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UNTANGLING THE PATH TO BUSINESS EXCELLENCE



THE KPI INSTITUTE

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At Performance Magazine, the editorial process is led by experienced professionals and subject matter experts, with the use of GenAI and AI-assisted technologies to increase efficiency in supporting activities like research, outlining, and SEO all while maintaining high content quality standards.

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Editor's Note

Business excellence is cultivated by leaders who believe there is more to being good and great—that excellence is worth striving for.

Good leaders help people board the ship safely. If the ship sinks, great leaders find ways to save the people, but the excellent ones keep the ship from sinking in the first place.

Good leaders innovate systems. The great ones empower the innovators. The excellent ones harmonize all the elements needed for innovation to thrive.

Good leaders commit to goals. The great ones establish standards. The excellent ones look for solutions to sharpen both.

Good leaders define long-term plans. The great ones redefine success as circumstances require. The excellent ones connect their definition to the broader community. Good is promising. Great is powerful. Excellent is purposeful.

This special edition of Performance Magazine presents the different facets of that “purpose” in your business excellence journey, along with practical solutions, insights, and tools. It highlights ways to improve performance management systems through maturity assessments, featuring the maturity model frameworks developed by the Global Performance Audit (GPA) Unit.

In this light, our In-Depth section explores the key organizational capabilities assessed by the GPA Unit, such as strategic planning, performance measurement, performance improvement, performance culture, and employee performance management.

A new section called At the Core was introduced in this edition to tackle fundamental concepts in strategy and performance management.

Furthermore, our cover story details how to close the strategy-execution gap by thoroughly and thoughtfully synchronizing processes, principles, and people. Such follow-through is no simple task. It is a mindset and a movement. It is momentum fueled by meaning.

Traversing the good-great-excellent continuum requires a relentless search for ways to refine your strategy and performance management practices. This is elucidated in our interviews with experts and practitioners, where you will discover the works and wisdom behind upholding organizational excellence.

Transitions always come with uncomfortable but necessary questions. Asking them doesn't make you less; not asking does. The ultimate question now is: Are you ready to evolve from good to great to excellent?



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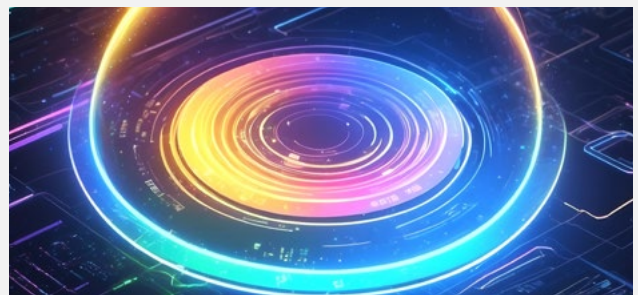
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Top-Tier Organizations Receive Prestigious Performance Awards from The KPI Institute

Len Cristobal



Red Sea Global was among the organizations recognized for their dedication to excellence, receiving certification after undergoing the Integrated Performance Management System Maturity Assessment conducted by the Global Performance Audit Unit. | Photo courtesy of RSG

Several esteemed organizations have reached significant milestones in strategy and performance management in recent months, as recognized by The KPI Institute's Global Performance Audit Unit (GPA Unit). As the strategy and performance audit division of The KPI Institute, the GPA Unit conducts performance management system (PMS) maturity assessments using the Integrated Performance Maturity Model Framework and the Performance Management System Maturity Assessment Methodology.

Having gone through the GPA Unit's assessment, Red Sea Global (RSG), the real estate developer behind The Red Sea and AMAALA projects, has earned the highest level of recognition—Level 5: Optimized. Based on the findings, this achievement showcases RSG's innovative integration of sustainability into

its balanced scorecard methodology. John Pagano, RSG Group's CEO, considered the certification a testament to the company's dedication to redefining performance management standards.

A cornerstone of Saudi Arabia's Vision 2030 ambition to diversify its economy, RSG is playing a key role in transforming the nation, by creating exciting opportunities for young Saudi talent and the private sector, as it develops assets and destinations across multiple sectors that make a positive impact for people and the planet.

Meanwhile, the Public Investment Fund (PIF) of Saudi Arabia has attained Level 5: Optimized accreditation. Results of GPA Unit's assessment demonstrate PIF's exceptional performance in strategy planning, measurement, and improvement.

The award further validates PIF's robust strategic framework and significant role in economic transformation and investment opportunities.

Since 2017, PIF has established 94 companies and injects at least SAR 150 billion into the local economy each year. Through strategic investments and partnerships across the Saudi public and private sector, PIF is driving the transition to a more sustainable economy, and laying the foundations for local and international partners to invest in the economic and societal transformation of Saudi Arabia.

Another entity that has received recognition from the GPA Unit was Saudi Arabia's Zakat, Tax and Customs Authority (ZATCA), which has proven its excellence by achieving Level 4: Integrated. This recognition mirrors ZATCA's outstanding PMS, which was assessed through a rigorous framework involving over 300 evaluation items. This accomplishment positions ZATCA among the top governmental entities recognized for their strategic planning and performance improvement capabilities.

ZATCA oversees the collection of zakat, taxes and customs duties while achieving the highest level of taxpayer compliance possible in accordance with best practices. The Authority is also responsible for organizing and managing all activities connected

to ports and customs operations in order to achieve the highest level of compliance, productivity and competitiveness. This aims to assist the Kingdom in developing into a significant global logistics hub by promoting trade and maintaining national security.

Finally, the General Secretariat of Zakat, Tax and Customs Committees (GSTC) was also awarded Level 4: Integrated. This accomplishment reflects the GSTC's progress in strategy planning and performance measurement, illuminating its effective alignment of strategic goals and proper use of key performance indicators.

GSTC is an independent entity dedicated to delivering comprehensive legal, technical, accounting, and administrative support to the Zakat, Tax, and Customs Committees. It plays a vital role in facilitating the efficient performance of the Committees' responsibilities, ensuring compliance with regulations, and promoting transparency and accountability.

These achievements demonstrate substantial advancements in strategy and performance management, setting new benchmarks for excellence in their respective fields. The GPA Unit offers its concept and services globally through its dedicated online platform and international network of partners at www.gpaunit.org.



The Public Investment Fund's awarding ceremony | Photo courtesy of PIF

GPA Unit Shares New Case Studies, Resources on Advancing Performance Excellence

Len Cristobal



The KPI Institute (TKI), a global pioneer in setting strategy and performance management standards, is proud to announce the successful launch of the newly redesigned website of the Global Performance Audit Unit (GPA Unit) at <https://www.gpaunit.org/>. This update showcases the GPA Unit's continuous quest for excellence and innovation in the field of performance management, which is aligned with TKI's mission to empower organizations through knowledge and expertise.

The new website features a much cleaner and more modern look while optimizing user-friendliness. The enhanced user interface offers improved navigation and search functionality. "Beyond aesthetics, the update prioritizes user experience, reflecting TKI's commitment to technological advancement and user-centric design," said Adrian Brudan, GM of the GPA Unit and VP of TKI.

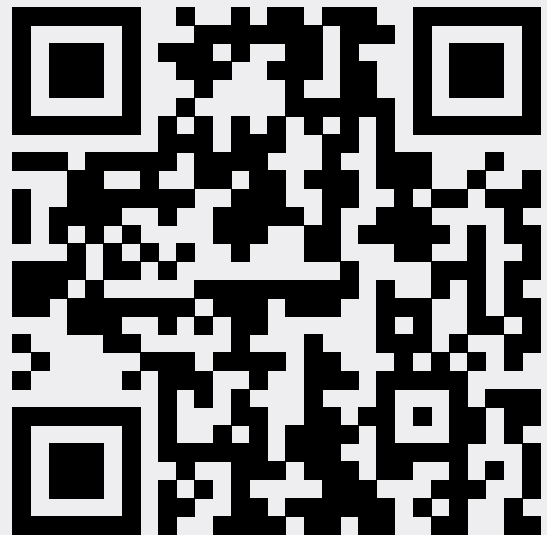
Moreover, the GPA Unit's platform is now enriched with new case studies that narrate client success stories. These case studies are available as both documents and videos of awarding ceremonies. With the success stories more prominently displayed on the homepage, visitors can quickly grasp how they can benefit from the GPA Unit's offerings. Visitors can discover the assessment journeys of

organizations like the Tourism Development Fund, Red Sea Global, ZATCA, and many others.

Another significant feature of the new website is a suite of enabling tools. Users can now access all of the GPA Unit's extensive assessment services, which have been designed to help businesses accelerate their journey toward achieving performance goals. Free self-assessments are available on the website, allowing organizations to evaluate their current performance management system's maturity levels. They can also easily apply for the organizational performance excellence recognition program.

"A new platform for the GPA Unit shows we do not only care about quality and innovation but also about our mission in supporting organizations on their way to achieving performance excellence," said Mr. Brudan. "We are putting at their disposal tools that help them achieve a competitive advantage, reach their full potential, and become leaders in their field."

Scan here for a free performance self-assessment!



The Leading Authority in Performance Management Systems Maturity Assessment

Leveraging 20+ years of practical experience and a blend of commissioned and academic research in strategy & performance management.

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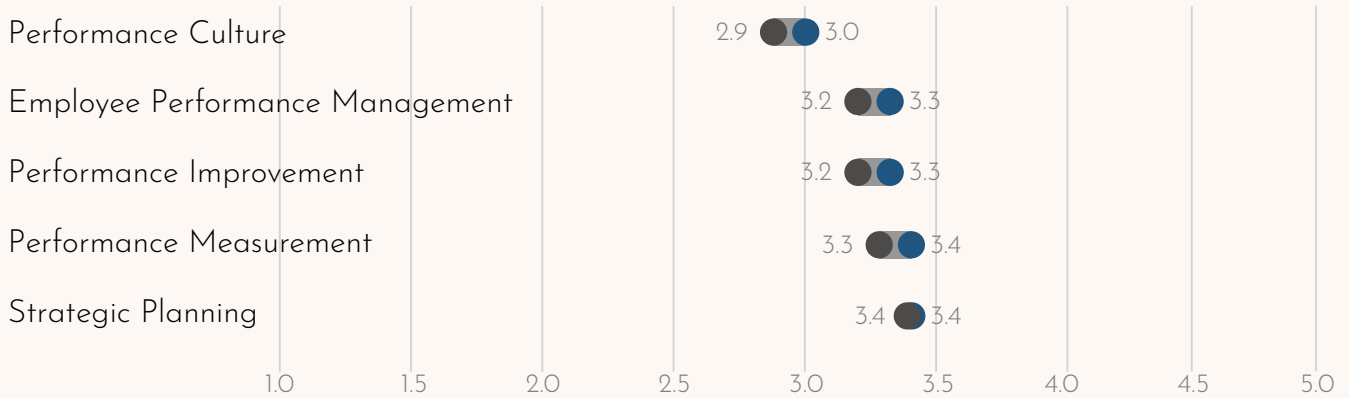
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Global Average Outperformed by Middle East in Strategy and Performance Management Maturity

● Global Average ● Middle East



Source: Data collected online from the Global Performance Audit Unit's self-assessment surveys between April 2017 and April 2024

Insights into Middle East performance metrics (average scores by capability) contrasted with global averages are drawn from data collected online via the GPA Unit's self-assessment web pages. The data, gathered from April 2017 to April 2024, includes responses from 2,554 individuals. Overall, the Middle East demonstrates stronger performance in strategic planning, performance measurement, and performance improvement, with remarkable scores such as 4.1 in corporate identity elements and an average of 3.3 across employee performance metrics, exceeding the global average of 3.2. While the region excels in areas like performance communication and training programs, there remain opportunities for improvement, particularly in communicating strategy and engaging stakeholders.

Operational Excellence Moves Beyond Process Optimization: PEX Report

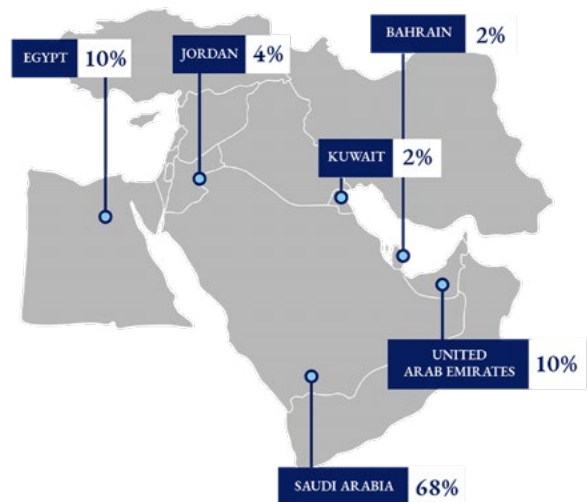
The "[PEX Report 2024: Global state of process excellence industry report](#)" highlighted a maturing landscape for operational excellence. According to the report, the percentage of companies yet to embark on transformation journeys has significantly decreased from 17% in 2023 to 9% in 2024. This trend is accompanied by a growing emphasis on continuous improvement, suggesting a deeper integration of operational excellence into overall business strategies.

Progress Made, PM Gaps Still Persist: New Study

HR.com's HR Research Institute (HRI) reveals evolving performance management practices in a new report titled "[HR.com's Future of Performance Management 2024-25](#)." Findings suggest that companies are increasingly prioritizing leadership engagement, with a notable rise in practices such as conducting more frequent one-on-one meetings between managers and staff (41%). Moreover, there is a trend towards involving employees in establishing performance targets (36%) and linking those goals to broader business objectives (36%).

Regional Highlights

The KPI Institute Launches New Report on the State of Strategy Management Practices in the MENA Region



Geographical Distribution of the Respondents

The State of Strategy Management Practice - 2024 MENA Region Report is a research project conducted by The KPI Institute in partnership with Systaems. This study explores the current landscape of strategic planning, measurement, and execution. It dives into the challenges and success factors in business planning, strategic transparency, performance management system architecture, KPI

deployment, project management, organizational agility, AI tools adoption, automation, and more.

The annual report captures insights from executives, managers, and strategy management specialists and also brings forward voices from the field to share best practices. [Download the report here.](#)

Research Highlights

39% of professionals admit that strategy reviews take place only once per year.

52% of the respondents indicate that the availability of implementation resources is a primary factor in their selection of a performance management framework.

51% of respondents reveal the absence of a software solution in their organizations for capturing and reporting KPIs.

52% of professionals recognize they are familiar with cases in which strategy execution has failed in their organizations.

Feedback

"The report findings align with many practices I have observed in organizations, and the highlighted challenges are common issues I've seen organizations face. The data-driven approach offers a comprehensive analysis that professionals can use to benchmark their practices. The detailed

breakdown of challenges and enablers in strategic planning, along with valuable recommendations for improvement, is particularly useful for organizations seeking to enhance their processes." - Saleh Abdullah Al Douhani, Head of Quality for Institutional Performance

NEWS FEATURE



Red Sea Global's Pursuit of Continuous Improvement: Highlights from a Performance Management System Maturity Assessment

Len Cristobal

Photo courtesy of Red Sea Global

Implementing a performance management system (PMS) maturity assessment is not just about compliance. It also shines a light on an organization's integrity. This was highlighted when Red Sea Global (RSG) sought the expertise of The KPI Institute's (TKI) Global Performance Audit Unit (GPA Unit) to assess its PMS and was awarded an overall Level V maturity score. This is the highest score any organization can receive from the GPA Unit's maturity assessment, indicating that RSG has an optimized PMS with measurement efforts supporting its strategy. How did RSG achieve this exceptional milestone?

The Challenge

RSG is a vertically integrated real estate developer with a diverse portfolio across tourism, residential, experiences, infrastructure, transport, healthcare, and services in Saudi Arabia. RSG started developing its PMS when the company was established in 2018. The company adheres to an

integrated approach to performance governance under the supervision of its Enterprise Project Management Office (EPMO). This approach extends to corporate planning, performance management, and project management throughout the organization.

RSG solidified its commitment to excellence by seeking an assessment of its PMS in 2023. A PMS maturity assessment is a comprehensive examination of organizational capabilities to determine the effectiveness and maturity of a company's strategy and PMS. RSG's main goal was maximizing the added value of PMS implementation. This entailed determining what was working for them and where they could improve. Another motivation for them was to ensure that the progression of their internal processes matches up with the organization's overall growth trajectory. For RSG, the PMS maturity assessment helped provide that much-needed alignment, build a competitive edge, and synchronize its operational

strategies with best practices.

The Solution

Turning RSG's goals into reality was accomplished with the help of the GPA Unit, a division established by TKI to provide integrated performance maturity assessment solutions through rigorous research, education, and diagnosis. With over 10 years of experience and a combination of academic and commissioned research in performance management, the GPA Unit developed a unique set of frameworks for assessing the maturity level of a PMS.

In RSG's case, the GPA Unit applied the Integrated Performance Maturity Framework to assess five capabilities: Performance Improvement, Employee Performance Management, Performance Measurement, Performance Culture, and Strategic Planning. The assessment involved over 300 statements representing best practices to assess the different capabilities and adopted three perspectives: evidence-based assessment (75% of the total maturity assessment score), perception-based assessment (25% of the total maturity assessment score), and interview-based assessment (used to interpret data and develop recommendations).

