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## PERFORMANCE IMPROVEMENT FRAMEWORK

# **Review of the Careers New Zealand (Careers NZ)**

**NOVEMBER 2013**

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State Services Commission, the Treasury and the Department of the Prime Minister and Cabinet

## **Lead Reviewers' Acknowledgement**

Careers NZ recognised this review as an opportunity to identify areas for improvement in its operations and to lift the quality of its contribution to the strengthening of New Zealand's careers system. We acknowledge the open and forthcoming contributions made by the Chief Executive and the Board, the staff of Careers NZ, a range of stakeholders and officials from the Ministry of Education and the central agencies.

**Performance Improvement Framework  
Review: Careers New Zealand**

**State Services Commission, the Treasury, and the Department of the Prime Minister and Cabinet  
Wellington, New Zealand**

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## AGENCY'S RESPONSE

The Board and Management of Careers NZ welcomes the insights provided in this Performance Improvement Framework (PIF) Report. This feedback is a very prescient, independent assessment of our progress on enacting the strategic change decisions taken by the Board in 2010/11.

In the 2011/12 Statement of Intent (SOI) the Board consciously embarked upon a path that would challenge the organisation to be innovative and aspirational, and achieve the following key benefits for New Zealanders:

- significantly increase the impact of Careers NZ support for young people, particularly for those young Māori and Pasifika at risk of not achieving their potential.
- enhance the careers support provided by schools and the influencers and supporters of young people.
- increase the value-add of Careers NZ interventions.

The PIF report provides a very valuable assessment of the progress made on enacting these objectives, and provides a focus on those areas that require immediate and substantial additional action to complete.

### Progress to date

Since receiving the initial findings of the Review in July we have established a programme of work called 'Navigating our Future Together' which has picked-up the key findings and developed a comprehensive work programme for the organisation. This work programme is of the highest priority and is being resourced with both internal and external dedicated support in order to ensure its success.

The programme consists of three sub-elements:

- 1) **Vision and Purpose.** This sub-programme will focus on rechecking and ensuring that all stakeholders, in particular our people, have ownership and a common understanding of our vision, purpose and strategy, and a strong and common commitment to our values and our objectives.
- 2) **Operating Model.** This sub-programme is focusing on clearly defining the processes, products and services and service delivery models we offer, or need to develop to meet our strategic objectives.
- 3) **People.** This sub-programme is focusing on the gaps that we and the PIF Review have identified both in regard to 'taking our people with us' and ensuring they have the skills and capabilities necessary to allow them to deliver on our strategic objectives.

To date this programme has delivered:

- A series of eight organisational Value and Purpose workshops across the country that included every staff member in the process of resetting a base of organisational values and statements to reflect why we are here and what we stand for. Our intention is to specifically address the 'white-space' referred to by the PIF Report that exists between our people and our strategic objectives and work towards re-establishing the commitment and ownership of the organisational objectives by our people.

- An approach to supporting middle managers by developing tools and resources specifically targeting and empowering their leadership of their teams.
- Establishment and initial scoping work on a Learning and Development (L&D) programme that works with staff at all levels to identify current L&D gaps and address these with specific solutions.
- Working with the PSA to improve transparency of remuneration assessment and using this for the upcoming remuneration review round.
- Identification of the key projects required to resolve the inconsistencies in the current operating model and deliver the cohesive organisational-wide approach recommended by the PIF Review.
- Initiation of a formal review of the process of internal communications and product-service development, both of which were identified by the PIF Review as areas requiring clarification.
- Monthly 'Pulse' surveys that go out for all staff to use to provide dynamic feedback on our initiatives in response to the PIF Review, their involvement in the development and delivery of those initiatives and their views on the appropriateness of internal communications and involvement in the initiatives.

However, this work is only the start of the progress we need to make.

## **The next 12 months**

Over the next 12 months we will successfully deliver the following outcomes via the Navigating our Future Together programme:

### **Vision and purpose:**

- The value proposition input received from engaging our people will have defined a series of value statements that we all 'own' and that create clarity, meaning and connection.
- We will be able to articulate our roles and purpose in contributing to the success of our organisation.
- We will be able to describe not only what personal success will look like but also what success in terms of Careers NZ's contribution to outcomes for New Zealanders looks like.
- We will all see how we contribute to, fit in with and own, our organisation.

### **Operating model:**

- We will have clearly articulated, and linked, the expectations that the key Ministries of Education and Business, Innovation and Employment have of our work, role and contributions to their objectives.
- We will have developed and implemented a clear customer segmentation framework that defines our markets, our prioritisation mechanisms and the appropriate channel strategies necessary to reach these customers.
- We will have fully articulated and embedded our intervention logic and the qualitative and quantitative measures required to report on our effectiveness to our monitoring agency and the Minister.
- We will have reviewed our products and services and our approaches to delivery of these in ways that ensure New Zealanders are able to access the very best possible career support services.

- The following specific projects of work have been established and will have been successfully completed:
  - Online and Delivery channel strategies project
  - Review and updating of organisational Quality Assurance processes
  - Update and Review of Products and Services Manual
  - Development of a Products and Services Review Cycle
  - Definition and Development of Intellectual Property Strategy
  - Review and Update of Marketing and Customer Segmentation Strategy
  - Reassessment of Commercial Strategy
  - Regional service delivery model redesign and implementation.

### **People:**

- We will have clearly articulated, with input from staff, what success looks like in key roles, particularly where there has been substantial change in the expectations of those roles.
- We will have completed the work already started on learning and development systems, processes and practices that support our staff.
- We will have ensured that our people have the confidence, tools, resources and support to achieve competence in their roles.
- We will have focused our resources and our workforce on delivering our strategic priorities, ensuring that we have the right people in the right places undertaking the right work in the right way, to fully utilise and maximise the efficiency and effectiveness of our organisation.
- We will be able to clearly show our people how their hard work is being leveraged to enable enhanced career support for New Zealanders.
- The following specific projects have been established to achieve these outcomes and they will have been successfully completed:
  - Learning and Development Project
  - Staff Engagement Project
  - Performance Management Project
  - Reward and Recognition Project.

### **Summary**

The PIF review has provided Careers NZ with an extremely valuable assessment of the extent of work we need to undertake and highlighted those areas where we need to bring additional focus.

This work is of the highest priority.

We are already well advanced in developing a set of value statements that all our people can recognise and support and we are committed to continuing to working closely with our people as key stakeholders, over the next 12 months in both defining what success looks like, and in building new expectations and new capabilities.

The combination, interdependence and alignment of the three pillars of our Navigating Our Future Together Programme is critical and this process, supported by the Board, is led by the Chief Executive and Senior Leadership Team working very closely and interactively with the Tier 3 Managers.

A critical element of our new strategic direction is to work with and through other key stakeholders. The PIF review has highlighted this as an area requiring particular focus and to this end we will continue to place a high priority on achieving clarity of our role, purpose and contribution with the Ministry of Education (MoE) and the Ministry of Business, Innovation and Employment (MBIE) in the context of the Skilled and Safe Workplaces work programme.

Our success in delivering on the expectations of our Minister and the Board is dependent to a very large degree on the support of the many stakeholders that make up the education to employment continuum. Working with these stakeholders we will achieve our strategic goal of 'connecting education, training and employment' for all New Zealanders. The key economic and social objectives of the Government and the on-going economic and social improvement of New Zealand will be considerably enhanced by our success in this area.

**Murray Ward**

Board Chair

Careers NZ

## THE FOUR-YEAR EXCELLENCE HORIZON

*In undertaking this review the Lead Reviewers considered: “What is the contribution that New Zealand needs from Careers NZ and, therefore, what is the performance challenge?”*

### Environment

Careers NZ is a relatively small Crown entity monitored by MoE. It is responsible for supporting New Zealanders to make life-defining career decisions in education and in employment by providing expert, impartial information and advice on vocational choices.

Established in 1990, the focus of Careers NZ was, until recently, the provision of careers information advice and guidance to individuals (both one-to-one and in groups), supported by an information repository of careers, qualifications and skills data. While Careers NZ had, under this past model, a reputation for a unified focus and the provision of good quality information through an award-winning website, its reach was modest. 2009 saw the beginning of a strategy to deliver better value to more New Zealanders through improved online services and building the capability of careers ‘influencers’ (an expansion of the professional development service offered to school staff since 1990). The intention of this strategy was to expand Careers NZ’s reach and provide better access to career services.

In 2010 Careers NZ adopted a strategic plan that, in addition to improving its information services and supporting key influencers, emphasised the importance of leading and developing ‘acting as the conductor of the careers system’<sup>1</sup>. It defined this system very broadly as “interacting organisations and individuals contributing to New Zealanders’ education, skills development, career development support and employment”. Careers NZ attributed three main functions to the system, to:

- support the decision-making of individual New Zealanders with regard to study and vocational choices
- ensure investment in the right skills to support the requirements of the labour market
- assist New Zealanders to find first and subsequent jobs that best match their skills and aspirations.

Careers NZ operates within the complex and fragmented landscape of the wider education and skills sector in which a number of other agencies have key roles, including responsibility for overarching policy settings. The effective functioning of the careers system involves interactions between compulsory and tertiary education sector providers; employers; NGOs with an interest in careers; funding and accreditation bodies, such as the Education Review Office (ERO), Industry Training Organisations (ITOs), the New Zealand Qualifications Authority (NZQA) and the Tertiary Education Commission (TEC); and social policy and service delivery agencies, such as MoE, MBIE, the Ministry of Social Development (MSD), Te Puni Kōkiri (TPK), the Ministry of Pacific Island Affairs (MPIA) and others.

The challenges presented by this complex agency landscape are exacerbated by the changing nature of careers in the twenty-first century. Few of us will stay in one sector or job or even type of job for life. New job choices are emerging and labour markets can no longer be viewed solely on a national basis. Generalist and transferable skills may be more important than job specific skills. Modern careers are non-linear, requiring workers to be ‘career capable’ – that is, alert to the changing market, adaptive and self aware with respect to vocational opportunities.

<sup>1</sup> *Statement of Intent 2011/12 – 2013/14*

Careers decision-making is now immensely complex and is often less a matter of individual choice than of advice given to job seekers by key influencers. These might be work role models, school guidance counsellors, relatives, parents, NGOs, employers or other government agencies such as MSD. These influencers do not necessarily have current and relevant labour market information. For high needs groups the information asymmetries are significant.

