

## Q. How does your agency know it has the leaders it needs to perform well now and in the future, meet its outcomes and contribute to sector-wide outcomes?

### Role of the leader

- Q. Does your agency have clear and consistent statements of purpose and vision?
- Q. Can staff articulate the agency's vision and how their roles contribute to it?
- Q. How do your agency's leaders identify the need for change, and manage incremental as well as large scale change?
- Q. How do your agency's leaders empower and support staff to achieve success?

### Characteristics of a good leader

- Q. Does your agency purposefully recruit leaders with learning agility?
- Q. Are your agency's leaders aware of their own preferred leadership style? How do they adjust it to suit the context?

### Types and levels of leadership

- Q. How does your agency ensure that it has quality leaders at all levels of the organisation?
- Q. How clearly is the contribution to leadership defined at each level within your agency?

### Successful leadership teams

- Q. Does the senior leadership team have a stable membership and a common sense of purpose?
- Q. In what ways does the senior leadership team collectively contribute to improving performance?
- Q. Are succession plans in place for each member of the senior leadership team?

### Developing leaders

- Q. How are senior leaders involved in developing current and future leaders?
- Q. What systems and programmes are in place to support leadership development? What are their features?

### Sector / cross-agency leadership

- Q. Is your agency clear about its role and impact in contributing to sector outcomes?
- Q. How is your agency aligning its capability and prioritising its resources to contribute to sector outcomes?
- Q. How is your agency using the strengths of the sector to deliver sector and agency-specific outcomes?

### Indicators of high performance

- government and non-government partners viewing the agency's strategic direction and its progress positively
- strong internal and external competition for senior positions
- robust processes to resolve management issues when they occur
- leaders willing to act on 360° feedback
- forward planning and clear prioritisation
- staff who can articulate how their work fits into the agency's strategic direction
- high employee engagement scores
- succession plans in place for all leaders
- leaders purposefully moved around the agency or to other agencies for development
- staff reporting that leaders demonstrate and promote integrity through their actions
- leaders collaborating with others in the sector to deliver shared outcomes

### Early warning signs of poor performance

- high or increasing number of internal management issues that the human resources team is required to deal with
- few leaders allowed to represent the agency at external for a or meetings with key stakeholders
- high turnover in senior management
- no transparency around the appointment process
- unaddressed business or staff issues
- too many projects and initiatives with little or no prioritisation
- staff and key stakeholders who lack consistent views of the agency's purpose and functions
- little sector/business knowledge among senior managers
- senior management team endorsing major decisions without sufficient information, analysis or debate
- senior managers doing work that should be done by others
- poor understanding among staff of 'the way we do things around here'

# PEOPLE CAPABILITY DIMENSION SUMMARY - 1

**Q. How does your agency ensure it has the skills and competencies to achieve its outcomes in collaboration with government and non-government partners?**

**Q. How is your agency seizing the opportunities and managing the challenges it faces regarding its people capability?**

## People management strategies and practices

- Q. How does your agency align its people management strategies and practices to its business strategy?
- Q. How does your agency ensure that the various parts of its people management strategies are integrated and work well together?
- Q. Do staff know what the agency's people management strategies are, find them useful and follow them?

## Workforce planning

- Q. How does your agency assess its future workforce requirements and plan to meet them?

## Attracting and recruiting staff

- Q. Does your agency know how it is perceived as an employer?
- Q. How does your agency attract the people it needs?
- Q. Do your existing staff promote your agency as a good place to work?
- Q. How does your agency conduct and evaluate its recruitment process?

## Engaging, managing and developing staff

- Q. What is your agency doing to track and act on levels of employee engagement?
- Q. Does your agency use a competency model to identify the competencies it needs to deliver its outcomes?
- Q. How does your agency use its competency model to facilitate ongoing individual learning and development?
- Q. How does your agency ensure its learning and development activities meet current and future needs?
- Q. How does your agency facilitate career progression and development opportunities to enable staff to move within the agency and between agencies?