The Outcome

RSG came through the PMS maturity assessment with flying colors. Their determination to go beyond compliance was rooted in their integrity. They submitted more than 100 documents for assessment, including policies and procedures, process maps, performance reports, and communication materials. The maturity assessment report brought to light several accomplishments, such as adept utilization of key performance indicators; alignment of behaviors, processes, and initiatives of individuals and teams with the strategic goals; and emphasis on empowering employees with autonomy in an objective setting. Moreover, the assessment's output came with an executive dashboard and a roadmap for how RSG can further strengthen and sustain its approach to performance management.

RSG's remarkable narrative also shows that a PMS audit can serve as a strategic tool for optimization, a catalyst for embedding continuous improvement within a company's culture, and a driving force for effective stakeholder engagement.



Photo courtesy of Red Sea Global

NEWS FEATURE



Len Cristobal

Photo courtesy of TDF

When the Tourism Development Fund (TDF) of Saudi Arabia decided to take its organizational performance to the next level, it didn't settle for simple, surface adjustments. TDF sought the expertise of the Global Performance Audit (GPA) Unit, the strategy and performance audit division of The KPI Institute (TKI) that provides integrated strategy and performance assessment solutions through rigorous research, education, and analysis.

TDF participated in a comprehensive performance management system (PMS) maturity assessment to strengthen the alignment of its performance management practices with industry standards. The GPA Unit's evaluation covers five capabilities: strategic planning, performance measurement, performance improvement, employee performance management, and organizational culture. The implementation of the Integrated Performance Maturity Model involves a review of formal procedures and documents, along with surveys and interviews with key stakeholders to gather additional insights.

TDF adeptly navigated the entire PMS maturity assessment process and achieved a score of 3.72, positioning it on maturity level IV out of V. TDF's achievement reflects its role in enhancing the Kingdom's flourishing tourism sector through investments and private sector development while driving the Saudi Vision 2030.

Strengths and Challenges

TDF's strategy and performance management practices were adapting to the organization's growth. With almost 200 employees, TDF runs a division focused on managing strategy and performance. It governs specialized departments overseeing key processes like strategic planning, corporate performance management, strategic initiatives portfolio, organizational excellence, research, and insights. Moreover, there are specialized teams dedicated to people's performance and organizational culture.

According to Cristina Mihăiloaie, the lead consultant on the maturity assessment project for TDF and the chief operating officer of TKI's Research Division, this milestone marks TDF's strong foundational practices: "The level of maturity encountered in Tourism Development Fund regarding researching and involving stakeholders in strategy formulation and planning, as well as their ability to convey effectively the essence of corporate strategy and KPIs, prove that advanced performance management systems can be built in the early years of an organization. More than that, they are fostering a sustained growth and evolution of the business."

The agency's drive for business excellence and visionary leadership prompted its Strategy Division to develop a benchmark that shapes optimization opportunities and paves the way for a detailed action plan. The GPA Unit's assessment revealed valuable opportunities for advancing alignment between employee performance management and corporate strategy. In this regard, the Human Capital Division engaged in the assessment to examine the structure and cohesion of the objectives and key performance indicators (KPIs) across all levels of the organization.

TDF has the potential to intensify stakeholder participation in strategy planning, improve the alignment of objectives across departments, and boost employee engagement in its feedback culture. Moreover, this allows them to further explore the impact of strategic initiatives while addressing the dynamic needs of the organization.

Beyond Measurement

TDF's accomplishment was not just defined by measurement but also by meaningful transformation. In a statement, TDF's CEO Qusay bin Abdullah Al Fakhri commended the resolute team spirit that has allowed their organization to achieve high quality standards in organizational performance. "This achievement is a direct result of the unwavering dedication of our team, led by the Strategy and Organizational Excellence team, in addition to the Performance and Talent Management team of the Fund. It emphasizes the significance of our ongoing efforts and determination to fulfill our promises and goals."



AT THE CORE

Organizational Maturity - Strategy and Performance Management
Maturity Assessment



The Five Levels of Organizational Maturity From a Performance Management Perspective

Marcela Presecan

The concept of organizational maturity generally refers to the evolutionary process of an organization building its people, processes, and technology readiness and capability through the adoption of quality practices.

With regard to performance management practices in the organization, maturity relates to the adoption level of dedicated performance management tools, the shaping of internal performance management processes, the mechanisms, processes, and relations through which performance management systems are run and administered, the build of the performance management architecture itself, and the degree of the performance management system's integration.

Organizational maturity models provide a transitional set of common characteristics against which maturity can be assessed. The performance management perspective on organizational

maturity provides us with five levels of evolutionary growth: Initial, Emergent, Structured, Integrated, and Optimized. Each maturity level is characterized by a common approach towards the organization's main operational levers: Tools, Processes, Governance, Architecture, and Integration.

1st Level of Maturity: Initial

The initial or inceptive organization, although curious about performance management practices, is not generally familiar with or is completely unaware of the tools that can support the implementation of the performance management system in the organization.

	Tools	Processes	Governance	Architecture	Integration
Initial	Not present	Inconsistent Unconnected Focus on immediate outcomes No process-oriented approach Activities overlap	Simple and vertical organizational chart Informal control system No explicit strategy Informally engaged responsibilities No accountability	Initial implementation	Not supported No knowledge Limited or no software use
Emergent	Limited	Unstandardized Uncoordinated Process improvement Initiatives Activities planned Expectations defined	Internally oriented structure Task-oriented individuals Task-oriented working groups No policies and procedures Ambiguous process flows Paternalistic mentality Decentralized decision-making	Transitional	Ad-hoc structures Ad-hoc use of software applications
Structured	Defined	Controlled Well-coordinated Structured Defined process flows Upgraded process activities	Strategic goals and direction Input for targets and objectives Flexible initiatives Written procedures Well-articulated policies System manuals Solid team structured Decision-making committees	Inconsistent	Misalignment Documented and standardized software practices
Integrated	Cascaded	Dynamic Cross-Functional Streamlined Efficient Waste-reducing Integrated support and operational processes	Interactive control systems Active monitoring of results Mapped processes Governance framework	Homogenous	Supported Assisted Controlled software processes
Optimized	Perfected Automated	Re-engineered Re-oriented Transparent SMART initiatives Dynamic process review Use of root-cause analysis	Internalized mission, vision, and values Flexible interfaces Multi-disciplinary skills Autonomous structures Empowered teams and individuals Delegating leadership style	Sustained Aligned	Achieved Strive for excellence Innovative technologies

Figure 1. Organizational Maturity Levels and Main Operational Levers

While the organization is vividly trying to lay the foundations of the performance management system itself, its processes are too inconsistent. Despite the disconnect between internal processes and overlap of activities, the organization is overly focused on immediate outcomes.

In this stage, the performance architecture is itself incipient, with strategic planning practices that are mostly informal and mainly rely on top management experience. Performance measurement is not a common practice in the organization, being either nonexistent or very limited. KPIs are vaguely defined for the organization with no formal consensus regarding the KPI calculation methodology, nor is there any monitoring of centralized evidence of these KPIs.

The organization's identity is poor and its direction is unclear, which translates into limited awareness of employees in regard to what matters for the organization and limited transparency in actions and performance levels. The outputs of organizational initiatives are unidentifiable as accountability is unclear, and there is limited visibility into the manner in which projects are linked to organizational objectives.

At this maturity level, a lack of active involvement from senior management to support the performance management architecture is commonly encountered. Internal communication systems are not yet well structured and there is a poor overall knowledge level with regards to what performance measurement and management systems generally imply.

Usually, this generates a weak acknowledgment towards the importance of using KPIs. There are no initiatives used to motivate or increase engagement levels among employees. Innovation is not facilitated in any way and individual performance is not measured or rewarded.

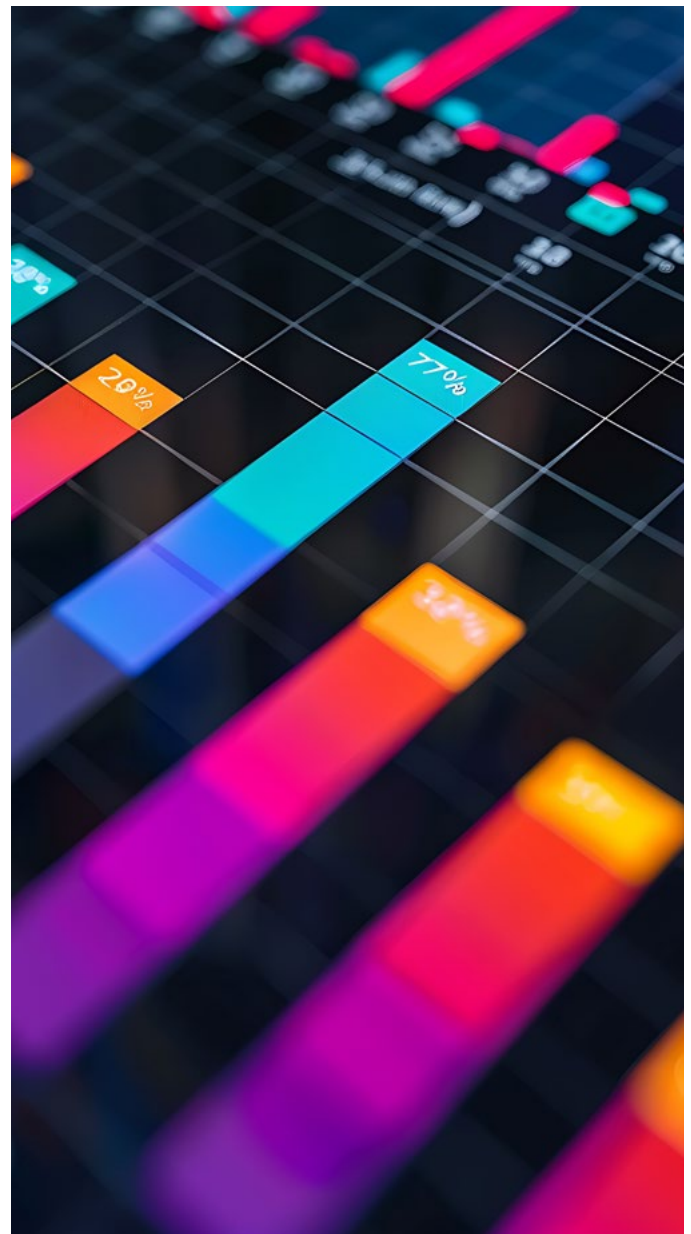
2nd Level of Maturity: Emergent

The emergent organization will have begun to discover and experiment with performance management tools. While internal processes are still uncoordinated and performance management tools are still unstandardized, the need for

improvement is strongly enunciated.

Activities for consolidating performance management practices in the organization are planned and expectations defined. In the case of emergent organizations, the performance management architecture can be perceived as transitional. The strategy at this maturity level is a formal documentation that does not provide the added value expected of it.

There is poor formulation of organizational objectives and misalignment between different levels of the organization, mainly due to ineffective communication. Some of the basic performance measurement practices such as KPI selection and KPI documentation are slowly employed by the organization.



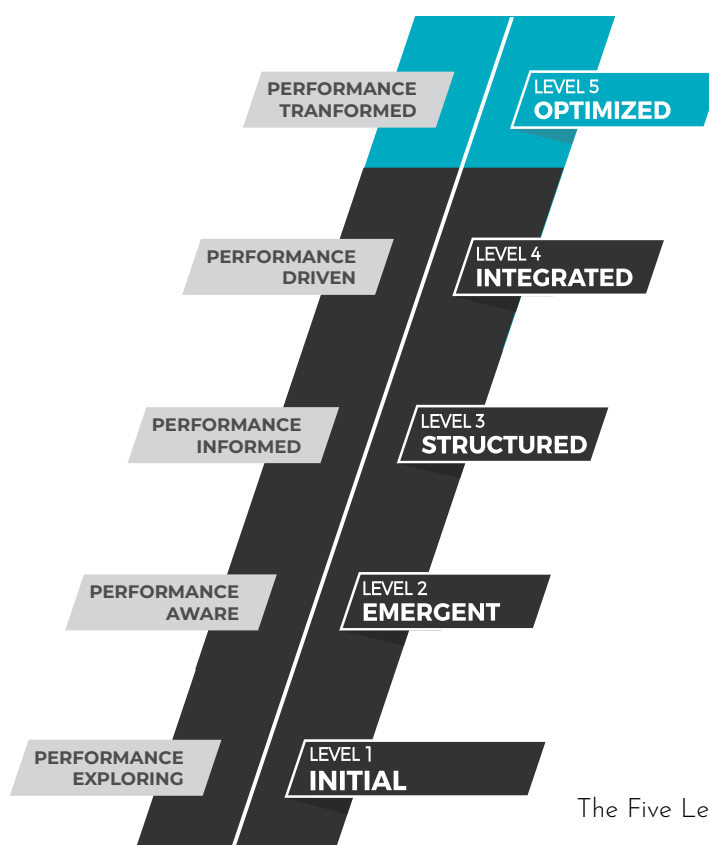


Figure 2.
The Five Levels of Organizational Maturity |
Source: The GPA Unit

The KPI selection process is exercised without minding designated criteria, methodology, or techniques. Some of the KPIs selected are also documented, although there is no standardized approach towards the use of KPI documentation forms/templates. Data collection is becoming more structured, and in some areas of activity, visual representation tools are used to track the progress of KPIs.

Although there is a formal process of reviewing and reporting on performance, performance review meetings do not deliver the much-needed insight into decision-making that the organization might require. Additionally, a performance-oriented culture exists but is not supported by consistent communication initiatives from leadership.

Senior management is aware of the importance of measuring performance and has a basic knowledge in this area, but there is a certain formality with the efforts submitted in this direction. Managerial positions are accountable in terms of performance results, but measuring individual performance is not a widely used practice in the organization.

3rd Level of Maturity: Structured

The structured organization will have already selected and defined the most suitable performance management tools for the organization. Such an organization will have already gained control of its main performance management processes. There is a well-coordinated effort in standardizing performance management practices across the organization, with defined process flows and upgraded process activities.

The approach towards adopting the performance management architecture is, however, still inconsistent. Strategy monitoring tools, such as scorecards, dashboards, and portfolio of initiatives are used, but they are not cascaded to the lower levels of the organization.

A more structured approach towards selecting KPIs is observed. The KPI selection criteria is clearly defined and commonly agreed upon by internal stakeholders. Moreover, KPI selection tools and techniques are gradually enhancing this process.

A streamlined KPI documentation process is employed based on a standardized KPI documentation form. The process of setting targets for KPIs becomes increasingly comprehensive by means of data sourcing, market data comparison,

and benchmarking. The reporting process relies on standardized templates and guidance to create the final report. Performance review meetings take place at the end of each performance management cycle and are well-organized. As learning and improvement is not yet formalized in organizations with this maturity level, progress seems to happen rather naturally.

Moreover, the performance culture is supported by a strong business case for measuring performance across the organization which is communicated across the organization.

Awareness level among employees is moderate to high in relation to organizational main objectives and performance levels. Templates and procedures are developed to support the performance management cycle. The system's governance is well defined. In most cases, employee performance is tracked, and it involves the assessment of individual objectives and KPIs. Rewards are offered to employees in addition to training opportunities for performance improvement.

4th Level of Maturity: Integrated

The integrated organization carries out a dynamic process of continuous change. There is an overall effort to increase efficiency through waste reduction, while performance management processes are becoming cross-functional and streamlined. The main focus of the organization revolves around cascading and alignment. There is a general acknowledgement of the benefits that such tools bring to the organization.

At this level, the cascading of the performance management system is closely monitored, and the wider purpose is now achieving homogeneity. During this endeavor, performance measurement adds value to the organization through the effective use of performance management tools and adequate system governance.

An integrated KPI selection process is observed, and a streamlined KPI documentation process is already employed. The KPI target setting process is increasingly complex. Data gathering is supported by a standard software solution, and most of the KPIs are monitored in scorecards and

dashboards. Business intelligence (BI) tools are also commonly used for reporting, which makes the process relatively fast and accurate.

In addition, performance management is structured as an organizational capability. While the performance culture relies on effective communication that reaches all internal and external stakeholders, performance measurement is integrated in all activities at all organizational levels and enables a certain level of autonomy in the working environment.

At this stage, there exists a strong culture of learning and improvement which fosters innovative ideas. Employee performance evaluations are aligned to the entity's strategy, and performance is stimulated through a combination of financial and non-financial rewards. Investments are made to constantly improve the quality of the working environment and boost employee engagement.



5th Level of Maturity: Optimized

The optimized organization will have used standard performance management templates and perfected and/or automated them. Performance management processes have been tried and tested. There is a whole process of re-engineering and re-positioning them for the better benefit of the organization. The system is transparent, and SMART initiatives enable continuous performance improvement.

At this stage, the organization sees strategic planning as an important process that is well integrated with other key processes. The strategy itself relies on simple and clear tools, making it easier to cascade and align across the entire organization. Awareness on what the organization desires to achieve is high even among front-line employees.

Optimized organizations also consider performance measurement an important organizational process that is well integrated with other key processes. To facilitate this, KPIs rely on simple and clear tools to collect data. At this maturity level, in most cases, there is a state-of-the-art selection process for KPIs. All monitored KPIs—whether operational or individual—are aligned to the corporate strategic objectives. A centralized KPI library consolidates the internal know-how on how these metrics are calculated and reported in the organization.

