage the relationships they have with their supervisors and fear the troublemaker label which could potentially limit career opportunities in the organization. Similarly, Klaas (1989) noted that appeals and grievances could be because of policies, or certain aspects of policies, and not on managerial action. In his view, employees could appeal if they perceived certain aspects of performance management policies as unfair. They also noted that such appeals were viewed by management more favourably compared to appeals that were targeted to specific managerial action. While reflecting on the issue of PM grievances and disputes, I realized that we had missed an opportunity to address victimization of employees or having them labelled as troublemakers. I noted that some organizations in the sector had initiated channels where employees could make anonymous calls or send anonymous emails and report grievances. The channels include hotlines and tip-offs telephone numbers and email addresses. This would enable early investigations of issues without necessarily exposing the employee and having them branded as troublemakers. Sometimes employees want to raise grievances that impact many staff and including an anonymous option would assist them to do so. I decided to do further research on how to get the hotlines and tip-

offs channels to our staff before making a recommendation to management.

6.3 Chapter summary and conclusion

The analysis focused on the data pre and post the PMS redesign. First, I explained my view on the data and whether there were any surprises. The information from the Actions chapter informed my reaction on whether I was surprised with the data. I then used focus group quotes to provide more context on the data. After this, I compared the data with literature from peer reviewed articles and expounded on whether the data was consistent with the literature. I kept comparing the literature with the practice in my organization and the pre and post PMS redesign data. In addition, I highlighted emerging issues, missed opportunities and areas of further research which I have summarized in the table   below.

Theme	Emerging issues, missed opportunities	Next steps
Alignment of goals	1. Institutionalizing the understanding of the organization mission, strategic goals.	Include in agenda in the next PM iteration meeting
	2. Rewording our mission and some of our strategic goals	Include in agenda in the next PM iteration meeting
Work environment, control by management and leadership support	1. Correlation between the working environment and understaffing issue that resulted in high workload and stress.	Discuss this matter in the next leadership team workshop
	2. Developing policies that were more inclusive, especially to longer serving employees	Include in agenda in the next PM iteration meeting
Measurement of goals	1. Reintroducing the 360 multi-rater system	Unanswered question that should be discussed in next leadership meeting
	2. Evaluate whether we should continue with a PM rating system or do away with employee rating	Further research required
	3. Evaluating employee behaviours as part of the PM process	Unanswered question that should be discussed in next leadership meeting.

Training, development and automation	1. Doing a training needs analysis for all employees and dealing with poor performing employees	Unanswered questions / Further research required.
	2. Understanding manager feedback models	Further research required
Fairness and Acceptability	1. Channel where employees could raise grievances anonymously	Unanswered question /Further research required

Table 10; Emerging issues, missed opportunities and areas of further research

The information in the table above was going to be used in my next chapter where I would discuss conclusions, limitations, biases and unanswered questions, implications of findings, future research and reflections. These subtopics will enable me adequately to address all the issues mentioned in table 10.

In closing, this chapter was important as it highlighted the research results and compared the same with existing literature. Using the same themes all through from chapter 2 (literature review) has helped me piece everything together and made it easier for me to make sense of the data. The next chapter will be the final chapter where I provide my conclusions and reflections using the subtopics that I have mentioned above.

7.0 DISCUSSION

In chapter 1, I introduced the original problem. "Employees are dissatisfied with the Performance Management System PMS and process in my organization". The challenges of the PMS were highlighted in the bi-annual employee engagement survey where employees expressed their dissatisfaction with the PMS and the issues they wanted addressed. In particular, the employees highlighted their dissatisfaction with the PMS process as they perceived it as unfair. Reflecting on the research journey, especially the focus group discussions, I can see how redesigning the PMS has largely been successful in addressing the problem. This journey was not just about improving the PMS, but understanding the foundation of performance management through 'classical work motivational theories' and using the theories to identify underpinning PMS elements (refer to chapter 2 where I identified 5 underpinning elements). It was also about reflection on PMS best practices with regards to development and implementation of a PMS. I was able to shift focus from merely setting goals to ensuring how employee goals are aligned and linked to business strategy. It was also about shifting focus from perceptions of unfair bonuses and promotions to creating an understanding and acceptance of how the PM process is linked to rewards. In addition, it was shifting focus from 'why these unjust measurements' to how measuring your work will help you achieve your goals and be rewarded fairly. Also, it was about changing manager perceptions from 'this is what I think of my employee', to 'how I can help my team' and having meaningful manager-staff feedback sessions. Overall, it was changing employee perceptions about how the PMS is unwarranted and unjust, to acceptance of the PMS process as a fair process that is important for employee growth and development.

This research project aimed to improve the employee PMS experience using literature from classical work motivational theories and PMS best practices. The purpose of this research was to investigate why my organization was dissatisfied with the PMS and to develop a new system based on 'classical theory' and PMS best practice. In my view, this research work and journey had improved the employee PMS experience, and this had in turn improved the overall performance of the organization, which had seen its revenues going up.

7.1 My own contributions to this study and contributions to knowledge

In chapter 2, I developed a PMS conceptual framework after analyzing the classical work motivational theories. The three theories of goal setting, control and social cognitive helped me understand the views of the different authors relating to motivational theories and how they were linked to performance management. After reading the theories, I was able to develop five underpinning elements required for an effective PMS. After studying the five underpinning elements, I studied and explained how two PM implementation factors can impact the effective implementation of PMS. I also explained that failure of the two implementation factors to work together in a harmonious way with the five pillars would lead to poor implementation of the PMS. *In this regard the findings developed during this study provide knowledge and input for understanding how PMS can be redesigned and implemented in the Kenyan banking industry. I haven't found any evidence of any study explicitly discussing PMS redesign in the Kenyan banking sector.*
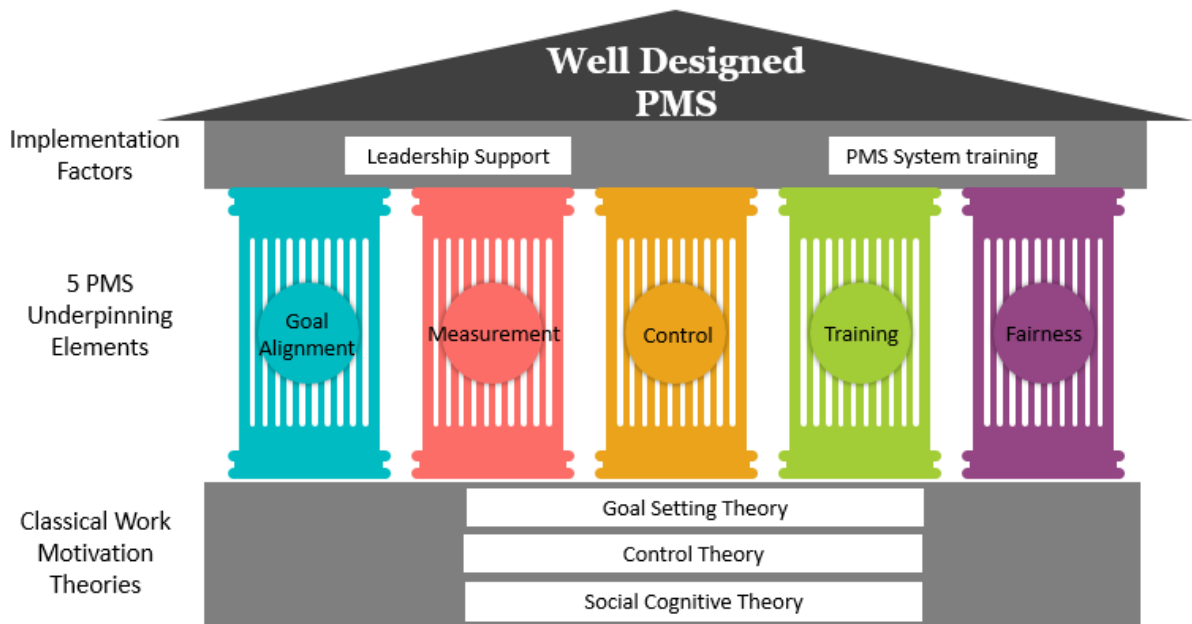
Figure 6: PMS conceptual framework in chapter 2

