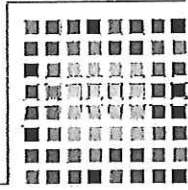


WINSBOROUGH LIMITED **improving performance**



select develop lead engage

**Overview of
DPMC Engagement and Climate Results 2010**

May 2010

Since the first climate survey in 2005 we have provided regular opportunities for staff to offer their views about working at DPMC. The Climate Survey is a valuable tool for senior managers in the department and for me personally, as we seek to provide informed and effective leadership and management to DPMC. It is really useful for us to know how staff feel about working in the department. That is the purpose of the climate survey.

Thank you to all of those who participated in this year's survey. I was very pleased at the response rate of 86.4%, which is an improvement on the 2008 response rate, and is right at the top end for surveys of this type. High participation rates give us a high degree of confidence in the picture that is being painted by the results.

This year's climate survey was divided into categories such as Communication, Direction, Morale, Innovation, Organisational and Business Unit Efficacy, and Work Life Balance. 2010 was also the first time DPMC's staff engagement has been benchmarked against other New Zealand organisations. DPMC staff engagement meets or exceeds the benchmarks in five out of six factors; a very positive result.

One of the most important conclusions from the survey is that DPMC has again been rated by all of you as a better place to work than comparable Public Sector departments. That is very gratifying. On the other hand, compared to 2008, the scores in some areas fell – not a lot, but they have fallen.

The senior management team has already had discussions about the detailed results, and will be seeking to address the various issues that have been identified as best we can. We cannot of course wave a magic wand, including over big issues like pay, but will be working to make sure that matters are addressed where they can be.

Your managers will be talking to you shortly about what these results mean for your business unit. We look forward to your contributions to those discussions, as we seek to improve further the department's working environment.

I look forward to learning of any ideas you may have.

Thanks once again.

Maarten

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EXECUTIVE SUMMARY

The response rate for this survey was 86.4%. This is very positive compared to industry standards, and higher than the 83% response rate for the 2008 survey.

Key results show that:

- DPMC continues to be a high performing organisation. Scores have trended upwards, compared with two years ago. Government House scores in particular have risen significantly.
- DPMC staff are engaged in four important areas: they take pride in their organisation, they are satisfied with their leaders, they get opportunities to perform at work and their performance is recognised and acknowledged. In two key areas, staff (on average) are less engaged: the organisation offers limited prospects for professional growth and work environments are not as positive as they could be.
- The Policy Advisory Group is the most engaged business unit, followed by the Cabinet Office, Corporate Services, Government House, the National Assessments Bureau (NAB)¹ and the Domestic and External Security Group (DESG).
- Youngest (< 29 years) and oldest (60+ years) staff members are the most engaged. Those aged 30-59 years are less engaged.
- Women are slightly more engaged than men; however, there is little practical gender difference in climate factor ratings.
- The biggest opportunity to enhance the DPMC's effectiveness and staff engagement overall will be achieved by improving Drive and Alignment. Within these scales, specific areas for attention are workload, particularly in the NAB and the DESG. Another area for attention is creating opportunities for stretch and advancement within the organisation – this applies in particular to Corporate Services, NAB and DESG.

¹ The EAB (External Assessments Bureau) has recently changed its name to NAB (National Assessments Bureau); charts refer to EAB, this is the same business unit as NAB.

INTRODUCTION

Employee Engagement

Employee engagement is a heightened connection between employees and their work, their organisation, or the people they work for or with. Engaged employees find personal meaning in their work, take pride in what they do and where they do it, and believe that their organization values them.

Common themes that emerge when researchers discuss engaged employees go beyond basic job satisfaction to employees finding personal meaning in their work, taking pride in what they do and where they do it, and feeling that their organisation values them.

The greater an employee's engagement, the more likely it is that the employee will go above and beyond the minimum that is required to perform their job, expending discretionary effort to provide excellent performance.

Climate

Climate is used to describe the collective appreciation of values, beliefs and behaviours which distinguish the organisation through shared perceptions of aspects of organisational practices. This includes attitudes and feelings about management, the mission, work and job tasks.

This engagement and climate survey helps the DPMC to focus on key people related factors, to identify strengths and weakness and to plan improvements. Importantly, a climate survey provides a common language with which to discuss the beliefs and behaviours of the organisation's members.

The DPMC surveyed staff in 2010 to:

- Gauge the degree of change that has occurred since the last climate survey in 2008;
- Evaluate the efficacy of action plans that arose from the senior management team workshop conducted following the 2008 climate survey;
- To assist deciding on new priorities for action and devise a plan for moving forward.

ENGAGEMENT

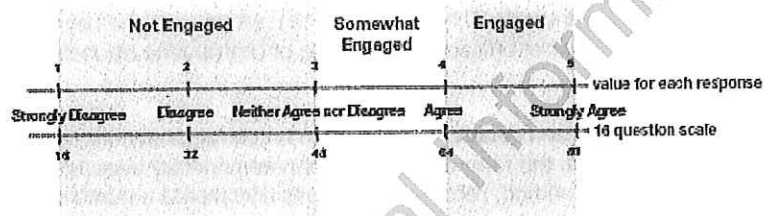
This is the first time this measure of engagement has been applied to the DPMC.

We classify an employee as "engaged" if the employee achieves an engagement score of 64 or more on a 5-point scale.

We classify employees who score between 48 and 64 - neutrality - as "somewhat engaged". We classify employees who score less than 48 (that is, they achieve less than neutrality for each question) as "not engaged".

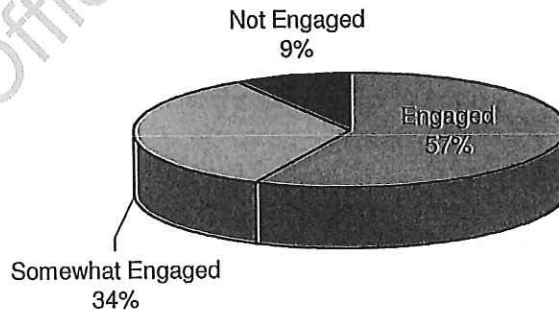
These categories are shown in the figure below.

Figure 1: Employee Engagement Scoring Methodology



The chart on the right shows that the majority (91%) of DPMC employees are engaged at the positive end of the scale; further, most of these are 'engaged' rather than 'somewhat engaged'.

9% of DPMC staff are not engaged.



Sub-Scale Scores

Each sub-scale has a maximum average score of 5.

Pride in one's work or workplace. The first theme in Winsborough's employee engagement scale is the pride that employees have in their work and/ or in their organization. In order to develop a higher emotional connection to the organization, an employee must have some degree of pride in his or her work or the mission of the organization.

DPMC score: 4.5

Satisfaction with leadership. The second theme is satisfaction with supervision and leadership. First-line supervisors play a critical role in the daily lives of employees, from assigning work to evaluating performance, so it should not be surprising that they have an important effect on employee engagement. Likewise, managers at higher levels, tasked with developing the vision toward which the agency strives, can also affect employee engagement.

DPMC score: 4.2

Opportunity to perform well at work. The opportunity to perform well and have access to resources necessary for success is a key driver of efficacy – the feeling of contributing at one's best.

DPMC score: 4.1

Satisfaction with the recognition received. Recognition is central to any discussion of employee engagement. Recognition may take the form of monetary or non-monetary awards, or a simple acknowledgement of a job well done. Whatever the method, recognition systems encompass a number of variables that are all important for maintaining high levels of employee engagement, including communication and respect.