Usually, the target setting process involves establishing meaningful performance levels, which trigger positive behaviors from employees. The process is completely automated and systems are integrated, relying on the latest BI technology. All KPI results are displayed in dashboards and scorecards compliant with data visualization best practices.

Modeling and other advanced data analysis techniques are commonly used by organizations with optimized performance management systems. These organizations usually rely on BI tools to report on performance and track progress of organizational initiatives. It is characteristic of organizations at this level to have a flexible performance management system able to easily adapt to changes.

The performance management system is widely used within the organization, and stakeholders are actively engaged to improve current processes. The organization has managed to translate performance management into everyone's job. The role of each employee is clear, enabling staff members to make consistent decisions aligned with what the organization aims to achieve.

At this stage, organizations invest in technology and the well-being of their employees. The working environment is stimulating and manages to leverage individual talent. Highly motivated employees benefit from considerable autonomy, which nurtures innovation within the entity.

Gamification is a common practice within the entity to engage and develop employees' skills. To supplement this, the bonus system is comprehensively rewarding and based on multiple performance components (i.e. individual, team, and organizational).

Final Thoughts

The organizational maturity model detailed in this article highlights the main stages an organization traverses when trying to successfully implement its strategy and performance management system. Many organizations tend to overlook the complexity of implementing a performance management system as well as how it ties into already-established organizational processes.

By absorbing other systems and processes in the organization, the performance management system also implicitly performs a health check on operations.

The five stages of performance management system maturity provide a valuable view of a performance management system implementation project. All change comes with growing pains, which is why we must pay attention to the organizational processes it impacts along its trajectory.

Editor's Note: This article is adapted from an original piece written by Marcela Presecan for the Performance Magazine website.



How to Conduct a Strategy and Performance Management Maturity Assessment

Marcela Presecan

Organizations change forms. They either do so in response to the external environment or as a result of organizational change. Too often thrown around and bandied about, change is no longer the buzzword in performance management. The word we have been faced with more frequently these days is transformation.

Organizational transformation refers to such activities as re-engineering, redesigning, and redefining organizational systems. It can involve operational refinement, strategic reconfiguration, or corporate self-renewal.

Of most interest in regards to the performance management discipline, strategic transformation can be defined as the process of redefining business objectives, developing new competencies and harnessing internal capabilities to drive sustainable competitive advantage and meet market opportunities.

Major Challenges Encountered in the Strategic Transformation Process

In a world of fast-paced change, the requirement for swift adaptability is the most difficult to fulfill. Not only do organizations today seek transformation, but they expect a speedy completion cycle to come with it. This requires a level of alignment and integration that most organizations are not yet prepared to handle.

Major transformational challenges also come with the following:

A. Mapping the transformation process

Despite being involved in leading the transformation process, most organizations fail to dive into the end-to-end roadmap and experiences

that come with the transformation process itself, thereby increasing the potential for risk or failure.

B. Shaping a clear strategic identity

With most organizations, the importance of an organizational identity is generally perceived from a marketing perspective and seldom from a more intrinsic perspective, which requires engaging the organization's internal and external stakeholders.

C. Employing the right framework and tools

The main reason organizational transformation does not often deliver the value sought is because it does not follow through on a solid framework and comprehensive set of tools that link organizational strategy to transformational ambition and strategy execution.

D. Strengthening internal capabilities

Most organizations fail to engage and drive focus on the capabilities required to achieve transformational change. While pivoting on the preservation of their resources, many organizations tend to save on the most important cost of transformation: the cost of knowledge acquisition through training.



E. Adding communication best practices

For most organizations, the transformation process does not manage to instill shared perspectives and agreed-upon objectives. This is mainly due to faulty or absent communication, that consequently leads to lack of transparency and common vision.

Managing Strategic Transformation With a Strategic Maturity Assessment

In the transformation process, a maturity assessment provides a means to overcome challenges. Traditionally, a performance maturity assessment refers to the examination of internal programs, management systems, and procedures to assess whether the organization is achieving economic efficiency and effectiveness with its available resources.

A strategy and performance management maturity assessment is more specific in the sense that it assesses the design and application of the performance management system (PMS) within an organization by analyzing several or all of its components.

Some of the main reasons the strategy and performance management maturity assessment can be a valuable tool for managing strategic transformation are as follows:

- Provides a solid framework that guides an organization through the transformation process
- Enables comparison between the design of the PMS as it is and the PMS as it should be
- Identifies the gaps in the current design of the Performance Management System while providing best practice recommendations on how to close them for full integration
- Maximizes the added value generated through transformation by elevating current performance management practices to best performance management practices in terms of design and functionality
- Ensures sustainable progress in the transformation process by providing a roadmap for successful strategy implementation and continuous improvement thereon

- Educates stakeholders to embrace communication, continuous learning, and improvement
- Justifies further investments in people training, process improvement, and technological infrastructure to successfully conduct strategic transformation throughout the whole transformation cycle

The GPA Unit and Its Strategy and Performance Management Audit

Under its Global Performance Audit Unit (GPA Unit), The KPI Institute (TKI) is addressing organizational transformation through its Integrated Maturity Model Frameworks.

The framework is built on maturity models that cover five components of a strategy and performance management system with the ultimate purpose of achieving full integration among these components: Strategic Planning, Performance Measurement, Performance Management, Performance Culture, and Employee Performance Management.

The purpose of the maturity assessment is to indicate the strengths and weaknesses of the existing strategy and performance management system within an organization, as well as improve current performance management practices to the point where integration is achieved.

The GPA Unit provides a maturity assessment report that relies on insights collected from three sources: evidence-based assessment, perception-based analysis, and interview-based analysis.

The methodology used includes primary research—both quantitative (survey) and qualitative (interviews)—as well as secondary research (document analysis). These three perspectives provide a comprehensive overview on the maturity level of the organization's strategy and performance management system.

• Evidence-Based Assessment

The evidence-based assessment relies on the submission and review of a comprehensive set of internal documents collected and submitted by the client organization.

These documents are examined based on a set of 112 statements that reflect best practices on strategy and performance management and capture the main characteristics of the existing strategy and performance management system as scored by the performance assessor on a scale of 1 to 5.

- **Perception-Based Analysis**

The perception-based analysis is based on a survey designed to reflect the opinion of employees on strategy- and performance-related practices within the organization. The survey contains 160 statements that reflect on best practices and are rated on a scale of 1 to 5 based on the extent to which they are applied in the organization.

- **Interview-Based Analysis**

The interview-based analysis is performed using an interview guide which reflects both the evidence- and perception-based analyses to ensure consistency in results and gain a better understanding of the maturity assessment findings. The existence, use, and characteristics of relevant internal documents are validated during the interviews. Meanwhile, statements with the highest variation in the perception-based survey are further discussed for the sake of clarity.

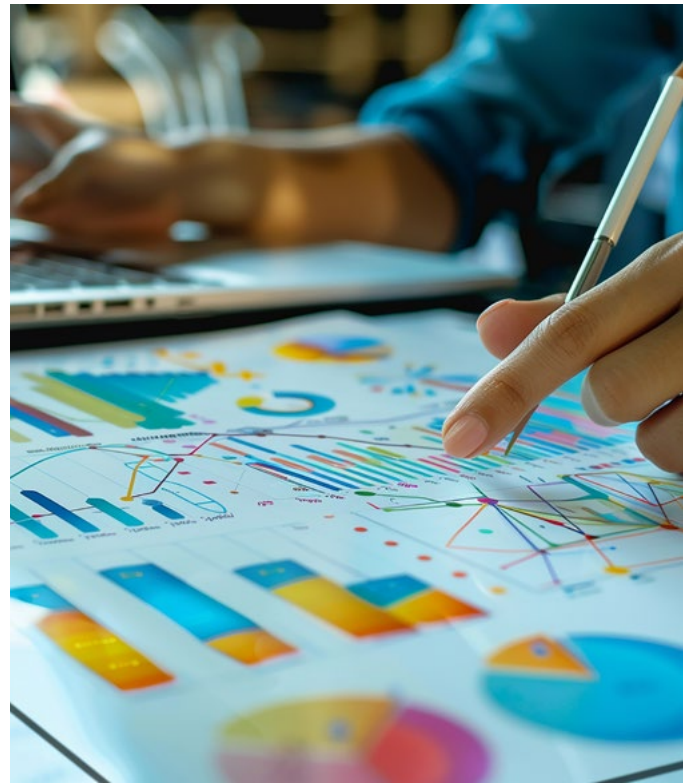
The Strategy and Performance Management Maturity Model Framework

The maturity level of the organization's strategy and performance management system is determined by the overall scores of both the evidence- and perception-based assessments.

Statements in both the evidence- and perception-based assessments are rated on a scale of 1 to 5 (1 - to a very small extent, 2 - to a small extent, 3 - to a moderate extent, 4 - to a large extent, and 5 - to a very large extent), based on the extent to which they apply in the organization.

Strategically Transforming Emergent Organizations

An emergent strategy and performance



management system is one that does not benefit from formally recognized and well-articulated strategic planning and execution processes. Emergent organizations generally make random, ad-hoc use of performance measurement practices, while also using little data in the decision-making process to ensure performance improvement.

So, perhaps the most important question to answer here is: "How does one successfully transform an emergent organization?"

Here are some recommendations from a strategy and performance management maturity assessment perspective:

1. **Connect strategic objectives to organizational KPIs.**

In many organizations, strategy fails to deliver on its promises. The most common reason for this is the misalignment between the strategic plan and the KPIs or the metrics the organization tracks.

2. **Enable the use of performance management tools to drive strategy implementation.**

KPIs make objectives quantifiable, providing visibility into the performance of individuals, teams, departments, and organizations and enabling decision-makers to achieve desired

outcomes. An organizational scorecard draws together the most relevant KPIs selected for the organization and groups them under strategic objectives. The major strength of the balanced scorecard (BSC) is it articulates business vision and strategy while ensuring company-wide acceptance of the performance measures enacted to achieve the overall desired performance for the organization.

Dashboards are used to easily grasp the pulse of the organization's day to day operations and take actions based on KPI results. The benefit of the dashboard is that it invariably complements the organizational scorecard by monitoring KPI data on a more granular level, with direct insight into the efficiency and effectiveness of operations.

The portfolio of initiatives can be used both at the organizational and departmental levels to improve the management of projects and track the performance of each initiative.

3. Cascade the main performance management tools to all organizational levels.

Once defined, designed, and developed, the main performance management tools should be cascaded to the organization's lower levels. In this case, workshops are recommended as they provide the ideal format to ensure that the objectives and KPIs selected for the organizational scorecard and dashboard are accurately cascaded down to the departmental, divisional, and employee levels.

4. Ensure alignment between the different levels and components of the performance management architecture.

Considering the strong volatility of the corporate environment, organizations are required to dedicate time and resources in ensuring alignment between the strategic direction intended to be pursued with selected KPIs and associated initiatives. In many organizations, strategy fails to deliver due to the misalignment between the strategic plan and KPIs tracked by the organization. For this reason, it is highly recommended to review and ensure realignment at least once during a performance management cycle.

5. Document and map all key processes related to performance management.

The first step in creating internal capabilities that support the development and consolidation of an organization's strategy and performance management system is to map/document all the key processes related to strategy, performance measurement, performance management, employee performance management, and performance culture within the organization.

6. Include all the key organizational performance improvement procedures and tools in the performance management manual.

The manual should include: the benefits of the performance improvement process for the organization, presentation of the performance improvement tools and techniques, descriptions of performance improvement processes, approach to engaging stakeholders in different processes, and the roles and responsibilities of all stakeholders involved in performance improvement.

Armed with all this useful knowledge, you are now better prepared to face a strategy and performance management maturity assessment. Get in touch with the GPA Unit to take the next step into achieving measurable performance improvement for your organization.

Editor's Note: This article is adapted from an original piece written by Marcela Presecan for the Performance Magazine website.





INTERVIEWS

Franklin Rodriguez - Mohammed Sulieman AlMoh'd - Talal Almalki - Adrian Alcantara Martinez - Ahmed Bin Shuail - Doina Popovici

Bridging Gaps and Goals Through Breakthrough Strategies



**FRANKLIN
RODRIGUEZ**

*Planning Deputy Manager
Andes Petroleum Company,
Ecuador*



Interview by Kimberly Tilar

In industries where market fluctuations and technological advancements significantly shape the landscape, efficient strategy and performance management are crucial to maintaining high adaptability and a competitive edge. This holds true in the oil and gas sector, but according to Franklin Rodriguez, a seasoned leader with over 21 years of experience in the field, there's still a gap to be closed.

Rodriguez, who is currently the Planning Deputy Manager at Andes Petroleum Ecuador, specializes in corporate strategy, performance management, and leading multicultural teams. In this interview, he shares his expertise and insights on aligning organizational goals, navigating industry challenges, and implementing performance metrics that ensure sustainable growth.

How do you perceive the current maturity of your industry regarding strategy and performance management practices in

organizations? In which areas do you see significant room for improvement?

In Ecuador's oil and gas sector, strategy and performance management have advanced but still face challenges. While many companies have implemented formalized frameworks, there remains a gap in cross-functional collaboration, oil technology integration, and real-time data analytics. Significant room for improvement exists in aligning strategic initiatives with sustainability goals, improving operational agility, and leveraging digital solutions to optimize processes and make more data-driven decisions to improve effectiveness and efficiency.

What are the secret ingredients that differentiate an effective strategy planning process from a redundant one?

The key difference between an effective and a redundant strategy lies in clarity, adaptability, and



alignment. Successful strategies stem from clear goals, data support, and adaptability to internal and external changes. They are also aligned across all levels of the organization, ensuring that every area contributes to the comprehensive objectives. On the other hand, redundant strategies often fail to evolve, lack ownership, and do not consider industry dynamics.

Why does strategy fail so often in organizations? Could you share some lessons learned from your organization/experience?

Strategy often fails due to a disconnection between planning and execution. From my experience, lack of stakeholder buy-in and infrequent strategy reviews in response to uncertainties affect implementation and results. In our company, it was essential to foster a culture of accountability and incremental improvement, set clear and measurable KPIs linked to the strategic goals, and present results quarterly to allow for more timely decisions. Strong support from senior management was also important in driving these initiatives forward.

What role does performance management play in managing an organization nowadays?

Performance management is the backbone of modern organizational management. It guarantees the translation of strategic goals into

actionable plans and their effective tracking. In the oil industry, it plays a critical role in enhancing operational efficiency. By measuring and adjusting internal processes, performance management ensures that results align with financial objectives and targets across all areas. It ensures that every part of the organization contributes to overall strategic success.

How can business leaders make better decisions when confronted with so much data and information?

Leaders must focus on leveraging the most relevant data, rather than simply accumulating more. This requires not only setting clear objectives but also utilizing advanced data analytics tools to combine and filter critical information while promoting a decision-making culture that values insights over intuition. In our industry, the challenge is identifying key technical and economic trends and guiding strategic decisions based on targeted predictive analytics together with scenario planning.

What practices can senior leadership adopt to develop a culture of performance excellence in organizations?

Senior management can foster a culture of performance excellence by leading with transparency, setting clear expectations, and

celebrating milestones of success. Encouraging continuous learning, providing regular review and feedback, and aligning goals at all levels in the organization are essential to promote a culture change. Additionally, immersing performance management into the company's daily operations ensures that excellence becomes a routine practice and not only an additional statement in the corporate culture guidelines.

Where should organizations focus more of their attention to achieve performance excellence? Is it in optimizing the performance management system (doing things right at the framework level) or the business results (performance outcomes generated by different processes)?

Achieving performance excellence requires a balance. While optimizing the performance management framework is crucial for providing structure and consistency, organizations must also ensure that their focus extends to the actual outcomes considering their business limitations. By aligning internal areas with strategic objectives and continuously refining internal processes, companies can drive better results while ensuring that performance excellence evolves with the business.

What triggered your decision to undertake the Strategy and Performance Management Maturity Assessment?

We recognized the need for a deeper understanding of where our strategy and performance management processes stood compared to industry best practices. This assessment identified gaps in framework adoption, internal alignment, and opportunities for innovation. It also highlighted our strengths and areas where we could enhance our processes to achieve better outcomes while considering business constraints and corporate culture. It was an important decision that promoted an improvement process.

How did you find the assessment process?

The assessment process was both intuitive and transformative. It provided us with a clear and objective view of our current capabilities, strengths,

and areas that required improvement. The validation process combined supporting document evidence and perceptions within the company. This approach provided us with a holistic understanding that prompted discussions about opportunities related to internal communication, operational efficiencies, strategic alignment, and adaptability to a rapidly changing industry landscape.

How did the Strategy and Performance Management Maturity Assessment contribute to the progress of the organization?

The assessment's recommendations served as a roadmap that guided the improvement of our organization's strategy and performance management process. It highlighted specific areas where we need to enhance our strategic planning and performance management framework and better align our operational outcomes with our strategic goals. As a result of the previous maturity assessments, we have been able to implement changes that increased our strategic communication and alignment, operational agility, optimized resource allocation, and improved overall business performance.



Innovating Excellence Through Strategic Alignment and a Shared Vision



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Interview by Len Cristobal

Photo courtesy of Red Sea Global

Pushing boundaries in business excellence goes beyond processes and principles. It also highlights people's capabilities and alignment with an overarching strategy and performance standards. This means celebrating unique strengths while championing a shared vision. At Red Sea Global (RSG), this paradox serves as their compass for excellence.

