

Updated proposal to reduce the number of Capability Lead Quality Assurance and Testing positions from five to four.

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 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 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 Quality Assurance and Testing capability. Other capability areas were also considered in this context. This following updated 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.

Updated proposal for re-consultation

Following consideration of all feedback received and in light of our current operating environment, we considered whether we had the right balance of Capability Leads within the Quality Assurance and Testing Capability. An updated proposal was developed to reduce the number of Capability Lead Quality Assurance and Testing positions from five to four. We proposed that if this proposal proceeded, all five 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 four 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>Significant support to retain the existing number of Capability leads.</p> <p>Concern that feedback was considered when the QAT team wasn't part of the initial proposal.</p> <p>Statistics have been requested in relation to the reducing workforce and the future workforce requirements.</p> <p>Acknowledgement of the challenging management decisions that need to be made at times</p>	<p>The feedback received was considered more broadly and in some areas, this has meant we have re-thought how some areas work.</p> <p>From August 2023 to April 2024, the Quality Assurance and Testing capability had a reduction of eleven positions: six FTE positions and five 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>
Current structure	<p>The QAT is currently structured in a way where Capability Leads have been allocated to manage test resources on certain projects and programs. If the proposal proceeded the Capability Leads would need to understand the needs and requirements of other projects, creating inefficiencies and delays to the project which could result in higher costs being incurred.</p>	<p>It is acknowledged that the allocation of teams/projects to Capability Leads is deliberate and considered to enable optimal outcomes to our internal customers. Reallocation of resources will be done in a similar manner and will ensure that any project requiring greater focus from a Capability Lead has a transition plan in place.</p>
High functioning QAT team	<p>QAT has built itself up as a high functioning team with high functioning Capability Leads with specialist skills.</p>	<p>We agree. The Quality Assurance and Testing Capability Leads are all highly skilled and experienced individuals who function very effectively as a high performing team.</p>
Alternative option to consider	<p>Alternative options were proposed as an alternative to a reduction in a Capability Lead role, including:</p> <p>Second existing Capability Lead resource x 2 into other teams until pipeline of work is confirmed and then consider resourcing requirements ongoing in line with proper process.</p> <p>Re-visit the proposal when the actual work force (permanent and contractor) actually reduces.</p>	<p>Thank you for your alternative suggestions. The time you took to propose alternative options is appreciated and they have been carefully considered.</p> <p>Given our current environment that we are operating within, we are unable to identify other teams where Capability Lead resources could be seconded to at this point in time.</p>

	<p>Keep the same five positions on 0.8 FTE-1 FTE would still be reduced. This would mean less impact for our people on a number of levels.</p> <p>Increase the number of test leads by 5-6 to mitigate the risks arising from reducing the number of Capability Leads.</p>	<p>The Quality Assurance and Testing capability has had a reduction in eleven resources since August 2023 and we are now operating within a fiscally and resource constrained environment and need to consider our people leadership layer in relation to this reduction.</p> <p>We have fixed capacity for Test Leads, which is a senior position within DSD and is used in our large projects. As our Senior Test Analysts progress in terms of their skills and experience, it is expected that they are able to manage all aspects of taking the lead role on smaller projects initially, but over time larger projects.</p>
Reduction in team size	<p>Acknowledgement of the reduction in team size to date, but that this hasn't been driven by a reduction of work.</p> <p>Contractors have picked up work that permanent roles that if retained would have done.</p> <p>High demand for test resources and unable to see how the team sizes proposed are manageable and if team sizes increase in future.</p> <p>Existing team members are now stretched because of additional workload and less resource.</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> <p>We will always need contractors for specialist skill sets and to enable us to scale up quickly if we need to. Our recent contractor engagements have been to address a high priority project with tight delivery timeframes.</p> <p>DSD is doing a lot of detailed work to understand how the work of our branch is comprised and whether the mix of where our resources are currently allocated is the best allocation in terms of meeting the organisation's priorities.</p> <p>Where team members are stretched, we need to understand whether it is a temporary situation such as in the lead up to go-live or whether there is a longer-term project specific scenario to be addressed. There are a number of ways we can respond in these scenarios.</p>
Capability Lead role	<p>Capability Leads are performing tasks other than people leadership including:</p> <ul style="list-style-type: none"> • Active involvement in project work. • Taking on test manager or test lead responsibility when a project is operating without this resource. 	<p>The Capability Lead position is considered to have expert level skills in multiple aspects of the quality assurance and testing of business applications. Occasionally, we do ask Capability Leads to take hands on responsibilities when and where this expertise is required, but for a limited duration.</p>

