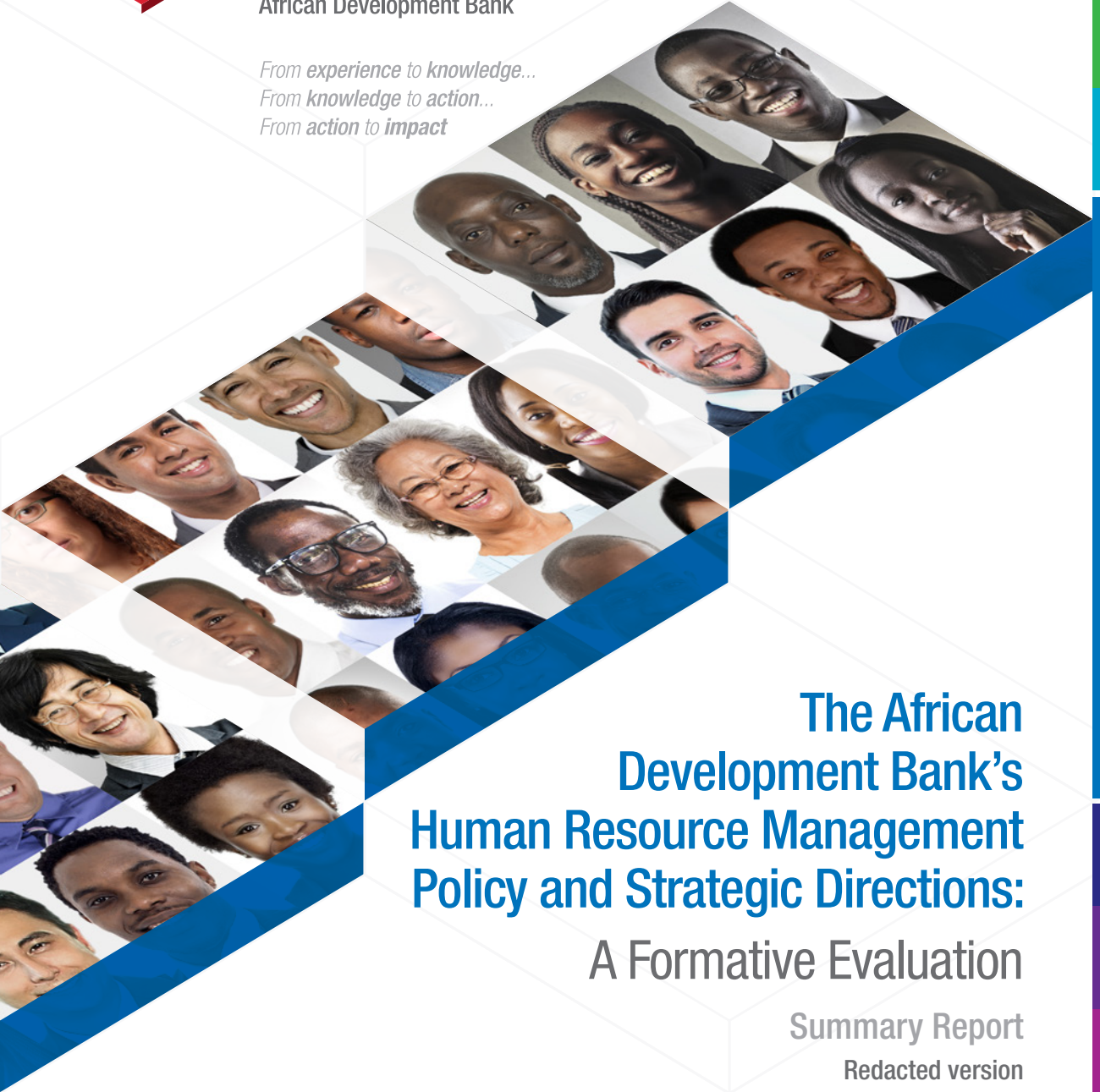


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The African Development Bank's Human Resource Management Policy and Strategic Directions: A Formative Evaluation

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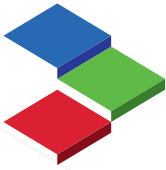


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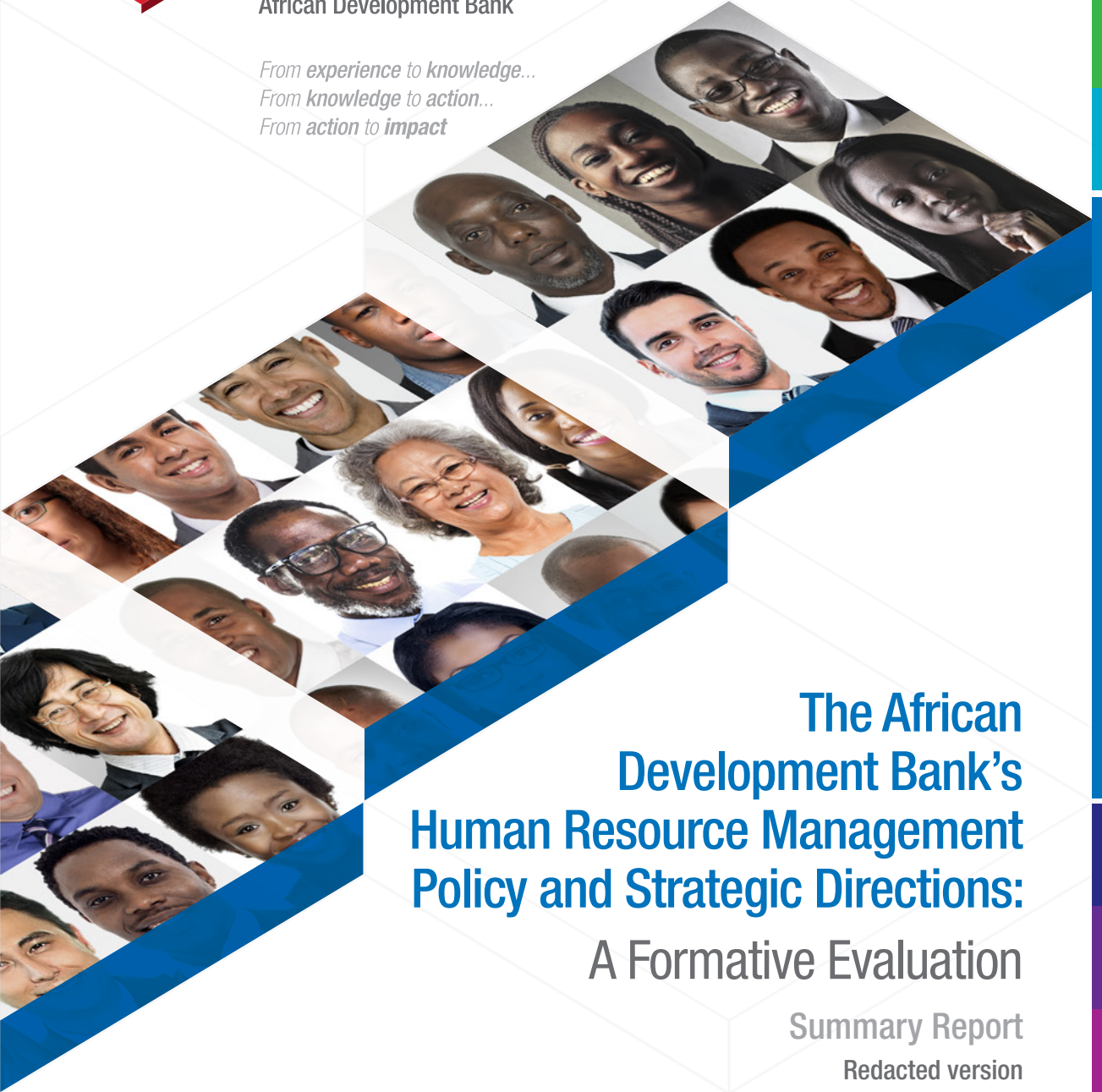




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AFRICAN DEVELOPMENT BANK GROUP

November 2017

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An IDEV Corporate Evaluation, November 2017

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The overarching objective of the African Development Bank Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs and providing policy advice and technical assistance to support development efforts.

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The mission of Independent Development Evaluation at the AfDB is to enhance the development effectiveness of the institution in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge.

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Abbreviations and Acronyms

AfDB	African Development Bank	LP	Local Professional Staff
AsDB	Asian Development Bank	LMDP	Leadership and Management Development Program
CAHR	Committee on Administrative Affairs and Human Resource Policy	LPDS	Learning and Professional Development Strategy
CDF	Career Development Framework	LRS	Locally Recruited Staff
CHHR	Human Resource Department	LTC	Long Term Consultant
CHVP/CSVP	Corporate Services Vice Presidency	MEI	Management Effectiveness Index
DBDM	Development and Business Delivery Model	MOU	Memorandum of Understanding
DBSA	Development Bank of Southern Africa	PDP	Personal Development Plan
EBRD	European Bank for Reconstruction and Development	PIP	Performance Improvement Plan
EVP	Employee Value Proposition	PL	Professional Level Staff
FCR	Fixed Cost Ratio	PM	Performance Management
GS	General Service Staff	PMO	Project Management Office
HQ	Head Quarter	PS	People Strategy
HR	Human Resource	RMC	Regional Member Country
HRAP	Human Resource Action Plan	SAP	Systems Application and Products
HRBP	Human Resource Business Partner	SLA	Service Level Agreement
HRIS	Human Resource Information System	SMCC	Senior Management Coordination Committee
HRMS	Human Resources Management System	SNPB	(COBS/COPB) Programming and Budget Department
IDB	Inter-American Development Bank	SRAS	Strategic Resources Assessment Software
IDEV	Independent Development Evaluation	SSR	Strategic Staffing Review
IFAD	International Fund for Agricultural Development	STAR	Staff Appreciation and Recognition Program
IFI	International Financial Institution	TCF	Total Compensation Framework
IMF	International Monetary Fund	TYS	Ten Year Strategy
IRS	Internationally Recruited Staff	UNDP	United Nations Development Programme
KPD	Key Performance Driver	WB	World Bank Group
KPI	Key Performance Indicator	YP	Young Professional
		YPP	Young Professionals Program

Glossary

Base pay	The standard rate of pay received by an employee for work performed over a given time period. Base pay excludes benefits, overtime, bonuses and any form of non-monetary compensation.
Behavioral Competencies	Beyond the technical ability to perform a task, behavioral competencies determine how an individual completes the task. Depending on the context and requirements of a role, different competencies may contribute to the extent to which a task is performed effectively.
Confidence Interval	Estimated from a sample statistic, the confidence interval reflects the range of values thought to contain the true population parameter (value) for a measured phenomenon.
Effectiveness	The extent to which an intervention has achieved its expected outputs and contributed to its expected outcomes and impacts.
Formative Evaluation	Formative evaluations are conducted during the implementation of an initiative to describe the state of implementation, assess the extent to which intervention logic and rationale remain relevant, identify implementation challenges and propose solutions.
High Potential	Employees who perform well in their current role, reflect the core culture and values of the organization and demonstrate both the ability and aspiration to grow beyond their current role and take on successive leadership positions.
Institutionalization	The extent to which a process is performed as expected, by different actors, at different times throughout an organization.
Job Description	Describes the general tasks, duties, responsibilities and working arrangements of a position as well as required education, skills and experience.
Job Family	A group of jobs involving similar types of work and requiring similar training, skills, knowledge and expertise.
Mission Critical Skills	Mission critical skills or positions are skills or positions which are essential for executing the organizational mandate and achieving corporate objectives.
Mobility	Mobility is the movement of staff throughout an organization. Mobility can be vertical, as is the case for a promotion, or horizontal, as is the case for an assignment, deployment or lateral transfer.
Onboarding	The process of integrating a new employee into the organization. This process involves: (i) the provision of equipment and basic operational information; (ii) informing the new employee about the mandate, work and functional areas of the organization; and (iii) supporting the employee in becoming effective in their new role.

Process Efficiency	Process efficiency is the balance between the inputs and resource requirements against the results achieved. A process can be considered efficient where it achieves the desired results while requiring fewer inputs than other process modalities.
Process Maturity	Process maturity reflects the extent to which a process is able to perform its intended function (i.e. achieve its intended results) systematically (i.e. in the same way, by different actors, repeatedly).
Relevance	Relevance reflects the extent to which an intervention meets an identified need, has been well-designed (i.e. is capable of achieving its results) and is aligned to its context.
Salary Scale	A system that determines how much employees are paid as a salary based on one or more factors, including level, tenure, experience, difficulty of the work performed and availability of skills on the market.
Service Level Agreement	A contract between service provider and the end user which defines what level of service the client will receive in terms of the output, quality and timeliness.
Summative Evaluation	Summative evaluations are implemented after the implementation of an intervention has been completed for the purposes of ensuring compliance with standard practices, assessing the results achieved (including the sustainability of results) and identify lessons and recommendations for future projects.
Technical Skills	The knowledge and capabilities required to perform specialized tasks.
Time to staff	The total time elapsed between the advertisement of a vacancy and the selection of a candidate. Different organizations may use different benchmarks for “selection of a candidate,” including provision of an offer, acceptance of an offer and the first day of employment for the selected candidate.
Token Reward	A tangible reward provided to an employee meant to recognize and reinforce desirable behavior which lacks significant monetary value (e.g. a plaque or trophy).
Total Reward	Total Reward encompasses the full range of monetary and non-monetary compensation provided to an employee for performing their responsibilities, including salary, benefits, token rewards, career development opportunities, flexibilities, variable pay and stock options.
Variable Pay	Elements of an employee's salary which is paid in variable proportions throughout the year under specific circumstances (contrary to base pay). Variable pay can take the form of “pay for performance” or “pay at risk” whereby the provision of pay is dependent upon individual or team performance.



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Executive Summary

What Did IDEV Evaluate and Why?

This report presents findings, conclusions and recommendations from a formative evaluation of the African Development Bank's (AfDB; "the Bank") Human Resources Management System (HRMS).

The objectives of this report are to: (i) assess the current state of the Bank's institutional environment with respect to HR Management; (ii) identify lessons from the implementation of the Bank's 2013–2017 People Strategy; and (iii) provide conclusions and recommendations to inform the development of the Bank's next Human Resources Strategy.

How Was the Evaluation Conducted?

Two main evaluation issues are assessed: (i) the current state of the Bank's HRMS relative to industry best practice and traditional comparators; and (ii) how the Bank has organized itself to deliver on its strategic objectives for HR Management. In addressing these issues, IDEV considered the evolution of the Bank's HR Management System between 2012 and 2017, corresponding to the development and implementation of the People Strategy.

In addressing these objectives, the Bank's HR Management System was benchmarked to four comparator organizations: (i) the Inter-American Development Bank (IDB); (ii) the International Fund for Agricultural Development (IFAD); (iii) the World Bank Group (WBG); and (iv) the Development Bank of Southern Africa (DBSA).

This evaluation is **formative**. Whereas summative evaluations examine the results achieved by an intervention after implementation is complete, formative evaluations are implemented while an intervention is ongoing to identify implementation

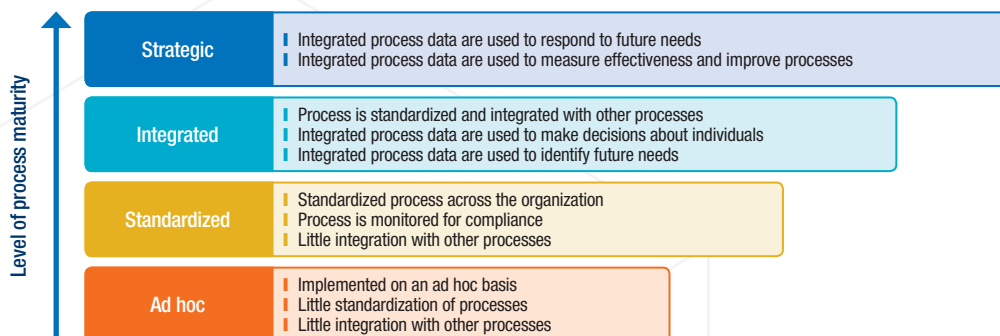
challenges and propose design modifications which could help ensure the achievement of results. This evaluation seeks to describe the state of the Bank's institutional environment for HR Management. As such, **this evaluation does not provide ratings.**

The evaluation used a **mixed methods approach** combining several sources of qualitative and quantitative evidence, including: (i) a review of internal documents; (ii) a review of academic and practitioner literature for each HR process; (iii) interviews and focus groups with over 140 Bank staff in Abidjan and in four Country Offices; (iv) an electronic survey of over 1,000 staff members (response rate: 59% of all staff and STS; 95% C.I. +/- 2%); (v) site visits to four comparator organizations; and (vi) analysis of available workforce and process data from the Bank and comparator organizations. These data were triangulated to identify findings which reflect the full scope of available evidence.

Assessing the current state of human resources management at the Bank

The first evaluation issue was addressed through an assessment of the maturity, effectiveness and sustainability of six different HR processes, including: (i) workforce planning; (ii) recruitment; (iii) talent management; (iv) performance management; (v) reward; and (vi) staff engagement. The assumption underlying this approach is that **when a process is fit for its intended purpose and is implemented as designed, it should make progress toward its expected outcomes.**

In this context, "maturity" reflects the extent to which business processes are capable of performing their expected function systematically. Maturity is expressed in terms of whether a process is: (i) **standardized** across an organization; (ii) **integrated with other processes**

Figure i: Business Process Maturity Model

to support decision-making; and (iii) **implemented strategically** to respond to anticipated business needs. IDEV assessed maturity using process maturity models informed by: (i) literature on Business Process Maturity; (ii) existing HR maturity models; and (iii) best practices identified in academic and practitioner literature. The criteria underpinning the different levels of maturity are presented in Figure i.

Next, IDEV assessed how environmental factors have contributed to the “institutionalization” of a process. The absence of these factors may result in suboptimal implementation and limit the achievement of process outcomes. In this respect, the evaluation focused on four “**enabling factors**” for implementation: (i) governance; (ii) tools; (iii) capacity; and (iv) organizational culture.

Finally, the issue of process **effectiveness** was assessed in terms of progress toward the expected outcomes of the Bank’s HR processes. These “workforce outcomes” were identified from both the Bank’s existing Key Performance Indicators for HR and HR Management literature (See Annexes A and B).

Assessing how the Bank has organized itself to manage its Human Resources

In addressing the second issue of the evaluation, IDEV was guided by principles set out in the reorganization of the HR function, first proposed in

2008 and implemented between 2010 and 2012. Although implemented before the design and delivery of the People Strategy, this reorganization has contributed to the current operating context within the HR Department.

This assessment determined the extent to which the reorganization: (i) has been implemented as anticipated; and (ii) has achieved its intended outcomes of improving client service orientation, process efficiency and strategy implementation capacity. Similar to the assessment of enabling factors described above, “capacity” in this context goes beyond the skills and performance of individual staff. Instead, capacity refers to the extent to which a unit is supported by sufficient tools, processes and institutional support to perform their function as anticipated.

What Did IDEV Conclude?

Process maturity

Overall, the Bank’s HR processes are being implemented at the “ad-hoc” or “standardized” levels of maturity. The Bank has generally standardized its HR processes across the organization but these processes have not been integrated to support decision-making, strategic planning and the anticipation of future needs. Exceptions include the workforce planning and talent management processes, which remain ad hoc.

Figure ii: Findings for Business Process Maturity

Workforce planning	Ad hoc
Recruitment	Standardized
Talent management	Ad hoc
Performance management	Standardized
Reward	Standardized
Staff engagement	Standardized

The **workforce planning** process is driven by headcount and budgetary considerations and provides limited capacity to predict and respond to anticipated needs through the existing process. This process is also characterized by limited capacity to meaningfully incorporate information about the skills and competencies of specific staff into the decision making process or anticipate future workforce requirements.

The Bank implements a standardized **recruitment process**, including a defined job description process and a standard orientation for new hires. Candidates are also assessed using standard behavioral competencies. However, there is limited advanced advertisement of anticipated vacancies or strategic outreach to candidates with desired skills. Finally, use of prequalified candidate lists to fill anticipated vacancies remains ad hoc.

Talent management processes are not supported by an active career development framework (CDF) to assist staff in managing their career development, considering that the majority of initiatives introduced under the 2010 CDF have since been suspended. Furthermore, the Bank lacks standardized learning programs to provide an internal means of developing and enhancing required technical skills across different job families. With respect to succession management, no program of ongoing development and support is leveraged to prepare high potential talent for leadership roles.

Table i: Identification of Implementation Challenges Across Processes

Weaknesses in process enabling factors across six HR processes				
Process	Ownership	Tools	Capacity	Organizational culture
Workforce planning		HRIS lacks predictive analytic capacity HRBPs lack access to workforce data	Master Data team lacks capacity for predictive analytics and data quality management	
Recruitment	Inadequate Management ownership for onboarding new staff	Inadequate use of tools to monitor, automate and document recruitment and onboarding		
Talent management	Low compliance for training plans Low Management ownership of YPP	Lack of integrated systems to plan and monitor learning and development activities		Absence of institutional mechanisms to support staff mobility
Performance management	Uneven compliance with timelines and Management ownership		Lack of training to develop managers' capacity as coaches and mentors	Lack of guidelines to support managers in holding poor performers accountable
Reward	<i>No significant implementation challenges identified</i>			
Staff engagement	Uneven ownership for follow up to the staff survey		Lack of systematic training to develop managers' capacity as leaders	Lack of consequences for failure to develop and implement action plans

The Bank has implemented a standard process for **performance management** which is supported by an automated system and an organization-wide annual timeline. Process guidelines are documented in a Staff Performance Management Handbook, which also identifies procedures for follow-up. However, ongoing feedback has not yet been fully institutionalized and integration of the performance management process with other relevant processes, such as learning, remains limited.

The Bank's **reward** processes are documented in a framework of policies with a salary scale identified by position and grade. The Bank also conducts annual analyses to ensure that the compensation mix remains competitive relative to comparators. However, the Bank has not yet leveraged the "Total Rewards" concept strategically to integrate nonmonetary rewards or respond flexibly to the needs of different segments of staff.

Finally, a standardized **staff engagement** survey is implemented on a periodic basis with established procedures for follow-up. A methodology has been identified to monitor drivers of staff engagement over time and compare the responses of Bank staff to those of comparator organizations. However, follow-up to the staff survey has been inconsistent and staff engagement data have not been used systematically to inform the renewal of other HR processes.

Implementation environment

Implementation challenges were observed across nearly all processes. These challenges have both prevented the implementation of HR processes as designed and restricted the implementation of more mature HRM processes. In particular, the Bank lacks a standardized framework of technical skills and behavioral competencies as well as an integrated Human Resource Information System (HRIS) to facilitate strategic analysis and evidence-based decision making. Furthermore, the Bank has often not ensured the capacity of process stakeholders in terms of: (i) providing appropriate

training and support to ensure that processes are implemented as planned; (ii) providing suitable tools for analyzing HR information to support decision making; and (iii) automating processes to reduce the burden of transactional activities and enable compliance auditing. Finally, lack of ownership for some processes has contributed to poor compliance as well as weak consequence management for noncompliance. Implementation challenges across processes are summarized in Table i.

Process effectiveness

Overall, the Bank's HR processes are not contributing to workforce outcomes as anticipated. Progress toward workforce outcomes was found to be limited or uneven across all processes, as illustrated in Table ii.

Bank staff have pride in the organization and the Bank's mandate, reputation and compensation package continue to attract high quality applicants. However, the Bank has made limited progress toward other important workforce outcomes for the recruitment, retention and engagement of staff, including: (i) reducing time to staff; (ii) developing skills in line with the High 5s; (iii) retaining new hires beyond the completion of their first contract; (iv) rewarding staff equitably based on performance; and (vii) promoting staff motivation and engagement.

The Bank has faced particular challenges with respect to workforce planning and talent management, which represent critical areas of weakness. Ad hoc processes and absence of key enabling factors have contributed to limited progress toward workforce outcomes, including: (i) reducing the vacancy rate; (ii) increasing organizational diversity; (iii) supporting staff mobility; and (iv) retaining young and high potential talent. These two processes did not contribute to the identification and development of required skills internally. Furthermore, young and high potential talent, for whom career development opportunities are given inadequate weight in the Bank's value proposition, have left the Bank in disproportionate numbers.

Table ii: Progress Toward Workforce Outcomes

Process	Progress toward outcomes
Workforce planning	<ul style="list-style-type: none"> ✘ Reducing the vacancy rate ✘ Identifying and reducing skills gaps ✘ Increasing organizational diversity
Recruitment	<ul style="list-style-type: none"> ↑ Attracting new candidates ↑ Performance of newly recruited staff ✘ Time to staff ✘ First contract attrition
Talent management	<ul style="list-style-type: none"> ✘ Access to training ✘ Implementation of learning plans ✘ Staff mobility ✘ Retention of young talent and YPs
Performance management	<ul style="list-style-type: none"> ↑ Identifies objectives for performance ↑ Meaningful appraisals and areas to improve ✘ Meaningfully differentiates among staff on the basis of performance
Reward	<ul style="list-style-type: none"> ↑ Competitive compensation relative to comparators ↑ Compensation attracts staff to the Bank ✘ Perceived equity of pay for equal work
Staff engagement	<ul style="list-style-type: none"> ↑ Pride for the organization ✘ Culture of trust and integrity ✘ Meaningful work ✘ Career development ✘ Relationships with managers ✘ Turnover intention

How the Bank has organized itself for Human Resources Management?

Although the reorganization has increased automation and accountability for service delivery, the HR Department continues to face challenges with respect to client service orientation and strategy implementation performance. In general, managers are not satisfied with the quality of services provided by Human Resource Business Partners (HRBPs), with an average of 31.6% of managers agreeing that they receive effective support. Furthermore, most stakeholders agree that the activities of HRBPs remain primarily transactional rather than strategic. By contrast, the creation of the Shared Services Division has consolidated HR administrative functions and contributed to improving automation and accountability for service delivery; however, compliance

monitoring of Service Level Agreements remains inadequate. Finally, limited progress has been made in strengthening strategy implementation performance, as demonstrated by the low proportion of initiatives from both the People Strategy and Human Resources Action Plan (HRAP) which were planned, delivered and subsequently implemented. Overall, 36.6% of respondents to IDEV's e-survey report that there has been "no change" in the Bank's HR Management practices across six processes over the past four years.

Particular institutional challenges facing the HR Department include: (i) lack of appropriate tools and training to support HRBPs in performing more strategic roles; (ii) continued lack of automation for some key administrative processes; and (iii) project management deficiencies pertaining to the planning, sequencing, coordination and monitoring of strategic initiatives. However, in

the case of strategy implementation, project management deficiencies were exacerbated by challenges arising from the institutional environment, including: (i) high levels of leadership turnover within HR and across the Bank; and (ii) concurrence of the People Strategy with resource intensive change initiatives, including the Return to Abidjan and the implementation of the Development and Business Delivery Model (DBDM). These challenges contributed to ongoing shifts in priorities and diverted resources away from the implementation of the People Strategy and the HRAP.

What Did IDEV Recommend?

Based on the findings and conclusions above, IDEV identified six key recommendations for Bank Management under two broad directions: (i) addressing infrastructural deficiencies; and (ii) upgrading the policy framework.

Addressing infrastructural deficiencies

Recommendation 1: The Bank needs to address important infrastructural deficits to enable the implementation of HR Management processes at a higher level of maturity. In particular, the Bank should develop:

- i. A framework which identifies critical technical skills required to implement the High 5s both now and in the future. This framework should inform workforce planning in terms of: (a) identifying new resources to recruit in terms of skills, experience and numbers; (b) succession planning among existing staff to fill critical roles; and (c) opportunities to develop required skills internally through assignments, rotations and training.
- ii. An HRIS solution which integrates information across processes, providing a single source

of information to support decision making. This system should adopt a user perspective, facilitating access to key analyses and reports and enabling managers and HRBPs to make strategic decisions regarding their teams. Use of this system should be reinforced through the training of process stakeholders, including HR professionals and managers. In developing this system, accountabilities and protocol for ensuring data quality should be elaborated and monitored.

Recommendation 2: Compliance and consequence management continue to be considerable challenges for the Bank in the context of HR Management. To address these challenges, the Bank should continue to increase the extent of automation across HR processes. Automation should not only target increased efficiency, but also process monitoring and compliance auditing. Attention should be paid to reducing the number of procedural safeguards while ensuring that process stakeholders are held accountable, including clear consequences for noncompliance.

Recommendation 3: A key success factor for the next HR Strategy is focusing on implementation before policy changes. Priority areas for improvement include:

- i. Identifying a clear strategy to sequence, prioritize, coordinate and monitor implementation;
- ii. Clarifying the resources needed to implement, as well as clear channels and timelines for reporting; and
- iii. Developing the capacity to manage and monitor implementation within the HR Department while ensuring that project management responsibilities are properly resourced and that the staff concerned have sufficient authority and independence to fulfil their role.

Upgrading the policy framework

Recommendation 4: After ensuring that appropriate tools are in place to monitor compliance and promote transparency, the HR Department should ensure that an adequate policy framework is in place to enable the achievement of workforce outcomes, particularly with respect to staff promotion and mobility, as well as rewarding staff based on performance.

In particular, the HR department should consider:

- i. The need for transparent and systematic mechanisms to promote the mobility of staff, with respect to: (i) managerial and technical career paths across job families; (ii) internal promotion of staff; and (iii) lateral mobility, including assignments across complexes and Country Offices.
- ii. The need to better reward and motivate performance, including: (i) transparent and systematic means of progressing across existing pay grades, given satisfactory performance; (ii) appropriate monetary and nonmonetary rewards for top performers including performance bonuses; and (iii) improving flexibility in compensation frameworks to

provide meaningful rewards options for different segments of the workforce.

Recommendation 5: Affirm staff development as the primary rationale for the performance management system by: (i) weakening the connection between performance ratings and annual salary increases; and (ii) reducing the time and resources devoted to ranking and categorizing staff. Increase the integration of performance management and talent management processes to ensure that learning responds to operational needs and leverage career development opportunities as a reward for good performance.

Recommendation 6: Increase the emphasis placed on engagement as a means of motivating staff and building a culture of trust and integrity. The staff survey should be conducted on an annual basis to identify the needs and concerns of staff, particularly during periods of large scale change. The survey should be positioned to assess the key drivers of engagement more comprehensively through a risk-based approach, particularly for known challenges which have not been adequately addressed in recent surveys, particularly learning and career development. Finally, follow up actions should be monitored transparently, with clear consequences for noncompliance. ■

Management Response

Management welcomes the independent review of the Bank's Human Resource Management Systems and strategic direction. This evaluation is timely, following the implementation of the Development and Business Delivery Model (DBDM) and considering the evolving People Strategy and market trends on the workplace of the future. The review shows that the management of people resources at the Bank is at a rudimentary level, from the environment under which staff are managed to the tools and systems that are being used. The findings, conclusions and recommendations are similar to those of an internal review conducted by the Director of CHHR in November 2016, which also led to the redesign of the departmental structure. The recommendations will shape the Human Resources (HR) 2018 Strategy and action plans. To ensure an integrated approach to people management, the HR Strategy will be refined after the approval of the 2018–2022 People Strategy. Management takes this report seriously and, consequently, will execute the management action record outlined later in this document.

Evaluation Approach

The evaluation was undertaken to assess the Bank's institutional arrangements with respect to HR. The six processes selected for evaluation were workforce planning, recruitment, talent management, performance management, reward, and staff engagement. Although employee well-being is critical to the success of people management, the evaluation does not cover it. The formative approach used for this evaluation is appropriate, as it took into account the Bank's major transformation, which directly affected how people are managed. Further, the review acknowledged the HR departmental context—the fact that there were three Directors during the period under review may have influenced the extent to which results were achieved.

Whilst we appreciate the role that HR plays in driving organisational transformation, the responsibility for managing people rests with line managers. The execution of HR initiatives such as clarifying roles, setting objectives, holding performance discussions, and motivating employees is led by the line manager with support from HR and other leaders. Therefore, focusing primarily on evaluating the Human Resource

Department may omit important management insights.

The maturity model assessment approach clearly demonstrates that we should create integrated processes that respond to strategic business issues. For example, the conclusion that about 70% of HR's processes are standardised and not at the level to respond to the Bank's future business needs provides us with clear direction on our focus areas to raise maturity levels. The evaluation of enabling factors, governance, tools, capacity and organisational culture is a valuable measure that is necessary for institutionalising processes. The benchmarks with the four comparator organisations,¹ although helpful, are not sufficient to make AfDB a world-class organisation. We will continue to monitor global market trends and apply them as necessary.

The Bank is already developing new policies, strategies and systems to enhance HR, which are summarised in the Annex.

The remainder of this paper provides a detailed response to the evaluation and its recommendations.

Implementation Environment

Management agrees with the implementation challenges cited in the evaluation, as they correctly reflect the current situation. The Bank experiences capacity and capability constraints not only in the HR function, but also at the different levels of line management. This has hindered key processes such as recruitment, leaving hundreds of roles to be filled. Information technology tools have been recognised as a challenge, and work is under way to (a) roll out new platforms, commencing with performance management, e-learning, and e-recruitment, and then (b) deliver a fully integrated Human Resources Information system. Line managers' ownership of and accountability for key HR processes – notably performance management, employee engagement initiatives and employee development – are at a basic level. Shifting responsibility and accountability to managers is slowly happening, as training sessions are under way, starting with performance management. Building capability within the HR team continues, including by resourcing the performance management function and client-facing Human Resources Business Partners (HRBPs).

Current State of the Bank's HR Management System

Recruitment

Management recognises that while our corporate brand remains attractive, we need to revamp our practices for attracting and progressing candidates through the recruitment process if we are to be a best-in-class employer. A review of job descriptions has been completed, and 1,430 role profiles have been approved and stored in a central database, with plans to transfer them to the IT system DARMS in 2018. This work enabled the Bankwide job evaluation exercise and the subsequent advertisement of vacancies. In addition to the Bank's internal recruitment

resources, we engaged three external search firms to help accelerate the recruitment drive while ensuring professionalism and transparency throughout the process.

As at 19 October 2017, a total of 467 positions have been advertised both internally and externally, and good progress has been made with fast-tracking the interviews. Although assessment centres were introduced to improve decision-making on candidate selection, they were put on hold because of the high volume of vacancies. Interviews by competency-based panels have been strengthened as the main selection process. The e-recruitment tool riding on the SAP Success Factors platform will be launched in 2018 to improve the candidate experience while automating processes to decrease the time it takes to fill roles. Innovative candidate sourcing led by technology solutions – such as activating AfDB's LinkedIn account and launching employee referral programmes – are planned under the Integrated Talent Management Framework being discussed with the Board. Also to be improved is our analytical approach to using data, from hiring to exits. Our focus going forward is to embed automation and equip managers to enable the timely selection of good-quality candidates. Onboarding and re-onboarding programmes for new hires and internal staff are being continuously improved, with the intention of customising them to ensure that staff hit the ground running.