Careers NZ sees a role for itself in assisting to stitch together all these individuals, influencers and agencies and in promoting 'an excellent careers system effectively connecting education and training to employment'. Over the next four years, it sees itself as demonstrating thought leadership and effecting improved system integration through:

- the development of career capable communities (CCCs); in Christchurch, Porirua, South Auckland and Rotorua in which the many local players and key influencers in the system are well connected and share a common understanding of labour market requirements and the educational and skills services required to meet them. These communities are intended as microcosms of the wider system, from which insights can be extrapolated to underpin wider interventions
- strengthening the capability of key career influencers
- the further development of impartial information and advice resources to address information asymmetries in the labour market by supporting students and job seekers through a range of web and phone based services that support good decision-making, and
- a focus, within the above goals, on high needs New Zealanders, such as Māori, at-risk youth and Pasifika peoples.

## **Performance Challenge – Outcomes**

The careers system is critical to three government priority areas:

- i. The SSW strategy under the Government's Business Growth Agenda (BGA)
- ii. The education results established as part of the Better Public Services (BPS) programme
- iii. The BPS welfare targets.

Success in all of these requires interagency efforts to best align the choices of individuals, education and skills training provision, employer priorities and wider labour market requirements.

Aside from the high-level government outcomes above the social, education and economic agencies have not yet created unified intervention logic for either the intersection of the broader education/labour/skills sectors or for the careers system within which all of these agencies work.

Careers NZ's move to de-emphasise its one-to-one service delivery role in favour of a new role as a systems leader/integrator raises a number of challenges and opportunities both for other agencies within the careers system and for Careers NZ itself. At the education and skills system level, these include the need for:

- a coherent intervention logic at the whole-of-system level to ensure that interventions are well targeted to secure the priority outcomes that have been identified and to ensure optimal benefits for New Zealand's economic and social development. As a part of the above, the need to clarify the roles of all relevant agencies in ensuring optimal alignment between educational funding and qualifications, individual and employer aspirations and labour market requirements. At present, for example, it is possible for an identified labour market need to be poorly aligned with the funding policies and incentives that govern tertiary provision of the relevant skills

- effective governance arrangements – which are now in place at systems level – to align incentives and interests in the education and skills sectors.

For Careers NZ the challenges are very significant and include:

- the need to work with MoE and other agencies and stakeholders to describe what good careers system leadership will look like and how it will be demonstrated and measured, both qualitatively and quantitatively. Given the decision-making complexity alluded to above, identifying suitable metrics to measure and attribute benefits is challenging
- a role in the leadership of the careers system is to be earned rather than asserted. Careers NZ will need to operate according to a well targeted stakeholder management plan and manage key relationships purposefully in light of its targets
- the need to continue to develop and formalise the operating model for the organisation and to align every aspect of operations – processes, products and services, capabilities, culture, management model, assets etc – according to the new strategic aspiration
- further thought being given to customer segmentation and channel strategies to ensure maximum focus and impact given Careers NZ's small size and limited resources
- the recognised imperative to raise the brand visibility of Careers NZ. While Careers NZ's knowledge asset is of high quality, we were advised that not enough New Zealanders seem to find the front door to this information
- consideration of how best to leverage the knowledge assets held in Careers NZ, across both public and private sectors.

We explore these opportunities and challenges more fully below.

## **Performance Challenge – Organisation**

### **i Purpose and Targets**

Since 2009 Careers NZ has been searching for ways to expand its reach and improve its effectiveness. Its current purpose is based on far greater richness (of web-based information) and reach (into the system and particular communities by working through others) than hitherto. It also sees a role for itself as a thought leader and coordinator, effecting better linkages around the careers, education and employment sectors.

Careers NZ's role in thought leadership needs to be understood and accepted by other agencies and stakeholders. Agreement has to be reached on what success at system level will look like and how to measure it. Careers NZ will have to identify some quick wins (to build the confidence of staff and stakeholders in the new purpose) as well as some medium-term outcomes. It will need laser-like focus on the key intervention levers it must pull to secure results.

In the past, stakeholders described this agency as somewhat retiring and below the radar. The future purpose Careers NZ has defined involves stepping up and stepping out and taking on a much more demanding set of accountabilities than ever before in its history.

This will place a premium on its ability to clearly communicate its purpose and the related metrics. Baselines have yet to be set and data collection arranged. Indicators will need to be carefully chosen, given the multi-year and necessarily collaborative nature of Careers NZ's work – plus the many factors (such as the state of the labour market) outside of Careers NZ's control.

While Careers NZ has neutrality and the tight focus of a Crown entity in its favour, as a tiny agency it will inevitably struggle to get results in a complex system that includes both public and private entities with deep policy capability and extensive tool kits for intervention. We suggest that, once the overall plan and intervention logic for the education and skills sector is more fully articulated through the Skilled and Safe Workplaces (SSW) governance mechanism, Careers NZ should then utilise this to review and reset its current strategy in line with its statutory functions mandate.

We wonder whether the key market failure that Careers NZ should be addressing – and its core value proposition – is based on its role as collector, custodian and communicator of objective careers information and the repository of best practice advice. No other agency does this. The Careers NZ website is a key knowledge asset and a portal for New Zealanders to access trustworthy information to support their career decision-making. If Careers NZ's core purpose was focused on enhancing the visibility and accessibility of this portal (that is, the brand, which presently has very low recognition) and the richness of the knowledge it holds, this may allow for a more readily understandable strategy, more definable and attributable outcomes, greater influence with other agencies involved in the education-to-work pipeline and a simpler operating model.

Careers NZ also faces execution challenges. Our conversations with staff and stakeholders lead us to conclude that Careers NZ has not secured understanding and acceptance of the new 'systems integration' purpose within the organisation, let alone in the wider system. Although the new strategy is some two years old (see the 2011/12 *Statement of Intent* (SOI)), both staff and stakeholders find it hard to describe a future state in which Careers NZ is a successful careers system integrator. They cannot succinctly or consistently describe what a career capable community looks like, nor the priority customer groups and their required services and channels.

Careers NZ is now participating in the Chief Executive Group and Deputy Chief Executive level Steering Group that oversees the SSW work programme. It will be participating in those aspects of the joint work programme that relate to its role. Careers NZ needs to seize the potential created by its participation in these SSW leadership groups and the Careers Information, Advice and Guidance in Education (CIAGE) review. It is imperative it takes MoE, MBIE and other stakeholders and, above all, its staff with it.

Staff, in particular, must view Careers NZ's purpose as galvanising, unifying and discriminating. It must align to the reason they joined Careers NZ and it must allow them to select between alternative uses of its slender resources. The present levels of staff engagement strongly suggest that this is not yet the case and that the hearts of staff are not yet gripped by the current purpose and direction.

## **ii Business Strategy**

The new purpose and vision of Careers NZ are outlined in both the *SOI* and a recent 'Careers System Improvement Framework' but both are light on measurable strategic objectives at a level of specificity that can be owned by staff and for which progress can be clearly demonstrated. The notion of an integrating agency across the complex careers system is intuitively very appealing, but a more compelling, and more outcomes/benefits focused strategy is required.

In part this situation is due to an unusually top-down process of strategy development. First line supervisors and staff (the two groups who have best insight into customer and stakeholder feedback and the robustness of products and services) have not been engaged in development of the strategy. It has had to be constantly interpreted and inferred from a range of documents. It has not gained traction with either staff or stakeholders.

Externally, Careers NZ needs to engage other agencies and key stakeholders on refining its strategic direction. This will require, as noted above, work with relevant agencies on the education and skills system-level intervention logic so that ownership of interventions is clear and agreed.

Internally, rather than management seeing the current situation as a failure to effectively 'push strategy down' to staff there is a real opportunity to work with staff on delineating a future state and jointly developing shared stories about the future of Careers NZ. Staff engagement survey comments suggest there is a strong passion on the part of the staff for the work of Careers NZ, but this must now be better aligned with organisational strategy. This should be, given the small size of Careers NZ (some 130 FTE), eminently achievable.

A key requirement will be to engage the professionalism of staff by utilising the body of knowledge that now exists in western jurisdictions about career capability and career decision-making. The previous 'guidance model' in which guidance was given largely one-on-one in face-to-face settings has been modified to accommodate technology-enabled guidance to improve accessibility and increase efficiency but a new careers system development practice model is not yet in place. This has made it challenging for staff on the sharp end of service delivery to align their personal sense of mission with the organisation's business strategy. If they are to help build the more effective agency of the future, staff will need to be supported to translate purpose and strategy into a model of professional practice that works effectively in the New Zealand setting.

### **iii Operating Model**

This is an agency that needs to work very hard on its operating model. To date, it appears there is 'white space' between high-level strategy and attempts at implementation initiatives and pilots, such as those relating to CCCs. The latter appear ad hoc and confused. The missing element is inclusive design work with staff and stakeholders on what the new operating model would look like, taking the new purpose as a given.

This does not mean only structural redesign (some of which has been done) but rather encompasses a review of all aspects of Careers NZ, including core systems, processes, decision-making models, assets and resources, products, services, evaluation approaches, capabilities, culture and behaviours. These may all require redesign in the context of the purpose of Careers NZ.

Redesign of the service delivery model in the regions needs particular focus and urgency. At present, Careers NZ has regional staff in 15 locations, which does not reflect the needs of the CCC initiatives. Specialist staff are based in remote places and staff travel is extensive and we believe inefficient. Regional managers, two of whom are newly appointed, will need support to effect a much more explicit and principles-based service model as soon as possible.

Given the fiscal context and the size of Careers NZ's resource base there will also need to be a strong focus on more targeted products and services for priority customer groups. Channel strategy will require considerable sophistication, particularly with respect to techniques for 'influencing the influencers' of career decisions (such as whānau for Māori job seekers and mums and 'aunties' in Pasifika communities).

The richness and potential of the knowledge asset for which this agency is steward should not be underestimated. Careers NZ is investing significantly in its web team and the connectedness and quality of the information on the web site is improving rapidly. There is a challenge in terms of reach and channels that needs to be worked through as part of operating model redesign. It may be that in future Careers NZ can best meet the needs of its priority customers via a mobile app.

It would be very easy for this agency to dilute its impact by taking on too much, or by intervening at the wrong points in the system. Because of its strong repository of information, Careers NZ's intelligence base is extensive, but its ability to analyse intelligence is limited. This is again an area where work with other agencies will be productive. Careers NZ must also give careful thought to how to evaluate interventions and to feed lessons learned into a system of reflective practice and continuous improvement.

Culture, values and behaviour need attention to restore some of the professional pride lost in recent months as staff struggle to translate the 'what' of the new strategy into the 'how' of actions on the ground. Cultural bonds amongst staff are weakened at present, though passion for supporting career decision-making is high. Rather than some staff feeling that Careers NZ is somehow getting in the way of them making an impact, staff, management and Board need to work together on new ways of achieving Careers NZ's goals and giving effect to its core values.

#### **iv Implementation (including Change Capability)**

Given the ambitious new purpose and the complexity of the education, skills and labour sectors, the size of the implementation challenge for a small agency like Careers NZ should not be underestimated.

