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Department of Treasury and Finance Stakeholder Relationship Survey 2009

McDonnell-Phillips

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Executive summary

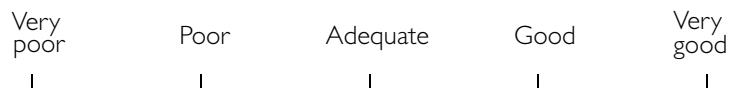
About this study

This report details the findings from the 2009 DTF stakeholder survey. This is the third iteration of the biennial research. The research is used by DTF as a foundation for, and to measure progress with, its business relationships with a range of stakeholding organisations. The collective views of some 328 individuals nominated by each DTF Division are detailed in this Report. Feedback has been gathered electronically via a resumable online survey, hosted by independent consultants, McDonnell-Phillips.

The survey provides measures of the effectiveness of relationships across a number of dimensions (and 60 individual items) including:

- aspects of the Department's "Capabilities and Behaviours" framework ("Engages for Results" cluster) including 'Builds Relationships', 'Communicates Persuasively' and 'Understands the Business';
- aspects that reflect stakeholder perceptions of DTF people and culture.

In this study, stakeholders rate perceived performance using the following scale:



For ease of understanding, scores have been scaled and reported from 0 to 100, where 0 is very poor and 100 is very good.

Stakeholders could also nominate suggested improvements on each of these topics.

Key findings

Summary results

Measured progress

Overall, there has been little change in the **measured** collective stakeholders' perceptions¹ of relationship effectiveness between DTF and their organisations since the 2007 study. **The 2009 overall rating of relationship effectiveness was between 'adequate' to 'good' with a mean score of 67.** The 2007 result was 68.

Perceived progress

Stakeholders were also asked for their **perceptions** of how the relationship had progressed over the last two years (i.e. gotten worse, stayed the same or gotten better). While about half (50%) of the stakeholders see that the relationship has stayed the same, over one-third (39%) saw that the relationship was better (31%) or much better (8%). Slightly over one-in-ten (11%) saw that the relationship had gone backwards, rating overall relationship effectiveness as worse (9%) or much worse (2%).

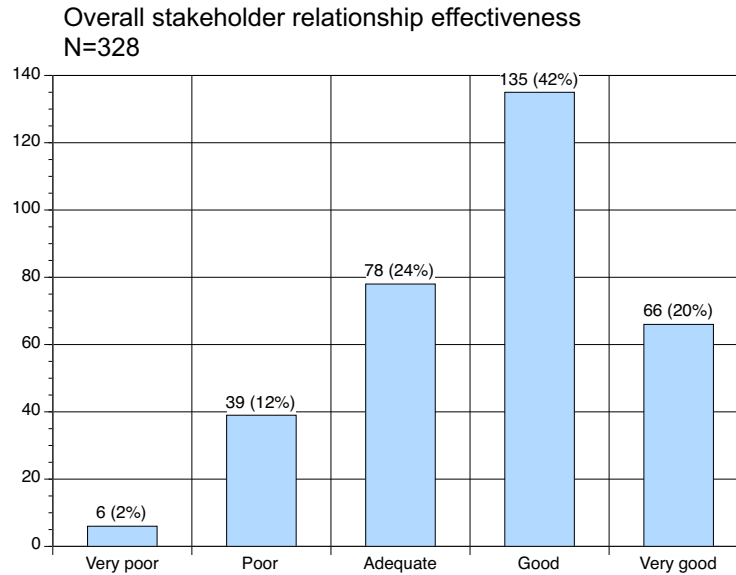
1. Based on comparing measures results from 2007 and 2009

Benchmark measures

Overall performance

Many of the relationships that DTF has forged with stakeholders are supportive, collaborative and productive. The 2009 data indicates that most stakeholders (86%) rate the current relationships as very good (20%), good (42%) or adequate (24%). However, there continues to be a smaller proportion (14%) that rate overall relationship effectiveness as 'poor' (12%) or 'very poor' (2%)¹. These results are illustrated in the following figure:

Figure I. Overall stakeholder relationship effectiveness 2009 (N=328)