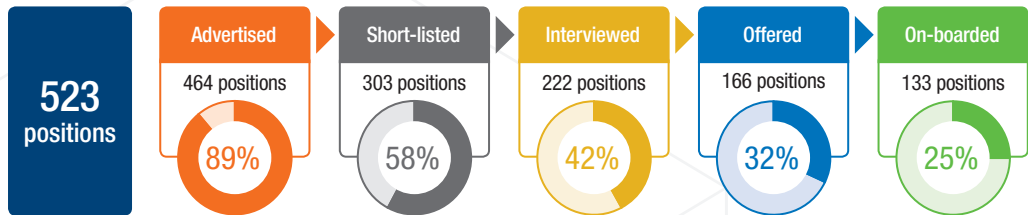
Strategic workforce planning

Management concurs that our planning for people resources has been primarily driven by budget and has been focused on more immediate needs. We acknowledge that the workforce planning process should stem from Bankwide strategic processes, with a long-term view of our people, skill and competency needs and of our financial abilities.

An integrated approach (headcount + skills/competencies) that includes resourcing strategies is part of the ongoing discussion under the Integrated

Recruitment Planning and Progress

Progress as at October 13th 2017



Talent Framework paper. It is proposed that we decrease our dependence on the use of consultants and focus on building our staff for future roles. Rationalising the use of consultants is part of the exercise. Continuous collection of analytical data on skills and resource use will be the backbone of decision-making, underscored by the need to maintain the well-being of all staff. Essential targets such as diversity (gender, age, regional representation) will be agreed in advance and tracked.

One area in which recruitment progress has been made is gender: between January and September 2017, 45% of all new joiners are women. If we continue with this kind of progress, and also address retention, we expect to increase the percentage of women at the Professional and Management levels from the current 27% to the 2018 target of 29%.

Talent management

Management is committed to a world-class Talent Management Strategy under which the Bank will attract, develop, motivate and retain the best-in-class staff. We continue to grow our internal talent: 85% of vacancies were filled by internal talent between January and September 2017. To further build our succession pipeline, the Young Professional program continues; in March 2018 we expect to graduate 31 employees, of whom 60% are female. We have also started recruiting the 2018 cohort of 30 Young Professionals, who are expected to begin in February 2018.

Our approach to talent management going forward is laid out in five key strategic thrusts that will give staff a positive experience and differentiate our employer brand in the marketplace:

- Recruiting the best-in-class talent.
- Building a robust succession pipeline for key positions.
- Harnessing a winning employee value proposition.
- Developing technical and leadership competencies.
- Building a high-performance and accountability culture.

The strategy will soon be presented to the Board and is expected to be rolled out in the second quarter of 2018. The development of a learning strategy to address technical, leadership and management competencies is also planned for early next year.

Performance management

Management agrees that performance management remains one of the most challenging processes at the Bank. Over and above the need for a strategic automated process, accountability and ownership stand out as the key challenges.

Co-ownership of the process by the line manager and the individual staff member will need significant improvement across the Bank. The HR Department's training and ongoing sensitisation of the staff will be key.

The proposed integrated talent management framework will encourage good performance development practices such as coaching and mentoring. In addition, receiving and giving feedback that ensures continuous dialogue on performance remain areas for improvement for both staff and their managers. Incident reporting forms are now being used as part of the revamped performance management approach. Realising that managers and employees are in new roles as a result of the Bank's transformation, all onboarding programmes will include elements aimed at developing a high-performance culture, including performance differentiation to help in calibrating performance ratings. Management believes that we must get the basics right – from corporate-wide top-down cascading of objectives to every employee, to frequent dialogues on performance between staff and manager – before rolling out career and personal development discussions.

Reward

The AfDB is making progress in institutionalising the pay-for-performance philosophy and culture. Currently, salary progression and merit increases are linked to performance. Therefore, we cannot separate reward programmes, including incentives, from performance. Rather, we should address the underpinning issues on performance management discussed above.

The basis for addressing “equal pay for equal work” is the job evaluation process that is intended to systematically determine the value of a particular job in relation to others. This process was carried out from January to May 2017, when 723 jobs were evaluated. Management accepts that we need to unpack the rewards area and share more information with both managers and employees to address perception

about “equal pay for equal work.” The HR team will be conducting roadshows to sensitise staff on the rewards principles and practices at the Bank

Regarding the Bank's external competitiveness, Management is committed to addressing our market positioning to ensure the retention of employees, including locally recruited staff. A salary survey that covered multiple countries was conducted early in 2017 in partnership with PricewaterhouseCoopers. Proposals that have been discussed with the Staff Council will be presented to the Board in November 2017, and the agreed actions will then be implemented. Going forward, given the global war for talent and the need to attract candidates from the private sector, we intend to review the peer group of comparators to help ensure our competitiveness.

We are designing a retention strategy that takes a segmented approach to rewards and recognition, beyond monetary incentives, as a way of motivating staff. In recognition of the multigenerational workforce at today's and tomorrow's workplace, the upcoming Total Compensation framework will recommend strategies to attract, engage and retain staff.

Staff engagement

Management agrees that the Bank has lagged behind in two areas: first, organisational diagnostics surveys that collect insights on key issues that affect employee engagement, and second, actionable items to improve engagement. Regarding the first point, the staff survey has been interrupted by the high pace of change, including the hiring of new managers. To draw quality data for a survey, an employee's role/manager should remain unchanged for at least six months. Because of the amount of staff movement, including relocation from Tunis and the ongoing heavy recruitment exercise, it has not been possible to conduct a survey.

Management concurs with the finding that actionable insights collected in the 2015 survey have not been fully

followed through. We recognise that communication of the results, from the corporate level through to all management layers, was not entirely smooth, with some managers having the choice of not sharing results. This again raises the issue of ownership and accountability by managers, which is largely low: only 34% of staff stated that managers implement required changes. Moreover, there have been no consequences to managers. Cultural issues emerged, as well as low scores on trust, integrity and fairness, and these may still persist, since many departments did not implement action plans. As the development and training of leadership and management have not been intense over the period under review, managers may not have been well equipped to handle some of the recommendations.

Going forward, the role of leadership and management will be a focal point as the Bank builds an employee value proposition that keeps staff engaged. At the same time, the Bank's values will be re-launched so that they align with its mission and strategy and create an environment that excites the employees. A

roadmap on the next series of staff surveys and action planning will be published before the end of the year.

Conclusion

Management greatly appreciates this report, especially because it covers the broad areas of HR strategy, practices, systems, and capability and capacity requirements. As the HR Department was aware of some of the pain points around the management of Bank's human capital, various HR initiatives were already lined up, as is shown in the Management Action Plan. We expect that the new 2018–2022 People Strategy will weigh in heavily on how the Bank manages its people. To enable flawless execution, we will start by building the capacity and capabilities of the HR team and of line managers. And, because there are so many planned initiatives but the Bank's resources are limited, we will need to phase this work so as to have the right impact without overwhelming the organisation. ■

Management action record	
Recommendation	Management's response
Recommendation 1: Address important infrastructural deficits to enable improvements to HR Management processes.	
<i>The Bank should develop:</i>	
<p><i>I. A framework which identifies critical technical skills required to implement the High 5s both now and in the future. This framework should inform workforce planning in terms of: (a) identifying new resources to recruit; (b) succession planning among existing staff to fill critical roles; and (c) opportunities to develop required skills internally through assignments, rotations and training.</i></p> <p><i>II. An HRIS solution which integrates information across processes to support decision-making. This system should adopt a user perspective, facilitating access to key analyses and reports and enabling managers and HRBPs to make strategic decisions regarding their teams. Use of this system should be reinforced through adequate training of process stakeholders, including HR professionals and managers. In developing this system, accountabilities and protocol for ensuring data quality should be elaborated and monitored.</i></p>	<p>Agreed. An integrated talent management framework will be implemented to address supply and demand gaps, both in the number of resources required and in skill areas. IT infrastructure to support, track and report on strategic decisions will enhance our operating effectiveness and efficiency.</p> <p>Actions</p> <p>CHHR is driving the following initiatives:</p> <ul style="list-style-type: none"> ■ Development of strategic staffing guidelines to assist managers to identify workforce needs for today and the future in line with the Bank's Ten-Year Strategy and the High 5 strategies— July 2018. ■ Rollout of the integrated talent management framework, which addresses succession planning and job rotations, among other initiatives. Technical review finalised on 9 October 2017, Board approval expected by Q1 2018, and rollout to begin in Q2 2018. ■ Develop a learning strategy that will dive deeper into employee development – Board approval expected in Q2 2018. ■ HRIS and E-Bank systems to be rolled out per the table in Appendix 1. CHHR is doing this in collaboration with CHIS. ■ Transfer of job descriptions database from shared folder to the DARMS system by Q2 2018.

Management action record	
Recommendation	Management's response
Recommendation 2: Address the challenge of compliance and consequence management in the context of HR Management	
<p><i>The Bank should continue to increase the extent of automation across HR processes. Automation should not only target increased efficiency, but also process monitoring and compliance auditing. Attention should be paid to reducing the number of procedural safeguards while ensuring that process stakeholders are held accountable, including clear consequences for noncompliance.</i></p>	<p>Agreed. Management agrees that compliance and consequence management for all HR work is necessary to enable the Bank to achieve its goals. This goes beyond process effectiveness and efficiency to include our culture. Clarifying roles and accountability remains an improvement opportunity, as do the culture of avoiding accountability, giving and receiving feedback, and decision-making around poor performance.</p> <p>Actions:</p> <ul style="list-style-type: none"> ▮ Revamped performance management process currently under implementation, to be adopted for 2018 Performance Management process- Q1 2018 – CHHR. ▮ Building a high-performance culture – To be addressed under the 2018–2022 People Strategy scheduled for Board consideration on 27 November 2017 – CHHR.
Recommendation 3: Focus on implementation of the HR Strategy prior to making policy changes	
<p><i>Priority areas for improvement include in particular:</i></p> <ol style="list-style-type: none"> <i>I. Identifying a clear strategy to sequence, prioritise, coordinate and monitor implementation;</i> <i>II. Clarifying the resources needed to implement, as well as clear channels and timelines for reporting; and</i> <i>III. Developing the capacity to manage and monitor implementation within the HR Management function while ensuring that project management responsibilities are properly resourced and that concerned staff have sufficient authority and independence to fulfil their role.</i> 	<p>Agreed. Management recognises the importance of an HR Strategy that takes a holistic view of human capital.</p> <p>The HR implementation plan will focus on creating the capabilities required to support the Bank's strategic direction while addressing systemic issues that impede accomplishment. The CHHR team has undergone significant changes following restructuring, and recruitment is ongoing to build up the team.</p> <p>Actions:</p> <ul style="list-style-type: none"> ▮ Develop an HR strategy and plan that will be informed by the approved 2018-2022 People Strategy - Q1 2018 – CHHR. ▮ Finalise recruitment and filling of critical HR roles – Q1 2018 – CHHR.
Recommendation 4: Ensure that an adequate policy framework is in place to enable the achievement of workforce outcomes, particularly with respect to staff promotion and mobility as well as rewarding staff based on performance.	
<p><i>HR department should consider:</i></p> <ol style="list-style-type: none"> <i>I. The need for transparent mechanisms to promote the mobility of staff, with respect to: (a) managerial and technical career paths across job families; (b) internal promotion of staff; and (c) lateral mobility, including assignments across complexes and Field Offices.</i> <i>II. The need to better reward and motivate performance, including: (a) transparent means of progressing across existing pay grades, given satisfactory performance; (b) appropriate monetary and non-monetary rewards for top performers, including performance bonuses; and (c) improving flexibility in compensation frameworks to provide meaningful rewards options for different segments of the workforce.</i> 	<p>Partially Agreed. Management will establish an Integrated Talent Management framework to enhance the attraction, development, motivation and retention of best-in-class staff.</p> <p>Career progression and mobility of staff is a key focus area in the talent management proposal. Transparency in salary progression, either by merit or promotion, has already been implemented. Salary adjustments are communicated to all staff. However, we agree that communication should continue, especially as new managers and employees come on board.</p> <p>Actions:</p> <ul style="list-style-type: none"> ▮ The integrated talent management framework has gone through CAHR Technical review on 9 October 2017 and is expected to be approved by the Board in Q1 2018 – CHHR. ▮ The total compensation framework will be developed in 2018 to address rewards and recognition – Board consideration scheduled for Q3 2018 – CHHR3. ▮ Validation of the outcome of the job evaluation exercise and subsequent updating of pay structure is expected in Q1 2018 – CHHR.

Management action record	
Recommendation	Management's response
Recommendation 5: Affirm staff development as the primary rationale for the performance management system.	
<p><i>By:</i></p> <p><i>I. weakening the connection between performance ratings and annual salary increases; and</i></p> <p><i>II. decreasing the time and resources devoted to ranking staff. Increase the integration of performance management and talent management processes to ensure that learning responds to operational needs and leverage career development opportunities as a reward for good performance.</i></p>	<p>Partially Agreed. The culture of accountability and performance must be addressed before we advance towards career discussions and disassociating merit increases from performance. We first have to get performance management right, as it is the key pillar in achieving a high-performance culture and enhancing career conversations.</p> <p>Embedding the talent framework and a new look on total rewards in the revamped performance management process will pave the way for future changes. Managers will be required to devote more time to people management matters, and this requirement will be articulated in the 2018-2022 People Strategy.</p> <p>Actions:</p> <ul style="list-style-type: none"> ■ Revamped performance management process currently under implementation, to be adopted for 2018 Performance Management process- Q1 2018 – CHHR. ■ Building a high-performance culture will be addressed under the 2018-2022 People Strategy scheduled for Board consideration on 27 November 2017 – CHHR. ■ The integrated talent management framework has gone through CAHR technical review on 9 October 2017 and is expected to be approved by the Board in Q1 2018 – CHHR.
Recommendation 6: Increase the emphasis placed on engagement as a means of motivating staff and building a culture of trust and integrity.	
<p><i>The staff survey should be conducted on an annual basis to identify the needs and concerns of staff, particularly during periods of large scale change. The survey should be positioned to assess the key drivers of engagement more comprehensively through a risk-based approach, particularly with respect to learning and career development. Finally, follow-up actions should be monitored transparently, with clear consequences for noncompliance</i></p>	<p>Agreed. Management agrees that employee insights are critical to staff engagement. Besides the staff survey, the Bank has other communication channels, such as the linkages with employee champions, and Bankwide and complex-wide town halls. Our intention is to continue running the staff survey, which will be designed to address specific themes that emerge from the 2018-2022 People Strategy.</p> <p>Actions:</p> <ul style="list-style-type: none"> ■ In collaboration with the Communications Department, agree on employee communication channels by end of Q4 2017 – CHHR. ■ Develop a roadmap for collecting employee insights, specifically the how (pulse/dip-stick surveys vs. full employee surveys) and when – Q1 2018 CHHR.

Appendix 1 Workplan for Key HR Papers

Key HR papers	2017		2018			
	Q3	Q4	Q1	Q2	Q3	Q4
People Strategy						
Submission of final report by Mercer Consulting Group						
Board discussion						
Organisation-wide dissemination and action planning						
Integrated Talent Management Framework						
Board discussion & approval						
Management approval of implementation plan						
Execution of Talent Management strategy						
HR Strategy & Plan						
Design of strategy and plan						
Implementation						
Total Compensation Framework						
Board discussion & approval of LRS salary review						
Design of total rewards strategy, including incentives and variable pay						
Board discussion & approval						
Implementation						
Learning Strategy						
Board discussion & approval						
Management approval of implementation plan						
Execution of Learning Strategy						

Implementation Plan for HR Information System and Tools

HRIS system & tools	2017		2018			
	Q4	Q1	Q2	Q3	Q4	
Performance Management						
2017 year-end performance review						
2018 goal setting & cascade						
360 feedback						
Talent Management						
Personal development plans						
Career management						
Learning Management						
e-learning						
Training needs assessment						
Training administration & reporting						
Recruitment & Onboarding						
Procurement of Success Factors						
Bankwide implementation						
Workforce Planning						
Position management						
E-Bank						
Recruitment						
Employee Self-service						
Online self-service						



Introduction

This report presents findings, conclusions and recommendations from a formative evaluation of the African Development Bank's (AfDB; "the Bank") Human Resources Management (HRM) system. The objectives of this report are to: (i) assess the current state of the Bank's institutional environment for HR Management; (ii) identify lessons from the implementation of the Bank's 2013–2017 People Strategy; and (iii) provide recommendations to inform the development of the next HRM Strategy.

Background

In 2013, the Bank approved a five-year People Strategy in order to position the Bank as "the Employer of Choice for those working in African growth and development," and thereby attract, recruit and retain the best talent available to implement the Bank's Ten-Year Strategy (TYS).²

The initiatives proposed under the People Strategy were intended to strengthen the Bank's Employee Value Proposition (EVP) and foster an attractive workplace culture.³ These objectives were to be achieved by: (i) enhancing the capacity of managers to act as coaches and enablers; (ii) strengthening performance management and holding managers accountable for people management; (iii) ensuring more regular communication with staff and promoting staff engagement; and (iv) building an attractive workplace culture. Some of these commitments were subsequently operationalized through the development of the HRAP (2013–2015).⁴

In addition to the cultural transformation sought under the People Strategy, the Bank restructured the HR Department to increase its effectiveness and enhance its positioning to deliver on the organizational transformation required to achieve the objectives of the TYS.⁵ The restructuring focused on

three main objectives: (i) increasing accountability for the delivery of client services; (ii) increasing the efficiency of administrative activities; and (iii) improving strategic planning and implementation performance.

Evaluation Approach

This evaluation is *formative* and *theory based*. Whereas summative evaluations are conducted after the implementation of an intervention is complete to determine the extent to which expected results have been achieved, formative evaluations are conducted while the implementation of an intervention is still ongoing. Instead of quantifying the extent to which results are achieved, formative evaluations emphasize design and implementation issues, identifying modifications which could improve the achievement of results.⁶ In general, formative evaluations assess: (i) the extent to which the intervention design continues to be appropriate given its implementation context; and (ii) how contextual factors are influencing the implementation of the intervention and the achievement of results.

This evaluation does not provide ratings. Given its formative nature, the evaluation seeks to *describe* the current state of the Bank's HRM System and *identify* environmental factors which have influenced progress toward workforce outcomes, rather than quantify and rate the achievement of results.

Theory based evaluations use a logical chain of activities, outputs and outcomes to examine how an intervention has contributed to its expected results. This "theory of change" also identifies delivery mechanisms, design assumptions and implementation risks that influence the achievement

of planned results. No logical model was available for either the Bank's HR Management processes or the People Strategy. As such, IDEV used internal documents and relevant literature to develop a theory of change and evaluation framework which describes: (i) the expected results of the Bank's HRM processes; and (ii) design assumptions and implementation risks (See Annex A and B).

Evaluation Objectives and Scope

IDEV considered the state of the Bank's HRM system between 2012 and 2017, corresponding to the development and implementation of the People Strategy. These developments were assessed in terms of two themes: (i) the current state of the Bank's HRM system relative to industry best practice and traditional comparators; and (ii) how the Bank has organized itself to deliver its strategic objectives for HRM as stated in its People Strategy.

Under the rubric of these two themes, the evaluation seeks to address the following specific objectives:

- i. To assess the maturity of the Bank's HR processes relative to industry standards and the practices of comparator institutions;
- ii. To determine the extent to which the Bank's HR processes have contributed to workforce outcomes;
- iii. To examine how the Bank has organized itself to deliver on its strategic objectives for HR and identify lessons learned; and

- iv. To propose key areas of reform which the Bank should address in its next HR Strategy, including potential sequencing.

Evaluation Issues and Methodology

The evaluation proceeded via two lines of analysis: (i) an assessment of the maturity and effectiveness of the existing HRM System; and (ii) an assessment of the extent to which the Bank has organized itself to manage its human resources efficiently.

IDEV traditionally frames its evaluations against the OECD-DAC principles for the evaluation of development assistance, which include four key evaluation issues: (i) relevance; (ii) effectiveness; (iii) efficiency; and (iv) sustainability.⁷ The lines of analysis identified above continue to reflect the OECD criteria; however, they have been adapted to evaluate a corporate process rather than a development intervention (See Table 1).

This evaluation gives limited treatment to the issue of process efficiency. The OECD glossary of statistical terms defines process efficiency as the balance between the achievement of process outcomes and the level of process inputs.⁸ Therefore, the time and human resources required to implement a process do not necessarily provide meaningful information about efficiency in the absence of information about the results achieved and the resource implications of other delivery models. Given the complexity of such an assessment, the current evaluation focusses on first describing the maturity, implementation and effectiveness of individual HR processes. Where

Table 1: Treatment of Evaluation Issues

Line of analysis	Evaluation issue
Maturity of the Bank's HR processes	Relevance – Is the process as designed fit for its purpose?
Presence or absence of key processes enabling factors	Sustainability – Is the process likely to be implemented as designed?
Contribution to workforce outcomes	Effectiveness – Is the process contributing to desired outcomes with respect to HR?
Implementation of the organizational restructuring	Efficiency – Is the organization of the HR Department likely to contribute to the efficiency and effectiveness of HR processes?

relevant, the time to implement a process has been incorporated as a process outcome (for example, time to staff).

The issue of efficiency has been addressed more narrowly in terms of the extent to which the Bank has organized its HRM function to promote: (i) client service delivery; (ii) administrative efficiency; and (iii) strategic planning and implementation performance. Whereas the efficiency of the HR function is often expressed in terms of the ratio of HR professionals to staff, this information may be misleading without consideration of the tools, processes and environmental factors which support the implementation of HRM processes. As such, this assessment focusses on progress made toward the objectives of the reorganization as well as the environmental factors which have contributed to the extent of this progress. Furthermore information about the methodology for this evaluation, including judgement criteria, indicators and lines of evidence is provided in the evaluation matrix (Annex B).

Assessing the maturity and effectiveness of the Bank's HR management system

Under the first line of analysis, IDEV assessed the maturity and effectiveness of six HR processes: (i) workforce planning; (ii) recruitment; (iii) talent management; (iv) performance management; (v) reward; and (vi) engagement. This line of analysis addresses three issues: (i) process maturity; (ii) the implementation environment; and (iii) contribution to expected workforce outcomes. The assumption underlying this approach is that *when a process is fit for its intended purpose, and is implemented as designed, it should make progress toward its expected outcomes.*

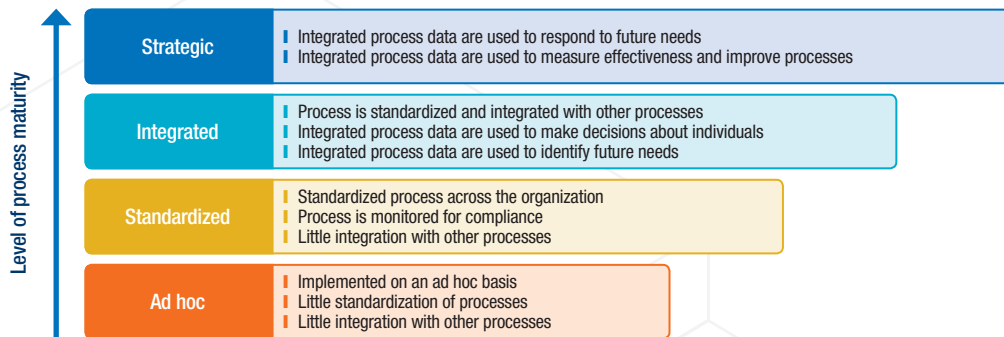
The first element of the assessment is **process maturity**. The assessment of Business Process Maturity was pioneered in the context of Information Technology Systems. In this context, "maturity" reflects the extent to which business processes are capable of performing their expected function

systematically (that is, repeatedly and in a consistent way).⁹ "Maturity" is expressed as the extent to which a process is: (i) **standardized** across an organization; (ii) **integrated with other processes** to support decision making; and (iii) **implemented strategically** to respond to anticipated business needs.¹⁰ As a process progresses through different stages of maturity, it is capable of performing a broader range of functions consistently and systematically to support management and strategic decision making.¹¹

IDEV assessed maturity by developing maturity models for each process based on: (i) the literature on Business Process Maturity; (ii) existing HR maturity models; and (iii) best practices identified in academic and practitioner literature. Each model applies the principles described above to present a logical path from an initial state of development to full maturity.¹² As such, each level constitutes a "prerequisite" for subsequent levels (for example, a process must be standardized before it is integrated). Furthermore, each level represents a distinct "category" or class of behavior illustrating how an organization uses a process to inform decision making and respond to present and future business needs.¹³ Additional information about the development of the process maturity models is provided in Annex C.

The criteria underlying the four different levels of maturity are presented in Figure 1.

The second element of this assessment pertains to **process enabling factors**, which are environmental factors that contribute to the "institutionalization" of a process. The absence of these factors may result in suboptimal process implementation and limit the achievement of expected outcomes.¹⁴ This evaluation focused on four such factors: (i) governance (for example, senior Management ownership, clarity of roles and responsibilities); (ii) tools (for example, Information Technology systems and data analysis tools); (iii) capacity (for example, the extent to which process actors possess requisite skills); and (iv) organizational culture (for example, the existence of appropriate policies, accountabilities and incentives).¹⁵

Figure 1: Business Process Maturity Model

Finally, the issue of **effectiveness** was assessed in terms of progress toward the expected outcomes of each HR processes. These “workforce outcomes” were identified from both the Bank’s existing Key Performance Indicators for HR and existing HRM theory as presented in academic and practitioner literature (See Evaluation Matrix, Annex B).

Assessing how the Bank has organized itself for Strategic Human Resources Management

The second line of analysis examines how the Bank has organized itself to manage its human resources. The analysis is guided by the 2010–2012 reorganization of the HR function, first proposed in 2008¹⁶ and assesses the extent to which the reorganization has: (i) been implemented as anticipated; and (ii) achieved its intended outcomes of improving client service orientation, process efficiency and strategy implementation performance, including the 2013–2017 People Strategy.

This line of analysis follows a traditional strategy evaluation approach. A logical framework was developed to identify how the different activities proposed under the restructuring of the HR Department were to contribute to certain expected outcomes with respect to HR operations (See Annex A). Data from multiple lines of evidence were

then used to identify: (i) the extent to which planned activities were implemented; (ii) the extent to which these activities have contributed to the expected outcomes; and (iii) environmental factors which have influenced the achievement of outcomes.

Lines of Evidence

The evaluation utilized a mixed-methods approach combining several sources of qualitative and quantitative evidence, including: (i) a review of internal documents; (ii) a review of academic and practitioner literature; (iii) interviews and focus groups with over 140 Bank staff at headquarters and in four Country Offices (See Annex G); (iv) an electronic survey of over 1,000 staff members (response rate: 59% of staff and STS; 95% C.I. +/-2%); (v) site visits to four comparator organizations; and (vi) analysis of available workforce and process data from the AfDB and comparator organizations. These data were triangulated to identify findings which reflect the full scope of the available evidence.

Comparator organizations selected for site visits included the World Bank Group, Inter-American Development Bank (IDB), International Fund for Agricultural Development (IFAD), and the Development Bank of Southern Africa (DBSA).

Limitations

The evaluation was subject to four main limitations. The most serious limitation stems from the limited availability and quality of HR data and process monitoring within the Bank. As a result, key data for some workforce outcome indicators could not be obtained or was limited. IDEV has addressed this limitation through triangulation of data from multiple lines of evidence, including interviews.

Secondly, some aspects of the evaluation relied heavily on perceptive data due to the impossibility of measuring the actual state of certain phenomena (for example, it was not possible to assess whether past performance appraisals truly reflected actual performance; therefore, IDEV could only assess the perceived accuracy of these appraisals). Where possible, IDEV has triangulated perceptive data with more objective assessments of process implementation, including process audit reports.

Next, although the IDEV staff survey registered a high response rate of 59% across all staff

and short term staff (STS), the absence of a 100% response rate and item nonresponse can introduce bias in measuring the perceptions of staff (See Annex H). IDEV undertook an analysis of survey responses which confirmed that PL staff were overrepresented among the survey respondents relative to the workforce population; however, the respondents otherwise reflected the total population of Bank staff in terms of age, gender, region of origin and language with no significant distortions introduced by either survey drop out or item nonresponse (See Annex H). The impact of this limitation was furthermore mitigated through the triangulation of survey data with interviews and process data.

Finally, IDEV faced challenges due to the fast pace of HR Management reform over the evaluation period. The continued relevance of the findings has been assured by documenting recent and ongoing developments and considering them in the analysis of process maturity. **This approach has allowed IDEV to identify the challenges these initiatives may face given existing implementation risks. ■**



What is the Current State of the Bank's HR Management System?

Strategic Workforce Planning

The workforce planning process allows organizations to assess the extent to which their workforce is aligned to current and future operational needs. Workforce planning assists an organization in making strategic decisions about its workforce, including: (i) aligning workforce size and skills to current and emerging business requirements; and (ii) developing plans for acquiring, upskilling and retaining talent to address future business needs. Ultimately, workforce planning helps ensure that an organization employs the right staff, with the right skills, at the right time and at the right cost.¹⁷

At different levels of maturity, workforce planning processes differ in their ability to inform actionable plans to adjust the size, skills and demographics of the workforce and respond to changing operational requirements, as illustrated by the model in Figure 2.¹⁸

The most critical element which distinguishes among workforce planning processes at different levels of maturity is the type of information used to inform decision making (for example, headcount, workforce segments or individual positions and critical skills).¹⁹ As more specific information is incorporated into the process, organizations are better able to: (i) anticipate and respond to workforce needs; and (ii) integrate other sources of information to inform decision making and anticipate future needs.

What is the current state of the Bank's Workforce Planning Process?

Findings about the maturity, implementation environment and effectiveness of the workforce planning process are identified in Figure 3.

Workforce planning at the Bank is driven by headcount and budgetary constraints, with limited ability to anticipate and respond to future workforce needs.

Figure 2: Workforce Planning Maturity Model

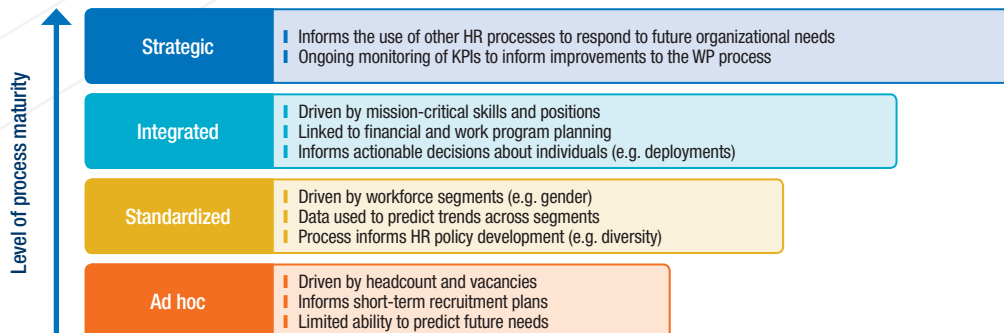
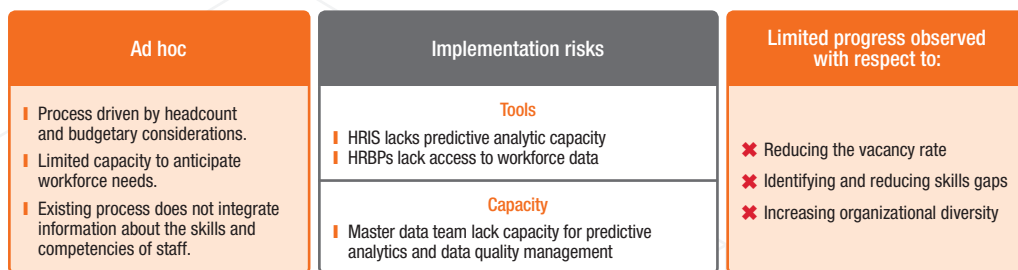


Figure 3: Summary of Findings for Workforce Planning

Staff planning is currently conducted on an annual basis as part of the budget and work program planning process. Cost Center managers estimate their human resources requirements on a three-year rolling basis based on their approved work program. This information is inputted into SRAS so that each position has a budget committed for an entire year.²⁰ However, stakeholders across the Bank confirmed that there are no guarantees that the requested resources will be approved year-to-year. The budget team leads an arbitration process at the Complex level to allocate the available budget in line with annual priorities. Final allocations may differ considerably from the initial requests.²¹

Managers and stakeholders in HR and Budget Departments agreed that the existing process is driven by budget and headcount constraints and is not being used to anticipate workforce needs. Directors noted that the process does not enable them to identify the resources needed to deliver on future commitments, as they only have limited visibility on the budget they will receive each year. Overall, 70% of managers who responded to the e-survey indicated that workforce planning had either not changed or weakened over the past four years. Furthermore, headcount and budget constraints were noted by 70.4% of these managers as factors which hinder their ability to develop their team (Figure 4).

The Bank has tried to implement two workforce planning schemes designed to provide additional flexibility to managers, but neither scheme was implemented as planned. In

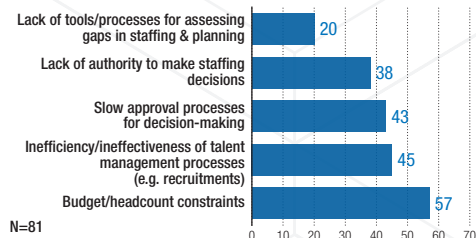
2010, the Bank eliminated headcount controls and attempted to implement a Fixed Cost Ratio (FCR) system for budget management and staff planning.²² However, the new process led to a proliferation of positions without reducing overall vacancies. The creation of new positions was subsequently frozen in 2011, perceived by many as the reinstatement of headcount controls.²³

In 2014, the Strategic Staffing Review (SSR) sought to increase workforce flexibility by: (i) adjusting the balance between Internationally Recruited Staff and Locally Recruited Staff; and (ii) allowing for the use of Long Term Consultants (LTC) to deliver time-bound initiatives.²⁴ Although the Board Committee on Administrative Affairs and Human Resources Policy Issues (CAHR) expressed support for the exercise, some members raised concerns about the sequencing of initiatives, noting that issues such as the skills audit and the strategic direction of the Bank should be addressed prior to implementing the SSR.²⁵ Other members expressed concern about a perceived emphasis on cost savings²⁶ and the potential impact on current staff, including the implications of transitioning some Internationally Recruited Staff Positions to Locally Recruited Staff positions. To help address the latter concern, it was agreed that the issue of strategic staffing would be delinked from the discussion of the affordability and sustainability of the Total Compensation Framework. The SSR was, however, never implemented.²⁷

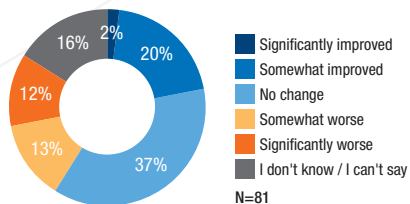
Overall, managers do not feel that the existing process has helped them develop their teams

Figure 4: Manager Perceptions on Workforce Planning

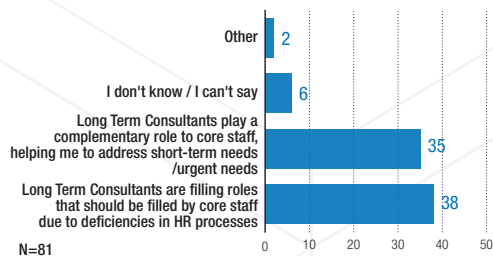
“Which factors hinder your ability to develop and grow your team in line with your vision?”



“How has the staff planning process evolved over the past four years?”