To date, internal change management has been more about restructuring than it has been about capturing the hearts and minds of staff with a clearly described future state and working collectively to plan how to get there. Careers NZ will need external help in this area, particularly with respect to developing a detailed operating model in a structured and rigorous fashion.

While the Careers NZ Board and external stakeholders are generally supportive of Careers NZ, they too struggle to describe what success will look like, how it can be demonstrated and the key steps entailed in getting there. Stakeholder relationships are as yet untested by joint working or prioritisation and trading off.

Careers NZ's Board and management have put a lot of effort into making Careers NZ more relevant and effective. Unlike many agencies that have been reviewed through the PIF, they have dared to dream large. Making the dream real, however, is taking too long and generating too much confusion amongst staff and stakeholders. This is fixable, but the fixing needs to be time bound and undertaken in a structured rather than an ad hoc way. As noted above, we think it should start with a reset of strategy.

Careers NZ was likened to the 'little engine that could'. There is no question that Careers NZ is committed to improving the New Zealand careers system. Under the current systems integration strategy, implementation effectiveness will involve selecting the best route to the top of the mountain, awareness of other agency traffic on the network, the ability not to be derailed by exigencies and ensuring that all the cars in the train get to the top with management and Board.

Should purpose and strategy be redefined as we suggest to focus more clearly on the value proposition around Career NZ's knowledge assets, Careers NZ may need to accept that it is a very valuable carriage on the education and skills train, rather than the engine.

Above all it is essential that the little engine that could is well supported by the big engines that should: MoE and MBIE.

## What will success look like?

In four years' time Careers NZ will have a clear sense of purpose and a well understood and accepted strategy to match. The contribution it makes to key outcomes will be very clear to all players in the education and skills system.

MoE will be actively monitoring Careers NZ's strategic outcomes and engaging regularly with respect to the effectiveness and efficiency of its system interventions as agreed at governance level.

Careers NZ will have maintained its current advantages: the confidence of the Minister and the Board, good standing amongst stakeholders and partners, new tools (such as Careers Benchmarks for schools and tertiary sectors), a good website and generally well regarded online services and staff with ability and commitment.

In delivering on its strategy and high-level outcomes, and by generating a shared sense of purpose amongst staff, Careers NZ will have designed and implemented a new operating model, reflecting new approaches to service delivery for priority customer groups.

This new operating model will include clear service packages for all priority customer groups, which reflect both excellent customer analytics and best practice in career decision-making support.

There will be clear line of sight for staff from high-level purpose and strategy to the work they do each day. The current hierarchialism and communications disconnects between first, second and third tier managers will have been resolved.

The key indicators of success for Careers NZ will be:

- Careers NZ is well known by all New Zealanders and respected as the country's expert body (and go to place) for careers relevant information and education-to-work information, disseminated through a variety of channels appropriate to customer needs
- effective systems that gather, analyse, package and deliver accurate, comprehensive and accessible careers information for all New Zealanders are in place, including innovative new modes of access and engagement for Māori, Pasifika and high needs users
- measurable improvements in the career competency of educational institutions, communities, whānau groups, families and other sources of advice on education and work options will be evident
- government will have gained the best possible leverage from the intellectual property contained in Careers NZ's knowledge assets
- measurable and marked improvement in the ability of disadvantaged groups to successfully chart their education and employment paths will be evident
- much greater interconnectedness and stronger information flows within and between the education and employment sectors, both public and private will be apparent.

**Debbie Francis**  
Lead Reviewer

**Neil Walter**  
Lead Reviewer

## CENTRAL AGENCIES' OVERVIEW

Careers NZ is a significant cog in the system that links the world of learning and the world of work for young New Zealanders and for existing workers seeking new careers options. It is an organisation that has operated below the radar yet has an important role to play in supporting the attainment of the BPS results and the BGA.

The Review recognises that Careers NZ's core value proposition is based on its role as collector, custodian and communicator of objective careers information and the repository of best practice advice. The Careers NZ Board and management are to be commended for looking to increase the impact they have through better leveraging the organisation's information, knowledge and experience and their willingness to advance improved integration in the skills sector.

The Review sets out big challenges for Careers NZ. This Report points to the need to rethink business strategy and how Careers NZ works with other agencies and stakeholders to contribute to the leadership of the careers system. The Review identifies the need to ensure the operating model is fully aligned with that strategy and for management and staff to engage to improve understanding of, and commitment to, the vision, purpose and role of the organisation and its strategy. To achieve these aims it suggests the Board, management and staff need to co-create the operating model required to deliver the strategy.

Careers NZ's response to the report signals its acceptance of the challenges it faces and describes the programmes it is putting in place to address them. From a central agency perspective we emphasise the importance of Careers NZ working with its colleague agencies in the SSW programme and the BPS result areas so that it is able to leverage its unique position. We also emphasise the importance of developing effective engagement with staff.

Careers NZ will need support from MoE as monitoring agency, from the central agencies and from other government agencies if it is to succeed. We are committed to supporting Careers NZ. Some indicators of success will be:

- confirmation from the next full engagement survey that the co-creation of the operating model has led to staff ownership of the vision, purpose and role of Careers NZ
- assurance that Careers NZ's contribution to the SSW programme and the BPS result areas is firmly focused on the achievement of outcomes across these sectors
- Careers NZ linking across the sector to evidence the impacts of its activities.



**Iain Rennie**  
State Services Commissioner








**Gabriel Makhoul**  
Secretary to the Treasury

**Andrew Kibblewhite**  
Chief Executive, Department of  
the Prime Minister and Cabinet






# SUMMARY OF RATINGS

## Results






GOVERNMENT PRIORITIES	RATING
Improving the performance of the system for priority groups	
Supporting the Better Public Services education sector goals and the Business Growth Agenda	





CORE BUSINESS	RATING (EFFECTIVENESS)	RATING (EFFICIENCY)
Careers system leadership		
Developing career competence		
Provision of information, advice, guidance and resources		
	<b>RATING</b>	
Regulatory Impact		




## Rating System




 Strong	 Well placed	 Needing development	 Weak	 Unable to rate/not rated
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## Organisational Management





LEADERSHIP, DIRECTION AND DELIVERY	RATING
Purpose, Vision and Strategy	
Leadership and Governance	
Values, Behaviour and Culture	
Structure, Roles and Responsibilities	
Review	

EXTERNAL RELATIONSHIPS	RATING
Engagement with the Minister(s)	
Sector Contribution	
Collaboration and Partnerships with Stakeholders	
Experiences of the Public	

PEOPLE DEVELOPMENT	RATING
Leadership and Workforce Development	
Management of People Performance	
Engagement with Staff	

FINANCIAL AND RESOURCE MANAGEMENT	RATING
Asset Management	
Information Management	
Improving Efficiency and Effectiveness	
Financial Management	
Risk Management	

## Rating System

 Strong	 Well placed	 Needing development	 Weak	 Unable to rate/not rated
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## AGENCY CONTEXT

### Statute

Careers NZ is a Crown entity established in 1990 under the provisions of the Education Act 1989 and the Education Amendment Act 1993, to assist in the achievement of government education, training and employment goals through the provision of high quality information, advice and guidance services.

The statutory functions of Careers NZ are:

- to establish and maintain a database of information about occupations and about post-compulsory education and training
- to make that information available to the public and to institutions, private training establishments, learners and other interested bodies and persons
- to provide:
  - training and assistance to persons who advise about occupations
  - career advice and associated counselling relating to post-compulsory education and training
- to liaise with, and monitor the needs of, institutions, private training establishments, learners and other bodies and persons with respect to:
  - information, training, and advice relating to occupations
  - career advice and associated counselling relating to post-compulsory education and training
- to provide support services for the purpose of promoting transition education that prepares learners for employment, or further education and training, or both.

### Areas of focus

Careers NZ's stated main areas of focus are:

- careers system leadership – integrating communities, and sharing resources to address local and national education-to-employment needs
- supporting key influencers/developing career competence – providing training, development and online resources to key people influencing the careers decisions of others
- providing information, advice and resources to New Zealanders – via website and phone services to the New Zealand public, educators and employers.

### Clients and partners

Careers NZ works in partnership with central and local government agencies, schools, tertiary providers, community-based organisations, business leaders, unions, influencer groups and end users of its services. In particular:

- Careers NZ operates across the education, labour market and social development sectors and works closely with MoE, MBIE, MSD, TPK, MPIA and other government agencies on actions and policies where a career component is important. This also involves packaging other agencies' data and information and integrating it to provide holistic information for people planning their education, employment and training options

- a large proportion of Careers NZ's work is in the community, where it develops the expertise of schools and tertiary educators in their careers work with learners, graduates and job seekers. Careers NZ also works with key careers influencers, particularly families, and with iwi and community organisations that work with them
- Careers NZ works with industry and the business sector to try to ensure the supply of skilled workers is closely matched to labour market needs. Online resources for employers help them to retain and develop their workforce through career development
- all New Zealanders can access the free information, resources and support on the Careers NZ website, and by contacting the team of professional career advisors in the contact centre. These services are particularly aimed at people in secondary and tertiary education and training, people entering and returning to the workforce, underemployed workers and those considering a change in career.

## **Resources**


Careers NZ is funded from Vote Education with funding in 2012/13 of \$15.082 million, and an estimated further \$0.350 million of third-party revenue.

At October 2012 there were 130 FTE staff (headcount 140) based in the Wellington national office and across three regions in – a total of 15 locations.

## RESULTS SECTION


### Part One: Delivery of Government Priorities

This section reviews Careers NZ’s ability to deliver on its strategic priorities agreed with the Government. While the questions guide Lead Reviewers to retrospective and current performance the final judgements and ratings are necessarily informed by the scope and scale of the performance challenge.