After going through this research process, my understanding of designing and implementing a PMS has evolved. While I would not change much of the above conceptual framework, I would add continuous feedback as a third implementation factor. This is because feedback appeared multiple times in the focus group discussions and also when I started relating my findings to the literature, as an enabler to good performance management practice. It also appeared prominently in my journal when I was analyzing focus group feedback. According to Brown et al., (2019), frequent feedback facilitates engagement and development. Similarly, continuous constructive, detailed and explicit feedback on goal progress combines with direction on how to improve enhances engagement and employee motivation (Latham & Locke, 2006). Feedback is not just for employee performance improvement, but can also be used as a management tool for organization improvement, such as change management in an organization and ability to solve problems (Mamula, Peric and Bovan, 2020). For example, it is through feedback from focus groups and other employees that my organization changed some adverse practices like forced ranking and bell curves. As a result, I prefer using the conceptual framework below as it includes continuous feedback as an implementation factor.
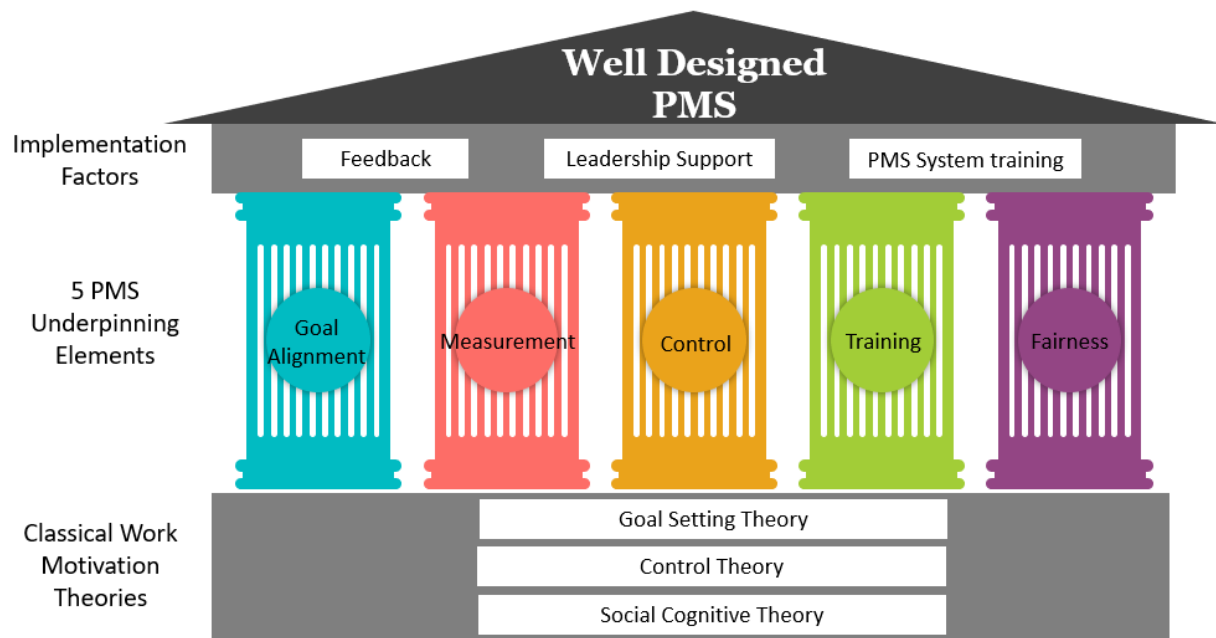
Figure 7: Preferred conceptual framework incorporating continuous feedback, following my research and evolving understanding of PMS

The above conceptual framework is like the conceptual framework I presented in chapter 2, only that this is illustrated as a house with pillars, and also includes continuous feedback as an implementation factor.

This study may encourage researchers or scholar practitioners in the Kenyan banking industry to undertake PMS redesign and implementation of their own organizations and guide policy makers in Kenya on how to plan and undertake PMS redesign and implementation. Anecdotal evidence suggests that this framework, which is derived from the Performance Management Systems Framework by Ferreira and Otley (2009), provides a useful research tool for those, especially in Kenya, wishing to study the design, operations and implementation of PMS. While Ferreira and Otley (2009) provided foundational information on the structure and operation of a PMS, I have explored what underpins the PMS framework and how this relates to employee work. For example, it does not explain why setting goals and aligning the same is an important element to employee work.

In response to the research questions I posed in chapter 1, I have found out the following in completing this research project:

1. Redesigning a PMS using PMS underpinning elements and implementation factors (from classical theory literature) does create a better PMS experience for employees.

2. The PMS underpinning elements are interlinked and complement each other when redesigning a PMS.

3. The 5 PMS underpinning elements (goal alignment, control, measurement, fairness and training) by themselves are not sufficient to redesign a PMS. Implementation factors such as leadership support and PMS system training plan an integral role in ensuring PMS redesign is successful.

4. Employee involvement, either using small groups like focus groups, or large groups like the entire workforce, is critical when redesigning a PMS.

5. Continuous feedback is a critical performance management implementation factor and should be included in PMS redesign processes.

One of the few areas that surprised me is the importance employees place on training that is unique to their needs. As seen in the results in section 6.2.4.1, employees were only slightly satisfied with the fact that training budgets were being increased and that the organization had rolled out companywide presentation skills training. What they valued more was training that was unique to their needs. For them, it was not about the quantity of training, but what mattered was the training quality which could be addressed by providing training unique to each individual's needs. This is something the Kenyan banking industry can learn especially those that provide training that is generic like presentation skills training or adopted by their head offices in other countries such as OFAC training.

7.1.1   Relationship with Previous Research

All 40 focus group participants shared that they felt that the PMS was much better following the redesign and that the employee PMS experience had improved. These finding are aligned to those

found in the literature showing that classical work motivation theories can be used to improve the employee PMS experience (Eccles and Wigfield, 2002). In particular, *Goal setting theory*, which contributed literature on goal alignment (Locke et al., 1981), *Control theory,* which contributed literature on how managers use feedback to control behavior of employees by using promotions and rewards (Carver and Scheier, 1981, 1998) and *Social Cognitive theory* which adds specific goal focused features to the social learning viewpoint of self-efficacy and motivation (Bandura ,1986; Donovan, 2001). In addition, the findings are aligned to those in the literature that support the fact that the 5 underpinning pillars are critical to PMS. These include how rewards and incentives directly influence performance management (Ottley, 1999; Odden and Kelley, 2002; Olafsen et al 2015), how goal alignment impacts achievement of strategic goals and a sense of belonging in the organization (Wade and Recardo, 2001; Ahmad & Bujang, 2013; DeNisi & Murphy, 2017; Nxumalo et al., 2018), how measurements drive attainment of PMS goals and ensure there is goal clarity (Robson, 2004; Callaway, 1999; Skinner et al., 2017; Aguinis 2013), the importance of fairness in acceptance of a PMS (Aguinis, 2013; Greenberg, 1987; Walsh, 2003; Skinner et al., 2017) and finally, how development and training enhance employee performance Barth and de Beer, 2017; Erasmus, Loedolff, Mda and Nel, 2015; El Afi 2019).

With regards to PMS implementation factors, the findings align with those found in the literature. For instance, leadership commitment and support is critical when implementing a new PMS (Trader-Leigh, 2002). In addition, studies done by various scholars have demonstrated the negative impact of lack of leadership support during the implementation of PMS and other change initiatives (Trader-Leigh, 2002; Hansson et al., 2003). On a similar note, and related to PMS implementation factors, there is evidence in the literature that PMS implementation training supports change management related to performance management. For instance, DeNisi & Gonzalez, (2017) argued it is critical that both managers and employees have an end to end understanding of the PM process for better success of PMS implementation. Schleicher et al. (2018) recognized the need to use automated systems to ease the process of PM, but also argued that employees should be adequately trained before implementation.

In closing, various dimensions of PMSs have an impact on the employee experience and perception of performance management in the organization. This was argued by Ferreira and Otley

(2009) as they studied 12 dimensions of PMS frameworks. In addition, the literature from their studies, especially on the conceptual framework they developed, shows alignment with my framework on key pillars like control (with a focus on rewards), performance measures and goal alignment (Ferreira and Otley, 2009, page 268). Based on their framework, there is anecdotal evidence that controls especially in the form of rewards, mission, vision, strategic objectives influence belief systems and have a direct impact on performance management systems of organizations. Worth noting is that the framework from Ferreira and Otley is an improved tool to what was originally developed by Otley (1999) which focused on describing PMS design aspects related to objective setting, strategies and plans for their attainment, information feedback loops and incentives.

7.2 Limitations

My view is that this research project has been a success. However, there are limitations that I experienced and will mention the same. As a reminder, the aim of the study is to improve the employee PMS experience using literature from classical work motivational theories, with a focus on redesigning a PMS using PMS underpinning elements and implementation factors. While undertaking my research to achieve these aims, I experienced limitations that include first, having a couple of questions that were left unanswered and second, my biases which somewhat influenced me during the research process. I have explained both issues in the sections below.

7.2.1 Questions Left Unanswered

Although my findings are aligned and compatible with PMS improvement and employee PMS experience, I note that there are a couple of areas that I was not able to explore and analyze during this research project. For instance, because of time constraints, I could not explore "the how" of performance management, which explores whether employee behaviours, attitudes and values influence their achievement of goals and that of their colleagues. It was clear that though some employees achieved their goals, the behaviours, attitudes and values demonstrated in achieving the goals were not in line with the organization expectations. Some employees play rough, sabotage others, are not team players and step on the toes of others while achieving their goals. According to

Ozcelik and Uyagril (2019), evaluating employee performance should consider both task achievement on one end and discretionary and contextual behaviours on the other end. They advocated use of organizational citizenship behaviour models where acceptable behaviour such as collaboration, altruism, civic virtue and sportsmanship were encouraged and communicated. In their view, incorporating evaluation of non-task behaviours in performance management ensures that a holistic view of employee performance is analyzed. I plan to revisit this matter with the leadership team in the annual leadership team workshop next in 2023.

