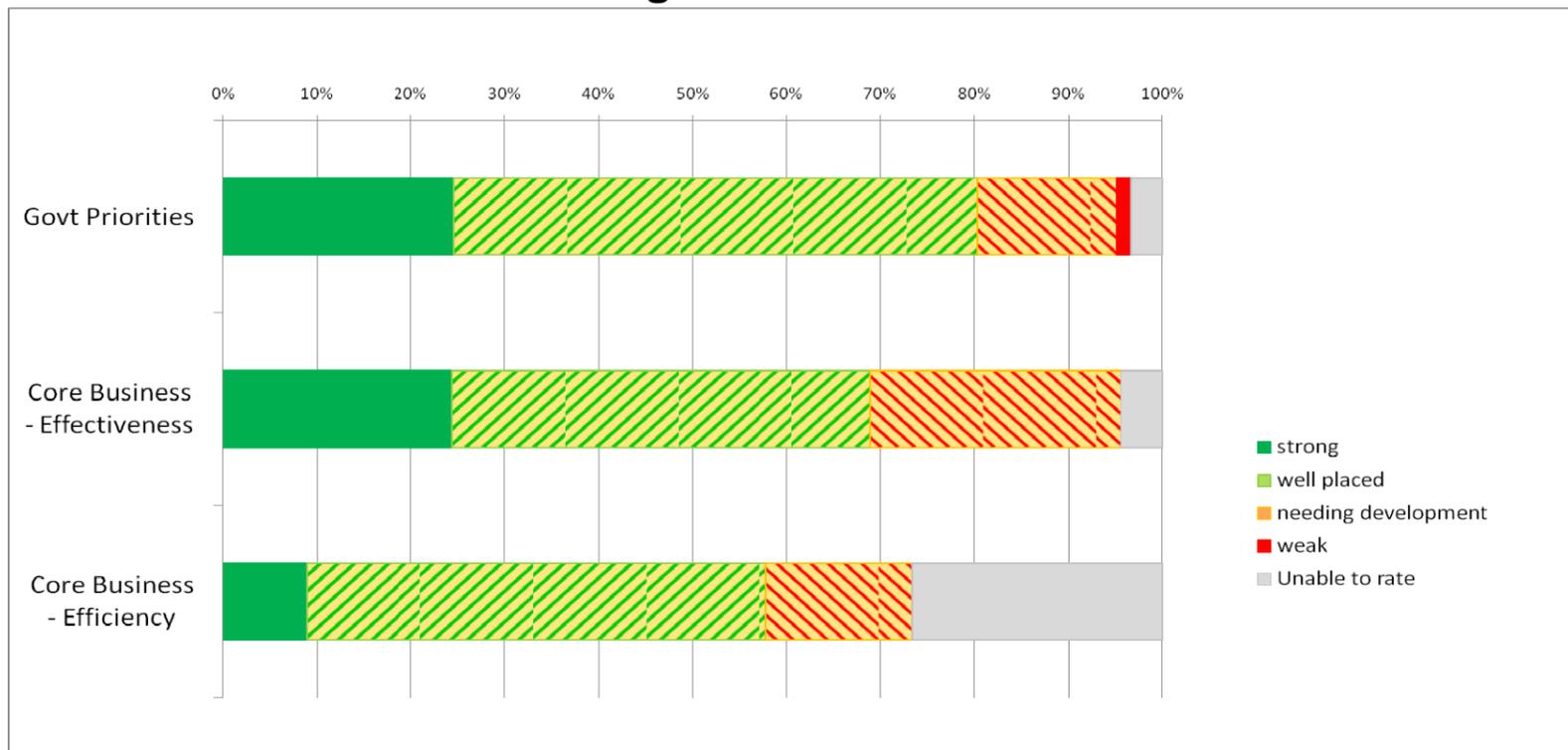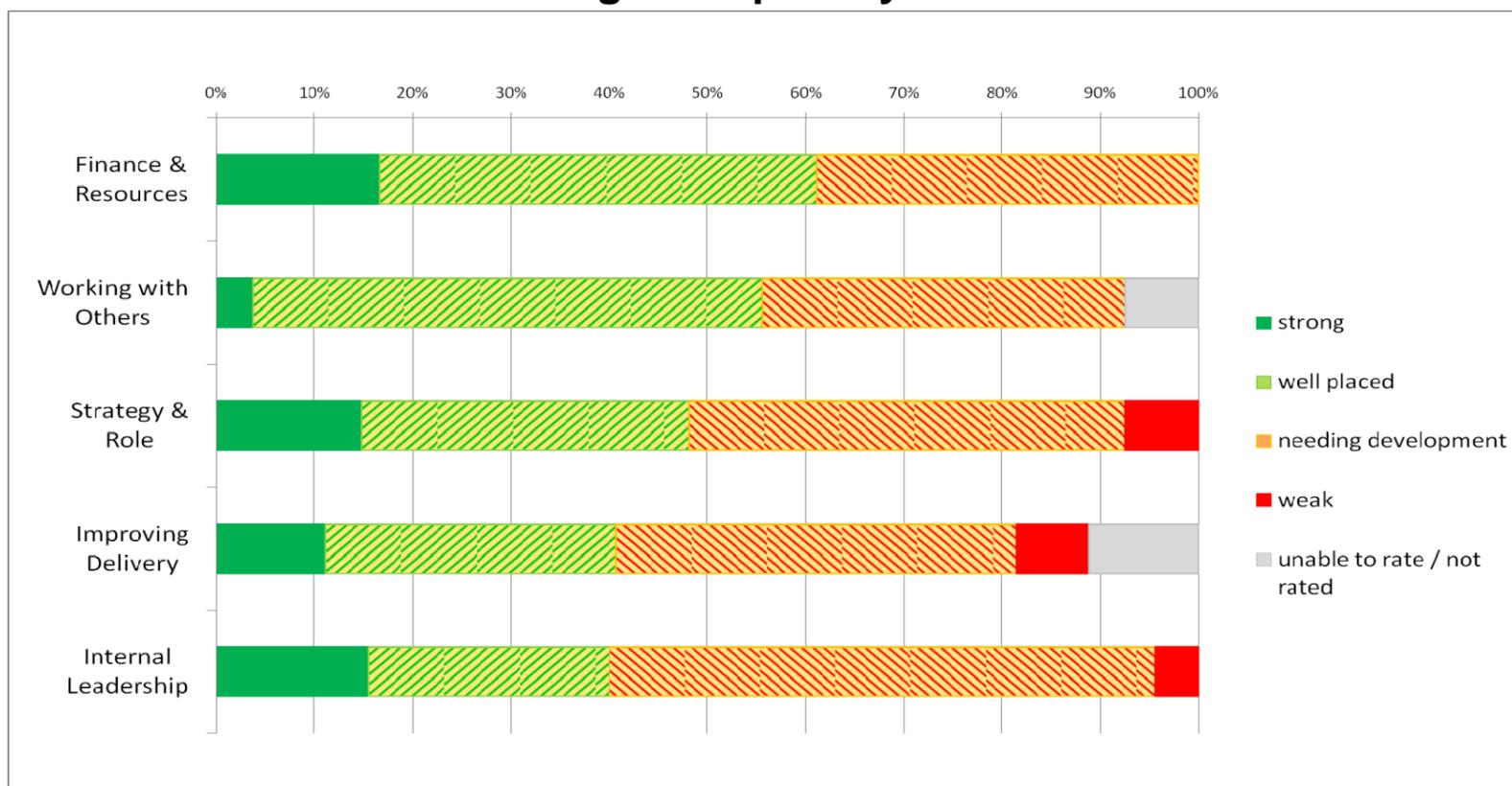# Performance Improvement Framework System Analysis