<b>Government priority 1: Improving the performance of the system for priority groups</b>	
<p><b>PERFORMANCE RATING</b></p> 	<p><b>Performance Rating: <b>Needing development</b></b></p> <p>Careers NZ is tasked specifically with assisting those most at risk of poor education and employment outcomes – Māori, Pasifika, learners with special education needs and those from low socio-economic backgrounds. Christchurch’s rebuilding programme is also a priority.</p> <p>Careers NZ gives special attention to these groups in various ways. It has both understood the Government’s priorities and articulated them well. Within the limitations of being an agency undergoing major change, it is taking account of these priorities in deciding how to deploy its resources. Its Career Capable Communities (CCC) programmes are located in the high need areas of South Auckland, Rotorua, Porirua and Christchurch are expected to account for around half of Careers NZ’s regional effort in the coming year. Although they are still at a developmental stage, Careers NZ expects them to produce measurable improvements for the priority groups identified in the Minister’s letter of expectations.</p> <p>Careers NZ manages a number of smaller programmes in partnership with iwi and whānau groups and Pasifika communities. It is also working in collaboration with a range of selected agencies, employer groups and educational and training institutions on projects targeting the priority groups.</p> <p>As to how well Careers NZ is performing against the Government’s priorities, partner agencies and groups we interviewed were generally positive about Careers NZ’s contribution. While it is as yet too early to measure the effectiveness of the most recently introduced programmes, Careers NZ is seen both as having useful specialist expertise to contribute and as willing to tailor its approach to the specific needs of various groups. The agency’s quarterly and annual reports record its progress in meeting the Government’s expectations.</p> <p style="text-align: right;">Contd...</p>

	<p>Looking ahead, Careers NZ’s success in this area will be determined by its success in designing and embedding a business model that aligns with its current strategic direction and better engages the professional skills and experience of its staff. As the agency’s Self-review notes, the linkages between the Government’s priorities and daily work are not as well understood below fourth tier level as they should be. Careers NZ’s regional operations need to be reconfigured (this is work in progress) and field staff given a clear line of sight from their activities through to Careers NZ’s key objectives.</p> <p>To improve on this rating, the agency will also need to build an adequate evidence base for the prioritisation of its work and the identification of the most effective points of intervention and leverage among high needs groups. This requires baselines to be determined, key performance measures to be set and data collection systems to be established.</p>
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**Government priority 2: Supporting the Better Public Services education sector goals and the Business Growth Agenda**



<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>The main BPS outcomes targeted by Careers NZ in the education sector are:</p> <ul style="list-style-type: none"> <li>• an increase in the proportion of 18 year-olds with NCEA Level 2 or equivalent qualifications</li> <li>• an increase in the proportion of 25-34 year-olds with advanced trade qualifications, diplomas or degrees.</li> </ul> <p>Careers NZ’s particular contribution to these goals in terms of improved skills and employment is defined as:</p> <ul style="list-style-type: none"> <li>• lifting the quality of career education in schools and tertiary institutions so that young people make sound decisions about education and employment</li> <li>• developing career capable communities through a range of collaborative initiatives</li> <li>• providing accessible and accurate information about the labour market, employment options and educational courses.</li> </ul> <p>Careers NZ also seeks to contribute to the achievement of the BPS goals of improved interaction with government and better digital interactions with New Zealanders.</p> <p>The agency aims to help ensure that students leaving the education system have qualifications and training suited to their career choices and employment prospects. This in turn contributes to the BGA goals of lifting the achievement of young people, ensuring a skilled workforce and building a more competitive and productive economy.</p> <p style="text-align: right;">Contd...</p>
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	<p>Careers NZ provides extensive online information about New Zealand’s labour market and future employment options to help make informed choices about study and training courses. It also runs an 0800-line advisory service. Information collated from around the education and employment sectors is analysed and packaged in such a way as to make it both useful and accessible. Considerable effort is now going into tailoring the information to the particular needs of selected priority groups and making it easier for them to navigate the website.</p> <p>At the same time, Careers NZ is working with key career influencers – whether iwi, whānau, aiga, parents, teachers or employers – to raise overall standards of career advice and guidance across the system. Feedback from those who have received Careers NZ’s professional capability-building services is generally positive. In particular, the benchmarks introduced for self-review of career advisory standards at secondary schools and universities seem to have been well received.</p> <p>Good relationships and strong communication with employers, educational and training institutes and government agencies working in the labour market area are essential. The agency understands the importance of building and strengthening linkages across the education-to-work continuum at both local and national level. The Chief Executive is paying close attention to this aspect of Careers NZ’s work, and guidelines have been developed for staff on relationship management. However, there needs to be more of a shared understanding throughout Careers NZ of just which relationships are critical to Careers NZ’s success and how they link to the agency’s current strategy.</p> <p>The recent introduction of a joint SSW work programme to develop a more integrated approach to labour market, employment and education issues should help address the problems of fragmentation at the national level, just as the progressive reconfiguration of Career NZ’s regional offices, coupled with higher levels of buy-in by Careers NZ staff, should strengthen communication and coordination at the local and community level.</p> <p>Looking ahead, Careers NZ needs to make its service offerings more widely understood and more accessible to the individuals and groups using it. It is already working on this. It is also conscious of the need to strengthen its ability to gather up to date and accurate labour market information.</p> <p>To improve its performance in this area the agency also needs to develop performance measures that will enable it to assess the impact of its particular contribution to BPS and BGA goals. The agency’s Self-review notes the difficulties of measuring the impact of systems change work: the careers system involves multi-year effort, numerous agencies, institutions and employer groups and a number of factors outside any one agency’s control. A start has been made in Careers NZ’s Four-year Plan 2013-2017. The high-level goals have been identified, but key qualitative as well as quantitative performance measures need to be more fully developed before the agency can be assured that it is targeting its interventions to best effect and can demonstrate its value proposition in terms of a sustained and fully effective contribution to BPS and BGA goals.</p>
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## RESULTS SECTION



### Part Two: Delivery of Core Business

This section reviews Careers NZ’s effectiveness and efficiency in delivering its core business. While the questions and guide Lead Reviewers to retrospective and current performance the final judgements and ratings are necessarily informed by the scope and scale of the performance challenge.



Core business 1: Careers system leadership	
<p><b>PERFORMANCE RATING</b></p> <p><b>Effectiveness</b></p>  <p><b>Efficiency</b></p> 	<p>Performance Rating (Effectiveness): <b>Needing development</b></p> <p>Performance Rating (Efficiency): <b>Needing development</b></p> <p>At national level, there has until recently been something of a leadership vacuum across the interagency ‘education-to-employment’ sector. Links with employer groups in the private sector have also tended to be ad hoc and uncoordinated.</p> <p>Some two years ago Careers NZ took on the challenge of filling this leadership gap and knitting together the fragmented careers system. It has set out to explain just what this means in its planning and accountability documents since 2012. At the operational level, however, there remains a degree of confusion as to precisely what this systems leadership goal means for its staff in terms of their day to day work. Other agencies working in this field also expressed uncertainty about Careers NZ’s place in the system.</p> <p>There is no question but that Career NZ is uniquely positioned to contribute to improving New Zealand’s careers system at both a policy and an operational level. It was, however, always going to be a challenge for a small and operationally focussed Crown agency to ‘lead’ the major policy agencies and other players in this field. While its focus, professional expertise and networks make it a logical and important contributor to an improved careers system, there are serious questions about its mandate and capacity to assert an interagency leadership role.</p> <p>Other agencies seem to value Careers NZ’s work and regard it as a useful partner in joint programmes of various kinds. The agency has also done a lot of thinking about how the careers system can best help New Zealanders to make well informed decisions about their education and employment. But while all this positions it to play a valuable role in the education and employment pipeline area, and it deserves credit for having identified the systems level problem and taking the initiative to do something about it, it does not amount to a sectoral leadership role in the normally accepted sense of that word.</p> <p style="text-align: right;">Contd...</p>

	<p>Two developments should help ensure that full use is made of Careers NZ’s expertise and experience at both a policy and an operational level. First, Careers NZ was an active participant in the CIAGE review co-sponsored by MoE and MBIE. While the outcome of the review has yet to be finalised, it is expected that Careers NZ will have a central role in a joint work plan aimed at strengthening New Zealand’s career development system for 11-29 year old New Zealanders.</p> <p>Second, a broad-based interagency group has been established to provide policy leadership and ensure stronger coordination of effort among the agencies primarily concerned with the provision of information on labour market, employment and education outcomes. The SSW Ministerial committee and group of chief executives oversee a Steering Group (co-Chaired by MoE and MBIE) charged with developing and overseeing joint work programmes and ensuring better coordination in the work and education sectors. The joint work programme includes a survey of best international practice, improved inter agency coordination and the close integration of New Zealand’s labour market and education systems. Careers NZ is represented both at Chief Executive level and on the Steering Group. The agency will also have an important role in the joint work programme scheduled to commence in July 2013.</p> <p>Careers NZ brings to the table professional expertise, a highly regarded information delivery system, extensive on the ground experience and wide ranging networks. It should be able to play a major role both at chief executive and at steering group/ joint project level. It will be a key player in the Government’s efforts to create a careers system that more effectively connects education and employment.</p> <p>At a regional and local level too, Careers NZ is well positioned to strengthen careers work coordination around both the public and private sectors. It is a repository of professional expertise and careers information and has wide ranging networks. The Auckland Careers Summit (August 2012) and other workshops demonstrate Careers NZ’s ability to bring the education, business and community sectors together. By performing its core tasks in the areas of improving the overall quality of careers advice and acting as a repository of education and labour market information it will be doing much to improve communication and coordination among all the agencies, institutions, communities and employers operating locally, in other words, playing the role of systems integrator.</p> <p>Given the establishment of the new national-level leadership grouping referred to above, it is timely for Careers NZ to consider, with its Board and Minister, a reformulation of its first key strategic objective with a view to shifting the emphasis from the rather aspirational goal of ‘leadership’ of the careers system to its role as systems integrator. This would help avoid the current uncertainty among other agencies and among Careers NZ staff as to precisely what is meant by the word ‘leadership’ in the agency’s first strategic objective.</p>
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**Core business 2: Developing career competence**

<p><b>PERFORMANCE RATING</b></p> <p><b>Effectiveness</b></p>  <p><b>Efficiency</b></p> 	<p>Performance Rating (Effectiveness): <b>Needing development</b>                  Performance Rating (Efficiency): <b>Needing development</b></p> <p>As indicated above, in recent years Careers NZ has shifted its focus from one-on-one counselling to assisting educational institutions, employers and other career influencers to improve the standards of their career advisory work. It does this in a number of ways, for example, promulgating benchmarks for secondary schools and tertiary institutions to self-review their competence levels, making comprehensive and up to date labour market, career and employment information available on its website and through its phone services, building stronger linkages between employers and educational and training institutions and providing advice and professional support for career system development planning.</p> <p>Self-review benchmarks, career hubs, workshops and summits are among the tools currently used by Careers NZ to raise levels of awareness and standards of professionalism. The Auckland Careers Summit, the Auckland Careers Blueprint and the agency’s work with the Canterbury Employment and Skills Board are good examples of this.</p> <p>Partner agencies and groups we spoke with generally have a positive view of Careers NZ’s efforts to raise the standard of career advisory work in New Zealand. It is, however, difficult to assess the efficiency of Careers NZ’s work in this area in the absence of agreed baselines and robust performance measures. The choice of communities, institutions and groups of influencers, as well as the choice of service delivery options, is critical to making the best use of Careers NZ’s scarce resources. The development of an appropriate new business model, including analytical frameworks and data bases that will enable Careers NZ to monitor its performance and direct its effort to best effect, is a high priority for the agency.</p>
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**Core business 3: Provision of information, advice, guidance and resources**


