

Updated proposal to reduce the number of Capability Lead Business Analysis positions from four to three.

Final decision

DDI Realignment 2024

May 2024

Background

Over the last few months, MBIE has been working closely with the new Government to support their priorities and help confirm and set up portfolio work programmes that will deliver on those priorities. MBIE, including the Digital, Data and Insights (DDI) group, is now in a more fiscally constrained environment. Our structure needs to enable agility as MBIE's operating environment changes to ensure we can deliver on the Government's fiscal sustainability objectives. This means being deliberate in working together – mahi tahi – ensuring we've got the capability and capacity where we need it if work programmes change, or new priorities arise. Positioning ourselves with flexibility to respond to future demands is something we have been working on as an organisation for some time. Beyond the focus on the fiscals, we need to keep looking at the operating model to make sure we are organised in a way to work efficiently and effectively.

When considering the initial proposals for change as part of the DDI Realignment Process, the DDI LT considered the programmes of work, our financial position and the size and capability of our workforce. On Thursday 21 March 2024, a number of proposals for change were released to our people to provide their feedback on. Based on this feedback received, DDI LT had to re-think how some areas work.

We carefully considered the current demand for our services and how to provide more clarity about where capabilities sit and fit within our operating model. Due to the reducing workforce, both permanent and contractor, the known pipeline of work at this stage and the changing MBIE operating environment, it was identified that there was a need to review the ratio of employees to people leaders across the Business Analysis capability. Other capability areas were also considered in this context. The following revised proposal set out how we could make efficiency gains, both fiscally and operationally, whilst better aligning our operation to the business demand for our services.

Summary of updated proposal

Following consideration of feedback received and in light of our current operating environment, we considered whether we had the right balance of Capability Leads within the Business Analysis Capability. An updated proposal was developed to reduce the number of Capability Lead Business Analysis positions from four to three. We proposed that, if this proposal proceeded; all four positions would take part in a contestable reconfirmation process. Following completion of this process a team placement exercise would occur to redistribute existing team members across the three Capability Lead positions. This would see each of the Capability Leads have between 11-12 permanent people reporting to them. Considering potential team sizes, the specific requirements of the Capability Lead role and the matrix management model that exists with the project capability, the initial view has been taken that the ratio of team members to Capability Lead positions are manageable at this time (11-12 permanent direct reports to one people leader). This proposal enabled us to continue to optimise our operating model and focus on efficiency to support the successful delivery of products and services across MBIE.

The DDI LT invited feedback on the revised proposal from those who would be more directly impacted should the proposal proceed. Thank you to everyone who took the time to provide us with feedback.

Summary of feedback received on the proposal

Feedback theme	Summary of feedback	Response
The proposal	<p>Incomplete and inconsistent information provided as part of the rationale for the proposal. A view that this proposal isn't based on data led decision making.</p> <p>Consideration should be given to the reason for the mismatch of Capability Leads to BA's and the number of factors that have been out of the Capability Leads control in terms of the reduction of team members.</p> <p>Engagement implications raised aligned to the proposal.</p> <p>A number of questions/concerns have been asked/raised about the timing of the release of the proposal, approach, reasons for doing so and why it wasn't communicated at the same time as the initial proposal.</p>	<p>We acknowledge that this proposal is not in the control of the Capability Leads.</p> <p>This revised proposal was developed as a result of considering the feedback received on the initial proposal more broadly. Once a proposal had been developed, we felt it necessary to discuss this with those who would be directly impacted by the proposal as soon as possible.</p> <p>We acknowledge that when going through a time of change, this can be challenging for all involved. We want to ensure the right level of support is provided to our people during this time.</p>
Project methodology	<p>Concern of using waterfall and becoming more siloed, when we could be using agile to achieve better outcomes.</p>	<p>Thank you for your feedback. The decision has been made that MBIE's project delivery will continue to be more aligned with waterfall. Transition to an agile model is a significant shift for any organisation, and the time is not right to do this at MBIE at present.</p>
Work pipeline	<p>Requests have been made to view the 2024/2025 pipeline of work and workforce plans.</p> <p>Concern as to not being able to view the pipeline of work.</p>	<p>The FY24/25 investment plan is still under development. MBIE business groups are finalising available funding and the extent to which indicatively planned initiatives will proceed.</p> <p>The planning work underway across MBIE indicates that with the reduction in costs, work programmes will be scaled back to align to the revised fiscal envelope. There is an increased need to understand the priority work and ensure we are able to resource this.</p>
Demand for BA resource	<p>Although the workforce has decreased and we haven't filled vacancies, the demand for BA work hasn't decreased and isn't likely to.</p>	<p>From August 2023 to April 2024, the Business Analysis capability had a reduction of twenty-one positions: eight FTE positions and thirteen</p>