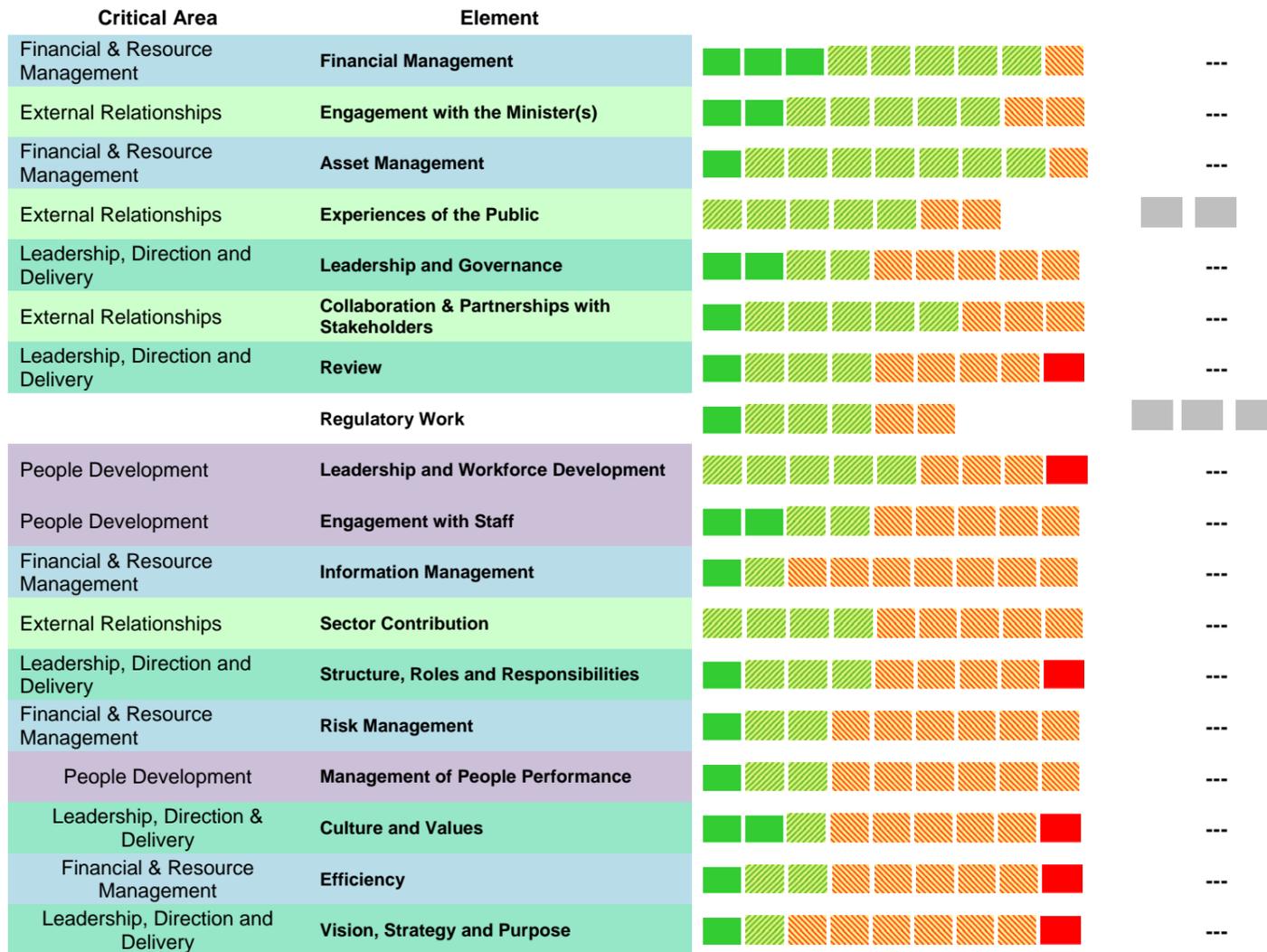## Fig 1: Results

Fig 2: Capability

Notes: Fig 2 (and Fig 5) Elements of the Performance Improvement Framework that measure how well an agency is positioned to deliver now and in the future, are grouped as follows:

