

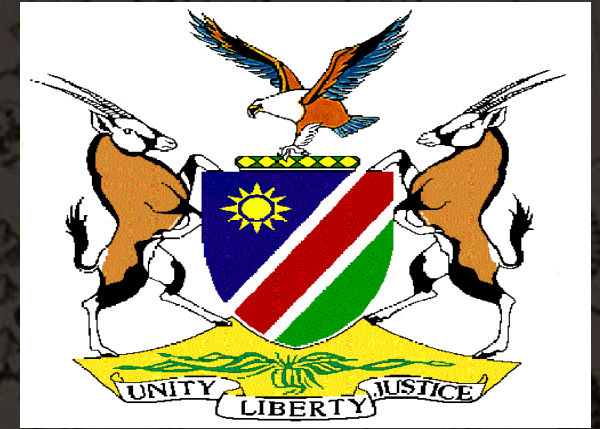


International Society for
Performance Improvement

A Case Study –

The Value and Outcome of Performance Monitoring of Public Enterprises in Namibia

Louise Shixwameni (Namibia) and Belia Nel (South Africa)



Public Enterprises

The ISPI 2023 Performance Improvement Conference

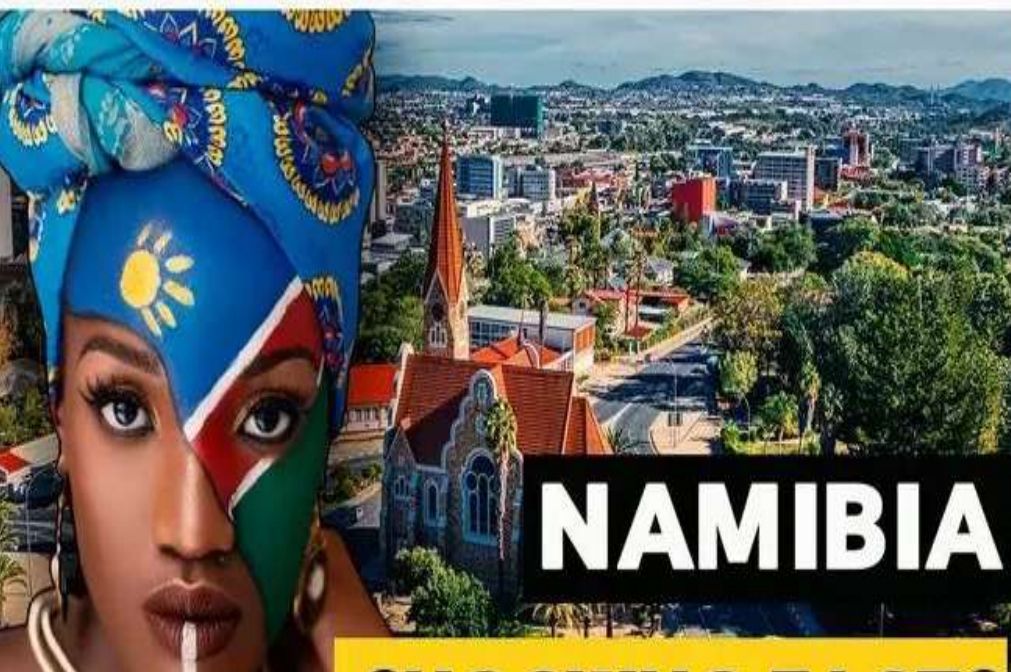
| April 23-27, 2023

| Williamsburg, Virginia, USA



About Namibia

- Namibia, is a country in the southwest Africa, which is distinguished by the Namib Desert along its Atlantic Ocean coast.
- The country is democratic state
- Has best judicial system
- Safest country to live in
- **Namibia**
 - is home to the world's largest population of free-roaming cheetahs (~2500-3000).
 - is the second least densely populated country in the world with a population of less than 3million.
 - is the first country in the world to incorporate environmental protection into its Constitution.
 - is one of only two countries in the world that has desert elephants and black Rhinos



Background –of State Owned Company in Namibia

- SOEs play a significant role in any developing economies as they are the sole providers of key public services, such as water, electricity, transportation, telecommunications and postal services.
- Ensuring that they are competitive and efficient is therefore crucial for economic development, public service delivery and the downstream competitiveness of the broader enterprise sector.
- When governed transparently and efficiently, SOEs can correct market failures, improve public service delivery and even play a role in creating fairer, more competitive markets.
- Historically, many developing countries have created PEs as part of broader strategies to develop emerging industries or to establish new sectors with no existent private-sector led economic activity.