<p><b>PERFORMANCE RATING</b></p> <p><b>Effectiveness</b></p>  <p><b>Efficiency</b></p> 	<p>Performance Rating (Effectiveness): <b>Well placed</b>                  Performance Rating (Efficiency): <b>Well placed</b></p> <p>Careers NZ maintains a range of online services that are well regarded by users. In a survey conducted in 2011/12, 89% of users said they would recommend the website; 84% of phone line users said they found the service useful; and 60% of those who received individual guidance said they were able to take career decisions as a result. Careers NZ’s website and web chat facility provide comprehensive and authoritative information about education and career options in New Zealand, including earnings and labour market information. It has won awards. This is Careers NZ’s point of difference and key asset.</p> <p style="text-align: right;">Contd...</p>
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	<p>Careers NZ’s 0800-line advice service seems to work well and social media are being used to good effect. Careers NZ sets clear service standards and puts effort into monitoring public attitudes. It is open to suggestions on how it might improve its service delivery and is working on a comprehensive online strategy for the future.</p> <p>The agency’s work in support of Career Capable Communities and other partnership activities is an increasingly important part of its outreach to the public. Collaboration with local government, education providers and a range of career influencers is a hallmark of all these programmes.</p> <p>We heard some criticism of Careers NZ’s move away from one-to-one counselling, although this has been retained as an option for dealing with those users most in need. This change reflects a shift in emphasis from face-to-face work (reaching a necessarily limited audience) to building capacity in the career development system more generally, for example, issuing benchmarks for secondary schools and tertiary institutions to self-review their career guidance performance. As the agency’s Self-review notes, expectations in this area need careful management.</p> <p>Careers NZ will need to invest in improved customer analysis, segmentation and channel strategies in the context of an increasingly digital world. As one stakeholder commented, the website also needs to be made even more ‘cool and zingy’ to engage students in their early teens accustomed to accessing services via digital channels and social media.</p> <p>Another key performance challenge for Careers NZ is to ensure that more people are made aware of its website. At present it is not as widely known as it needs to be, particularly among learners and at-risk groups. Serious thought needs to go into how to extend the reach of the website, both to individuals and to influencers within the career development system. Careers NZ is currently working on ways to enable customised searches of its website.</p>
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## ORGANISATIONAL MANAGEMENT SECTION

This section reviews Careers NZ’s organisational management. The questions often guide Lead Reviewers to future and current performance. Final judgements and ratings are informed by the scope and scale of the performance challenge.


### Part One: Leadership, Direction and Delivery

<p><b>Purpose, Vision and Strategy</b></p> <p>How well has Careers NZ defined and articulated its purpose, vision and strategy to its staff and stakeholders?</p> <p>How well does Careers NZ consider and plan for possible changes in its purpose or role in the foreseeable future?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>Our comments on clarity of purpose and strategy are canvassed in the Four-year Excellence Horizon narrative at the beginning of this Report. After several years of effort, and despite being well bought into at conceptual level by the Minister, the Board and management, Careers NZ’s purpose, vision and strategy remain problematic.</p> <p>In essence there are three pillars to the strategy, one of which we suggest needs to be reviewed. The strategy has been to:</p> <ul style="list-style-type: none"> <li>• ensure the availability of good quality labour market and education information for those making careers decisions (an area of work where we assess Careers NZ to be well placed)</li> <li>• shift the focus from one-to-one counselling to improving the ability of careers advisors in schools and other careers influencers to provide quality advice to those seeking it (with respect to which Careers NZ needs to develop a new operating model that is fully aligned with that strategy)</li> <li>• undertake an integrative leadership role with respect to the careers system/sector (where we suggest there is a need to review the strategy with those who exercise leadership roles in the education, skills and workforce portfolios).</li> </ul> <p>More specifically: the ‘why’ of purpose is understood but perhaps not agreed with (at a careers system level); the ‘what’ of some elements of the strategy is confusing and requires continuous interpretation and inference from multiple sources; and the ‘how’ of implementation is unclear to both managers and staff. The ‘how we’ll know it’s working’ dimension of measurement and benefits management is missing altogether.</p> <p style="text-align: right;">Contd...</p>

	<p>When questioned about how it felt to operate in the context of a blurry ‘what’ and ‘how’, one stakeholder commented that it felt like “singing acapella while the orchestra tries to get organised”. This sentiment was echoed by many with whom we spoke.</p> <p>As part of the PIF process, we strongly encourage Careers NZ to work with MoE and MBIE to review and refine its purpose and strategy prior to redesigning the operating and professional practice models. While ambition is to be admired, we feel the current positioning needs to be revisited, given the mandate and capability of Careers NZ and the recent establishment of the joint careers work programme under the SSW governance arrangements.</p> <p>We are also concerned that the strategy does not sufficiently reflect (and may detract from) the true value proposition of Careers NZ as an impartial and rich knowledge asset to support decision-making across the education, skills and labour system. This is the thing that <i>only</i> Careers NZ can do. Capability needs to be developed in customer analytics and channel design to support and leverage the core knowledge asset. The plan around this needs better communication across the education and skills system and there is also a need to enhance brand visibility to the New Zealand public.</p> <p>This suggested strategy review will be assisted by the work MoE and MBIE are doing with regard to the overall intervention logic for the wider education and skills system. The Ministerial attention being given to this and the cross-sectoral governance bodies (in which Careers NZ now participates) will be helpful here.</p> <p>Aside from the issue of the realism of the currently articulated purpose and strategy, Careers NZ is struggling to communicate it to its own staff, let alone the system. Staff do not yet feel the ‘call to glory’ of the strategy at both head and heart level. They are not unified by a sense of common purpose. They cannot use purpose and strategy to discriminate between alternatives and to prioritise their efforts. They are not confident that they are doing the right things to give effect to the strategy because they do not have line of sight from Careers NZ’s purpose to the work they do each day. The opportunity value of this opaqueness and confusion is high.</p> <p>When refining the purpose and strategy we suggest that staff at all levels be included in the process of shaping and owning it. Board, stakeholders, management and staff will need to work together to build the shared picture of what success will look like and the relevant ‘dials’ to report progress along the way.</p> <p>To move to a stronger rating in this area, Careers NZ needs to:</p> <ul style="list-style-type: none"> <li>• distil its complex operating environment and the competing demands on it into a simple organising idea</li> <li>• define the future state and what success will look like</li> </ul> <p style="text-align: right;">Contd...</p>
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	<ul style="list-style-type: none"> <li>• use purpose and strategy to motivate existing staff and attract the right recruits</li> <li>• use purpose and strategy to unify the agency, its various business units, services and activities</li> <li>• prioritise the key initiatives that will make the most difference to achieving the defined outcomes</li> <li>• ensure that intervention logic can be easily articulated at agency and education and skills system levels.</li> </ul>
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**Leadership and Governance**  
 How well does the senior team provide collective leadership and direction to Careers NZ?  
 How well does the Board lead the Crown entity?

<p><b>PERFORMANCE RATING</b></p> <p></p>	<p>Performance Rating: <b>Weak</b></p> <p>The senior leadership team (SLT) is finding it hard to engage staff and stakeholders in the vision of the future, aside from at a very high level. It has found it challenging to distil high-level concepts into simple goals that guide decision-making by staff at all levels and that are sufficiently specific that people know what is important and can't hide from their accountabilities.</p> <p>In part this has been the result of a unusually top down and hierarchical management style (particularly given the size of Careers NZ) in which SLT members tend to be only visible to staff when they are telling them to do something. There is a particular disconnect between tier two and three managers, with the latter having unusually low levels of empowerment.</p> <p>There is an opportunity to refine the role of the national leadership team (tiers one to three) and to reshape it as a discussion and decision-making body rather than as a forum for announcements.</p> <p>To date, change management has been interpreted by the SLT as restructuring and instructing, rather than as a shared journey that captures hearts and minds and builds shared stories about what success will look like.</p> <p>Moving to a 'stronger' rating here will necessitate:</p> <ul style="list-style-type: none"> <li>• greater internal visibility to staff (including in the regions) of the Chief Executive</li> <li>• tier two managers operating at the right level and changing their style to incorporate more listening and enabling</li> <li>• tier three managers, in particular regional managers, being given sufficient mandate to redesign the service delivery model</li> </ul> <p style="text-align: right;">Contd...</p>
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	<ul style="list-style-type: none"> <li>• a less theoretical and more pragmatic approach to management</li> <li>• greater enlistment of staff in management decision-making.</li> </ul> <p>The Board has had frequent changes of Chair in the past few years. Its current composition reflects a good range of public and private sector interests and a diversity of skills.</p> <p>There is a question, however, as to how well informed the Board is about what is really happening in the organisation. It also has something of an image problem with staff, who characterise it as having low visibility. Some recent changes to meetings protocols that allow second (and hopefully third) tier managers to attend meetings for discussion of ‘their’ agenda items should help. There is also an opportunity for Board members to participate in some way in the strategic review process suggested above, to add impact, to take the organisational temperature and increase visibility.</p> <p>Care will need to be taken to manage Board succession, given that the terms of four members expire in late 2013.</p>
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**Values, Behaviour and Culture**  
 How well does Careers NZ develop and promote the organisational values, behaviours and culture it needs to support its strategic direction?


