

24 June 2009

Report:

Information, Coordination and
Handling Section Review

HayGroup



*Department of Prime
Minister & Cabinet -
Ministerial Support Unit*

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Executive summary

This report outlines Hay Group's findings following our review of the Information, Coordination and Handling Section of the Ministerial Correspondence Unit in the Department of Prime Minister and Cabinet.

The staff in this Section are proud of the function that they perform and enjoy the important nature of their work. Notwithstanding this commendable attitude, there is significant room for improvement in the processes they undertake and their efficiency in the handling of correspondence they are responsible for. This would assist in reducing the backlog of correspondence awaiting processing, which Hay Group considers, given current resourcing, is at an unacceptable level. Within the current work arrangements, Hay Group has identified a number of "quick wins" around existing processes, however to achieve best practice in operations will require a combination of APS Work Level assessment and workflow review. We believe that staff numbers in the section are sufficient to undertake the tasks they have and that there should not be a backlog situation if they work to the standards indicated in this report.

Key to improving the performance of the Information, Coordination and Handling Section is ensuring that work that is being undertaken is commensurate with the appropriate work levels specified for the APS. Currently, members of the Section are routinely required to undertake tasks in the mail room and conduct frequent courier runs to and from Parliament House. These activities do not require the skill level of the staff that currently undertake them. These activities have a major disruptive effect on the Section's workflow and should be outsourced or undertaken by dedicated lower level staff.

The review highlights the opportunity to gain efficiencies by more effective use of electronic soft copy for the distribution and subsequent management of the preparation of responses. Hay Group benchmarking of the handling of Ministerial correspondence in other Departments found generally that the most efficient areas made maximum use of soft copy handling. A decision to implement soft copy management of Ministerial correspondence would facilitate a re-assessment of the Section's workflow and team structure. Hay Group believes this re-assessment is essential, given the number of workflow bottle-necks that currently exist in the Section's activities.

Scope also exists for focussed training to be undertaken by staff in the Information, Coordination and Handling Section. This training should include practical leadership/management training for team leaders in the Section. Additionally, Hay Group recommends staff should be provided with the opportunity to upgrade their skills in relation to the conduct of their day-to-day tasks (e.g. touch typing, speed reading, etc).

With regard to performance measures, Hay Group found that on an individual basis staff generally agreed that the measures currently in place were reasonable, and that some staff noted that the measures could be further refined. As a result of the Hay Group benchmarking, including examination

of similar types of clerical activities undertaken by staff in commercial organisations at comparative remuneration levels, we have concluded that the performance measures in current use are reasonable and that if followed, greater throughput can be achieved. These measures should be reviewed after firm plans are made to correct the levels of work undertaken in the Section.

Hay Group believes that there is a case to review the organisational structure of the Section. There is an imbalance in workload between the R & L team and the A & A team. Overall there appears to be scope to further reduce FTE. A reduction in FTE could compensate for any outsourcing that might be undertaken in order to achieve this, a structure that merges the two teams or provides more cross team employment flexibility needs to be considered.

Purpose and Objectives of the Review

The purpose of this review was to examine the functions, position structures and classification levels of the Ministerial Support Unit's Information Coordination & Handling Section within the Department of Prime Minister and Cabinet (PM&C) and to make recommendations to improve the performance of the Section.

The review recognises that the Ministerial Support Unit (MSU) has a key role to play in realising PM&C's mission: *To contribute to the good governance of Australia by supporting the Prime Minister, the Cabinet Secretary and the Cabinet in the effective development and delivery of policy across the whole-of-government. To achieve that goal by demonstrating excellence in leadership in the Australian Public Service.*

The findings of this review are to be used to guide possible restructure activities, asset procurement and/or outsourcing aimed at ensuring the MSU is effectively aligned and resourced to deliver the requirements of all stakeholders, including the Prime Minister and Deputy Prime Minister. In order to achieve the desired outcomes, this review sought answers to four core questions.

- What work is currently being undertaken by the Section, how is it being done and why is it being done?
- What work should the Section be undertaking and why?
- What resources are required to deliver the business?
- What structure would best deliver the business?

Hay Group's Approach to Organisational Design

It is our experience that the root causes of poor organisational performance fall into three categories and that all three need to be coordinated to deliver outstanding performance. To improve performance each of these three categories may need to be examined.