CURRENT STATUS OF PUBLIC ENTERPRISES



International Society for
Performance Improvement

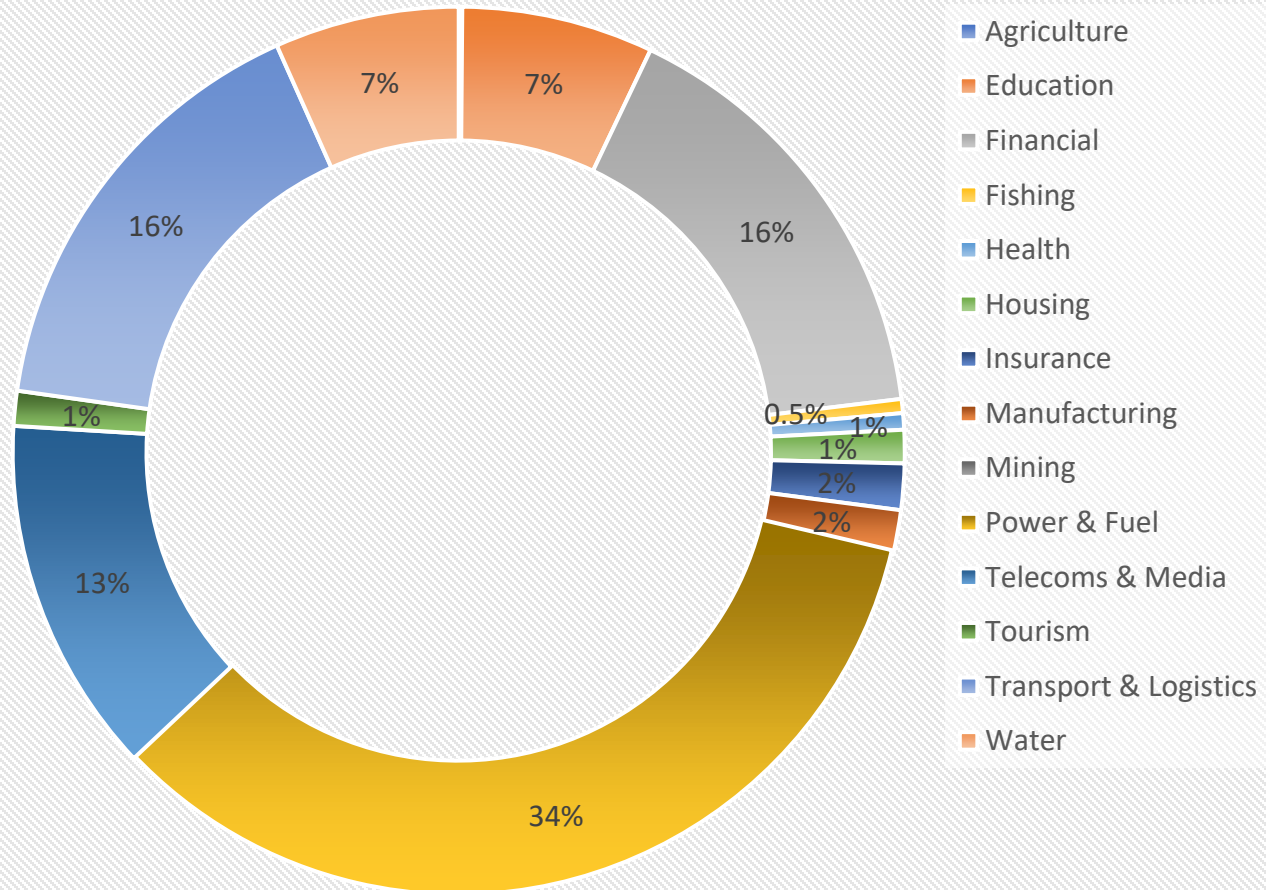
- ❑ Namibia currently owns 87 Public Enterprises.
- ❑ Total Asset Value of Commercial Public Enterprises (CPEs) stands at N\$ 185 billion and liabilities at N\$43 billion.
- ❑ Giving a portfolio Net Asset value of N\$39 billion.
- ❑ Employment count stands at 25,000
- ❑ Many Public Enterprises (PEs) In Namibia were known for not being profitable, performing poorly and causing reputational damage to the State.



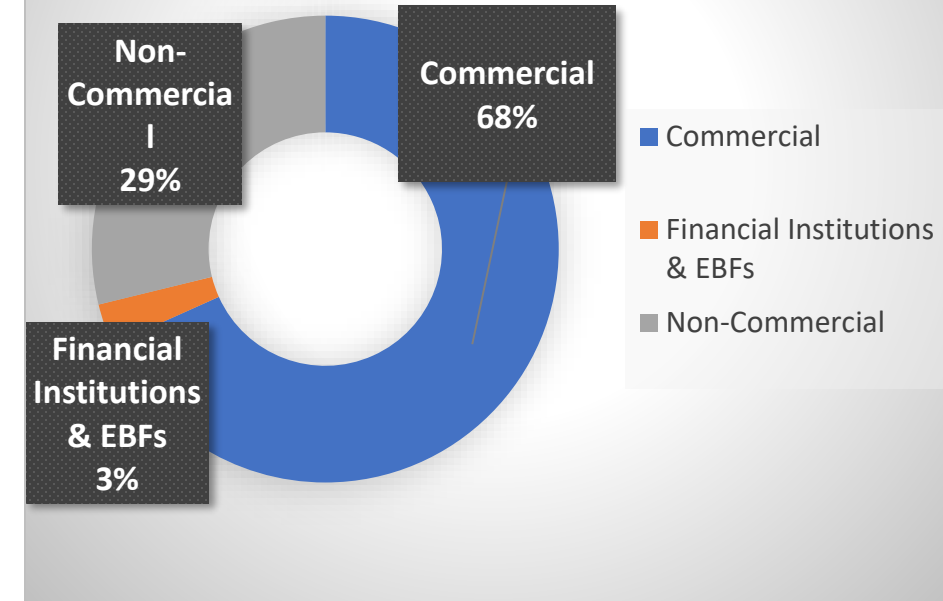
SOE Portfolio by 2022



Sector Spread of all SOEs



No of Employees
25 , 000



SOE Challenges

- Namibia as developing nation also created SOEs to accelerate economic growth for the nation.
- Unfortunately, although SOEs play a central role in the Namibian economy, they have a **well-documented history of:**
 - **Poor performance**
 - **Lack of Board competency**
 - **Lack corporate governance**
 - **mismanagement, and maladministration.**
 - **Heavy reliance from the state subsidies**
 - **High level of inefficiency**
 - **Most of them are technically insolvency**
 - **Political interference**