Similarly, and closely related to employee behaviours, I was not able to gain an in-depth understanding on whether use of 360-degree multi-rater performance systems would be useful to my organization. This is because the senior leadership team deemed this PMS process to be time consuming and implementing it may send a message that the line manager rating was not to be trusted. 360-degree feedback provides multi-rated feedback, a broader overview, perceptions from different angles, higher objectivity, and legitimacy (Hosain, 2016; Basu, 2015). In their view, use of 360-degree multi-rater performance systems minimizes the over-reliance on line-manager appraisal and reduces the impact of line manager bias. The question on whether a 360-degree multi-rater performance will improve the performance process is important to me and I therefore intend to raise this matter again with the leadership team in the annual leadership team workshop next in 2023.

Another unanswered question was how managers should deal with poor performing employees. This is another broad area that was just not covered in our manager training sessions as we did not have sufficient time. Gingerich et al (2021) provided insights on how supervisors can use a tipping point model to know when to introduce remedial action on poor performance. In his view, some supervisors are not sure when to seek help or introduce remedial management, and as a result increase likelihood for individuals to fail because of late remedial action. They also gave supervisors a guide on how to identify underperformance which includes repeated inadequate results, repeated omissions or errors, or lone incidents of significant magnitude where there was negligence or individuals missed things that are obvious. One of the most comprehensive ways of dealing with underperformance was shared by Carleton (2009) who explained the benefits of

structured Performance Improvement Plans (PIPs). He also provided detailed and step by step processes on development of PIPs, alignment of goals, frequency and structure of check-ins during the PIP period, type of support provided and how to achieve results. His insights are supported by Mayberry (2007) who also contributed by explaining why supervisors are reluctant to identify and call out poor performance. Hudson and Shen (2018) brought in a different dimension by explaining how understaffing impacts individual job performance and causes burnout and emotional exhaustion. The information from these scholars will help me answer the unanswered question by Employee L on how managers can be supported to deal with poor performing employees. I intend to do further research and address this matter in the next PM manager meeting in 2023.

The issue of how employees could make anonymous calls or send anonymous emails and report PM grievances was also unanswered. 72% of perpetrators of workplace bullying in the United States are supervisors and managers (Namie and Namie, 2009). In their view, managers may bully high performing employees especially if they view them as threats. Noting the impact of manager victimization, Johansson and Carey (2016) argued that anonymous reporting increases likelihood of reporting immoral / illegitimate practices, misconduct and unusual behaviour. In their view, employee perception of personal cost of making anonymous complains influences employee's intention to report illegitimate practices. As a result, they found that fear of retaliation, especially where perpetrators know the whistleblowers, is a core reason why whistleblowers fail to report illegitimate practices. This was why they advocated for anonymity in reporting illegitimate practices. It is on this basis that I was determined to resolve the unanswered question of how employees could raise PM grievances anonymously. I purposed to raise the matter with the leadership team in the annual leadership team workshop next in 2023.

7.2.2 Bias

I am cognizant of my position in my organization and my perception of the PMS processes compared to how the participants experience the same. My position as the HR Director of the company, my values and cultural beliefs inevitably influence my perceptions and interpretations, and have led me to have some assumptions, which include:

First, I have been part of the leadership team that set the vision, mission and strategic goals of the organization. In this regard, I believe in them and may have a vested interest in seeing any changes to them. Secondly, having worked with other organizations which had mature and advanced PMS practices, I have always perceived the PMS of our organizations as sub-optimal and one that required changes. Third, I have a view that it is necessary for our organization to embrace a performance culture and redesign the PMS for us to grow. In other words, my view is that it is imperative for the PMS to be redesigned for our organization to grow. The three assumptions are examples of my bias, but they also reveal my engrained values with respect to driving performance, change management and growth. In this regard, my analysis will tend to lean to these ends.

Although I have made every effort to prevent my position as HR Director in the organization and the authority my position holds in influencing results, I am cognizant that my position may have caused some employees to skew their responses in a manner that would please me or prevented them to be seen in negative light. Worth noting is that all participants acknowledged a degree of vulnerability to participate and share negative information during the focus group meetings. To mitigate against any influence my position would have on participants, I regularly asked participants follow up questions and sought more details on their responses, and the consistency in their responses made me believe they were honest.

Also, to minimize any bias where focus group participants perceived me as an expert and therefore responded in a manner which mirrored my views, I asked questions that had no wrong or right answers, which ensured my focus was on the participant perspective on the issue. In addition, I did not divulge too much personal information about my experience on performance management during the research process (Dickson-Swift, Kippen, & Liamputtong, 2010; Williamson, 2007) and also used vocabulary that was simple and easy to understand (Aluwihare-Samaranayake, 2012). I have also tried to minimize social desirability bias where participants change their responses so that they look better to others or people fill good about them (Larson, 2019; Dodou and Winter, 2014), by encouraging honesty, adding confidentiality assurances and regularly informing participants that their responses will be anonymized. This was also achieved by modifying questions to neutralize socially acceptable responses such as "what change you would like to see" instead of questions like

"do you think the system requires changes related to alignment and measurement". Such questions were useful as participants were able articulate their feelings and ideas in an honest manner. My questions were also designed to reduce moderator bias (Haug, Koppang & Svennevig, 2010; Prince and Davies, 2001) so that any partisan perceptions I harbored were concealed. For example, though I have a negative perception on forced ranking, I ensured my questions were neutral by asking "what is your view on forced ranking in PM?" instead of "why don't people like forced ranking?". In addition, I used moderation tactics recommended by Prince and Davies (2001), such as humour, friendliness, interest in people, openness to insights and keen listening to encourage participation.

I was also aware that participants knew that the research question focused on the PMS which is a process that I created or influenced as the HR Director, and I therefore had to consider participant's bias toward myself. I mitigated this bias by ensuring that I maintained a neutral stance on responses while being cautious to avoid reinforcing positive responses or dismiss negative responses. Another method I used to identify potential bias and reduce the same is by doing a "test run" or "pilot study" (Chenail, 2013), where a group of three randomly picked employees in the organization and not part of the focus groups were given the opportunity to do the guidance questions as a way of pretesting the questions before discussing the same with the focus groups. This pre-testing gave me the opportunity to assess whether the questions were appropriate, establish whether responses can be interpreted in terms of information requires, assess whether I have personal feelings or biases based on the responses and re-word questions that are not answered as expected (van Teijlingen & Hundley, 2001). Also, though my HR team supported me with the implementation of the PMS, I deliberately excluded them as participants in the focus groups and focused on ensuring that every other team was represented to minimize selection bias (Collier and Mahoney, 2011). Including my team as participants could skew the results as we have had many instances where we discussed the PMS and its associated challenges. Ensuring that participants were randomly selected across multiple functions in the organization, except the HR team that new some of my views on the PMS assisted to minimize selection bias. In addition, having my subordinates as participants may skew the validity of the data as they know my views and may strain our relationship if they feel pressured, and cause the participants to be less autonomous

(Lysaught, 2004; Cassell, 2000; Belmont Report, 1979)

Listening to the recording as part of the *reflection stage* made me realize that some parts of the analysis contained my personal biases. This meant that some of my analysis was through the lens of my personal experiences and preferences, exposing me to the possibility that my analysis may be skewed (Rigg & Trehan, 2004). The biases could be as a result of influences such as my perspectives as a member of the senior leadership team, my role as the HR Director in charge of performance management or my goals as a researcher. It was evident that some decisions and interpretations were based on my assumptions and beliefs, and that my research work may have confirmation bias (McSweeney, 2021). To reduce the impact of confirmation bias, I listened to the recordings three times and carefully considered my analysis against what I heard from the participants. Listening to the recordings multiple times ensured that I reevaluated my interpretation of the information received instead of relying on what I knew. Also, using participant quotes and phrases verbatim assisted me to reflecting on the participants views and minimizing my own biases. In closing, I came to appreciate that addressing my biases required me to first acknowledge that I could have biases in how I viewed and interpreted the data and then using the literature to assist me minimize my biases.