<p><b>PERFORMANCE RATING</b></p> <p></p>	<p>Performance Rating: <b>Weak</b></p> <p>This dimension has suffered from the fact that Careers NZ has not explicitly and inclusively designed a new operating model to give effect to its new strategic positioning. Because SLT has gone directly from very high-level strategy to structural redesign and is perceived by its staff and stakeholders to have eliminated the previous professional practice model, there has been little opportunity for staff, stakeholders and management to work together to develop and agree the new ways of working that will ensure successful outcomes.</p> <p>Staff struggled to remember and identify with organisational values; (‘I think there’s something in the SOI but I can’t remember it’ was a typical response) and have typically not defined new behaviours in any manner other than new competencies in position descriptions for new roles. They feel a strong sense of culture and manaakitanga, but this has, in the absence of design work, defaulted more to professional practice with respect to careers advice and decision-making rather than being explicitly derived from the new organisational purpose and strategy.</p> <p>In other words, while at a high level the new strategic position is intellectually understood, it is not yet <i>felt</i> by staff. While staff believe they are making a difference to New Zealanders, they feel that they are presently doing so despite the organisation rather than because of it.</p> <p style="text-align: right;">Contd...</p>
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	<p>A key opportunity here is to disseminate the ‘stories’ of the organisation more widely, both internally and externally. Staff with whom we spoke all had compelling and often moving stories about the difference careers support (by whatever channels – web, phone, group-based, or one-to-one) had made to individuals. They felt that the best part of the job was the opportunity to change lives – often of whole whānau – for the better. Somehow, at present, this powerful emotional connection is getting lost as staff try to interpret strategy and discern the way forward. This is having a very negative impact on morale, as discussed below with respect to staff engagement.</p> <p>Part of the problem is the lack of a professional practice model that reflects the new one-to-many and many-to-many service delivery strategies. Staff understand the need to move away from the inefficient aspects of one-to-one guidance counselling, but they have not had the opportunity to build the new future model. They have lost a belief system, without the chance to build a new one. They need to be enlisted in the new ways of thinking, working and relating to customers (and how to best measure these) that the new strategy implies. The opportunity here is significant, in that we discerned a real willingness and enthusiasm on the part of staff to share stories and build the new practice model.</p> <p>As indicated elsewhere in this Report, engaging staff in strategy review and design of the operating model should enable Careers NZ to improve on this rating.</p>
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<p><b>Structure, Roles and Responsibilities</b></p> <p>How well does Careers NZ ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business?</p> <p>How well does Careers NZ ensure that it has clear roles, responsibilities and accountabilities throughout Careers NZ and the sector?</p>	
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<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Weak</b></p> <p>Our views and suggestions on the need to design a new operating model for Careers NZ are outlined in detail in the narrative section at the front of this Report. In this section, we describe some aspects of the model which seem to us to particularly need rethinking.</p> <p>Organisational planning appears to have been largely head office focused and undertaken top down. The process adopted for the 2013/14 financial year is understood to have been a bottom-up/top-down approach. We have questions about the sufficiency and rigour of the voice of customer analytics that support planning. Planning also appears to be quite linear, with little use of the scenario models that are often helpful in supporting planning in complex systems.</p> <p style="text-align: right;">Contd...</p>
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	<p>The organisational structure of Careers NZ is tall and deep and core systems and practices appear traditional and ‘command and control’. One of the benefits of a small agency should be nimbleness and agility and while these appear to be in evidence in the regions, they are less evident at national office.</p> <p>Accountabilities are unclear, because key metrics are unclear. Tier three managers and first line managers (team leaders) do not appear to be well supported or enabled. In the case of the former, this has manifested itself in minimal delegations and low engagement in planning. For the latter, in a lack of training and management tools to help in guiding the day to day work of staff and modelling the new behaviours and ways of working.</p> <p>An unusual aspect of the organisation is the broad span of activity encompassed by the (very competent) web team, which appears to be driving change from within rather than responding to clearly articulated customer segmentation and channel strategies.</p> <p>Indeed, the business development area appears weak and characterised by confusion on the part of both corporate and field staff in describing what products and services Careers NZ actually delivers.</p> <p>This confusion is particularly evident with respect to the CCCs. At present these have a somewhat ‘build it and they will come’ feel about them. There appears to be no development plan for each, the optimal suite of services is unclear, services that are delivered appear input focused rather than outcomes based and measures of success are vague.</p> <p>Redesign of the service delivery model in the regions needs particular focus and urgency. At present, Careers NZ has regional staff in 15 locations and coverage does not reflect the CCCs initiatives. Specialist staff are in remote places and staff travel is extensive. Accountability and decision-making processes are unclear. Newly appointed regional managers will need clear delegations and support to affect a much more explicit service model as soon as possible.</p> <p>There will also need to be a strong focus on more targeted products and services for priority customer groups. Channel strategy will require considerable sophistication, particularly with respect to techniques for ‘influencing the influencers’ of career decisions (such as whānau for Māori job seekers and ‘aunties’ in the Pasifika communities).</p> <p>At system level, the lack of visibility of Careers NZ and the current confusion over the new strategy creates some risks of overlapping accountabilities which might best be resolved by the new skilled and safe workplaces governance bodies. To move to a stronger rating it will be essential that key accountabilities and decision-making processes are carefully designed as part of the operating model. This work must also encompass redesign of regional service delivery as a matter of urgency.</p>
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<p><b>Review</b></p> <p>How well does Careers NZ monitor, measure, and review its policies, programmes and services to make sure that it is delivering its intended results?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>Careers NZ is transitioning to a new strategy but remains very unsure about the best ways to analyse, monitor and report on the effectiveness of the new approach. The output plan is high level and lacks mechanisms for attributing global outcomes to the activities of Careers NZ. While work continues on the development of intermediate outcome measures, this is complicated by the lack of clarity about the ‘how’ of strategic implementation.</p> <p>This is all taking too long. Once the strategy is agreed, we encourage Careers NZ to develop some simple dashboard dials that will show progress and build the confidence of staff, MoE and other stakeholders. Further delay in landing on these will create significant risks in managing the expectation of key stakeholders.</p> <p>In the absence of a mature benefits model, Careers NZ has taken the reasonable approach of testing and piloting initiatives in the CCCs and trialling new services. It also needs to develop a more embedded evaluation and review capability outside the frame of formal output agreements and compliance documentation.</p> <p>A well developed ability to test and review the efficiency and effectiveness of what Careers NZ does will help stimulate ongoing innovation through lessons learned and help it find opportunities for ongoing improvement.</p> <p>As Careers NZ lifts its brand and visibility, it must be able to measure and demonstrate continued value for New Zealanders.</p>

## ORGANISATIONAL MANAGEMENT SECTION

### Part Two: External Relationships


Engagement with the Minister(s)	
How well does Careers NZ provide advice and services to its Minister(s)?	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p> <p>Careers NZ has built a good rapport with the Minister of Education and is working on establishing closer links with other Ministers with an interest in its work. Its regular reports to the Minister and Ministry of Education are of a good standard and are routinely copied to a range of stakeholder Ministers.</p> <p>The Minister of Education takes a strong interest in Careers NZ’s work and has a positive view of its performance. It is seen as responsive to the Government’s priorities and taking a ‘can do’ approach to the strengthening of the education-to-employment link. Careers NZ’s capacity constraints and the challenge involved in shifting its strategic focus are understood. So, too, is that the development of an appropriate new business model is at an early stage and that further work is required, both on making Careers NZ’s services better known to the public and on developing robust ways of measuring its performance.</p> <p>There is recognition of the need for improved connectivity within and between the education and employment sectors. As indicated elsewhere in this Report, the establishment recently of a high-level interagency coordinating mechanism (SSW) should help greatly to strengthen connectivity among government agencies in the education and employment sectors. It is headed by a Ministers oversight group and involves a Chief Executives Group supported by an interagency Steering Group. Working within this framework, Careers NZ should be able to make a much more significant impact than has been possible in the past.</p> <p>The Minister meets regularly with the Board Chair and the Chief Executive. She is concerned to help the Board manage its way through the expiry of the terms of appointment of four of its six members in September 2013. It is important that the Board’s membership should continue to cover the areas of education and the labour market, as well as represent the interests of employers and priority groups, such as Māori and the Pasifika community.</p>

<b>Sector Contribution</b>	
How well does Careers NZ provide leadership to, and/or support the leadership of other agencies in the sector?	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>One of Careers NZ's three key strategic objectives is to provide leadership to the careers sector and link the education and employment sectors together across the education-to-work continuum.</p> <p>As noted above, this was always an ambitious goal for a small Crown entity, given the fragmented situation in the education and employment sectors and the size and influence of some of the other government agencies involved. While Careers NZ's focus and role make it a logical and potentially very valuable contributor to a more joined-up education-to-work pipeline, there were questions about its mandate and capacity to assert a sectoral leadership role in the usual sense of that word.</p> <p>The agency has in recent times put a lot of effort into bringing about improvements in policy coherence and raising levels of practical cooperation around the careers system. The recent establishment of the SSW interagency group referred to elsewhere in this Report to provide coordination and leadership across the education and employment sectors provides Careers NZ a framework within which to contribute its expertise and knowledge to the Government's BGA and BPS goals. Careers NZ has shown through its work at a regional and local level that it has the ability to build and strengthen linkages among government agencies, educational and training institutions and employers with an interest in improving New Zealand's careers system – ie, to help integrate the overall careers system.</p> <p>The recent CIAGE review represented a practical step forward insofar as Careers NZ's views were sought, and its role recognised, by the major policy agencies. This, together with the establishment of the SSW group, should ensure that, at the national level, Careers NZ is appropriately involved in both policy formulation and joint work programmes aimed at improving New Zealand's careers system. At the same time, its regional work programmes will enable it to continue playing a valuable facilitating and integrating role at the local level.</p> <p>To warrant an improved rating in this area Careers NZ will need to successfully work through the challenges of designing and introducing a business model and professional practice model, which not only reflect its current strategic direction but are better understood and supported by staff throughout the organisation.</p>

<b>Collaboration and Partnerships with Stakeholders</b> How well does Careers NZ generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>Careers NZ is putting considerable effort into building and maintaining effective relationships across the education and employment sectors. This is particularly so at Chief Executive level and at the regional level. Changes at second and third tier make it hard to assess how well relationships are being managed at those levels. Not all staff are as yet leveraging Careers NZ’s network of relationships to maximum effect or putting the requisite effort into deepening and widening those relationships.</p> <p>At the regional and community level, Careers NZ’s recent shift in emphasis from one-to-one counselling to strengthening careers system capability has given new impetus to its role as a facilitator and coordinator in the sector. Programmes such as the four CCCs, the work programme developed with the Canterbury Employment and Skills Board and the NCEA Whānau programme involve extensive collaboration with employers, educational and training institutions, various career influencers and local authorities. Workshops and other collaborative exercises help develop a sense of shared interest and common ownership. However, efforts to date are highly input focused and targets and a benefits framework are underdeveloped. Staff and stakeholders in the CCCs cannot really describe what successful joint working will look like.</p> <p>Careers NZ seems to be generally well regarded by its partners. It brings to the table well developed online services, established networks and a range of methodologies. Notwithstanding its capacity constraints, the loss of a number of experienced staff and the absence of attributable outputs or outcomes, it seems to play a broadly useful role across a wide range of communities. Its effectiveness can be expected to improve further as it gets a better handle on customer segmentation and develops and embeds a business model based on its new strategic direction and an enhanced planning capability.</p> <p>The strength of stakeholder relationships, however, is somewhat untested, given the lack of prioritisation. Service currently provided to Wakatū Incorporation for example, are well received by the business and the Nelson community. However, this arrangement appears to have occurred in an ad hoc manner off the back of serendipitous local relationships, rather than being the product of a stakeholder engagement plan that targets priority customers. Outcomes are unclear, other than the use of this venture as a test bed for activities that may be applied in the CCCs. The relationship is likely to be tested should the free good be withdrawn.</p> <p style="text-align: right;">Contd...</p>


	<p>Careers NZ’s effectiveness in terms of stakeholder relationships will improve further as it gets a better handle on customer segmentation and develops and embeds a service delivery model based on more sophisticated customer and stakeholder analytics and a more targeted approach to benefits.</p> <p>Once its new business model is in place, Careers NZ should be able to make a distinctive contribution to the Government’s work on education-to-employment issues, particularly through its membership of the new Skilled and Safe Workplaces interagency group. This should see an improvement in its rating.</p>
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**Experiences of the Public**  
 How well does Careers NZ meet the public’s expectations of service quality and trust?