DPMC score: 4.0

Prospect for future personal and professional growth. The prospect for future growth within the organization also has a role to play in employee engagement. Growth can occur when employees are given the opportunity to learn new skill sets, or improve current ones; participate in different types of assignments; exercise leadership roles within teams; or rotate to different parts of the organization.

DPMC score: 3.8

Positive work and team environment. The general work environment has an important influence on employee engagement as it may or may not foster cooperative attitudes and respectful treatment. Employees connected to teams regularly report higher levels of engagement.

DPMC score: 3.9

Comparison of DPMC sub-scales with Winsborough Benchmark

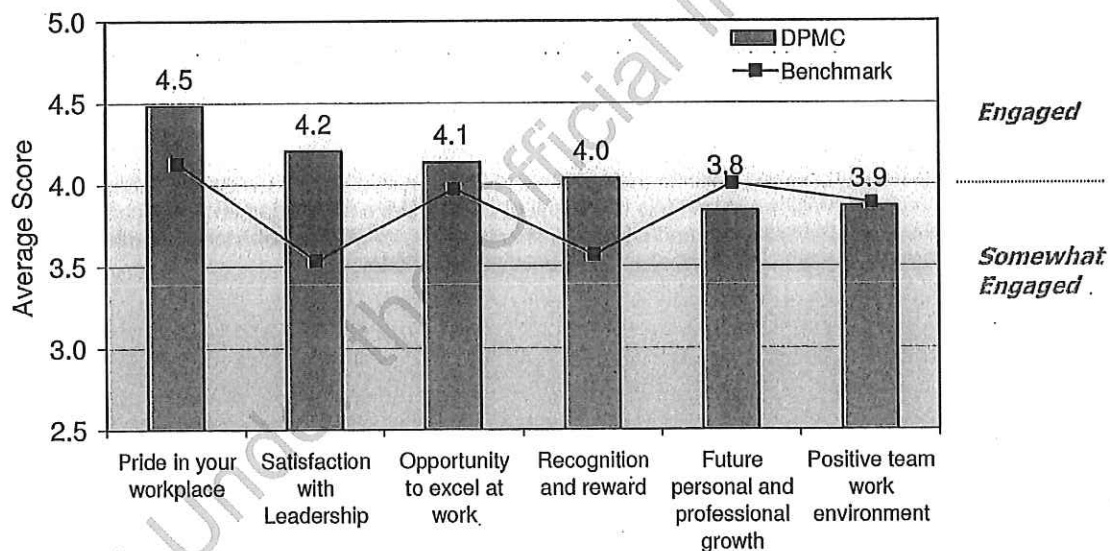
The DPMC scores higher or the same as the Winsborough engagement benchmark² for all but one sub-scale.

DPMC staff score significantly higher in four areas:

- Pride in your workplace
- Satisfaction with leadership
- Opportunity to excel at work
- Recognition and reward

On positive team work, DPMC staff rate their organisation as well as other New Zealanders. That is, they perceive co-operation, enthusiasm and their ability to have input into decisions that affect them, to be about the same as most organisations.

The one area in which DPMC staff rate their organisation lower is professional growth. On average, DPMC staff perceive that the challenges they face at work foster their development to a lower extent than staff in other organisations.



² This benchmark is made up of more than 500 professional working New Zealanders

The Winsborough Model of Climate

The Winsborough organisational climate model describes four foundations of an effective organisational culture. Higher scores are associated with greater success. The four foundations are:

Clarity

Clarity describes the extent to which the organisation collectively understands and articulates its purpose, goals and core operating principles. Good organisations have widely shared understanding of all three factors at all levels. Clarity is split into three factors: Values, Roles and Clear Direction.

Drive

Drive describes the energy an organisation develops and harnesses to realise its vision. High performing organisations value managers who display energy, set clear performance expectations and are oriented towards results. Achievement is rewarded fairly and individuals embrace opportunities for innovation and growth. Drive is split into five factors: Achievement Orientation, Manager Support, Rewards, Challenge and Opportunities and Innovation.

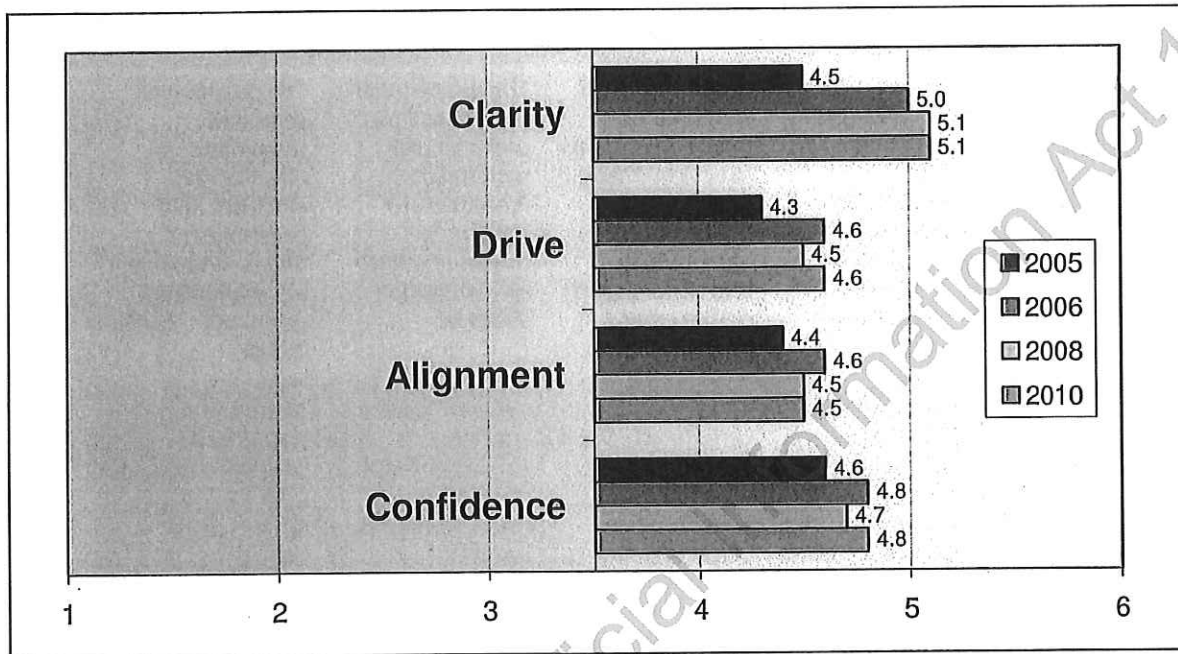
Alignment

Alignment measures how well processes, systems and structures support high performance. Staff perceive communication to be effective, workloads to be appropriate and see a culture of cooperative effort. Good organisations channel their direction and drive through effective organisational design. Alignment is split into four factors: Flexibility and Structure, Communication, Co-operation and Workload.

Confidence

Confident organisations display a strong belief in their own efficacy – that is, they can overcome setbacks to deliver results and achieve their vision. In part this is a result of Clarity, Drive and Alignment – but confidence speaks of inbuilt optimism, an outward focus and a deeper, shared sense of worth. Confidence is split into three factors: Affect and Morale, Business Unit Efficacy and Organisational Efficacy.

ORGANISATIONAL RESULTS



Snapshot of DPMC

Failing

Poor

Adequate

Good Practice

Outstanding

For the third year running, DPMC has continued to achieve "outstanding" in the area of Clarity. This indicates that staff understand what the DPMC's values and standards are, they understand what they are supposed to do and achieve in their role, and how they contribute to the DPMC's purpose.