- *Job and Organisational Structure* – Frequently we see that jobs and organisational structures evolve as a result of environmental and staffing changes in a reactionary manner, rather than being planned to meet strategic needs. When this happens, the resulting designs often do not adequately support business strategy. As a result, efforts become wasted,

errors occur, and in extreme cases ‘turf wars’ break out and a general sense of dysfunction can permeate the organisation.

- *Performance Management* – We consistently observe that people in an organisation deliver what they are measured on. Problems in the performance management process often arise when measures are wrong or if people do not have sufficient “line of sight” between individual objectives and the big picture.
- *Leadership* – Numerous studies show that leaders drive the climate of an organisation and that the extent to which the work climate is energising and motivating has a clear link with organisational performance.

The current project with PM&C’s MSU is focussed on the first two categories: Job and Organisational Structure, and Performance Management. Our research and experience has led to the development of the *Accountable Organisation Framework* which articulates 6 simple principles that effective organisations adhere to when designing their structure and roles. These principles, while simple to understand, are not always simple to apply.

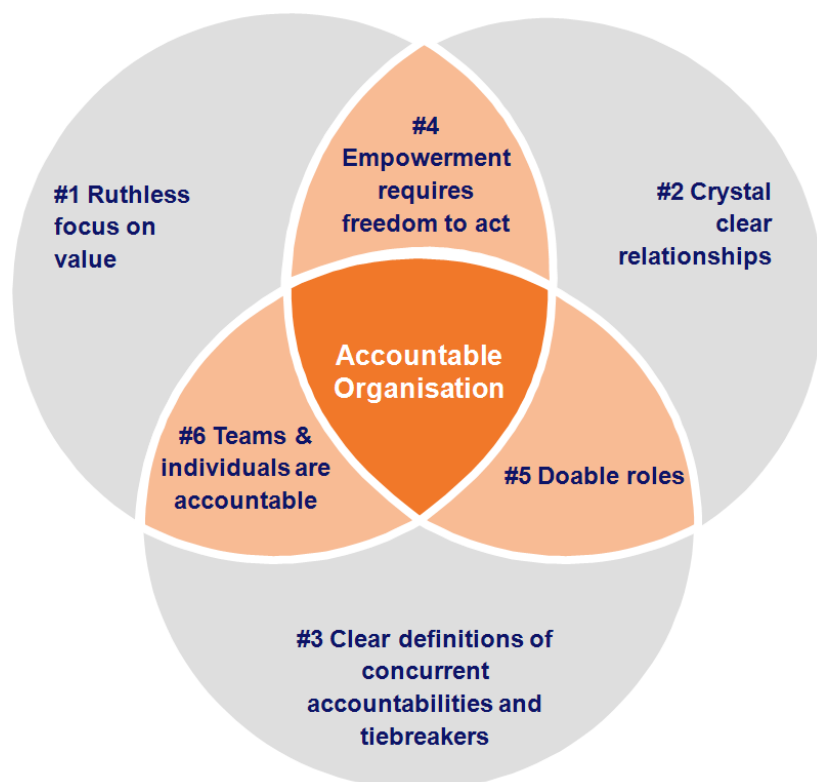


Figure 1: The six principles of an Accountable Organisation

| | |
|---|--|
| A ruthless focus on value | Organisational structures should be predominantly driven by business strategy. Each layer in an organisation must add commensurate value in implementing the strategy. |
| Crystal clear relationships | Redundancies and gaps in major accountabilities should be avoided. Interrelationships within an organisation should be clear to all parties involved. |
| Clear definitions of concurrent accountabilities and tiebreakers | The different roles of jobs in the decision making processes must be clear. Shared accountabilities require 'tiebreakers' and primary and shared decision-making responsibilities must be clearly distinguished from contributory roles for key processes. |
| Empowerment requires freedom to act | Jobs should have explicit decision-making authority, commensurate with the accountabilities. The appropriate level of risk taking should be built into jobs. |
| Doable roles | Jobs should be designed to add value to the organisation and not just to match the competencies of the people who fill them. Simultaneously, the requirements of jobs and the motives of people in the role must be consistent. |
| Individuals & teams are accountable | Teams must have clear purposes whereby the contributed value of a team is higher than that of the individual members. Consequently, a team should have the decision making authority it requires to successfully meet its responsibilities. |

In undertaking our review of the structure and function of the MSU's Information Coordination & Handling Section and its relationship with the broader organisation, we have applied these principles as a guide to identify opportunities for organisational improvement.