## Indicators of high performance

### Workforce planning

- workforce plans in place and updated regularly
- recruitment, succession and development plans targeted to future needs
- workforce data purposefully collected to track progress against future needs

### Attracting and recruiting staff

- employment brand identified, researched and actively managed
- the agency using the Government Jobs website as its primary recruitment portal
- full monitoring of costs and effectiveness of recruitment from vacancy through to the start of the new employee
- low level of turnover of staff in the first year of employment

### Engaging, managing and developing staff

- high employee engagement scores
- managers acting on the results of engagement surveys
- individual staff able to explain what competencies are necessary to be successful in their specific roles
- competencies incorporated into all aspects of the people management system
- learning and development plans in place and used by staff

## Early warning signs of poor performance

### Workforce planning

- reactive recruitment and development of staff, focused on meeting current deficits
- managers unable to describe what is likely to change in the external labour market and business needs in the next five years
- no succession planning for key roles

### Attracting and recruiting staff

- key roles frequently re-advertised
- advertised jobs attracting small numbers and low quality candidates
- high turnover of staff in their first year of employment

### Engaging, managing and developing staff

- low employee engagement scores
- staff not taking leave
- high turnover of experienced staff
- learning and development activities seen as an 'add on' rather than a part of core work
- staff frequently withdrawing from training events and development opportunities at the last minute
- senior managers not visibly investing in their own learning and development
- only external training events seen as worthwhile learning and development opportunities
- performance management policies and processes incomplete or not used
- acknowledged poor performance issues not addressed

- Q. How does your agency ensure it has the skills and competencies to achieve its outcomes in collaboration with government and non-government partners?**  
**Q. How is your agency seizing the opportunities and managing the challenges it faces regarding its people capability?**

## Equality and diversity

- Q. How does your agency integrate equality and diversity into its planning and processes?  
 Q. How does your agency value equality and diversity?  
 Q. How does your agency seek and act on feedback on staff perceptions of equality and diversity?  
 Q. How does your agency identify and meet the employment needs and aspirations of a diverse workforce, particularly of Māori, women, ethnic and minority groups and people with disabilities?

## Rewards and remuneration

- Q. How does your agency use its rewards and remuneration practices to support its desired culture?  
 Q. How competitive are your agency's rewards and remuneration levels, and how do employees and the market value them?  
 Q. Do your agency's rewards and remuneration policies link to other human resources policies and practices in a transparent way?  
 Q. How does your agency view industrial relations?

## *Indicators of high performance*

### Equality and diversity

- no/low levels of discrimination, harassment and bullying complaints
- representation of diverse groups that matches representation in the employed labour force, and diverse groups represented in senior management in proportion to their overall representation in the agency
- equality and diversity issues integrated in policies and processes
- diversity-related issues in staff feedback acted upon
- staff expected to attend diversity training

### Rewards and remuneration

- rewards and remuneration not identified in exit interviews as the primary reason for leaving
- internal pay differentials based on good reasons
- all parties reporting positive process and outcomes from bargaining rounds
- clear strategy linking pay and rewards to other human resources practices and the agency's desired culture
- the agency acting on pay and employment equity review findings
- transparency in the rewards and remuneration system

## *Early warning signs of poor performance*

### Equality and diversity

- low employee engagement scores, particularly around sense of belonging, trust, and feeling valued
- low representation of diverse groups compared to their representation in the employed labour force, and diverse groups are not represented in senior management in proportion to their overall representation in the agency
- high turnover and negative themes emerging from exit interview information
- levels of discrimination, harassment and bullying complaints increasing or consistent

### Rewards and remuneration

- exit interview data indicating low levels of rewards and remuneration as reason for leaving
- difficulty retaining and recruiting staff overall, or in particular job clusters
- protracted or acrimonious bargaining processes

# CULTURE CAPABILITY DIMENSION SUMMARY

## Q. How does your agency think about the type of culture it needs to achieve shared and agency-specific outcomes now and in the future?

### Building an all-of-government culture

- Q. How well can your staff articulate the defining characteristics of working in the State Services?
- Q. How does your agency promote an all-of-government perspective to its staff?
- Q. How does your agency use the Development Goals to shape its culture?

### Building a culture of integrity and conduct

- Q. How does your agency build the elements that support integrity and ethical behaviour into its practices and policies?
- Q. How is your agency addressing the findings from the State Services Integrity and Conduct Survey?
- Q. How does your agency demonstrate its understanding of the rationale behind the *Standards of Integrity and Conduct*?

### Shaping an agency's culture

- Q. How does your agency identify the type of culture it needs to meet its outcomes?
- Q. Has your agency identified any cultural barriers that would inhibit it from reaching its outcomes?
- Q. Is your agency consciously shaping its culture?