It is heartening to see that DPMC results have stayed the same, or lifted, in the economically difficult two years since 2008. Confidence, notably, has lifted to 2006 levels and remains at "good practice" level. Once again, this indicates that the DPMC's staff believe that they and their business units have what they need to succeed.

Slightly lower, Drive and Alignment are also in the "good practice" range. The Drive result indicates that the organisation and its members are oriented towards achieving results. The Alignment score indicates that staff co-operate with each other and that information flows are generally good.

The descriptions that reflect the results of the DPMC in 2010 are highlighted in red below.

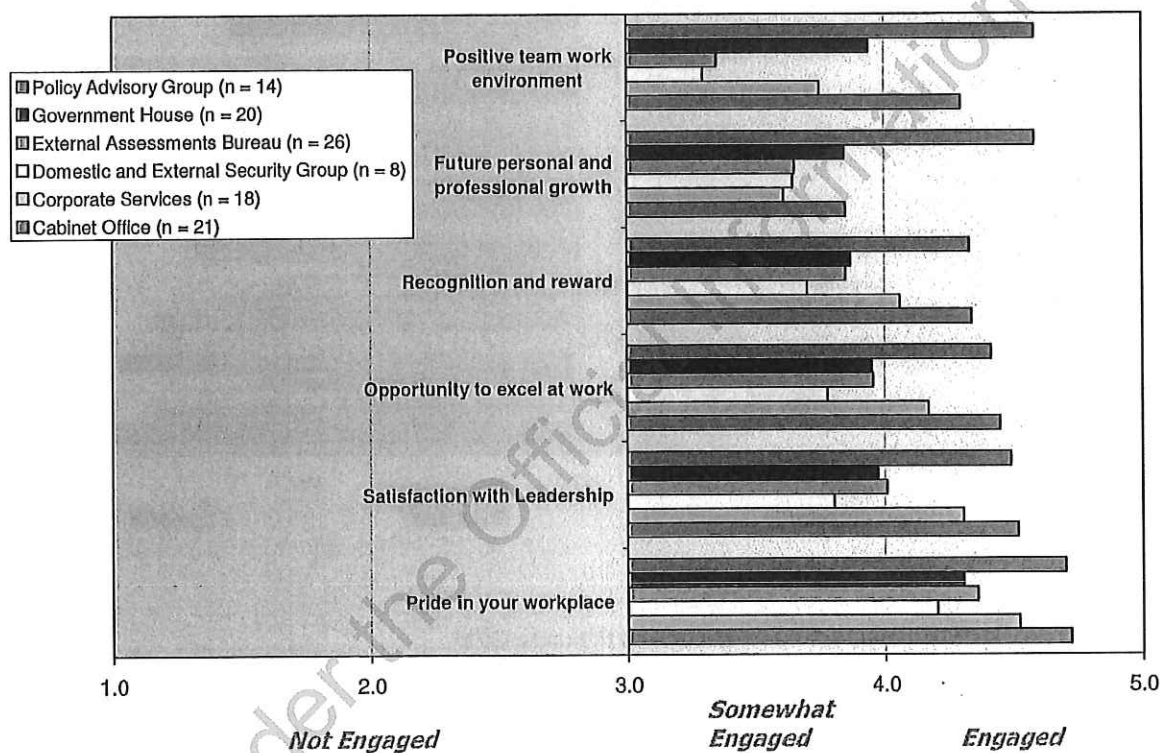
	Clarity	Drive	Alignment	Confidence
Outstanding	Purpose, values and roles are clear to all and widely understood. People know what they have to do to be successful.	Leaders set high standards and model the actions to achieve them. Staff embrace challenge and opportunity. A true performance culture exists.	The organisation is finely tuned to underpin high performance. Processes are efficient and communications and interaction effective.	The organisation sees itself (accurately) as effective and efficient. Staff believe in its future success and are confident of doing well. Morale is high.
Good Practice	Purpose, values and roles are understood and used for advantage in the organisation. Opportunity exists to create better links between these three levers.	The organisation has the building blocks of a performance culture. Rewards extend beyond financial. Innovation is seen as important.	Structures are creating organisational flexibility, underpinned by good communication. Cooperation across the business is occurring.	Staff have a belief the organisation can succeed and their unit is effective. Morale is positive. Improvement in the other factors will improve this result further.
Adequate	Purpose, values and roles are not clearly articulated at all levels in the organisation. Shared understanding is missing.	Tasks are achieved but improvements are coincidental rather than planned. Poor performance may be tolerated.	The structure has evolved more than is planned. Processes and systems need renewal. Cooperation may occur but does not always result in better performance.	Confidence exists in some teams but not throughout the organisation. Morale is patchy.
Poor/Failing	Conflict or apathy govern staff responses to direction and principles. The organisation pulls in different directions.	Leaders fail to set challenges or deal with performance issues. Innovation is rare.	Processes, systems and structures hinder rather than support success. Workloads are inappropriate and cooperation rare.	Morale is low. Staff doubt their collective ability to effect success.

Details of the Survey

This part of the report explores the results of the survey in detail. It is organised in two sections: Section 1 deals with the new Engagement Survey; Section 2 deals with the Climate Survey.

Section 1: Engagement Survey

Engagement by Business Unit

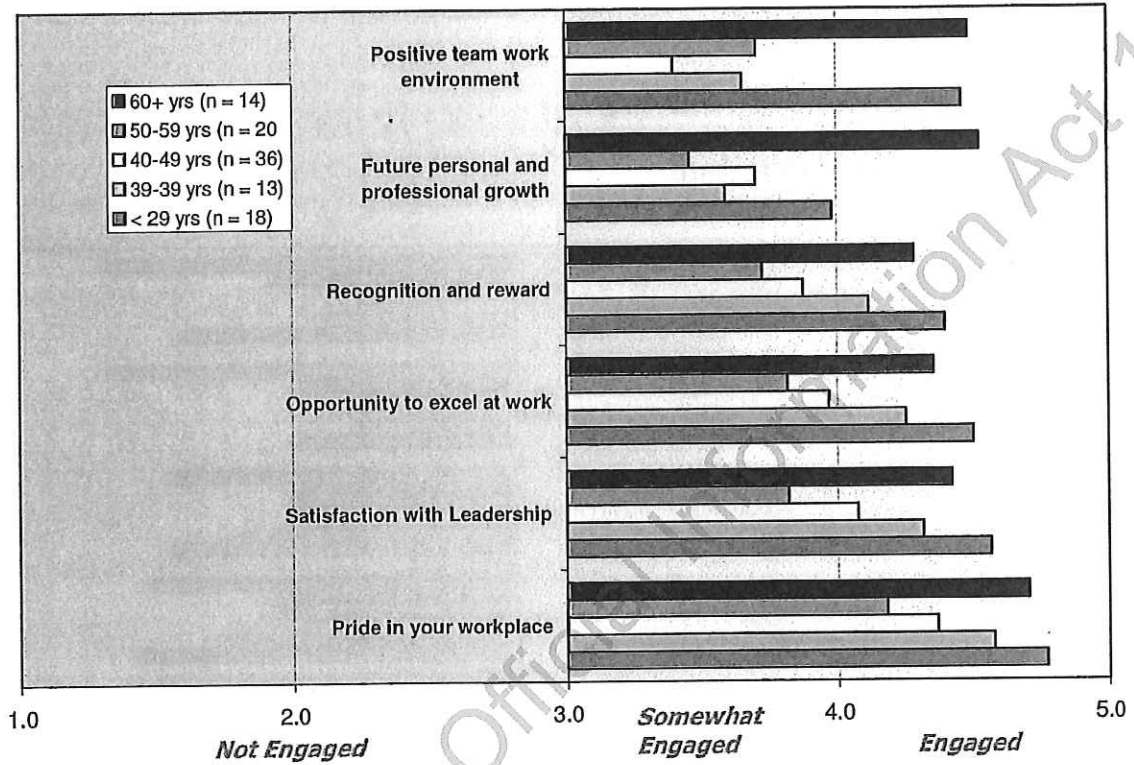


The Policy Advisory Group is the most engaged business unit, followed by the Cabinet Office.