RSG, a vertically integrated real estate developer with a diverse portfolio across tourism, residential, experiences, infrastructure, transport, healthcare, and services, seeks to lead the world toward a more sustainable future. They strive to bring about responsible development that uplifts communities, drives economies, and enhances the environment,

as demonstrated by notable undertakings, such as The Red Sea, AMAALA, and Thuwal Private Retreat.

RSG's guiding vision is exemplified by three key leaders who have been instrumental in setting the bar high for the organization's strategy and performance management processes:

Mohammed Sulieman AlMoh'd is a seasoned business management professional who leads the Enterprise Project Management Office (EPMO) at RSG. He led several transformation projects across the region as a consultant for PwC and established one of the most advanced PMO practices in the Kingdom.

Talal Almalki is the Senior Director of Corporate Planning & Performance at RSG. With a Master's in Business Process Management (BPM) from the Queensland University of Technology, he is recognized for his deep curiosity and innovative contributions to business frameworks.

Adrian Alcantara Martinez specializes in developing strategic approaches for the tourism, hospitality, and leisure strategy sectors. Having earned a Master's in Internal Management from ESADE Business School, he currently leads Corporate Projects Excellence practices at RSG, featuring a distinct in-house advisory function.

In this interview, they offer a collective understanding of how RSG achieves business excellence through exceptional performance management and strategy implementation.

How do you perceive the current maturity of your industry regarding strategy and performance management practices in organizations? In which areas do you see significant room for improvement?

The maturity of performance management in our industry is relatively high. It is driven by young,

high-profile entities like PIF-backed companies and projects and effective alignment with the Saudi Vision 2030. The ecosystem benefits from top-tier resources and world-class talent, resulting in state-of-the-art systems. We are improving our benchmarking capabilities against other industry players since many companies, such as ourselves, are pioneers entering the global market.

What are the secret ingredients that differentiate an effective strategy planning process from a redundant one?

An effective strategy process requires ensuring that the company's strategy cascades to divisions, departments, and teams. Everyone needs to clearly understand their roles and how they contribute to the bigger picture. This clarity allows teams to turn their mandates into actionable annual plans with relevant KPIs and specific targets, all tied to projects that must meet certain performance levels.

Why does strategy fail so often in organizations? Could you share some lessons learned from your organization/experience?

Strategy often fails because it's seen as too theoretical and disconnected from business



Talal Almalki | Photo courtesy of RSG



Mohammed Sulieman AlMoh'd | Photo courtesy of RSG

realities. At RSG, we made strategy more practical by adapting the balanced scorecard and adding a fifth dimension for sustainability. Our approach combines long- and short-term thinking and emphasizes collaboration. This ensures that planning is co-created rather than imposed, making it more practical and relevant to our needs.

What role does performance management play in managing an organization nowadays?

Performance management is key to ensuring that teams focus on what really matters and are held accountable. It helps us track our progress compared to our goals, balancing immediate and long-term indicators. The latest technology makes it easier to see how activities and outcomes are

linked, enabling effective decision-making.

How can business leaders make better decisions when confronted with so much data and information?

Making sense of all the data can be challenging, but at RSG, we approach it as an art, especially in data visualization. Our EPMO has a business intelligence team that customizes dashboards for different audiences. We are also exploring mobile apps with real-time data to keep up with busy C-suite schedules. However, we still value traditional methods like periodic performance reviews with focused agendas and let experts handle the data deep dives.

What practices can senior leadership adopt to develop a culture of performance excellence in organizations?

Senior leadership should set and communicate ambitions clearly and consistently across multiple channels. However, words can only go so far, so it is important to embed performance excellence into the company's culture. Top management should demonstrate how these expectations translate into behaviors and empower teams to take these examples into their day-to-day work. Recognizing and rewarding individuals and teams exemplifying performance excellence creates a self-reinforcing cycle.

Where should organizations focus more of their attention to achieve performance excellence? Is it in optimizing the performance management system (doing things right at the framework level) or the business results (performance outcomes generated by different processes)?

A performance management system (PMS) is crucial for driving business results as it impacts various dimensions like policies, processes, and governance. However, optimizing this system must be carefully planned to avoid distracting from achieving actual results. To gain leadership support and stakeholder buy-in for changes, organizations must demonstrate how improvements in the system lead to tangible enhancements in business outcomes.



Adrian Alcantara Martinez | Photo courtesy of RSG

What triggered your decision to undertake the Strategy and Performance Management Maturity Assessment?

After four years of growth—since our EPMO team was established in 2019—we felt it was the right time to get an external perspective to ensure our practices aligned with industry best practices and the highest standards. Confident in our tailored approach and comprehensive PMS, we saw this as an opportunity to celebrate our achievements and identify areas for improvement, enabling us to continue to set new benchmarks

How did you find the assessment process?

Our experience with The KPI Institute (TKI) was very positive, starting with the discovery sessions. We were already familiar with TKI's frameworks since many of our team members have been trained as balanced scorecard practitioners. The maturity assessment was well-coordinated, even

though it was demanding. It also generated high levels of interest from all stakeholders. The endeavor strengthened our relationships with other divisions and provided valuable insights into how our contributions are perceived across the business.

How did the Integrated Maturity Assessment contribute to the progress of the organization?

The Maturity Assessment provided us with a clear roadmap for improvement, offering sound, actionable recommendations that were translated into action plans in collaboration with the respective owners. The overall program is a two- to three-year plan, and we are diligently monitoring its implementation. We are currently approaching 50% completion, with the goal of achieving 70% by year-end. Notably, the maturity assessment legitimized our practice and gave us the confidence to pursue even more ambitious goals.

Public Investment Fund: Achieving Continuous Growth Through Assessing Organizational Maturity

AHMED BIN SHUAIL

Head of the Strategy and Planning Department
Public Investment Fund



Interview by Paolo Orduña

Saudi Arabia's Vision 2030 is an ambitious undertaking, one wherein the Public Investment Fund (PIF) plays a vital part. As the country's investment arm, PIF is in a unique position to shape the future of the Saudi economy—and beyond. At the helm is Ahmed Bin Shuail, Head of the Strategy and Planning Department at PIF.

A seasoned strategy management and business transformation leader with a successful delivery record of corporate strategies and business transformation initiatives, Ahmed has extensive experience in strategy management, business planning, corporate performance, and investments. As PIF looks to build strategic alliances and partnerships with several noteworthy international institutions and organizations, the organization's maturity will play a vital role in ensuring these partnerships bear fruit.

How do you perceive the current maturity of your industry regarding strategy and

performance management practices in organizations? In which areas do you see significant room for improvement?

With Vision 2030 programs, there has been an increasing need to have well-structured strategy and performance management practices. PIF's corporate strategy is currently attuned to leading strategic practices and to leveraging top-tier expertise. This optimized level of maturity enhances PIF's internal strategic effectiveness and contributes to influencing PIF's ecosystem. However, at PIF we are driven by continuous improvement in our strategy and performance practices to maintain excellence.

What are the secret ingredients that differentiate an effective strategy planning process from a redundant one?

There are many ingredients that contribute to

an effective strategy planning process. These main ingredients include: top management involvement, consistent stakeholder engagement, continuous enhancements to strategic planning and performance processes and frameworks, leveraging innovation, automation of all strategy processes and utilizing the data for more strategic insights, adherence to corporate priorities, and finally a clear and dynamic planning process.

Why does strategy fail so often in organizations? Could you share some lessons learned from your organization/experience?

Strategy fails in some organizations due to lack of ownership, lack of internal alignment and lack of clarity on strategic direction.

At PIF, we are always seeking ways to enhance current practices. We have open communication for feedback. For example, we distributed a survey to colleagues which revealed challenges in strategy awareness with the potential to impact our strategic excellence score. In response, we implemented initiatives to address these gaps and improve our approach.

What role does performance management play in managing an organization nowadays?

Performance management is the essential practice that acts as the compass for strategy direction and

execution. It contributes to a performance-driven culture and ensures proper cascading of strategy and implementation through effective monitoring of progress, which allows organizations to assess whether their progress towards targets is on track or needs attention in order to intervene and act proactively.

How can business leaders make better decisions when confronted with so much data and information?

Business leaders can make informed decisions despite being confronted by overwhelming data by prioritizing key elements and providing the right information at the right time through the right channels. In addition, leaders can make better decisions with abundant data through utilizing advanced analytics and visualization tools, focusing on key performance indicators, fostering a data-driven culture, and consulting with data experts to interpret complex information.

What practices can senior leadership adopt to develop a culture of performance excellence in organizations?

Leadership must first adopt a proactive mindset. Meaning that they should shift their focus to proactive interventions and preventive analyses to ensure performance excellence. In addition, it is also essential to encourage continuous improvement,



Photo courtesy of PIF

recognize and reward achievements, and provide necessary resources and support to colleagues. Finally, leading by example, encouraging open communication, and establishing clear performance metrics will align goals, monitor progress and enhance overall performance across the organization.

Where should organizations focus more of their attention to achieve performance excellence? Is it in optimizing the performance management system (doing things right at the framework level) or the business results (performance outcomes generated by different processes)?

Optimizing the performance management system and continuously updating frameworks to drive performance outcomes across processes is essential for ensuring the sustainability of performance excellence for any organization. In addition, leveraging technology is essential, as it has become a key success factor to optimize performance, increase efficiency and improve productivity. Having capable people and the resources to implement plans and leverage technology is what makes the difference.

What triggered your decision to undertake the Strategy and Performance Management Maturity Assessment?

At PIF, we act as a benchmark in the way we do business: We lead by example. Therefore, the assessment was driven by the need to evaluate PIF's current performance and explore areas for improvement. This assessment also allows us to reflect on our progress, and provide top management with a clear, objective view of our performance practices, ensuring they meet industry standards and support PIF's strategic objectives effectively.

How did you find the assessment process?

The assessment was thorough and comprehensive, as it examined and evaluated our strategy execution practices across three pillars: strategy planning, performance measurement, and performance improvement.

How did the Strategy and Performance Management Maturity Assessment contribute to the progress of the organization?

It provided an excellent baseline for our current practices and outputs, and allowed us to understand our current position in terms of strategy planning, performance measurement, performance improvement, and the areas of enhancements we need to focus on. In addition, the assessment will help us achieve a performance-driven culture and will act as a structure for cascading our practices all the way through to the individual level.



Photo courtesy of PIF

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A Closer Look at Maturity Assessments: Laying the Foundation for Long-Term Success



DOINA POPOVICI

Head of Maturity Assessment Services, The KPI Institute and Chief Operating Officer, Global Performance Audit Unit



Interview by Paolo Orduña

A company's maturity level is an excellent indicator of the quality of its operations. Thus, maturity assessments are an integral aspect of a company's growth and development as they provide a comprehensive look at organizational strengths and areas for improvement—something that Doina Popovici knows all too well.

As the Head of Performance Assessment Services at The KPI Institute, Doina coordinates the Global Performance Audit Unit (GPA Unit), the institute's strategy and performance assessment division. Her work as a performance assessor involves conducting thorough performance management system maturity assessments to provide organizations with actionable recommendations that drive continuous enhancement and strategic alignment. Her experience as a management consultant has allowed her to deliver impactful services to a wide array of clients from different continents.

In addition, Doina has contributed to the

development and refinement of The KPI Institute's service offerings. She has been instrumental in creating the Certified Performance Audit Practitioner Portfolio, an advanced certification that validates the skills and applied knowledge of professionals in the field. In this interview, Doina takes us on a deep dive into the world of performance management system maturity assessments, touching on various aspects of the process such as roles, best practices, benefits, failure, success, and more.

How do you perceive the current maturity of organizations regarding their strategy and performance management practices? In which areas do you see substantial opportunities for improvement?

Organizations are increasingly focused on improvement, recognizing its importance for long-term success. This commitment is evident even among younger companies, which can achieve high

maturity levels by focusing on effective strategic planning and robust performance management practices. With the right dedication and resources, these organizations can enhance their capabilities and drive meaningful progress, demonstrating that a commitment to improvement transcends experience and age.

What are the secret ingredients that differentiate an effective strategy planning process from a redundant one?

The difference between an effective strategy planning process and a redundant one lies not in secret ingredients, but in following consistent steps. Successful strategy planning involves clearly defining objectives, ensuring that the strategy directly supports the mission and vision, conducting thorough analysis, engaging stakeholders, and regularly reviewing progress. By adhering to these structured steps, organizations can ensure their strategy remains relevant and impactful, rather than falling into redundancy. Consistency in execution and a commitment to adapting based on insights are key to achieving meaningful results in strategic planning.

Why does strategy fail so often in organizations? Could you share some lessons learned from your organization/experience?

When teams are not on the same page regarding goals or when there's a disconnect between leadership and employees, execution falters. Additionally, strategies may be overly complex or too rigid to adapt to changing circumstances, leading to frustration and failure.

In my experience, I've learned the importance of regular check-ins and fostering a culture that embraces feedback. Engaging employees in the planning process and ensuring transparency helps build commitment and adaptability, significantly increasing the chances of successful strategy implementation.

What role does performance management play in managing an organization nowadays?

Performance management plays a critical role in today's organizations by aligning individual



and team objectives with overall business goals. Effective performance management provides valuable insights through regular feedback and assessment, helping identify strengths and areas for growth. It also supports employee engagement and development, ensuring that talent is nurtured and aligned with organizational goals. In a dynamic business environment, robust performance management facilitates data-driven decision-making, allowing organizations to craft and adapt their strategies based on performance insights.

How can business leaders make better decisions when confronted with so much data and information?

Business leaders can make better decisions in a data-rich environment by adopting a structured approach to data analysis and prioritization. First, they should define clear objectives to focus on relevant data that aligns with strategic goals. Utilizing data visualization tools can help distill complex information into actionable insights.



The GPA Unit's presentation of PMS maturity assessment results | Photo courtesy of RSG

Finally, applying data analysis techniques can help predict trends and simulate various scenarios, enabling informed decision-making.

What practices can senior leadership adopt to develop a culture of performance excellence in organizations?

Senior leadership can cultivate a culture of performance excellence by modeling desired behaviors and setting clear expectations. They should also prioritize open communication, encouraging feedback and dialogue across all levels. Implementing regular performance reviews and recognition programs will reinforce accountability and motivate employees. Providing training and development opportunities empowers staff to enhance their skills and contribute meaningfully to the organization. Leadership should also establish measurable goals aligned with the organization's vision to foster a unified sense of purpose.

Where should organizations focus more of their attention to achieve performance excellence? Is it in optimizing the performance management system (doing things right at the framework level) or the business results

(performance outcomes generated by different processes)?

Organizations should focus on both optimizing the performance management system and improving business results, as they are interrelated. A well-structured performance management system ensures that processes are aligned with strategic goals, providing a solid framework for achieving desired outcomes. However, it's equally important to concentrate on the performance outcomes generated by these processes, as they reflect the effectiveness of the system in delivering tangible results. By striking a balance between enhancing the framework and measuring business outcomes, organizations can achieve performance excellence that is both sustainable and impactful.

What are the short-term and long-term benefits that organizations can gain from participating in the Performance Management System Maturity Assessment?

In the short term, organizations gain a clear and detailed understanding of their current performance management practices. This immediate insight allows them to identify

specific strengths and weaknesses within their existing framework, facilitating quick, targeted improvements. These early actions often result in enhanced operational efficiency, better alignment of resources with strategic goals, and improved employee engagement as the organization begins to address identified gaps.

In the long term, the benefits extend beyond these initial gains. As organizations implement the recommendations provided through the maturity assessment, they embark on a continuous improvement journey that gradually elevates their performance management processes to an optimized state. This leads to sustained growth and resilience, as the organization becomes more adept at anticipating challenges, adapting to changes in the business environment, and maintaining a strong alignment between strategy and execution. By participating in the maturity assessment, organizations set the foundation for long-term success and ensure they are well-equipped to navigate future challenges while consistently achieving their strategic objectives.

How can an organization prepare to successfully undertake the maturity assessment?

To successfully undertake a maturity assessment,

an organization should start by securing leadership support and aligning teams on the assessment's purpose. Gather relevant documentation, such as policies and procedures, to provide a clear view of current practices. Engage key stakeholders early, ensuring they understand the assessment's goals and their roles in the process. Additionally, prepare for transparent communication, and ensure that stakeholders are encouraged to actively participate in the surveys for a high response rate as well as to provide honest feedback during interviews. Lastly, be open to the findings by adopting a mindset focused on continuous improvement and long-term growth.

What actions can organizations take to fully leverage the insights and maximize the value gained from your assessment approach?

Organizations can fully leverage insights from maturity assessments by prioritizing open communication of the findings with all stakeholders. Implementing a structured action plan based on the assessment recommendations is crucial, along with setting clear goals and timelines for improvement. Regularly monitoring progress and gathering feedback ensures that adjustments can be made as needed.



At the Public Investment Fund's Awarding Ceremony | Photo courtesy of PIF

COVER STORY



Closing the Strategy-Execution Gap: A Fundamental Step for Business Excellence

Cristina Mihăiloaie

The legend of the Elephant Graveyard says that when an elephant senses death approaching, it leaves the group and goes to a special place to avoid becoming a burden to the herd. With strategy failure rates that can go all the way to 90%, the legend serves as a good analogy for business management: Is execution the place where all brilliant strategies go to die?