	<ul style="list-style-type: none"> Due to individual MBIE system expertise, some are regularly called to take part in test activities. 	<p>When this is the case, the capability leadership team works together to ensure continued leadership is able to be provided to all team members.</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>
Feedback	Feedback should be sought from those who work closely with the Capability Leads.	When determining who should be consulted with as part of this process, we considered those who would be more directly impacted if the changes proposed were to proceed.
Contractor support	Contractors need an active Capability Lead and the role is seen as an active conduit between the project and the contractor.	Contractors are engaged for their experience and skills which includes the ability to quickly grasp the specifics of the project. By design and due to the nature of the contractor engagement, the relationship between the Capability Leads and contractors differ to those of a permanent team member.
Leader to team member ratio	<p>Contractors should form part of the Capability Lead to team members ratios that are been considered.</p> <p>It is a flawed approach to apply the same people leader to team member ratio to all groups or across MBIE.</p> <p>Is there a general guideline of what is considered a consistent ratio of employees to people leaders across DDI?</p> <p>If team sizes increase, would we then look to establish an additional Capability Lead, even after going through this proposed process.</p>	A number of factors need to be considered when determining what is an appropriate people leader to team member ratio. This includes the responsibilities of what is required of the people leader role and the nature of the roles reporting to it. Our current operating environment also needs to be considered. There is no set one size fits all ideal ratio in this regard.
Development support provided	QAT has successfully brought on new testers from within the business. This does require additional development and time from their Capability Lead to develop these professionals. A Capability Lead with too many direct reports won't have the time to invest in development of their people.	The model of bringing business SMEs into the Quality Assurance and Testing capability is a great way to grow talent. It is intended that this model is continued to the extent it can be in an environment where our ability to establish new positions is limited.

Cost recovery model	Suggest where Capability Leads are working direct on projects, they should be cost recovering their time and there could be a targeted number of weekly hours associated.	Thank you for this suggestion. This is something that has been carried out successfully in the past, however, a key value proposition of DSD is to build and develop capability and in recognition of this, it was a deliberate choice to have the Capability Leads focused on this role. As mentioned above, when our Capability Leads are required to assist a project, it is for a limited time where their expertise is required.
Support for people leaders	Support was provided for leaders and the value they bring.	Thank you for the feedback we received in support of specific individuals.
Impact of change	Concern of the impact change can have on our people, including an impact on personal wellbeing.	We acknowledge that all change brings an element of uncertainty and potential disruption. MBIE has many avenues of support available to our people. Some of these options available are provided below. You are also encouraged to utilise the resources MBIE has available on Te Taura to assist with managing change and access the support services available to help with personal wellbeing challenges.
Diversity	The need to respect gender diversity in some way by having different genders of Capability Leads. Examples were provided as to where this has benefited our people in our current environment.	Thank you for your feedback. DSD is proud to have gender diversity within our Capability Leads and that this has benefited our kaimahi.
Care for our employees	Our change process shows the level of management care and concern for employees. It was suggested that for those who leave MBIE, we consider facilitating other processes including, job seeking to a certain extent.	Thank you for your support. We are able to offer outplacement support with an external provider to anyone who has not been able to secure a role to continue employment and have been given notice of employment coming to an end by way of redundancy.

Decision

We have carefully considered the feedback received on this proposal. The decision is to confirm that the number of Capability Lead Quality Assurance and Testing positions will be reduced by one when the new structure takes effect.

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 - Quality Assurance and Testing

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