Data Collection and Validation

A number of information gathering methods were used to ensure a clear understanding of the Information Coordination & Handling Section's business, including:

- Discussions and interviews with staff on the nature and levels of work conducted in the Section,
- Interviews, observation and review of documentation on the key relationships between the Section and stakeholders inside and outside PM&C.
- Physical measurement and observation of activities associated with structure, functions and work design.

Our findings were then considered within the organisational context and against the Accountable Organisation Framework in order to analyse the current structure, functions and work design. Based on this analysis, Hay Group formulated recommendations designed to optimally align Information Coordination & Handling Section activity to deliver stakeholder requirements and to contribute to the PM&C mission.

Section Briefing

At the commencement of this project Hay Group engaged with an assembly of all Information Coordination & Handling Section employees. The presentation covered the rationale for the project and an outline of the methodology to be employed. Questions raised by employees were addressed at this time. Section members also raised matters that they felt should be considered by management.

Structured Individual Interviews

Hay Group consultants conducted interviews with managers within the Section and the broader MSU. These included;

- First Assistant Secretary – Ministerial Support Unit
- Director – Information Coordination & Handling
- Manager – Allocation & Analysis
- Manager – Registration & Logistics

In all cases interviewees were invited to comment on the current effectiveness of the Section, its future role within the organisation and any specific areas for improvement. Discussions tended to be more oriented towards operational matters, including staffing and performance issues as the Section is operating under the pressure of a very large backlog of work.

Review of Relevant Documentation

The following critical documents were reviewed and considered when preparing this report:

- Performance Data submission from Manager – Allocation & Analysis.
- Performance Data submission from Manager – Registration & Logistics.
- PM&C Collective Agreement 2007-2010.
- *All about PM&C: what we do and how we do it.*
- PM&C Annual Report 07/08.
- Relevant Hay Group Intellectual Property.

Interdepartmental benchmarking

Focussed interviews were conducted with Ministerial correspondence areas within other Commonwealth Departments. During these interviews, the following subject matter was canvassed:

- Volume of correspondence.
- Staff levels for managing the Ministerial correspondence.
- Productivity considerations.
- Levels of return for re-work.
- Levels of backlog.

Throughout the interviews we also made observations of best practice in these work areas.

Current Situation

The Information Coordination & Handling Section of the MSU currently consists of 3 teams:

- Briefings Unit
- Allocation & Analysis (A&A)
- Registration & Logistics (R&L)

As the Briefings Unit is out of scope for this project, the following information concentrates on the other two teams.

Currently the A&A and R&L teams are split along functional boundaries based on the type of work and subsequent work level requirements. This creates a linear split of responsibility across the correspondence handling process which can create role clarity and performance issues.

Workload and Resourcing

Both teams have the responsibility to manage a total of approximately 160,000 pieces of correspondence annually which is categorised by type in the table below.

| Table 1: 2008/09 correspondence | | |
|-----------------------------------|-------------|----------------|
| Electronic (email) | 33% | 52,531 |
| Hard Copy (typed and handwritten) | 27.7% | 44,169 |
| Other (forms, invitations, etc.) | 39.3% | 62,624 |
| Total | 100% | 159,324 |

Note: This table reflects the actual 2008/09 correspondence data

To manage the above workflow, each team has a particular role along a linear process. In a general sense, work is first processed through the R&L team, responsibility is then passed to the A&A team, and finally back to the R&L team to close off the process.

The data used to reach conclusions in the report are based on the resource allocation of four (4) A&A and five (5) R&L staff.

Performance

Performance data, supplied by the A&A Team Manager and the R&L Team Manager, suggests the following performance benchmarks in the tables below.

These tables detail an analysis of both teams' statistical metrics, through which current performance is measured. The criteria details both '*minimum*' and '*target*' time-based performance levels for each statistical metric.

The first table aggregates the total workload for each team for the month of May 2009 (as per the data provided by the A&A and R&L Team Managers). This also includes other significant duties, such as the mailroom and courier runs.

In the second table, the workloads determined in the first table are captured and calculated to provide us with the average resourcing needs for May 09. The resourcing that was available is then compared to this number to determine the level of unaccountable resourcing at both minimum and target performance.