		<p>contractor positions. We will be working in a supply constrained environment for the foreseeable future, with no anticipated increase to our existing resourcing. Our planning work indicates that the work programmes both within DDI and wider MBIE will be reduced alongside the reduction in funding available for discretionary activities.</p> <p>As mentioned above, there will need to be increased focused on prioritisation to ensure that we are able to provide resources to deliver this work. This may mean that discretionary work may need to be deferred or will be resourced on a best efforts basis.</p>
The process	<p>Some questions were asked about the technical aspects of the change proposal, process to be undertaken, timelines etc if the proposal were to proceed.</p> <p>Some concern as to why feedback wasn't opened up to the wider DDI and why the WSY tool hasn't been used.</p>	<p>Following the EOI process being completed, we will at that point know which of the existing four Capability Lead roles would be disestablished. If, following the EOI process, there is someone unplaced, we would work with them to identify any other potentially suitable reassignment options across MBIE in the first instance.</p> <p>As this was a proposal considered as a result of considering feedback more broadly, the decision was made to only consult with those more directly impacted by the proposal.</p> <p>The ability for people to provide feedback on WSY was limited to the initial proposal. We tend to use the WSY tool when a large population of people are invited to provide feedback on a proposal.</p>
Implications of proposal	<p>The proposal would result in a lack of development and provide a lack of capacity to evolve and innovate the practice ongoing.</p> <p>Reducing the headcount provides a short term and temporary solution, but the replacement costs could cost more from a financial and knowledge perspective.</p> <p>Some confusion as to what the proposal would mean for those reporting to the Capability Leads if it were to proceed.</p>	<p>The Business Analysis capability has put in a lot of effort to build a high-performance practice. Acknowledging that there may not be as much capacity available to focus on this as there has been previously, it is expected that it will continue to evolve and be enhanced.</p> <p>On completion of the EOI process when we have clarity of which position is to be disestablished, the leaders within the Business Analysis capability will work together to determine the appropriate distribution of the team members.</p>