Data from the State of Strategy Management Report 2024 reveals that 61% of professionals in the MENA region disagree or are neutral to the statement, "My organization is highly successful in executing strategy." Only 4% of respondents strongly agreed with this statement. In addition, research from the Project Management Institute shows that 70% of strategic projects fail during implementation or face serious difficulties.

Given this challenge, how can organizations close the strategy-execution gap and successfully bring their strategy to life?

Strategy Clarity

Traditionally, strategy is the brain (critical decision-making) and execution is the hands (plan implementation). However, corporate strategy may appear as a collection of projects, goals, and targets in a fancy PPT or PDF format but rarely addresses implementation issues. In reality, strategy implementation is always confronted with big decisions, with teams often left to sort out operational details on their own and make decisions that impact the strategy's outcomes.

Another challenge is the need for a 1:1 interdependency between a strategic initiative and a corporate objective, which requires teamwork among several departments. This is true in MENA organizations where cross-collaboration is found to be the main reason for strategy failure. How should management solve this?

Action Item 1: Demystify Concepts

Strategic clarity can be achieved by building a common language. A simple step is progressing from a confusing collection of projects, goals, and targets to clearly defined terms and a hierarchy of concepts used in strategy planning (see Figures 1 and 2).

Action Item 2: Cross-Functional Alignment

Functional areas must be supported to develop strategy maps and performance scorecards aligned with corporate strategy and across departments. This alignment process has to facilitate cross-functional discussions to synchronize priorities. At this level, the Strategy Office must moderate different trade-offs in terms of KPI targets and resource allocation to ensure the best outcomes for the organization overall.

Strategy Planning as a Continuum Rather Than a Linear Process

Traditional five-year plans, often broken down into annual priorities, limit leaders and hardly

reflect daily business needs. The strategy planning framework should leave room for adaptability and new opportunities. It is important to note that the degree of flexibility varies among organizations and industries. For instance, start-ups tend to carry out “strategy planning on the go” unlike mature companies.

Action Item 1: Analyze Data

To adapt to the developments in the market, organizations must be able to collect data, analyze trends, and foresee trends within the industry. This involves assigning a team or a staff member to regularly (quarterly, biannually) research and submit reports for executive review.

Action Item 2: Test Ideas

Organizations that test their ideas, fail, and learn fast are much more likely to succeed. Google’s 20-percent time policy enables employees to use work time for new ideas, and Amazon’s “Day 1” mentality promotes experiments for incubating new capabilities and embracing failures for learning.

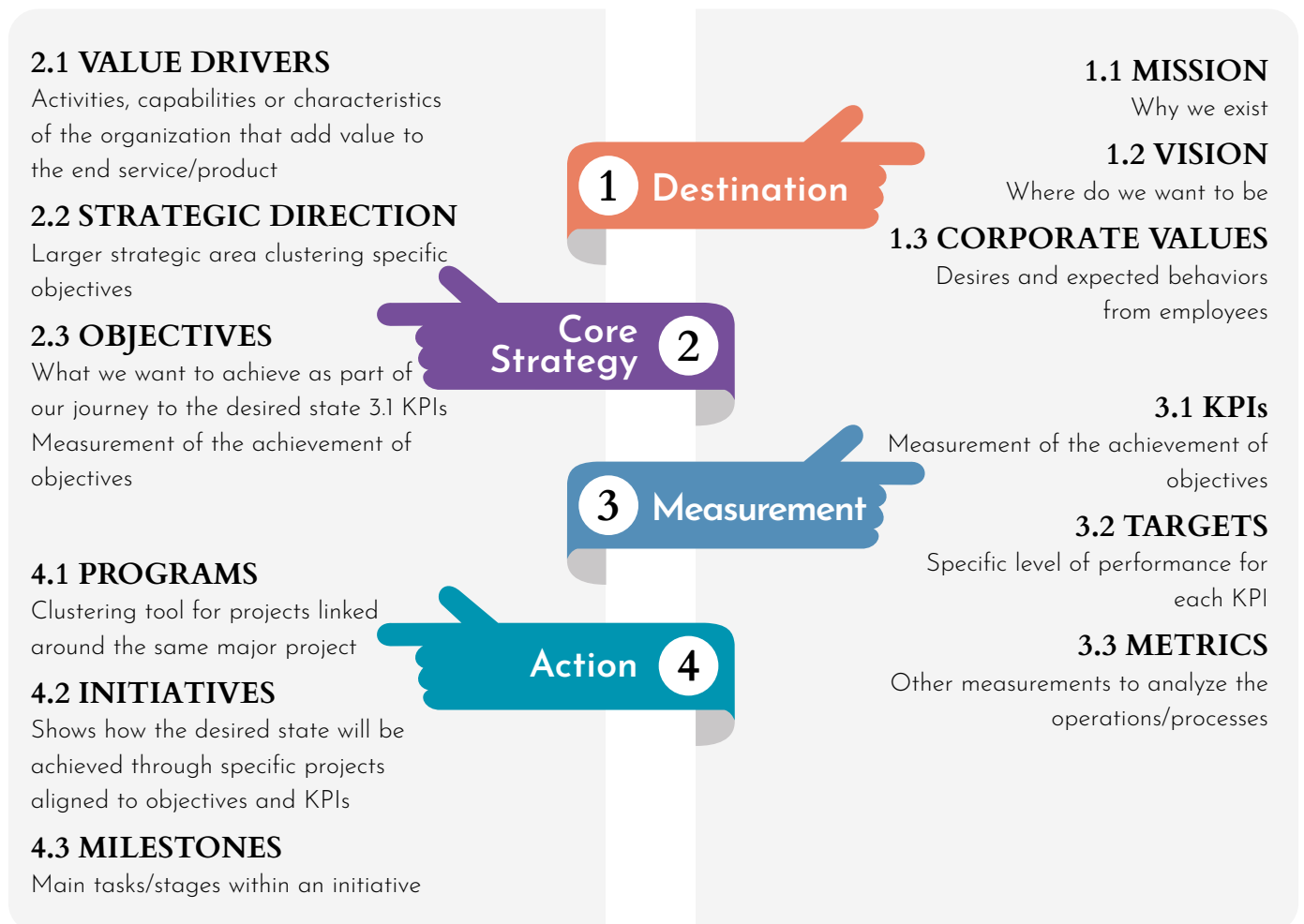


Figure 1. Strategy and Performance Management Concepts | Source: The KPI Institute

Action Item 3: Prepare a Fallback Strategy

Scenario planning and contingency plans provide the necessary agility to overcome challenges and thrive in an uncertain business environment. This approach can provide an organization with a buffer when the initial strategy fails. A case study to look at is Caterpillar, whose CEO insisted that all divisions have contingency plans in the case of a recession, and it served them well when recession hit in 2007.

Governance and Management System

An organization has to establish a clear operating model, especially when a new strategy requires significant changes in operations. The operating model must define the responsibilities of each business unit and department and indicate how services and products are produced, marketed, sold, and delivered to the beneficiaries.

Action Item 1: Assign Owners

Strategic objectives, KPIs, and initiatives must have assigned owners. Even with shared objectives (by two or more departments), one stakeholder should be appointed owner. It is also desirable to define accountability and responsibility and assign them to the people closer to the action to make sure that executives are not burdened with too many operational issues.

Action Item 2: Encourage Collaboration

The strategy office can engage with the human resources department to create collaboration mechanisms and engage stakeholders in executing

strategy. In addition to routine performance reporting meetings, "communication bridges" must be built between functional areas, such as mixed project teams, cross-functional initiatives, internal communities of practice, and company-wide problem-solving workshops.

Action Item 3: Align Talent

Clarify the roles and responsibilities for all positions and implement structures that maintain accountability while allowing flexibility and empowerment, avoiding unnecessary bureaucracy. Assign the right people to the right roles or invest in upskilling them or acquiring new talent. Fill organizational layers with leaders who have focused mindsets and adequate discipline to follow things through.

Optimized Reporting

With thousands of hours lost in meetings every year at the organizational level, performance review meetings can be optimized by using a structured reporting framework and focusing on the most relevant KPIs.

Action Item 1: Structure Meetings

Meetings should have clear distinctions and scopes. For example, the corporate performance office can have a 40-minute meeting for scorecards and initiatives every month. Then, the quarterly meeting can focus on strategic discussions. Lastly, the annual meeting can be about the organization's results, analyzed to align with the medium-term targets and expectations for next year.

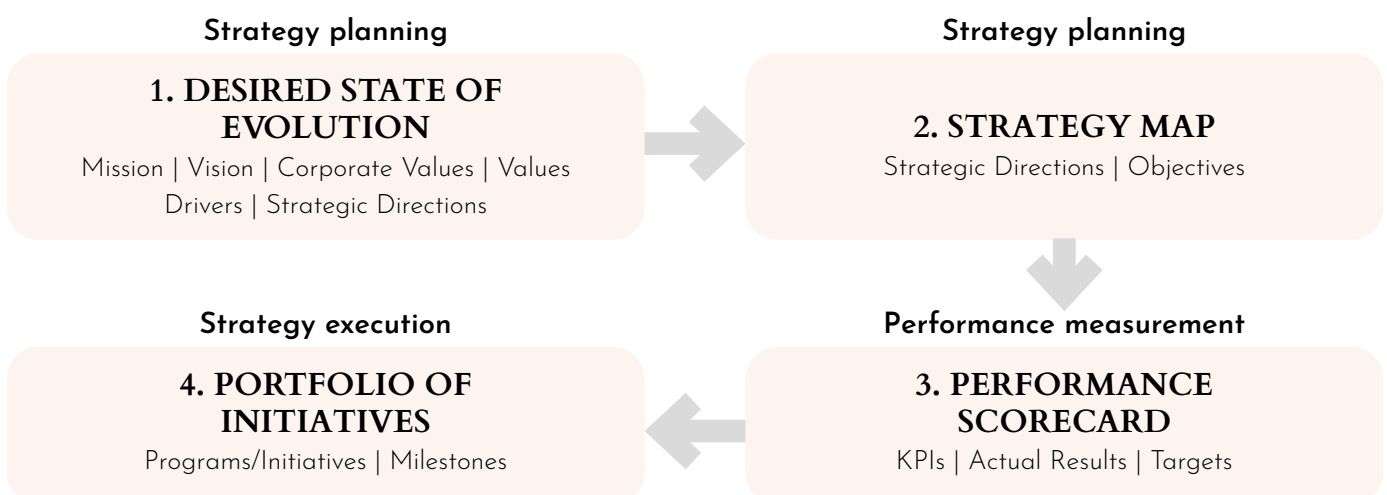


Figure 2. Strategy and Performance Management Tools | Source: The KPI Institute

Action Item 2: Choose the Right KPIs

Organizations should select fewer KPIs and shift the focus from financial outcomes to other indicators that can drive the right behavior. For example, since its inception, [Amazon](#) has focused on KPIs such as # Online reviews per product, # Affiliates selling on the platform, and # Prime members joining the program [sic]. Meanwhile, their competition concentrated on \$ Year-over-year same-store sales, approaching e-commerce similar to a brick-and-mortar store. Experimenting with new KPIs, as opposed to indicators that are popular or easy to measure, can bring a fresh perspective to the business.

Stakeholder Engagement

When strategy moves from the CEO's desk into execution, resistance among the people arises, as if all they can see are the roadblocks and risks. The



brilliance of the strategy is rarely acknowledged, and the two sides become defensive, pushing their opposite perspectives against one another either out in the open or in silence. True ownership can only be achieved through participation.

Action Item 1: Identify Stakeholders

The organization must identify and map its stakeholders based on their importance, impact, and expectations. This applies to both external and internal stakeholders.

Action Item 2: Engage Internal Stakeholders

In drafting a strategy, top executives should be directly engaged, and feedback should be collected from the lower levels of the organization. Middle management may provide written observations or a diverse strategy review committee can revise and comment on proposals. Listening sessions, surveys, or one-to-one interviews can also be conducted depending on the target audience. This approach is done at [BL Companies](#), an architecture and engineering organization that is 100% employee-owned. An annual survey is conducted among employees to gather insights for strategy planning.

Action Item 3: Design Communication Flows

Engaging stakeholders in strategy planning is important, but it is equally important to maintain effective bottom-up and top-down communication during the execution stage. Through a structured reporting process, disciplined rituals to follow up on decisions, and communication bridges (vertical and horizontal), the organization can successfully implement its strategy plan.

Turning Strategy Into Reality

Strategy execution does not have to be the graveyard of brilliant strategies. With the right approach, it can instead be the factory that turns dreams into reality. To achieve this, organizations must acknowledge that the problem they are aiming to tackle is twofold—systems and people. Both aspects have to be addressed properly by clarifying strategy, planning as a continuum, building the right governance and management systems, optimizing reporting, and properly engaging stakeholders throughout the entire process.

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1. Performance Measurement

- 1.1 Deploy KPI selection workshops;
- 1.2 Simplify the KPI documentation form;
- 1.3 Consolidate the organizational KPI library;
- 1.4 Create a change log;
- 1.5 Use internal and external research for target setting;
- 1.6 Increase awareness on data visualization;
- 1.7 Implement a software solution.

2. Performance Management


- 2.1 Create a process map for monthly reporting;
- 2.2 Optimize decision making;
- 2.3 Apply root cause analysis;
- 2.4 Focus on projects documentation and reporting.

3. Performance Culture

- 3.1 Develop a Performance Management Manual;
- 3.2 Create Communities of Practice;
- 3.3 Reward performance financially and non-financially;
- 3.4 Follow up after appraisals;
- 3.5 Design career plans and empower employees;
- 3.6 Employ gamification initiatives.

4. Strategic Planning

- 4.1 Create a strategic planning process map;
- 4.2 Align strategic planning with other key processes;
- 4.3 Internalize new tools introduced;
- 4.4 Establish a Strategy Management Office;
- 4.5 Recalibrate KPI when strategy is reviewed;
- 4.6 Enhance strategy communication;
- 4.7 Cascade the Performance Management System to employee level.

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NETWORKING	<ul style="list-style-type: none"> ▶ Network with peers within our members' group 	<ul style="list-style-type: none"> ▶ Network with peers within our members' group 	<ul style="list-style-type: none"> ▶ Network with peers within our members' group
PROFESSIONAL CONFIRMATION	<ul style="list-style-type: none"> ▶ Electronic certificate of membership, demonstrating commitment to professional excellence 	<ul style="list-style-type: none"> ▶ Electronic certificate of membership, demonstrating commitment to professional excellence 	<ul style="list-style-type: none"> ▶ Electronic certificate of membership, demonstrating commitment to professional excellence
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RESEARCH ANALYST SUPPORT	<ul style="list-style-type: none"> ✘ 	<ul style="list-style-type: none"> ▶ 4 hours of support from a TKI reserach analyst 	<ul style="list-style-type: none"> ▶ 4 hours of support from a TKI reserach analyst

*Hours to be accessed when needed by scheduling as per member preference.

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IN-DEPTH

Maturity Frameworks - Strategic Planning - Risk Management -
Leadership - Performance Management System



From Compliance to Excellence: The Role of Maturity Models

Bori Péntek

The history of management is a narrative of increasing complexity, moving from rigid, hierarchical structures to more dynamic, flexible, and strategic approaches. This evolution is mirrored in the development of maturity models.

A maturity model is a structured framework used to assess and guide the improvement of an organization's processes, capabilities, or practices. It typically involves a series of levels—each representing a higher degree of maturity—to help organizations evaluate their current performance and identify steps for enhancement. Initially, these models were designed to ensure compliance with industry-specific standards.

As the field of management evolved and performance management became more and more recognized, the evolution from compliance-driven frameworks to excellence-driven models has become particularly significant. This means shifting from merely adhering to predefined standards

to continuously improving and innovating within those standards. This transition reflects the need for a proactive approach to managing risk, fostering innovation, and driving sustainable growth. Therefore, the traditional focus on efficiency, process optimization, and cost reduction will benefit from evolving into a more agile and adaptive approach.

Despite the nature of modern maturity models, they still serve as stable frameworks in a world where daily realities are constantly shifting. This helps organizations address diverse aspects of performance, but the key is not to replace predefined standards with an organization's unique path toward innovation and growth. This expanded scope of maturity models is particularly evident in two critical areas: the role of technology as a strategic driver and the integration of Environmental, Social, and Governance (ESG) accountability.

Technology as a Strategic Driver

Digitalization, once a support function, has evolved into a core component of any business strategy. This transformation reflects the broader shift in how organizations perceive and leverage technology, from viewing it as an operational tool to recognizing it as a strategic driver of growth, innovation, and competitive advantage. This shift is evident in the evolution of models like the Capability Maturity Model Integration (CMMI). Originally focused on software development processes in its earlier versions, CMMI has expanded significantly in its 2.0 iteration to include areas such as agile practices, cybersecurity, and data management.

Other maturity models experienced the same expansion due to rapid technological evolution. For example, the ITIL Maturity Model, initially developed in the late 1980s, used to focus on optimizing IT service management as a support function, but over time, has evolved to incorporate continuous improvement and digital integration adapting to the demands of modern environments where technology plays a more strategic role.

Maturity Models as Pathways to ESG Accountability

Initially, ESG was treated as a compliance issue where companies met basic standards to avoid penalties or reputational harm. This approach



was reactive, more focused on meeting minimum requirements rather than integrating ESG into core strategies.