“How would you describe your use of Long Term Consultants (LTCs) in the staffing mix?”



in line with the work program. Managers and Directors noted that they do not have enough staff to implement their work program, which has led to an overreliance on consultants as a means of circumventing headcount constraints. This feedback was corroborated by the e-survey, in which 47% of managers noted that Long Term Consultants are being used to fill roles that should be filled by core staff. Some Directors suggested that using consultants in this way poses risks to skills development within the Bank and institutional memory. This situation is furthermore complicated by the HR Department's lack

of involvement in the management of consultants, as well as weaknesses in the contract management database. The current system, for instance, does not allow for in-depth monitoring and analysis; therefore, it is difficult to track how many times a particular contract has been renewed.²⁹

The experience of the World Bank Group demonstrates how a dollar budgeting approach can provide flexibility to managers in addressing long-term and short-term personnel requirements while limiting the proliferation of positions. Headcount controls were eliminated under the dollar budgeting process, allowing for fungibility between fixed and variable budget categories. Expenses under the fixed budget category reflect staff plans developed in cooperation with the Human Resources Group. Furthermore, the World Bank's employment arrangements were recently overhauled to provide flexibility to managers in addressing medium-term needs while limiting inequities arising from the repeated renewal of short-term contracts – known as “perma-temping.” Managers can now engage staff under three types of contract: (i) open-ended; (ii) three-to-five year term; and (iii) two-year term. These term contracts do not provide any guarantee or expectation of renewal – so managers can engage staff for a defined period of time; however, short-term staff can be transitioned to other contract types under specific circumstances. Term staff receive a benefits package reflecting the ongoing nature of their work. Consultancies, in contrast, are managed under the variable budget and are limited to 150 days in a calendar year. Stakeholders noted that this arrangement allows HR to ensure that staff budgets are reflective of work program requirements while reducing reliance on consultants for ongoing work.

The Bank lacks a systematic means to incorporate the technical skills of staff into the workforce planning process.

Ideally, the workforce planning process should help an organization understand: (i) the skills needed to deliver the forward-looking work program; (ii) where

these skills are needed within the organization; (iii) which staff currently possess these skills; and (iv) which staff should be trained to address identified gaps. Available literature indicates that implementing such an analysis requires that: (i) existing skills are assessed against a framework of technical competencies for positions across the organization; and (ii) information on staff skills is retained and stored in a usable manner.²⁹

Initial work has been undertaken to address this issue, including an independent skills audit completed in December 2015,³⁰ but limited use has been made of this exercise despite its relevance to the High 5s. The audit sought to identify existing technical, transversal and behavioral competencies among Bank staff. Whereas no major skills gaps were identified for traditional activities, the report identified several gaps which may limit the Bank's ability to deliver "advanced or complex solutions or leading-edge innovation."³¹ However, CAHR expressed concern that the findings were not sufficiently concrete to identify existing skills gaps and noted that the audit must reflect anticipated changes in the Bank's strategy and delivery model.³² Additional concerns were raised regarding the methodology of the audit, which was perceived to rely too heavily on self-diagnostic assessments. However, these self-reported skills were triangulated with managerial assessments and focus groups with technical teams.³³

Although the Bank's HR Department has recently made some progress in this regard, the Bank continues to lack a documented framework of technical skills across its complexes. The HR Department is now completing a competency framework to establish common behavioral

competencies for all positions across the Bank. However, it may be noted that the HR staff are still working with Complexes to identify the specific technical skills required to deliver the High 5s.³⁴ Furthermore, stakeholders confirmed that no action has been taken to document the skills, experience and training of individual staff members within the Bank's HRIS.

In this regard, the roll-out of the DBDM was a missed opportunity to identify: (i) specific skills required to deliver the High 5s; and (ii) how skills gaps can be addressed through training and deployments of existing staff. Each of the Bank's complexes undertook an exercise to identify the skills and resources necessary to implement the High 5s. However, the methods and principles used for these analyses and the degree of documentation are inconsistent: some Complexes were unwilling to map their staff regardless of past performance or current skills. The results of this exercise have not yet been reflected in the competency framework and stakeholders confirmed that little consideration has been given to developing required skills among existing staff rather than the creation of new positions.

The Bank lacks important enabling factors with respect to tools and capacity which are necessary to perform workforce planning in a more strategic way.

The Bank's HRIS, an important tool to support workforce planning, is not capable of anticipating workforce needs. Beyond providing an understanding of existing skills across an organization, workforce planning should help determine the likelihood that the workforce will remain stable. By predicting and responding to anticipated

An integrated HRIS with a user friendly interface has contributed to information driven HR management at IDB. After undertaking systematic business process restructuring and consultation with stakeholders across the organization, IDB created an innovative and user friendly interface for its SAP system. This interface allows users to access key reports, including workforce information and predictive analyses, which are provided in an attractive, easily understandable and informative graphic display. Stakeholders at IDB attributed the success of this tool to: (i) an understanding of process requirements and user needs; (ii) user friendliness in design; and (iii) providing regular training to all targeted users.

vacancies, an organization can ensure that sufficient staff with suitable skills are available to respond to evolving operational needs. Such analyses require the availability of a flexible, integrated HRIS which provides a single source of data and is capable of identifying meaningful workforce trends and future workforce needs.³⁵ Currently, there is no specific tool which supports the workforce planning process outside of the Bank's Personnel Master Data system in SAP.³⁶

The Bank is also not aligned with good practice for the management of HR data, including: (i) data quality management; (ii) predictive analytic capacity; and (iii) the integration of systems. The input of personnel information into SAP is completed manually and there are no processes for verifying Master Data inputs or ensuring that all updates and changes have been recorded accurately.³⁷ Furthermore, stakeholders in HR confirmed that existing tools are insufficient for HR forecasting. Although predictive analysis is possible within SAP, the Master Data team has not been trained to leverage this function effectively. Incidentally, the PWC skills audit identified critical skills gaps with respect to knowledge of SAP and HR data analysis within the CSVP Complex.³⁸ Finally, the Bank's SAP Master Data tool is not integrated with other non-SAP HR tools across the Bank, resulting in multiple potential sources of personnel information which may not be consistent.³⁹

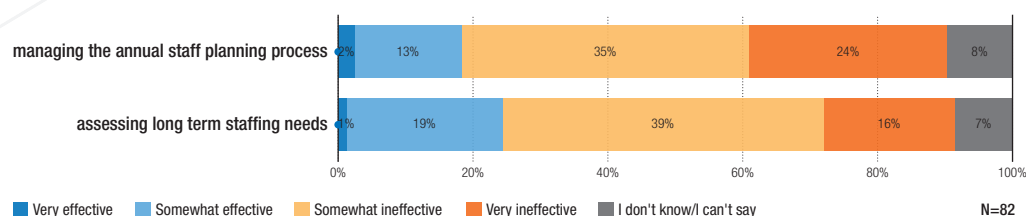
HRBPs have been poorly equipped to provide strategic advice to managers to inform workforce

planning. The availability and consistent use of tools, including data systems, is an important enabling factor for sustainable process implementation.⁴⁰ HRBPs are currently unable to conduct workforce related queries within SAP, relying on assistance from the Master Data team.⁴¹ As noted by one HRBP, "you are not always well informed on the dynamics of the team you are meant to advise." The implications are evident in e-survey responses, in which 18% of managers stated that they receive effective support from HR in assessing long-term staffing needs. Furthermore, 24% of managers reported that they received effective support in managing the annual staff planning process (Figure 5).

An initiative is currently underway to better integrate the Bank's Human Resources Information platforms, including the development of a dashboard for HR reporting.⁴² This initiative, which is expected to be delivered in the first half of 2018, focusses on leveraging the SAP platform as much as possible to integrate systems and facilitate a single source of data, including organizational structure, employee data and a skills and qualifications catalogue. Reporting against basic HR indicators will be facilitated by a dashboard solution. However, prior to implementation, it will be necessary to address known challenges involving the timely input and verification of personnel data and the usability of the system.⁴³ Based on the IDB's experience, these interventions should adopt a user based perspective and ongoing training should be provided to intended users to ensure systematic use.

Figure 5: Manager Perceptions of HR Support for Workforce Planning (IDEV e-survey)

"To what extent does HR provide you with effective support for..."



Workforce planning has not contributed to the achievement of expected workforce outcomes, including: (i) a reduced vacancy rate; (ii) reduced skills gaps; and (iii) increased organizational diversity.

The effectiveness of the workforce planning process was assessed in terms of: (i) reduction of the vacancy rate over time; (ii) increased alignment between workforce skills and work program requirements; and (iii) progress achieved toward organizational diversity targets. These three outcomes reflect targets identified in both the People Strategy and the 2013–2015 HRAP.

Growth in the Bank's vacancy rate suggests that the workforce planning process has not enabled the Bank to predict and respond to potential vacancies. Since 2012, the Bank's net vacancy rate has increased from a low of 5.9% in 2013 to 15% in 2016 (Table 2).⁴⁴ In 2016, the Bank's vacancy rate was approximately double that of our comparators.⁴⁵ These data were corroborated by feedback from Board members and Directors who noted that a lack of strategic decision making in HR, including a hiring freeze implemented in 2014 and 2015, and separation packages offered prior to the Return to Abidjan, has contributed to a chronically high vacancy rate. Whereas it is not necessarily feasible or desirable to have no vacancies within an organization, a high rate of vacancies can impose productivity costs where sufficient resources are not available to implement the work program, particularly for positions which require specialized skills.⁴⁶ Additional costs can be incurred from lost corporate memory as well as the sourcing, hiring and training of new employees.⁴⁷

Despite the lack of a documented framework of required technical competencies, the PWC skills audit identified a range of critical gaps which continue to be relevant in the context of the High 5s. Skills gaps were identified for several operational and functional skills, including: (i) energy economics; (ii) agribusiness; (iii) microfinance; (iv) private sector risk evaluation; (v) project finance;

and (vi) co-financing, among others.⁴⁸ Although it was not framed in the context of the High 5s, the audit suggests that the Bank has not developed its skills complement in line with its changing work program. Managers and Board members expressed doubt that the Bank possesses the skills mix required to deliver the High 5s and noted that staff are not being trained to develop specialized skills.

Workforce planning has not contributed to organizational diversity in terms of: (i) reducing the average age of staff; or (ii) diversifying the Bank's leadership with respect to the representation of women in professional and leadership positions. Ideally, workforce planning should help identify the practices necessary to achieve organizational diversity targets within a given timeframe.⁴⁹ Average age at entry has increased slightly from 37 years in 2013 to 38 years in 2016, whereas the average age of staff has increased from 44.24 years in 2012 to 46.38 years in 2016. However, the average age of staff remains consistent with our comparators.⁵⁰ Whereas the share of women in professional positions has remained relatively constant since 2012, the share of women in management positions has decreased from a high of 28.2% in 2014 to 26.7% in 2016, but it has increased from 24.1% in 2012.⁵¹ Throughout the evaluation period, women have remained significantly underrepresented among management and professional staff relative to their total population within the Bank (Table 2).

Recruitment

Recruitment is the process through which an organization attracts, selects and integrates new employees. This process should ideally help an organization acquire the people and skills required to implement its work program through: (i) sourcing and attracting candidates with desired skills; (ii) assessing and selecting the most suitable candidates; and (iii) onboarding new staff so that they are quickly able to perform in their role.

Recruitment processes implemented at different levels of maturity are differentiated in terms of: (i) consistency and standardization of the process; (ii) use of prequalified candidate pools to fill anticipated vacancies; and (iii) the ability to respond to future needs through targeted attraction of candidates with required skills, as demonstrated in Figure 6.⁵²

What is the Current State of the Bank's Recruitment Process?

Findings pertaining to the maturity, implementation environment and effectiveness of the Bank's recruitment process are summarized in Figure 7.

The Bank has implemented a standardized recruitment process, including: (i) a standardized process for creating job descriptions; and (ii) behavioral competencies to inform the selection of candidates.

The Bank standardized and documented its recruitment process by preparing a **Recruitment Manual in 2010**. The Manual clearly defined the selection process in order to: (i) ensure consistency and uniformity in the selection of candidates; and (ii) enhance the integrity and credibility of the process through measurable procedures and timelines.⁵³ All stages of the recruitment process from the creation of annual staff plans to the onboarding of candidates

Table 2: Trends for Key Workforce Indicators

Net vacancy rate (2013–16)	
Year	Net vacancy rate
2013	5.9%
2014	10.5%
2015	15.9%
2016	16.4%

Source: AIDB HRIS

Average age at entry and age of staff (years, 2013–16)		
Year	Age at entry	Age of staff
2012	37	44.24
2013	37	44.85
2014	38	45.62
2015	38	46.35
2016	38	46.38

Source: AIDB HRIS

Proportion of female staff (2012–2016)			
Year	Professional (% PL3–6)	Management (% PL2–EL5)	Total staff (%)
2012	29.59	24.1	37.7
2013	29.49	27.9	37.9
2014	28.00	28.4	37.1
2015	28.50	27.1	36.6
2016	29.70	26.8	37.4

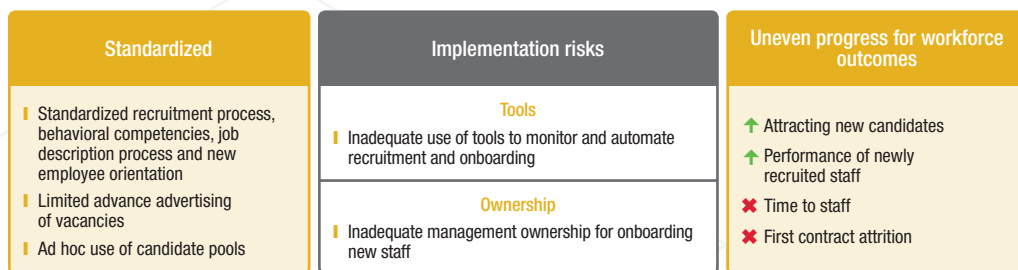
■ Significantly different from total staff % at p<0.01
 ■ Significantly different from total staff % at p<0.05

Source: AIDB HRIS

are identified and the roles and responsibilities of different process stakeholders are defined. Multiple stakeholders noted that the recruitment process has

Figure 6: Recruitment Process Maturity Model



Figure 7: Summary of Findings for the Recruitment Process

become stronger over time and some regard it as among the Bank's more transparent processes.

Standardized behavioral competencies have been identified, but inconsistencies remain with regard to required technical skills. The Recruitment Manual provides a set of standardized behavioral competencies to assess candidates for positions at different levels.⁵⁴ However, required technical skills for each position are specified in individual job descriptions and are approved by the Heads of Unit concerned on an ad hoc basis.⁵⁵

Inconsistencies in job descriptions had previously undermined the standardization of the recruitment process. Directors and Board members expressed concern regarding apparent inconsistencies in the grading and job descriptions across positions. Stakeholders in the HR Department confirmed the presence of these inconsistencies but noted that a “refreshment” process for job descriptions was conducted to support the DBDM⁵⁶ rollout. The refreshment process sought to: (i) refresh existing job descriptions to ensure consistency; (ii) update descriptions as necessary; and (iii) create job descriptions for new positions. By the end of June 2017, 1,252 job descriptions had been reviewed, with 18 job families and 167 job streams identified.⁵⁷ Documentation indicates that this exercise was long overdue. Job descriptions should be refreshed every three to five years to ensure consistency; however, the Bank had not refreshed its job descriptions for nearly seven years prior to this process.⁵⁸

Consultations were held with each of the Bank's complexes to ensure alignment between grades, job descriptions and the actual work performed.

Subsequent to a refreshment of the job description template, two focal points in each complex were identified to create descriptions for 40 “anchor” jobs in cooperation with line managers and HRBPs.⁵⁹ These job descriptions were then compared against the Bank's proposed organizational structure to identify jobs which: (i) are new; (ii) have not changed; or (iii) have changed substantially. Complex focal points then worked with a team of consultants to revise or create new job descriptions as necessary. These revised job descriptions were then endorsed by the HRBPs and validated by the consultant team.⁶⁰

Beginning in 2017, the Bank started to implement an assessment center process to recruit new staff.⁶¹

The assessment center process was previously used to recruit only Young Professionals but had been piloted more broadly in 2016 to recruit approximately 60 staff for administrative support positions.⁶² The use of assessment centers reflects best practice for recruitment, based on the ability of this tool to provide a more fulsome assessment of candidates' behavioral competencies.⁶³ Under the revised recruitment process for positions between PL1 and PL8, the Bank has used external recruitment firms to conduct technical evaluations, long-listing and short-listing of candidates. Short-listed candidates were to be assessed through psychometric testing, group activities and a panel interview, with equal weighting given to scores from each activity. Recommended candidates were then to

be identified by the firm based on compiled scores.⁶⁴ Briefings were conducted for staff to familiarize them with the assessment center process, train staff to act as assessors and ensure transparency.⁶⁵

Due to the volume of candidates to be recruited over a short period of time, the assessment center process was replaced with a more limited recruitment process. As approved by the Senior Management Coordination Committee (SMCC) in May 2017, a more limited process was identified, with candidates undergoing psychometric testing followed by a panel interview. The number of panelists was also reduced from four to three, with panels no longer requiring a representative from HR due to resource constraints.⁶⁶ However, concerns have been raised by internal stakeholders regarding the rigor and transparency of this new process, which reflects neither the 2010 Recruitment Manual nor the original assessment center process communicated to staff. As of June 2017, stakeholders in HR confirmed that a communication to all staff was being prepared to ensure they are aware of changes made to the assessment center process.

The Bank has identified an institutional onboarding program for new staff.

A new institutional onboarding program was launched in 2016 which was intended to provide ongoing support for new staff to integrate into the Bank and perform in their new roles. The onboarding program was meant to promote the integration of new staff over their first year of employment through: (i) induction training; (ii) corporate orientation training; (iii) customized training for different functions; (iv) a peer-buddy program; (v) coaching and mentoring by the direct supervisor; and (vi) the introduction of an onboarding portal.⁶⁷

The majority of planned initiatives have been implemented as expected. As of the end of 2016, the HR Department had commenced implementation of a revamped "New Employee Welcome and Induction Program" as well as a "New Employee Corporate Orientation Program."⁶⁸ Onboarding tools

and resources were developed, including "peer-buddy" guidelines, an onboarding checklist, guidelines for unit managers, and a new hires survey. Although an onboarding portal was previously active on the Cornerstone platform used to manage the Bank's learning and knowledge management activities, a revamped onboarding portal has not been operational due to a planned change in knowledge management and learning systems from the Cornerstone platform to the Success Factors platform.⁶⁹

Strategic recruitment and outreach activities are not being implemented systematically to address anticipated workforce needs.

Organizations can reduce the amount of time that a position remains vacant and enhance quality of hire by implementing strategic, forward-looking recruitment activities, including: (i) advanced advertising of anticipated vacancies; (ii) identification of prequalified candidate pools for certain positions; and (iii) attracting candidates with desired skills through targeted outreach.⁷⁰

Stakeholders in HR confirmed that advanced advertisement of anticipated vacancies (for example, in the case of retirement) is constrained by system restrictions within SAP. Although HRBPs are expected to notify managers six months prior to an upcoming retirement, the Master Data team confirmed that it is not possible to advertise an anticipated vacancy more than three months in advance.⁷¹ Furthermore, staff are required to give a single month of notice, increasing the likelihood that a position will remain vacant prior to the assumption of duty by a new candidate.

The Bank identifies recommended lists of candidates who have been pre-qualified for positions at a specific level and grade, but these lists are not being used systematically. Directors consulted for this evaluation noted that pre-qualified candidates often lack the skills required for a specific position and that they would be hesitant to use these lists. HRBPs similarly confirmed that managers tend not to trust the recommended lists and prefer to

recruit candidates through a full competitive process. Stakeholders in HR estimate that approximately 50 appointments were made through these lists in the past three years. However, no data were available to confirm these estimates or identify: (i) the proportion of vacancies filled using recommended lists; and (ii) the types of positions filled using recommended lists. In general, the decision to fill a position using a recommended list is made on an ad hoc basis. Whereas some organizations use candidate pools to quickly fill positions within a specific job family,⁷² job families have not been well defined in the Bank and required skills can vary significantly across positions classified at the same level and grade.

The Bank has not conducted strategic outreach to attract candidates with desired skills or promote geographic diversity. Board members and Directors expressed concern that the Bank has not placed sufficient emphasis on attracting talent, particularly candidates who have private sector expertise. Staff in some Country Offices echoed these concerns, stating that the Bank is not well known or visible within their country. Stakeholders from HR confirmed that, although the Bank previously conducted road shows and other outreach activities to attract candidates, such activities have not been implemented systematically over the evaluation period. The Bank has recently diversified how it advertises vacancies by engaging talent search firms;⁷³ however, recent experience with the recruitment of Country Managers demonstrates the potential risks associated with outsourcing recruitment activities to firms whose staff may not have sufficient understanding of the business area to ensure that candidates are selected appropriately.

The Bank lacks important enabling factors with respect to: (i) the use of information systems to document and automate the recruitment process; and (ii) Management ownership and use of information systems to support the onboarding process.

Existing tools are not being used systematically to document and monitor recruitment activities.

The Bank has acquired Taleo, an industry standard recruitment system, but stakeholders in HR confirm that this tool is used to manage only the advertising of positions, collection of CVs and, until recently, long listing of candidates.⁷⁴ The other aspects of the process are managed manually through email and tracked using a spreadsheet.⁷⁵ IDEV's examination of the Bank's recruitment tracking tools has revealed that since the required fields are not populated consistently it is not possible to report credibly on basic indicators, including the time required to fill a position. HRBPs confirmed that regular auditing of the recruitment process is not being conducted.

Justification for deviation from the standardized, competitive recruitment process has not been adequately documented. Although recruitment should be competitive to the greatest extent possible, some circumstances warrant flexibility in the selection process, including the need to respond to time-sensitive needs or promote internal candidates.⁷⁶ However, appropriate justification should be documented when such flexibilities are applied to ensure that the recruitment process remains fair and transparent. A 2015 audit report found that all elements of the full competitive process were not applied for some staff recruited between 2012 and 2015 at the PL2 level and above. Furthermore, no rationale for these deviations had been documented.⁷⁷ Corroborating the findings of this report, IDEV found the available data to be inadequate to determine: (i) how often recruitments are not fully compliant with the established process; and (ii) the extent to which these deviations are justified.

Efforts have recently been made to improve documentation of non-standard recruitment, but this process is not yet systematic. The audit report called for quarterly reporting to Senior Management and the Board on recruitment activities which have deviated from the standard process. One such report has been produced covering recruitments between October 2015 and November 2016. However, the content of this report is based on the recollection and paper files of recruitment officers.⁷⁸

Despite the progress achieved in implementing the new onboarding program, there are continuing challenges in ensuring that all new staff are onboarded.

In total, 139 new staff assumed duty in 2016 and would have been expected to attend onboarding within their first three months of employment. However, participation data indicate that 74 staff members (Advisers, GS and PL) participated in the new onboarding training⁷⁹ and 63 GS and PL staff participated in the subsequent corporate orientation session.⁸⁰ Stakeholders in HR confirmed these challenges, particularly in terms of ensuring that new managers and directors are onboarded. Furthermore, these stakeholders noted that elements of the process which require ongoing support, including the peer-buddy program and coaching from managers, have not been fully institutionalized. In a survey of new hires, over 55% of respondents either did not have a peer-buddy or disagreed that the peer-buddy system had been a useful resource.⁸¹

These challenges are attributable to a lack of appropriate tools and Management ownership for the onboarding process. First, delays in delivering the onboarding portal have limited opportunities for automating and monitoring the process. It was anticipated that the portal would enable: (i) provision of a “one-stop-shop” for all required documents and forms; (ii) generation of “onboarding lists” with automated notifications to facilitate the process; and (iii) tracking of attendance and collection of feedback.⁸² Lack of management ownership is a key challenge for ensuring that new staff are onboarded. There are no consequences for managers if onboarding is not completed, with some managers insisting that their staff not attend the sessions due to operational priorities.⁸³ Stakeholders in the HR Department reported that, prior to 2014, nearly all new staff were onboarded because provision of a security badge was made contingent on completing the onboarding program.

The Bank continues to attract a high number of candidates for advertised vacancies and quality of hire has been satisfactory. However, the

recruitment process remains time consuming and many staff leave the Bank before completing their first contract.

The effectiveness of the Bank's recruitment process was assessed against: (i) ability to attract candidates; (ii) average time to recruit; and (iii) quality of hire. These measures reflect the extent to which the Bank is able to attract and recruit the best talent efficiently.

Relative to its traditional comparators, the Bank attracts a high volume of candidates.

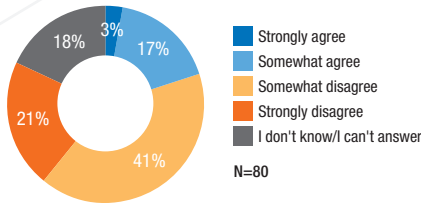
Stakeholders in HR estimate that the Bank receives an average of 300 applications for each PL vacancy and 1000 applications for each GS vacancy.⁸⁴ However, IDEV was not able to independently confirm these estimates due to the quality of available data. The average number of applications received for each vacancy at the Bank far exceeds that of comparator organizations.

The Bank's reputation and mandate continue to be key factors which attract candidates to the Bank. Overall, 59% of managers who responded to the e-survey agreed that the Bank is able to attract the best candidates. Furthermore, “dedication to the Bank's mandate and work on the continent” and “the reputation of the Bank” were noted by 95% and 92% of e-survey respondents respectively as factors which attracted them to work at the Bank. These factors were ranked as the most important consideration in this regard by 47% and 28% of e-survey respondents respectively, ahead of salary, benefits, job security and career development opportunities (Figure 8). Feedback from senior Management and directors corroborated the importance of the Bank's mandate in attracting high quality candidates.

The time required to fill a position has been problematic, with nearly all stakeholders noting that the recruitment process is too long and fails to appropriately balance procedural controls with efficiency. In particular, the manual filtering of applications was noted as contributing to the administrative burden of the process. This feedback was corroborated by the e-survey, in

Figure 8: Attraction of Candidates for Bank Vacancies (IDEV e-survey)

"The Bank is generally able to attract the best candidates"



"Which factors attracted you personally to the Bank"

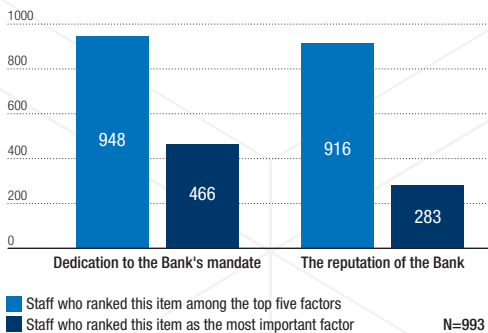
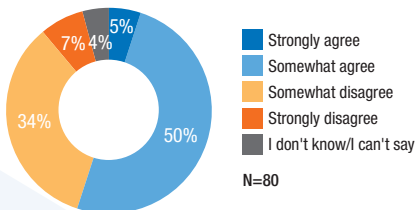
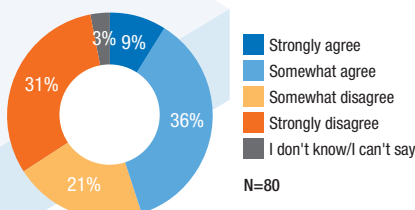


Figure 9: Manager Perceptions of the Recruitment Process (IDEV e-survey)

"The recruitment process usually results in the best candidate being hired"



"The recruitment process is reasonably efficient"



which 45% of managers agreed that the recruitment process is reasonably efficient (Figure 9). As noted above, under the revised recruitment process long-listing and short-listing is now to be conducted by recruitment firms, a change which is anticipated to reduce time to staff and the administrative burden associated with recruitment. Data were not available to credibly establish the average time to fill positions over the evaluation period due to the poor quality of data across the Bank's recruitment tools.⁸⁵

The Bank has no means to systematically assess the quality of hire. Therefore, IDEV considered the following proxy indicators: (i) validation of probationary periods; (ii) first-year performance ratings; and (iii) separation during first contract. Staff may separate during their first contract for a variety of reasons; however, early attrition is regarded as an indicator of "organizational fit" and can be costly to an organization in terms of the requirement for multiple recruitment processes and lost productivity.⁸⁶

The performance of new hires has been satisfactory but many managers do not feel that the best candidate is usually selected. Between 2012 and 2015, 95.8% of probationary periods for new hires were validated.⁸⁷ Furthermore, the proportion new hires who receive a performance rating of "needs improvement" has been not significantly different from that of the general staff population, indicating that the performance of new hires tends to be consistent with that of other staff at the Bank.⁸⁸ In total, 55% of managers who responded to the e-survey agreed that the recruitment process usually results in the "best" candidate being hired (Figure 9). Whereas the majority of managers responded favorably to this question, the responses should be considered in light of the fact that a competitive process should ideally result in the best candidate being selected in each case.

There continues to be a high level of new staff who leave the Bank before the end of their first contract. Between 2013 and 2016, 94 individuals left the Bank prior to the end of their first contract, accounting for 22.3% of recruitment over this period.⁸⁹ Resignation

Table 3: First Contract Separation of Staff (2013–2017)

Reason	2013	2014	2015	2016	Total
Voluntary separation	0	23	12	0	35
Resignation	22	12	5	5	44
Contract non-renewal	6	0	0	1	7
Other	2	0	3	3	8
Total first-contract separations	30	35	20	9	94
Total recruitment	161	40	55	139	395

Source: AfDB HRIS

and voluntary separation accounted for 46% and 37% of these departures, respectively (Table 3).⁹⁰ Given that these figures are likely to underestimate the full scale of such attrition, the data are consistent with the 2012 Mercer Report, which noted that 30% of new hires resign prior to the end of their first contract.⁹¹

Talent Management

Talent management involves a set of processes which work together to attract, develop, motivate and retain talent. This process involves the integration of three complementary concepts pertaining to the development and movement of staff throughout an organization, viz. (i) career development; (ii) succession management; and (iii) learning and development.⁹²

Career development involves activities initiated by the employee and facilitated by the organization

with the objective of improving their performance within their current role or preparing to move into a new role.⁹³ By contrast, succession management is initiated by the organization as a means to prepare selected employees to take up critical leadership roles.⁹⁴ Learning and development supports both processes by facilitating the development of specific skills and competencies required to perform different roles across an organization.⁹⁵

The maturity of talent management processes is a reflection of the extent to which: (i) learning, career development and succession management processes are standardized across the organization;⁹⁶ (ii) these three processes are mutually supportive and integrated with other HR processes to inform decision-making;⁹⁷ and (iii) talent management data are used to anticipate future business needs, assess the contribution of talent management to workforce outcomes and improve value for money,⁹⁸ as demonstrated in Figure 10.

Figure 10: Talent Management Maturity Model

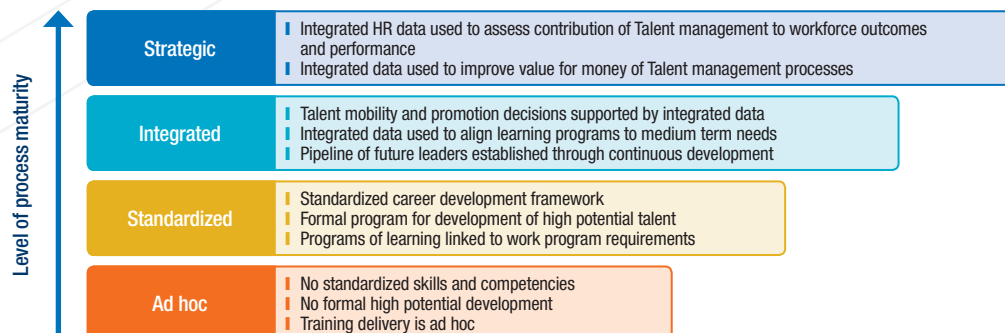


Figure 11: Summary of Findings for Talent Management

Ad hoc	Implementation risks	Limited progress for workforce outcomes:
<ul style="list-style-type: none"> ▮ Absence of career development framework ▮ Absence of learning programs for required technical skills ▮ Absence of ongoing development programs to prepare high potential talent for leadership 	<p style="text-align: center; color: #f4a460;">Tools</p> <ul style="list-style-type: none"> ▮ Lack of integrated systems to plan and monitor learning and development activities <hr/> <p style="text-align: center; color: #f4a460;">Ownership</p> <ul style="list-style-type: none"> ▮ Low compliance for training plans ▮ Low management ownership of YPP <hr/> <p style="text-align: center; color: #f4a460;">Culture</p> <ul style="list-style-type: none"> ▮ Absence of organizational policies to support staff mobility 	<ul style="list-style-type: none"> ✗ Access to training ✗ Implementation of learning plans ✗ Staff mobility ✗ Retention of young talent and YPs

What is the current state of talent management at the Bank?

Findings about the maturity, implementation factors and effectiveness of the Bank's Talent Management processes are presented in Figure 11.

The Bank lacks an active Career Development Framework and standardized programs for the development of required technical skills.

The People Strategy recognizes the importance of career development to the overall Employee Value Proposition, including opportunities to develop cutting edge skills and obtain unique work experience. As identified in the People Strategy and the HRAP, career development opportunities were to be strengthened through three initiatives: (i) realignment of the dual career track for managers and technical experts; (ii) development of career pathways for five professional streams; (iii) preparation of a Bank-wide learning strategy and staff learning plans. Although the Bank has developed a learning and development strategy and a standardized process has been implemented to develop staff learning plans, the remainder of these initiatives have been either formally or informally discontinued.⁹⁹

Career development frameworks (CDF), including career pathways and lattices, identify

opportunities for vertical and lateral movement within an organization. These frameworks are a means of standardizing and transparently communicating requirements for different roles in terms of technical skills, behavioral competencies and professional experience. When these expectations are made clear, staff are in a better position to leverage training and assignments to improve their performance in their current position and develop their career in line with their aspirations.¹⁰⁰ This guidance is a central element of empowering staff to manage their professional development.

The Bank first introduced a CDF in 2010 as part of the 2007–2011 HR Strategy in order to: (i) attract, engage, retain and equip employees to become productive leaders; (ii) provide clarity on the means for career development; and (ii) inform talent management decisions, including promotion and mobility. The CDF identified new policies and mechanisms to facilitate the career development of staff, including: (i) guidelines for accessing training; (ii) mobility directives for promotions and lateral moves; (iii) a dual career path for managers and technical specialists; and (iv) a standardized framework of behavioral competencies across grades and levels.