Staff in Corporate Services are slightly more engaged than those in Government House. These Business Units are closely followed by the National Assessments Bureau. (The one area of exception for the NAB (EAB) is positive team environment, in which scores were lower).

The Domestic and External Security Group scored somewhat lower in all areas of engagement apart from personal and professional growth.

Engagement by Age

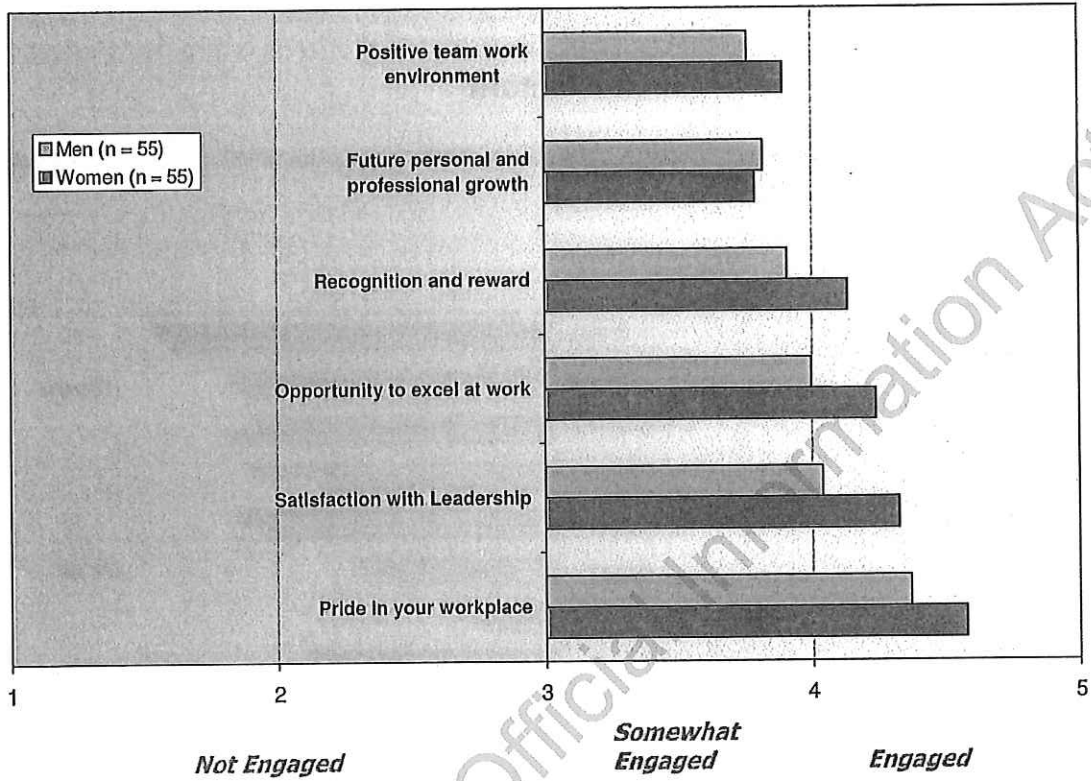


The two most engaged groups are the over-60's and the under-30's.

The next most engaged groups are those in their 30's, followed by those in their 40's and finally, those in their 50's.

Note that the two groups with the lowest overall engagement scores (those aged 40-59 years) make up 55% of the organisation.

Engagement by Gender

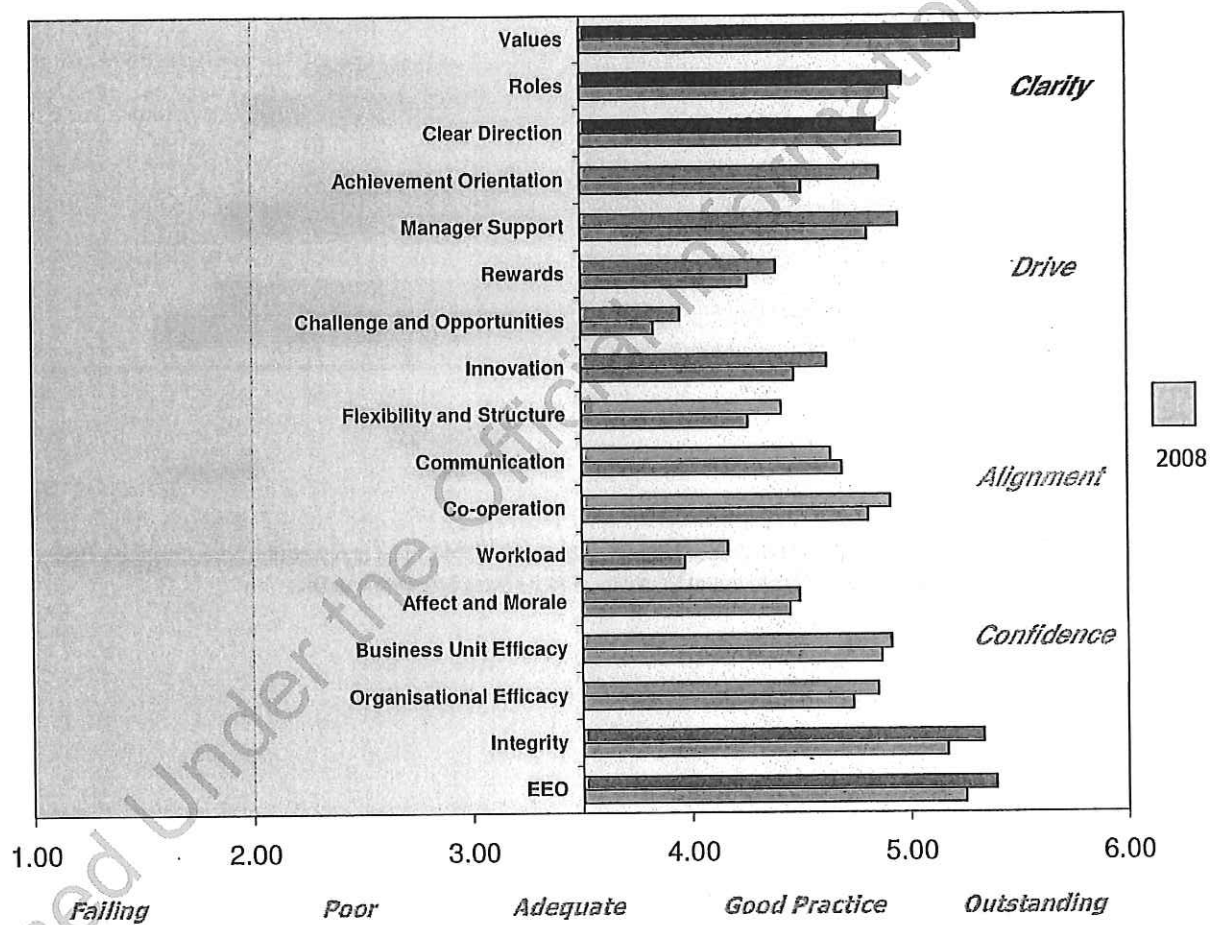


Although the difference is small, the trend is that women in the DPMC are consistently more engaged than men in all but one area: personal and professional growth, where they are about equal.