7.3 Implications of Findings

First, this project supports the argument for using classical work motivational theories in development of performance management framework (Lee, 2019; Eccles and Wigfield, 2002; Locke et al., 1981; Latham and Locke, 1979; Carver and Scheier, 1981, 1998; Bandura ,1986; Donovan, 2001). This means that both scholars and practitioners would be well equipped and have a better chance for successfully implementing PMS if they are familiar with Goal setting theory (Latham and Locke, 1979), Control theory (Carver and Scheier, 1981, 1998) and Social Cognitive theory (Bandura ,1986; Donovan, 2001). This is because the classical motivational theories set a foundation which can be used in analyzing performance management theory and problems (DeNisi and Pritchard, 2006). The theories get into detail on what inspires employees to provide services and achieve goals, help managers understand and manage employee work behaviour at work and basis for why

employees are not performing (DeNisi and Pritchard, 2006). As a HR practitioner, understanding the classical work motivational theories has helped me appreciate what makes employees work the way they do, why some go the extra mile while others do the bare minimum. Control theory has made me understand how managers use the tools of rewards and promotions to control and influence employee behaviour in the workplace. Worth noting is that the 3 theories (goal setting, control and social cognitive) were selected amongst other classical work motivation theories because they were most relevant to my topic on performance management systems, and what influences performance in a work setting.

The project will also help both scholars and practitioners understand the 5 core pillars (goal alignment, measurements, controls, training and fairness) or key factors to consider when redesigning and implementing a PMS. For instance, the project supports the argument of using PM as a process with multiple benefits of controlling employee behaviour through use of rewards and promotion, rather than viewing PM with one core outcome of improving performance (Locke, 2004; Donovan, 2001). Also, goal setting and alignment as one of the PMS pillars ensures individuals understand what they are supposed to do and how this is aligned to the organizational goals (DeNisi & Murphy, 2017; Ahmad & Bujang, 2013). Similarly, I have learned from this project how the strength of alignment of strategic goals and individual goals is positively associated with overall organization performance (Iselin, Mia and Sands, 2008). This is important to practitioners as they implement PMS, because performance management begins with goal setting (Iselin, Mia and Sands, 2008). Fairness is another pillar that was described as the underpinning pillar of performance management (Hancock et al, 2018). In their view, PM is all about trust and perceptions. They explained how perceptions are made in the entire PM process, such as perceptions on how rewards are differentiated based on performance, or perceptions on how goals are distributed to employees. This means that perceptions form the basis of whether employees trust the PMS. Also, the project demonstrates that the 5 pillars alone are not enough to implement a PMS, and that the 3 implementation factors (leadership support, PM system training and Feedback) are required to ensure success in PMS implementation. For instance, leadership support in PMS implementation is critical as leaders set the tone and employees would lose interest and be non-committal if they note leadership support is missing (Trader-Leigh, 2002). This also means that the implementation factors

act as a driving force to ensure that the PMS pillars support the implementation of a PM system.

Another implication is understanding that the findings may offer relevant management implications for redesigning and implementing PMS. To understand this, it is important to note that the 5 pillars (goal alignment, measurements, controls, training and fairness) are connected to each other. This is demonstrated by Kaplan and Norton (1992, 1996) who introduced the balanced score card and argued that strategic goals and measures are linked. In their view, measures and goals mutually reinforce each other, and have a cause-and-effect relationship. Wang and Dyball (2018) explained how controls in forms of rewards are linked to fairness in that individuals are more likely to perform better and collaborate with others when they perceive rewards will be fair and commensurate to their efforts. In their view, when controls in the form of rewards and bonuses are not perceived as fair, individuals become demotivated and demonstrate opportunistic behaviours leading to poor organizational performance. Training is important for employees to understand key concepts of control like pay-for-performance and other PM areas like goal setting and alignment and how these are connected (Helm et al, 2007). In their view, mandatory PM training is required for thorough understanding of the PM process and consistent communication. This means that the 5 pillars are linked, and managers should use them to reinforce each other in PMS redesign and implementation.

In closing, I can attest that the 5 pillars and 3 implementation factors have been instrumental in developing a new PMS that resulted to better employee experience in my organization. This view is also supported by focus group findings as explained in the previous chapter and their comments such as, 'helped to improve communication with my supervisor', "assisted me understand link between performance and rewards" and "made me understand how my role supports overall business strategy". Also, the PMS satisfaction score of the organization went up following the implementation of the new PMS.

7.4 Future Research

This project has made me learn a lot on the PMS of my organization, but there are areas that I feel require further research for me to have a more holistic view of performance management systems. The possible areas of future research include how organization culture impacts individual

and organization performance, how employee behaviours and attitudes also known as "the how" impact both individual and organizational performance, how employee engagement impacts individual and organizational performance, and finally, the impact of doing away with performance ratings on employee PMS experience.

I was not able to gain insights on how organization culture impacts performance management in organizations. The question in my mind is, 'what type of culture will drive better performance in my organization?' According to Shamsudin and Velmurugan (2021), organization culture is a very broad subject and would require a lot of time to analyze, unless certain cultural traits are analyzed. They considered the impact of 4 traits of organization culture, (namely involvement, consistency, adaptability, and mission) on firm and employee performance. In their view, all 4 cultural aspect impacted performance but at different levels, with mission having the highest impact. Schein (1983, 1984, 1985, 1992) and Denison (2000) contributed to this topic by arguing that organizational culture is a critical trait of performance management. In their view, cultural factors like organizational learning or customer focus have an effect on both organizational and employee performance indicators, but might differ from one organizational culture to another. The question on how culture influences performance management in the organization is important to me and I also plan to research this area in future.

Another area for exploration is how employee behaviours and attitudes also known as "the how" impact individual performance. I noted while doing my literature review that many performance management studies focus on "the what" or employees' achievement and not "the how" or employee behaviour and attitudes demonstrated in achieving results. This is important to me as I have seen many top performers exhibit bad behaviours like lack of teamwork, lack of information sharing, unhealthy competition, cheating, 'cutting corners' and individualism. Though the top performers meet and sometimes exceed their goals, they 'leave a bad taste in everyone's mouth'. The questions in my mind are 'does the end justify the means?', 'which is more important – achieving results or ethical corporate behaviour?', 'how does this impact employees?'. I have noted that Touré´-Tillery and Fishbach (2011) have done a study on this matter who suggest that individuals pursuing a goal are more likely to behave ethically at the beginning and end of goal,

and unethically in the middle of goal pursuit. As a HR Director who is expected to provide guidance on such matters, I intend to do further research on this area so that I am well equipped to advise employees.

Another area of interest for me is how employee engagement impacts individual and organizational performance. The questions in my mind are, 'to what extent does an engaged workforce improve performance?', can employee engagement improve processes like goal setting and manager feedback? On the face of it, I noted based on statistics from the employee engagement survey, that redesigning the PMS of our organization improved overall employee engagement scores. This is important to me as driving employee engagement is one of my key goals in the organization and I want to know how this will impact our PMS in the long term. Smith and Bititci (2017) and Govender and Bussin (2020) suggest that there is a correlation between employee engagement and performance, and this is an area that I would like to get more information. The insights from such a study would help me understand how best to engage employees and manage performance in a manner that is beneficial to all stakeholders.

Finally, I am keen to do further research on the impact of doing away with performance ratings on employee PMS experience. This is because I have noted that many organizations such as Deloitte have done away with performance ratings, and this has improved their PM experience Buckingham & Goodall (2015). My curiosity is driven from the fact that managers and employees in my organization spend too much time debating and discussing performance ratings. I have also noted that this is the most contentious part of the PM process in my organization. My concern though is how I will link performance to rewards if I remove performance ratings. I have noted other organizations in my home country are doing away with performance ratings and I would therefore like to do more research to understand whether this will be beneficial to my organization.

7.5 Reflections

This research project has been a journey of many reflections. In this section, I will expound on my reflections on the research process, reflections of my practitioner journey, share the projects implications for my leadership and close with my reflections on the journey ahead. The PMS redesign

journey for my organization started about 12 years ago, which is before I joined the organization. This is after a group of consultants were contracted to implement a new PMS. Their sole focus was getting a system that allowed supervisors to appraise performance of subordinates. There was little regard to the employee experience at the time and getting a system up and running was the priority. Unfortunately, this led to great dissatisfaction with the system as there was little understanding of how the system connected the strategic goals and individual goals, little understanding of the link between rewards and performance, poorly understood measures and hardly any PMS training. There was no policy guide which led to subjective use of the PMS and perceptions of unfairness. 12 years later and with an organization that had grown three-fold and the old system was not fit for purpose. After joining the organization as the HR Director, I came to appreciate how the PMS had impacted the organization negatively. On one end, there was very little engagement between managers and subordinates which led to the organization having a weak performance culture.

This background made me curious on understanding the key factors that determine PMS success. In my view, employees had very little faith in the PMS and a complete overhaul of the same was required. I felt the need to go deeper and understand why the organization and its employees were operating the way they were and what motivated employees to work before beginning the PMS overhaul. Looking at the project, I am excited at the outcome. The PMS has been redesigned and the employee experience significantly improved. There is a clear understanding of both strategic and individual goals, employees understand how they contribute to the organizational goals, there is good performance dialogue between managers and subordinates, there is a performance culture in the organization and overall organization performance has improved.