¹. See Overall stakeholder relationship importance and effectiveness on page 18 for further detail

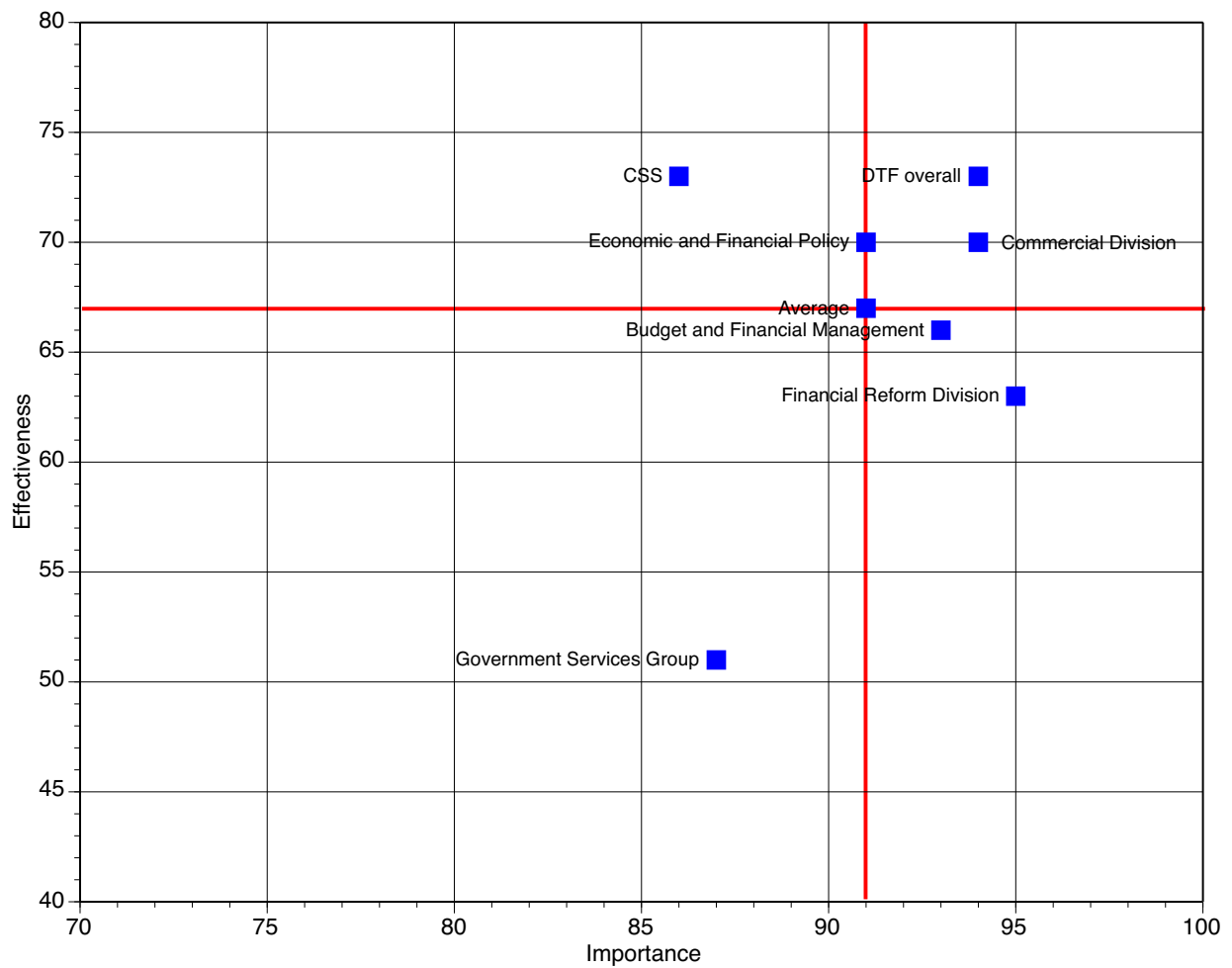
Divisional performance

In terms of individual Divisional performance:

- the mean Government Services Group (GSG) relationship effectiveness rating is substantially lower than other areas of DTF
- Economic and Financial Policy (EFP) while continuing to rate better than the Divisional average, dropped compared to 2007
- other divisional results are similar to those found in 2007.