Section 2: Climate Survey

Organisational Scorecard – Climate Factors

The chart below shows the average score for each of the climate factors across the DPMC in 2010 (the coloured bars), compared with 2008 (the grey bars).



Almost all factors on the organisational scorecard have risen over the past two years. Notably, *all* factors in Drive and Confidence have risen and all but one factor in Clarity and Alignment have risen. This indicates that the DPMC is continuing to push ahead in important areas such as achievement orientation, manager support, co-operation and role clarity.

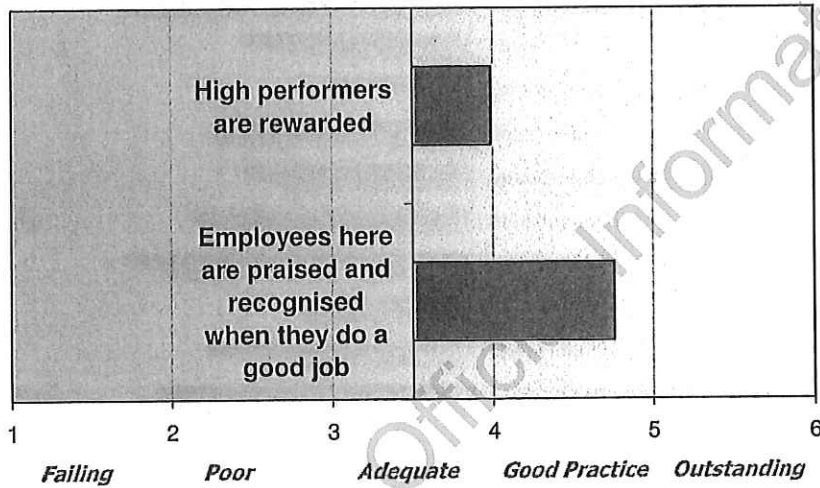
Integrity and EEO remain in the "outstanding practice" area and have risen further, indicating employees

consistently demonstrate honesty and 'walk the talk'; staff perceive there is very little harassment or bullying at DPMC.

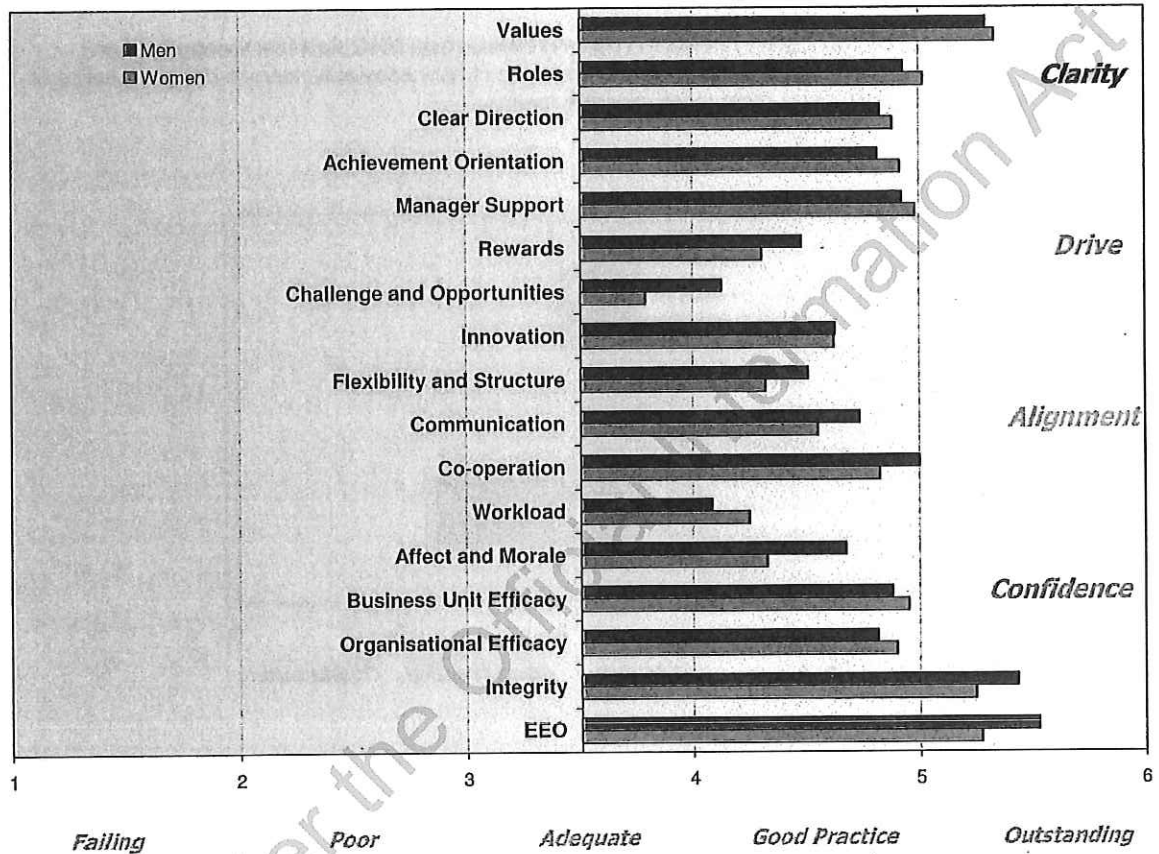
Only two factors fell slightly compared to two years ago: clear direction and communication.

Challenge and Opportunities, and Rewards, have increased. This is encouraging, especially as these were areas of focus from the last climate survey. We note they are lower than 2006 levels.

A breakdown of the two items in Rewards (below) reveals that DPMC staff feel recognised and acknowledged for their work but that high performance is not necessarily seen as being rewarded or incentivised financially or by other more concrete means.