However, several important policies, notably the mechanisms for in situ promotion and the dual career track, are no longer applied. The

nine behavioral competencies identified to guide the career development of staff were not harmonized with competencies used for other processes, such as performance management (Annex I).¹⁰¹ Furthermore, because the CDF provided little guidance in terms of the technical skills and experience expected at each level, career pathways remained poorly defined.¹⁰² Both in situ promotion and the dual career track were ultimately discontinued due to perceived abuse and no replacements have been identified.¹⁰³

The Bank has had comparative success in standardizing the process of requesting training to support staff development. Since 2010, training has been managed centrally by a team of specialists in HR to ensure that training budgets are used judiciously in accordance with business requirements.¹⁰⁴ Corporate skills development is addressed through onsite learning events organized by the HR Department and, until late 2016, through online learning and research materials available through the Cornerstone platform. By contrast, the delivery of technical training relies on annual learning plans submitted by each Complex.¹⁰⁵ These learning plans are first developed by Divisions and are then arbitrated and consolidated at the Department and Complex levels. Once approved, the associated budget is transferred by the Budget Department to HR for implementation.¹⁰⁶ The learning team will not question whether requested technical training is necessary, but can choose not to endorse requested training if they feel it can be delivered in a more cost-effective way.¹⁰⁷

Whereas the process for requesting training is standardized, the Bank lacks institution-wide

programs for developing technical skills in line with evolving business requirements. Access to external technical training remains dependent on the development, approval and implementation of annual learning plans. As such, the process remains reactive and ad hoc. Several directors interviewed noted that, although external training is most relevant to the development needs of their team, the criteria for accessing external training are not clear and it is difficult to have such training approved. This feedback was corroborated by the e-survey, for which 24.9% of staff agreed that the Bank offers a good mix of internal and external training (See Figure 12, below).

The lack of institution-wide programs for technical skill development suggests that linkages between the learning function and Complexes are inadequate. Like our comparators, management of learning at the Bank is centralized, with delivery ultimately controlled by the learning team. Most stakeholders noted cost savings associated with in-house and team training. However, the risks of a centralized learning model, relative to a decentralized or federal model, include increased rigidity and bureaucracy. These issues can interfere with the relevance of learning to business needs.¹⁰⁸ To avoid these risks, training delivery must be informed by an understanding of business requirements. Both IDB and DBSA adopt similar models for the delivery of technical training; however, training programs are developed to respond to future business needs as well as the skills and competencies required by different job families.¹⁰⁹ Stakeholders in HR noted that some departments had established accreditation programs internally

Although both IDB and DSBA implement a centralized training function, emphasis has been placed on identifying programs of training which align to business needs. At IDB, learning programs have been identified by job family to help staff develop the skills and competencies required for their position. Furthermore temporary assignments are used to help staff develop skills relevant to potential future roles. At DBSA, investment in individual training is considered a comparative advantage, with 4% of the staff budget devoted to individual development. Technical training programs are developed in consultation with business areas to reflect skills required over the next three to five years. The learning team actively seeks out information about the technical requirements of each business area in order to evaluate different training delivery options. In addition, DBSA can finance tertiary education provided it is aligned with a Personal Development Plan.

for their teams (for example, FTRY); however, these programs have been developed as ad hoc initiatives within specific business units.

The HR department is in the process of developing an “AfDB Learning Academy” which will align internal technical training to the delivery of the High 5s. The Learning Academy will provide support in developing required skills across different business lines, including Agriculture, Infrastructure and Integration.¹¹⁰ The Academy could potentially standardize delivery of technical training in line with operational needs; however, in order to support career development, this initiative must be: (i) linked to a framework of technical competencies and job families; and (ii) continually refined in consultation with complexes to ensure ongoing relevance to the work program.

The Young Professionals Program is not being used as a succession management tool to prepare high potential talent for leadership positions.

Succession planning is the complement of career development and enables an organization to identify and actively prepare high potential talent for leadership roles through ongoing development and coaching.¹¹¹ The Bank has implemented the Young Professionals Program (YPP) as a means of integrating young, high potential talent into its workforce. However, the YPP is not leveraged as a strategic succession management program whereby top talent are provided with ongoing support to prepare for leadership roles. Finally, there has been no formal succession management program for staff other than Young Professionals, which some managers perceive as an issue of fairness in terms of promoting the visibility and career development of all top performers.

The YPP seeks to: (i) promote organizational diversity through identifying young, talented, multi-disciplinary individuals who represent a mix of the Bank's regional and non-regional countries; and (ii) support succession

planning for senior positions over the medium to long-term.¹¹² YPs are selected through a highly competitive process involving assessment centers, psychometric testing and multiple interviews. Upon entering the Bank, they are provided with “boot camp” training on the project management cycle and financial analysis and complete three rotations across different areas of the Bank. These rotations are designed to help the YPs gain an understanding of how the Bank works and develop new or specialized skills. The YPs are expected to “graduate” from the program before the completion of their third year by obtaining a position through a competitive process.¹¹³

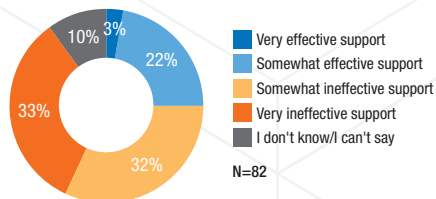
There are several challenges which prevent the YPP from being leveraged as a succession management tool. Focus groups and interviews with former and current YPs revealed that the boot camp training was not always relevant to their needs, either because the training is not relevant to their responsibilities at the Bank or because they were already knowledgeable about the subject matter. Furthermore, the responsibilities given to YPs are often not commensurate with their skills and experience. Underutilization of skills contributes to frustration among YPs, particularly those who have specialized professional skills, such as lawyers and engineers.¹¹⁴ Finally, whereas best practice succession management programs provide for continuous development, former YPs noted an absence of career development support after graduation from the program.¹¹⁵

The Bank lacks important enabling factors which restrict the implementation of more mature talent management processes in terms of Management ownership, integrated tools and systems and supportive organizational policies.

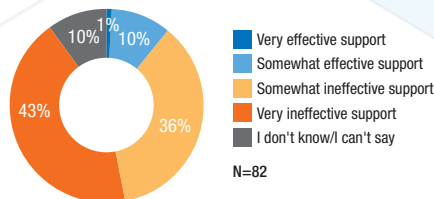
Specific challenges include the lack of: (i) Management ownership, particularly for the development of learning plans and the YPP; (ii) available tools to integrate learning and career development with other processes; and (iii) policies to support staff mobility within the Bank.

Figure 12: Manager Perceptions of HR Support for Talent Management Activities (IDEV e-survey)

“How effective is support provided by HR for the planning and execution of training activities?”



“How effective is support provided by HR for the promotion and career development of staff?”



Some Complexes do not develop annual learning plans within the established timeframe, suggesting low Management ownership of the process. Although requests for training could previously be made throughout the year, HR has stopped approving requests which are made outside of the learning plan process. It was estimated that between 45% and 50% of learning plans were submitted in 2016, with just 10% submitted on time. As of February 2017, five of nine Complexes had submitted learning plans for the year. Stakeholders in HR insist that strict implementation of the process is necessary to ensure that training is properly planned and arbitrated across Complexes and suggested that managers should be held more accountable in planning for the development of their staff. Beyond development of learning plans, staff in HR and other areas of the Bank noted that staff frequently do not attend training for which they are registered due to other operational pressures, suggesting that the Bank does not “make space for training.”

Issues of Management ownership have also been observed for the YPP, which has lacked a full-time coordinator.¹¹⁶ A Steering Committee made up of current and former YPs and chaired by a Vice President had been serving as a governance body, recommending improvements and participating in the development of selection criteria and the shortlisting of candidates.¹¹⁷ However, the YP Steering Committee dissolved in 2013 and the recruitment process was subsequently changed

to an assessment center process. Past YPs and stakeholders in HR remarked that the Program has been “orphaned” by management with little leadership championing and inconsistent follow-up from senior Management mentors. Currently, two YPs from the 2015 cohort represent the interests of their peers with management and stakeholders from the current cohort indicate that management support for the Program remains inadequate.

The Bank lacks appropriate systems to track skills development across the Bank and integrate this information with other HR processes. Learning activities have been managed through Cornerstone, an industry leading platform for learning and knowledge management. Although the system is capable of being integrated across several platforms, Cornerstone had not been integrated with Performance Management 2.0 or the SAPHR. Consequently, there is no single, integrated source of HR data.¹¹⁸ This situation has contributed to two challenges: (i) HRBPs cannot easily access and analyze the skills of staff within each Complex, limiting their ability to provide strategic advice regarding skills development;¹¹⁹ and (ii) aside from annual learning plans produced by Complexes, HR has limited access to information about staff skills and performance gaps to assess the relevance of existing training and identify emerging needs. Furthermore, HR has faced difficulties in systematically tracking and evaluating the relative value for money provided by different delivery modalities.¹²⁰

A decision was made to cancel an existing licensing and services agreement with Cornerstone in 2016 in favor of the SAP Success Factors platform.¹²¹ Although cancellation of the agreement occurred at no penalty to the Bank, some stakeholders in HR and the Information Services Department questioned the move to the new platform, noting that the Success Factors platform had initially not been selected in 2010 in favor of Cornerstone. Furthermore, it was noted that the Bank had never leveraged all of the existing functions within the Cornerstone system and that issues of integration were due limitations in the configuration of SAPHR at the Bank rather than the Cornerstone platform.¹²² Furthermore, it is not clear that these limitations would be addressed by acquisition of a new system.

There are currently no organizational mechanisms or policies to facilitate the vertical mobility of staff. Bank staff may only obtain a promotion through a competitive process, which was noted as a source of frustration for both staff and managers.¹²³ Only 11% of managers who responded to e-survey agreed that they receive effective support from HR with respect to the career development and promotion of their team. Furthermore, 73% of staff disagreed that the process for career progression is transparent (Figure 12). The Bank has recently taken steps to strengthen career development by piloting two initiatives: (i) a nine-box talent management framework to identify and nurture top performing, high-potential staff; and (ii) a Senior Level Appointments Board to facilitate leadership succession planning. However, the effectiveness of such initiatives is likely to be limited without transparent mechanisms for staff promotion.

The CDF recognized the importance of a transparent mechanism for promoting staff in order to reward top performers and support career development.¹²⁴ The policy on in situ promotion allowed for high performing staff who met specific criteria to be promoted on the basis of performance. Candidates were nominated by their departments each year, with promotions allocated annually by HR.¹²⁵ However, stakeholders in HR confirmed that the policy was suspended in 2013 due to perceived abuse and grade inflation, attributed to the provision of promotions without a change in job description or responsibilities. In the IDB, where nearly 10% of staff receive an in-situ promotion each year, this problem is avoided by ensuring that promotions are accompanied by a change in the job description of concerned staff. Although a commitment was made in the People Strategy to clarify practices surrounding promotion, no action has been taken in this regard.

The dual career path, introduced in the 2010 to provide an alternative career path for technical specialists, was similarly abandoned in 2013 due to perceived abuse.¹²⁶ The 2012 Mercer Report indicates that the dual career track had not been supported by adequate workforce planning to identify where “team lead” positions were needed most. The report notes that lead positions were not rooted in distinct technical skills, competencies and experience which differentiated these positions from other positions, including management positions.¹²⁷ Instead, it was argued that the dual career path was used to circumvent the lack of promotional opportunities at the management level.¹²⁸ Directors noted that the dual career track remains relevant as a

The World Bank demonstrates how organizations can better structure themselves to promote lateral mobility of staff. As part of the reorganization into Sector Practices, the World Bank introduced a “batch” rotation system designed to redeploy staff across the institution and facilitate more regular lateral rotation within job families. Under this system, Talent Councils and Talent Boards facilitate the mobility of staff every four years across different countries and regions to help them develop new skills in their fields. However, rotation across job families (for example Country Manager, practice leader), remains limited. Stakeholders at the World Bank indicate that the rotations help staff have a rich career through varied assignments despite more limited opportunities for upward mobility.

means of motivating and retaining technical experts, but agreed that implementation and monitoring of the policy was problematic in practice.

Finally, the Bank has not leveraged lateral mobility as a means of promoting the career development of staff. Opportunities for vertical mobility within an organization will naturally be limited. The IDB and World Bank are therefore placing emphasis on the lateral rotation of staff to promote continuous career development. A 2004 Presidential Directive identifies the circumstances under which staff can be transferred laterally at the initiative of either the staff themselves or Bank Management, but does not identify a systematic mechanism for promoting lateral movement in line with strategic priorities.¹²⁹ The Bank also developed Field Mobility Guidelines for Internationally Recruited Staff in 2012 to ensure that actions related to the staffing of Country Offices are guided by transparent and fair processes in the context of decentralization.¹³⁰ However, whereas the Bank favors competitive processes to fill positions in Country Offices, some stakeholders expressed the need to identify more systematic, transparent and inclusive mechanism for staff to obtain assignments in the field and move laterally throughout the Bank, thereby providing additional opportunities for career mobility and development.

The Bank's Talent Management Processes have not contributed to the implementation of learning plans, mobility of staff and retention of young and high potential talent.

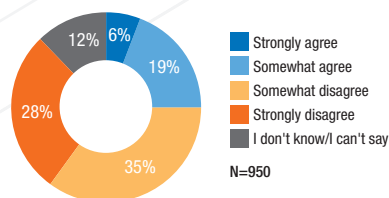
Contribution of the Bank's career development processes to workforce outcomes was examined in terms of: (i) delivery of training and implementation of learning plans; (ii) mobility of staff; and (iii) retention of young and high potential staff. The available evidence indicates that the Bank's learning and career development processes have not contributed to workforce outcomes as anticipated.

Access to technical training delivered both internally and externally has decreased and

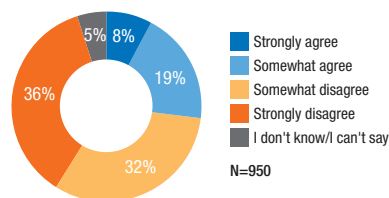
the implementation of learning plans remains suboptimal. Data were collected regarding the proportion of staff who benefitted from institutional and technical training. Access to institutional training has increased since 2013, with 32.7% of staff accessing institutional training in 2013 and 52.6% accessing institutional training in 2015. By contrast, the proportion of staff accessing in-house technical and external training fell from 44.6% and 7.7% in 2013 to 35.7% and 2.3% respectively in 2016. Challenges in accessing training were confirmed by Directors, who noted that their staff feel they are losing skills and struggling to remain competitive. This feedback was corroborated by the e-survey, in which 27.6% of respondents agreed that they are offered ample training opportunities and 36.8% reported that they were stagnating or losing their skills (Figure 13).

Figure 13: Staff Perceptions of Skills Development

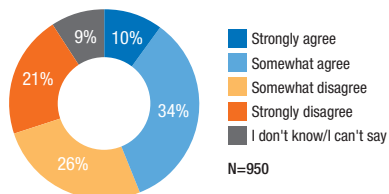
"The Bank strikes a good balance between external, internal and online training solutions"



"I am offered ample opportunities for training"



"I am generally satisfied with the quality of training"



Access to technical training has reflected fluctuations in the size of the training budget; however, implementation of learning plans has been consistently suboptimal (see Table 4). Use of the training budget has remained relatively consistent over the evaluation period with the exception of 2016, for which just 69.23% of the overall training budget was utilized. However, implementation of annual learning plans by complex has been consistently sub-optimal, estimated at 43% across complexes for 2013 and 2014, with data unavailable for later years. Stakeholders within HR identified multiple reasons for non-implementation of approved training, including difficulties in identifying suitable training delivery options.

Beyond accessing technical training, challenges remain regarding the quality and relevance of internal training to the needs of staff. Several directors noted that the content of the online learning system is not always relevant to the development needs of their team and that implant training often does not appropriately reflect the Bank's context. This feedback was corroborated by the low rate of completion for online learning programs (See Table 4) as well as responses to the e-survey, for which 45.5% of staff agreed that the

online learning system is useful and user-friendly. Furthermore, 44.7% of staff reported that they are satisfied with the quality of internal training provided by the Bank (Figure 13) and 54.84% of staff agreed that the training they have received has helped them improve their performance in their current position.

The Bank's current career development processes have not contributed to increasing the mobility of staff. The mobility of staff over the evaluation period was examined in terms of the proportion of staff each year who were promoted to a higher position through either an in-situ promotion or a competitive process. In total, 493 staff were promoted between 2013 and 2016; however, 48% of these promotions occurred in 2013, with 30% being in-situ promotions. Promotions have declined over this period with just 59 staff promoted in 2016, accounting for 3.2% of Bank staff (Figure 14). This figure compares unfavourably with other organizations who implement an annual performance-linked promotion process.

Lateral moves, which include the transfer of IRS to Country Offices, have also declined over the evaluation period. These lateral moves can contribute to the career development of staff by

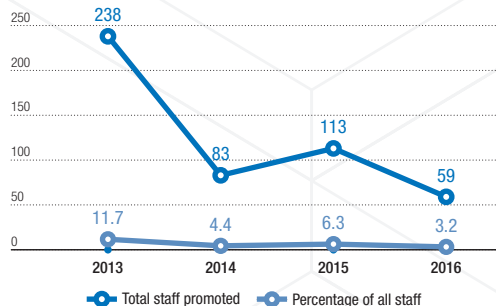
Table 4: Training (PL/GS) and Budget Utilization

Training provision (attendees, % of all staff)				
Type	2013	2014	2015	2016
Institutional	664 (32.7%)	1698 (89.6%)	947 (52.6%)	N/A*
In-plant	965 (47.5%)	254 (13.4%)	661 (36.7%)	667 (36.5%)
External	156 (7.7%)	44 (2.3%)	29 (1.6%)	43 (2.3%)
Online Learning Registration and Completion				
Type	2013	2014	2015	2016
Registrations (% staff)	282 (13.9%)	1357 (75.4%)	325 (18.0%)	979 (53%)
Completion (% registrations)	93 (32.9%)	305 (22.5%)	87 (26.8%)	270 (27.6%)
Training Budget Utilization				
Item	2013	2014	2015	2016
Training budget (UA millions, % admin budget)	3.56 (1.19%)	2.22 (.70%)	2.95 (.98%)	5.94 (1.66%)
Training budget utilization (%)	98.23%	96.07%	93.64%	69.23%
Implementation of learning plans (%)	43%	43%	N/A	N/A

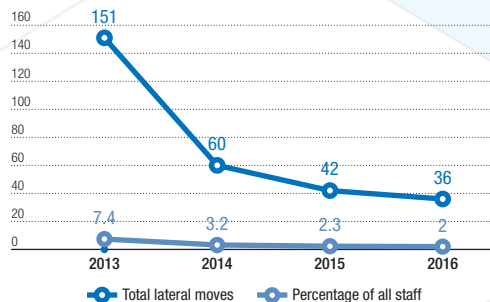
* Not presented due to data quality issues
Source: HR Department training data

Figure 14: Vertical and Lateral Mobility of Staff

Vertical mobility of staff



Lateral mobility of staff



Source: AfDB HRIS

allowing them to develop skills in a new context, including within a Country Office or a different Complex. Between 2013 and 2016, 289 staff received lateral transfers, with 52% of these transfers occurring in 2013. In 2016, just 36 staff received lateral transfers, accounting for 2% of total staff (Figure 14). Again, these figures compare unfavourably with other organizations who implement "batch" rotation systems to promote lateral career development. It should be noted that at least part of the observed trend is due to a decision to suspend mobility of staff to and from Country Offices in 2014 during the Bank's move from Tunis to Abidjan; however, stakeholders in HR note that this "interim" measure was in place until 2016.

Low levels of mobility over the evaluation period are reflected in the average time in grade among staff. Staff had spent an average of 2.37 years in their current grade at the end of

2013, which had increased to 4.22 years in 2016. Although these figures are consistent with those of comparator organizations, guidance from HR indicates that staff should spend no more than five years in one position. Guidance from HR indicates that staff should spend no more than five years in one position.¹³¹

Current career development processes have not contributed to the retention of young and high potential staff. Across the evaluation period, individuals under the age of 45 have been over represented among staff who leave the Bank. IDEV examined the overall attrition of staff across three age "tranches:" (i) under 45; (ii) 45 to 54 and (iv) 55 and over. When compared to the total workforce population, staff under the age of 45 years of age are significantly over represented among staff who left the Bank, even when normal retirements were considered

Table 5: Turnover of Staff by Age Category

Age	2013	2014	2015	2016
<45	53	109	95	28
45-55	25	27	29	15
>55	28	61	55	52
Total	106	197	179	95

■ Indicates proportion is significantly larger than staff population proportion at p<0.05.
 ■ Indicates proportion is significantly larger than staff population proportion at p<0.01.

(Table 5). Attrition among former YPs has been particularly disproportionate, with attrition of 73%, 50% and 41% among the 2010, 2011 and 2012 cohorts respectively. This rate of attrition compares unfavourably with our comparators, exceeding the rate of attrition for YPs at the World Bank and IFAD by more than three times.¹³² These data are worrisome considering that the YPP is implemented with the objective to grooming talent for future leadership positions.

In general, staff perceive that career development is not transparent, contributing to the attrition of younger staff. In total, 73.26% of staff who responded to the e-survey disagreed that the process for advancing in the Bank is transparent, whereas 68.21% disagreed that there is a clear career development path for their job family (Figure 15). Directors furthermore indicated that this lack of clarity is particularly demotivating for younger staff and contributes to attrition. Analyses of exit interviews corroborate this feedback, in which younger staff were found to leave the Bank with the perception that the compensation offered

was not sufficient to offset the lack of career development opportunities.¹³³ A perceived lack of career development opportunities was similarly noted as a key driver of attrition among former YPs in an informal survey conducted by the YP Steering Committee.¹³⁴

Performance Management

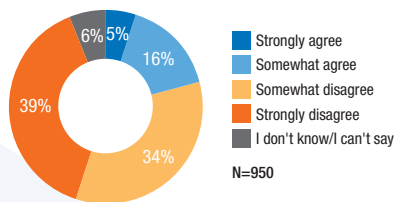
Performance management is the means through which organizations establish expectations for performance and a transparent basis for accountability in order to motivate staff and improve both individual and organizational performance. Literature on Performance management is dominated by two paradigms: accountability-driven versus development-driven models.¹³⁵ Both models are applied broadly in the private sector with limited difference in overall organizational performance.

Many organizations are now moving toward development-driven processes, including the abolishment of performance ratings altogether, to reallocate some of the time spent on rating and ranking staff to staff development and coaching.¹³⁶ However, there are some important cultural constraints to consider: ratings continue to be an important element of performance management in public sector organizations due to difficulties in exiting poor performers.¹³⁷ Furthermore, removal of performance ratings is recommended only in contexts where the practice of providing regular feedback is already established. Some organizations that had previously abolished rating systems now reinstating them due to reduced productivity.¹³⁸

The maturity of performance management processes is driven by the extent to which the process is: (i) standardized and automated across the organization; (ii) integrated with other HR processes to inform decision making; and (iii) used to anticipate organizational needs and refine the implementation of other HR processes (Figure 16).¹³⁹

Figure 15: Staff Perceptions of Career Development at the Bank (IDEV e-survey)

“The processes for advancing are clear and transparent”



“The possible career paths for my job family are clear”

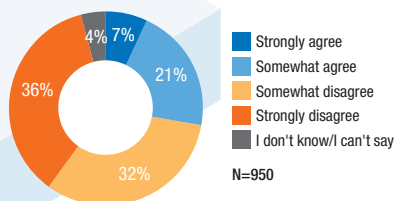
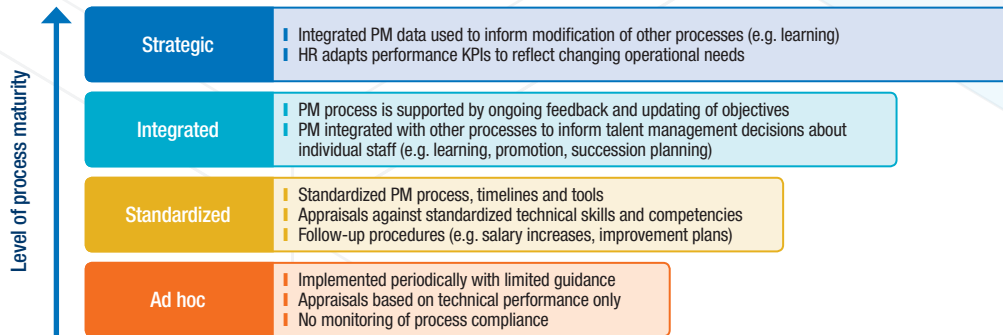


Figure 16: Performance Management Maturity Model



What is the current state of performance management at the Bank?

Findings pertaining to the maturity, implementing environment and effectiveness of the performance management process are summarized in Figure 17.

The Bank has established a standardized performance management process linked to both delivery of technical objectives and behavioral competencies.

The Bank has implemented a standardized performance management process, including: (i) an automated system; (ii) an organization wide annual timeline;¹⁴⁰ and (iii) standardized process

guidelines, documented in a Staff Performance Management Handbook.¹⁴¹ The process begins with the setting of individual performance objectives at the beginning of each calendar year, and is followed by a mid-term assessment and then a final appraisal at the beginning of the following year.¹⁴²

Staff are assessed in terms of the achievement of annual objectives as well as “how” these objectives are achieved. Annual performance objectives are linked to the annual work program of each unit, which is identified at the end of the previous year through the work program planning and budget planning processes. Staff and managers have joint responsibility for setting performance

Figure 17: Summary of Findings for Performance Measurement

Standardized	Implementation risks	Uneven progress for workforce outcomes
<ul style="list-style-type: none"> ■ Standardized performance management process ■ Appraisals based on both technical delivery and behavioral competencies ■ Ongoing coaching and feedback is not yet systematic ■ Integration with other HR processes remains limited 	<p style="text-align: center; color: #FFC000;">Capacity</p> <ul style="list-style-type: none"> ■ Lack of training to develop managers' capacity as coaches and mentors <p style="text-align: center; color: #FFC000;">Ownership</p> <ul style="list-style-type: none"> ■ Uneven compliance with timelines and management ownership <p style="text-align: center; color: #FFC000;">Culture</p> <ul style="list-style-type: none"> ■ Lack of guidelines to support managers in holding poor performers accountable 	<ul style="list-style-type: none"> ↑ Identifies objectives for performance ↑ Meaningful appraisals and areas to improve ✘ Meaningfully differentiates among staff on the basis of performance

objectives which are specific, measurable, achievable, realistic and time bound to provide an objective basis for the assessment.¹⁴³ Staff are also assessed against a series of “Key Performance Drivers” (KPDs) which reflect “how” staff achieve their objectives.¹⁴⁴ Although it was intended that KPDs would help motivate desirable behaviors throughout the organization, the original KPDs were not harmonized or integrated with behavioral competencies assessed for processes, notably recruitment.¹⁴⁵ As noted above, these behavioral competencies will be harmonized across processes through a new competency framework.

The Bank recently introduced a cascading and moderating exercise to: (i) improve the line of sight between corporate and individual objectives; and (ii) standardize the distribution of performance ratings across Complexes.¹⁴⁶

Objectives are to be agreed by each Complex and then cascaded to individual units, reinforcing the line of sight between the activities of staff and the results of the Bank. Targeted proportions of staff to fall under each rating category, known as the “bell curve,” were introduced to standardize the distribution of ratings across Complexes.¹⁴⁷ Moderation meetings held among managers in each Complex were then introduced to align the distribution of ratings to the corporate performance of the Bank and increase the objectivity of the process.¹⁴⁸

However, stakeholders in HR and other Departments noted that the implementation of the cascading process remains challenging, with little evidence of a systematic link between unit work programs and individual objectives.

Staff in Country Offices noted difficulties in applying the cascading principle systematically to all members of their team (for example, drivers). Beyond the challenges of linking individual objectives to Complex work programs, some managers noted that the current system of objective setting does not reflect the degree to which work is implemented in the context of cross-functional teams. As such, it is difficult to attribute the achievement of an objective to the work of an individual staff member.

The strategies noted above, including cascading, bell curving and moderation, do not necessarily contribute to the development of staff.

Although the process guidelines emphasize the link between performance management, learning and career development, the performance management process implemented at the Bank is more consistent with an accountability-driven model. One of the challenges associated with accountability-driven models is that the process of “objectively” ranking staff requires a considerable time commitment, reducing the time and resources available for development and coaching.¹⁴⁹ However, 83% of managers and 70% of staff who responded to the e-survey agreed that the time required to complete the current process is reasonable.

Ongoing coaching and feedback are not yet implemented systematically and integration of performance management with other HR processes remains limited.

Mature performance management processes facilitate the provision of feedback throughout the year to continually identify opportunities to learn.¹⁵⁰ Such processes also allow staff to update their objectives in response to changing business needs, ensuring that objectives remain challenging and relevant. Furthermore, integration of performance management with other HR processes can help inform: (i) talent management decisions about specific staff, such as promotions, assignments and rewards; and (ii) the refreshment of HR processes such as skills development in line with organizational needs.¹⁵¹

The 2009 Performance Management Handbook identifies the importance of continuous feedback in enhancing working relationships and ensuring that performance issues are addressed in a timely manner.¹⁵²

The 2014 review of the process affirms that performance management should be a continuous exercise. As a result, changes were made to the performance management system to allow managers and staff to access, review and update their objectives throughout the year.¹⁵³ Furthermore,

the January 2017 refreshment proposal called for continuous documentation of "critical incidents" to establish a record of performance.¹⁵⁴

However, continuous feedback has not yet been established as part of the Bank's performance culture. Stakeholders in HR confirmed that the critical incident form is not yet in use. Furthermore, only 49% of respondents to the e-survey agreed that they receive regular feedback from their manager throughout the year (Figure 19). These results are in line with the 2010 Staff Survey, in which 55% of respondents rated their manager favorably in terms of "letting me know how well I am doing."¹⁵⁵ Although it is now possible to update the performance management system at any time, the frequency with which such updates are made is not tracked by HR. Some Directors expressed concern that the PM process is still largely treated as a "tick box" exercise rather than a means of improving staff performance through continuous feedback and engagement.

There is also little evidence that the PM process has become better integrated with other HR processes to inform staff development. Weak linkages between PM, training and career development were noted as one of the key weaknesses of the process in a 2011 review.¹⁵⁶ Although 10% of the overall performance rating is based on an agreed development objective, little guidance is provided on how to rate such objectives or assess any contribution to performance improvement.¹⁵⁷ Furthermore, only 31% of e-survey respondents agreed that performance management contributes to their overall career development (Figure 18). Stakeholders in HR confirmed that the performance management system is not yet integrated with those of other processes. Finally, open-text comments provided by staff who responded to the e-survey indicated that the lack of a clear linkage between performance management, learning and career development is a disincentive for staff to improve their performance.

Work has recently been undertaken to address these concerns, but has not yet been fully

implemented. The 2017 refreshment proposal for the performance management system cited integration as an important challenge and called for Personal Development Plans (PDPs) to be developed for all staff.¹⁵⁸ These PDPs would help managers and staff address current skills gaps as well as identify skills which will be required in the future. The planned implementation of SAP Success Factors, particularly the possibility to integrate the performance and learning functions of this tool has the potential to improve integration of these functions and support career development.

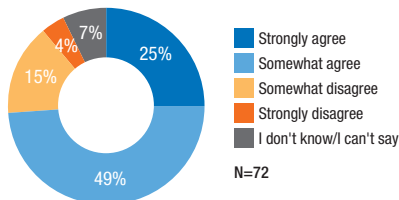
Challenges for the implementation of the performance management process include uneven management ownership, procedural disincentives for holding poor performers accountable and lack of support to develop managers' capacities as coaches.

Although some stakeholders noted that the introduction of moderation meetings had increased management ownership of the performance management process, managers still do not comply with expected timelines. Improved automation was similarly intended to increase compliance and ownership; however, timely completion of appraisals has decreased from 82% in 2012 to 59% for 2015 and 38.5% in 2016.¹⁵⁹ The completion of mid-year reviews also continues to be uneven, with reviews completed for 53.3% of staff in 2014 and 79.4% of staff in 2015.¹⁶⁰ Uneven ownership was confirmed among Directors, with some regarding the process as an administrative exercise whereas others noted people management as a manager's most important responsibility which cannot be delegated.

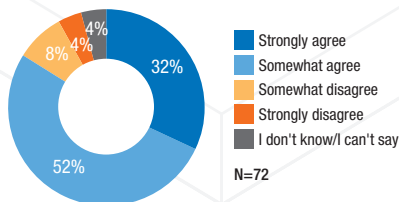
Low levels of compliance limit the usefulness of the performance management process to exit poor performers. The extent of compliance is particularly important with respect to exiting poor performers, with the Bank noted as having lost tribunal cases on grounds that the performance management process was not followed properly. Stakeholders in HR and an internal audit report

Figure 18: Manager Perceptions of Performance Management (IDEV e-survey)

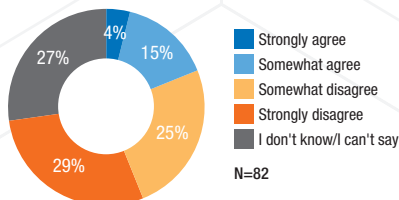
“The process allows me to give meaningful performance appraisals to my staff”



“I am able to meaningfully differentiate between my staff based on their performance”



“HR provides me with effective support in managing poorly performing staff”



confirmed that there are few consequences for managers who do not comply with process timelines.¹⁶¹ There are also no means in place for assuring the quality of information inputted in the performance management system, notably the quality and clarity of objectives. Finally, although standards were introduced for the 2016 performance appraisal process regarding the maximum proportion of staff to receive a rating of excellent, good or very good and the minimum proportion of staff to receive a rating of “needs improvement,” complexes did not comply with these guidelines. Approximately 0.7% of staff

were rated as “needs improvement” with just four of ten Complexes identifying staff in this category. This finding suggests that managers are reluctant to identify and address poor performance.¹⁶²

There are also important disincentives which prevent managers from holding poorly performing staff accountable. Some stakeholders reported providing a “satisfactory” rating to poor performers or witnessing low ratings being revised upward during moderation meetings to avoid the time and evidentiary burden necessary to justify a rating of “needs improvement.” A 2016 audit found that, in the absence of a clear workflow, cases involving contested ratings are not always resolved in a timely manner. In fact the majority of contested cases from 2014 remained unresolved.¹⁶³ This feedback is corroborated by the Bank’s staff surveys, for which the proportion of respondents who responded favorably to “poor performance is usually not tolerated” fell from 38% in 2010 to 23% in 2015.¹⁶⁴

These issues can be attributed in part to an absence of guidelines for the management of poor performers. Although the Performance Management Handbook notes that poor performers should be placed on a Performance Improvement Plan (PIP), a 2016 audit found that no specific guidelines are in place to guide the development of PIPs or monitor their implementation. The audit furthermore reported that a PIP was not developed for the majority of staff who received “needs improvement” ratings in 2014 and 2015. There are also no guidelines on the evidence necessary to substantiate these ratings, which creates challenges when these ratings are contested.¹⁶⁵ In total, 18.3% of managers who responded to the e-survey agreed that HR provides effective support in managing poor performers (Figure 18). Stakeholders at DBSA noted the value of having clear procedures and timelines for the implementation of PIPs for both the manager and staff, with concerned staff able to use PIPs to improve their performance and avoid exit in a transparent manner.

Finally, managers are not receiving sufficient training to deliver ongoing feedback to staff and coach their career development. Whereas there are regular training sessions and tools available to support managers in implementing the process and using the PM system, which have been well attended,¹⁶⁶ stakeholders in HR noted that managers do not receive sufficient training in coaching and providing feedback to staff.¹⁶⁷ This feedback was corroborated by the e-survey, in which just 23% of managers agreed that they have received adequate support in developing their skills as a coach or mentor (Figure 18). Such training will become increasingly important in implementing a performance management process which emphasizes the professional development of staff. More recently, the HR Department has developed a Mentorship Guide to assist staff in structuring and maintaining a beneficial mentorship relationship.¹⁶⁸ However, a formal mentoring relationship differs from the ongoing performance feedback that would be expected to be provided by managers to their staff.