Note: performance criteria and resourcing considerations were not included for work involved with children's correspondence. This information appears not to be captured in May's performance statistics.

As the figures below suggest, even at minimum performance, there is significant room for improvement in achieving output efficiency.

Table 2: Workload and Performance Data for 1 – 31 May 2009

| Table 2: Workload and Performance Data for 1 – 31 May 2009 | | | | | |
|--|---|----------------|----------------------------|---|--------------------------------|
| IC&H Statistical Metrics | Performance Criteria (Averaged in minutes) | | Work Volume (1-31 May) | Workload at minimum performance | Workload at target performance |
| | Minimum | Target | | | |
| R&L Team | | | | | |
| Initiated in MCU PMO requests | 3 min 5 min | 2 min 4 min | 1149 84 (1233 total) | 3447 min 420 min | 2298 min 336 min |
| Send to Officer for Filing | 5 min | 4 min | 548 | 2740 min | 2192 min |
| Send to MO for processing | 5 min | 4 min | 492 | 2460 min | 1968 min |
| Accepted for drafting | 8 min | 5 min | 37 | 296 min | 185 min |
| File the work | 3 min | 2 min | 103 | 309 min | 206 min |
| No Further Action | 3 min | 2 min | 15 | 45 min | 30 min |
| Total | | | | 9717 min | 7215 min |
| Additional duties | | | | | |
| Mailroom duties* | 2 FTE for average 75min per day (May has 21 working days) | | | 3150 min* | 3150* min |
| Courier duties* | 1 FTE for 35min 7 times per day (May has 21 working days) or 1 FTE for 40 min 4 times per day | | | 5145 min* | 3360* min |
| Centralised Scanning | Scanning of all VIP, ORG and Gen Rep correspondence from the mailroom | | | This appears to vary on document load but to process approx 100 items takes 2 hours | 2520 mins |

| | | | |
|---|--|--|-------------------|
| Meetings | Ensure consistency, cohesion etc | Twice weekly @ 30 minutes | 1260 mins |
| Phone calls/incoming | From PMO, branches, other departments and members of the public. Require follow-up, such as searching in Slipstream, confirming or querying referrals, reporting back to enquirer. | Take between 1-20 minutes, average 5 minutes. Frequency average 20 per week | 420 mins |
| Invoice Handling for the Official Establishments Unit | Data entry and handling of sensitive invoices into a tracking database. | 15 minutes a day average | 315 mins |
| Phone calls/outgoing | To branches and other departments, generally about chasing up authorising documents or missing attachments. | Take between 2-10 minutes, average 4 minutes. Frequency average 15 per week | 252 mins |
| Training/advising colleagues | Skill transfer and assisting others | More time-consuming when staff are new | 252 mins |
| Referral Mail out | Dispatch of hard copy items to Ministers' Offices | 25 mins at twice a week | 210 mins |
| PPQ Printing | Check list of current PPQs for the day. Print copies, collate and provide to Briefing Section. | Average 15 Minutes per day on sitting days. Sitting weeks are less than half of the year | 126 mins |
| Additional duties total | | 13,650 min | 11,865 min |
| Grand total for May 09 | | 23,367 min | 19,080 min |

A&A Team

| | | | | | |
|-------------------|-------|-------|------|-------------------|-----------------|
| Refer PM email | 3 min | 2 min | 1689 | 5067 min | 3378 min |
| Refer & Close | 4 min | 3 min | 879 | 3516 min | 2637 min |
| No Further Action | 3 min | 2 min | 333 | 999 min | 666 min |
| Sent to MM | 3 min | 2 min | 962 | 2886 min | 1924 min |
| Total | | | | 12,468 min | 8605 min |