7.5.1 Reflections of the Research Process

Prior to joining my current organization, I worked for an international organization that had mature PM practices and processes. This is where I learned that a good PMS could drive organizational performance. I therefore had an idea of what a good PMS looked like but had no experience on designing a PMS from scratch or getting literature that I could use in designing a PMS. As the HR Director for my new organization, PM was one of my key objectives, and I knew something needed to be done to the PMS. This research project explains the journey of the changes I implemented to the PMS. First, I acknowledged that I needed more information on how to do

doctoral level research and this led me to enrolling for two DBA residency programs at the University of Liverpool, where I spent about 8 days engaging with different tutors and students. This was quite helpful as it guided me on the key areas of a research project and equipped me with knowledge on how to go about doing a research project. With this knowledge, I was more confident about undertaking the research project which started by assessing the problem, then reviewing the literature, putting up an action plan, working with a focus group to define the changes required, implementing the change and then going back to participants to ask them how they experienced the change. It was important for me that staff participate in the change process so that they buy in to the new changes (O'Brien, 2002). Involving multiple staff either as focus group participants or as part of the PMS training ensured that staff input was considered during the change process. In the sections below, I will expound on how I have changed and evolved during the research process.

After Identifying the research problem, I took some time defining and writing down the research problem to ensure that it was interesting and appropriately shaped the perceived causes and solutions (Kohfeldt and Langhou, 2012; Shugan, 2003). I then drafted my research aims and objectives. This took several iterations as I focused on making the objectives more holistic on the PMS redesign process and having an element of employee experience. A book by Thomas and Hodges (2010) was quite useful in helping me shape my research objectives as it provided examples of good research objectives. I then embarked on the literature review process which was initially quite challenging as I was overwhelmed with the amount of literature on Performance Management. I used a funnel approach (Berthon, Nairn and Money, 2003) where I was able to first examine a large body of knowledge and sift through the literature to identify specific theory and assumptions that were most relevant to my study. I mainly used search tools from the University of Liverpool Library and Google Scholar to search for key words, authors and articles, and had to read multiple documents before settling down on which documents to use. I also preferred using peer reviewed articles because they had been reviewed by other competent people in the profession and provided the most relevant information (Barrett and Rodriguez, 2021; Schimanski, L A.; Alperin, 2018). Even then, I initially struggled organize the information into my core themes as some of the information had overlapping ideas and themes. I also noted that there was a lot of information that touched on key words that I had searched for, but some of this information was not relevant to my topic. To ensure my literature

was relevant, I used leading journals and databases like ProQuest, Emerald Insight, Sage and JSTOR, mined information from leading authors in each subject and also searched for information from my region (Webster and Watson, 2002). Getting relevant information from the African Region was challenging as there were few authors who had written on key topics that I was interested in. I organized my work around core themes and used tables and post it notes that I stuck to the walls of home library to help me visualize information on each theme.

The research methodology was another challenging area. Though I had done research projects before while pursuing my master's degree, I had never used an Action Research (AR) approach which requires the researcher and organization engage in a collaborative cycle of diagnosing, planning, taking action, and evaluating (Coghlan & Brannick 2010). After guidance from my supervisor and reading the book by Coghlan & Brannick (2010), I got a better understanding on AR. I noted that AR required deep engagement with participants and while this was good as it fostered PMS redesign buy-in, I underestimated the demands on my time and that of participants. A lot of time was spent organizing, leading and conducting multiple focus groups. I also noted that the AR cycle required structure which includes diagnosing and planning, actions, observation, reflection and revise or reset (Anderson et al., 2015). I had never experienced research projects that required such detail with regards to structure. I also found out that I had to explain every decision or approach. For instance, I had to provide reasons for using a qualitative approach, explain why I was using an AR approach and why I opted to use focus groups. Regular reflection also became part of my research journey where I had to keep asking myself questions like "what is happening?", "how do I know that?", and "is this the best method or is there a better way?". It was through reflection and listening to focus group recordings that I started getting ideas and insights on the PMS solutions.

Making sense of the immense information gathered was another challenge I faced. I had never engaged in a process which required consistent tying information received from participants with literature from scholars. I was used to presenting ideas and summarizing facts only, but the research project made me regularly ask myself, "what does this mean?", and then spend hours linking what I had heard from focus groups to literature from leading scholars. I used abductive reasoning (Coghlan and Shani, 2020; Peirce, 1903) where I would observe, listen and then make the likely conclusions from what I observed. This also assisted me contrast between participants responses and the

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literature. I developed a cycle of observing, listening, writing down my initial thoughts on what I had observed, referring to literature and then refining my initial written thoughts.

Perhaps my greatest challenge was contracting Covid midway during my research project. This was a difficult experience as I had to be hospitalized after struggling to get a hospital bed for almost 2 weeks. Other family members also contracted Covid, and I did not touch my research project for almost 3 months attending to myself and family members. This whole experience made me reflect on my priorities in life, and finishing this DBA became a core priority. My supervisor has been exceedingly supportive all through the project especially after I resumed working on my project after the Covid experience.

Looking back, the project which has taken me about 4 years, I am pleased with what I have accomplished both personally and for ABC Bank. Through my efforts, we successfully implemented a new PMS that significantly improved the PMS experience.

7.5.2 Reflections of My Practitioner Journey

The scholar-practitioner was introduced to me in the 1st module of my DBA. The scholar practitioner links theory to practice and then develops actionable knowledge or practical application of scholarly knowledge (Coghlan and Holian, 2021; Tenkasi & Hay, 2004; Mullen, 2003). Reflecting on the definitions of scholar-practitioner as mentioned above, I must say that I did not feel like one at the beginning of the journey as I had not had sufficient engagement with theory (the literature) and also because I had not implemented any change as a result of the theory I had learned. As I conclude, this research project, I feel like have evolved to a novice scholar-practitioner because I have reviewed PMS literature, engaged participants in my organization in a change process and implemented change through a new PMS. Using Action Research (AR), I have engaged in a cycle of planning, acting, observing, and reflecting and consistently referring to literature at every stage to provide insights on what I was experiencing (Zuber-Skerritt and Perry, 2002). Before I started my research project, I relied on my experience and available information to make decisions. This has changed as I now regularly refer to scholarly work in decision making and when providing advice. I prefer using an AR approach to solve unique problems. For instance, I recently needed to provide

managers with advice on how to improve engagement in their teams, and found myself reading literature from Osborne et al., (2017), then discussing the principles therein with managers, implementing recommendations provided by the scholars and engaging managers in a reflective exercise on what was working. Using another example, I wanted to educate managers on hiring biases and I found myself sharing arguments by Kunst et al (2022) and Krawietz (2015) after reading their articles from the University of Liverpool library. This project has empowered me on how to leverage on the body of knowledge beyond my experiences, by using literature from scholarly articles where I get additional knowledge and insights on my day-to-day work problems. As a result of regularly reading scholarly articles, I am now also more inclined to use evidence-based knowledge in making decisions as opposed to merely using my knowledge and gut feelings.

I have also learned to be more reflective in the problem-solving process. My approach in the past has been to make decisions based on the available information and then move on quickly. I have rarely taken time to reflect on the cause of the problems, the different approaches to resolving the problem and the proposed solution. Today, when solving problems, I regularly turn back to self, and position myself both as an observer and as someone who is being observed (both the subject and object), trying to understand new knowledge and what it means to myself and others (Mortari, 2015). This has helped me have a more thoughtful relationship with others and be more authentic as a leader. Regular reflection has made me to begin regular journaling of my thoughts. Writing down my thoughts, views and ideas not only helps me remember and keep a good record, but also helps me better understand issues and how they relate with other issues. Reflection also enabled me to be more confident about my solutions and decisions. This is because I go through multiple iterations of questioning myself and asking myself how I know what I know and whether what I know is accurate.

Also, as an inside researcher, I have transferred skills by developing my HR team on how to research on issues using scholarly articles. Using simple tools like Google Scholar, I have trained the team how to do simple research, get deeper insights and information on day-to-day work problems. This has led to a more capable and empowered HR team that is able to provide insightful information for decision making. I plan to continue developing others in my organization so as to build a strengthen the quality of information used.

During the research process, I had mixed emotions of my own and had to deal with emotions

of participants. For example, I felt anxious when some members of the leadership team argued that the organization did not have time for workshops and trainings (see section 5.1). Another instance is the disappointment I felt when the leadership team declined my request to pursue 360-degree evaluations (see section 5.1.3.1). I dealt with emotions of anxiety and disappointment by acknowledging my feelings, trying to be calm and reminding myself the importance of the PMS redesign and my doctoral program. When excited, I sometimes showed excitement in front of participants. For instance, when communicating changes to the bonus policy (see section 5.2). I managed such excitement by quickly reminding myself that I needed to be seen as a neutral and balanced facilitator. Though I allowed employees to show their emotions, such as excitement, and acknowledged the same by mentioning, 'I see you are excited and happy about this', I was quick to take control of meetings when employees displayed a lot of excitement. I was encouraged by arguments from Vince (2020) who stated that researchers should balance tensions between negative and positive emotions, acknowledge their emotions and ensuring that their emotions do not lead them to be biased.