As ESG's significance became clearer, a shift towards a more strategic, integrated approach emerged. ESG moved from mere compliance to accountability and long-term value creation. Organizations began to see that strong ESG performance could enhance their risk management, operational efficiency, and reputation. They began to embed those principles into their overall business strategies and even performance management systems.

Reflecting this redirection is the evolution of maturity models like the Baldrige Criteria, which have progressively integrated ESG elements to promote a more holistic view of organizational excellence. The Baldrige Excellence Framework, once focused primarily on quality and process improvement, has adapted to include core values such as societal contributions, ethics, and transparency. For instance, organizations are now required to consider their environmental impact, social responsibilities, and governance practices in their strategic planning processes. This means they are encouraged to develop strategies that not only focus on short-term financial performance but also on long-term sustainability and societal contributions.

Navigating Maturity Models with Purpose

As maturity models evolve from external benchmarks into tools for guiding organizational excellence, it's essential to change focus from the scores they produce to the strategic roadmap they offer. In today's world of overflowing information and rapidly shifting demands, external expectations have become less relevant than the organization's own internal purpose and values. Nowadays, an internal compass defines what success means on one's own terms. Rather than viewing maturity models as judges of your progress, consider them advisors that provide direction on your journey. Use the insights to chart a path forward that resonates with your vision, empowering your organization to grow, innovate, and lead with intention.

Enhancing Organizational Success: Best Practices for Strategic Planning

Cristina Mihăiloaie, Daniela Vuta, and Kirolos Wassef

A winning strategy goes beyond mere innovation or technology. It relies on effective strategic planning processes that drive organizational success. Strategic planning is defined by the United Nations as a forward-looking process that aligns an organization's priorities with future trends. This alignment fosters focus, accountability, and measurable results to ensure that all divisions work toward overarching organizational goals.



Strategic Planning in the MENA Region

In spite of the dynamic nature of the global marketplace, companies in the Middle East and North Africa (MENA) region are still relying significantly on traditional, annual planning cycles, as evidenced by the latest study conducted by The KPI Institute (TKI). Insights from the [State of Strategy Management Practice - 2024 MENA Region Report](#) show that a significant 76% of professionals deploy a formal and systematic strategy planning process with 56% of them taking part in annual or triennial reviews. When asked what their number one challenge was, respondents mentioned that creating a methodical strategy planning process is the main struggle, followed by choosing the right KPIs, and conducting a proper external environment analysis.

How to Enhance Strategic Planning

In light of these insights, here are three best practices, as recommended by the report, to enhance organizational effectiveness in strategic planning.

1. Embrace emergent strategies without neglecting deliberate strategic planning.

While most professionals perceive their organization's strategic planning as deliberate (i.e. formal and systematic), this rigidity can inhibit adaptability and responsiveness to change. A deliberate strategy provides a clear roadmap for the future, yet it is essential to recognize the limitations of focusing solely on such an approach. By embracing emergent strategies, organizations can adapt to unforeseen opportunities and threats, fostering innovation and agility.

As the featured speakers of the webinar [Navigating the Landscape of Strategy Planning and Execution in the Age of Transformation](#) suggest, "Deliberate strategic planning can successfully work along with a strong capability to embed emergent strategies," allowing organizations to strike a balance between structure and flexibility.

2. Implement futures thinking and scenario planning.



Figure 1. Strategic Planning Maturity Model Framework V2.0 | Source: The GPA Unit

In a world marked by volatility and uncertainty, organizations must adopt proactive strategic planning to stay competitive. Survey data reveals that 78% of respondents identify global and local market instabilities as the main drivers of strategy adjustments, highlighting the need to anticipate future trends and disruptions. By embracing futures thinking and scenario planning, organizations can proactively identify emerging opportunities and threats, develop robust contingency plans, and make informed decisions that can withstand unforeseen challenges.

3. Streamline strategic planning processes.

Survey respondents indicated difficulty understanding the interdependence between objectives and initiatives in their organization's strategic plan. This challenge is likely worsened by the tendency to overcomplicate the strategy

with an excessive number of projects, and key performance indicators (KPIs) sometimes taken over as legacy from previous years. Such complexity can cause confusion and hinder strategic alignment.

To maintain clarity in the planning process, businesses must resort to a specific framework of operating strategy planning and providing tools for strategy alignment (e.g. Strategy Map, Portfolio of Initiatives) and prioritization (e.g. MoSCoW). Organizations can reduce complexity by focusing on a few key transformative aims. A simplified strategy will not only increase alignment with strategic objectives, but will also speed up decision-making and execution, resulting in better business outcomes.

Leveraging the Strategy Planning Maturity Model for Success

The Strategy Planning Maturity Model (SPMM) is a best practices blueprint used as an evaluation tool for the complexity of this key organizational function (see Figure 1). This tool is a registered trademark of The Global Performance Audit Unit (GPA Unit) and The KPI Institute, and has been used successfully across industries to design the roadmap for improvement in strategy planning for organizations. The SPMM assesses aspects such as organizational identity; approach to business planning; planning horizon; tools used (strategy plan, strategy map etc); link between strategic-operational-individual priorities; strategy review cycles; strategy communication; and governance.

Combining an expert scoring system along with internal stakeholders' perception on the process results in a comprehensive list of recommendations to address the issues that can transform strategy planning and result in a corporate strategy more effectively embedded into the realities of the market and the strengths of the organization.

Oftentimes, in the pursuit of excellence, the key lies in the details. These process details can make business planning faster and more effective, ensure a clear strategy and alignment at the operational level, and boost the commitment and engagement of internal stakeholders to successfully implement projects.



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Performance Measurement: The Core Pillar of Performance Management

Cristina Mihăiloaie

A strong performance management framework is the backbone of any organization's strategy execution. Proper performance monitoring and evaluation inform decision-making and enable the entity to adapt to changes and foresee the correct next steps.

According to The KPI Institute (TKI) CEO Aurel Brudan, performance management is the overarching human activity that is concerned with achieving desired results, thus demonstrating and achieving performance. It reflects the approach one entity has towards performance and it integrates both upstream and downstream with other domains of administrative science or managerial disciplines.

TKI outlines a distinction between the two key pillars that support this field: performance measurement and performance improvement. While the first one is focused on collecting data, the latter is concerned with decision-making and taking the correct actions to close the performance gap. This article will focus on how to address current challenges in performance measurement.

The Performance Measurement Maturity Model is a proprietary tool created by the Global Performance Audit Unit (GPA Unit), a division of TKI focused on assessing the maturity of performance management systems (see Figure 1). The model is used as a diagnostic tool to identify improvement areas for organizations. This instrument outlines six building blocks, among which a few of them overlap upstream with activities specific to strategic planning due to the need to ensure alignment between measurement and strategy. These are:

- KPI Selection
- KPI Documentation
- Target Setting
- Data Collection
- Data Visualization
- KPI Governance

KPI Selection

According to TKI's State of Strategy Management Practice Report - 2024, KPI selection is among the top concerns of professionals in the Middle East and North Africa (MENA) region. This is an important stage of the strategy planning process as well as a key prerequisite for a successful

performance measurement system.

Looking further into 2024 research data, it can be concluded that there is a moderate level of confidence in selecting the right KPIs, indicated by a rating of 3.2 accompanied by a moderate level of satisfaction with the relevance of organizational KPIs (3.1) based on the survey respondents' perception. In both cases, the rating scale used is from 1 (very low) to 5 (very high).

KPI selection can be leveraged by combining the right research with insights from key internal stakeholders. Combining internal information about current KPIs being monitored with industry best practices can provide a sound understanding of potential measurements. Furthermore, engaging stakeholders in a dedicated workshop and using a framework for the conversation will enable the group to identify the most meaningful KPIs.



KPI Documentation

This is the process of formalizing the measurement process for each KPI through documentation. This is also an important stage as part of KPI selection since it can work as a second filter to validate KPIs. Some KPIs may be great to report, but their data collection cost may exceed the benefits, leading to the decision to not activate the KPI. While most organizations have a minimal documentation form containing the calculation formula and targets, very often KPI documentation forms are missing information such as the strategic objective of the KPI, interdependent KPIs, data sources, data limitations, data custodian, KPI owner, data collection, and reporting frequencies.

Target Setting

The challenges in this area vary from one organization to another. Less mature organizations struggle with putting together historical data or accessing market data. At the next maturity stage, there are difficulties related to data analysis and extracting meaningful business insights for future projections. Lastly, even mature organizations sometimes face challenges in engaging internal stakeholders to propose and support targets outside their comfort zone.



Improving target setting requires a two-fold strategy. Firstly, the actual process itself can be optimized by a detailed mapping of the “what” and “how”. The Strategy Office and KPI owners will play important roles in defining KPI targets. Position the Strategy Office as the process facilitator and quality assurer, and involve business leaders to drive target analysis and propose desired levels. Introduce a target setting form for documentation based on data to both understand the KPI’s data patterns and justify proposed targets.

Secondly, support KPI owners with adequate training to raise data literacy and the ability to work with KPIs. Revise the extent to which the compensation package and employee performance is linked to corporate targets and how this system could be adjusted to reduce the risk of sandbagging to secure individual financial benefits.

Data Collection

TKI’s data from the MENA region shows that 51% of organizations have not properly automated their performance measurement systems, which negatively impacts data accuracy, efficiency in providing corporate reports, and the ability to



Figure 1. Performance Measurement Maturity Model Framework V2.0 | Source: The GPA Unit

trust and develop a data-driven decision-making process. While having a dedicated software solution can solve many of the data collection issues, organizations must first streamline the process. KPIs must be properly documented, data sources must be identified, data check protocols should be set, and data custodians must be allocated and trained across the organization. Where most of the data is centralized manually from the bottom to the top of the organization, using a standard template is mandatory to ensure faster processing and development of the performance report.

Data Visualization

This activity is included as part of the Performance Measurement Maturity Model to indicate the ability of the organization to use data properly. Data-driven decision-making is facilitated by strong data visualization tools. Mature organizations know how to leverage software solutions to create a story around data and make it easy for everyone to understand the message behind the numbers. Furthermore, even with the lack of automated reporting solutions, smart visual design done in spreadsheet applications like Microsoft Excel can make the difference in the way data is interpreted and used by business leaders.

KPI Governance

KPIs are at the core of any Performance Measurement System, and accountability must be defined for each corporate KPI. The Corporate Performance Office usually oversees the system and ensures all processes and tools are set in place according to best practices. Meeting KPI targets falls under the responsibility of top management. Mature organizations have designated KPI owners and a strong collaboration between them and the Corporate Performance Office monitors performance, reports results, and supports business leaders to identify root causes for underperforming KPIs and address them properly.

Why Measuring Maturity Matters

The Performance Measurement Maturity Assessment takes organizations into a deep dive to discover their formal and informal practices in the six aforementioned areas to prepare the proper groundwork for system optimization. It precisely identifies how current processes and tools must be improved to design a state-of-the-art performance measurement system and address specific challenges. By doing so, organizations are better equipped to navigate the ever-evolving terrain of the business landscape.



The Role of Maturity Assessments and the GPA Unit's Proprietary Framework

Doina Popovici

In an ever-evolving business landscape, organizations must continually refine their capabilities to stay competitive and achieve sustainable success. Among these, performance improvement stands out as a cornerstone for driving organizational growth, fostering innovation, and enhancing overall performance. The Global Performance Audit Unit's (GPA Unit) Performance Improvement Maturity Model Framework provides a structured and strategic approach to assess and elevate this critical capability (see Figure 1).



What Is a Maturity Model?

A maturity model is a structured framework that evaluates an organization's capabilities within a specific area, such as performance improvement, against a set of best practices by analysing the processes, procedures, and performance management tools used by organizations within the Performance Management System. It helps organizations identify their current level of maturity and compare it against best practices, uncover strengths and weaknesses, and develop a roadmap for improvement. Maturity models are typically measured on a scale—ranging from basic/rudimentary or non-existing practices at the lower levels to advanced and optimized practices at the highest levels.

The Performance Improvement Maturity Model Framework

The GPA Unit's Performance Improvement Maturity Model Framework is a proprietary tool designed to evaluate the maturity level of an organization's performance improvement capability. This framework examines six critical dimensions:

- **Data Analysis** - This evaluates the organization's capability to process and derive actionable

insights from data. It includes the techniques employed to interpret KPI results and the integration of an enterprise resource planning (ERP) system for collecting and processing KPI data efficiently.

- **Reporting** - This assesses the quality assurance process which takes place prior to compiling performance reports as well as determining whether these reports are automatically generated using specialized business intelligence (BI) software solutions.
- **Performance Review** - This measures the effectiveness of conducting regular performance reviews with the purpose of supporting informed decision-making.
- **Initiative Management** - This assesses whether organizational projects designed to support strategic objectives are consolidated into a Portfolio of Initiatives, with comprehensive documentation stored in a centralized Library of Initiatives.
- **Learning and Improvement** - These evaluate whether the organization has an established Innovation Management Framework and a reward system to recognize the best ideas.
- **Performance System Governance** - This investigates the presence of all performance improvement processes being mapped and documented in a procedure or manual with clearly defined roles and responsibilities of stakeholders as well as the organization's strategy for engaging stakeholders in various processes.



Figure 1. Performance Improvement Maturity Model Framework V2.0 | Source: The GPA Unit

Organizations are classified into five maturity levels based on their alignment with best practices. At the lowest maturity level, organizations struggle to operate with a basic reporting process where data analysis is conducted without a standardized methodology, and reporting occurs informally. Performance review meetings are sporadic, lacking proper structure and focus. Accountability for initiative outcomes is often unclear, and there is limited transparency on how projects align with organizational objectives. Typically, performance improvement at this stage is inconsistent and does not effectively drive progress due to irregular reporting and the limited relevance of KPIs.



Additionally, uncoordinated learning efforts and minimal integration of feedback make it challenging for the organization to enhance its current practices.

On the highest maturity level, organizations often utilize advanced data analysis techniques (e.g. modeling) and leverage BI tools for performance reporting and tracking project implementation progress. It is typical for organizations on this level to have a highly adaptable performance management system capable of responding effectively to changes. The system is deeply embedded across the organization, with stakeholders actively participating in efforts to enhance existing processes. A robust culture of learning and continuous improvement is a defining characteristic of these organizations.

The Benefits of Evaluating Performance Improvement Maturity

Evaluating the maturity of performance improvement capabilities provides several benefits:

- **Clear Status Quo:** Organizations gain a precise understanding of their current strengths and areas for improvement.
- **Strategic Focus:** Leadership can prioritize resource allocation and initiatives where they are most needed.
- **Enhanced Decision-Making:** Insights from the assessment enable data-driven decisions and

targeted interventions.

- **Benchmarking and Progress Tracking:** The results serve as a benchmark for future assessments, allowing organizations to track progress over time.
- **Cultural Shift:** Higher maturity levels often correspond to a stronger culture of continuous learning and improvement.

Regular Reassessments: A Path to Continuous Growth

Maturity assessments are not one-time exercises. Regular reassessments are critical to ensure sustained progress and adapt to changing business environments. By periodically evaluating their performance improvement capability, organizations can refine their strategies, embrace innovation, and move closer to achieving the highest maturity level.

The Performance Improvement Maturity Model Framework offered by the GPA Unit is a powerful tool for organizations seeking to evaluate and elevate their performance improvement capability. By leveraging this framework, organizations can build a robust foundation for sustained growth, align practices with strategic objectives, and foster a culture of excellence. Whether your organization is just starting its maturity journey or aiming to reach the highest level, this service provides the insights and support needed to navigate the path to success.



Building a Performance-Driven Culture: The Silent Forces Behind Meaningful Results

Andra-Teodora Gorski

Organizational culture forms the foundation of behavior, shaping how individuals act and how organizations respond to challenges. Rooted in shared values, norms, and beliefs, it influences attitudes, mindsets, and choices, often operating beneath the surface. For culture to be meaningful, its values must be clearly defined, embedded in practices, and consistently communicated. A strong organizational culture ensures alignment between strategy and values, fostering resilience, adaptability, and innovation.

A performance culture builds on this foundation by empowering employees with accountability, the tools to succeed, and the autonomy to achieve meaningful results. It thrives in environments where learning and experimentation are actively encouraged and modeled by leadership. As Jack Welch noted, “An organization’s ability to learn

and translate that learning into action rapidly is the ultimate competitive advantage.” Developing a performance culture requires a phased approach—starting with targeted initiatives and scaling successes across the organization. Transparent feedback systems, inclusive leadership, and a focus on curiosity and collaboration align personal contributions with organizational goals.

A strong culture is not just a byproduct of strategy—it’s what drives it. When culture is deeply rooted in purpose and values, it doesn’t just support strategy; it transforms it into lasting impact, guiding organizations toward success and meaningful progress.

For organizations aiming for long-term success, cultivating a solid performance culture grounded in a common purpose, innovation, and open



communication is essential. When these elements are in place, culture becomes the driving force that turns strategy into sustained achievement.

The Performance Culture Maturity Model Framework, developed by the Global Performance Audit Unit (GPA Unit), provides a comprehensive and structured approach to enhancing key aspects of a performance-driven culture (see Figure 1). It enables organizations to assess and improve critical areas such as effective governance, open communication, engaged leadership, innovation, continuous learning, recognition, and employee well-being. By focusing on these areas, organizations can empower their employees, foster a resilient culture, and achieve lasting excellence over the long term.