Performance monitoring

- Business performance monitoring is the process of setting up organizational goals, monitoring the actions and processes used to reach those goals, and creating ways for managers to achieve those goals more effectively.
- Performance monitoring define organizational success from failure . To measure your performance, though, there are a few things you need to do first .
 - Set Organizational Goals
 - Determine key performance metric
 - Determine Key Performance Indicators
 - Monitor your d

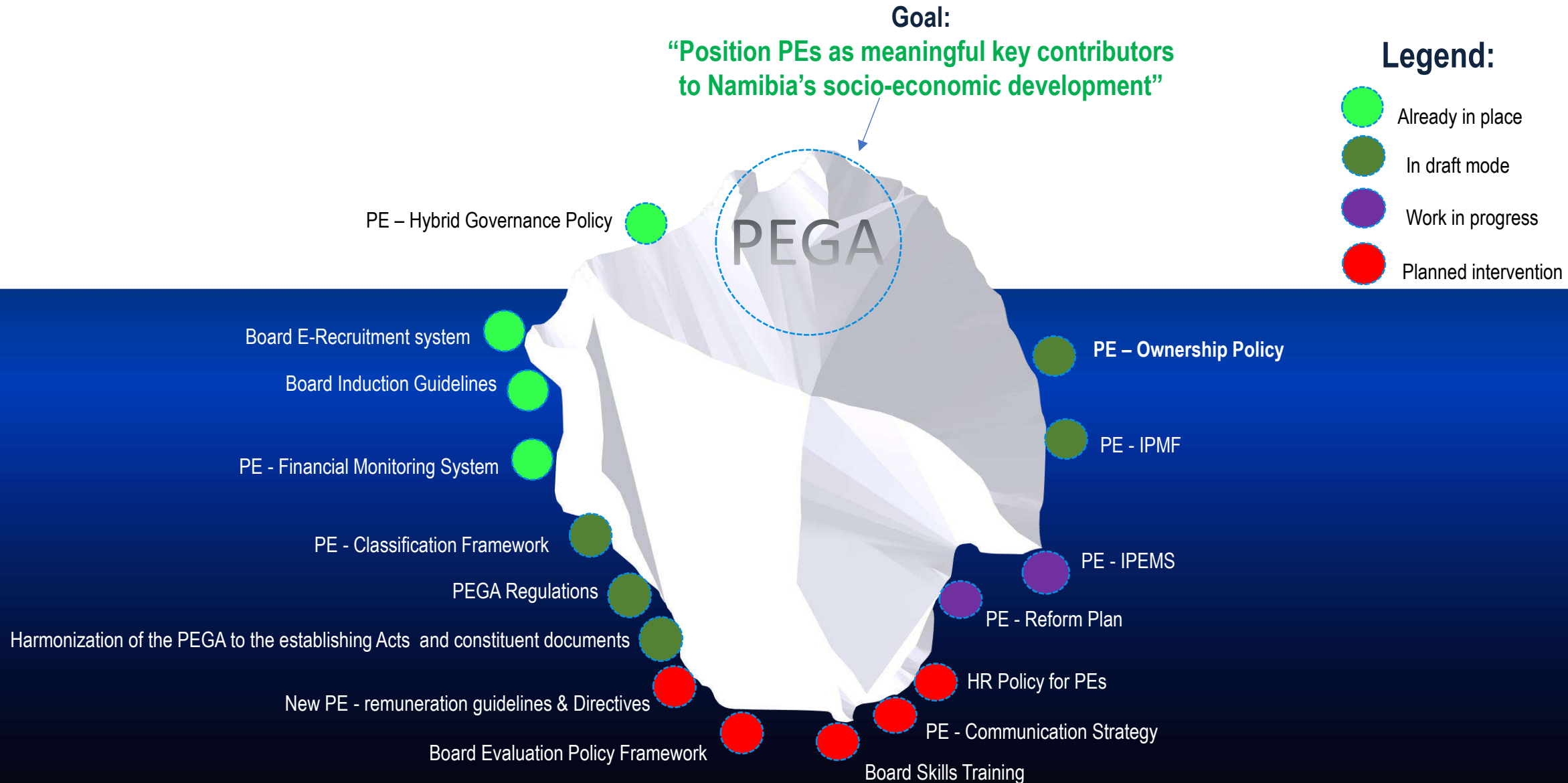
Performance Monitoring in Namibia

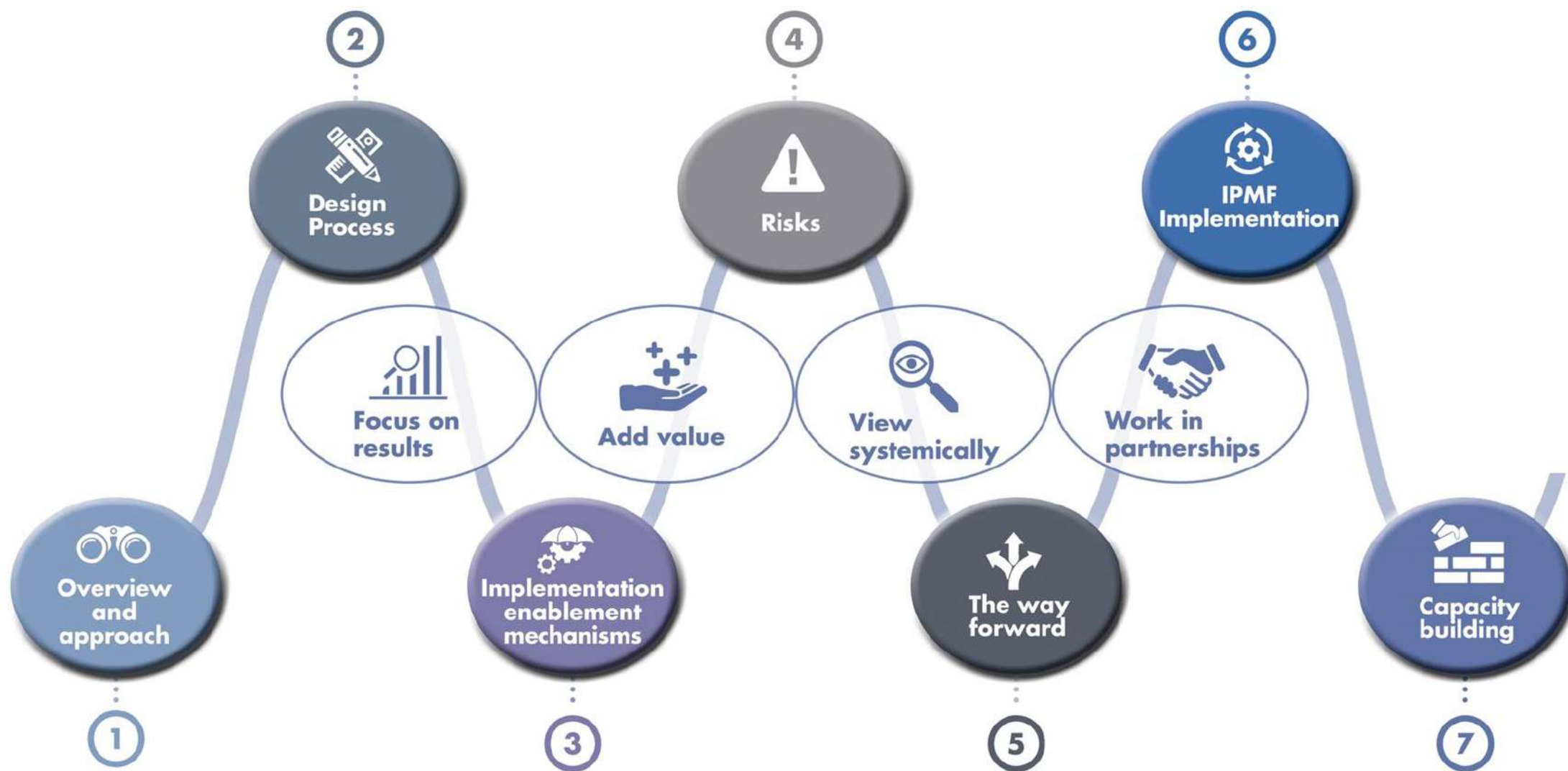
- First , Performance Management Framework was developed with over 100 sector Key performance indicators List
- All commercial SOE from Board of Directors were requested through a legislation to develop bankable Business Strategies
- Namibia developed an Integrated Performance Management System for SOEs . This system include performance management development, monitoring and evaluation as well as the financial performance of all Companies
- Business model were evaluated and upload on the Integrated Performance Management System

SOE REFORM in Namibia

- Hybrid SOEs governance Policy in 2016
- Public Enterprises Governance Act which aligned to Kind IV and OECD guidelines
- Namibia developed its State Ownership Policy in 2022
- Introduced Independent recruitment of Board of Directors through open competitive process- Politicians are no longer involved in the recruitment of Boards, they only appoint after recruitment is done
- Developed Governance scorecard

2. ON-GOING REFORMS TO TRANSFORM PUBLIC ENTERPRISES





1

Overview and Approach

- The Namibian Public Enterprises landscape
- State involvement and challenges
- Best practices for PE governance
- PEs as vibrant, dynamic and differentiated systems
- PEs as performance systems
- Approach - systemic and systematic view of performance

2

Design Process

- Philosophy and principles of the design process
- Current situation analysis of PEs
- PE performance system analysis
- Planned stakeholder consultations
- International comparative review
- Formulation of implementation framework
- Customised to needs of different PEs