Gender Scorecard



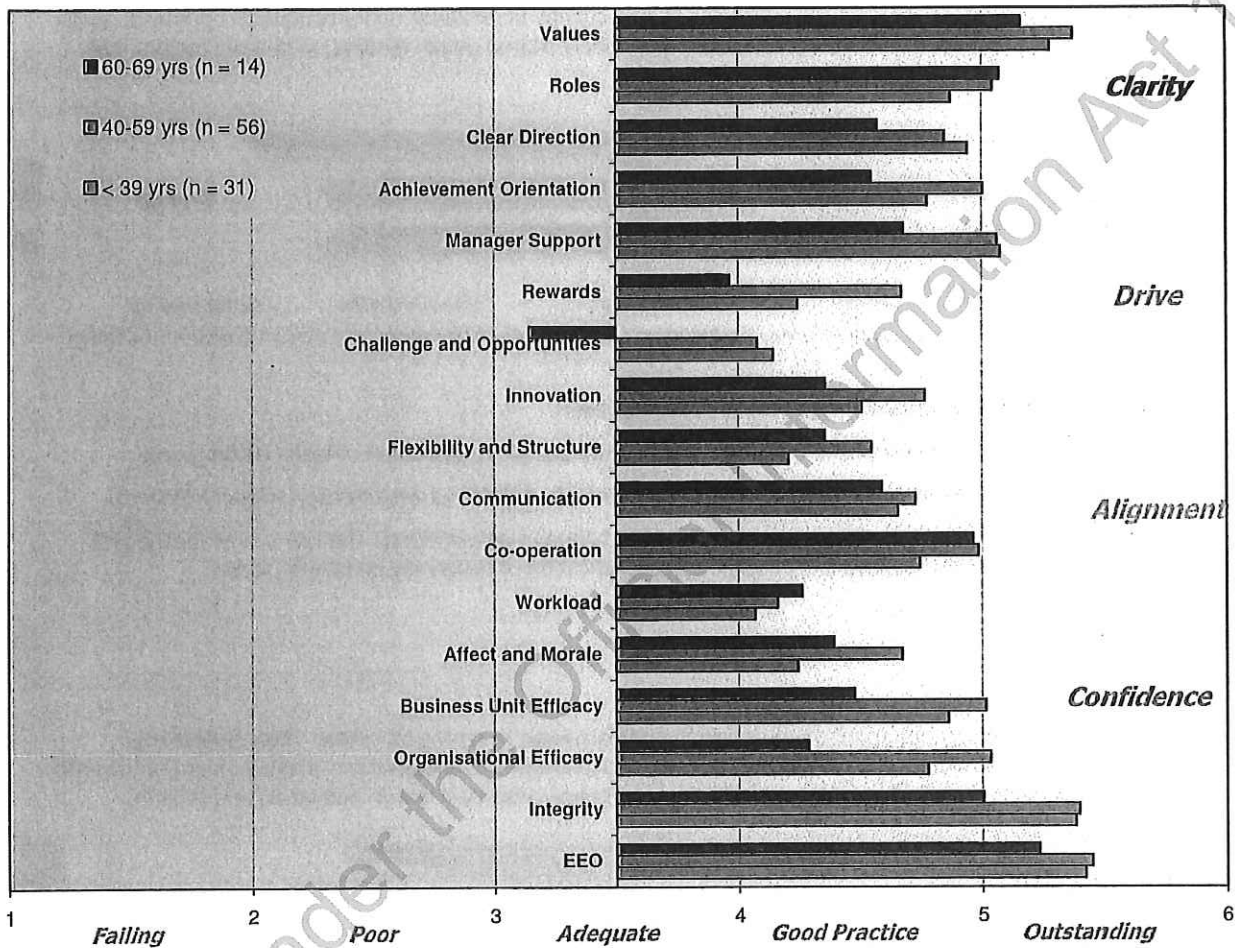
Women and men tend to rate the DPMC about equal in terms of Clarity and Drive, apart from two areas: men perceive that the DPMC offers more rewards and opportunities.

Men rate the DPMC high on Alignment, apart from the area of workload, in which women rate it higher (that is, men feel more overworked than women).

There is little gender difference in perceptions of efficacy.

Interestingly, men rate the DPMC higher on Integrity and EEO than women, although both rate this in the outstanding area.

Age Snapshot

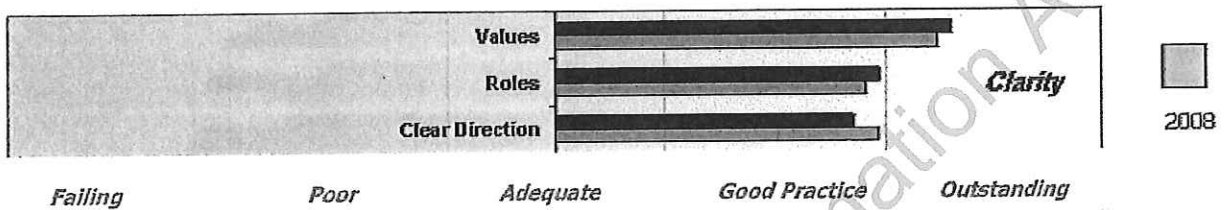


On average, the largest age group (40-59 year olds) rate the DPMC the highest on most climate factors, followed by those who are 39 years old or less. Those who are 60 and over rate it the lowest.

THE ELEMENTS OF CLIMATE

Clarity

Clarity describes the extent to which the organisation collectively understands and articulates its purpose, goals and core operating principles. Good organisations have widely shared understanding of all three factors that make up this element.



Values is in the "outstanding practice" area. Roles is on the cusp of outstanding, and Clear Direction has fallen.

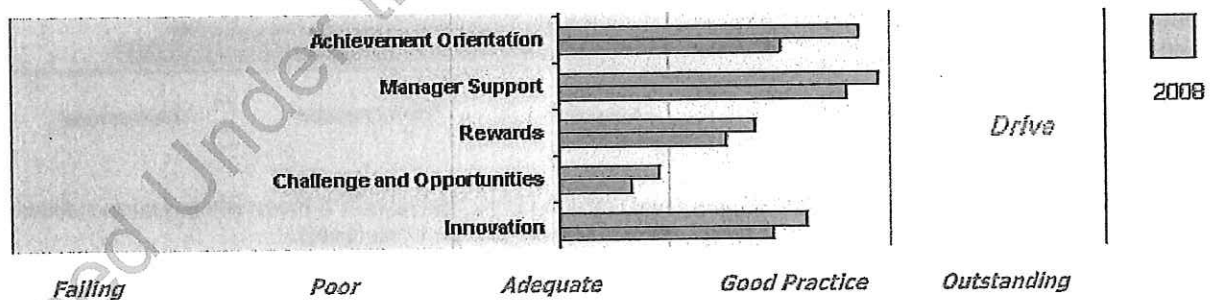
As in 2008, the two statements holding these factors back are:

- The organisation is careful to ensure there is no unnecessary duplication of tasks (Roles); and
- People in this organisation have a good understanding of its long term direction (Clear Direction).

Lower scores on the 2nd statement may be related to the change in government. The low scores for the first statement indicate that staff believe it is possible some duplication of tasks may be taking place.

Drive

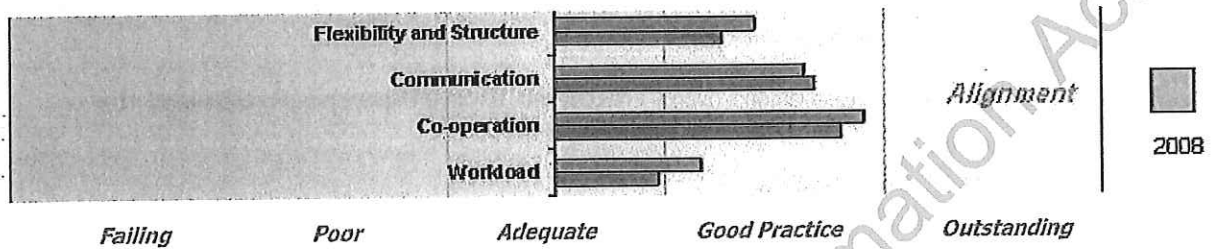
Drive describes the energy an organisation develops and harnesses to realise its vision. High performing organisations value managers who display energy, set clear performance expectations and are oriented towards results. Achievement is rewarded fairly and individuals embrace opportunities for innovation and growth.



All elements of Drive have risen, compared to 2008. All are in the "good practice" area apart from Challenge and Opportunities which is "adequate". In 2006, this was at the "good practice" level.

Alignment

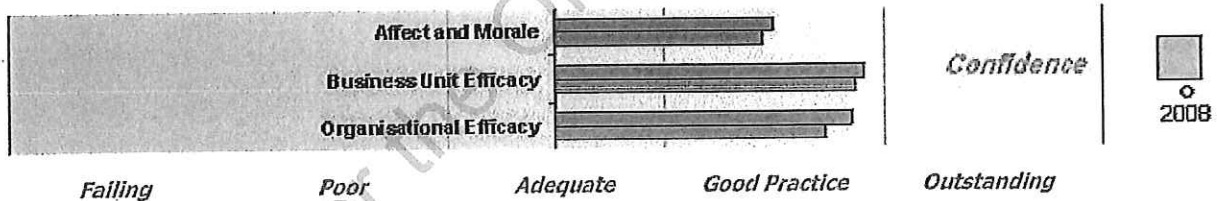
Alignment measures how well processes, systems and structures support high performance. In good organisations, staff perceive communication to be effective, workloads to be appropriate and see a culture of cooperative effort. Good organisations channel their direction and drive through effective organisational design.