Governance and Systems Integration

Embedding organizational culture requires systems that align values with actions, where a well-defined performance management system integrates corporate strategy with employee performance. By ensuring clear ownership of results at all levels and leveraging technology, organizations foster efficiency, accountability, and transparency in achieving their goals.

To ensure the continued relevance of the performance management system, it is essential to conduct continuous assessment and refinement, creating a culture of continuous improvement. Leadership plays a key role in directing these systems, ensuring their evolution aligns with organizational objectives and employee expectations while promoting accountability and strategic coherence.

Communication, Leadership, and Buy-In

Leadership and communication are essential for building and maintaining alignment and commitment within organizations. A well-crafted communication plan ensures that strategic objectives, performance updates, and employee development initiatives are clearly understood by both teams and stakeholders. Effective communication channels, backed by strategic awareness programs, foster a culture of clarity and shared purpose.

It is through active engagement that leaders establish the foundation for a performance-driven culture. By supporting change management in major projects and investing in leadership development, they pave the way for employees to embrace their roles. This cultivates confidence,

motivation, and a sense of connection to the larger organizational context, empowering organizations to navigate challenges and seize opportunities with purpose.

Innovation

To drive innovation and engagement, organizations should seek to create an environment in which creativity can flourish, and employees are empowered to contribute meaningfully to organizational objectives. An innovation management framework can provide the structure and direction required to explore new ideas, while gamification can transform routine tasks into opportunities for collaboration and creative problem-solving. Initiatives such as internal hackathons, idea marathons, or leaderboard challenges can encourage employees to address complex organizational challenges or present innovative concepts.

Engagement

Employee engagement remains a challenge, with only one-third of employees feeling energized and connected to their work. A key issue is the perceived inaction on feedback, which undermines trust and engagement. Many strategies focus on adding programs but fail to address real concerns, such as everyday work challenges. A meaningful employee engagement strategy should focus on simplifying workflows, improving processes, and equipping managers to respond thoughtfully to feedback. By fostering open communication and addressing employees' needs in a sincere manner, organizations can create a supportive and inclusive environment where individuals feel heard, valued, and inspired to contribute. This human-centric approach not only builds trust, but also ignites motivation and strengthens alignment with a shared purpose.

Learning and Knowledge Sharing

Organizations that give precedence to the advancement of learning and knowledge dissemination are able to facilitate the personal and professional development of their employees, while concurrently maintaining alignment with their organizational values. The implementation of structured talent development, meaningful

training programs, and the use of technology for learning demonstrates a tangible dedication to the advancement of employee success. Mentorship and collaborative learning facilitate the formation of connections, encourage the exchange of ideas, and enhance the cohesion of teams.

The fostering of curiosity and an openness to new ideas creates an environment conducive to innovation, wherein mistakes are regarded as opportunities for learning and growth. Hybrid learning models and personalized development plans ensure that learning is aligned with both individual goals and the goals of the organization.

Performance Recognition

Recognizing performance through non-monetary

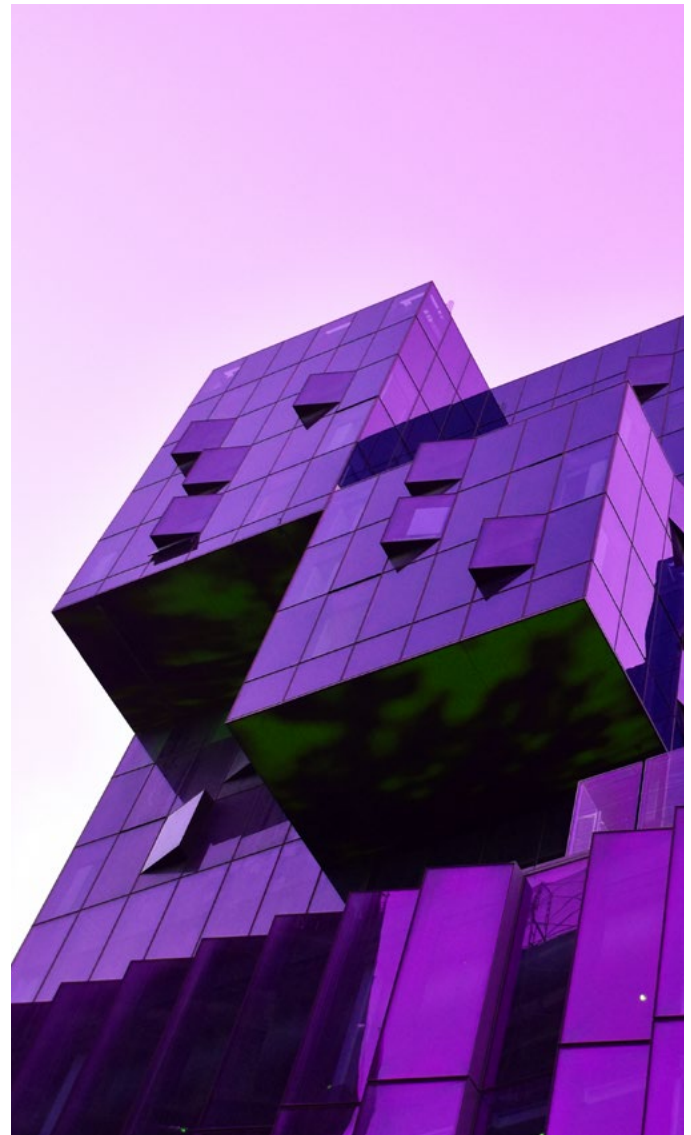


means is a profound way to connect with employees on a more meaningful level. Providing opportunities for growth, such as tailored learning programs, mentoring, or dedicated time for personal projects, turns recognition into an investment in the individual. These gestures affirm the value of contributions while fostering intrinsic motivation, a sense of purpose, and a deeper connection to the organization’s mission. By embracing non-monetary recognition, organizations create a culture where achievements are celebrated not just with rewards, but with opportunities to thrive and grow.

Happiness and Well-Being

A truly supportive workplace environment transcends being merely a location where tasks are performed; it becomes a cornerstone of loyalty, engagement, and sustained success. By embedding care into the organizational culture, companies demonstrate a genuine commitment to their employees. Prioritizing mental health, offering flexibility, and recognizing achievements empower employees to feel valued and perform at their best.

However, despite the growing investment in workplace wellness—set to exceed \$94.6 billion globally by 2026—the persistence of burnout and mental health challenges reveals a critical gap



between effort and impact. To bridge this gap, organizations must embrace forward-thinking approaches that truly address employees' needs. Initiatives such as mental health subscriptions, on-demand therapy apps, and wellness stipends for personalized self-care are reshaping how companies foster well-being.

Bringing It All Together

The culture of an organization is the foundation that shapes its success, guiding both individual purpose and collective performance. Just as perception shapes reality, an organization’s culture defines how performance is understood and achieved. When engagement is fostered, well-being is prioritized, growth is nurtured, and creativity is celebrated, it creates a shared vision that unites individuals and the organization. This alignment drives performance, continuous innovation, and ensures lasting success.



Figure 1. Performance Culture Maturity Model Framework V2.0 | Source: The GPA Unit

Understanding the Impact of Continuous Engagement on Employee Performance Management

Silvana Badita and Doina Popovici



In 2024, as workplace trends like "quiet quitting" and "bare minimum Mondays" reflect a growing desire among employees to detach from their roles, addressing disengagement has become a top priority for organizations. With 44% of employees globally reporting high levels of stress, engagement efforts are crucial in preventing burnout and improving performance. Gallup estimates low employee engagement costs the global economy 8.9 trillion U.S. dollars or 9% of the global GDP.





Under these circumstances, continuous engagement becomes essential for sustaining a high-performing workforce, especially given the challenges of remote and hybrid work environments. How does this practice impact employee performance? Examining this through the lens of a systemic approach, the Employee Performance Management Maturity Model Framework developed by the Global Performance Audit Unit (GPA Unit) offers a structured, comprehensive guide for addressing the growing concerns of employee disengagement (see Figure 1). This framework allows organizations to assess and improve critical aspects of their performance management practices, not only addressing disengagement but also building a more resilient, high-performing workforce.

Employee Performance Planning

The trend of fostering continuous engagement promotes a shift from static, annual performance planning to a more agile, responsive approach.

In the State of the Global Workplace 2024, Gallup reveals that 70% of team engagement variance is attributed to managers, highlighting their critical role in effective employee performance planning. Managers drive engagement by setting clear individual objectives for all job categories with clear measurements assigned to them, fostering accountability. These objectives provide a structured framework for employees to align their efforts with organizational goals.

Additionally, implementing a corporate competency model focused on shaping cultural capabilities further enhances planning by embedding the organization's values and behavioral expectations

into daily operations. Through this structured yet flexible planning process, managers enable employees to contribute meaningfully while ensuring organizational priorities are addressed effectively. By fostering clarity, alignment, and accountability, such planning strategies lay the groundwork for sustained engagement and productivity.

Employee Performance Measurement

Employee performance measurement is deeply connected to engagement by capturing both tangible outputs (traditional KPIs) and intangible factors like employee morale and presenteeism. Presenteeism—a state wherein employees are physically present but not fully productive due to illness, stress, or disengagement—presents an ongoing challenge that affects both individual effectiveness and organizational costs.

To address this, organizations can track metrics like the % Presenteeism, along with # Employee Engagement Index. This dual focus creates a more holistic performance measurement framework and highlights not only how well employees are meeting their objectives, but also the quality of their work experience and their mental and physical readiness to perform.

By integrating presenteeism and engagement metrics into performance measurement systems, companies gain insights into the root causes of underperformance. This enables targeted interventions—such as improving workplace wellness programs, fostering open communication, or addressing stress-inducing processes—that boost morale and create an environment where employees can thrive.

Employee Performance Review

The traditional annual review is shifting to align with continuous engagement trends, favoring regular weekly or monthly check-ins between managers and employees over intense, annual evaluations. This approach emphasizes timely, constructive feedback and ongoing support. According to Gallup, frequent feedback that centers on recognition, collaboration, goal-setting, and leveraging strengths is significantly more

effective in fostering employee engagement. By implementing this model, performance reviews can evolve into proactive tools for growth and development rather than singular, high-pressure events.

Employee Performance Improvement

Employee performance improvement is deeply intertwined with engaging employees, as continuous engagement fosters a proactive approach to growth and development. Gallup's State of the Global Workplace 2024 shows that organizations with high engagement levels excel by cultivating strong leadership and prioritizing the selection and development of managers who actively connect with their teams and deliver tailored, constructive feedback.

Organizations nurture employee engagement by integrating continuous development—both professional and personal—into every stage of the employee life cycle. From recruiting and onboarding to establishing individual objectives and aligning daily efforts, this holistic approach fosters a culture of ongoing growth and success. Employee engagement drives improved performance by motivating employees to bring their best efforts to their roles. When employees feel valued through opportunities for professional and personal development, their connection to the organization grows stronger, fostering a culture of continuous improvement that positively impacts both individual and organizational performance.

Employee Performance Recognition

Additionally, employee recognition plays a critical role in bolstering engagement by directly contributing to individual resilience and organizational strength. By integrating mental and financial health resources, organizations lay the groundwork for long-term engagement. Meanwhile, timely recognition transforms performance acknowledgment from an isolated event to an ongoing practice. When managers recognize achievements in real-time, they reinforce positive behaviors and foster a culture of appreciation. This approach boosts motivation and satisfaction—especially in high-stress settings—proving that regular, small acknowledgments can

profoundly influence both employee engagement and organizational performance.

Employee Performance Governance

Continuous engagement also necessitates updates to governance policies to support and sustain meaningful, frequent manager-employee interactions. Organizations need to build structures that provide managers with the time, skills, and resources required to engage their teams effectively. This could involve formalizing feedback protocols and equipping managers with training to deliver constructive, strength-focused feedback.

Embedding Employee Engagement Practices

The shift towards continuous engagement is a powerful strategy for addressing the growing challenges of employee disengagement and stress. Organizations can use this approach to foster a more connected, motivated, and high-performing workforce. By embedding engagement into every aspect of employee performance management, from planning to governance, companies can create a resilient culture where employees feel valued and aligned with their roles and organizational goals.



Figure 1. Employee Performance Management Maturity Model Framework V2.0 | Source: The GPA Unit

The background of the page features a collage of silhouettes of business professionals in various poses, overlaid on a semi-transparent image of a modern city skyline with skyscrapers and a body of water. The color palette is dominated by soft pinks, purples, and blues, creating a professional and forward-looking atmosphere.

Redefining Leadership for a Complex World: Leading Organizational Culture Transformation and Maturity

Andra-Teodora Gorski

The business world is undergoing a significant transformation characterized by rapid technological advancements, climate change, shifting societal expectations, and a global talent shortage. These converging forces require a new type of leader who can navigate complexity, inspire change, and drive sustainable growth.

To thrive in this dynamic environment, leaders must expand their horizons, cultivate diverse networks, and embrace a new mindset. By stepping outside their comfort zones and experimenting with new approaches, they can drive innovation and enhance resilience. However, the challenges extend beyond the remit of individual leadership. It is also essential that organizations adapt in order to foster collaboration, agility, and a culture of continuous learning.

A key aspect of this transformation is the

development of new leadership skills. In light of the global shortage of holistic leaders, there is an unprecedented opportunity for those who can redefine their traditional roles and extend their reach within their respective networks. By embracing the challenges of this new era, prospective leaders can position themselves for significant growth and impact.

In order to overcome these challenges, leaders must embody a blend of different traits:

- **Transformational:** Leaders are responsible for inspiring and motivating their teams by creating a compelling vision of the future that encourages innovation and challenges the status quo. Transformational leaders drive change and foster a culture of continuous improvement, enabling organizations to adapt to and thrive in an ever-evolving landscape.

•**Ethical:** In today's business environment, where transparency and integrity are increasingly valued, leaders must prioritize ethical decision-making. By upholding robust moral standards and ensuring that their actions align with the organization's values, ethical leaders foster trust and credibility, both within their teams and among external stakeholders.

•**Servant:** Effective leaders are committed to the personal and professional growth of their employees and to ensuring their well-being in the workplace. Servant leaders prioritize the needs of their teams, empowering individuals, fostering collaboration, and creating an environment where employees feel supported and valued. This approach not only improves employee engagement but also increases the likelihood of collective success.

•**Sustainable:** The challenges facing leaders today also include achieving organizational success while maintaining social and environmental responsibility. Sustainable leaders integrate long-term thinking into their strategies, ensuring that their organizations contribute positively to society and the environment while remaining resilient and adaptable in the face of future challenges.

•**Transactional:** While visionary leadership is undoubtedly crucial, the importance of transactional leadership should not be overlooked. Leaders must ensure that day-to-day operations run smoothly by setting clear expectations and providing rewards for meeting performance results. Transactional leadership ensures that the organization remains efficient and effective, with a strong focus on achieving short-term results.

To support this holistic leadership approach, organizations must cultivate a performance-driven culture that emphasizes open communication, encourages innovation, prioritizes continuous learning, and recognizes both individual and collective achievements. This culture should also focus on well-being and ethical practices, ensuring employees are engaged, supported, and aligned with the organization's long-term objectives. By embedding these values into the organizational DNA, leaders can foster an environment that not only drives sustainable growth but also enhances overall resilience and adaptability.

Leaders who embody a harmonious integration of transformational, ethical, servant, sustainable,



and transactional leadership traits can effectively support and enhance the core components of the performance culture across several key areas, as outlined by the Global Performance Audit Unit:

1. Communication and Leadership Support

- **Transformational:** Inspire teams with visionary and forward-thinking messages.
- **Ethical:** Build trust through transparent, honest dialogue.
- **Servant:** Foster open communication and encourage a supportive environment.
- **Sustainable:** Align communication and support with long-term goals and responsibility.
- **Transactional:** Provide clear expectations and feedback for operational efficiency.

2. Creativity and Innovation

- **Transformational:** Encourage innovation by

challenging the status quo.

- **Ethical:** Guide creativity with integrity and responsibility.
- **Servant:** Empower teams to innovate through support and collaboration.
- **Sustainable:** Promote innovation that also meets social and environmental objectives.
- **Transactional:** Reward innovative solutions that meet performance goals.

3. Education and Knowledge

- **Transformational:** Promote continuous learning and growth.
- **Ethical:** Ensure fair access to learning opportunities.
- **Servant:** Provide resources and mentorship for team development.
- **Sustainable:** Integrate sustainability into learning initiatives.





- **Transactional:** Link education to performance incentives.
 - **Sustainable:** Support well-being with socially responsible practices.
- 4. Benefits and Recognition**
- **Transformational:** Recognize contributions to objectives and KPIs achievement.
 - **Ethical:** Ensure fair and transparent recognition.
 - **Servant:** Offer meaningful, personalized benefits and recognition.
 - **Sustainable:** Align rewards with sustainability objectives.
 - **Transactional:** Tie recognition to clear performance metrics.
 - **Transactional:** Provide stability and resources for a positive work environment.

- As the business landscape continues to change, there is an urgent need for a new type of leader. The integration of transformational, ethical, servant, sustainable, and transactional leadership traits is not just a strategy. It is a necessity for those who wish to guide their organizations through the complexities of the modern era. These leaders are the driving force behind the development of a mature and resilient organizational culture—one that is built on innovation, integrity, and the well-being of its people.