| <i>Additional duties</i> | | | |
|----------------------------------|---|--|-----------|
| Mailroom duties* | 1 FTE for average 75min per day (May has 21 working days) | 1575 min* | 1575 min |
| Rostered tasks | Outlook mailboxes 'PM Alert', 'Readers' and 'MCU - Extensions', backlog vetting, media alerts, VIP copies. | 120-140 minutes per day, average 130 minutes | 2730 mins |
| Unregistered emails | PM emails that are marked for NFA or sent to PMO are not registered and not captured in correspondence statistics. | 2 minutes. Frequency 40 per day (check email data) | 1680 mins |
| VIP signatory analysis | Identify signatory, critical date and timing considerations. Draft email to MM. | 3-5 minutes, average 4 minutes. Frequency 15 per day | 1260 mins |
| Meetings – MSU and A&A Team | MSU mandatory, A&A to ensure consistency, cohesion etc in team. | MSU 30 minutes, A&A 30 minutes. Once weekly, 4 staff | 1008 mins |
| Advising/liasing with colleagues | | More time-consuming when staff are new | 630 mins |
| Phone calls/incoming | From PMO, branches, departments and the public. Require follow-up, searching in Slipstream, confirming or querying referrals, reporting back to enquirer. | 2-20 minutes, average 5 minutes. Frequency 5 per day | 525 mins |
| Phone calls/outgoing | To branches and other departments, generally about referral of correspondence or chasing up missing attachments. Communicate outcomes to MCU. | 2-10 minutes, average 4 minutes. Frequency 5 per day | 420 mins |
| Drafting replies | To the public regarding lack of acknowledgement and mail opened by accident. Drafting, scanning, filing. | 5-10 minutes, average 6 minutes. Frequency 1 per day | 126 mins |

| | | | |
|----------------------------------|---|--|-------------------|
| Standard subjects, dropdown list | Manual maintenance of standard subjects and monitoring/requesting Slipstream to update dropdown list. | Around 30 minutes per week | 126 mins |
| PMO correspondence requests | Searches for individual items or themes and provision of copies to PMO and speechwriters. | 1-30 minutes, average 5 minutes. Frequency 1 per day | 105 mins |
| Additional duties total | | 10,185 min | 10,185 min |
| Grand total for May 09 | | 22,653 min | 18,790 min |

Table Note:

Hay Group has been instructed not to include some tasks currently performed by the A&A Team. These are: the VIP/ORG Report and Fortnightly report. Responsibility for these functions is to be transferred to the Quality and Systems area.

These figures are based on the assumption that 1 FTE equates to an annual workload of:

- 38 hour week (as per Collective Agreement)
- 7hour36min/day (as per Collective Agreement)
- 21 working days in May 2009

* *Assumption that these duties are efficiently conducted*

Table 3: Resourcing comparison for May 2009

| May 09 Workload | R&L Team | A&A Team | Total |
|---|---------------------------|---------------------------|---------------------------|
| May 09 Workload at minimum performance in minutes | 23,367 min | 22,653 min | |
| May 09 workload in FTE (1 FTE equals 21 days for May) | 2.44 FTE (Average) | 2.36 FTE (Average) | 4.8 FTE (Average) |
| Resources available Days (1 FTE equals 21 days for May) | 4.19 FTE (Average) | 2.71 FTE (Average) | 6.90 FTE (Average) |
| Unaccounted resourcing | 1.75 FTE (Average) | 0.35 FTE (Average) | 2.1 FTE (Average) |
| May 09 Workload at target performance | 19,080 min | 18,790 min | |
| May 09 Workload in FTE (1 FTE equals 21 days for May) | 1.99 FTE (Average) | 1.96 FTE (Average) | 3.95 FTE (Average) |
| Resources available (1 FTE equals 21 days for May) | 4.19 FTE (Average) | 2.71 FTE (Average) | 6.90 FTE (Average) |
| Unaccounted resourcing | 2.2 FTE (Average) | 0.75 FTE (Average) | 2.95 FTE (Average) |

Table Note:

These figures are based on the assumption that 1 FTE equates to an annual workload of:

- 38 hour week (as per Collective Agreement)
- 7hour 36min/day (as per Collective Agreement)
- 21 working days in May 2009 (i.e. 1 FTE equals 21 days of work or 9576 minutes)

Backlog data

Given the resourcing data above, the basic performance measure calculation indicates that backlogging has occurred due to minimum performance standards being maintained or teams experiencing higher than expected unforeseen absences (e.g. unexpected personal leave, etc). Maintaining current arrangements would not be a solution to meet current and future workload demands unless individual performance was improved either by removing barriers to efficiency or by significant up-skilling of staff to allow them to work more efficiently.

Incoming Monthly Workload

Whilst the above tables are representative of the work *performed* in May 2009 and the associated resourcing implications, the following tables depict the *total* workload associated with the R&L and A&A teams.