Three factors of Alignment have risen since 2008; one factor, communication, has decreased slightly.

Confidence

Confident organisations display a strong belief in their own efficacy – that is, they can overcome setbacks to deliver results and achieve their vision. In part this is a result of 'Clarity', 'Drive' and 'Alignment' – but confidence speaks of inbuilt optimism, an outward focus and a deeper, shared sense of worth.



All factors in Confidence have lifted slightly, compared to two years ago. They remain in the "good practice" area.

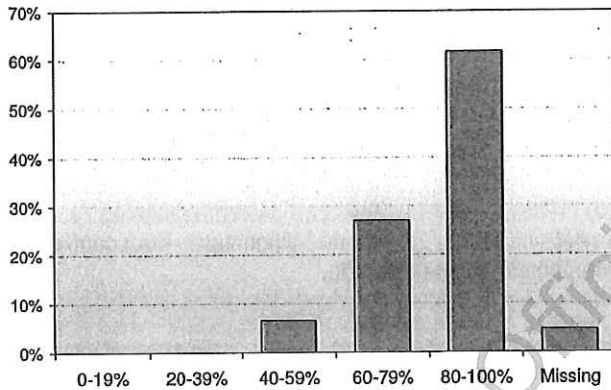
OUTCOMES

Effectiveness

In situations where hard outcome data is not available, staff perceptions of organisational and business unit effectiveness are valuable. The people who see the organisation and business unit as effective are typically those who want to do more and are more committed.

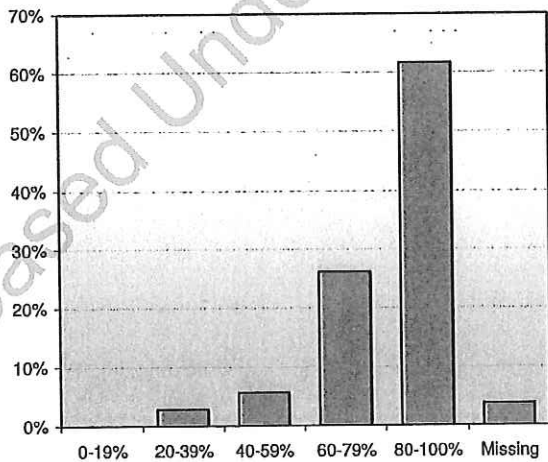
Two questions assessed the organisation's overall effectiveness through the eyes of its employees. The information from these questions is presented graphically below.

Organisational Effectiveness



More than 60% of respondents believe the organisation is performing at or above 80% effectiveness. 89% of respondents believe it is performing above 60% effectiveness. 7% of staff believe the DPMC is performing below this level. 5 people did not respond to this question

Business Unit Effectiveness



62% of respondents believe their business unit is performing at or above 80% effectiveness. 88% believe it is more than 60% effective. 9% of staff believe their business units are less effective than this. 4 people did not respond to this question.

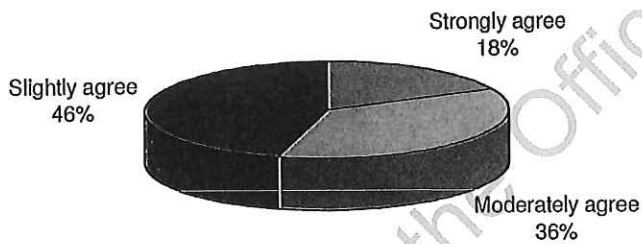
Leaver Analysis

	I intend to leave within the next 12 months	I am actively looking at leaving the organisation and will leave as soon as I can	It wouldn't take much for me to leave this organisation right now
2010	21%	28%	23%
2008	32%	23%	23%

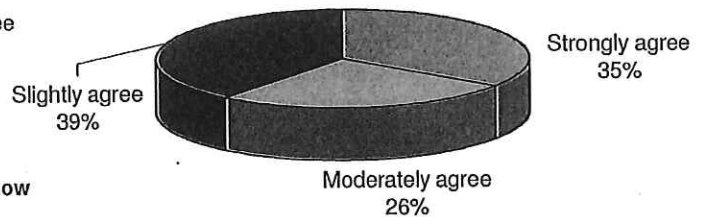
About 20% to 25% of DPMC employees are considering leaving, with about half of these people (10-13% of staff overall) thinking moderately to strongly about leaving. These figures are lower compared with past DPMC Climate Surveys and reflect the lower worker turnover rate in New Zealand, as a result of the economic downturn. Worker turnover in New Zealand was 14.7% in the December 2008 quarter, the lowest it has been for a decade³.

All those who agreed (strongly through to slightly) have been included in the categories above. Breakdowns of responses are shown below. Eight people (who answered the rest of the survey) did not answer questions about intentions to leave.

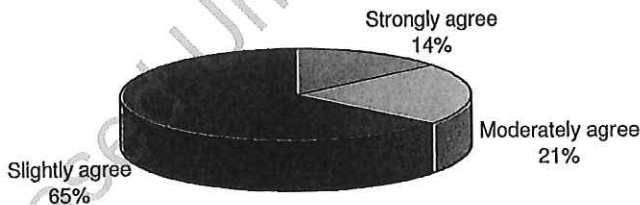
I am actively looking at leaving this organisation as soon as I can



I intend to leave this organisation within the next 12 months



It wouldn't take much for me to leave this organisation right now



³ Source: NZ Statistics Linked Employer-Employee Data (LEED).

Reasons for Leaving

Main themes in written comments included: low pay rates for responsibility and a lack of opportunity to advance within the organisation. Other reasons given included better opportunities elsewhere, underresourcing, workload and lack of staff.

Examples of comments include: *"lack of required staff/team to perform effectively and little peer support. Poor communication between members of my business unit"; "unclear expectations and seemingly random distribution of tasks. Limited ability to influence process of change going on"; "I've lost the passion I had for the role. I was looking forward and it was my goal to be here but circumstances beyond my control have devalued my role so I know it is the right time to move on"; "unable to work with my manager".*