### *Indicators of high performance*

- staff who can articulate what 'the spirit of service' means for their agency
- organisational and leadership factors consciously managed to support the desired culture
- ongoing and effective internal and external communication programmes designed to achieve the agency's desired culture
- the six elements of ethical conduct being actively implemented
- staff and managers acting decisively on breaches of integrity and ethics
- low numbers of personal grievances
- positive results of staff engagement surveys
- positive feedback from client surveys
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### *Early warning signs of poor performance*

- repeated anecdotal evidence that staff and leaders are paying 'lip service' to agency strategies – saying one thing and doing another
- an over-reliance on leadership to change culture without investing in the organisational factors to reinforce it
- little interest in addressing integrity and conduct issues
- low staff engagement
- low levels of satisfaction reported in client surveys
- staff who demonstrate a lack of professionalism and respect for others
- frequent restructuring of the agency
- no conflicts of interest policy
- poor quality services and missed deadlines

# RELATIONSHIPS CAPABILITY DIMENSION SUMMARY

## Q. How does your agency identify, build and manage the relationships that are critical to achieving its outcomes?

### Identifying, building and maintaining relationships

Q. How does your agency identify its key stakeholders?

Q. Is your agency clear about what it will achieve through these relationships?

Q. How does your agency build and maintain key relationships?

### Identifying relationship skills and competencies

Q. How does your agency identify and develop the skills and competencies it needs to successfully manage its relationships now and in the future?

### Relationships with other State Services agencies and partners

Q. How is your agency coordinating its relationships with other agencies?

Q. How does your agency know whether its coordinated activities and relationships improve its effectiveness? How does your agency measure progress?

Q. How is your agency developing its skills and competencies to support coordination and effective relationships with stakeholders, non-government partners and across the State sector?

Q. Is your agency perceived as cooperative and wanting to work with others?

Q. How is your agency using technology to reduce barriers to sharing information with other agencies?

### Relationships with service users

Q. How does your agency or sector find out about New Zealanders' experiences and expectations of its service delivery, and how is this information used to inform improvements?

Q. How does your agency or sector ensure all New Zealanders who are entitled to its services access them?

### Relationships with the media

Q. How does your agency engage with the media and monitor media reports?

### *Indicators of high performance*

- agreement among stakeholders about the agency's purpose
- positive staff engagement surveys
- high client satisfaction levels, measured through client surveys and/or the agency's other feedback mechanisms
- systems or processes in place to record information on client needs and satisfaction with services
- the agency using mechanisms, such as shared knowledge databases or inter-agency teams, to work collaboratively with its stakeholders
- the views of clients and stakeholders being sought and incorporated into the agency's work
- the agency seeking out and acting on the perspectives of others
- media outputs and relationships being planned, monitored and evaluated, with the agency acting on the results

### *Early warning signs of poor performance*

- significant or rapid changes in stakeholder views of an agency
- frequent legal action and/or poor industrial relations
- evidence of low levels of client focus
- low commitment to collaboration internally or with other agencies and an 'us against them' culture
- no agreed protocols to work with other agencies in the same sector
- inwardly-focused agency, characterised by a lack of interest in learning from New Zealanders or from other agencies
- frequent media reports of that the agency is failing to meet customer needs
- sustained bad press or gossip about an agency
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# ICT AND INTERNAL MANAGEMENT SYSTEMS CAPABILITY DIMENSION SUMMARY - 1

## Q. How does your agency ensure it has the ICT and internal management systems it needs to achieve its outcomes and contribute to sector-wide outcomes?

### ICT strategy, planning and governance

- Q. Does your agency have an Information Systems Strategic Plan (ISSP) that meets best practice and articulates how your ICT systems will enable the achievement of your agency and sector outcomes?
- Q. How does your agency ensure it has appropriate mechanisms to govern its large ICT investments?
- Q. How does your agency maintain a portfolio view of its ICT initiatives, and manage and prioritise its ICT investments?

### All-of-government ICT standards and services

- Q. Does your agency comply with all-of-government ICT standards and participate in all-of-government initiatives?

### ICT investment

- Q. How clear is your agency about the way ICT investments support the achievement of its outcomes?

### ICT portfolios, projects and programmes

- Q. How does your agency ensure it has the capability it needs to deliver its portfolio, programme and project-related activities?

### ICT service management

- Q. How does your agency address continuous quality improvement?
- Q. How does your agency benchmark its processes?
- Q. Is your agency aware of and following government procurement procedures?