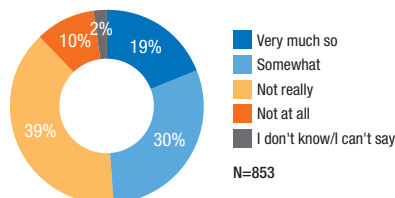
The performance management process is providing an objective basis for assessing performance, but most staff do not feel that the process meaningfully differentiates among staff on the basis of performance.

The PM process is expected to: (i) provide a basis for assessing performance which is mutually agreed between managers and staff; and (ii) facilitate a free, open and fair assessment of staff performance.¹⁶⁹ Progress toward these objectives was assessed in terms of the extent to which the process: (i) helps staff understand what is expected of them and identify opportunities for improving performance; and (ii) meaningfully differentiates among good and poor performers.

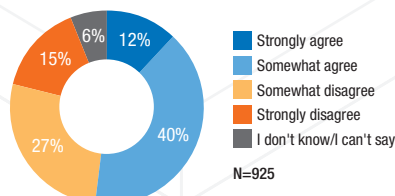
Most staff indicate that their performance objectives are clear and relevant to the overall objectives of the Bank. Despite some concerns expressed by Directors and stakeholders in HR regarding the clarity of objectives, 80% of staff

Figure 19: Staff Perceptions of the Performance Management (IDEV e-survey)

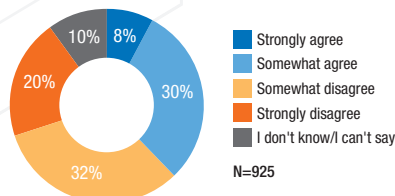
“My manager provides me with regular informal feedback throughout the year”



“My annual appraisal generally reflects my performance in a meaningful manner”



“The performance evaluation process differentiates among staff based on performance”



who responded to the e-survey agreed that their personal performance objectives provide them with an understanding of how their work contributes to the overall objectives of the Bank. These data are in line with results from the 2010 staff survey, for which 84% of respondents answered favorably to “I have a good understanding of what is expected from me.”¹⁷⁰

Most managers and staff agreed that the process provides a meaningful assessment of performance; however, staff perceptions of the meaningfulness and usefulness of the process are significantly less positive than those of managers. For managers who responded

to the e-survey, 73.6% agreed that they are able to provide meaningful performance appraisals to staff (Figure 18) and 76.4% agreed that the process helps them assist staff in improving their performance. Staff, however, were significantly less likely than managers to respond favorably, with 51% agreeing that the process reflects their performance in a meaningful manner and 54% agreeing that the process helps them identify meaningful areas for improvement. These numbers are slightly lower than previous staff surveys, with 59% of staff agreeing that their manager assessed their performance accurately in 2015.¹⁷¹

Furthermore, staff generally do not agree that the performance management process meaningfully differentiates among individuals based on performance. In total, 37% of staff who responded to the e-survey agreed that the process meaningfully differentiates among staff. These results align with past staff surveys in which 23–25% of respondents agreed that staff are rewarded based on their performance.¹⁷² A total of 191 open-text comments were provided to the e-survey with respect to the performance management system through which respondents provided additional information to supplement their

responses. The majority of these comments related to the perceived subjectivity of ratings, due to either the distribution of ratings under the “bell curve” or the personal biases of managers.

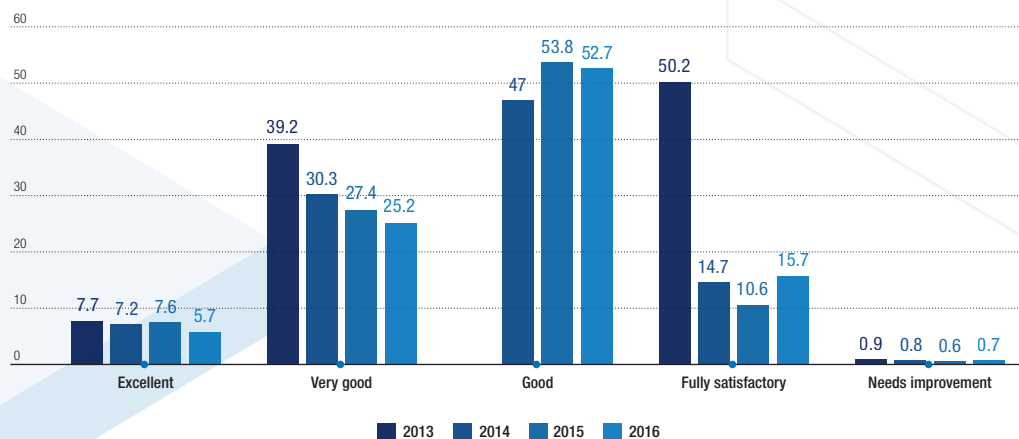
There is disagreement regarding the utility of the “bell curve” in differentiating among staff based on performance. Several Directors identified the “bell curve” system as a constraint, opining that the distribution of “very good” or “excellent” ratings is not sufficient to reflect the actual performance of their team. However, other stakeholders, including interlocutors from comparator organizations, disagreed that “bell curving” poses challenges for differentiation on the basis of performance, suggesting that, even with a high caliber team, an honest assessment of staff performance will cluster around a central mean. In support of this perspective, 83% of managers who responded to the e-survey agreed that the PM process allows them to meaningfully differentiate among staff based on performance (Figure 18).

Despite concerns about the fairness of the bell curve, at least a third of staff are rated “very good” or “excellent.” Data on performance

Figure 20: Distribution of Performance Ratings (2013–2016)

Distribution of staff performance ratings

(Percentage, 2013–2016)



The performance bonus system at DBSA is a good practice example of how the performance management process can be linked to variable pay increases. DBSA possesses an automated performance management system with a standard five -point bell curve. Staff who obtain a rating of three or above receive an automatic cost of living increase as well as an additional increase based on their position within their salary band. There is also a pool of funds established each year for annual performance bonuses. These bonuses are distributed to the top 15 to 20% of staff as determined through divisional scorecards. Each year, both the divisional scorecards and distribution of bonuses are audited to ensure transparency. The quantum of bonuses are substantial, ranging from 70–90% of salary for Category A performers and 40–60% of salary for Category B performers.

appraisal ratings between 2013 and 2016 indicate that a significant proportion of staff receive ratings which set them apart from other staff based on their performance, with between 5.7 and 7.7% of staff receiving excellent ratings each year over this period (Figure 20).¹⁷³ However, the proportion of staff who received “very good” ratings has declined over the evaluation period from 39.2% in 2013 to 25.2% in 2016, while the proportions of “fully satisfactory” and “good” ratings have remained relatively stable. Some directors noted that the distribution of “very good” and “excellent” ratings favors operations staff and that this distribution does not equitably reflect performance across Complexes. The distribution of ratings supports this perception, with staff from Complexes which perform corporate services or knowledge functions significantly less likely to receive a rating of very good or excellent.¹⁷⁴

Dissatisfaction with performance management is influenced by the perception that rewards are insufficient to motivate and recognize performance. Practitioner literature indicates that performance rewards should constitute no less than a standard paycheck, or approximately 4% of annual pay.¹⁷⁵ The performance management process has been linked to the quantum of annual salary increases with staff who obtain a rating of “excellent” or “very good” receiving a larger increase than staff who are rated “satisfactory.” These increases are subject to the resources available each year. Over the course of the evaluation period, the average annual increase provided to Internationally Recruited Staff has ranged from a weighted average of 2% in 2013 to 3% in 2016, with no

merit increases provided to these staff in 2014 and 2015.¹⁷⁶ By comparison, the Bank’s five comparators for compensation analyses provided an average general increase to Internationally Recruited Staff of 3.6% and 3.06% in 2014 and 2015, respectively, with an additional average merit increase of 1.326 and 1.5%.¹⁷⁷

Annual salary increases are not consistent with best practice for staff motivation and reward. Good practice literature notes that permanent annual salary increases are viewed by staff as an entitlement rather than a reward.¹⁷⁸ By contrast, variable pay or “bonus” mechanisms are more clearly linked to staff motivation.¹⁷⁹ Stakeholders noted that the absence of other means to secure an annual pay increase and move across the salary band has contributed to the conflict surrounding the performance management process. By contrast, an automatic increase is provided to all staff at the UNDP whose performance is deemed satisfactory with an additional increase reserved only for top performers.¹⁸⁰ Delinking the Performance Management system from the quantum of annual salary increases may also reduce the time and resources necessary to “rank” staff - and subsequently defend these rankings using a process which staff generally do not find to be credible, transparent or motivating. In theory, the resources devoted to performance management can then be reallocated toward two objectives: (i) improving the performance of underperforming staff or exiting them from the organization; and (ii) motivating and rewarding staff with exceptional performance, subject to clear criteria.¹⁸¹

Reward

The Reward process is the means through which organizations determine how they will compensate staff, in what quantity and under which circumstances. Staff rewards have increasingly been defined in terms of “Total Reward,” which includes all monetary and nonmonetary compensation provided to employees, such as base pay, variable pay, long term incentives (for example, stock options), benefits, paid leave, flexible working arrangements, career development opportunities, token rewards and recognition of accomplishments.¹⁸²

The concept of Total Reward gained popularity during the global economic recession, when cut backs and the limited funds available for base salary increases meant that employees were required to complete more work for the same level of monetary reward.¹⁸³ Organizations had to identify other means of rewarding and motivating staff and differentiating themselves as an attractive employer.

The maturity of reward processes are driven by the extent to which: (i) reward policies and practices are standardized across different positions and against similar organizations; (ii) reward processes are linked to other relevant HR processes to reward staff; and (iii) the reward process is used

as a strategic tool to influence the attraction, engagement and retention of staff (Figure 21).¹⁸⁴

What is the current state of reward and recognition at the Bank?

Findings and conclusions pertaining to the maturity, implementing environment and effectiveness of the reward process are summarized in Figure 22.

Salary and benefits are standardized under a compensation policy framework and the Bank regularly assesses its competitive position relative to comparators.

The Bank standardizes the administration of salary and benefits through the development of policy frameworks which elaborate compensation and benefits practices over specific periods. The most recent compensation framework covered the period 2008–2012 and targeted three policy objectives: (i) ensuring equal pay for work of equal value; (ii) improving the competitive positioning of the Bank; and (iii) restructuring benefits to enhance fairness and reduce distortions in total compensation.¹⁸⁵

Weaknesses in the job classification system and distortions in compensation across positions were to be addressed by streamlining the number of grades and introducing a computer-

Figure 21: Reward Maturity Model

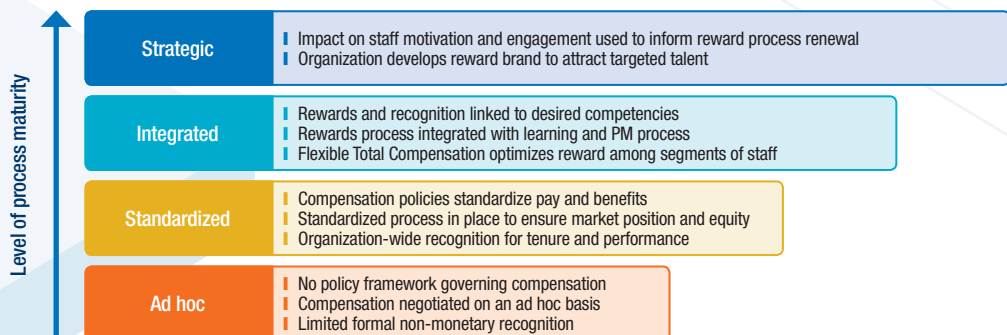


Figure 22: Summary of Findings for Reward



assisted job evaluation system.¹⁸⁶ Distortions created by the provision of annual increases to staff regardless of performance were to be resolved by linking the quantum of annual salary increases to performance ratings. An additional, non-pensionable performance bonus was to be provided to 15–20% of staff. These modifications were intended to introduce the concept of “pay at risk,” but were ultimately never adopted. Annual increases were thereafter linked to annual performance ratings.¹⁸⁷

The Bank’s market position has been assessed annually to: (i) inform the quantum of salary increases; (ii) substantiate proposals for the annual performance increases; and (iii) ensure the continued competitiveness of the Bank’s salary and benefits package. The TCF called for a gradual improvement the Bank’s market position from 85% to 95% of the average value of salary and benefits across the Bank’s “market comparators” for Internationally Recruited Staff.¹⁸⁸ Salaries for Locally Recruited Staff were to be assessed against the 10 best employers on the local market with the targeted market position placed at the 75th percentile.

Finally, staff benefits were rationalized to provide a more equitable balance of salary and benefits among staff. The TCF achieved this objective by: (i) introducing a lifetime cap on the number of dependents which can be covered under the policy; (ii) monetizing certain family-related benefits to improve efficiency and reduce potential overlaps across policies; and (iii) extending education benefits

to Locally Recruited Staff. In addition to reducing duplications among benefits and streamlining administration, these changes responded to the increasing diversity of the Bank’s workforce. Whereas the Bank’s Employee Value Proposition has relied heavily on family based benefits to attract and retain staff, the TCF recognized that these mechanisms do not address the needs of staff without families, contributing to perceived inequities in compensation.¹⁸⁹

Given the unfavorable changes to the global economy in 2009, the Board determined in 2010 that this Framework was no longer viable for the institution and has not approved a subsequent TCF.¹⁹⁰ New TCFs were proposed for 2012–2015 and 2013–2016 but neither were ultimately approved.¹⁹¹ However, the Board has affirmed selected principles from the proposed TCFs, including the methodology for annual assessments of the Bank’s market position.¹⁹² It was subsequently agreed that different aspects of compensation policy would be documented and discussed individually instead of being presented as a single policy framework.¹⁹³ The Staff Retirement and Medical Plan and salary adjustments for various grades of staff were discussed in 2015 and 2016, respectively.¹⁹⁴

The Bank has not yet implemented a strategic Total Rewards approach, including both monetary and nonmonetary benefits. Furthermore, Total Rewards have not been leveraged strategically to offer flexible rewards packages to different segments of staff.

The People Strategy called for a flexible Total Compensation Framework to recognize and reward individual and group contributions while operating within the Bank's financial constraints.

In this regard, the HRAP commits to: (i) better articulating the compensation and benefits provided to staff; and (ii) developing a program of nonmonetary rewards. The need to better articulate the full scale of compensation and benefits offered by the Bank was later reaffirmed in the 2017 Staff Benefits Review, confirming that this objective will be accomplished through the development of a "compensation portal" to provide comprehensive information about staff entitlements.¹⁹⁵ Stakeholders in HR suggested that staff benefit from such an approach in terms of strengthening their bargaining position should they choose to leave the Bank for another organization.

The Bank has taken some steps toward implementing a Total Reward approach which encompasses both monetary and nonmonetary rewards.

The HR department has developed a concept paper for a Staff Appreciation and Recognition Program (STAR) through which managers and peers can recognize staff who emulate the Bank's corporate values of excellence, team spirit, integrity, professionalism, transparency and innovation, using a point system.¹⁹⁶ It has been proposed that staff who receive the highest number of points each year will be eligible to receive a reward from the President or attend the annual meetings as a special guest. The e-survey confirmed the need to integrate employee recognition as part of a Total Rewards approach. In total, 48.5% of respondents agreed that they are recognized by their supervisors when they go "above and beyond."

However, the Bank is not yet using Total Rewards to motivate or respond to the needs of different segments of the workforce.

The 2017 Staff Benefits Review affirms the need to develop a more holistic Employee Value Proposition which addresses "the diverse needs of employees through their full life cycle" through "variable pay/incentive schemes, work-life integration initiatives, and career growth and professional development,"

among other options.¹⁹⁷ Several stakeholders noted a generational divide with respect to compensation, suggesting that the current structure favors older workers with families, particularly the education grant. This perception was corroborated by IDEV's e-survey, for which 55% of staff agreed that the Bank offers a good balance between salary and benefits (Figure 23, below). Currently, no changes have been proposed to the education grant given its perceived value as a driver of staff retention and its contribution to the Bank's competitive position.¹⁹⁸

The Bank has not leveraged the flexibility of the Total Reward approach to offer customized compensation packages while maintaining the overall cost of labor.

Academic literature on compensation and benefits approaches indicates that different segments of staff prioritize reward options differently with younger staff preferring career development opportunities and flexible work arrangements and older staff prioritizing monetary rewards and benefits.¹⁹⁹ Increasingly, organizations are adopting a flexible approach to Total Reward as part of their value proposition to employees, allowing staff to opt-out of compensation modalities which are less attractive to them in exchange for monetary compensation or other rewards.²⁰⁰

Whereas the Bank routinely assesses the competitiveness of its salary and benefits package, there are no systematic mechanisms in place to examine whether the overall compensation package aligns to the reward options most valued by staff.

In implementing a strategic program of monetary and nonmonetary rewards, it is necessary to determine which rewards are meaningful to staff, particularly if rewards are meant to promote corporate values or motivate performance.²⁰¹ For example, of over 200 open-text comments provided to IDEV's e-survey regarding nonmonetary rewards, 47% of respondents wanted more consistent recognition from their immediate supervisors and 19.8% of respondents wanted career development opportunities, including attendance at conferences or external training, as rewards for good performance.

Although the Bank's salary and benefits package has returned to a position of competitiveness relative to comparators and compensation continues to attract staff to the Bank, perceived inequities in pay for equal work demotivate staff.

The effectiveness of the Bank's reward processes was assessed in terms of: (i) the extent to which the Bank has offered competitive compensation relative to its traditional comparators; (ii) the extent to which the Bank's compensation policies attract candidates to the Bank; and (iii) the extent to which staff consider compensation to be fair and equitable.

The Bank has conducted annual compensation reviews against its traditional comparators throughout the evaluation period to ensure that compensation remains competitive.²⁰² The Bank's positioning relative to its traditional comparators was competitive between 2008 and 2011, but started to decline thereafter, falling short of the average of salary midpoints among its comparators. Factors contributing to this decline include a lack of adjustment to the salary scales since 2008 and the higher cost of living associated with the return to Abidjan (Table 6).²⁰³

Recent adjustments to the salary scale have enabled the Bank to return to a position of competitiveness relative to its traditional comparators. In 2015, the weighted average gap by grade level between the salary scale midpoints of the Bank and those of the comparators was 23.29% due to little adjustment in the salary scale over the past decade and the return to Abidjan.²⁰⁴ The Board subsequently approved a 23.2% adjustment to the salary scale for Internationally Recruited Staff and Locally Recruited Staff at Headquarters. This increase restores the midpoints of the Bank's salary scale to 100% of the average of traditional comparators, with a furthermore weighted average performance increase of 3% provided to all staff based on 2016 performance ratings.²⁰⁵

However, there continues to be a gap between the average actual salaries of Bank staff and

Table 6: Salary Scale Mid-points Relative to Traditional Comparators (2011–2015)

Year	Bank mid-points relative to average of comparators
2011	92.5%
2012	91.2%
2013	86.6%
2014	89.6%
2015	81.6%

Source: HR Department

the staff of traditional comparators. When the weighted average of actual salaries were compared to those of traditional comparators, a gap of 40.2%, was observed.²⁰⁶ Stakeholders in HR noted that this phenomenon is attributable to a number of factors, including the width of the salary bands, the positioning of staff within their salary band, the positioning of staff at entry, and the consistency of annual increases and time in grade. Across Bank staff, relatively low levels of salary scale penetration were observed among PL staff relative to GS and EL staff.²⁰⁷ Factors which have contributed to this discrepancy include: (i) the provision of a salary increase to GS staff even though the salary scale itself was considered "up-market;" and (ii) the practice of hiring PL staff at the minimum of the salary band.

The increasing need for private sector expertise as well as changes in market dynamics may demand a change to the comparator methodology. Stakeholders in HR confirmed that the traditional comparators have been retained due to the relatively unique nature of the labor market for IFIs. Previously, the Board has resisted incorporating the private sector into the annual comparator analysis under the assumption that salaries and benefits in the private sector would be lower and therefore bias the analysis. However, when private sector comparators were incorporated into the labor market analysis in 2012, the opposite was found to be true with respect to salaries, but not benefits.²⁰⁸ Furthermore, the assumption that the IFI labor market is somewhat impermeable is increasingly false. For

example, the IDB has recognized that a significant portion of new staff are hired from the private sector – and a significant proportion of staff who exit leave for a private sector organization. Similar information is not currently collected or monitored by the Bank.²⁰⁹

Compensation and benefits remain among the top factors which attract staff to the Bank.

Nearly all respondents to the e-survey identified salary and benefits among of the top factors which attracted them to the Bank; however only 12% and 11% of respondents, respectively, identified salary and benefits as the most important factors in this regard. In total, 67.3% of respondents agreed that the Bank provides competitive compensation relative to other organizations they would consider working for (Figure 23). By comparison, 45% of staff responded favorably to the item “Rate the AfDB: My pay” as part of the 2010 staff survey, suggesting that satisfaction with salary has increased over time.²¹⁰

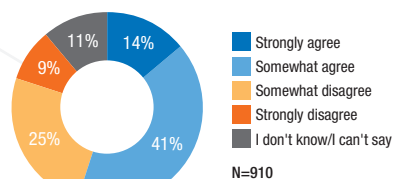
Perceived inequity in pay remains an important challenge.

Just 33% of respondents to the e-survey agreed that the Bank provides “equal pay for equal work” (Figure 23). Of the 165 open-text comments provided for this item, 73.3% noted perceived inequity in compensation, with the most common themes being: (i) inequities in compensation relative to responsibilities across grades and levels (30%); (ii) inadequate alignment between rewards and performance (24%); and (iii) an inequitable balance between salary and benefits (19%). These concerns were corroborated by feedback from Board members, Senior Managers and Directors. Several stakeholders also expressed concern over inconsistencies in compensation for Locally Recruited Staff who are performing similar job activities to Internationally Recruited Staff, but are paid less.

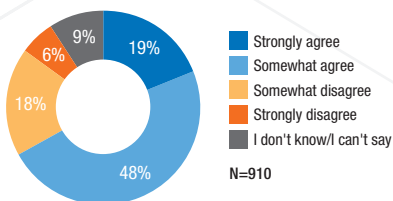
These perceived inequities are a potential source of disengagement among staff. Compensation is considered a “hygiene” factor with respect to staff motivation and engagement. Although compensation may attract candidates to

Figure 23: Staff Perceptions of Compensation and Benefits

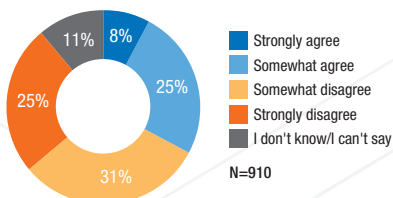
“The salary structure provides a good balance between basic salary and benefits”



“The Bank provides competitive compensation compared to other organisations I would consider working for”



“The Bank provides equal pay for equal work”



an organization, it does not necessarily increase job satisfaction or motivation once basic needs are met.²¹¹ Perceived inequities in pay within an organization, however, are recognized as a source of dissatisfaction among staff which may ultimately contribute to turnover intention.²¹²

Staff Engagement

Employee engagement is both: (i) a psychological state of individual staff; and (ii) a structured process that organizations use to communicate with staff and assess their perceptions of the working environment. With

respect to the psychological state of employees, engagement refers to an employee's rational and emotional commitment to the organization in terms of the perceived fairness in the exchange of effort for reward as well as dedication to an organization's mandate and enjoyment of the work performed.²¹³

Employees who are highly committed are more likely to devote "discretionary effort," with work habits characterized by vigor, dedication and absorption.²¹⁴ Furthermore, engaged employees are estimated to perform 20% better and are nine times less likely to leave an organization than disengaged employees.²¹⁵ Engagement is directly linked to the Employee Value Proposition whereby employees provide effort and dedication in return for both tangible and intangible rewards.

The process of employee engagement involves ongoing efforts to identify and respond to the needs of staff through open and constructive dialogue. Consistent engagement and transparent follow-up builds a relationship of trust between management and staff.²¹⁶ Therefore, the engagement process can also be thought of as a means for organizations to build and maintain a positive relationship with its workforce.

The maturity of staff engagement processes is driven by the extent to which (i) the process is implemented consistently with clear protocol for

follow-up; (ii) engagement data are used to inform and monitor the impact of changes to other HR processes; and (iii) engagement data are used for strategic purposes (Figure 24).²¹⁷

What is the current state of staff engagement at the African Development Bank?

Findings pertaining to the maturity, implementation environment and contribution to workforce outcomes for the staff engagement process are summarized in Figure 25.

The Bank implements a standardized staff engagement survey on a periodic basis, including methodologies to assess changes in key drivers of staff engagement over time.

Employee engagement was identified as a key priority of the People Strategy, which recognized that staff perform best when they are engaged and motivated. Communication was deemed a critical element of engagement in order to: (i) ensure that staff aware of and participate in decisions that affect their professional lives; and (ii) provide a platform for constructive, honest dialogue. In addition to increasing the frequency of town hall meetings, the HR Department committed to implement an annual staff survey to give staff an opportunity to provide feedback to management

Figure 24: Staff Engagement Maturity Model

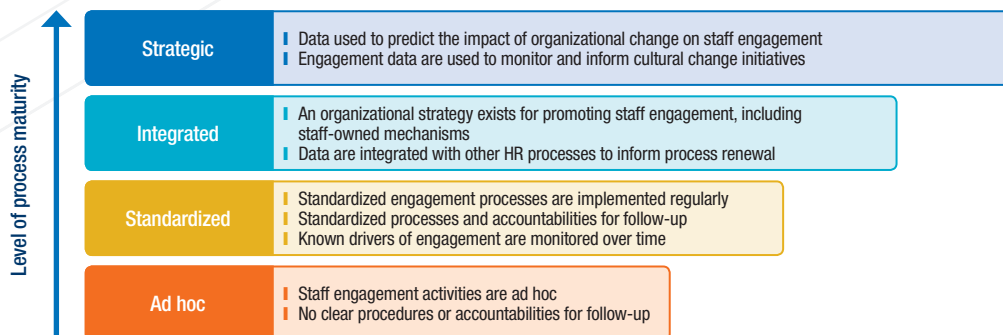


Figure 25: Summary of Findings for Staff Engagement

Standardized	Implementation risks	Uneven progress for drivers of engagement
<ul style="list-style-type: none"> ■ Standardized staff engagement tool implemented periodically ■ Standardized methodology for monitoring drivers of staff engagement over time ■ Protocol for follow-up identified 	<p>Capacity</p> <ul style="list-style-type: none"> ■ Lack of training to develop managers' capacity as leaders <p>Ownership</p> <ul style="list-style-type: none"> ■ Uneven ownership for follow-up to the staff survey <p>Culture</p> <ul style="list-style-type: none"> ■ Lack of consequences for failure to develop and implement action plans 	<ul style="list-style-type: none"> ↑ Pride for the organization ✗ Culture of trust and integrity ✗ Meaningful work ✗ Career development ✗ Relationships with managers ✗ Turnover intention

and help the Bank identify potential sources of demotivation and disengagement. The staff survey was to be implemented in three-year cycles, with two years of “light” surveys followed by a full survey in the third year.²¹⁸

HR has implemented a standardized staff survey which allows for comparative analysis both with previous staff surveys and across comparators.

Previous surveys have analyzed responses among different segments of staff, including departments, gender, tenure and location.²¹⁹ However, where the same questions are asked across multiple organizations, it is also possible to compare staff responses against “industry norms.” These industry norms are instrumental in identifying areas of relative strength and weakness.²²⁰ For the 2013 and 2015 surveys, staff responses for 15 questions were compared against the norm for five IFIs, including the IADB, the IMF, UNDP and the WBG.²²¹

The original staff survey reflects a range of empirically supported drivers of staff engagement; however, the “light survey” excludes some relevant issues. The full survey contains 100 questions and covers several known drivers of staff engagement, including the treatment of staff, career development opportunities and the people management skills of supervisors. The “light” survey contains 20 questions aligned to the four pillars of the People Strategy, including a Management

Effectiveness Index (MEI) used to assess the people management capacity of managers.²²² However, by adopting this approach, the HR Department has limited the Bank’s ability to routinely assess some known sources of disengagement using a risk-based approach, notably career development.

The staff survey has not been implemented annually due to the pace of change in the Bank’s operating environment. No survey was conducted in 2014 and 2016 due to challenges associated with the Return to HQ and the DBDM. Stakeholders in HR noted that the decision was meant to avoid “survey fatigue” among staff but also to avoid “misleading results” attributed to atypical events. By contrast, stakeholders at the World Bank emphasized the importance of implementing the staff survey throughout its reorganization process as a means of understanding the concerns of staff, maintaining trust and demonstrating commitment to open and constructive communication.

Insufficient attention has been paid to examining turnover intention and the reasons staff leave the Bank. Engaged employees are less likely to intend to leave an organization. The Corporate Leadership Council found that voluntary turnover rates were less than half of average for organizations with an engaged workforce, with every 10% increase in engagement yielding a 9% reduction in turnover intention.²²³ The 2010, 2013 and 2015 surveys each

examine staff intentions to continue working for the Bank; however, only the 2010 survey examines the reasons why staff consider leaving.²²⁴ Since 2010, some stakeholders in HR have analyzed data from exit interviews to understand why employees are leaving the Bank; however, this exercise is not being conducted systematically and has not yet been used to inform changes in HR Management practices.²²⁵

The Bank lacks important enabling factors with respect to its staff engagement process, including: (i) the absence of clear accountabilities for follow-up to staff surveys; (ii) low levels of Management ownership; and (iii) inconsistent provision of training to develop the leadership capacity of managers.

Follow-up to the staff survey has been inconsistent, with few consequences for failure to implement action plans. In 2012, senior Management identified a number of organizational initiatives in response to the 2010 survey (for example, development of an onsite gym in Tunis) and committed to reporting on the implementation of action plans every six months.²²⁶ However, this note also identifies challenges in tracking and measuring KPIs defined in Complex-level action plans.²²⁷ Several groups of stakeholders confirmed that although each Complex is expected to produce action plans in response to the staff survey, follow-up on these plans has been inconsistent²²⁸ and there have been few consequences for poor monitoring of commitments. Some Directors reportedly refuse to share the results of staff surveys with their teams. In 2016, 30 Complexes and Departments were found to have shared the results of the staff survey with their teams but action plans had been adopted by only 20 departments.²²⁹ This evidence was corroborated

by responses to the e-survey, in which 34.1% of staff agreed that managers take note of staff surveys and implement required changes.

Building the people management capacity of managers has been identified as a means of improving staff engagement. The Bank previously implemented the Leadership and Management Development Program (LMPD) between 2010 and 2012 to strengthen the leadership skills of managers, partly in response to the results of the 2010 survey.²³⁰ In total, 188 staff at the management level and below participated in at least one of the five modules, with 96 participants completing all five modules against a target of 224 managers and executives. The importance of promoting an environment where managers work as enablers, coaches and mentors who demonstrate open and nonhierarchical leadership behaviors was reaffirmed in the People Strategy. The HRAP subsequently committed to reorient the LMDP and launch a corporate development program for managers while tracking the performance of managers through a Management Effectiveness Index.

However, little progress has been made in building the leadership capacity of managers. Although a mandatory new manager learning program was to be initiated under the Bank's Learning and Development Strategy, stakeholders in HR confirmed that the program was never launched. Furthermore, HR did not renew the LMDP program subsequent to the return to Abidjan. Learning data over the period indicate that leadership training had been limited until 2016, when internal training was provided for the Enhanced Staff Management Framework and Intercultural Competence and Relations Enhancement for Managers.²³¹ These

At the World Bank, staff surveys have been implemented successfully to hold managers accountable for people management. Each department is expected to develop an action plan based on the results of the staff survey and sign an MOU with Management for follow-up activities. The Staff Association was engaged to help ensure follow-up on the survey, providing feedback to managers and monitoring follow-up on action plans. Progress toward the implementation of action plans is assessed quarterly and posted online. Furthermore, staff survey results held genuine consequences for managers with low scores. Some such managers were moved to technical roles, exited from the organization or coached to improve. Together, these actions have contributed to a 22% increase in the proportion of staff indicating that they believe the staff survey will be followed up.

data were corroborated by the e-survey, for which 40% and 32% of managers agreed that they had received adequate support to develop their skills as a manager and as a leader, respectively.

The importance of ownership with respect to holding managers accountable for people management provides important lessons for the planned implementation of 360 degree reviews. The 2016 proposal for refreshing the performance management process introduces the use of 360 degree feedback as a development tool.²³² However, 360 degree feedback can also be an important mechanism for empowering staff to provide feedback to their managers. It is intended that the feedback will be used to identify targeted training initiatives or managers.²³³ However, the experience of the World Bank indicates that such initiatives must also be accompanied by sufficient ownership and incentives to ensure that feedback is taken seriously and that managers are held accountable.

Staff at the Bank continue to have pride in the organization and consider their work to be meaningful. But the Bank continues to face challenges with respect to other important drivers of engagement, including: (i) creating a culture of trust and integrity; (ii) encouraging autonomy, innovation and mastery; (iii) perceived career development opportunities and (iv) cultivating positive relationships with managers.

The effectiveness of the staff engagement process was assessed in terms of five known drivers of engagement, including: (i) a culture of trust, integrity and fairness; (ii) the extent to which work is meaningful; (iii) career growth opportunities; (iv) pride for the organization; and (v) the quality of team and supervisory relationships.²³⁴ In addition to examining staff survey responses over time, IDEV triangulated data from the staff survey with evidence from interviews and the e-survey to identify persistent challenges. Areas of relative strength and weakness were identified based on improvement in scores over time and distance to industry norms, including the scores of other IFIs (See Table 7). Information on the

scores for individual survey items under each driver are provided in Annex D.

Pride for the Organization

Pride for the organization continues to be an area of strength for staff engagement. Employees are more likely to be engaged when they believe in the mission of the organization and take pride in their work.²³⁵ In 2010, nearly all staff reported that they are “committed to the success of the AfDB.” Furthermore, across all staff surveys, a large majority of staff agreed that they are “proud to work for the AfDB,” with scores for this item exceeding industry norms. Furthermore, the Bank’s “mission/opportunity to contribute to a worthy cause” was the most frequently cited reason for accepting a position. These data reflect feedback received through the e-survey in which 47% of respondents identified “dedication to the Bank’s mandate and work on the continent” as the most important factor which attracted them to work at the AfDB, ahead of compensation, benefits, job security and career development opportunities.

Culture of trust, integrity and fairness

The Bank continues to face challenges in cultivating a culture of trust, integrity and fairness. Such a culture would entail that: (i) staff are treated with respect and dignity; (ii) rules and processes are applied fairly and transparently; (iii) staff perceive that the organization offers opportunities for frank and open dialogue; and (iv) staff are held accountable for their actions.²³⁶ Although a larger proportion of staff now agree that they are treated with “respect and dignity as individuals” compared to 2010, the Bank has continued to score well below industry norms over the evaluation period for all relevant staff survey items (See Annex D). With respect to this driver of engagement, women provided less favorable responses than their male colleagues across all occupational groups. Furthermore, responses differed significantly across occupational groups. For example, professional staff perceive the Bank’s workforce culture less favorably than both managers and general support staff. These differences were found to be statistically significant for each survey.