3

Implementation enablement mechanisms

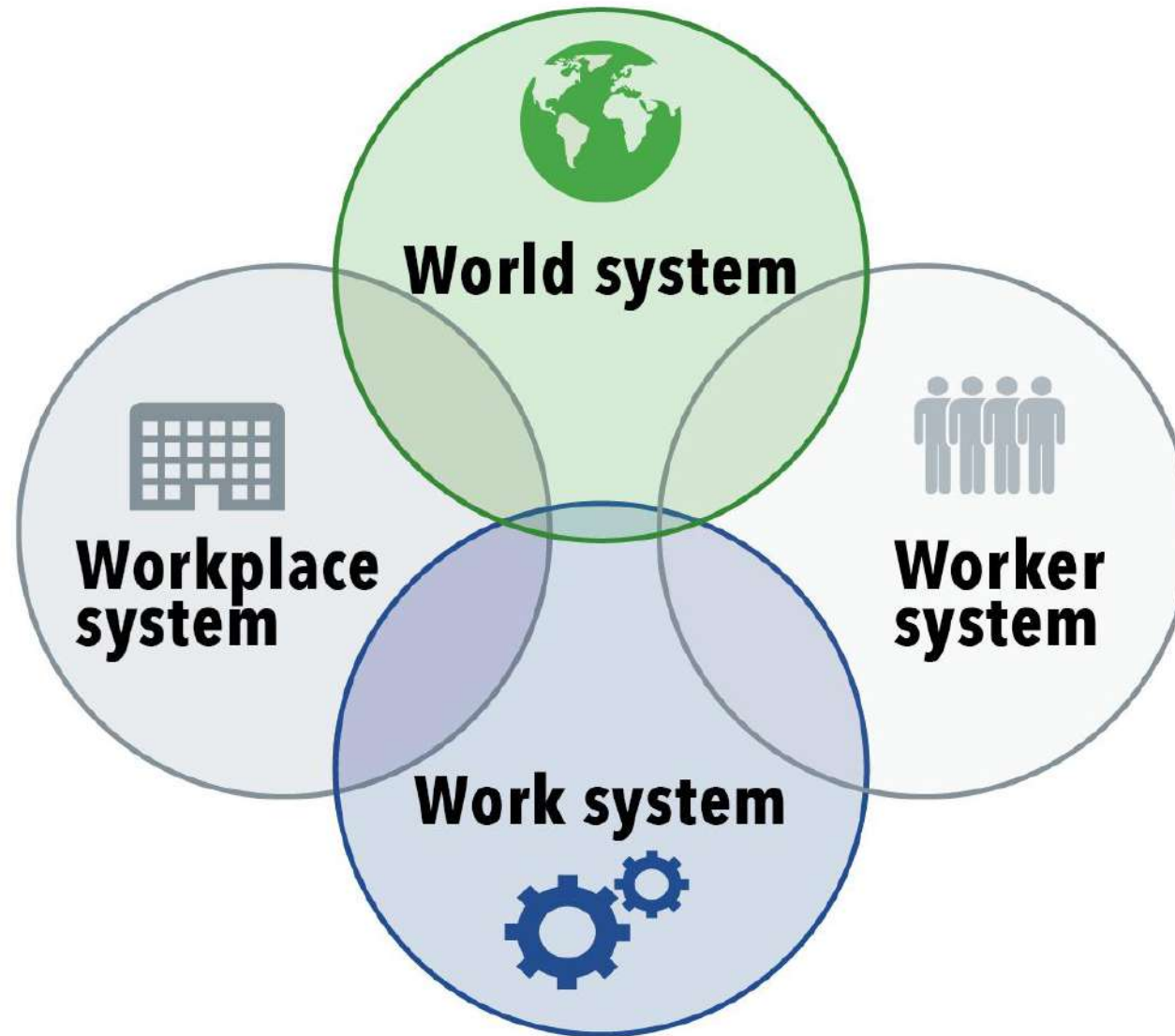
- Design principles and philosophy
- Systems thinking – holistic and integrated approach
- Implementation tools: Integrated systems thinking and BSC
- Scientific, values, evidenced and outcomes based
- Measurement, methods and tools
- Mandates vs expectations