5. Happiness and Well-being

- Embracing this holistic approach allows leaders to drive sustainable growth, foster a culture of continuous improvement, and, ultimately, lead their organizations to not only survive but flourish in the face of future challenges. The journey to transforming organizational culture begins with the leader's commitment to evolving themselves, their teams, and their impact into the broader business environment.
- **Transformational:** Foster purpose and engagement for well-being.
 - **Ethical:** Promote a fair, respectful work environment.
 - **Servant:** Prioritize employee well-being and work-life balance.

Micro-credentials in Maturity Assessments

A micro-certification is a niche course, targeting the development of one skill or competency in a specific area of expertise. These training courses offered by The KPI Institute are different from its Certifications Programs from several perspectives:

- No pre-course and post-course assignments;
- Shorter course duration;
- No Certification Exam;
- The micro-credentials obtained can be used when enrolling to a Certification Program in our portfolio.



Certificate in Strategic Planning Maturity Assessment

This course will help professionals identify the weaknesses and strengths of strategy planning frameworks using a maturity model assessment. Participants will develop the necessary skills to act as advisors for improving strategy formulation practices in organizations.

Certificate in Performance Measurement Maturity Assessment

The micro-certification is focused on building the skills to assess KPI usage practices and enhance the performance measurement framework in organizations. Professionals will be able to conduct a maturity assessment and propose improvement recommendations.



Certificate in Performance Improvement Maturity Assessment

This training course looks into the assessment of processes specific to strategy execution like performance reporting, decision-making and initiatives management. The learning experience is developed around a performance management maturity model, which managers will get to use to identify the maturity of their practices and the best ways to move forward.



Certificate in Employee Performance Management Maturity Assessment

Human Resources Specialists involved in managing employee performance will find this training useful as it captures the specific characteristics of Employee Performance Management Systems on a 5-level maturity scale. Professionals will be able to drive changes in current employee performance review practices by developing explicit roadmaps for improvement.



For more details and inquiries, email Bogdan Ciobanu, Customer Support Specialist at The KPI Institute, at bogdan.ciobanu@kpiinstitute.com

ASK OUR EXPERTS

Culture of Performance Excellence - Agility -
Performance Management System Maturity Assessment





Q: How crucial do you perceive leadership's role in fostering a culture of performance excellence within an organization?

A: Leadership plays an essential role in cultivating a culture of performance excellence within any organization. Leaders are responsible for setting the tone and vision of how the organization should be. They demonstrate and promote the values and behaviors that shape the overall culture of the organization.

All that being said, I've seen before how fear can hinder progress. Some leaders shy away from change and worry about resistance, as if there is a magic wand that could instantly bring about performance excellence without upsetting the status quo. Performance excellence, truly, is a culture. It is continuous, not a one-time act. Fostering this culture consists of:

- clear goals that guide organizational direction
- open communication and transparency within the organization
- employees' ownership of their work
- recognition of achievements and support for continuous learning

- holistic feedback, promoted through systems like the 360-degree feedback cycle

In a previous article for Performance Magazine, I wrote that periodic performance reviews and regular check-ins encourage ongoing conversations between managers and employees, facilitate growth discussions, and identify areas that need improvement.

Moreover, it is important to note that effective performance measurement goes beyond simply counting numbers, as it needs a comprehensive understanding of an employee's contributions and their influence on the expansion of the business. This is made possible by incorporating qualitative elements like engagement, collaboration, and innovation.

Ultimately, leaders must be role models for accountability and transparency to demonstrate that excellence is a shared responsibility. Strong leadership that strives for tangible results is the catalyst that ushers in performance excellence.



Muhammad Ali Moustafa
Business Management
Consultant,
The KPI Institute

About the Expert

- Muhammad is a management consultant at The KPI Institute who has been involved in multiple projects related to designing, implementing, and assessing performance management systems.
- He holds an MBA in Small & Medium Enterprises Management from AASTMT in Egypt.
- He is a Certified Strategy Business Planning Professional, a Certified KPI Professional and Practitioner, a Certified Performance Management Systems Audit Professional, and a Certified BSC Professional.



Q: How can organizations effectively harmonize the need for standardized performance metrics with the growing importance of personalized and agile performance management approaches?

A: All performance starts with clarity and radical honesty around what truly matters. KPIs, therefore, must be rooted in agreed-upon priorities or interests and should reflect the uniqueness of an organization.

The alignment between the standards and wants of key stakeholders is what inherently personalizes a performance management system. Metrics only become true KPIs when they accurately reflect the desired state of your organization in a specific area. So using standard, popular KPIs is fine, but only if they fit your specific goals.

Take the KPI of % Employee satisfaction with training. If the strategic goal is to enhance employee skills, measuring satisfaction with training could be misleading.

An employee might be happy with their training, but if their skills aren't improving, that KPI fails to provide insights into the objective. However, for the trainer who facilitated the training, this metric is truly key, as it directly reflects their success. This is why KPIs need

to be customized.

If someone offers a one-size-fits-all solution that doesn't align with your priorities, maybe think twice about taking their advice.

When it comes to agility, I see it as complementary to stability and consistency. Agile practices, like weekly sprints and frequent feedback loops, are vital but don't replace the need for consistent priorities and values.

The key is to decide what is stable in your strategy by identifying your core values and long-term vision. Measure this consistently and with stability, and let the rest be agile, adaptable, and responsive to change. Use quick feedback and embrace trial and error.

Keep it straightforward: Define your non-negotiables and measure them with precision, but let go of standardization when it hinders your progress more than it helps.



Bori Péntek
Management Consultant,
Systems

About the Expert

- Bori is a management consultant in the field of Performance Management and Human Resource (HR) Management.
- She has over seven years of experience managing people and operations in different industries, ranging from non-profits to sustainable construction and research and development.
- Her consulting strategy involves merging strategic planning and performance management at the organizational level with responsible HR strategies and practices at the departmental and individual levels to achieve sustainable success.
- Her passion lies in facilitating employee well-being through conscious leadership and internal corporate social responsibility.



Q: What opportunities for efficiency enhancements might arise from undergoing a performance management system maturity assessment?

A: I would like us to look at maturity assessments as diagnostic tools for a healthy and efficient performance management system (PMS), which is vital for operating a high-performing business. Business leaders rely heavily on meaningful KPIs for decision-making and on effective strategy planning to clarify the organization's direction and manage resources.

A well-structured PMS will set standards for translating the strategy into specific objectives, KPIs, and initiatives. It creates the rules and proper environment for business unit heads to identify their contribution to strategy and design aligned functional area business plans. Moreover, it links the WHAT (objectives) to the HOW (initiatives) for consistency between strategy and the actual work done in the trenches of the organization.

While there are a variety of reasons why strategy fails, it is critical to provide decision-makers with a reliable performance measurement and reporting system. Furthermore, facilitating regular processes to discuss performance, initiative implementation status, and to take corrective actions are fundamental building blocks for effective strategy execution.

What if all the unproductive hours employees spend in meetings could be turned into focused discussions around strategic or operational objectives? What if the PMS can increase the strategy awareness level in the organization and provide reliable and timely performance data? How much efficiency would the company gain if employees' autonomy is increased by access to data and knowledge to address issues on the spot and lessen escalation? What if executives had more time for strategic thinking and spent less energy on fire-fighting operational problems?

The Integrated Performance Maturity Model can scan five key capabilities intertwined to business performance and help you design the sound framework upon which successful operations and strategy execution can take place.



Cristina Mihăiloaie

Strategy and Performance Management Expert and Chief Operating Officer, The KPI Institute (TKI)

About the Expert

- Her professional experience embeds research skills with performance management consulting and practical strategy development and execution for TKI's Research Division.
- In the last 12 years, Cristina has contributed to the development of best practices and standards on how to use and leverage KPIs that are taught in the premium certifications of TKI worldwide.
- She assisted large organizations in industries like oil and gas, the financial sector, telecommunications, manufacturing, and utilities.
- She conducts maturity assessments for performance management systems and facilitated over 1,000 hours of training and workshops for executives, who get first-hand experience with the most stringent issues organizations face.



CAREER INSIGHTS

The Performance Management System Assessor -
Recommended Resources

A woman with long dark hair, wearing a red cable-knit sweater, is holding a white tablet. The tablet displays a large white checkmark inside a gold circular seal with a ribbon. Below the seal, there are several glowing yellow stars of varying sizes. The background is a soft-focus outdoor scene with a blue sky and some greenery.

A Profession on the Rise: The Performance Management System Assessor

Len Cristobal

Conducting a performance management system (PMS) maturity assessment is like mapping out a constellation. Each star represents a data point. It could be an existing process, a tool, or the reasoning behind current practices in the organization. A PMS assessor connects different points and makes sense of their pattern. Like astronomical discoveries that spark scientific, technological, or philosophical developments, a PMS maturity assessment can transform an organization's direction, culture, and processes.

If leading transformations like that excites you, then the role of a PMS assessor might be for you.

What Is a PMS Assessor?

A PMS assessor conducts assessments within organizations to assess the maturity of performance management practices. Using the proprietary framework of The KPI Institute (TKI) and its Global Performance Audit Unit (GPA Unit), a PMS assessor identifies system strengths and flaws and compiles findings into an assessment report. The report is always complemented by a roadmap for continuous improvement and infographics that show the changes required to advance to the ultimate maturity level. The PMS assessor

can be employed by a company, work for a PMS maturity assessment provider, or offer freelance consultation.

This is a unique opportunity for professionals to break into a new niche. The role of a PMS assessor was first introduced and formalized by TKI, a global leader in key performance indicators (KPIs) research and education for over 20 years. Its Certified Performance Management Systems Audit Professional program is the first in the world to offer certification for a role dedicated to diagnosing and assessing the maturity of an organization's performance architectures. The program develops skills to apply the Integrated Performance Maturity Model.

The niche is becoming increasingly important as trends change how businesses operate, execute strategy, and manage workforces. With this, strategy and performance management practices have been crucial for steering organizational success. Hence, the job of a PMS assessor doesn't stop at merely analyzing data.

Key Competencies of a PMS Assessor

What skills should a stellar PMS assessor possess?

Domain Knowledge: his competency is primarily about implementing a structured approach, specifically using a maturity assessment framework to evaluate a PMS. The PMS assessor is in charge of applying a documentation methodology and assessment criteria to the maturity assessment process.

Analytical Skills: When an organization struggles with strategic misalignment, the PMS assessor determines gaps between goals and existing processes according to specific standards. The assessment requires data gathering, analysis, and interpretation.

Critical Thinking: The output of the maturity assessment should present practical insights to ensure the progression of the organization to the next maturity level. A PMS assessor must come up with strategic advice and customized recommendations for closing gaps, improving systems, and encouraging participation at all organizational levels.

Solution Design: PMS assessors analyze and turn current practices into new standards of excellence. Their observations can be used to devise strategies and drive innovative undertakings, which are reflected in the roadmap for continuous improvement that they design for organizations.

Communication: PMS assessors must be effective communicators as assessments often involve interviews to gather more data about the organization. PMS assessors must also deliver maturity assessment reports and present information and outcomes in a clear and efficient manner to win organizational support.

A PMS Assessor's Career Roadmap

So, how do you build a career in this specialized field that also requires versatility? You can start by pursuing an academic background in business administration or management. Then, gain practical experience by working in strategy or corporate performance management offices.

To become a PMS assessor, enroll in The KPI Institute's [Certified Performance Management Systems Audit Professional course](#). The program

will equip you with the knowledge and skills to properly conduct a PMS maturity assessment process using the Integrated Performance Maturity Model Framework and to perform evaluation for public and private organizations while supporting them to achieve business excellence.

To establish yourself as an expert in this field, you must master the different disciplines included in the Integrated Performance Maturity Model. Thus, one must sharpen their knowledge and experience in [strategic planning](#), [performance measurement](#), [performance improvement](#), and further in [employee performance](#), if this area is also of interest for the future assessor. With this, you're not just learning the ropes but also opening yourself up to future opportunities, connecting with peers, and meeting potential mentors.

As you now know, PMS assessors illuminate the best paths an organization can take and advocate for cultivating a culture of continuous improvement. If you see yourself in this role, the next steps are clear: solidify your foundational credentials and develop key competencies.

Have a passion not only for uncovering issues but also for delivering practical solutions that drive meaningful change. See the GPA Unit's success stories with client-organizations [here](#): [Organizational Performance Management System Maturity Assessment - Case Studies & Clients Insights](#)





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- > Eligible for Executive Program in Strategy & Performance Postgraduate Diploma.



RECOMMENDED RESOURCES

Statistics

15%

The percentage increase in awareness of Business Excellence (BE) among CEOs and organizational heads over the past three years, from an initial 11%-20%.

Source: Taylor and Francis

39%

The percentage of business excellence organizations that perform assessments annually, compared to 22% that conduct these assessments in real time.

Source: Center for Research on Organizational Excellence

75%

of leadership development professionals estimate that less than half of what they train gets applied on the job.

Source: LEADx

Over

50%

of CEOs and CFOs remarked that corporate culture and values influence productivity, creativity, profitability, and the value of the company.

Source: Forbes

44%

of organizations fail to meet user acceptance and customer satisfaction criteria for transformation programs.

Source: Business Transformation Index 2023

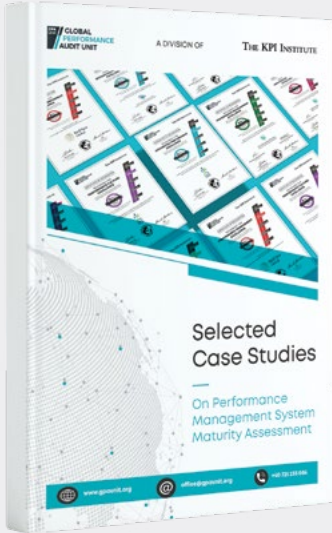
67%

intend to reduce transformation initiatives owing to global uncertainties.

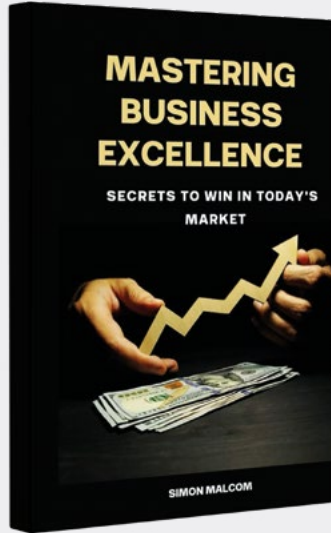
Source: Business Transformation Index 2023



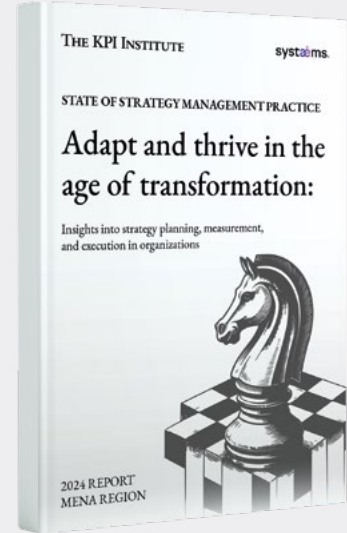
Publications



Selected Case Studies on Performance Management System Maturity Assessment
by the Global Performance Audit Unit



Mastering Business Excellence: Secrets to Win in Today's Market
by Simon Malcom



State of Strategy Management Practice Report 2024 - MENA Region
by The KPI Institute

Podcasts



The Business Excellence Podcast
hosted by James Vincent



People Managing People
hosted by David Rice



Leading for Business Excellence
hosted by Rich Seddon

Software



Spider Impact
Utilized to develop, execute, oversee, and continuously enhance your strategy and performance



Corporater Business Management Platform (BMP)
Useful for holistic management of governance, performance, risk, and compliance (GPRC)



QPR ProcessAnalyzer
Provides flexible applications for process mining: intelligent automation, KPI reporting, procurement and many more

Online Events

THE KPI INSTITUTE



Navigating the Landscape of Strategy Planning and Execution in the Age of Transformation
by The KPI Institute

Towards Business Excellence through Quality & Management of Waste (COPO)
by NSF

Leadership Strategies Webinar
by WebJunction

Academic Literature



Brudan, A., Gorski, T., Mihailoie, C., & Pentek, B. (2023). Towards Effective Performance Management Systems: A Case study on Integrated Performance Management Maturity Model Deployment. *Timisoara Journal of Economics and Business*, 16(2), 119-140. <https://doi.org/10.2478/tjeb-2023-0007>



Aguinis, H., & Burgi-Tian, J. (2023). Performance management around the world: solving the standardization vs adaptation dilemma. *IIM Ranchi Journal of Management Studies*, 2(2), 159-170. <https://doi.org/10.1108/irjms-09-2022-0091>



Cunha, F., Dinis-Carvalho, J., & Sousa, R. M. (2023). Performance measurement systems in continuous improvement environments: obstacles to their effectiveness. *Sustainability*, 15(1), 867. <https://doi.org/10.3390/su15010867>



Tawse, A., & Tabesh, P. (2022). Thirty years with the balanced scorecard: What we have learned. *Business Horizons*, 66(1), 123-132. <https://doi.org/10.1016/j.bushor.2022.03.005>

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✔ **STRATEGY EXECUTION**
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