Performance Improvement Framework Elements	Analytical Grouping
Financial Management Asset Management Risk Management Information Management	Finance & Resources
Sector Contribution Collaboration & Partnerships with Stakeholders Experiences of the Public	Working with Others
Vision, Strategy & Purpose Structure, Roles & Responsibilities Engagement with the Minister[s]	Strategy & Role
Regulatory work Review Efficiency	Improving Delivery
Leadership & Governance Culture & Values Leadership & Workforce Development Management of People Performance Engagement with Staff	Internal Leadership

For other related information on the Performance Improvement Framework visit: www.ssc.govt.nz/pif

Performance Improvement Framework System Analysis
Fig 3: Aggregate Capability Ratings

Critical Area	Element			
Financial & Resource Management	**Financial Management**			---
External Relationships	**Engagement with the Minister(s)**			---
Financial & Resource Management	**Asset Management**			---
External Relationships	**Experiences of the Public**			
Leadership, Direction and Delivery	**Leadership and Governance**			---
External Relationships	**Collaboration & Partnerships with Stakeholders**			---
Leadership, Direction and Delivery	**Review**			---
	Regulatory Work			
People Development	**Leadership and Workforce Development**			---
People Development	**Engagement with Staff**			---
Financial & Resource Management	**Information Management**			---
External Relationships	**Sector Contribution**			---
Leadership, Direction and Delivery	**Structure, Roles and Responsibilities**			---
Financial & Resource Management	**Risk Management**			---
People Development	**Management of People Performance**			---
Leadership, Direction & Delivery	**Culture and Values**			---
Financial & Resource Management	**Efficiency**			---
Leadership, Direction and Delivery	**Vision, Strategy and Purpose**			---

Notes

Figure 2 provides the basis for the state sector system findings. It ranks capability ratings from areas of strength (greenest) to areas of weakness (most orange/red). 'Unable to rate/not rated' means there was either insufficient evidence to make a judgement or that a rating was not applicable for an agency.

Anchor Statement

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

Performance Improvement Framework System Analysis
Fig 4: Agency Capability Ratings

Critical area	Element	Tranche 1				Tranche 2				
		MFAT	DOC	LINZ	TPK	Treasury	NZTA	NZTE	MSD	IRD
Leadership, Direction and Delivery	Vision, Strategy and Purpose	Needing development	Needing development	Needing development	Needing development	Needing development	Well placed	Weak	Strong	Needing development
	Leadership and Governance	Needing development	Needing development	Well placed	Well placed	Needing development	Strong	Needing development	Strong	Needing development
	Culture and Values	Needing development	Needing development	Needing development	Strong	Needing development	Needing development	Weak	Strong	Well placed
	Structure, Roles and Responsibilities	Weak	Needing development	Well placed	Well placed	Needing development	Well placed	Well placed	Strong	Well placed
	Review	Needing development	Needing development	Weak	Needing development	Well placed	Well placed	Well placed	Needing development	Strong
External Relationships	Engagement with the Minister(s)	Needing development	Well placed	Well placed	Well placed	Well placed	Strong	Well placed	Well placed	Well placed
	Sector Contribution	Well placed	Needing development	Needing development	Needing development	Needing development	Needing development	Needing development	Well placed	Well placed
	Collaboration & Partnerships with Stakeholders	Well placed	Needing development	Well placed	Needing development	Needing development	Well placed	Needing development	Strong	Well placed
	Experiences of the Public	Needing development	Needing development	Well placed	Well placed	Not rated	Well placed	Not rated	Well placed	Well placed
People Development	Leadership and Workforce Development	Needing development	Well placed	Needing development	Needing development	Needing development	Well placed	Weak	Well placed	Well placed
	Management of People Performance	Needing development	Strong	Needing development	Needing development	Needing development	Needing development	Needing development	Well placed	Well placed
	Engagement with Staff	Needing development	Needing development	Well placed	Strong	Needing development	Needing development	Needing development	Strong	Well placed
Financial & Resource Management	Asset Management	Well placed	Well placed	Well placed	Strong	Well placed	Well placed	Well placed	Well placed	Needing development
	Information Management	Needing development	Strong	Strong	Well placed	Needing development	Needing development	Needing development	Needing development	Needing development
	Efficiency	Weak	Well placed	Needing development	Needing development	Needing development	Needing development	Needing development	Well placed	Strong
	Financial Management	Well placed	Strong	Well placed	Strong	Well placed	Well placed	Well placed	Well placed	Strong
	Risk Management	Needing development	Needing development	Needing development	Needing development	Needing development	Well placed	Well placed	Strong	Well placed
	Regulatory Work	Not rated	Well placed	Well placed	Needing development	Well placed	Needing development	Not rated	Not rated	Strong