Table 7: Snapshot of Survey Responses for Key Drivers of Engagement

Item	2015 Score (% favorable)	Change in score (2010-15, %)	Gap to comparators (2015, %)
Pride in the organization			
"I am proud to work at the AfDB"	82%	-2%	+10%
Culture of trust, integrity and fairness			
"Rate the AfDB on: Treating staff members with respect and dignity"	51%	+13%	(-13%)
"In AfDB, staff members are rewarded according to their job performance"	23%	(-6%)	(-8%)
"Rate the AfDB: Creating an environment of openness and trust"	27%	+4%	(-16%)
"Poor performance is usually not tolerated at AfDB"	27%	(-11%)	(-12%)
Meaningful work – Autonomy, innovation and mastery			
"The AfDB inspires me to do my best work"	57%	+1%	(-5%)
"Many decisions made at a higher level could be made at a lower level"	6%	(-1%)	(-3%)
"Rate AfDB on: Providing training so I can handle my present job properly"	27%	(-12%)	(-19%)
Opportunities for career development			
"At AfDB, promotion is based on merit"	19%	-4%	N/A
Quality of relationships with managers			
"Rate your manager on: dealing fairly with everyone – playing no favourites"	58%	+4%	(-5%)
"Rate your manager on: accommodating me when I have a family or personal matter to attend to"	73%	+3%	(-8%)
"Rate your manager on: Coaching me on my career development"	40%	+7%	(-8%)
Overall turnover intention			
"If it were up to you, how likely would you be to continue to work for AfDB?"	60%	0%	0%

Source: Staff Survey Results 2010, 2013, 2015

Data from the e-survey suggest that the Bank continues to face challenges in holding staff accountable for their actions and applying processes fairly and consistently. In total, 32% of respondents agreed that “staff take responsibility for errors regardless of seniority” and are “rewarded based on performance,” whereas 47% agreed that staff are held accountable for poor performance. These issues were confirmed by stakeholders across the Bank who noted ongoing challenges in exiting poor performers as well as a perceived lack of credibility of the performance management process.

Meaningful work, autonomy, mastery and innovation

Whereas staff consider their work to be meaningful, the Bank performs below industry norms with respect to promoting autonomy and innovation and providing opportunities for mastery. Employees are more likely to be

engaged when: (i) their job is mentally stimulating; and (ii) they are encouraged to make decisions and identify innovative ways of working.²³⁷ In 2010, most respondents provided favorable ratings when asked how they felt about their job; however, the Bank performed below industry norms for items pertaining to autonomy, freedom to make decisions and the use of skills.

The 2013 and 2015 surveys suggest that staff increasingly get a “sense of personal accomplishment” from their work (Annex D). However, the e-survey confirmed that challenges remain with respect to mastery, autonomy and innovation. Nearly half of staff responded that do not feel that they are encouraged to “think outside the box,” take calculated risks, or take initiative. Furthermore, 53.4% of staff agreed that their experience and training had allowed them to develop their skills.

Career development opportunities

Staff continue to perceive that career development opportunities are inadequate. For the 2010 staff survey, 18% of respondents rated the Bank favorably in terms of their opportunities for advancement and 23% agreed that promotion is based on merit. Lack of career development opportunities was also identified as the primary reason explaining why staff intended to leave the Bank (Annex D).

However, despite the fact that staff feedback identifies career development as an important challenge for engagement, this issue has not been sufficiently addressed in staff surveys beyond 2010. As noted above, most staff who responded to the e-survey disagreed that the process for advancing is clear and that promotion is based on merit, with 49% of staff agreeing that they would be able to realize their professional goals at the Bank. This evidence was corroborated by feedback from several directors, who noted that the lack of opportunities for promotion and training is a source of demotivation for staff, particularly young and high potential talent.

Quality of relationship between managers and staff

Little progress has been made in improving the relationship between managers and staff with respect to ensuring fair treatment, obtaining coaching and mentoring on career development, and timely recognition of performance. In general, the quality of relationships between managers and staff reflect the extent of open and frank communication about professional concerns.²³⁸ The Bank performed below industry norms for several items in this regard, including the extent to which managers: (i) “play no favorites;” (ii) keep staff informed about their performance; and (iii) coach them on their career development. The 2013 and 2015 surveys showed some improvement in the extent to which managers coach staff on their career development, but the Bank continues to perform below industry norms (Annex D).

Interviews and responses from the e-survey suggest that the receipt of timely recognition for good performance continues to be a challenge, with just 48.5% of staff agreeing that their work is recognized when they go “above and beyond.” Furthermore, just 19% of staff agreed that they have received coaching or mentoring on their career development. Several interviewees confirmed the continued need to reinforce the leadership skills of managers in this regard.

Turnover intentions of staff

As noted above, although a question was included in each survey regarding the likelihood that staff would continue to work at the Bank, the reasons underlying turnover intention were only assessed in the 2010 survey. Responses to the item “If it were up to you, how likely would you be to continue working for the AfDB?” have been fairly stable, with between 60 and 63% of respondents providing favorable responses. In 2010, among the 166 individuals who reported they were planning to leave the Bank, the top three reasons were: (i) lack of opportunity to grow professionally (67%); (ii) lack of recognition (62%); and (iii) unfair treatment (39%).²³⁹

Although turnover intention has not changed significantly, the Bank’s positioning relative to comparators has improved over time. The AfDB sat 11 points below the industry norm with respect to turnover intention in 2010, but were on par with industry norms in 2015, despite the same level of favorable responses. This variation is partly due to change in methodology, with norms assessed against other IFIs for the 2013 and 2015 surveys. Furthermore, comparator organizations such as the World Bank and IDB have undergone significant restructuring in recent years, which stakeholders confirm has contributed to less favorable staff survey responses.

High levels of turnover intention among the Management cadre presents a risk for sustaining corporate memory. Staff at the level of manager and above, particularly individuals

at the level of department director or higher, were significantly less likely to provide favorable responses regarding their intention to continue working for the Bank, falling between nine and 28 percentage points below the industry norm.²⁴⁰ By contrast, general support staff provided ratings which were 11 points above the industry norm. Without data on the drivers of turnover intention,

it is not possible to identify why managers and executives are more likely to intend to leave the Bank – this result could simply be indicative of a higher proportion of staff approaching retirement age. However, these data suggest that the Bank may face challenges in retaining corporate memory at the senior level absent a strong succession management tool. ■



How has the Bank Organized Itself for Human Resources Management?

The 2012 restructuring of the HR Department targeted three objectives: (i) increasing accountability for the delivery of client services; (ii) increasing the efficiency of administrative processes; and (iii) reinforcing strategy implementation capacity.²⁴¹ The objective of this section is to assess the extent to which the reorganization has contributed to the capacity of the Bank to manage its human resources efficiently and identify best practices from comparators to guide furthermore development.

Increasing Accountability for Client Service Delivery

Absence of a client-centric approach was identified as a major challenge arising from the previous organizational structure of HR. The HR Department was organized into functional process groups with no clear accountabilities for responding to clients. The absence of an entry point for service requests led to clients attempting to navigate requests through the Department themselves and long wait times for service delivery. Decentralization of the Bank was expected to exacerbate this issue.²⁴²

It was proposed that a Client Service Delivery function be established to create a clear point of contact and accountabilities for client support. The Client Service Delivery function would serve individual complexes, focusing on quality assurance, client support, vendor management, business analysis and project and change management. An additional unit would be established to ensure coordination across the Bank's Country Offices.²⁴³

This proposal was eventually formalized as a unit of HRBPs and was intended to provide direct support to individual business areas with the purpose of: (i) acting as “brokers” of HR services for different business functions; (ii) ensuring people management issues are addressed effectively in each department; and (iii) ensuring that departments are supported with “best fit” HR interventions.²⁴⁴ Additionally, HR Direct was established as part of a Shared Services function to provide a single point of contact for staff queries, with acknowledgment of the request and an expected service delivery time communicated within 24 hours.²⁴⁵

Despite the objectives of the reorganization, staff and managers continue to note challenges with regard to the quality of services they receive from HR.

The extent to which the reorganization has contributed to enhancing client service delivery was assessed in terms of: (i) management satisfaction with the services delivered by HRBPs; and (ii) staff satisfaction with the quality of service delivery through HR Direct (See Annex A).

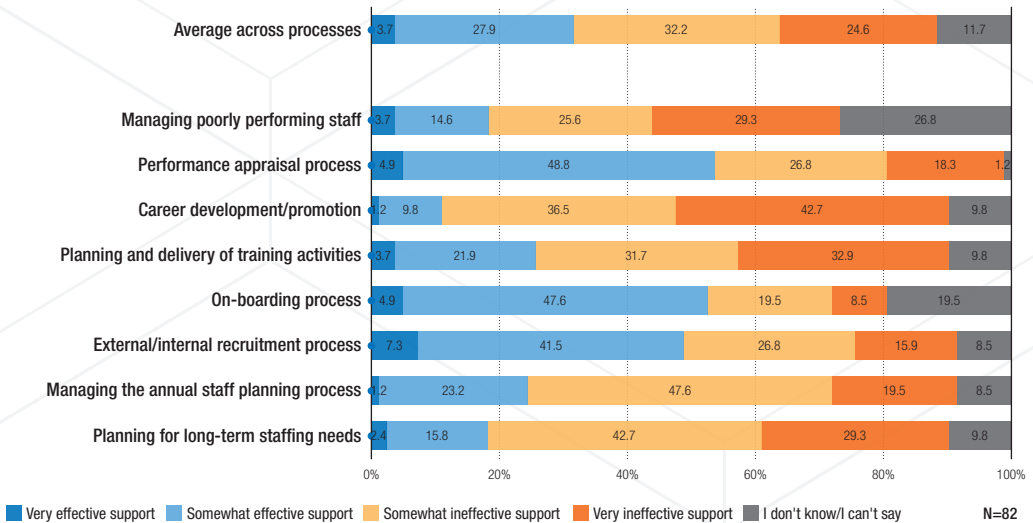
Most managers and directors are dissatisfied with the quality of service they receive through their HRBP. Feedback from directors was mixed in this regard with some noting that the restructuring has not improved the quality of service delivery and others recognizing that service delivery had improved, despite room for continued improvement. Directors generally reported that HRBPs are focused on transactional activities and that the reorganization

has not facilitated the provision of strategic HR advice to different complexes. This sense of dissatisfaction was corroborated by feedback from managers who responded to the e-survey. Across eight different HR processes, an average of 31.6% of managers reported that they receive effective support from HR, with scores ranging from 11% for career development of staff to 53.6% for performance management (Figure 26).

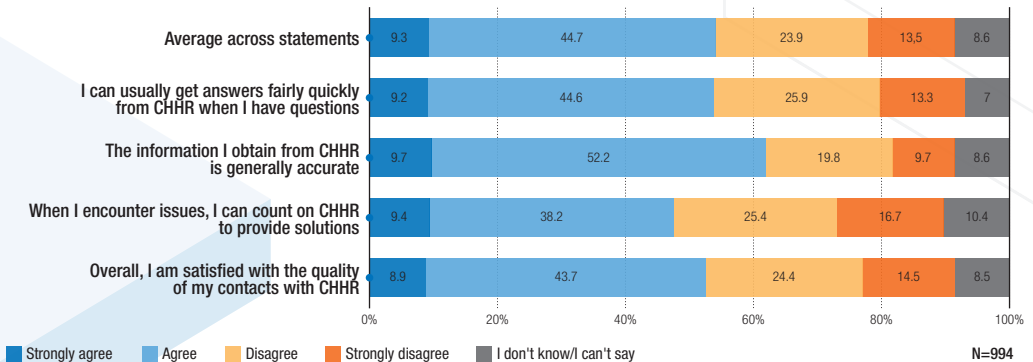
Approximately half of staff report that they are satisfied with the quality of services provided by the HR Department. As part of the e-survey, IDEV asked staff to rate different aspects of their quality of contacts in HR, specifically: (i) responsiveness; (ii) accuracy; and (iii) timeliness. With respect to responsiveness, 47.5% of staff agreed that “they can count on HR to provide solutions.” Furthermore, 53.7% of staff agreed that they can get answers

Figure 26: Client Satisfaction with HR Service Delivery (IDEV e-survey)

“To what extent does HR provide you with effective support for the following tasks in your capacity as a manager?”
(% respondents)



“To what extent do you agree with the following statements concerning HR?”



from HR quickly when they have problems.” Service delivery was rated more highly in terms of accuracy, with 61.8% of staff agreeing that the information they receive is generally accurate (Figure 26).

As a reflection of the extent of trust in service delivery, staff reported that the first action taken when they have a HR related query is to ask a colleague. These results differ from those of the client survey implemented by the HR Direct function, for which upwards of 60% of clients have consistently responded that the service they received was either “good” or “very good.”²⁴⁶ However, the survey has a relatively low response rate of between 5% and 40% of clients by service type.²⁴⁷

Human Resources Business Partners have not been enabled to perform a more strategic role due to inadequate tools and capacity development.

Despite the objectives of the reorganization, most stakeholders agree that the activities of HRBPs remain transactional rather than strategic. Overall, the Bank has a relatively low ratio of HRBPs to staff. Aside from the World Bank Group, in which there is one HRBP for every 2,000 staff, the Bank has the lowest ratio of HRBPs to staff at 1:261 against 1:168 for IDB and 1:51 for DBSA.²⁴⁸ However, these ratios are not meaningful without consideration of the tools and training which enable HRBPs to perform their intended role. Obstacles identified which prevent HRBPs from performing a more strategic role at the Bank include: (i) lack of capacity development; (ii) lack of access to HR information and analytic tools; and (iii) limited accountability for the quality of administrative support services.

Implementation of a capacity development platform for HRBPs was identified as an activity under the HRAP; however, HRBPs have received minimal training. The HRAP noted that the CEB’s Business Alignment Tool would be used to establish baseline skills required for the HRBP function,

followed by the development of upskilling plans.²⁴⁹ However, HRBPs report receiving limited training to perform their role outside of a basic induction. This feedback was corroborated by data from the HR Department, through which only one instance of HRBP-specific training was identified over the evaluation period. By contrast, the World Bank Group assigns HRBPs a curriculum of training to improve and maintain their skills. Efforts are also undertaken to ensure that HRBPs are knowledgeable about the business areas they are intended to support through the identification of geographic, thematic and sectoral areas of expertise.

Challenges in accessing personnel data and analytic tools furthermore limit HRBPs’ ability to conduct strategic and timely analysis of their clients’ needs. As noted earlier, the HR Master Data system does not include analytics tools or a dashboard which would allow HRBPs to access key reports for the teams they advise. Furthermore, stakeholders confirmed that HRBPs have not been trained to utilize the existing query management tool in SAP. As a result, any analysis must be requested from the HR Master Data team, which can result in considerable delay – some HRBPs estimate that 20% of their time is consumed by following up on information requests. By comparison, HRBPs at IDB are able to access HR analytics and reports on demand through a user-friendly dashboard. At the World Bank, each HRBP is supported by an HR Analyst who provides support in producing timely and strategic analyses.

Limited accountability for the quality of HR administration furthermore constrains the time that HRBPs can devote to strategic activities. Because they are the interface between Complexes and the HR Department, HRBPs must ensure that administrative deliverables produced by the Shared Services and recruitment teams are accurate. Due to a perceived high rate of errors (for example, typos in staff letters), HRBPs report devoting substantial time to ensuring the quality and accuracy of such deliverables, furthermore reducing the time that can be devoted to more strategic activities. By contrast,

stakeholders at the World Bank Group acknowledged that the strengthening of their shared services function was essential in enabling HRBPs to focus on strategic rather than transactional activities.

Increasing Process Efficiency

The creation of the Shared Services function in 2012 was intended to minimize the segmentation of HR administration, consolidate delivery of shared services and identify administrative efficiencies. The unit is structured around six core administrative services, namely: (i) payroll; (ii) HR Master Data; (iii) HR Benefits Administration; (iv) HR Administration; (v) HR Systems; and (vi) HR Direct.²⁵⁰ As noted above, the HR department was previously arranged according to function teams, with little separation between administrative and policy-related functions.²⁵¹ The Mercer Report identified these structural challenges as well as the low degree of automation for HR processes as contributing to a high proportion of transactional activities performed by staff across the department, particularly among staff in management and professional roles.²⁵²

The available evidence suggests that the creation of a shared services function has increased accountability for service delivery; however, the extent of automation for HR processes remains uneven and compliance with SLAs is not tracked systematically. The extent to which the creation of the Shared Services division has contributed to administrative efficiency was assessed in terms of three indicators: (i) extent of process automation; (ii) resource levels relative to comparators; and (iii) increased accountability for administrative service delivery.

An HRIS Strategy has been developed with the objectives of: (i) improving HR service delivery and; (ii) facilitating HR transformation, reporting and decision making. The HR Administration Systems function is responsible for the maintenance, deployment and enhancement of HR Business processes and information systems.²⁵³ Activities

implemented by this team under the HRIS Strategy are driven by a set of guiding principles, including: (i) automation of processes to reduce manual transactions and data inputs; (ii) limiting the number of platforms used by the Bank in the context of HR Management; (iii) integrating systems to provide a single source of HR data; and (iv) leveraging portals and e-forms to provide a single point of access for service delivery.²⁵⁴

Although progress has been achieved against planned activities, none of the Bank's core HR administrative processes are fully automated. Despite the creation of an Employee Self Service tool, all personnel data-related requests are implemented manually.²⁵⁵ As noted above, the manual input of this information has raised concern because there is no process workflow which allows for verification that the requested changes are valid or have been inputted accurately.²⁵⁶ Similarly, the separation process continues to be manual. Although compensation and benefits administration is partially supported in SAP (estimated at 50–60%), all requests are treated manually, with this service being described as “transactional and resource intense.” The payroll process has the highest degree of automation and is managed entirely in SAP for four categories of staff.²⁵⁷ However, acting allowance, overtime and performance-related salary increases are calculated and inputted manually through a process which is distinct and duplicative to any updates in the HR Master Data system.²⁵⁸

The ratio of shared services staff to total employees is consistent with that of comparator organizations. In 2016 it was approximately one shared services resource for every 50 employees. This ratio compares favorably to the IDB and the WBG, for which there is one shared services resource for every 20 and 40 employees, respectively. The Bank's shared services function is unique in that it is located at the Bank's Headquarters whereas IDB and the WBG manage call centers located in Costa Rica and Chennai, respectively. Accordingly, such ratios are not truly indicative of the relative cost of each function. Stakeholders in HR report that the

implementation of new systems and tools to increase automation are expected to furthermore reduce the number of staff required for shared services delivery. Ongoing initiatives include: (i) development of an HR Dashboard; (ii) e-forms for compensation and benefits requests; (iii) and the development of a payroll approval process.²⁵⁹

The consolidation of HR administrative services has contributed to improving accountability for service delivery through the monitoring of SLAs.

Stakeholders in the HR Department report that each administrative activity is subject to a SLA. Furthermore, HR Direct was established in 2012 to provide a point of first contact for service requests and inquiries. All SLAs attached to shared services activities were revised as part of the establishment of HR Direct. It utilizes a case management system for staff requests whereby new calls and requests are expected to be logged within 24 hours of receipt and the time required to resolve the request is subsequently tracked.²⁶⁰ Stakeholders within HR report that calls which do not meet the expected SLA or receive a low survey rating are investigated in greater detail to identify lessons.

Monitoring of compliance with SLAs has been inconsistent. Reports are available regarding the average time required to resolve different types of calls against average time allotted in SLAs. However, this information has not been monitored and reported in a way which allows for the tracking of basic indicators, including: (i) proportion of calls resolved against calls logged; and (ii) proportion of calls resolved within the SLA. As such, it is not possible to determine the true proportion of calls resolved as well as the true level of compliance with SLAs, which is known to fluctuate month-to-month.²⁶¹ In this respect, compliance with SLAs is better addressed as a binary indicator, rather than an average.

The available data suggest that the majority of service requests are indeed processed and that compliance with SLAs has improved over time. Over the first six months of 2017, 4,704 service requests were logged and 4,138 were processed, for a processing rate of 89%.²⁶² These data are

consistent with that of the IDB 2016. The average service delivery time was found to either be consistent or less than the average SLA for the first six months of 2017. These data compare favorably with those of the first six months of 2013, for which average service delivery time exceeded the average SLA time by five days. Services which have consistently exceeded their SLA include: (i) personnel data-related requests; (ii) medical benefits-related requests; and (iii) recruitment-related requests.

Increasing Strategy Implementation Capacity

In 2012, Mercer consultants determined that, although reasonable progress had been made in delivering several planned initiatives under the 2007–2011 Human Resources Strategy, several initiatives were not fully implemented or had not been sufficiently institutionalized to make a tangible difference in operations.²⁶³ It was noted that the 2007–2011 Strategy lacked a detailed year-by-year implementation plan which identified clear responsibilities and ownership of proposed policies. Furthermore, although new policies were produced, there was insufficient cascading of these policies into standard operating procedures and processes.

Under the reorganization, the Policy, Programs and Strategy Division was created to help separate policy related and transactional activities and reinforce the capacity of the HR Department for strategy development and implementation. This unit was expected to operate as a “Center of Excellence” for HR Management, with clear responsibilities for designing policies and processes which reflect best practices for HR Management. Creation of this unit was intended to clarify roles and responsibilities for policy development and implementation and complement the creation of the shared services division with the objective of separating the Department’s administrative and strategic functions.

In assessing the contribution of the 2010–2012 reorganization to the HR Department's strategy implementation capacity, IDEV considered both recent strategy implementation performance as well as the impact of changes in the implementing environment. With respect to strategy implementation performance, IDEV considered the extent of delivery and implementation for planned initiatives identified in the People Strategy and the HRAP. Furthermore, IDEV considered how environmental factors have contributed to implementation performance, including: (i) project management tools and capacity; and (ii) leadership stability; and (iii) organizational change.

Several planned initiatives under the People Strategy and HRAP were not implemented, with little perceived change in HR processes over the evaluation period.

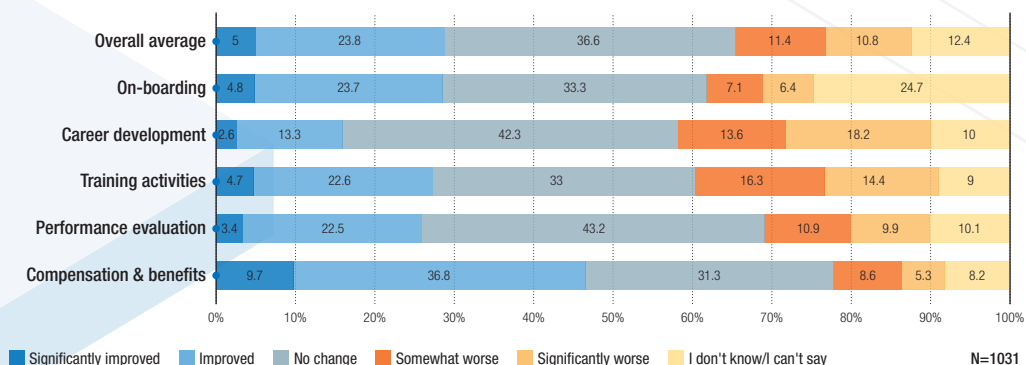
The HR Department has made uneven progress in implementing initiatives planned under the People Strategy and HRAP. These initiatives have not been sufficiently institutionalized to have a tangible impact on the Bank's HR processes. In assessing implementation performance, IDEV considered: (i) delivery of planned items; (ii) implementation of new initiatives; and (iii) staff perceptions of change in HR processes over the evaluation period.

Although the majority of initiatives identified in the People Strategy and 2013–2015 HRAP were delivered as of June 2017, only one third had been implemented. Across 39 specific initiatives identified in the HRAP and the People Strategy, 25 items were deemed to be delivered and two were considered partially delivered, including planned concept notes, reviews or strategy document (67% delivered). However, only 12 of these initiatives were found to be fully implemented with seven initiatives deemed partially implemented (39% implemented; see Annex E).

Stakeholders across the Bank note that the People Strategy has had little impact on day to day people management activities. Nearly all Board members and Directors noted that the content and objectives of the People Strategy are relevant and aligned with best practice. However, most stakeholders felt that implementation of the People Strategy was ineffective; consequently, there have been few tangible changes in HR Management at the Bank. This feedback was corroborated by the perceptions of staff who responded to the e-survey. When asked to what extent eight of the Bank's HR processes had improved over the past four years, an average of 28.7% of staff reported some improvement whereas 36.6% reported that there had been no change (Figure 27).

Figure 27: Staff Perceptions of Change in HR Processes (IDEV e-survey)

"To what extent have the Bank's HR processes improved over the past five years?"



Although the reorganization has reinforced policy and strategy development, the extent of implementation of the People Strategy suggests that challenges remain with respect to project management practices.

In assessing how the reorganization has contributed to strategy implementation performance, IDEV considered the extent of adherence to project management principles in the implementation of the People Strategy and HRAP with regard to planning, coordination, and monitoring. Since the development of the People Strategy, seven of 93 staff in the HR Department have obtained at least foundational certification in project management through the Bank's PRINCE2 program, with six of these staff working in the Policy, Programs and Strategy division.²⁶⁴ **Nevertheless, challenges were observed with respect to adherence to project management principles including: (i) lack of a detailed implementation plan for the People Strategy; (ii) inconsistent monitoring of implementation progress; and (iii) challenges with regard to internal and external coordination.**

The People Strategy lacked a detailed implementation plan which identified specific deliverables, internal and external interlocutors, required resources, timelines, risk analyses, readiness assessments and project metrics. This finding was corroborated by feedback from stakeholders in the Board and across Management who regarded the lack of a detailed implementation plan as an important weakness of the Strategy. This weakness was partly addressed by the development of the HRAP, which provided a more detailed

breakdown of initiatives to be implemented within the HR Department. However, the HRAP did not cover all initiatives identified under the People Strategy (Annex E) and did not address some relevant issues for strategy implementation, including the identification of resources, definition of interlocutors, readiness assessments and risk analysis and mitigation.

In addition to lacking a detailed implementation plan for the People Strategy, the HR Department lacks sufficient tools to monitor and support project implementation. Several stakeholders noted that HR does not possess the tools necessary to monitor and report on KPIs for its different policies and processes due, in part, to a lack of process automation. At times, the KPIs identified have been unrealistic given the tools available. As a result, reporting is onerous, based on file review and conducted infrequently. Reporting against KPIs has primarily been conducted to meet senior Management demand for information rather than as a means of managing the implementation of different initiatives.²⁶⁵ In total, 67% of Board members who responded to the e-survey were dissatisfied with the quality and frequency of monitoring of implementation of the Strategy.

Implementation of the People Strategy has been furthermore limited by weak coordination both within the HR Department and among stakeholders implicated by HR Reforms. Stakeholders within HR noted that they face difficulties in implementing new initiatives due to an interdependency with other departments; they also feel they do not fully own the implementation process. For example, the Policy, Programs and

The Project Management Office (PMO) situated in the WBG's HR Group is an example of good practice with respect to coordinating the implementation of large-scale HR strategies. The unit was established one year ago to facilitate the implementation of the new People Strategy. This group works with project teams to sequence, prioritize and monitor the implementation of different activities under the Strategy. The PMO applies an objective methodology to prioritize and sequence each project to ensure that sufficient resources are available and that appropriate change management activities are implemented. Where a project requires coordination with another service delivery unit, the PMO ensures that the cooperating unit has sufficient resources and capacity to fulfill their expected role. In addition to ensuring that implementation plans are realistic, stakeholders note that the PMO has also facilitated coordination within the HR Group by communicating and coordinating the activities of different project teams.

Table 8: Leadership Turnover (2013–2016)

# of staff / % of total positions in grade				
Grade	2013	2014	2015	2016
PL2	14 (9.3%)	15 (10.2%)	13 (9.1%)	10 (8.1%)
PL1	0	0	1 (12.5%)	1 (12.5%)
EL5	1 (2.4%)	6 (14.63%)	11 (25.6%)	7 (17.9%)
EL4	1 (16.7%)	0	4 (67.7%)	0
EL3	0	2 (18.2%)	2 (18.2%)	5 (38.5%)
EL2	0	0	0	1 (100%)
Total (% all turnover)	16 (15.09%)	23 (11.68%)	31 (17.32%)	24 (25.53%)

Source: Data from the HR Department

Strategy division often needs to cooperate with the Information Services Department to deliver online services and tools. However, the Information Services team also reported that the reorganization contributed to operational “silos” within HR, such communication across units is inconsistent and different initiatives sometimes “compete” for resources to the detriment of implementation. Finally, among Board members who responded to the e-survey, just 40% agreed that adequate governance structures were established to guide the implementation of the Strategy. The experience of the WBG demonstrates how similar challenges have been addressed by reinforcing project management capacity within HR.

Weaknesses in project management and implementation were exacerbated by leadership turnover and rapid changes in the institutional environment.

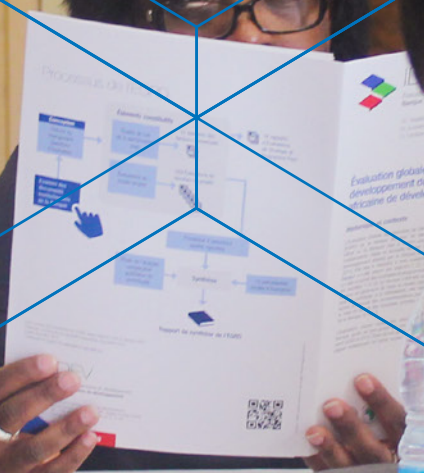
The extent of leadership turnover was identified by stakeholders across the Bank as an environmental challenge which disrupted implementation of the People Strategy. Data from the Bank’s HRIS confirmed that there have been at least four substantive or acting Directors of HR over the evaluation period, which stakeholders noted has created challenges in maintaining necessary leadership support for the implementation of new

strategic initiatives. Beyond the degree of leadership turnover within HR, the turnover of staff in leadership positions across the Bank, defined as grades PL2 and above, has represented an increasing proportion of turnover, from 11.68% of all turnover in 2014 to 25.52% in 2016 (See Table 8). General leadership instability across the Bank is another factor which was identified as detracting from the implementation of the Strategy.

The identification of “Pillar Champions” did not contribute to the implementation of the People Strategy as intended. Part of the rationale for having a “People Strategy” as opposed to an HR Strategy was to communicate that the responsibility for people management extends beyond the HR Department. Senior managers were identified to champion different pillars of the Strategy to help ensure that the planned initiatives are adopted throughout the Bank. Yet the effectiveness of each champion was noted to be variable. Whereas all items planned under the “Accountability and Performance” pillar were delivered and most were implemented, HR confirmed that relatively little progress was made for items planned under the “Workforce of the Future” pillar. Pillar champions noted the difficulties in balancing their responsibilities under the People Strategy with delivering their regular work program. Furthermore, of the four pillar champions identified, just two remain active within the Bank.

Finally, HR has been implicated in a number of resource intensive change initiatives which have overlapped with the People Strategy, including the return to Abidjan and the DBDM roll out. Several groups of stakeholders expressed that the People Strategy had been “overtaken by events.” In contrast, others suggested that the introduction of an ambitious strategy during a period where the Bank was anticipated to return to Abidjan and elect a new President was evidence of limited risk analysis and management. The return to Abidjan required a significant investment in the training of managers, staff and spouses as well as the development of communication documents to facilitate the transition.²⁶⁶ These initiatives were regarded as an opportunity to strengthen staff engagement, the success of which was noted by the Gelfond Group in term of the consistency of ratings between the 2013 and 2015 Staff Survey.²⁶⁷ However, other ongoing HR activities were disrupted, including the implementation of the 2014 Staff Survey and lateral transfers of staff to and from Country Offices.

More recently, the HR Department has been implicated in the implementation of the DBDM, including the finalization of the organizational structure, review of job descriptions and mapping of existing staff. These initiatives have been implemented on relatively short timelines: It was initially expected that finalization of the organizational structure, implementation of the job classification and evaluation process, mapping of existing staff and distribution of letters of appointment, redeployment and separation would be completed between September and December 2016.²⁶⁸ By contrast, the reorganization of the WBG into 14 Global Practices, including the mapping of staff was planned to be completed over a period of nine months.²⁶⁹ Furthermore, roll out of the DBDM has been accompanied by complementary activities, including the training of staff in the assessment center process and the planned recruitment of over 600 new staff. Stakeholders across the Bank have expressed concern regarding the pace and reactive nature of these changes, noting that there has not been time to sufficiently consider the mix of skills required to deliver the Bank’s forward-looking priorities. ■



Évaluation globale des résultats
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Conclusions

Based on the findings presented above, IDEV has identified the following conclusions with respect to the maturity and effectiveness of the Bank's HR Management processes and the extent to which the Bank has organized itself to manage its HR resources efficiently.

- 1. The Bank's HR processes are being implemented at the two initial levels of maturity.** The Bank has devoted substantive efforts to standardize its HR processes across the organization. However, HR processes are not integrated to support decision making, strategic planning and the anticipation of future needs. Areas of relatively lower maturity include: (i) workforce planning; and (ii) talent management.
- 2. Across the processes, implementation of more mature processes has been limited by inadequate "infrastructure" for HR Management.** In particular, the Bank lacks a standardized framework of technical skills and behavioral competencies as well as an integrated HRIS to automate processes, monitor compliance, and provide a single source of data to facilitate strategic analysis and evidence-based decision making.
- 3. Low levels of ownership and compliance are other major factors which limit the systematic implementation of existing HR processes.** The Bank has often not ensured that process stakeholders: (i) have received appropriate training and support; (ii) have access to relevant tools and data; and (iii) are held accountable for noncompliance and are subject to appropriate consequences.
- 4. Low levels of process maturity and the absence of a supportive implementing environment have contributed to uneven progress toward expected workforce outcomes.** Each of the HR Management processes examined demonstrated limited or uneven progress toward workforce outcomes. Whereas the mandate of the Bank and the mix of compensation and benefits continues to attract a large number of candidates, the Bank has faced challenges in (i) reducing the time to recruit; (ii) developing and acquiring skills aligned with the High 5s; (iii) rewarding and motivating performance; and (iv) ensuring staff engagement and motivation.
- 5. In this regard, talent management and workforce planning are the Bank's most critical areas of weakness with respect to HR Management.** Both processes were found to be implemented at the ad hoc level, indicating the lack of sufficient procedures, guidelines and policies to perform these processes in a systematic and strategic manner. Furthermore, these processes demonstrated limited progress toward key workforce outcomes, including: (i) reducing vacancy rates; (ii) minimizing skills gaps; (iii) supporting the promotion and mobility of staff; and (iv) retaining young and high performing talent.
- 6. Although the reorganization has increased automation and accountability for service delivery, the HR Department continues to face challenges with respect to client service orientation and strategy implementation performance.** Particular challenges include: (i) lack of appropriate tools and training to support HRBPs in performing more strategic roles; (ii) weak planning, sequencing, coordination and monitoring of strategic HRM initiatives; (iii) high levels of management turnover; and (iv) concurrent large-scale change initiatives. The creation of the Shared Services Division has consolidated HR administration and contributed to improving automation and accountability for service delivery; however, the monitoring of compliance with SLAs remains inadequate. ■

Recommendations

Based on the findings and conclusions above, IDEV identified six key recommendations for Bank Management under two broad directions: (i) addressing infrastructural deficiencies; and (ii) upgrading the policy framework.