The "DTF overall" rating (for those who chose to rate the Department as a whole) gained over 2007. This group of respondents is more likely to include the most senior levels of stakeholding agency management including Secretary and Deputy Secretary positions - see following figure:

Figure 2. Importance and effectiveness of relationship by Division (N=328)

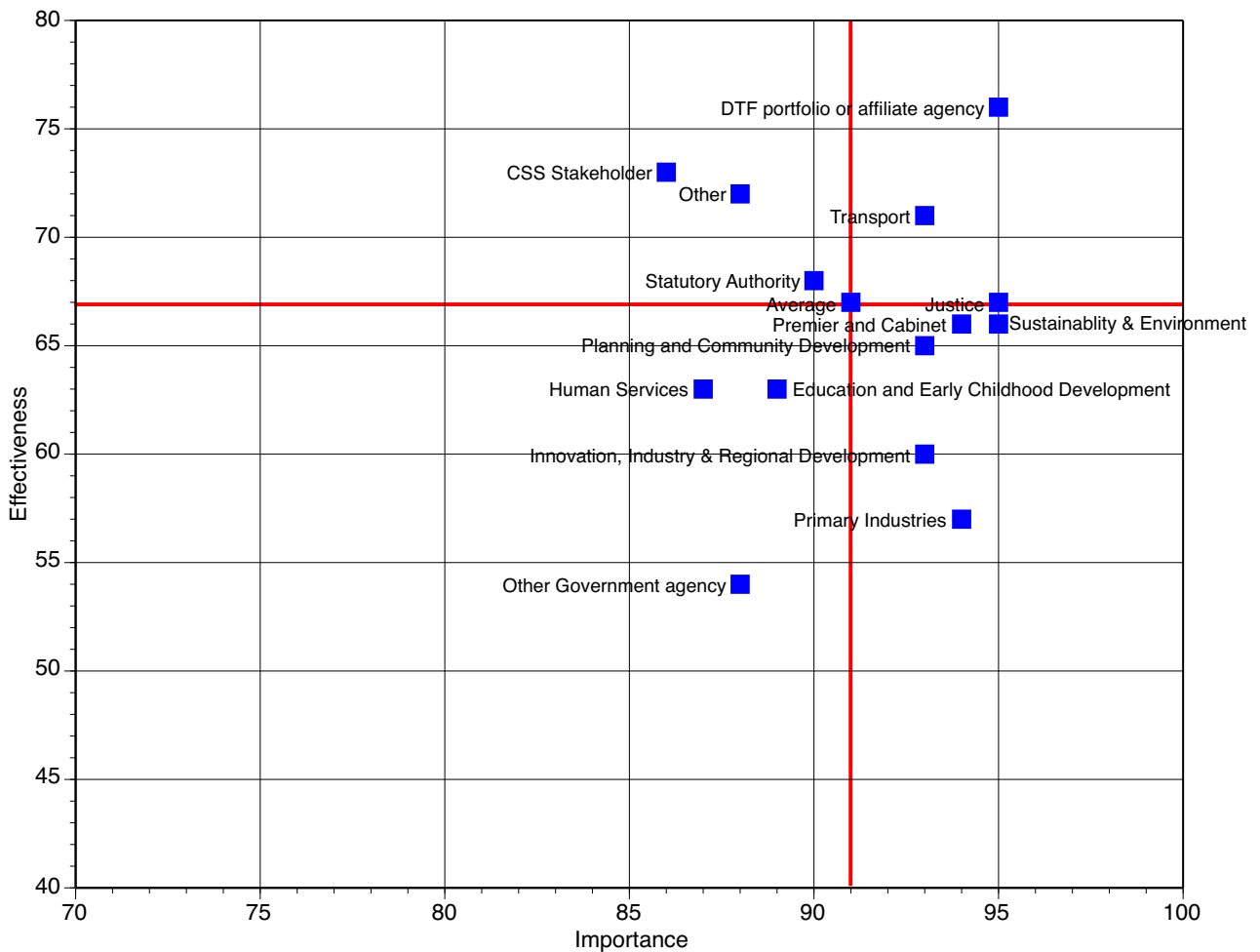


Performance across stakeholding organisations

In terms of relationship performance across individual stakeholding organisations, the most significant findings are that:

- DTF portfolio or affiliate agencies, CSS stakeholders and Transport all rated above average in effectiveness
- Primary Industries, DIIRD, DHS and EECD scored below the overall average
- in terms of shifts over time Sustainability & Environment gained but declines include EECD; DIIRD; DPC and Primary Industries. The remaining agency scores are comparable to 2007.

Figure 3. Importance and effectiveness of relationship by stakeholder (N=328)



Relationship themes

Themes from the 2009 survey are described below. It is worth noting that these are generally consistent with those identified in 2007.

Builds relationships

DTF seeks to actively identify, build and maximise relationships with key stakeholders to achieve business objectives.

In terms of building relationships, the overall mean for 2009 is 66 (2007 mean was 68) - i.e. there are similar results to 2007, with no significant change. While the majority (59%) rate building relationships as 'good' or 'very good', there is a small group of 17% of stakeholders who rate DTF relationship building as "poor" or "very poor".

Building relationship findings include:

- engaging right people and follow through strongest qualities
- establishing solid networks and basic contact between DTF and stakeholder reasonable but room for improvement
- proactive relationship building and continually improving relationship ranked lower

Qualitative observations include:

- some parts of DTF tend to focus on tasks rather than longer term relationship building for mutual benefit
- there is interest in informal relationship building activities and broadening scope of existing forums to discuss strategic issues (Deputy Secretary Forum is cited as opportunity)
- some would like DTF to be more proactive
- stakeholders are generally seeking customised relationship management approaches (not one model suits all)
- stakeholders' experience varies with different parts of DTF – Commercial Division noted on several occasions as benchmark.

*Communicates
persuasively*

DTF aims to have staff listen and communicate in a way that:

- engages and persuades stakeholders; and
- facilitates the achievement of the Department's strategic objectives.

Communications are the glue that hold strong and productive business relationships together.

In terms of communications, the overall mean for 2009 is 64 (2007 mean was 67) - i.e. there has been minor slippage since 2007. Again, while the majority (54%) rate as 'good' or 'very good', there is a small group of 15% of stakeholders who rate communications as "poor" or "very poor".

Communications findings include that:

- there is very good communication from DTF to stakeholder in quality and clarity
- there is variable results for practices around information requests of stakeholders – timeframes and conciseness rate lower
- listening to stakeholder views is reasonable, but there are weaker results for on reflecting these views in decision making
- there are average results for making it easy for stakeholders to find/access information from DTF and targeting information to suit the individual stakeholder.

Qualitative observations include:

- stakeholders would value more dialogue, face to face engagement and information sharing with DTF
- earlier and proactive engagement on requests/issues would be highly regarded
- DTF people could consult and ask for feedback more often from stakeholders and provide more feedback to stakeholders on decisions and acknowledge their responses
- there is interest in debriefs on unsuccessful cases to learn for future responses
- there is opportunity to improve coordination of communication within DTF, with inconsistent messages received from within Divisions and across Divisions.

Understands stakeholders' businesses

DTF aims to:

- understand stakeholders' businesses; and
- demonstrate an ability to provide an efficient, timely, ethical and accurate responses to stakeholders needs.

In terms of understanding stakeholders' businesses, the overall mean for 2009 is 60 (2007 mean was 63) - i.e. there has been some minor slippage since 2007. While some 49% rate understanding stakeholders' businesses as 'good' or 'very good', there is a reasonable pocket of 21% of stakeholders with adverse views on the extent to which DTF understands the stakeholder's business (i.e. scoring the extent to which DTF understands their business as "poor" or "very poor"). This was the highest level of adverse ratings in this study.

In terms of understanding stakeholder's businesses, findings are that:

- there is good performance as trusted experts and willingness to work collaboratively
- the perceived value of relationship with DTF is more variable
- new staff having adequate knowledge and understanding of business remains an issue.