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p> <p>Career NZ’s online services and dealings with the public are described in Core Business 3 – Provision of information, advice, guidance and resources.</p> <p>Survey results suggest that Careers NZ is generally hitting the target in terms of meeting the public’s expectations of service quality as a collator, packager and provider of labour market, education and employment information. Customers however, do not always know what they don’t know or what could be available.</p> <p>Further work is now in train to develop more personalised online tools to enable different groups of users to more easily navigate their way through training and employment options. There is a huge opportunity here to apply a customer lens to the knowledge resource. Better segmentation and channel strategy around the priority customer groups will enable the development of differentiated service packages that should enhance overall effectiveness and efficiency.</p> <p>We see this as a high priority for Careers NZ, since the provision of comprehensive, accurate and well packaged information on education and career choices is its basic value proposition. Moreover, as noted above, more work is required on making Careers NZ’s services better known to the public, as well as to those working in the career advisory system. And there needs to be continued careful management of expectations, as one-on-one guidance services are progressively phased down.</p> <p>To get a ‘strong’ rating here, Careers NZ will need to establish itself as a creative leader in innovation and service delivery and ensure that performance monitoring and evaluation are fully incorporated into its service delivery.</p>
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## ORGANISATIONAL MANAGEMENT SECTION


### Part Three: People Development

<p><b>Leadership and Workforce Development</b></p> <p>How well does Careers NZ develop its workforce (including its leadership)?</p> <p>How well does Careers NZ anticipate and respond to future capability requirements?</p>	
<p><b>PERFORMANCE RATING</b></p> <p></p>	<p>Performance Rating: <b>Weak</b></p> <p>In the year to December 2013, Careers NZ experienced a 29% staff turnover rate, much of which was due to restructuring. On an annualised basis, turnover has been 25% in recent years. It is now working on the required four-year workforce plan and understands that continued proactive efforts will be required to build and develop the workforce of the future and enhance retention.</p> <p>The problem here is the same as with most aspects of operations at Careers NZ: the strategy and operating model are still so unclear that defining workforce composition, skills and attributes is also difficult.</p> <p>Careers NZ also suffers from something of a communications handicap in this area, in that staff feel that some of management’s messaging on future workforce requirements has been disrespectful in tone. Human Resources staff will need to take care to work on shaping the new requirements from the bottom up with staff, rather than being seen as the bureaucratising hand of head office.</p> <p>The Careers NZ PIF Self-review comments in this area that “lack of buy in and understanding of the strategic direction at the operational level has hampered workforce development”. The secret to an adaptive and motivated workforce is working alongside staff to create a shared picture of the skills and attributes needed for the future, as opposed to portraying staff as failing to understand them.</p> <p>Staff development has been ad hoc and variable according to individual line managers’ approaches and skills. There has been no framework for organisational development and no central professional development plan. Careers NZ has recently recruited a dedicated learning and development staff member to create these.</p> <p>To strengthen performance in this area Careers NZ will need to:</p> <ul style="list-style-type: none"> <li>• support first line managers (team leaders) with good communications to build confidence and also with investment in professional development to develop basic line management skills</li> </ul> <p style="text-align: right;">Contd...</p>

	<ul style="list-style-type: none"> <li>• carefully assess through the process of designing the operating model future workforce capability, including training requirements</li> <li>• as improved performance metrics are developed for the organisation these will require careful translation into position specific targets.</li> </ul>
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**Management of People Performance**  
 How well does Careers NZ encourage high performance and continuous improvement among its workforce?  
 How well does Careers NZ deal with poor or inadequate performance?

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>Although technically Careers NZ’s performance management and remuneration systems link performance with pay, this has not historically been managed as intended. As its PIF Self-review notes, performance management processes are not used well to drive high performance and continuous improvement. The annual performance development review is seen by many as a compliance exercise. There seems to be little moderation of the distribution of results.</p> <p>The result is a strong perception amongst staff that both good and poor performance are not well recognised and that variable manager performance is tolerated in this space.</p> <p>Unfortunately an attempt to provide staff with recognition in the form of monetary rewards seems not to have struck a responsive chord in the culture and to have exacerbated frustrations in this area.</p> <p>HR is currently reviewing the performance development planning framework and modernising policies and processes as they relate to performance management. This type of hygiene activity must be accompanied by the development of an internal culture of meaningful and regular engagement between managers and staff on performance.</p> <p>Here, as in many agencies, managers seem to feel that immense ‘courage’ is required to discuss performance with staff. We disagree. Ongoing, near daily discussions on what went well and not so well and of individual strengths and development points should be an embedded and normal part of management and organisational culture.</p> <p>The more Careers NZ can get this right, the less it will have to rely on the extraordinary efforts of committed staff making a difference despite organisational weaknesses and the more Careers NZ will develop, motivate, utilise and retain its talent.</p> <p>To improve the rating in this area it will be important for Careers NZ to view improved people performance management through the lens of learning and development, rather than through that of deficit. It needs to be a learning organisation approach.</p>
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<p><b>Engagement with Staff</b></p> <p>How well does Careers NZ manage its employee relations?</p> <p>How well does Careers NZ develop and maintain a diverse, highly committed and engaged workforce?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Weak</b></p> <p>Union membership sits around 30% (and is increasing) and relationships with the Public Service Association and site delegates appear constructive. The collective agreement is up for bargaining for only the second time in the last decade (after many years operating under a lapsed agreement).</p> <p>Careers NZ has among the lowest engagement scores in the State sector, with the 2013 survey showing 13.2% of staff actively engaged and very high levels of ambivalence. This means that, of 140 staff, only some 20 are fully engaged. The results of the recent workplace survey represent a decline on those of the previous year.</p> <p>SLT and Board would be wrong to attribute these weak results to the one-off effects of restructuring and turnover. With 29% turnover in 2012, the really disengaged should already have gone. We attribute the high levels of ambivalence to the lack of strategic clarity and lack of staff involvement in designing the new operating model.</p> <p>The fact that active disengagement is not high though ambivalence is, further suggests that staff are motivated by the core purpose and mission of careers support to New Zealanders, rather than by the organisation. Many appear to be ‘waiting and seeing’ how the operational reality of the strategy plays out.</p> <p>In our interviews with staff we felt a palpable sense of commitment to supporting informed career choices for New Zealanders and cautious optimism about the strategic repositioning. There is considerable energy amongst staff and we discerned more frustration than despair. This leads us to believe that once staff have been included in refining the strategy and designing the new operating model, there is a strong chance that they will rededicate themselves to the organisation.</p> <p>Given these poor results, Careers NZ’s Board and management will have to give careful thought to their response. It will be important that the key messages staff are delivering by means of the survey do not get lost in a welter of focus group activity where the burden of driving change falls on staff themselves. SLT will need to listen hard and decide what they must own and how they will have to change their approach to change management.</p> <p>The upside opportunity here needs seizing quickly by Careers NZ’s leadership. Given the prolonged uncertainty, the patience and optimism of staff will have its limits.</p>

## ORGANISATIONAL MANAGEMENT SECTION

### Part Four: Financial and Resource Management

*On 1 August 2012 three of the five elements in this critical area were significantly upgraded. The three elements are Asset Management, Improving Effectiveness and Efficiency and Financial Management. The upgrade effects comparability with previous reports. For more information on the revisions see: <http://www.ssc.govt.nz/pif-reports-announcements>.*

#### Asset Management

How does Careers NZ manage agency and Crown assets, and Careers NZ balance sheet, to support delivery and drive performance improvement over time?

*This is one of three elements in this critical area that were significantly upgraded in August 2012.*

#### PERFORMANCE RATING




Performance Rating: **Needing development**

Careers NZ has a small asset base which comprises fixed assets (office equipment, computer systems, motor vehicles, leasehold improvements) with a carrying value at June 2012 of \$1.2 million. Intangible assets (software acquired or developed) have a carrying value of \$0.5 million (original cost \$3.4 million).

Careers NZ recognises the need to improve capital budgeting and in particular to look out five years to align capital resources with the changing business model. In this regard a four-year information systems plan is in development and a property plan and an online strategy are to be developed. As noted, Careers NZ is undergoing considerable change in its strategy and supporting operating model. For example Careers NZ is currently in 15 locations which may not be the right configuration for the future. Online service delivery may require considerable enhancement to meet the needs of users who embrace the latest technologies and user experience. These developments may drive the need for capital spend and particularly, in a small agency with limited resources, this needs to be planned for and budgeted.

Careers NZ also has considerable intellectual property in its website and associated tools, knowledge and databases. This is not a balance sheet asset but could be better leveraged to improve value. Careers NZ will need to develop a more sophisticated policy on the use of its intellectual property, probably in conjunction with its commercial revenue strategy.

<p><b>Information Management</b></p> <p>How well does Careers NZ utilise information &amp; communications technologies to improve service delivery?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>The Careers NZ website handles large traffic volumes and is well regarded in client surveys. It is supported by a development team and a content team. An online strategy to guide future development is to be produced. Careers NZ recognises the need to continue to develop both the functionality and content of the website. Increases in functionality may include the ability for online fora, shared workspaces, personalisation and a better user experience including for those using mobile devices. A challenge in this area is to provide channels that are accessible and attractive to the high needs target audiences in particular, Māori, Pasifika and NEETs.</p> <p>Another team supports corporate systems and the overall infrastructure. These include the desktop environment, the Customer Relationship Management (CRM) system, FMIS, payroll and the hardware and service contracts to support these and the website. A document management system has been discussed and would considerably assist information management but is some time away.</p> <p>A draft four-year information systems plan is being prepared. Major issues and trends include better support for changes to the network of locations including support for the CCCs, better remote working, and moving more fully to computing as a service. The CRM can be an important tool for Careers NZ but it is not used consistently and the options for the future are unclear, given the changing business model. Careers NZ needs to acquire a new FMIS and is investigating shared services options.</p> <p>As a small agency, Careers NZ faces issues of limited capability and backup. Shared services, on a sector basis and across government, can be of considerable assistance to Careers NZ but sector solutions seem some time away. Careers NZ also needs to improve links with sector information sharing initiatives.</p> <p>Careers NZ was one of the 13 agencies noted with vulnerabilities in publicly accessible systems in a recent review by the Government Chief Information Officer. Kiosks were connected to an internal network, but there is no evidence that this led to a breach of privacy. Corrective action has been taken and the vulnerability no longer exists.</p> <p>Careers NZ faces a number of choices and cost risks, especially in relation to its infrastructure contracts, support for the new business model and web development. As a small agency it also has capability risks that it needs to manage carefully.</p>

**Improving Efficiency and Effectiveness**

How robust are the processes in place to identify and make efficiency improvements?