### Indicators of high performance

#### ICT strategy, planning and governance

- ISSP (or equivalent) endorsed by the executive management team
- clear mechanism to identify and measure opportunities and risks presented by emerging technologies

#### All-of-government ICT standards and services

- mandatory and recommended Cabinet ICT expectations followed
- use and/or early adoption of all-of-government identity management, network and information services

#### ICT investment

- investments aligned with the agency's business outcomes and strategies
- business cases regularly updated
- investment clearly addressing a business problem
- clearly defined critical success factors and criteria for ICT projects and investments
- benefits realisation plan to identify and track benefits of ICT project and investments

#### ICT portfolios, projects and programmes

- trained and experienced project and programme managers
- appropriate project or programme methodology being used

#### ICT service management

- continuous improvement process in place
- the agency's processes benchmarked against comparable processes
- appropriate procurement practices in place
- clear service delivery expectations agreed with the customer or supplier

### Early warning signs of poor performance

#### ICT strategy, planning and governance

- no ISSP or equivalent
- no clear senior management or Ministerial ownership and leadership for projects

#### All-of-government ICT standards and services

- little or no regard for all-of-government services, standards and infrastructure
- development of own solutions when all-of-government solutions exist
- government web standards not followed

#### ICT investment

- no business case outlining the rationale for investment
- no clear identification of benefits and success metrics for ICT projects

#### ICT portfolios, projects and programmes

- a project or programme demonstrating one or more of the following eight common causes of project failure:
  - lack of clear links between the project and the organisation's key strategic priorities, including agreed measures of success
  - lack of clear senior management and Ministerial ownership and leadership
  - lack of effective engagement with stakeholders
  - lack of skills and proven approach to project management and risk management
  - too little attention to breaking development and implementation into manageable steps
  - evaluation of proposals driven by initial price rather than long-term value for money
  - lack of understanding of, and contact with, the supply industry at senior levels in the organisation
  - lack of effective project team integration between clients, the supplier team and the supply chain

#### ICT service management

- ad hoc procurement practices
- the same errors happening on a regular basis

# ICT AND INTERNAL MANAGEMENT SYSTEMS CAPABILITY DIMENSION SUMMARY- 2

## Q. How does your agency ensure it has the ICT and internal management systems it needs to achieve its outcomes and contribute to sector-wide outcomes?

### ICT monitoring and review

- Q. Does your agency's chief executive receive copies of Independent Quality Assurance (IQA) reviews of major IT projects?
- Q. Has your agency identified which of its programmes and projects are required to participate in the Gateway assurance process?
- Q. Has your agency factored central agency monitoring, IQA, or Gateway reviews into its resource and project plans where appropriate?

### Control systems

- Q. How does your agency communicate to staff its views on business practices and ethical behaviour?
- Q. Effective controls rely on staff having the right knowledge and competencies; how does management ensure that staff in key operational areas have these?

- Q. Is there a clear system of delegations and authorities and is it followed in practice?
- Q. How does your agency ensure it complies with relevant legislation?
- Q. How does your agency ensure that its policies are kept current and are followed throughout the organisation?

### Audit

- Q. How does your agency act on the opinions, comments and recommendations of its auditors?

### Risk management

- Q. How does your agency identify, access, manage and monitor business risks?
- Q. How is risk management communicated and embedded throughout your agency?
- Q. Does your agency have an effective business continuity plan in place, which is periodically tested?

### *Indicators of high performance*

#### ICT monitoring and review

- use of Gateway assurance process for relevant projects and programmes

#### Control systems

- evidence of management review of key internal controls
- comprehensive suite of policies and procedures that are regularly refreshed
- policies and procedures that give effect to the *Standards of Integrity and Conduct*, and are communicated throughout the organisation

#### Audit

- prompt actions to address recommendations of the audit management letter
- demonstrated improvements in quality of accountability documents over time
- a good audit rating

#### Risk management

- risk management policy and processes based on the New Zealand risk management standard AS/NZS 4360
- risk management policy and processes entrenched in the business
- a risk register to record and manage identified risks

### *Early warnings of poor performance*

#### ICT monitoring and review

- project time, cost and scope slippage
- no regular project reporting
- IQA reviews of large projects not copied to the chief executive
- unsatisfactory audit ratings

#### Control systems

- no evidence of review of key control areas by the senior management team
- no independent governance function for internal controls
- gaps in the agency's suite of policies
- unclear delegations of authority
- inappropriate disclosure of contingent liabilities
- frequent and significant budget variances

#### Audit

- unsatisfactory audit ratings
- reoccurring issues in audit management letters year after year
- instances of fraud and dishonesty occurring

#### Risk management

- trend of project or operational delivery problems
- adverse media exposure affecting the agency's reputation
- no risk management policy in place
- audit reports highlighting deficiencies in risk management practices

# ASSET CAPABILITY DIMENSION SUMMARY

## Q. How does your agency ensure its asset-related decisions are appropriate to meet its current and future service performance requirements?