Addressing infrastructural deficiencies

1. The Bank needs to address important infrastructural deficits to enable the implementation of HR Management processes at a higher level of maturity. In particular, the Bank should develop:
 - i. A framework which identifies critical technical skills required to implement the High 5s both now and in the future. This framework should inform workforce planning in terms of: (a) identifying new resources to recruit in terms of skills, experience and number; (b) succession planning among existing staff to fill critical roles; and (c) opportunities to develop required skills internally through assignments, rotations and training.
 - ii. An HRIS solution which integrates information across processes, providing a single source of information to support decision making. This system should adopt a user perspective, facilitating access to key analyses and reports and enabling managers and HRBPs to make strategic decisions regarding their teams. Use of this system should be reinforced through the training of process stakeholders, including HR professionals and managers. In developing this system, accountabilities and protocol for ensuring data quality should be elaborated and monitored.
2. Compliance and consequence management continue to be considerable challenges for

the Bank in the context of HR Management. To address these challenges, the Bank should continue to increase the extent of automation across HR processes. Automation should not only target increased efficiency, but also process monitoring and compliance auditing. Attention should be paid to reducing the number of procedural safeguards while ensuring that process stakeholders are held accountable, including clear consequences for noncompliance.

3. A key success factor for the next HR Strategy is focusing on implementation before policy changes. Priority areas for improvement include:
 - i. Identifying a clear strategy to sequence, prioritize, coordinate and monitor implementation;
 - ii. Clarifying the resources needed to implement, as well as clear channels and timelines for reporting; and
 - iii. Developing the capacity to manage and monitor implementation within the HR Department while ensuring that project management responsibilities are properly resourced and that concerned staff have sufficient authority and independence to fulfil their role.

Upgrading the policy framework

4. After ensuring that appropriate tools are in place to monitor compliance and promote transparency, the HR Department should ensure that an adequate policy framework is in place to enable the achievement of workforce outcomes, particularly with respect to staff promotion and mobility as well as rewarding staff based on

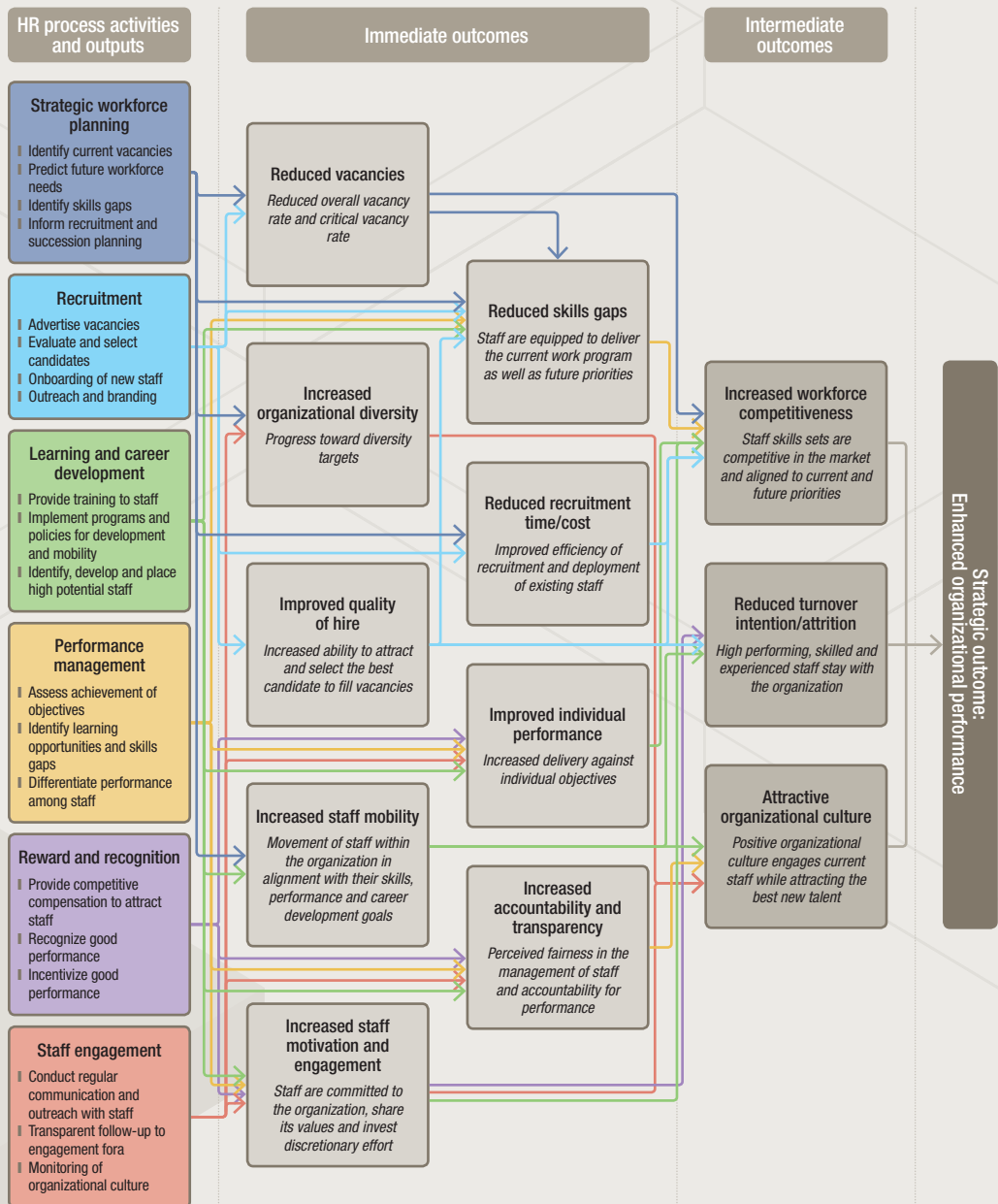
performance. In particular, the HR department should consider:

- i. The need for transparent and systematic mechanisms to promote the mobility of staff with respect to: (i) managerial and technical career paths across job families; (ii) internal promotion of staff; and (iii) lateral mobility, including assignments across Complexes and Country Offices.
 - ii. The need to better reward and motivate performance, including: (i) transparent and systematic means of progressing across existing pay grades, given satisfactory performance; (ii) appropriate monetary and nonmonetary rewards for top performers, including performance bonuses; and (iii) improving flexibility in compensation frameworks to provide meaningful rewards options for different segments of the workforce.
5. Affirm staff development as the primary rationale for the performance management system by: (i) weakening the connection between performance ratings and annual salary increases; and (ii) reducing the time and resources devoted to ranking and categorizing staff. Increase the integration of performance management and talent management processes to ensure that learning responds to operational needs and leverage career development opportunities as a reward for good performance.
6. Increase the emphasis placed on engagement as a means of motivating staff and building a culture of trust and integrity. The staff survey should be conducted on an annual basis to identify the needs and concerns of staff, particularly during periods of large scale change. The survey should be positioned to assess the key drivers of engagement more comprehensively through a risk-based approach, particularly for known challenges which have not been adequately addressed in recent surveys, particularly learning and career development. Finally, follow-up actions should be monitored transparently, with clear consequences for noncompliance. ■

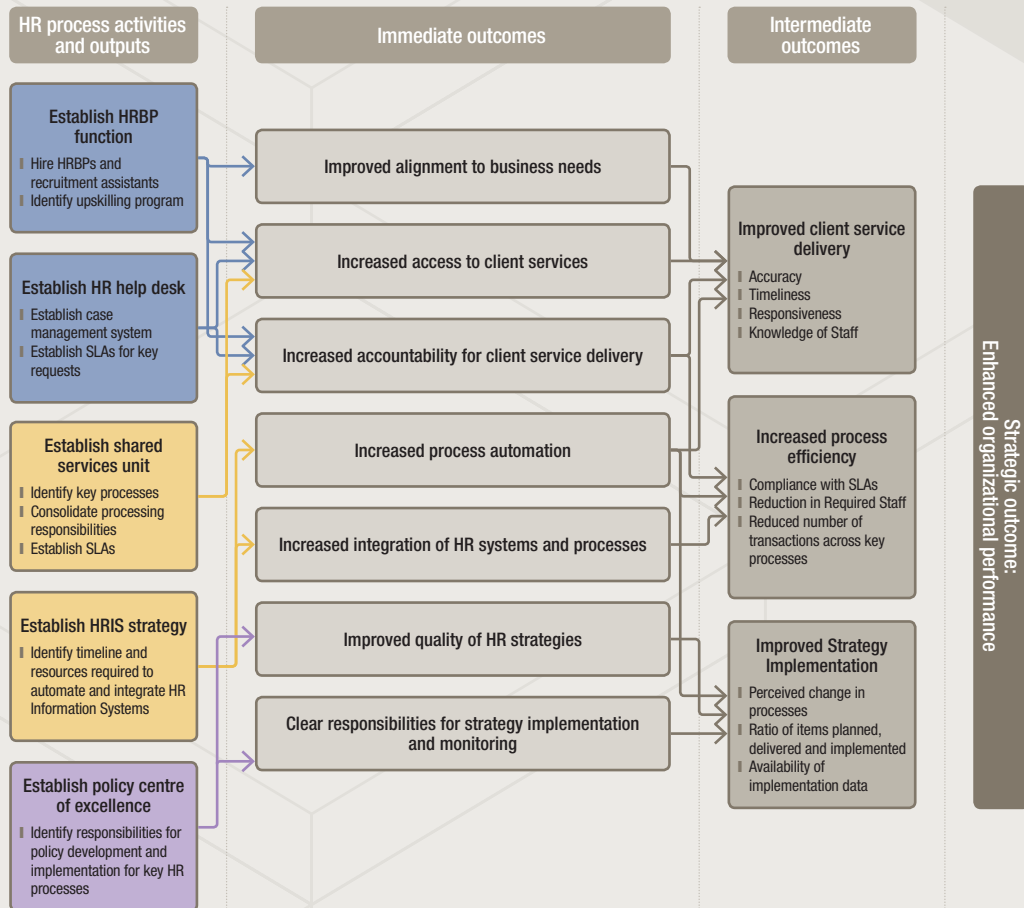


Annex A – Evaluation logic model and theory of change

Model 1: Logic model for the HR management process





Model 2: Logic model for the restructuring of the HR department




Annex B – Evaluation matrix


Matrix 1: Maturity and effectiveness of individual HR management processes


Process: Workforce planning			
Issue	Judgment criteria	Indicators	Data sources
Maturity	<ul style="list-style-type: none"> Existence of standardized workforce planning process 	<ul style="list-style-type: none"> Evidence of documented workforce planning process Type of information used (headcount, segments, skills/positions) Ownership of process (budget, HR, other) 	<ul style="list-style-type: none"> Bank documents Interviews E-survey Site visits to comparator organizations
	<ul style="list-style-type: none"> Integration of workforce planning with other HR processes 	<ul style="list-style-type: none"> Extent of integration among HRIS tools and systems Extent of use of information from other HR management processes to inform workforce planning decisions 	<ul style="list-style-type: none"> Bank documents Interviews
	<ul style="list-style-type: none"> Use of workforce planning to identify and address anticipated workforce needs 	<ul style="list-style-type: none"> Extent to which workforce planning influences workforce segment policies (for example, gender) Extent to which workforce planning informs planned recruitment activities Extent to which workforce planning influences talent management decisions (that is, learning, promotions, succession management) 	<ul style="list-style-type: none"> Bank documents Interviews E-survey Site visits to comparator organizations
	<div style="background-color: #4a86e8; color: white; padding: 5px;"> Strategic <ul style="list-style-type: none"> Integrated process data are used to respond to future needs Integrated process data are used to measure effectiveness and improve processes </div>		
	<div style="background-color: #00a0c9; color: white; padding: 5px;"> Integrated <ul style="list-style-type: none"> Process is standardized and integrated with other processes Integrated process data are used to make decisions about individuals Integrated process data are used to identify future needs </div>		
	<div style="background-color: #f1c232; color: black; padding: 5px;"> Standardized <ul style="list-style-type: none"> Standardized process across the organization Process is monitored for compliance Little integration with other processes </div>		
	<div style="background-color: #e67e22; color: white; padding: 5px;"> Ad hoc <ul style="list-style-type: none"> Implemented on an ad hoc basis Little standardization of processes Little integration with other processes </div>		
Effectiveness	<ul style="list-style-type: none"> Reduction of vacancy rate 	<ul style="list-style-type: none"> Vacancy rate over time 	<ul style="list-style-type: none"> Documents HR data Interviews
	<ul style="list-style-type: none"> Reduction of skills gaps 	<ul style="list-style-type: none"> Identification of skills gaps Implementation of measures to reduce skills gaps 	<ul style="list-style-type: none"> Documents Interviews E-survey
	<ul style="list-style-type: none"> Increased organizational diversity 	<ul style="list-style-type: none"> Average age of staff over time Average age at entry over time Women in professional positions over time Women in management positions over time Comparison to comparator organizations 	<ul style="list-style-type: none"> HR data Interviews Data from comparator organizations

Process: Recruitment			
Issue	Judgment criteria	Indicators	Data sources
Maturity	<ul style="list-style-type: none"> Existence of a standardized recruitment and orientation process 	<ul style="list-style-type: none"> Extent of documentation/ standardization of the recruitment process Existence of standardized behavioral competencies Existence of standardized technical competencies Documented corporate orientation process 	<ul style="list-style-type: none"> Documents Interviews Site visits to comparator organizations
	<ul style="list-style-type: none"> Integration of recruitment process with other HR Management processes (workforce planning and engagement) 	<ul style="list-style-type: none"> Extent of use of candidate pools and hiring flexibilities to address anticipated workforce needs Extent of advance recruitment for anticipated vacancies Evidence of ongoing onboarding process to engage and integrate new staff 	<ul style="list-style-type: none"> Documents Interviews Site visits to comparator organizations Recruitment data
	<ul style="list-style-type: none"> Use of recruitment process to address anticipated needs 	<ul style="list-style-type: none"> Evidence of strategic candidate outreach Use of data to improve the recruitment process 	<ul style="list-style-type: none"> Documents Interviews Site visits to comparator organizations
 Level of process maturity	<div style="background-color: #0056b3; color: white; padding: 5px;"> Strategic <ul style="list-style-type: none"> Use of corporate branding to attract talent and respond to future needs Use of integrated data for continuous improvement of the recruitment process </div>		
	<div style="background-color: #00a0c9; color: white; padding: 5px;"> Integrated <ul style="list-style-type: none"> Candidate pools used to prepare for anticipated needs Transparent hiring flexibilities linked to critical workforce needs Onboarding process for new hires </div>		
	<div style="background-color: #f0c000; color: white; padding: 5px;"> Standardized <ul style="list-style-type: none"> Standardized recruitment process Standardized job descriptions and behavioural competencies Orientation process for new hires </div>		
	<div style="background-color: #e67e22; color: white; padding: 5px;"> Ad hoc <ul style="list-style-type: none"> Recruitment conducted on ad hoc basis Basic recruitment guidelines Selection based of technical skills </div>		
Effectiveness	<ul style="list-style-type: none"> Ability of the Bank to attract candidates 	<ul style="list-style-type: none"> Average number of applications per vacancy (against comparators) Top factors which attracted staff to work at the Bank Perceived ability of the Bank to attract the best candidates 	<ul style="list-style-type: none"> Documents Interviews E-survey Recruitment Data Site visits to comparator organizations
	<ul style="list-style-type: none"> Average time to hire 	<ul style="list-style-type: none"> Perceived reasonableness of length of recruitment process Average time to staff (against comparators) 	<ul style="list-style-type: none"> Documents Interviews E-survey Recruitment Data Site visits to comparator organizations
	<ul style="list-style-type: none"> Quality of hire 	<ul style="list-style-type: none"> Proportion of probationary periods approved Proportion of new hires receiving needs improvement Perceived extent that recruitment results in the best candidate being hired Extent of first contract separations 	<ul style="list-style-type: none"> Performance management data E-survey Separations data

Process: Talent management			
Issue	Judgment criteria	Indicators	Data sources
Maturity	<ul style="list-style-type: none"> Standardization of learning, career development and succession planning 	<ul style="list-style-type: none"> Existence of a career development framework for technical and behavioral competencies Standardization of procedures for requesting and allocating technical and institutional training Standardized program for ongoing development of future leaders Documented policies for vertical and lateral mobility of staff 	<ul style="list-style-type: none"> Documents Interviews E-survey Site visits to comparator organizations
	<ul style="list-style-type: none"> Integration of data from other HR Management processes to inform Talent Management Decisions 	<ul style="list-style-type: none"> Use of data from workforce planning to inform development of learning programs and succession management Use of data from performance management to inform individual training plans, development of institutional programs, promotions and lateral moves. 	<ul style="list-style-type: none"> Documents Interviews Site visits to comparator organizations
	<ul style="list-style-type: none"> Use of talent management processes to respond to anticipated needs 	<ul style="list-style-type: none"> Use of talent management to identify a pipeline of successors for critical roles Use of talent management programs to respond to anticipated skills gaps Use of data to inform improvement of talent management processes, including training delivery and quality 	<ul style="list-style-type: none"> Documents Interviews Site visits to comparator organizations
	<div style="background-color: #0056b3; color: white; padding: 5px;"> Strategic <ul style="list-style-type: none"> Integrated HR data used to assess contribution of Talent Management to workforce outcomes and performance Integrated data used to improve value for money of Talent Management processes </div>		
	<div style="background-color: #00a0c9; color: white; padding: 5px;"> Integrated <ul style="list-style-type: none"> Talent mobility and promotion decisions supported by integrated data Integrated data used to align learning programs to medium term needs Pipeline of future leaders established through continuous development </div>		
	<div style="background-color: #f0c000; color: white; padding: 5px;"> Standardized <ul style="list-style-type: none"> Standardized career development framework Formal program for development of high potential talent Programs of learning linked to work program requirements </div>		
	<div style="background-color: #e67e22; color: white; padding: 5px;"> Ad hoc <ul style="list-style-type: none"> No standardized skills and competencies No formal high potential development Training delivery is ad hoc </div>		
Effectiveness	<ul style="list-style-type: none"> Training delivery and access 	<ul style="list-style-type: none"> Delivery of internal, implant and external training per year (% staff accessing) Training budget (% utilization, % of admin budget) Implementation rate for learning plans Perceived availability, usefulness and quality of training 	<ul style="list-style-type: none"> Documents Interviews E-survey Learning data Budget data
	<ul style="list-style-type: none"> Extent of staff mobility 	<ul style="list-style-type: none"> Vertical mobility of staff (annual, % of staff) Lateral mobility of staff (annual, % of staff) Average years in grade Perceived transparency of promotion processes 	<ul style="list-style-type: none"> Documents Interviews E-survey Workforce data Data from comparator organizations
	<ul style="list-style-type: none"> Retention of young and high performing staff 	<ul style="list-style-type: none"> Turnover of staff by age segment Turnover among former YPs Factors contributing to turnover among young staff 	<ul style="list-style-type: none"> Documents Interviews Staff surveys E-survey Workforce data

Process: Performance management			
Issue	Judgment criteria	Indicators	Data sources
Maturity	<ul style="list-style-type: none"> Existence of a standardized performance management process 	<ul style="list-style-type: none"> Existence of standardized process and timelines across the organization Extent of process automation Criteria for assessing technical performance and behavioral competencies Standardization of follow-up procedures 	<ul style="list-style-type: none"> Documents Interviews E-survey Site visits to comparator organizations
	<ul style="list-style-type: none"> Integration of performance management with other HR Management processes (talent management, workforce planning, reward) 	<ul style="list-style-type: none"> Extent to which PM incorporates ongoing feedback to identify and respond to development needs Use of PM data to inform promotion, mobility and training decisions Use of PM to reward and recognize staff 	<ul style="list-style-type: none"> Documents Interviews E-survey Site visits to comparator organizations
	<ul style="list-style-type: none"> Use of performance management to identify and address anticipated organizational needs 	<ul style="list-style-type: none"> Use of PM data to identify current and anticipated skills gaps Alignment of personal KPIs to changing operational needs 	<ul style="list-style-type: none"> Documents Interviews E-survey Site visits to comparator organizations
Level of process maturity ↑	Strategic <ul style="list-style-type: none"> Integrated PM data used to inform modification of other processes (e.g. learning) HR adapts performance KPIs to reflect changing operational needs 		
	Integrated <ul style="list-style-type: none"> PM process is supported by ongoing feedback and updating of objectives PM integrated with other processes to inform talent management decisions about individual staff (e.g. learning, promotion, succession planning) 		
	Standardized <ul style="list-style-type: none"> Standardized PM process, timelines and tools Appraisals against standardized technical skills and competencies Follow-up procedures (e.g. salary increases, improvement plans) 		
	Ad hoc <ul style="list-style-type: none"> Implemented periodically with limited guidance Appraisals based on technical performance only No monitoring of process compliance 		
Effectiveness	<ul style="list-style-type: none"> Provides a basis for accountability 	<ul style="list-style-type: none"> Perceived usefulness in ensuring staff know what is expected of them Perceived usefulness in understanding link between personal and corporate objectives Perceived meaningfulness of performance appraisal (Management and staff) Perceived usefulness in identifying areas to improve (Management and staff) Extent of agreement between Management and staff 	<ul style="list-style-type: none"> Interviews E-survey Staff survey
	<ul style="list-style-type: none"> Credibly differentiates staff of the basis of performance 	<ul style="list-style-type: none"> Perceived ability of system to meaningfully differentiate among staff on the basis of performance (managers and staff) Distribution of performance ratings Distribution of performance ratings by complex % performance-based salary increases over time 	<ul style="list-style-type: none"> Documents Interviews E-survey Staff survey Performance Management Data Site visits to comparator organizations

Process: Reward			
Issue	Judgment criteria	Indicators	Data sources
Maturity	<ul style="list-style-type: none"> Standardization of salary and benefits across the organization 	<ul style="list-style-type: none"> Existence of compensation policies to standardize salary and benefits. Existence of standardized process and methodology to ensure market position and external equity. Existence of formal nonmonetary rewards program for performance and tenure 	<ul style="list-style-type: none"> Documents Interviews
	<ul style="list-style-type: none"> Integration of the rewards process with other HR processes (career development, learning, performance management, workforce planning, engagement) 	<ul style="list-style-type: none"> Nonmonetary reward program linked to desired behaviors and competencies Implementation of total rewards approach to respond to needs of different segments of staff Eligibility criteria for monetary and nonmonetary rewards linked to learning programs, personal KPIs 	<ul style="list-style-type: none"> Documents Interviews E-survey
	<ul style="list-style-type: none"> Use of rewards process to address anticipated workforce needs 	<ul style="list-style-type: none"> Identification of rewards brand to attract desired segments of staff or staff with required skills (for example, private sector) Use of engagement data to ensure rewards respond to factors which motivate different segments of staff 	<ul style="list-style-type: none"> Documents Interviews Staff survey E-survey
	<div style="background-color: #0056b3; color: white; padding: 5px;"> Strategic <ul style="list-style-type: none"> Impact on staff motivation and engagement used to inform reward process renewal Organization develops reward brand to attract targeted talent </div>		
	<div style="background-color: #00a0c9; color: white; padding: 5px;"> Integrated <ul style="list-style-type: none"> Rewards and recognition linked to desired competencies Rewards process integrated with learning and PM process Flexible Total Compensation optimizes reward among segments of staff </div>		
	<div style="background-color: #f0c000; color: white; padding: 5px;"> Standardized <ul style="list-style-type: none"> Compensation policies standardize pay and benefits Standardized process in place to ensure market position and equity Organization-wide recognition for tenure and performance </div>		
	<div style="background-color: #e67e22; color: white; padding: 5px;"> Ad hoc <ul style="list-style-type: none"> No policy framework governing compensation Compensation negotiated on an ad hoc basis Limited formal non-monetary recognition </div>		
Effectiveness	<ul style="list-style-type: none"> Competitiveness of salary relative to comparators 	<ul style="list-style-type: none"> Salary midpoints as a percentage of the average of traditional comparators. Actual salaries as a percentage of the average of traditional comparators Perceived competitiveness of salary and benefits relative to comparator organizations 	<ul style="list-style-type: none"> Documents Interviews E-survey
	<ul style="list-style-type: none"> Perceived attractiveness/competitiveness of salary 	<ul style="list-style-type: none"> Extent to which salary and benefits play a role in attracting staff to the Bank Staff satisfaction with salary Staff satisfaction with the mix of salary and benefits 	<ul style="list-style-type: none"> Interviews E-survey
	<ul style="list-style-type: none"> Perceived equity of salary for equal work 	<ul style="list-style-type: none"> Perceived equity of pay for equal work Factors which influence perceived equity of pay 	<ul style="list-style-type: none"> Staff survey E-survey Interviews

Process: Staff engagement			
Issue	Judgment criteria	Indicators	Data sources
Maturity	<ul style="list-style-type: none"> Standardization of the staff engagement processes 	<ul style="list-style-type: none"> Existence of a standardized staff engagement process, including a clear process for follow-up Extent of regular implementation of the staff engagement process Identification and tracking of drivers of engagement over time and against comparators Perceived likelihood that staff engagement issues will be addressed by Management 	<ul style="list-style-type: none"> Documents Interviews Staff survey E-survey Site visits to comparator organizations
	<ul style="list-style-type: none"> Integration of staff engagement with other HR processes (reward, talent management, learning) 	<ul style="list-style-type: none"> Existence of an organizational strategy to monitor and enhance staff engagement Existence of mechanisms for staff owned engagement, including staff owned mechanisms Evidence of use of engagement data to inform changes to other HR processes (reward and recognition programs, learning programs for Management and staff, career development initiatives) 	<ul style="list-style-type: none"> Documents Interviews E-survey Site visits to comparator organizations
	<ul style="list-style-type: none"> Use of staff engagement data to anticipate and respond to staff engagement issues and change organizational culture 	<ul style="list-style-type: none"> Evidence of use of staff engagement data to predict and mitigate the impact of organizational changes on staff engagement Drivers of staff engagement data are monitored and inform cultural change initiatives, and examine possible means of motivating staff 	<ul style="list-style-type: none"> Documents Interviews E-survey Site visits to comparator
Level of process maturity 	Strategic <ul style="list-style-type: none"> Data used to predict the impact of organizational change on staff engagement Engagement data are used to monitor and inform cultural change initiatives 		
	Integrated <ul style="list-style-type: none"> An organizational strategy exists for promoting staff engagement, including staff-owned mechanisms Data are integrated with other HR processes to inform process renewal 		
	Standardized <ul style="list-style-type: none"> Standardized engagement processes are implemented regularly Standardized processes and accountabilities for follow-up Known drivers of engagement are monitored over time 		
	Ad hoc <ul style="list-style-type: none"> Staff engagement activities are ad hoc No clear procedures or accountabilities for follow-up 		
Effectiveness	<ul style="list-style-type: none"> Extent of improvement in drivers of staff engagement over time 	<ul style="list-style-type: none"> Trend in scores for items reflecting five drivers of staff engagement: (i) pride for the organization; (ii) culture of fairness, integrity and trust; (iii) career development opportunities; (iv) meaningful work, autonomy, innovation and mastery; and (v) quality of relationships with supervisors 	<ul style="list-style-type: none"> Interviews Staff surveys E-survey
	<ul style="list-style-type: none"> Comparison of survey responses against comparators 	<ul style="list-style-type: none"> Comparison in scores for five drivers of engagement against industry norms: (i) pride for the organization; (ii) culture of fairness, integrity and trust; (iii) career development opportunities; (iv) meaningful work, autonomy, innovation and mastery; and (v) quality of relationships with supervisors 	<ul style="list-style-type: none"> Staff surveys
	<ul style="list-style-type: none"> Turnover intention over time and against comparators 	<ul style="list-style-type: none"> Staff turnover intentions over time Identified drivers of turnover intention 	<ul style="list-style-type: none"> Documents Interviews Staff surveys E-survey

Matrix 2: Process enabling factors (indicators applied across all HR management processes)

Issue	Judgment criteria	Indicators	Data sources
Enabling factors	<ul style="list-style-type: none"> Extent of Management ownership for process 	<ul style="list-style-type: none"> Rate of compliance Perceived/reported ownership of process 	<ul style="list-style-type: none"> Process data Interviews E-survey Site visit to comparator orgs
	<ul style="list-style-type: none"> Sufficiency of tools and systems 	<ul style="list-style-type: none"> Extent of data quality within IS platform Extent of capacity of IS platform to inform predictive analysis Integration of IS platform with platforms for other HR management processes Perceived usability of system among process stakeholders 	<ul style="list-style-type: none"> Interviews System demonstrations Site visits to comparator organizations
	<ul style="list-style-type: none"> Capacity of process stakeholders to implement process 	<ul style="list-style-type: none"> Perceived adequacy of training among process stakeholders Perceived effectiveness of support provided by HR (staff and managers) Extent of identified capacity gaps for process implementation 	<ul style="list-style-type: none"> Documents Interviews E-survey Site visits to comparator organizations
	<ul style="list-style-type: none"> Extent of supportive institutional environment 	<ul style="list-style-type: none"> Existence of supportive policies Extent of tracking and consequences for non-compliance Presence of organizational disincentives for process implementation 	<ul style="list-style-type: none"> Documents Interviews E-survey Site visits to comparator organizations

Matrix 3: Impact of HR reorganization on client Service delivery, process efficiency and strategy implementation capacity

Issue	Judgment criteria	Indicators	Data sources
Implementation of planned Activities	<ul style="list-style-type: none"> Implementation of Proposed Organizational structure 	<ul style="list-style-type: none"> Creation of HRBPs and HR Help Desk Creation of Shared Services Division Creation of Centre of Excellence 	<ul style="list-style-type: none"> Documents Interviews
	<ul style="list-style-type: none"> Development of HRIS Strategy 	<ul style="list-style-type: none"> Delivery of HRIS Strategy Implementation rate for planned initiatives 	<ul style="list-style-type: none"> Documents Interviews
Contribution to strategy outcomes	<ul style="list-style-type: none"> Improve Client Service Orientation 	<ul style="list-style-type: none"> Perceived effectiveness of support from HRBPs Staff satisfaction with contacts in HR Ratio of HRBPs to staff 	<ul style="list-style-type: none"> Documents Interviews E-survey HR Direct Data Visits to comparator organizations
	<ul style="list-style-type: none"> Improve Administrative Efficiency 	<ul style="list-style-type: none"> Extent of automation for personnel transactions Ratio of CHHR2 staff to Bank staff Ratio of CHHR2 staff to transactions Compliance with Service Level Agreements Extent of monitoring of output quality 	<ul style="list-style-type: none"> Documents Interviews Process workflow HR Direct data Visits to comparator organizations
	<ul style="list-style-type: none"> Improve Strategy Implementation Capacity 	<ul style="list-style-type: none"> Perceived change in HR processes over People Strategy period Extent of delivery and implementation of commitments in People Strategy and HRAP Identified impediments to strategy implementation Extent of Board satisfaction with monitoring and reporting on People Strategy 	<ul style="list-style-type: none"> Documents Interviews E-survey

Annex C – Technical notes for business process modelling

A. Development of the generic process maturity model

For the current evaluation, IDEV was presented with the challenge of identifying a systematic, objective and evidence-based means of describing the current state of the Bank's HR processes and comparing their alignment with best practice. Identification of an appropriate model entailed four ontological challenges:

- i. Developing a model which could be applied consistently across diverse HR processes;
- ii. Ensuring that the model is grounded in applicable theory and evidence;
- iii. Ensuring that the model is methodologically sound with a clear relationship between the presence or absence of certain factors and categorically different states of behavior.

The maturity model was intended to identify measurable behaviors which indicate the extent to which a process is designed in a way that allows it to achieve the maximum benefit for the organization.²⁷⁰ Specific “best practices” (for example, removal of performance ratings), by contrast, were considered as means of achieving an objective, but not necessarily an indication of maturity itself.

B. Defining process maturity

Several different models of business process maturity have been proposed in the IT literature which describe maturity as encompassing both design factors (capacity) and environmental factors (people, resources, organizational culture, governance). However, in practice, these multifactor models have been difficult to apply systematically due to their complexity.²⁷¹

In selecting an appropriate definition, IDEV relied on principles of experimental design, under which sound measurement is based on the isolation and control of key variables. Observed changes can then be attributed to a limited number of controlled factors.²⁷² As such, IDEV favoured the approach taken by Van Looy, De Backer and Poels (2014)²⁷³ and De Bruin and Rosemann (2007),²⁷⁴ which distinguishes between (1) what a process, as designed, is able to accomplish; and (2) management and implementation of existing business processes (for example, governance, skills and capacities of process stakeholders, enabling tools and organizational culture).

Therefore, IDEV defined “**maturity**” as the ability of a process, as designed, to achieve a specific goal systematically and consistently. The management and implementation of a process were assessed separately in terms of process “**enabling factors.**” Process enabling factors were defined in terms of environmental factors which can influence the extent to which a process is implemented as designed or “institutionalized.” The underlying logic of the assessment is that **a process which is fit for its purpose and is implemented as designed should progress toward its expected result.**

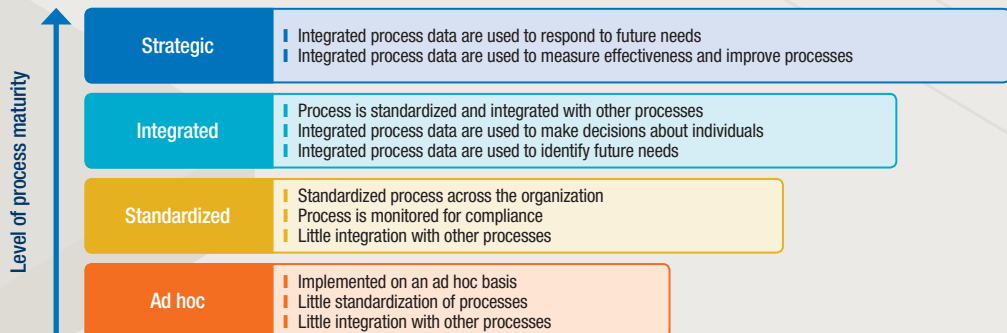
C. Elaborating the process maturity model

Process maturity models should identify a series of levels or stages which present a logical path from an initial state of development to full maturity.²⁷⁵ These stages are defined by the presence or absence of distinct characteristics of a process. Each stage should therefore reflect categorically different behaviors with respect to how the process is implemented within an organization and used to inform decision-making.²⁷⁶ This approach avoids potential overlap between each level. Furthermore, each level acts as a prerequisite for subsequent levels such that the key requirements of each stage must be fulfilled before progressing to the next level of maturity.

In order to identify theory-driven criteria for distinguishing between different levels of process maturity, IDEV compared available models of process maturity to identify an underlying logic.