How well does Careers NZ evaluate service delivery options?

This is one of three elements in this critical area that were significantly upgraded in August 2012.

**PERFORMANCE RATING**



Performance Rating: **Needing development**

As noted Careers NZ has been changing its business model. The key driver for this is considering different service delivery options to increase efficiency and effectiveness. The strategy includes moving away from one-to-one counselling to interventions with a wider spread of influence and increasing the targeting of resources. Current priorities outlined in the Four-year Plan are the four CCCs; working with other networks, communities, iwi, Māori organisations and businesses; developing and supporting the implementation of the career benchmarks; national capability building programmes and career support work, including the web-based self-help resources.


Careers NZ has produced a good Four-year Plan. It outlines various cost savings initiatives, including joining all-of-government contacts, potential shared services initiatives and reviews of various processes and cost areas. Consultants and contractors cost is currently 11% of operating spend and there are plans to reduce this. Travel costs are partly driven by the regional matrix way of working which seems inefficient and this cost should be able to be reduced.

Careers NZ is in 15 locations and has recently developed a new property strategy based on its future workforce requirements. This should produce efficiency gains as well as savings. Several major leases are due to expire in 2016. Careers NZ is also working with the Property Management Centre of Expertise and is looking to co-locate with other government agencies.


Despite this work the PIF Self-review notes that processes to improve efficiency and describe improvements are generally seen as ad hoc. Savings are not necessarily linked to effective and efficient output delivery. At the effectiveness level, as commented elsewhere in this Report, there is limited understanding of the impact of the various products being trialled in the new model and this is key to the future of Careers NZ.

Careers NZ is also aware of the need to define its approach to its commercial activities including leveraging intellectual property. MoE will need to be engaged on the way forward in this area.

**Financial Management**  
 How well does Careers NZ plan, direct and control financial resources to drive efficient and effective output delivery?  
 This is one of three elements in this critical area that were significantly upgraded in August 2012.

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p>
	<p>The finance team provides the core finance functions well. The auditors rated the management control environment and the financial information and controls as ‘very good’ in 2012. In the past year a monthly finance dashboard has been developed and financial and non-financial reporting to the Board has been improved. Careers NZ has under spent in the past, especially as it goes about changing its business model, and this has contributed to cash balances. A further surplus is forecast for the current year.</p> <p>Work has occurred to improve and align business planning and budgeting and there has been good consideration of options for financial savings. However savings are not necessarily linked to effective and efficient output delivery and the finance function is not operating at the strategic level. The Self-review notes that there is no clear link between resources and effective and efficient output delivery.</p> <p>In making this assessment we recognise there are constraints on what a relatively small agency can aspire to in terms of sophisticated financial management capability. Careers NZ staff, however, are aware of the need to increase the scope of analysis to support the business model and to partner with the business in a more dynamic way. The SLT can be more demanding of strategic financial information to support its decision-making.</p>

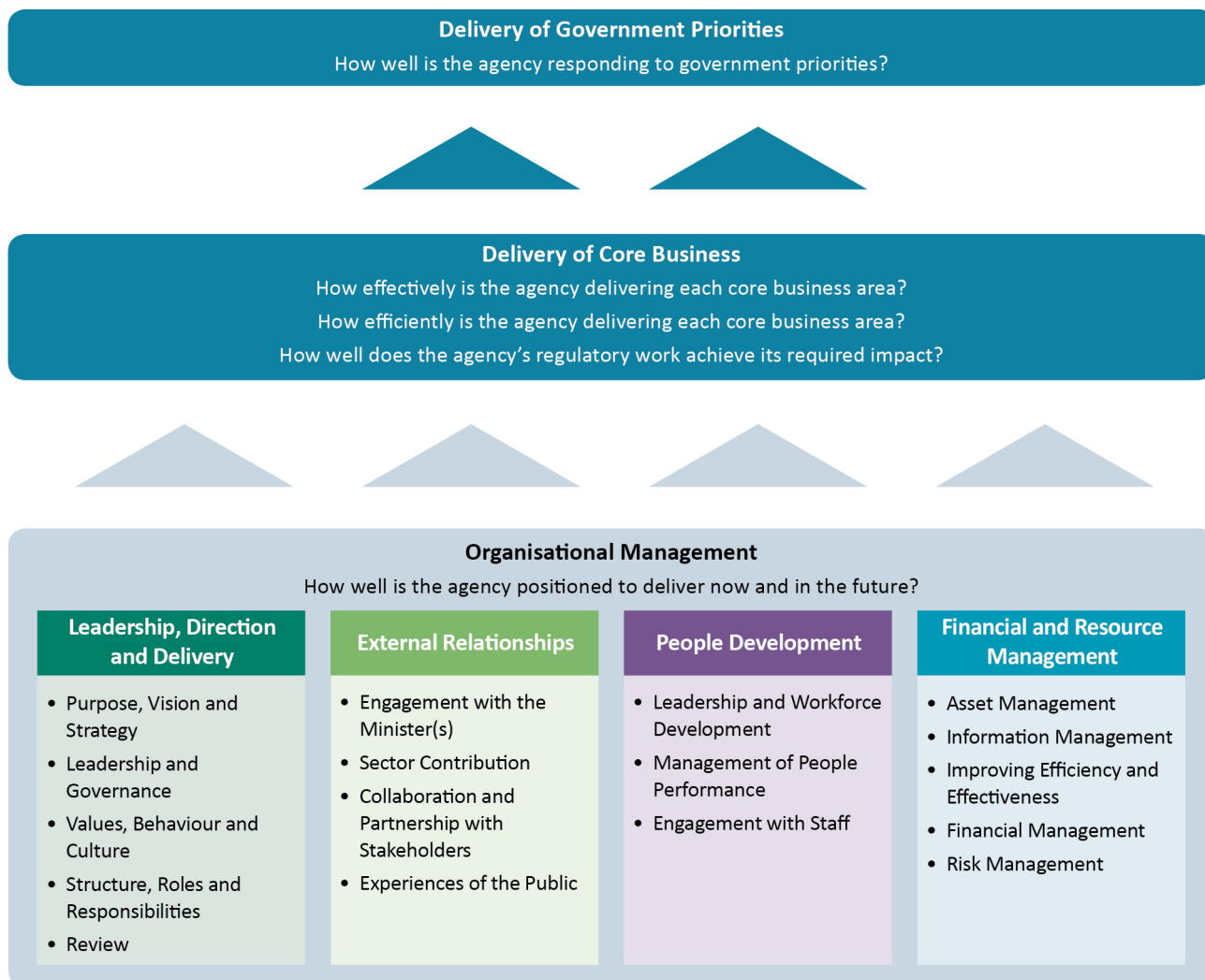
**Risk Management**  
 How well does Careers NZ manage its risks and risks to the Crown?

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p>
	<p>Careers NZ has a risk management framework and operates a risk register that the SLT oversees. This covers strategic risks as well as operational risks escalated from the business. Key risks and the management of them are reported to the Finance and Risk sub-committee of the Board and to the Minister in the Quarterly Report.</p> <p>The Self-review notes that improvements are being made to the processes surrounding risk management in planning and reporting, and that escalation and management of risks in the past has been ad hoc rather than systematic.</p> <p style="text-align: right;">Contd...</p>

	<p>The Self-review also notes the wider organisational risk surrounding the overall value proposition for Careers NZ including its success in delivering its strategy, plans for the next four years and its ability to demonstrate effectiveness to government.</p> <p>We agree with these views of risk and that work, which is starting, is crucial to ensure that Careers NZ's role and activities are well aligned with its statutory mandate and its agreed place in the education and skills system.</p>
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# APPENDIX A

## Overview of the Model



## Lead Questions

### Results

Critical Area	Lead Questions
Government Priorities	1. How well is the agency responding to government priorities?
Core Business	2. How effectively is the agency delivering each core business area?
	3. How efficiently is the agency delivering each core business area?
	4. How well does the agency's regulatory work achieve its required impact?

### Organisational Management

Critical Area	Element	Lead Questions
Leadership, Direction and Delivery	Purpose, Vision and Strategy	5. How well has the agency articulated its purpose, vision and strategy to its staff and stakeholders?
		6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
	Leadership and Governance	7. How well does the senior team provide collective leadership and direction to the agency?
		8. How well does the Board lead the Crown entity? (For Crown entities only)
	Values, Behaviour and Culture	9. How well does the agency develop and promote the organisational values, behaviours and culture it needs to support its strategic direction?
Structure, Roles and Responsibilities	10. How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business?	
	11. How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?	
Review	12. How well does the agency monitor, measure, and review its policies, programmes and services to make sure that it is delivering its intended results?	
External Relationships	Engagement with the Minister(s)	13. How well does the agency provide advice and services to its Minister(s)?
	Sector Contribution	14. How well does the agency provide leadership to, and/or support the leadership of other agencies in the sector?
	Collaboration and Partnerships with Stakeholders	15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?
	Experiences of the Public	16. How well does the agency meet the public's expectations of service delivery quality and trust?
People Development	Leadership and Workforce Development	17. How well does the agency develop its workforce (including its leadership)?
		18. How well does the agency anticipate and respond to future capability requirements?
	Management of People Performance	19. How well does the agency encourage high performance and continuous improvement among its workforce?
Engagement with Staff	20. How well does the agency deal with poor or inadequate performance?	
	21. How well does the agency manage its employee relations?	
Financial and Resource Management	Asset Management	22. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?
		23. How well does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery and drive performance improvement over time?
	Information Management	24. How well does the agency utilise information and communications technologies to improve service delivery?
	Improving Efficiency and Effectiveness	25. How robust are the processes in place to identify and make efficiency improvements?
		26. How well does the agency evaluate service delivery options?
Financial Management	27. How well does the agency plan, direct and control financial resources to drive efficient and effective output delivery?	
Risk Management	28. How well does the agency manage its risks and risks to the Crown?	

## APPENDIX B

### List of Interviews

This review was informed by input provided by a number of Careers NZ staff, relevant Ministers, and by representatives from the following businesses, organisations and agencies.

Agency/Organisation
BusinessNZ
Canterbury Earthquake Recovery Authority
Department of the Prime Minister and Cabinet
Education Review Office
Fuji Xerox New Zealand
Hornby High School
Industry Training Federation
Manukau Institute of Technology
Maven
Ministry of Education
Ministry of Pacific Island Affairs
New Zealand Qualifications Authority
State Services Commission
Te Ohu Kaimoana
Te Puni Kōkiri
Tertiary Education Commission
The Treasury
University of Auckland
Wakatū Incorporation