### Organisational capacity to support asset management

- Q. How effective are your agency's current policies and procedures relating to the procurement, use and disposal of assets?
- Q. Does your agency have the right capability to manage its asset base and/or procure a large new asset – for example, to acquire a new IT system or to contract for a major facility to be built?

### Long-term asset planning

- Q. What assets does your agency need to achieve its outcomes and deliver its services?
- Q. Does your agency have a long-term asset management strategy that clearly demonstrates the linkage between asset performance and achievement of its outcomes?
- Q. How well are those asset management plans working in practice?

### Asset revaluations

- Q. Does your agency periodically review the value and economic life of its assets, and reflect this new value in long-term capital plans?

### Asset operation, maintenance and disposal

- Q. How well does your agency monitor asset usage and operational effectiveness to identify surplus assets or assets that are not meeting requirements?
- Q. How effective is your agency's approach to asset maintenance and protection?

### Considering new investments

- Q. How does your agency plan to fund its capital expenditure programme?
- Q. Is the programme affordable?

### Managing the overall balance sheet

- Q. How well does your agency manage its overall balance sheet?

### *Indicators of high performance*

- clear relationship between outcomes sought and capital intentions
- regular appraisal of asset performance against agreed standards or external benchmarks, and actions to improve performance
- delivery of expected performance against approved plans

### *Early warning signs of poor performance*

- absence of a long-term asset management strategy or plan, plus relatively old, heavily-depreciated assets
- evidence that assets are of poor quality, breaking down or failing to meet requirements
- rushed or poor quality capital proposals and business cases
- no information on asset status and performance
- adverse comment in external or internal audit reports or organisational reviews

**Q. Does your agency have a clear rationale for its structure, which is linked to its outcomes and its future business needs?**

**Organisational design principles**

- Q. What strategies and functions is your agency using to achieve its outcomes?
- Q. To what extent does your agency's structure help it carry out its role?
- Q. What principles and criteria is your agency using to guide decisions about structure?
- Q. How does your agency know that the structure is meeting these principles?

**Governance and role clarity**

- Q. How do staff learn about the responsibilities and accountabilities of their role? Are these reinforced regularly?
- Q. Has your agency consciously assessed the appropriate level at which particular decisions should be made?
- Q. Does your agency review its governance and accountability arrangements regularly?

**Managing change**

- Q. How does your agency manage changes to its structure?
- Q. Having made changes, how does your agency go about reinforcing and embedding a new structure?

**Alternatives to restructuring**

- Q. What alternative options could your agency consider before deciding on structural change?

**Alternative ways of delivering work**

- Q. Would your agency achieve its outcomes more efficiently and effectively if it delivered its work in a different way?
- Q. How is your agency deciding whether or not to outsource a service or function?
- Q. How is your agency managing its outsourcing arrangements?
- Q. Does your agency follow the *Guidelines for Contracting with Non-Government Organisations for Services Sought by the Crown*, where applicable?
- Q. Is there scope for your agency to share any of its services with other agencies? What would such a shared service arrangement look like and how might it be implemented?

*Indicators of high performance*

- a clear rationale for the structure of the agency aligned to its outcomes
- staff who are clear about why the agency is structured the way it is, where they fit in it and how their role contributes to the agency's outcomes
- roles and accountabilities clearly defined in job descriptions
- no barriers to effective decision-making and communication
- low levels of personal grievances resulting from change
- evidence that the agency undertakes other change activities besides restructuring

*Early warning signs of poor performance*

- blurred accountabilities
- slow actions and decisions taking a long time to be made
- service delivery staff without the authority to properly respond to client needs
- slow responses to environmental opportunities or changes
- insufficient cooperation and flows of information between different parts of the agency
- staff actively resisting change
- inconsistent policies and practices between regions and head office
- large number of direct reports to the chief executive and senior managers
- duplication between business group functions