In closing, this research project has empowered me in many ways. This include using research and review of scholarly work in decision making, being more reflective on day-to-day problems and how I resolve them and overall, being more confident about implementing changes in the workplace.

7.5.3 Implications for My Leadership

This research project has developed me as leader in many ways. First, the research project has provided me with insights on how to lead as a practitioner. Prior to beginning my DBA journey, my view on leadership was merely directing people to achieve results. My focus was the task at hand (task oriented), and I would usually apply an authoritative leadership style to get things done (Vasilescu, 2019). This meant being commanding in approach where I would use my authority to give directions and get things done. I have used Action Research (AR) methodology in this research project which is participatory in approach (Sagor, 2000; Reason and Bradbury, 2008). As a result of involving participants, I have noted that my leadership style has evolved to be more participatory (Vasilescu, 2019), where I take the input of others into account and forge consensus using a democratic approach. I now prefer giving every participant or employee an opportunity to contribute to solutions and decisions that will impact them. "What do you think?" has become a common

question in forums which I lead. Also, as I gravitated towards participative leadership, I found myself embracing an affiliative leadership style (Vasilescu, 2019), where I valued relationships and put people first. I have found myself focusing on building emotional bonds and relationships and using these relationships to get things done. This has strengthened the bonds between me and other employees and overall had a positive impact on the working environment.

I have also become a more reflective leader. This has made me become a more authentic leader because I ask more personal questions and share more about myself (Mortari, 2015). In addition, reflection has taught me to be more present in discussions with others, and I find myself listening more talking less. This also means being aware and attentive to my experience which has helped me develop a fuller understanding about what is known, which consequently increases my leadership capacity (Sherwood & Horton-Deutsch, 2012; Horton-Deutsch & Sherwood, 2008). This has also increased my self-awareness and how I approach different situations in life. I am also more attentive to experiences of others which leads to asking questions like, "what does this mean for you?" or "how did that make you feel?". This has developed me to be a People-centric leader where I apply compassion, selflessness and mindfulness (Peters, 2019; Hougaard and Carter, 2018). This means that through reflection, I have learnt to be more human and less managerial in my approach to leadership.

The research project has also reshaped my thinking and approach to issues. My leadership perspective was mainly about being strategic and visionary, but this was done in a rather narrow way because I did not consider tensions of my actions and missed opportunities. While doing this research, I had to look at issues in a holistic and balanced manner, regularly incorporating tensions, missed opportunities, risks and challenges that I faced. I have come to appreciate that leadership is not just about providing direction and communicating hope and opportunities, but being able and willing to look at the other side which includes tensions such as vulnerabilities associated with decisions, impact on naïve and unknowledgeable individuals and those at risk like the poor or racial minorities (Pechmann et al; 2011). The focus is on looking deeper into problems and asking yourself what other issue is yet to be considered (Landy, 1995). This means that for every leadership decision or action, I should also be thinking about risks, individuals that may be harmed, individuals that are unable or unwilling to participate or reap benefits and any other challenge. In addition, I have learned

to identify and define my assumptions and biases on issues and at the same time explore whether there are any ethical concerns. In summary, this research project has enabled me to understand how to take a holistic approach to addressing problems.

The research project has also had an impact on how I communicate and engage others. In particular, being able to ask questions, knowing the right questions and presenting my arguments. When preparing my research question, sub questions and survey questions, I learned that asking the wrong questions could lead to finding solutions in the wrong places and in the wrong way (Orford, 2007). Gordon and Conaway, (2021) argued that the right questions are specific and relevant to the topic at hand and this in turn unlocks learning and enhances bonding. Also, I have known when to ask open or closed ended questions depending on whether I seek to find more information on issues (Baburajan et al., 2022). Knowing the right questions to ask has made me more courageous as a leader and I find myself asking bold questions that most people would shy away from. For example, asking the leadership team questions related to our organizational view on enhancing diversity by hiring more from the LGBTQ community knowing very well that there is little tolerance of the LGBTQ community in Africa (Nyoni, 2020). In summary, this research project has made me evolve how I think about question, and as a leader, I spend more time thinking and preparing the right questions.

In closing and based on the above examples, this research project has made me grow, both as a leader of self and others.

7.5.4 Moving Forward

As a result of undertaking this research project, I feel like I have grown as a scholar, practitioner and leader, and my learning is evolving. As a scholar, I feel more confident to undertake research on complex societal problems. As a practitioner, I feel empowered to deal with organizational problems especially getting relevant information and using the Action Learning process to resolve problems. As a leader, I have better knowledge of self which has enabled me to evolve my leadership style. This research project has positioned me well within the leadership team and board of directors of my organization following the successful redesigned and implementation of the PMS. The Board and CEO have already requested me to change the recruitment process which is marred with complaints and irregularities. The knowledge that I have acquired in this DBA

program has positioned me well to undertake this change and other changes that I encounter in my career. In particular, I have learned new concepts like action learning, critical reflection inquiry, sensemaking, the scholar-practitioner, the problematizing process and ethics in research from my interactions with my supervisor and classmates. I am grateful to the DBA faculty at the University of Liverpool and my supervisor for the knowledge that I have gained and look forward to using my new skills to develop myself and others.

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Appendix 1: Promotion policy

Appendix 1

PROMOTION POLICY – ABC BANK

ABC Bank is committed to identifying and promoting talent as a way of motivating the staff. Promotion is aimed at ensuring career development and growth for staff who demonstrate exceptional performance in their current roles and potential to take up new positions and/or take up additional responsibilities.

Policy Objective
- To provide a fair and equitable method of assessment and promotion consistently applied across the board.
- To define a framework that provides a basis for systematic assessment that will promote objectivity, consistency, independence and transparency in making promotion decisions.
- To enable flexibility in assessment in order that the various ways in which staff contribute to achievement of the company's objectives can be rewarded on the basis of consistently applied standards.

Scope of Policy
This policy applies to all permanent and pensionable staff of ABC Bank Limited.

Policy Principles

Equal Opportunities
In line with the equal opportunities policy, ABC Bank will not permit direct or indirect discrimination against any employee on the grounds of race, disability, sex, health status, sexual orientation, religion, marital status, or age when making promotion decisions. Promotion decisions will be done in a fair and equitable manner.

Confidentiality **of** **information**
Staff managing the promotion process must recognize and maintain the confidential nature of the information in the documentation

Conflict **of** **interest**
Staff involved in the assessment process are required to declare any potential conflict of interest regarding their relationships with the candidate/s.

Criteria for Promotion
Promotion will be based on:
1. Dependent on the nature of the job that an employee was doing. The position must exist and be approved by the head of department, the respective Chief Officer and the CHRO. There needs to be an approved grade for the position.
2. Employees being considered for promotion should have a good performance score for at least 3 years

Promotion will only be recommended when applicants, through their achievements, can demonstrate that:
- They have the capacity to perform tasks commensurate with those expected at the new level.
- They have exceeded expectations in their current position consistently over two years.

Assessment Methods
The assessment process will be structured so that promotion decisions are based on a fair, standardized and evidence based assessment of the individual current performance and potential.

Approaches in assessment include but are not limited to:

- Performance Development Reviews
- Written tests (done through ability tests or aptitude tests), computer tests, presentations etc
- Structured/competency based interviews.

Evaluation

The evaluation of a staff member for promotion should be done by a minimum of three line managers before the recommendation is sent to the respective Head of Department and/or Chief Officer. This is to enable the integration of a range of perceptions to achieve a balanced judgment/assessment.

As a guide, staff being considered for promotion will be evaluated by manager's two levels higher up from their current grade where applicable.

Responsibility

Line Managers

Assessing and recommending candidates for promotion

Heads of Department/Chief Officer

Assessing candidates and approving promotion of staff.

Human Resources

Facilitate the defining of job descriptions
Facilitate the grading of the jobs
Facilitate assessment process
Prepare promotion letters for staff
Announce promotions to the rest of the company.

Amendments

Changes to this policy will be approved by the EXCO and communicated to staff

Appendix 2

Performance Management Policy

Policy Statement

ABC Bank Ltd is committed to performance management as the primary human resource driver to recognize staff contribution to the company by relating their individual work performance to the short and long term goals of the company.

Performance management is the means of getting better results from the company, teams, and individuals by managing performance within an agreed framework of planned goals, objectives and competency requirements.

The starting point of performance management in ABC Bank Ltd is the creation of understanding of what each individual is expected to do. This is done by each staff member being made aware of what their roles and responsibilities are and signing off their performance objectives.

Policy Principle

The policy aims to promote fairness, transparency and ownership of the performance management process by both staff and management.

Definition of Performance

In the literary sense, performance is the accomplishment and execution of set objectives. Performance in the ABC Bank Ltd context looks at both behaviors and results. In this regards when managing the performance of the team and individuals both behaviors and results of the individual/team are considered.