<p>Current model and structure</p>	<p>The current model and structure works well and has the ability to react to changing circumstances.</p> <p>The current practice is very mature and functional.</p> <p>Four Capability Leads provides a better distribution of workload and support for team members, provides a more diverse range of perspectives, teams have more personalised attention and guidance and greater flexibility in resource allocation.</p> <p>Retaining four Capability Leads better supports MBIE and DDI strategic direction.</p>	<p>It is acknowledged that the Business Analysis capability model works well and this proposal and subsequent decision is in no way reflective of the mahi undertaken by the team.</p> <p>With a reducing workforce, and considering our fiscal environment there is a need to reduce the management layers accordingly to ensure a more even balance of span of control.</p>
<p>PSA involvement</p>	<p>A question was asked as to PSA engagement on the proposal.</p>	<p>Discussions have occurred with our PSA colleagues on the proposal and approach we intended to follow.</p> <p>We have met with the PSA in advance of this decision being confirmed.</p>
<p>Team size and make up</p>	<p>Some questions have been asked about the teams sizes going forward if the proposals were to proceed and what is the ideal ratio for a people leader to team members.</p> <p>Process questions were asked in relation to how teams would be placed and what involvement people might have in this process if the proposal were to proceed.</p>	<p>When determining the idea ratio of people leaders to people, a number of factors need to be taken into consideration, including the responsibilities of what is required of the people leader role and the nature of the roles reporting to it. There is no one size fits all approach in this regard.</p>
<p>Capacity and capability of Capability Leads</p>	<p>Questions were asked about current workload levels for the Capability Lead and whether they will have the time to support their team members in the same way they currently do.</p> <p>The Capability Lead roles are covering the Principal BA roles that we haven't been able to recruit to.</p> <p>The Capability Lead roles aren't just people leaders, but also technical experts and are involved in projects and providing technical advice. If all four remain, they will be able to do more work on BA standards and provide technical expertise where needed.</p>	<p>The Capability Lead position is considered to have expert level skills in multiple aspects of business analysis. Occasionally, we do ask Capability Leads to take hands on responsibilities when and where this expertise is required, for a limited duration.</p> <p>When this is the case, the capability leadership team works together to ensure that continued leadership is provided to all team members.</p> <p>As mentioned above, the work undertaken by Capability Leads on the BA standards/practice element is expected to continue to evolve and</p>

	<p>The current ratio of Capability Leads to team members enables time to grow our people and develop the capability. Examples includes the Incubator Programme, Co-design approach with vendors and the implementation of coaching logs.</p> <p>Capability Leads need time in role to develop their own knowledge and expertise to be effective.</p> <p>Capability Leads are carrying out responsibilities outside of the current scope of the role. This includes involvement in the financial process with Finance, technical ownership for toolsets.</p>	<p>be enhanced with less capacity, and the maintenance of this as a key resource for the team will need to be prioritised.</p> <p>The Capability Lead positions in DSD are unique due to the matrix management approach. The work of the team members is directed and managed by project managers and the Capability Leads provide the support, development and quality assurance of the work carried out by their team members.</p>
Culture	<p>The culture that has been built within the BA capability is a strength and enables the team to come together and communicate with each other.</p>	<p>It is great to see that the Business Analysis capability has such a strong culture and it is anticipated and hoped that this strong culture will continue into the future.</p>
Future changes	<p>Some concern about future changes.</p>	<p>Should any future changes be proposed, we would discuss these with our people as soon as we are able.</p>
Alternative proposals	<p>Consider re-purposing a Lead role to Principal level role.</p> <p>Strong alignment between BA and Change Management work. Change management could form part of the BA capability in the future.</p> <p>Suggest delaying the proposal to see how the new structure pans out and the pipeline of work is confirmed.</p> <p>Consider consolidating the BA function from across the business into the BA capability.</p> <p>Uplift Project Online and workforce data reports to DDI LT.</p> <p>Consider secondments for additional Capability Lead.</p>	<p>Thank you for your alternative suggestions. The time you have taken to consider these is appreciated. Following consideration of these, as well as the reasoning for this proposal, we do not see these as viable options at this time.</p>

Decision

We have carefully considered the feedback received on this proposal. The decision is to confirm that the Capability Lead - Business Analysis positions will be reduced by one. Based on consideration of revised team numbers it is anticipated that each Capability Lead – Business Analysis position would have between 10-11 permanent direct reports.

Next steps

We realise that times of change can be challenging for those involved. Please do remember that our Wellbeing Health and Safety Team is available to provide support if need be, as is EAP Services. The PSA is available to provide support to their members. If you have any questions about the process, please don't hesitate to email these to DDIRealignment2@mbie.govt.nz

Confirmed organisational chart – Business Analysis

KEY			
A	No change	F	Within-group branch change
B	Disestablished position	G	New position
C	Reporting line change	H	Minor scope and reporting line change
D	Minor scope change	I	MBIE group change
E	Position title change	J	Contestable reconfirmation