Based on a review of the literature, the following four stages were identified which reflect the capacity of a process, as designed, to achieve certain goals systematically and consistently:

1. **Ad hoc**, indicating that there is little standardization to systematize how a process is implemented and for what purpose. Such a process, if performed, is unlikely to be performed repeatedly in a consistent way by different actors.
2. **Standardized**, indicating that the process is established, documented and controlled with a defined objective and roles and responsibilities. Standardized processes can be performed repeatedly in a consistent way by different actors and can be monitored for compliance;
3. **Integrated**, indicating that information from different standardized processes is combined in a systematic way to inform decision making and Management action. Processes must be performed in a standardized way before they can be integrated - otherwise the integration itself would not be systematic; and
4. **Strategic**, indicating that an accumulation of past process data is used to predict and respond to anticipated events. In order for a process to be implemented in this way, there must be a sufficient amount of consistent historical data (standardization) as well as a range of data across related processes to triangulate and refine predictions (integration). The availability of data can also be used to assess the effectiveness of certain processes and refine them to promote the achievement of certain objectives.



The generic process model is illustrated in the above figure. The extent to which these four concepts are reflected across existing models of process maturity is presented in the table iii.

Table iii: Comparison of Business Process Maturity Model Frameworks

IDEV Business Process Maturity Model	Rosemann - BPMMM (2005) ²⁷⁷	Hammer Process and Enterprise Maturity Model (2007) ²⁷⁸	Harmon Enterprise Architecture Pyramid (2004) ²⁷⁹	Six Sigma DMAIC model
Level 1 – Ad hoc	Level 1 – Initial state	P-1	Level 1 – Initial	Define
Processes are <i>ad hoc</i> with limited standardization and integration with other business processes.	Processes are <i>ad hoc</i> with no real measures for performance. There is inconsistency in process and results across the organization.	The process is not fully designed on an end-to-end basis . Process documentation is functional rather than strategic. Ownership and responsibility for process improvement is informal.	Processes are <i>ad hoc</i> and vaguely defined .	The process needs to be defined from end-to-end , identifying internal and external users.
Level 2 – Systematic	Level 2 – Defined state	P-2	Level 2 – Repeatable	Measure
Increasing standardization and control across the organization. Data is used to understand trends.	Some standardization helps ensure processes are repeatable and implementation is controlled. Roles, responsibilities and basic metrics have been defined.	There is end-to-end documentation of the process design and implementers perform it consistently. An official process owner has been identified and is responsible for tracking compliance. End-to-end process metrics have been identified.	Processes have been systematized across the organization and defined according to key milestones. The necessary discipline is in place to repeat earlier successes.	Compliance with process requirements is measured and tracked. Performance of the process is measured through metrics linked to strategic organizational outcomes.
Level 3	Level 3 – Repeatable	P-3	Level 3 – Defined	Analyze
Processes are fully standardized across the organization. Complementary processes are integrated . Data are used to make decisions , predict needs and identify business plans .	The process is fully defined end-to-end and measured continuously. A system of metrics is in place to inform process improvements .	The process has been designed to be integrated with related business processes. Links with other processes are documented and supported by integrated information systems. Process data are used to make business decisions . Cross-process metrics have been established in line with organizational strategy .	The process is documented standardized and integrated across the organization	Process implementers assess the extent to which the process contributes to organizational outcomes , including mutually reinforcing processes .
	Level 4 – Managed		Level 4 – Managed	Implement
	Data are used regularly to improve business processes . Standardization facilitates the integration of interrelated processes.		An integrated process management and measurement methodology has been identified. Process measurement is aligned with organizational goals .	Ideas for process improvement are identified through continuous monitoring .

IDEV Business Process Maturity Model	Rosemann - BPMMM (2005) ²⁷⁷	Hammer Process and Enterprise Maturity Model (2007) ²⁷⁸	Harmon Enterprise Architecture Pyramid (2004) ²⁷⁹	Six Sigma DMAIC model
Level 4	Level 5 – Optimized	P-4	Level 5 - Optimized	Control
Process effectiveness is routinely measured and used to inform continuous improvement . Process owners play a role in strategic business planning .	Data are used to predict organizational needs and continuously improve processes to respond to changes in environment. Processes are aligned to organizational strategy and objectives .	Process implementers look for ways to continuously improve performance of the process and respond to environmental changes. Process owners participate in strategic planning and decision making on behalf of the organization. Process metrics are derived from organizational strategy.	Continuous process improvement is enabled through routine measurement.	Continuous monitoring and process control are undertaken to improve the process and establish impact on business objectives .

D. Process enabling factors

As noted above, IDEV also assessed each process in terms of the presence or absence of certain “enabling factors,” which reflect characteristics of the implementing environment which make it more or less likely that a process will be implemented as designed. The absence of a specific enabling factor may limit process effectiveness by creating challenges for compliance and consequence management or may render process stakeholders unable to implement a process as designed.

Enabling factors in the available literature have generally clustered around four themes:

1. **Governance** – including senior Management ownership, communication, compliance measurement and stakeholder engagement in design and implementation;²⁸⁰
2. **People/Capacity** – including training of staff, managers and HR professionals in key elements of the process;²⁸¹
3. **Tools** – including data and systems which support integration;²⁸² and
4. **Organizational culture** – including supportive policies, accountability and enforcement of processes and Management accountability.²⁸³

The above factors were assessed separately from process maturity to better understand and identify the unique environmental challenges for the implementation of each process. Separating the assessment of process maturity and enabling factors also has the advantage of identifying more useful “categories” or processes for the purposes of corrective action – the remedial measures required to address a process which lacks standardization is different from the measures required to correct a process which is well standardized, but for which stakeholders have not received adequate training to support implementation.

E. Applying the model to specific HR processes

Following the identification of the different HR processes to be examined, IDEV sought to adapt the generic model to each process. This adaptation was achieved through an extensive review of academic and practitioner literature for HR Management, including existing maturity models. Core practices identified for each process were applied to the generic model to identify what each process “looks like” when implemented at different levels of maturity.

Annex D – Drivers of engagement – Analysis of Staff Survey Items 2010–2015

Table iv: Cultivating a Culture of Respect and Dignity at the Bank

Staff Survey Items	2010 Score (baseline)	Industry Norm (+/-%)	2013 Score (% change)	Industry Norm (+/-%)	2015 Score (% change)	Industry Norm (+/-%)
Treating staff members with respect and dignity (% favourable responses)						
“Rate AfDB on treating staff members with respect and dignity”	38% favorable	66% (-28%)	52% (+14%)	68% (-16%)	51% (-1%)	64% (-13%)
“Staff members are treated fairly without regard to gender, age nationality or language”	39% favorable	76% (-37%)	N/A	N/A	N/A	N/A
Rules and procedures are applied fairly and equitably to all staff (% favourable responses)						
“Rate AfDB on: Applying policies and procedures fairly to all staff”	22% favorable	54% (-31%)	N/A	N/A	N/A	N/A
“In the AfDB, staff members are rewarded according to their job performance”	29% favorable	N/A	25% (-4%)	34% (-9%)	23% (-2%)	31% (-8%)
Environment of open communication and trust (% favourable responses)						
“Rate AfDB on: Listening to my ideas, problems and complaints”	21% favorable	50% (-29%)	N/A	N/A	N/A	N/A
“Staff at the AfDB are reluctant to reveal problems or errors to the management above them.”	11% favorable	40% (-29%)	N/A	N/A	N/A	N/A
“Rate AfDB on: Creating an environment of openness and trust”	23% favorable	50% (-27%)	30% (+7%)	43% (-13%)	27% (-3%)	43% (-16%)
Individuals are held accountable for their actions (% favourable responses)						
“Poor performance is usually not tolerated at the AfDB”	38% favorable	53% (-15%)	30% (-8%)	39% (-9%)	27% (-3%)	39% (-12%)
“At AfDB, managers are held personally accountable for the results they produce or fail to produce.”	31% favorable	N/A	31% (0%)	N/A	28% (-3%)	N/A

Source: AfDB Staff Surveys 2010, 2013, 2015

Table v: Promoting Autonomy, Innovation and Mastery – Meaningful Work at the Bank

Staff Survey Items	2010 Score (baseline)	Industry Norm (+/-%)	2013 Score (% change)	Industry Norm (+/-%)	2015 Score (% change)	Industry Norm (+/-%)
Meaningful work (% favourable responses)						
"How do you feel about your job?"	82% favorable	80% (+2%)	N/A	N/A	N/A	N/A
"AfDB inspires me to do my best work"	56% favorable	68 (-12%)	62 (+6%)	63 (-1%)	57% (-5%)	62 (-5%)
"My work gives me a sense of personal accomplishment"	46% favorable	59% (-13%)	58% (-1%)	58% (0%)	57% (-1%)	57% (0%)
Promoting autonomy and innovation (% favourable responses)						
"I feel free to take informed risks in doing my work"	49% favorable	N/A	N/A	N/A	N/A	N/A
"Present job provides: the authority to make decisions about how to do my job."	45% favorable	59% (-14%)	N/A	N/A	N/A	N/A
"Many decisions made at a higher level could be made at a lower level."	7% favorable	N/A	9% (+2%)	12% (-3%)	6% (-3%)	9% (-3%)
"I feel encouraged to come up with new and better ways of doing things."	54% favorable	N/A	N/A	N/A	N/A	N/A
Opportunities for mastery (% favourable responses)						
"My job makes good use of my skills and abilities"	69% favorable	74% (-5%)	N/A	N/A	N/A	N/A
"Rate AfDB on: Providing training so I can handle my present job properly."	39% favorable	N/A	40% (+1%)	48% (-8%)	27% (-13%)	46% (-19%)

Source: AfDB Staff Surveys 2010, 2013, 2015

Table vi: Opportunities for Career Development at the Bank

Staff Survey Items	2010 Score (baseline)	Industry Norm (+/-%)	2013 Score (% change)	Industry Norm (+/-%)	2015 Score (% change)	Industry Norm (+/-%)
Opportunities for promotion (% favorable responses)						
"Rate the AfDB on: my opportunities for advancement"	18% favorable	43% (-25%)	N/A	N/A	N/A	N/A
"I know the skills/ qualifications I need to be eligible for promotion"	52% favorable	N/A	N/A	N/A	N/A	N/A
"At AfDB, promotion is based on merit"	23% favourable	N/A	25% (+2%)	N/A	19% (-6%)	N/A
Opportunities for learning (% favorable responses)						
"AfDB provides relevant learning opportunities to staff"	42% favorable	N/A	N/A	N/A	N/A	N/A
"My present job provides a chance to learn new skills and develop my talents."	51% favorable	48% (+3%)	N/A	N/A	N/A	N/A

Source: AfDB Staff Surveys 2010, 2013, 2015

Table vii: Quality of Relationships with Supervisors

Staff Survey Items	2010 Score (baseline)	Industry Norm (+/-%)	2013 Score (% change)	Industry Norm (+/-%)	2015 Score (% change)	Industry Norm (+/-%)
Open communication and trust (% favorable responses)						
"Rate your manager on: dealing fairly with everyone – playing no favourites"	54% favorable	66% (-12%)	56% (+2%)	63% (-7%)	58% (+2%)	63% (-5%)
"Rate your manager on: accommodating me when I have a family or personal matter to attend to."	70% favorable	81% (-11%)	69% (-1%)	82% (-13%)	73% (+4%)	81% (-8%)
"My manager demonstrates effective people management skills to lead the group."	58% favorable	N/A	N/A	N/A	N/A	N/A
Recognition and coaching (% favorable responses)						
"Rate your manager on: Coaching me on my career development."	33% favorable	58% (-25%)	41% (+8%)	49% (-8%)	40% (-1%)	48% (-8%)
"When things go well in the job, how often is your contribution appreciated and recognized"	45% favorable	51% (-6%)	N/A	N/A	N/A	N/A
"Rate your manager on: Letting me know how well I am doing my job."	55% favorable	64% (-9%)	N/A	N/A	N/A	N/A

Source: AIDB Staff Surveys 2010, 2013, 2015

Annex E – Implementation progress for the People Strategy and Human Resources Action Plan

No.	Strategy document	Activity/Initiative	Delivery status	Implementation status
1	People Strategy	Development of a nonmonetary recognition program	Yes	Partial
2	People Strategy	Communication Campaign for People Strategy	Yes	Yes
3	People Strategy	Improved Onboarding and Induction Program	Yes	Partial
4	People Strategy	Annual Staff Survey	Yes	Partial
5	People Strategy	Renewed Total Compensation Framework	No	No
6	People Strategy	Virtual Language Classes	Yes	Yes
7	People Strategy	Gender Strategy	Yes	Partial
8	People Strategy	Development of internal of skills development programs	No	No
9	People Strategy	Revised proposal for dual career track	No	No
10	People Strategy	Development of Mentoring and Coaching Program	Partial	No
11	People Strategy	Development of a Management Effectiveness Index	Yes	Yes
12	People Strategy	Development of KPIs for People Management	Yes	Yes
13	Human Resources Action Plan (2013–2015)	Strategic Staffing Exercise	Yes	No
14	Human Resources Action Plan (2013–2015)	Strategic Staffing Plans	Yes	No
15	Human Resources Action Plan (2013–2015)	Staff Skills Audit	Yes	No
16	Human Resources Action Plan (2013–2015)	Renewal of YPP	Yes	Yes
17	Human Resources Action Plan (2013–2015)	Framework of Job Families and Occupational Streams	No	No
18	Human Resources Action Plan (2013–2015)	Pilot Two Professional Practice Groups	Yes	No
19	Human Resources Action Plan (2013–2015)	Establish co-typologies	No	No
20	Human Resources Action Plan (2013–2015)	Identify and Train Selection Faculty	Yes	No
21	Human Resources Action Plan (2013–2015)	Identify database of generic Job Descriptions	Yes	Yes
22	Human Resources Action Plan (2013–2015)	Creation of Onboarding Task Force	Yes	Yes
23	Human Resources Action Plan (2013–2015)	Select and train talent search analysts	No	No
24	Human Resources Action Plan (2013–2015)	Pilot corporate wide nine -box talent management	Yes (Pilot)	No
25	Human Resources Action Plan (2013–2015)	Establish and document career pathways	No	No
26	Human Resources Action Plan (2013–2015)	Establish principles and policies for dual-language Bank	No	No

No.	Strategy document	Activity/Initiative	Delivery status	Implementation status
27	Human Resources Action Plan (2013–2015)	Prepare online language self-assessment	No	No
28	Human Resources Action Plan (2013–2015)	Review LMMP for lessons learned, renew leadership training	Yes (Review)	No
29	Human Resources Action Plan (2013–2015)	Development of Five Year Corporate Learning Strategy	Yes	Partial
30	Human Resources Action Plan (2013–2015)	Prepare and implement corporate leadership, Management and staff learning plans	Partial	Partial
31	Human Resources Action Plan (2013–2015)	Institute executive performance contracts	Yes	Yes
32	Human Resources Action Plan (2013–2015)	Administer two "light" staff surveys	Yes	Partial
33	Human Resources Action Plan (2013–2015)	Review and Refresh the Performance Management System	Yes	Yes
34	Human Resources Action Plan (2013–2015)	Implement a moderation process for staff appraisals	Yes	Yes
35	Human Resources Action Plan (2013–2015)	Develop an online tool for performance management	Yes	Yes
36	Human Resources Action Plan (2013–2015)	HRIS philosophy and support plan	No	No
37	Human Resources Action Plan (2013–2015)	Create and maintain Departmental calendar	Yes	Yes
38	Human Resources Action Plan (2013–2015)	Establish baseline skills and competencies for key HR job streams	No	No
39	Human Resources Action Plan (2013–2015)	Establish and report on HR performance metrics	No	No
Total Fully Delivered			25 x 1.0	25
Total Partially Delivered			2 x 0.5	1
Total Delivery				26/39 (67%)
Total Fully Implemented			12x1.0	12
Total Partially Implemented			7x0.5	3.5
Total Implementation				15.5/39 (39.7%)

Annex F – Reference documents

Internal documents

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Annex G – List of Interviewees

List of interviewees

IDEV protects the anonymity of individual interlocutors interviewed for evaluations. As such, individual names are not provided in this annex.

Approximately 75 interviews and six focus groups were conducted in total. Each interview was thematic such that some interviews were conducted jointly with more than one participant regarding a specific topic.

Total internal stakeholders consulted	144
Total external stakeholders consulted	67
Total	211

Internal stakeholders (AfDB)	
Group/department/location	Number of stakeholders
Board Members and Advisers	13
Vice Presidents (multiple complexes)	6
Directors (multiple departments)	21
Managers (multiple departments)	12 (focus groups and interviews)
Professional Staff (multiple departments)	26 (focus groups and interviews)
General Services Staff (multiple departments)	10 (focus groups)
Country office representatives	14
Staff Recourse Mechanisms	3
HR Department (multiple levels)	25
Tribunal Secretariat	1
General Counsel	2
Former and current YPs	13
SARC	3
Total	144

World Bank Group	
Position/department	Number of stakeholders
Human Resources Department	7
Operations	2
Internal Justice System	4
Water Global Practice	2
Staff Association	2
Executive Director – Africa Group	3
Budget, Performance Review and Strategic Planning	3
Independent Evaluation	1
Total	24

Inter-American Development Bank	
Position/department	Number of stakeholders
Human Resources Department	8
Institutions for Development	1
Executive Director	1
Country Departments	4
Information and Technology Department	2
Office of Evaluation and Oversight	1
Total	17

International Fund for Agricultural Development	
Position/department	Number of stakeholders
HR Department	5
Operational Programming and Effectiveness Unit	1
Latin American and Caribbean Division	1
Corporate Services VP	1
General Counsel	1
East and Southern Africa Division	1
Operations Policy and Technical Advice	1
Office of Audit and Oversight	1
Office of Budget and Organizational Development	1
Independent Office of Evaluation	1
Total	14

Development Bank of Southern Africa	
Position/department	Number of stakeholders
Human Resources Department	8
Operations	2
Operations Evaluation	1
Total	11

Other – Former World Bank	
Position/department	Number of stakeholders
Former World Bank	1

Annex H — Analysis of Survey Error: Characteristics of Survey Respondents and Item Nonresponse

Whenever surveys are used as a line of evidence, there is a risk that the responses may not ultimately reflect the targeted phenomenon due to different sources of error. As such, IDEV conducted an analysis to assess the potential impact of three common sources of error for its survey of staff supporting the Evaluation of the Bank's HR Management and Strategic Directions. The three sources of bias examined in this section include: (i) response rate; (ii) drop out; and (iii) item nonresponse.

Overall, IDEV concluded that the potential error introduced by these factors is limited. First, the demographics of survey respondents largely reflected the overall staff population at the Bank in terms of language, gender, age and region of origin. However, professional staff (PL) were found to be slightly overrepresented relative to general support staff (GS) and local professional staff (LP). Across the survey items, respondent dropout and item nonresponse were found to occur at acceptable levels. Even in the most extreme case of item nonresponse, the demographic characteristics of the respondents continued to reflect the total staff population with no observed differences achieving statistical significance.

Accordingly, the survey responses can be considered largely representative of the views of staff across different demographic groups with a caveat that the results are more likely to reflect the views of professional staff versus other grade bands.

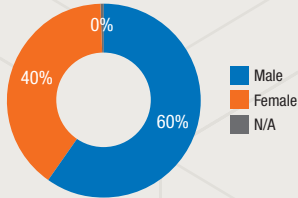
Comparison of survey respondent characteristics to the Bank population.

IDEV conducted a census of Bank staff, meaning that all staff were part of the sample of targeted respondents. However, because not all staff have responded to the survey, there is a possibility that the actual survey respondents will differ from the total population of Bank staff in meaningful ways. When all Bank staff and STS are considered, the overall response rate for the survey was 59%, with a 2% margin of error for a confidence interval of 95%.

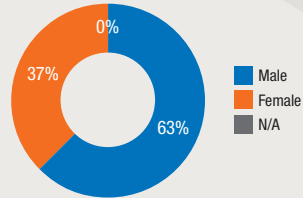
Overall, survey respondents were found to be highly representative of the Bank's population with respect to gender, language, age and region of origin, suggesting minimal error has been introduced which is attributable to the response rate. However, professional staff (PL) were found to be over represented relative to staff in the GS/LP category. Aside from these factors, the survey respondents were largely representative of the total population of Bank staff with respect to key demographic characteristics, with no other observed differences achieving statistical significance (See Figure iii).

Figure iii: Demographic characteristics of survey respondents and all staff

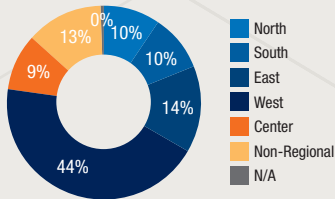
Gender distribution – All survey respondents



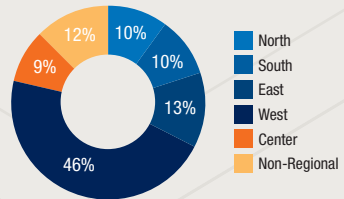
Gender distribution – All staff



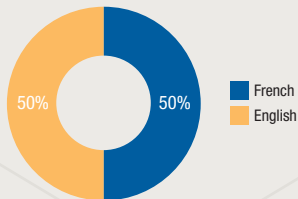
Region of origin – All survey respondents



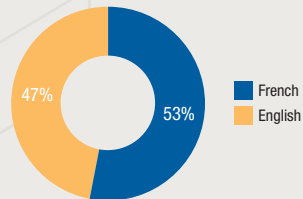
Region of origin – All staff



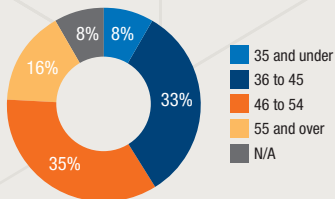
Language – All survey respondents



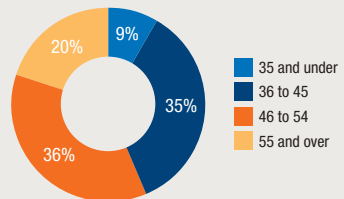
Language – All staff



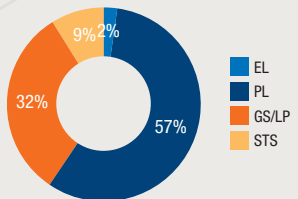
Age range – All survey respondents



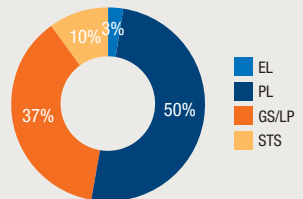
Age range – All Bank staff



Grade band – All survey respondents



Grade band – All staff and STS



Rate of drop off and item nonresponse

Item nonresponse and drop off can introduce additional bias into survey responses where the likelihood that a respondent will drop out or refrain from answering a question is linked to demographic criteria. To determine the potential error introduced by item nonresponse and drop out, IDEV assessed: (i) the average rate of response for three different categories of staff; and (ii) the difference in demographic characteristics between all survey respondents and respondents for the question with the lowest number of responses.

Across three groups of respondents (staff, managers and board members), item nonresponse remained low for all questions. The item with the lowest rate of response for staff received 852 responses, with 83% of targeted respondents providing a response. For managers, the question with the lowest rate of response received 72 responses, for a response rate of 81%.

Across all items, the average number of respondents for each question by group was: (i) 948 of 1,025 staff members; (ii) 81 of 89 managers and executives; and (iii) 15 of 19 Board members. Therefore, among staff members and managers and executives, the average rate of item nonresponse was 7.5% and 9% respectively. Among Board members, however, the average rate of item non-response was 21%.

Nevertheless, these data indicate low levels of drop out and nonresponse. These phenomena are unlikely to have introduced significant error into the analysis.

Impact of item nonresponse on representativeness

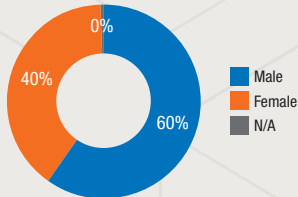
Significant levels of item nonresponse increase the risk that the actual survey respondents for a particular item may differ from the overall population of potential respondents in meaningful ways. For example, survey results may be biased where one segment of the respondents is found to be more likely to have dropped out of the survey or left a question unanswered.

To assess how survey drop out and item nonresponse have influenced the representativeness of the survey results, IDEV examined the item with the lowest rate of response to determine whether significant shifts had occurred in the characteristics of the respondents. The analysis determined, that changes to the characteristics of the responses in terms of gender, region of origin, language and grade band were limited and were not statistically significant. (See Figure iv).

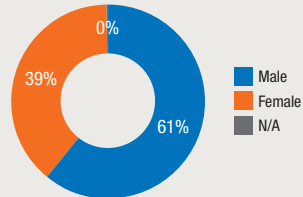
Together, these data indicate that, across items, survey drop out and item nonresponse have introduced minimal error with respect to the demographic characteristics of the respondents.

Figure iv: Demographic characteristics for all survey respondents and respondents for the least answered survey question

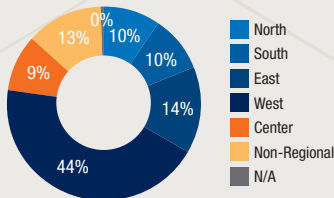
Gender distribution – All survey respondents



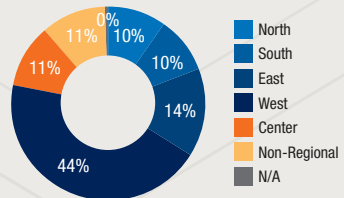
Gender distribution – Least answered question



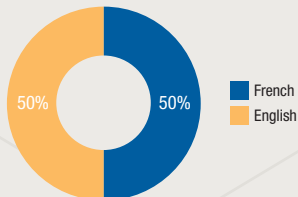
Region of origin – All survey respondents



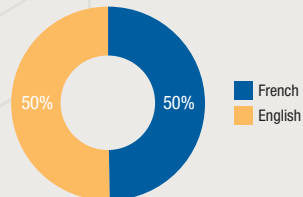
Region of origin – Least answered question



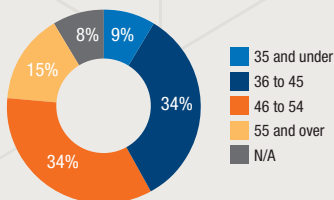
Language – All survey respondents



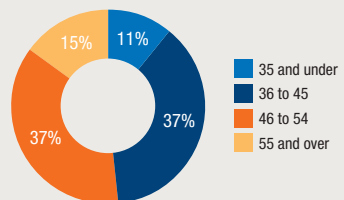
Language – Least answered question



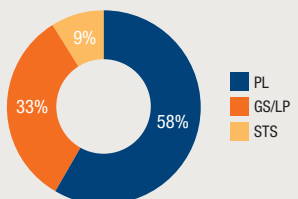
Age range – All survey respondents (EL band removed)



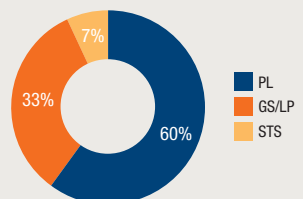
Age range – Least answered question (EL band removed)



Grade band – All survey respondents (EL band removed)



Grade band – Least answered question (EL band removed)



For this item, the EL respondents were removed from the analysis of all survey respondents for greater precision because EL respondents were not required to answer the item in question. None of the differences in population proportions were found to be statistically significant.

Annex I — Comparative table of behavioral competencies

Key performance drivers for performance management			
Performance Management Handbook (2009)	Description	Proposed 360 Feedback Drivers (2016)	Description
Operational effectiveness	The commitment to ensure that full use is made of the systems, procedures and culture within the organization in order to deliver the required results.	Technical expertise and business awareness	Demonstrates the knowledge, skills and attitude required in the job; keeps abreast with current knowledge and practices. Stays abreast with business priorities; and translates them into individual work program. Maintains an organization-wide view while performing tasks.
Innovation and creativity	The commitment to search for and produce innovative and creative approaches to activities to enhance performance and create added benefits to the Bank and its clients.	Negotiation and influencing	Conducts positive negotiations, is able to reach workable compromises by staying focused on positive outcome. Handles conflict and seeks common ground. Articulates own and others' goals. Is able to influence others (stakeholders, colleagues, clients, and so forth) to adopt an idea or take a course of action. Is able to make a case for an initiative or idea through the use of evidence, facts and logic.
Problem solving	Applies business knowledge to the resolution of problems and identifies solutions to the benefit of the client (internal and external) and the organization.	Client orientation and problem solving	Seeks to understand customer needs and craft means to meeting them effectively by soliciting opinions and ideas from customers. Proactively creates mechanisms to deliver. Builds customer confidence, is committed to increasing customer satisfaction, sets achievable customer expectations. Is responsive to customer queries and assumes responsibility for solving customer problems. Ensures commitments to customers are met. Places the needs of others (clients, colleagues, organization) before self.
Communication	Provides clear and concise oral and written communication; presents oral information with clarity and appropriate style and adapts language and style to suit the requirements of a particular audience.	Accountability for results	Committed to the delivery of measurable outcomes that add value and meet or exceed agreed expectations. Is able to deliver maximum value / results using the lowest amount of inputs (time, energy, resources, and so forth). Is thorough and gives sufficient consideration to all the areas / issues involved. Takes accountability for the results s/he produces or fails to produce. Effectively prioritizes in order to meet deadlines. Seeks and accepts opportunities to take on more responsibilities, or to be part of/or lead projects. Is keen to learn through new assignments, rotations, training, and so forth. Demonstrates ability to work autonomously and take initiative to manage projects and processes with minimum or no guidance. Challenges the status quo and asks courageous questions in a respectful, solution-finding manner. Positively embraces changes and views them as learning and continuous improvement opportunities. Is able to adapt to different conditions, contexts and requirements with minimal difficulty. Is able to work in a rapidly changing business environment and adapt to shifting priorities.

Key performance drivers for performance management			
Performance Management Handbook (2009)	Description	Proposed 360 Feedback Drivers (2016)	Description
Team working and relationships	Works with others to maximize the effectiveness of the team as a whole, sharing the knowledge and workload. Develops strong working relationships with colleagues and contributes to the creation of a positive team environment	Integrity and ethics	Deals with others in a candid manner and maintains honest relationships and engagements with stakeholders in carrying out work responsibilities. Maintains a harassment-free environment within the unit and the Bank. Maintains confidentiality. Creates an environment of openness and trust, fear free.
Client orientation	Ensures that the client is considered to be of primary importance in all transactions and interactions. Strives to understand, and when appropriate, anticipate client needs, and ensures that the client receives the best possible service from the Bank.	Teamwork and relationship building	Owns and shares common goals. Engenders collaboration, creative thinking and shared solution finding among the team members. Creates a culture of accountability and execution. Establishes a forum and avenue to encourage teamwork.
		Innovation and creativity	Seeks new ideas and makes proposals for enhancement of current practice, processes and tools. Demonstrates a strong awareness of, and ability to effectively utilize available information and communication tools, applications and to accomplish, improve and innovate own work and/or the organization's activities.
		Effective communication	Communicates well both orally and in writing. Creates accurate and appropriate documentation for example reports. Delivers presentations in a clear, professional manner. Shares information and ideas with others. Regularly seeks to meet with the supervisor or members of the team to share information/views.
		Diversity and inclusion	Treats others with respect and dignity. Participates in the promotion of a culture where people are able to express their valid opinions without fear of recrimination or negative consequences. Recognizes, respects and values multicultural differences. Demonstrates a strong awareness of cultural and social sensitivities and consistently applies this knowledge to decision making, conduct and interaction with others. Values others' views and contributions.

Behavioral Competencies – 2010 Recruitment Manual	
Competencies (PL Staff)	Description
Operational effectiveness	The commitment to ensure that full use is made of the systems, procedures and culture within the organization in order to deliver the required results.
Innovation and creativity	The commitment to search for and produce innovative and creative approaches to activities in order to enhance performance and create added benefits to the bank and its clients.
Problem solving	Applies business knowledge to the resolution of problems and identifies solutions to the benefit of the client (internal and external) and the organization.
Demonstrates professional expertise	Continuously expands understanding of relevant business products, practices and systems/ technology. Shares knowledge and expertise with others.
Communication	Provides clear and concise oral and written communication; presents oral information with clarity and appropriate style and adapts language and style to suit the requirements of a particular audience.
Client orientation	Ensures that the client (internal or external) is considered to be of primary importance in all transactions and interactions. Strives to understand, and when appropriate, anticipate client needs, and ensures that the client receives the best possible service from the bank.
Team working and relationship management	Works with others to maximize the effectiveness of the team as a whole, sharing the knowledge and the workload. Develops strong working relationships with colleagues and contributes to creation of a positive team environment.
Leading people	Serves as a role model, leading by example, builds alignment and commitment. Is courageous in challenging others to move the Bank forward.

Behavioral Competencies – 2010 Career Development Framework	
Competencies	Description
Operational effectiveness	The commitment to ensure that full use is made of the systems, procedures and culture within the organization in order to deliver the required results.
Innovation and creativity	The commitment to search for and produce innovative and creative approaches to activities in order to enhance performance and create added benefits to the Bank and its clients.
Problem solving	Applies business knowledge to the resolution of problems and identifies solutions to the benefit of the client (internal and external) and the organization
Demonstrates professional expertise	Continuously expands understanding of relevant business products, practices and systems/ technology. Shares knowledge and expertise with others.
Communication	Provides clear and concise oral and written communication; presents oral information with clarity and appropriate style and adapts language and style to suit the requirements of a particular audience.
Client orientation	Ensures that the client (internal or external) is considered to be of primary importance in all transactions and interactions. Strives to understand, and when appropriate, anticipate client needs, and ensures that the client receives the best possible service from the Bank.
Team working and relationships	Works with others to maximize the effectiveness of the team as a whole, sharing the knowledge and the workload. Develops strong working relationships with colleagues and contributes to creation of a positive team environment.
Leading people	Serves as a role model, leading by example, builds alignment and commitment. Is courageous in challenging others to move the Bank forward.

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African Development Bank



About this evaluation

This summary report presents findings, conclusions and recommendations of an evaluation of the African Development Bank Human Resources Management System (HRMS). The objectives of this report are to: assess the current state of the Bank's institutional environment with respect to HR Management; identify lessons from the implementation of the Bank's 2013-2017 People Strategy; and provide conclusions and recommendations to inform the development of the Bank's next Human Resources Strategy. Two main evaluation issues were assessed: (i) the current state of the Bank's HRMS relative to industry best practice and traditional comparators; and (ii) how the Bank has organized itself to deliver on its strategic objectives for HR Management.

The report concludes that the Bank's HR processes are being implemented at the "ad-hoc" or "standardized" levels of maturity, indicating that the Bank's HR processes are not well positioned to inform strategic workforce management. The Bank lacks key HR infrastructure that will restrict the implementation of more mature HR processes, including a framework of skills and competencies and an integrated HR Information System. Furthermore, inadequate Management ownership, process tools, stakeholder capacity and consequence management has limited the implementation of HR processes as designed. Consequently, the Bank's HR processes are not contributing to workforce outcomes as anticipated. Finally, although a reorganization of the HR department has increased transaction efficiency and accountability for service delivery, the HR Department continues to face challenges with respect to client service orientation and strategy implementation performance.

The recommendations of the report note the need to address "infrastructural" concerns within the HR Department in terms of the management of data, project implementation and process monitoring prior to addressing policy gaps. Once these issues are addressed, the evaluation recommends that the HR Department strengthen Talent Management policies and practices and reformulate the Bank's reward and performance management systems to focus on staff development and motivation. Finally, the evaluation recommends the implementation of regular staff engagement processes to identify areas of concern as well as clear accountabilities for Management follow-up on staff survey action plans.



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