Notes

Any comparisons between the performance of agencies should be made recognising that:
- Agencies are in different circumstances at the time of review eg at different stages of transformational change
- The rating indicates 'fit for purpose' rather than an absolute benchmark
- The moderation process has changed for the 2nd tranche to ensure consistency is maintained across a wider set of reviews.

Anchor Statement

Strong	[green]	Well placed	[green hatched]	Needing development	[orange hatched]	Weak	[red]	Unable to rate /not rated	[grey]

Performance Improvement Framework System Analysis
Fig 5:   Key Findings

	Areas of Better Performance	Areas of Worse Performance	Comments
Results	*Defined short to medium term tasks.* *Compliance.*	*Evaluation.* *Advice on alternatives.* *Medium to long term strategy joined up across government.* *Crown entity monitoring.*	Key challenges include: • identifying how their priorities match up across government; • communicating priorities down through organisations; • overcoming information and accountability silos; • providing good information on the cost or impact of current activities, the effect of changes, or on outcomes rather than programmes.
Strategy & Role	*Engagement with own Ministers*	*Sustaining strategies and driving them down through organisations.* *Moving past legacy effects in structure.*	Overall strategic capabilities are low with a sometimes weak sense of management accountability for this. Information flow within agencies can also be improved with some having large numbers of internal "technical silos".
Improving Delivery	*Compliance with regulatory plans and scans, and regulatory impact statements.*	*Building regulatory best practice into policy work programmes from inception to implementation.* *Advice on cost-effectiveness of alternatives.* *'Review' is rarely strategic, integrated across an agency or into business practices, or well followed up.* *Efficiency not treated as a core business driver but more as a one-off externally driven exercise.*	There is scope for much improved performance in this area and some agencies are moving in that direction. However, the gains are likely to be limited until regulatory quality, review and efficiency are built into agency systems, supported by accountability information and driven by Ministers. Scale is a major challenge for policy shops. Review and evaluation failures are likely linked to agencies lacking management data.
Internal Leadership	*Strong organisational cultures.*	*Leadership and Governance suffers from inconsistency at times and a lack of direction and vision. Most agencies lack clearly articulated values shared by staff.* *Weak management skills and expertise .* *General lack of fairness and consistency in management of people performance. Performance management is poor for lower performing staff.*	Some agencies have created a culture that is relatively closed, individualistic, hierarchical and risk averse. Particular issues that came up during the reviews include leadership teams not being solution focussed, a lack of direction and vision, and the timeliness of leadership.
Working with Others	*Operational relationships with stakeholders . Public perceptions where direct contact occurs.* *Agencies are respected within their own sector.*	*Strategic thinking and leadership.* *Sector leadership and participation.* *The public is often not well informed about, or not aware at all, of what agencies are doing.*	There are examples of strong relationships and proactive stakeholder engagement, but there are also examples of tense relationships and a lack of transparency and consistency. Stakeholders' needs are sometime not well identified and, consequently, poorly met.
Finance & Resources	*Compliance.*	*Lack of medium term planning.* *Poor links to business management and capability strategies.* *Focus on corporate rather than Crown assets.*	In Information Management there is significant progress on strategic planning and upgrading run-down systems. There is some evidence of the benefits of sharing services and the potential for doing more of this. Some agencies effectively manage operational risk, but strategic risk identification and management is weak. Risk management is heavily compliance focused and this can manifest as risk aversion.