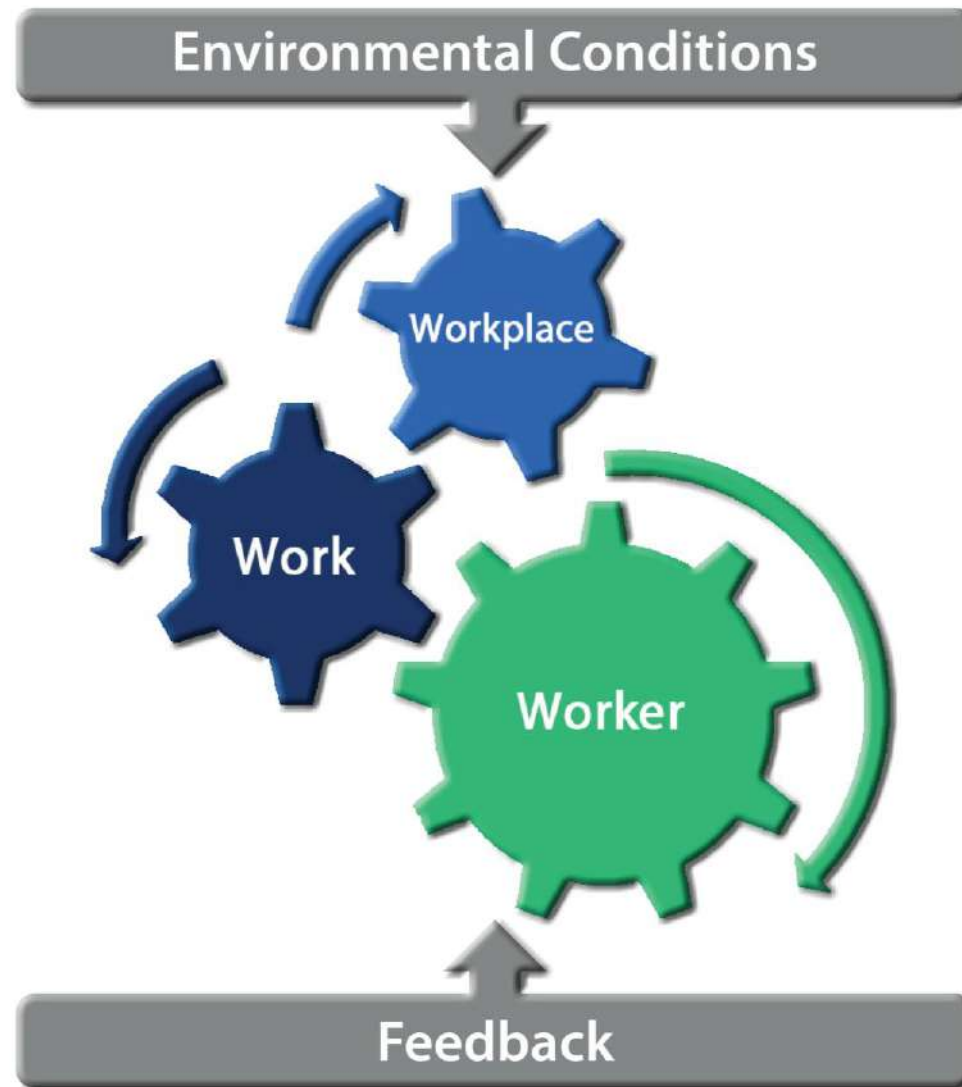
4

Risks

- Wide variety of PEs
- Lack of clarity over classification
- Capability, capacity, change leadership
- Scarce human capital executives

The approach





1. Practice

Systemic view: Work, Worker and Workplace influenced by World
Strategic, tactical and technical within a world perspective

2. Principles

Value adding, results focused and engaging partners & stakeholders

3. Foundation building blocks

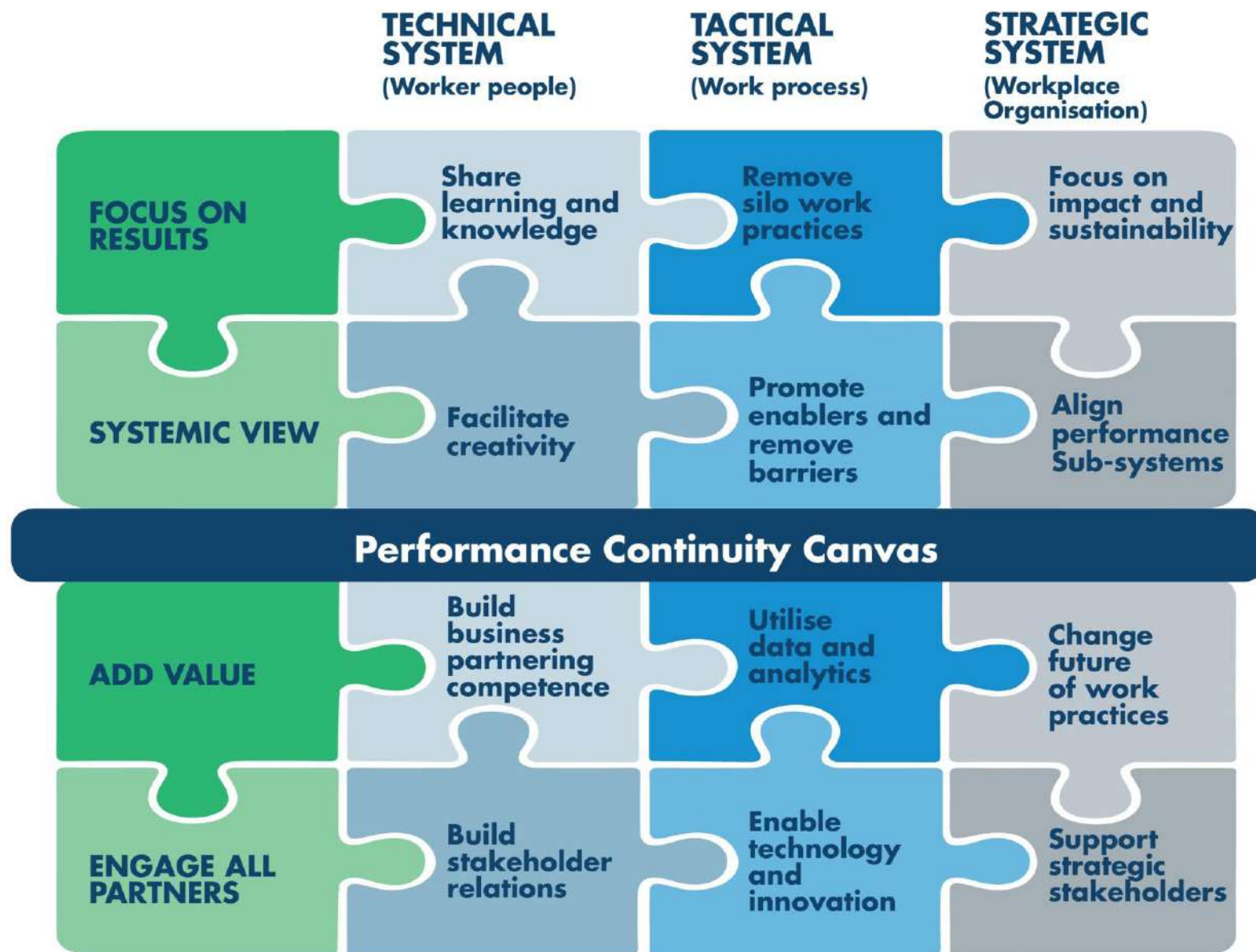
Performance planned
Performance delivered
Performance managed