Objectives

- To have a formal and defined methodology of:
  - ✓ Setting objectives and targets at the beginning of a review period; and
  - ✓ Assessing the performance of staff in terms of what they have achieved against set objectives for the review period

- Outlining the objectives and key performance areas for the next review period;

- Provide a consistent approach in managing poor performance across the business;

- To ensure appropriate support is identified and put in place to improve performance that falls below the agreed standards;

- To ensure corrective action is initiated by way of a Performance Improvement Plan as soon as poor performance is identified and appropriate support is provided

- Documenting the learning and development needs that will support the staff in the achievement of objectives for the next performance cycle.

- Defining the success criteria of the learning and development initiatives to support the achievement of objectives by the staff.

Scope

The Performance Development policy applies to the following groups of staff:
- Permanent staff.
- Expatriate and consultant staff
- Staff on fixed term contracts.
- Staff on probation

Internship students will be assessed on completion of their internship and the results sent to their college/university.

Temporary staff will be assigned specific duties and assessed after completion of the assigned duties.

Timeframe
Performance Management is an ongoing process and feedback is provided on a continuous basis.

The performance management cycle will be done annually and any change to this will be communicated.

All Performance development reviews, objective setting and learning needs activities of the performance management process will commence at the beginning of each financial year i.e. 1st of April in each year.

This policy encourages managers to determine the specific performance review period that is appropriate to the business requirements.

Forced Ranking and Bell Curve

Use of forced ranking process through a bell curve will no longer be done. Staff will be rated objectively based on their performance and there will be no comparison with other staff.

360-degree Evaluation

360-degree feedback provides multi-rated feedback, a broader overview, perceptions from different angles, higher objectivity, and legitimacy. This will be considered in the next iteration of the performance review framework.

Responsibilities

Performance management is both the staff and manager's responsibility. HR plays a facilitative and support role in the process.

At each stage of the process, all discussions must be documented and, where the staff's input is required, signed off by the staff member concerned.

Staff Responsibility
All staff on probation and existing staff in a new position will be required to set their objectives within one month of taking up the new appointment.

Staff are required to conduct a self appraisal before they are appraised by their supervisor/manager.

In instances where a staff is recommended for promotion or change of job or changes jobs within the company, a performance review will be done before the staff member takes up the new position.
- Understanding and taking ownership of objectives set for the review period.

- Delivering on agreed set objectives

- Conduct self appraisal for the period under review using the online system

- Take part in the assessment reviews with the manager.

- Understand the performance objectives for the next performance year.

- Document together with the line manager, the development needed in achieving objectives set for the next performance period.

Managers Responsibility
Each Manager shall ensure that the Learning and Development plans are aligned to the business objectives as per learning and development policies.

- Interpreting and cascading corporate, divisional, departmental, and sectional goals to the business.

- Discussing and agreeing individual objectives with the staff

- Providing an enabling environment to the staff to deliver their objectives

- Provide both formal and informal performance feedback to the staff within the specified timelines.

- Taking appropriate action within this Policy to deal with underperformance at the earliest opportunity.

- Formally agree overall performance rating with the staff.

- Together with staff agree and document learning and development initiatives to support the achievement of objectives

Human Resource Responsibility

- Educate and provide advice and clarification regarding the Policy and process to both staff and management.

- Define the performance management policy principles in alignment to the business objectives and culture.

- Tracking and monitoring timely completion of the performance management process.

- Provide the requisite support infrastructure and information technology tools to aid in the performance management process

- Validate the learning and development needs identified in line with the learning and development policy.

- Tracking and monitoring the progress of staff on the learning and development initiative

Performance Rating Scale

The following performance rating scale will be used in assessing the performance of staff against the objectives set for the review period. In the event a rating bears a fraction between 0.1 and 0.4 then the rating may be rounded down; In the event a rating bears a fraction between 0.5 and 0.9 then the rating may be rounded up.

1: Outstanding Performer
Exceeded all objectives and added value beyond the scope of the normal job. Performance against key result areas was consistently exceeded. Performance and effectiveness is excellent in all respects.

2: Exceptional Performer
Achieved all objectives and exceeded in a number of areas. Performance against key result areas was achieved and frequently exceeded.

3: Good Performer
Achieved the objectives and/or performance against key result areas. Performance meets standards required by the job.

4: Under Performance
Met some objectives and did not meet others. A performance improvement plan shall be required to get performance to acceptable standards.

5: Poor Performer
Performance falls below expectations. Objectives and/or key result areas were not met. A Performance Improvement Plan shall be required to get performance to acceptable standards.

6: Too soon to rate
Applicable to new hires on their 1st probationary period. These are staff who are not due for confirmation.

However for the purposes of confirmation of staff who have successfully completed their probation period, a confirmation appraisal shall be conducted and such an employee will be rated using the above scale as applicable to support the confirmation decision.

Reward for Performance
Overall performance rating will be considered in determining salary reviews and/or other incentives in line with the reward policy and performance of the company as a whole.

Managing Poor Performance

Whereas ABC Bank Ltd recognizes good performance, it is also committed to managing poor performance by providing guidance for dealing with employees whose performance, despite providing appropriate support, falls short of the required standards.

Definition

Poor performance is defined as the gap between the company's expectations of the staff in respect of their job role as defined by the job description, set and agreed objectives and the employee's actual

performance in their job.

- Poor performance will cover
  - All staff with a performance 3.5 rating towards 5.0 rating following each Performance review period
  - All staff who demonstrate inconsistent performance following performance clearance from a 3.5 rating towards 5 rating
- Immediately poor performance has been identified and rated, the manager will initiate discussions with the employee through one one-on-one session to address issues of concern with regards to the employee's performance.
- The employee will be issued with a Performance Notice, for minimum period of three (3) months and a maximum period of six (6) months.
- The Performance Notice will specify at the very least:
  - the required performance notice period;
  - the consequences of failing to achieve the standards of improvement within the performance notice period.
- The specific performance notice period will be determined by the immediate manager and Chief Officer after considering the factors influencing non performance of the employee.
- The Performance Notice will be accompanied by a Performance Improvement Plan. The Performance Improvement Plan will set out:
  - the areas of performance that have not reached the required standards;
  - what improvement is required
  - the level of support required
  - the date(s) of performance review
- On achievement of the required standard of performance, the employee will be issued with a letter confirming that s/he has achieved the agreed standards of performance for the performance notice period.
- Where the employee has not achieved the required standard of performance then the employee's immediate manager shall consider the appropriate action, in consultation with Human Resources.

Appendix 3: Detailed Guidance questions / interview sheet with participant responses

Withdrawn for Publication

Appendix 4: A Priori Structure

Table 2: A Priori Structure			
Theme (Tree Node)	Themes from Literature	Associated Concepts	References
The organization and alignment of goals	The organization mission and goals are aligned across the business	Employees know the mission and organization goals and understand how their work impacts the overall mission and goals. They are therefore engaged because they feel what they do matters.	Wade and Recardo, 2001; Ahmad & Bujang 2013; DeNisi & Murphy, 2017; Swaartbooi, 2016; Lutwama et al. 2013
Work environment and control by management and leadership support	The work environment is conducive for me to perform	The work environment including management control and rewards foster employee performance. Also, I have an opportunity to get promoted when I perform. Also, employees have the resources required to do their work and managers support employees to perform at their best. Also, leaders are supportive of new initiatives, systems and processes.	Ottley, 1999; Locke, 2004; Armstrong, 2015; Lawler, 2003; Odden and Kelley, 2002; Olafsen et al, 2015; Ahmad and Shahzad, 2011; Trader-Leigh, 2002; Hansson et al., 2003; Hipkin and Lockett, 1995; Laszlo, 1999; Carter et al, 2001
My goals and how and how they are measured	I understand my goals and how they are measured	The employee understands his goals, why they are important and how they are measured. The measurement rules are appropriate to drive performance and differentiate top, good, average and poor performers. Measurements are reliable and valid.	Robson 2004, Lutwama et al., 2013, Skinner et al., 2017, Callaway, 1999; Miller, 1990; Langley, 1995; Waldrop, 1992; DeNisi & Murphy, 2017; Aguinis 2013

Training, development and system automation	I can learn and grow in this organization.	Employee is confident that there are training opportunities. Training is based on performance gaps and employee career growth requirements. Training is also provided for new systems and processes especially those related to performance management. Training is relevant and ensures employee is growing in the organization. Feedback is constructive and directs me on how to develop myself. Managers are trained to give feedback	Barth and de Beer, 2017; Erasmus, Loedolff, Mda and Nel, 2015; Armstrong, 2015; Deeb El Afi, 2019; Amiki and Cepiku, 2020; Teke, 2002; Rahdert, 1960; Certo, 2003; Schleicher et al., 2018 DeNisi & Gonzalez, 2017; Horwitz, 1999
Fairness in the processes and acceptability		Systems and processes are perceived as transparent and fair by both staff and managers. Employees can give feedback on systems and processes and expect feedback to be acted upon. An employee can appeal where they feel the process is not fair. There is no favoritism in the organization. There is acceptance of systems and processes especially those related to performance management.	Aguinis, 2013; Armstrong, 2009; Greenberg,1987; Adejoka & Bayat, 2014; Skinner et al., 2017; Swaartbooi, 2016; Du-Plessis, 2015; Ratnawat and Jha, 2013; Swaartbooi, 2016; Nxumalo et al., 2018; Lutwama et al., 2013