Reasons to Stay

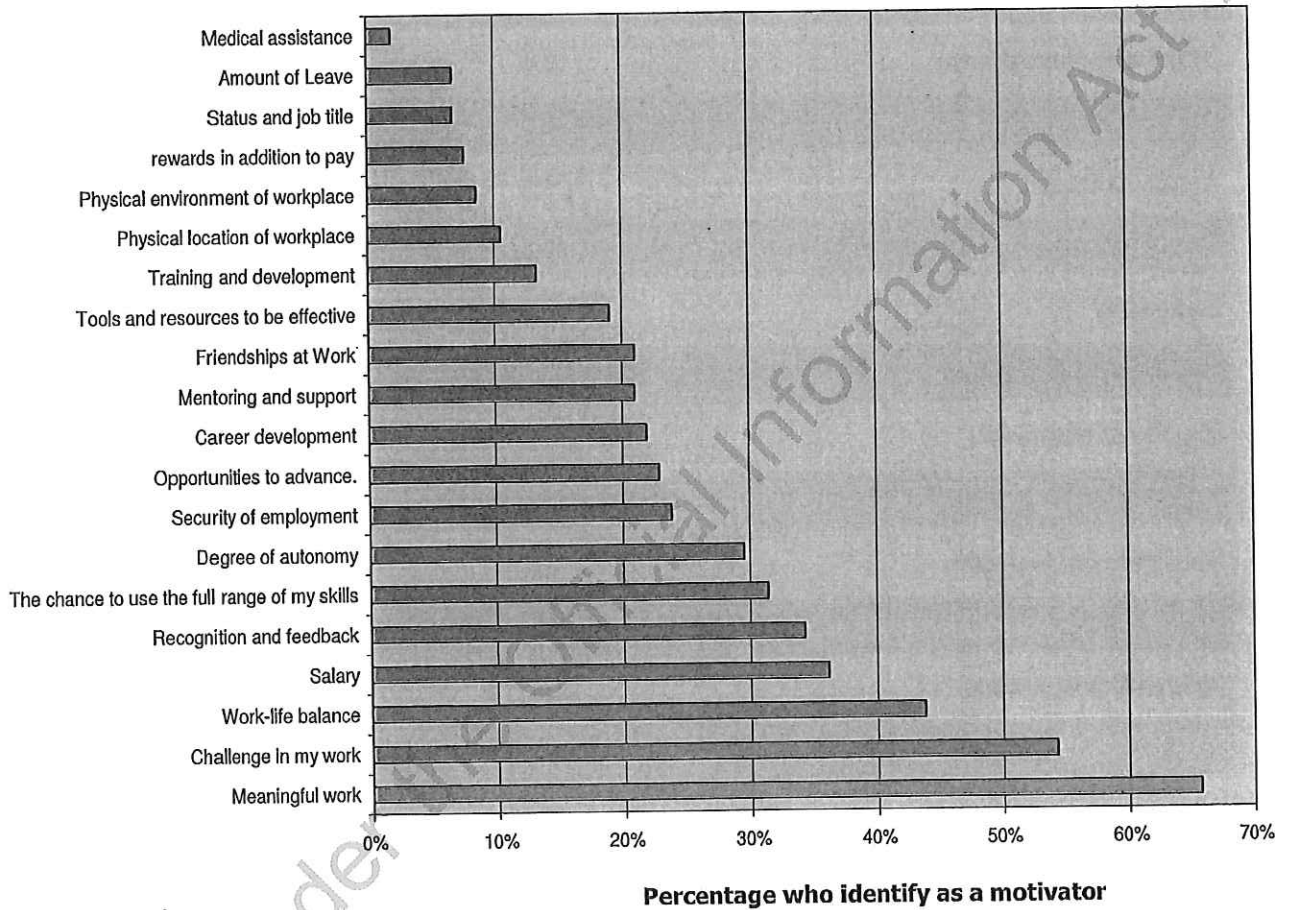
Themes in response to this question were about better remuneration and pay increments for experience and jobs well done, parity for similar roles between business units and removal of distractions and low-level tasks from roles. Other comments included: "a return to a team environment" and "working less hours".

Examples of comments include: *"increase of staff within my team. A more realistic expectation from management as to expected delivery with current staff numbers. More open communication in and out of business hours"; "very little, just good management practices and a focused approach"; "a manager who would appreciate my work and also those of my colleagues. To be given credit for doing a job over and beyond my role".*

Employee Motivator Analysis

Motivators	% of respondents who identify as their primary motivator	% of respondents that identify as a motivator
Meaningful nature of work	31%	66%
Challenge in my work	10%	54%
Work life balance	10%	44%
The chance to use full range of my skills	10%	31%
Base salary	8%	36%
Career development	5%	22%
Security of Employment	4%	24%
Mentoring and support	3%	21%
Recognition and feedback	2%	34%
Degree of Autonomy	2%	30%
Opportunities to advance	2%	23%
Training and job related development	1%	13%
Rewards in addition to pay	1%	8%
Friendships at work	0%	21%
Tools and resources to be effective	0%	19%
Physical location of workplace	0%	10%
Physical environment of workplace	0%	9%
Status and job title	0%	7%
Amount of Leave	0%	7%
Medical Assistance	0%	2%

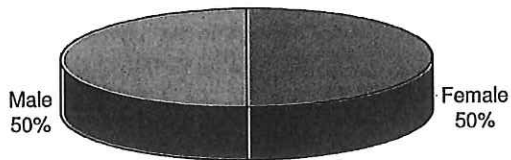
The graph below show the importance of different motivators to DPMC staff. It can be clearly seen that having meaningful and challenging work, achieving good work life balance, and salary are of paramount importance to the DPMC employees.



Released Under the Official Information Act 1982

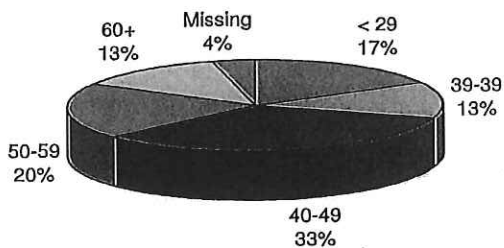
THE MAKE-UP OF DPMC

Gender



The DPMC currently has an equal gender split. This contrasts slightly with two years ago when 61% of staff were female.

Age

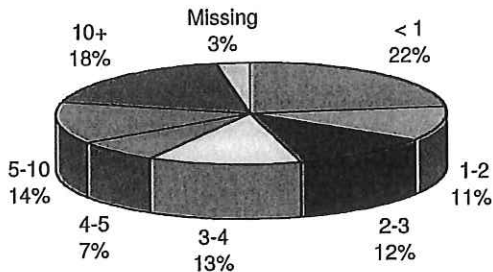


The largest age group remains the 40-49 year olds who continue to make up a third of the staff. 33% of the staff are 50 years or older, similar to figures from two years ago. This contrasts with 45% who were 50 or older four years ago, indicating that a number of older people left and were replaced by those in mid-career.

Employee Type

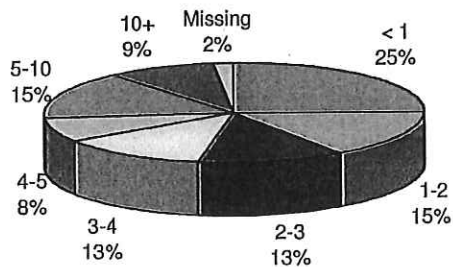
10% of the DPMC staff work part time and 90% full time. These proportions are unchanged from two years ago.

Years with DPMC



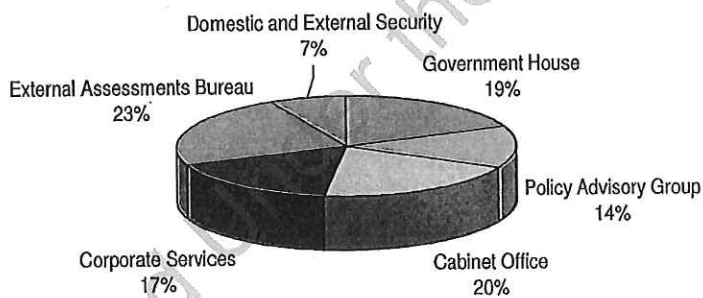
More staff appear to be staying somewhat longer with the DPMC. The proportion of new staff who have been with the organisation for 1-2 years (11%) is much lower than that reported 2 years ago (27%). 25% of current staff have been with the organisation for between 2 and 4 years, compared with 14% two years ago.

Years in Current Role



The proportion of staff who have been in their role for 1-2 years (15%) has almost halved, compared to two years ago (29%). The proportion of staff who have been doing the same job for 3-4 years has increased dramatically, from 3% two years ago to 13% at present. This indicates that staff who may have previously moved on are tending to stay somewhat longer. This could reflect the economic downturn.

Business Unit



Due to the current renovations, the staff numbers at Government House have shrunk somewhat (19%), compared to two years ago when they made up quarter of all DPMC staff. Other proportions remain approximately the same.