4. Methodology

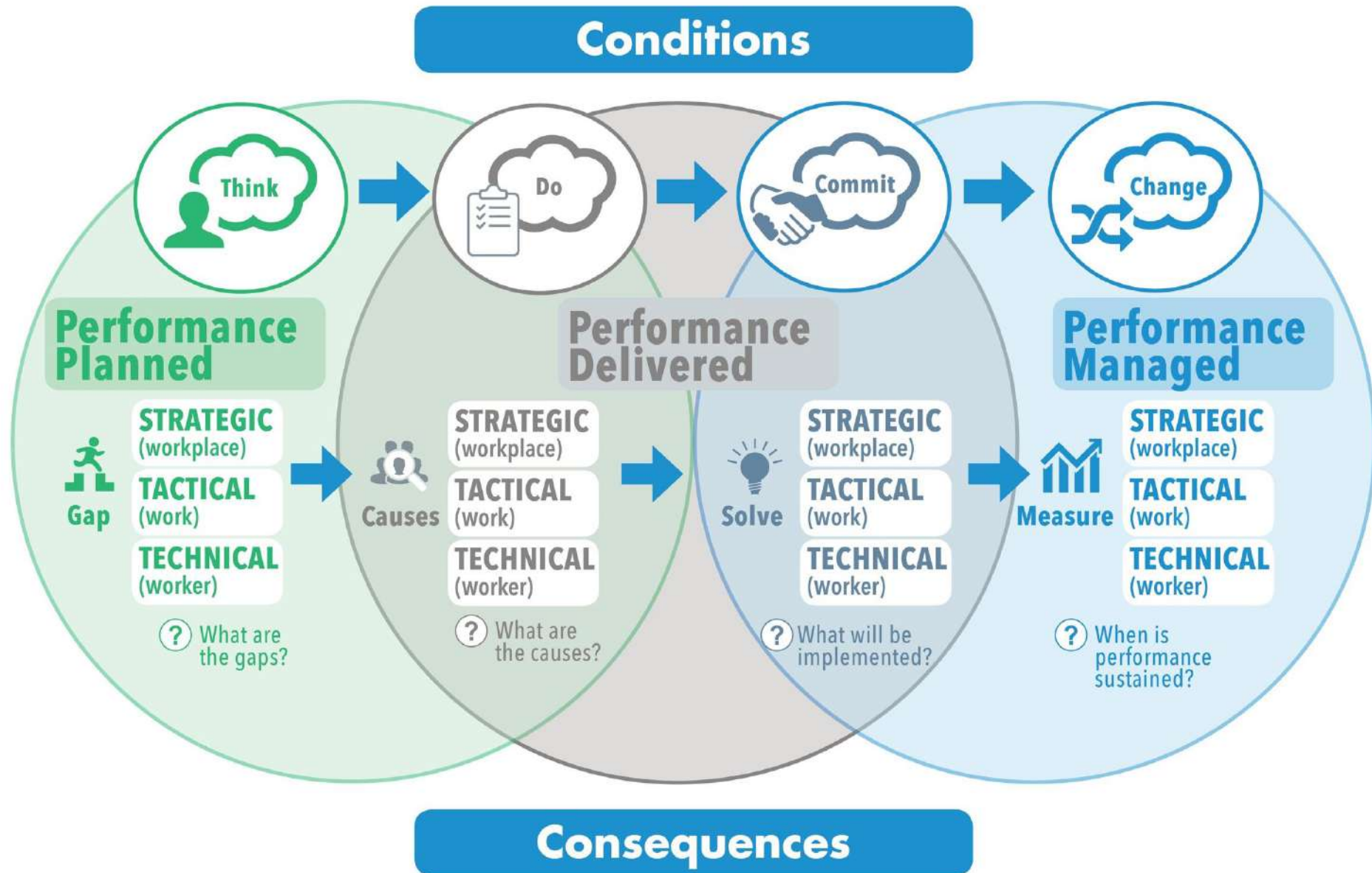
High level systematic and systematic steps