Appendix 5: PMS guidance / interview questions

Table 3: PMS interview questions

Theme / Issue	Pre-redesign guidance questions	Post-redesign guidance questions
A. The organization and alignment of goals. 1. Employees understand organization mission, and strategic goals	What is the organization mission? What are the strategic goals of the organization?	What is the organization mission? What are the strategic goals of the organization?
2. Employee understand their goals and how they are connected to the organization goals	What are your goals? Are they connected and aligned to the organization goals? Do you feel your work is useful to the organization? Do you feel like everyone's goals are important to the organization?	What are your goals? Are they connected and aligned to the organization goals? Do you feel your work is useful to the organization? Do you feel like everyone's goals are important to the organization?
3. Are employees engaged as a result of their goals and organization goals.	How do you feel about the organization's goals and your own goals? *What would you change about the organization goal setting and employee goal setting process?*	How do you feel about the organization's goals and your own goals? *What would you change about the organization goal setting and employee goal setting process?*
B. Work environment and control by management and leadership support 4. Work environment is conducive for employee to perform	What is your view on the working environment in relation to employee performance?	What is your view on the working environment in relation to employee performance?
5. Employees have the tools they require to perform?	Do you have the necessary tools and equipment for your work?	Do you have the necessary tools and equipment for your work?

6.	Rewards foster employee performance	Is your pay commensurate to the work you do? Is your pay performance based? *What would you change about the link between performance and rewards?*	Is your pay commensurate to the work you do? Is your pay performance based? *What would you change about the link between performance and rewards?*
7.	Opportunities for promotion when employees perform	How are promotions done in the organization? *What would you change about this process?*	How are promotions done in the organization? *What would you change about this process?*
8.	Leadership support	Do leaders / managers support employees to meet their goals? What support are employees given when they do not meet their goals? *What would you change about leadership support in the organization?*	Do leaders / managers support employees to meet their goals? What support are employees given when they do not meet their goals? *What would you change about leadership support in the organization?*
9.	Support for new systems and process	What type of support are you provided when new systems and processes are implemented? *What would you change about new systems and process support?*	What type of support are you provided when new systems and processes are implemented? *What would you change about new systems and process support?*
C. My goals and how they are measured? 10. Employees understand how goals are measured		How are your goals measured?	How are your goals measured?
11.	Measurement rules drive performance	Do you understand the measurement rules? How do measurement rules drive performance? Do measurements differentiate performance?	Do you understand the measurement rules? How do measurement rules drive performance? Do measurements differentiate performance?
12.	Reliability and validity of	Are the measures used reliable and valid? What would you change about measurement	Are the measures used reliable and valid? What would you change about

measurements used in PM	of goals?	measurement of goals?
D. Training, development and automation **13.** Training opportunities to address PM gaps	What training opportunities are provided by managers to boost employee performance?	What training opportunities are provided by managers to boost employee performance?
14. Training on providing of PM feedback	How is PM Feedback provided? Are managers trained to give feedback?	How is PM Feedback provided? Are managers trained to give feedback?
15. Automate PMS and train staff on new automated systems	How manual or automated is the PMS system? Is training provided for new systems and processes especially those related to performance management?	How manual or automated is the PMS system? Is training provided for new systems and processes especially those related to performance management?
E. Fairness and Acceptability 16. PM systems and processes are fair **17.** Appeals	Are Systems and processes are perceived as transparent and fair by both staff and managers? Can employees give feedback on systems and processes and expect feedback to be acted upon? Can an employee appeal where they feel the process is not fair? Is there favoritism in the organization? What would you change about systems and processes to enhance fairness?	Are Systems and processes are perceived as transparent and fair by both staff and managers? Can employees give feedback on systems and processes and expect feedback to be acted upon? Can an employee appeal where they feel the process is not fair? Is there favoritism in the organization? What would you change about systems and processes to enhance fairness?

Appendix 6: Coding of Data from the guidance questions and PM documents

Table 4: Coding of Data from the guidance questions and Performance management documents

Themes from focus group participants	Associated concepts	Example coding
The organization and alignment of goals	**Pre-redesign** Knowledge & understanding of the mission and organization goals Understanding how their work impacts the overall mission and goals. Engagement level - They are not engaged. **Post re-design**	"I know the mission of the organization" "I do not see the connection between my goals and the mission" "I don't think what I do matters to the organization" "I do not feel engaged"
Work environment and control by management and leadership support	**Pre-redesign** Conducive work environment. Having the tools required to do work. Management control and rewards – does it foster employee performance. Opportunities to get promoted. Managerial support. Leadership supportive of new initiatives, systems and processes. **Post re-design**	"The working environment is good" "We have the tools we need to work" "I don't understand how rewards are linked to performance" "Very hard to get promoted" "Little management support" "Leaders don't know how to give feedback" "Not supported by leaders on new systems and processes"
My goals and how and how they are measured	**Pre-redesign** Understanding personal goals. Understanding how personal goals are measured. The measurement rules Performance differentiation	"I understand my personal goals" "I don't understand how my personal goals are measured" "measurement rules are vague and ambiguous" "Difficult to differentiate top and bottom performers"

		"The measures are not valid" "Reliability of measurements is very low"
	Reliability and validity of measurements. **Post re-design**	
Training and development	**Pre-redesign** There are training opportunities. Training is based on performance gaps and employee career growth requirements. Training is also provided for new systems and processes especially those related to performance management. Training is relevant. Feedback is constructive and directs me on how to develop myself. Managers are trained to give feedback **Post re-design**	"Few training opportunities" "Training is not relevant" "Training is not connected to my growth needs" "No training for new systems and processes" "irrelevant training" "Feedback is not constructive" "Managers are not trained to give feedback"
Fairness in the processes and acceptability	**Pre-redesign** Whether systems and processes are perceived as transparent and fair. Whether Employees can give feedback on systems and processes and expect feedback to be acted upon. Appeals to unfair processes. Favoritism in the organization. Acceptance of systems and processes **Post re-design**	"PMS systems and processes are not fair" "No opportunity to give feedback on systems" "Little feedback provided not acted upon" "No appeal process for unfair treatment on performance" "Low acceptance of new systems and processes

Appendix 7: Participant demographic distribution

AGE STATISTICS		
	Participants in this study	**ABC Ltd**
20 to 30	11%	12%
30 to 40	47%	50%
40 to 50	33%	30%
50 to 60	9%	8%
Gender STATISTICS		
	Participants in this study	**ABC Ltd**
Male	52%	51%
Female	48%	49%

Appendix 8: Participants whose comments / quotes have been transcribed in this thesis.

Participant	Manager or Non-Managerial Employee	Age	Gender
Employee A	Non- Managerial Employee	35	Female
Employee B	Non- Managerial Employee	42	Male
Employee C	Non-Managerial Employee	25	Female
Employee D	Non- Managerial Employee	28	Female
Employee E	Non- Managerial Employee	33	Male
Employee F	Non- Managerial Employee	38	Male
Employee G	Manager	40	Male
Employee H	Non- Managerial Employee	30	Female
Employee J	Non- Managerial Employee	45	Male
Employee K	Manager	33	Female
Employee L	Manager	50	Female
Employee M	Non- Managerial Employee	34	Male
Employee N	Manager	37	Female
Employee O	Manager	55	Male
Employee P	Non- Managerial Employee	51	Female
Employee Q	Manager	45	Male
Employee T	Manager	29	Male

Appendix 9: Participant Consent to take part in research

Participant Consent to take part in research

- I.. voluntarily agree to participate in this research study.

- I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.

- I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.

- I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.

- I understand that participation involves participating and sharing views in a focus group setting.

- I understand that I will not benefit directly from participating in this research.

- I agree to my interview being audio-recorded.

- I understand that all information I provide for this study will be treated confidentially.

- I understand that in any report on the results of this research my identity will remain anonymous. This will be done by changing my name and disguising any details of my interview which may reveal my identity or the identity of people I speak about.

- I understand that disguised extracts from my focus group participation may be quoted in the dissertation.

- I understand that if I inform the researcher that myself or someone else is at risk of harm, they may have to report this to the relevant authorities - they will discuss this with me first but may be required to report with or without my permission.

- I understand that signed consent forms and original audio recordings will be retained in the HR office safe for up to 3 years.

- I understand that a transcript of my focus group discussion in which all identifying information has been removed will be retained for up to 3 years

- I understand that I am entitled to access the information I have provided at any time while it is in storage as specified above.

- I understand that I am free to contact any of the people involved in the research to seek further clarification and information. Names, degrees, affiliations and contact details of researchers (and academic supervisors when relevant).

Signature of research participant -- Date--------------------

Signature of researcher Date---Date-------------------- •

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