Qualitative observations include:

- current communications and limited proactive relationship building are compounding perceived lack of understanding of stakeholder business
- the constant churn of DTF contacts and poor knowledge transfer impacts on continuity and understanding; stakeholders are frustrated by having to "re-educate" new starters
- there is perceived value in identifying shared goals and joint planning to achieve goals
- stakeholders are also interested in understanding the DTF business better.

How people conduct business

DTF people are critical to building strong and productive business relationships. In particular, it is important that DTF staff are viewed as professional, honest, reliable and helpful in their dealings with stakeholders.

In terms of how DTF staff conduct business, the overall mean for 2009 is 65 (this aggregate measure did not have a comparable measure in 2007). Most 59% rate how DTF people conduct business as 'good' or 'very good' and there is a small group of 13% of stakeholders with adverse views of how DTF people conduct business (i.e. scoring either "poor" or "very poor").

Findings include:

- DTF people continue to rate well with stakeholders for their pleasantness, professionalism, trustworthiness, commitment and willingness to help (fundamental to relationship)
- there are lower ratings for use of power over influence and responding constructively to feedback
- the lowest ratings are provided for innovation and preference for rules over ideas.

Seeking more leadership from DTF for innovative policy was the main qualitative theme.

Summary conclusions

The Department has been working for several years to improve its relationships with stakeholders. The DTF Stakeholder Strategy Implementation Plan (SIP) (2008-2001) has introduced higher level initiatives that will provide leadership and a framework to address issues that seem to have become enduring (i.e. identified by stakeholders in each iteration of the research).

A summary of overall results is:

- there has been no significant shift in measured results from 2007 to 2009
- in terms of stakeholder perceived shifts, half of the respondents believe relationship the same since last survey, 2/5 think it is better, 1/10 worse
- there are some enduring themes identified over the three iterations of the research with some positives and some negatives:
 - staff professionalism/general demeanour continue as strong assets
 - DTF is highly regarded for leadership against vision and mission
 - communication to stakeholders, some work processes and knowledge sharing about stakeholders continue as key issues
 - impacts of staff/stakeholder contact churn hinder perceptions of understanding stakeholder
 - stakeholders see DTF as not particularly innovative
- new observations are that relationship effectiveness may be improved through:
 - better alignment of relationship management models/approaches in DTF to suit different relationship and work needs with stakeholders
 - more proactive and earlier engagement on activities
 - sharing more information about each other's businesses
 - debriefing stakeholders on decisions/outcomes
- learning opportunities are that:
 - relationship management experiences and performance vary by Divisions and there is opportunity to share learnings across divisions
 - senior relationships are very strong and could be used for greater leverage through:
 - sharing principles and stories as role models
 - mentoring.

Recommendations

Based on this research, the following recommendations are suggested for consideration:

- increase engagement and support for the stakeholder strategy across all levels of the Department and update initiatives to reflect issues identified in this year's research
- consider how Divisional responses can complement the DTF stakeholder strategy, including profiling key 'better practice' processes, protocols, contact, systems, procedures etc of higher performing Divisions for sharing with other parts of the Department
- review the effectiveness of DTF's various relationship models: relationships could benefit from a more customised approach, tailored to the needs of both DTF and the stakeholder, based on a systematic joint-planning process
- more informal relationship building activities will also help capture the "hearts" of stakeholders and not just their "minds"
- identify opportunities through all DTF stakeholder interactions to deliver more targeted communications and encourage more dialogue with stakeholders
- develop a suite of tools that may enable staff to examine and improve the targeting and quality of communication with stakeholders
- identify opportunities to be more proactive with stakeholder to learn about their business and invite stakeholders to information sharing sessions initiated by DTF. This should include senior staff mentoring new/more junior staff
- consider opportunities to promote innovative initiatives achievements by DTF to stakeholders.

Where to from here

Overall, DTF continues to sustain strong and positive relationships with many stakeholders. A range of specific issues to further improve relationships has been suggested by stakeholders. Taken holistically, these are about finding smarter, more collaborative ways to work together, building trust and empathy and sharing planning for improving relationships and communications overall.