5. An Integrated BSC Approach

BSC integrated with systems thinking approach



Integrated Performance Principles



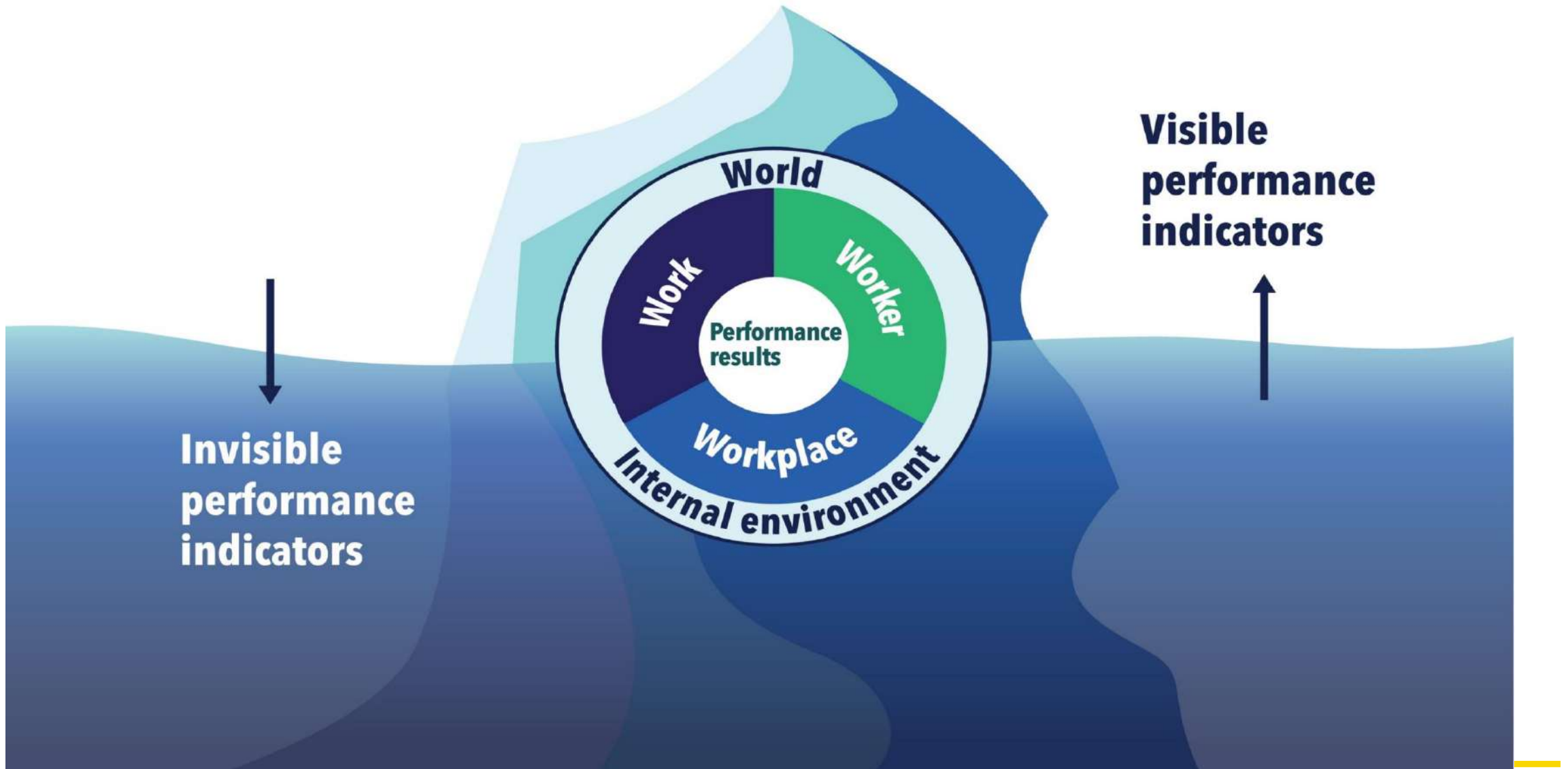
The methodology





Apply the methodology





Identify Barriers





Facilitate Enablers

Build Behaviours



	Performance Planned	Performance Delivered	Performance Managed
 Strategic Institutional System (WORKPLACE)	Communication barriers	Application barriers	Recognition barriers
 Tactical Operational System (WORK)	Functional barriers	Misalignment barriers	Compliance barriers
 Technical People System (WORKER)	Competence barriers	Technology barriers	Motivation barriers

	Performance Planned	Performance Delivered	Performance Managed
 Strategic Institutional System (WORKPLACE)	Strategic direction	Collaborative resources	Sustainable customer focused performance change
 Tactical Operational System (WORK)	Streamlined procedures and customer data	Performance tools simplified	Value chain alignment responsiveness
 Technical People System (WORKER)	Worker people impact	Performance mindset	Work-life wellbeing

	Performance Planned	Performance Delivered	Performance Managed
 Strategic Institutional System (WORKPLACE)	Customer focused values	Mindset shifting	Engaged employees and satisfied customers
 Tactical Operational System (WORK)	Motivating leadership	Technology and digital savvy	Quality mindset
 Technical People System (WORKER)	Future-fit learning in 4IR world	Agile team partnering	Customer driven service delivery