- Tables 4 and 5: Average total monthly workload
- Tables 6 and 7: Workload at the 75th percentile. Therefore, if both teams were resourced accordingly, they would cover 100% of the incoming work, 75% of the time
- Tables 8 and 9: Workload at the 85th percentile. As above.

Noting that 2008/09 presented lower levels of incoming correspondence than previous years, we have utilised data from 2006 to 2009 to ensure a robust foundation for future benchmarking.

As with the above tables, these figures are based on the assumption that 1 FTE equates to an annual workload of:

- 38 hour week (as per Collective Agreement)
- 7hour36min/day (as per Collective Agreement)
- 21 working days (i.e. 1 FTE equals 21 days of work or 9576 minutes)

Table 4: Average Monthly Workload – R&L Team

| Total Workload (registration) | IC&H Statistical Metrics | % of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
|-------------------------------|---|---------------------|-------------|--------|--------|---------------------|--------------------|
| 4031 | Initiated in MCU | 100 | 4031 | 3 min | 2 min | 12,093 | 8062 |
| Total Workload (logistics) | IC&H Statistical Metrics | % of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
| 995 | Send to officer for filing | 42 | 418 | 5 min | 4 min | 2090 | 1672 |
| | Send to MO for processing | 40 | 398 | 5 min | 4 min | 1990 | 1592 |
| | Accepted for drafting | 4 | 40 | 8 min | 5 min | 320 | 200 |
| | File the work item | 11 | 109 | 3 mins | 2 mins | 237 | 218 |
| | NFA | 3 | 30 | 3 mins | 2 mins | 90 | 60 |
| | Total | | | | | 16,820 | 11,804 |
| | <i>Additional duties</i> | | | | | | |
| | Mailroom | | | | | 3150 | 3150 |
| | Courier | | | | | 5145 | 3360 |
| | Centralised Scanning | | | | | 2520 | 2520 |
| | Meetings | | | | | 1260 | 1260 |
| | Phone calls/incoming | | | | | 240 | 240 |
| | Invoice Handling for the Official Establishments Unit | | | | | 315 | 315 |
| | Phone calls/outgoing | | | | | 252 | 252 |
| | Training/ advising colleagues | | | | | 252 | 252 |
| | Referral Mail out | | | | | 210 | 210 |
| | PPQ Printing | | | | | 126 | 126 |
| | Additional duties total | | | | | 13,650 | 11,865 |
| | Grand total | | | | | 30,470 | 23,669 |

Table 5: Average Monthly Workload – A&A Team

| Total Workload (hardcopy) | IC&H Statistical Metrics | Percentage of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
|------------------------------|------------------------------------|------------------------------|-------------|-------|--------|---------------------|--------------------|
| 4031 | Refer and Close | 50 | 2015 | 4 min | 3 min | 8060 | 6045 |
| | Send to MM | 25 | 1008 | 3 min | 2 min | 3024 | 2016 |
| | NFA | 25 | 1008 | 3 min | 2 min | 3024 | 2016 |
| Total Workload (email) | IC&H Statistical Metrics | Percentage of total work | Work Volume | Min | Target | Workload at minimum | Workload at target |
| 5327 | Refer PM email | 75 | 3995 | 3 min | 2 min | 11,985 | 7990 |
| | Send to MM | 5 | 267 | 3 min | 2 min | 801 | 534 |
| | NFA | 20 | 1065 | 3 min | 2 min | 3195 | 2130 |
| | Total | | | | | 30,089 | 20,731 |
| | Additional duties | | | | | | |
| | Mailroom | | | | | 1575 | 1575 |
| | Rostered tasks | | | | | 2730 | 2730 |
| | Unregistered emails | | | | | 1680 | 1680 |
| | VIP signatory analysis | | | | | 1260 | 1260 |
| | Meetings – MSU and A&A | | | | | 1008 | 1008 |
| | Advising/ liaising with colleagues | | | | | 630 | 630 |
| | Phone calls/ incoming | | | | | 525 | 525 |
| | Phone calls/ outgoing | | | | | 420 | 420 |
| | Drafting replies | | | | | 126 | 126 |
| | Standard subjects, drop down list | | | | | 126 | 126 |
| | PMO correspondence requests | | | | | 105 | 105 |
| | Additional duties total | | | | | 10,185 | 10,185 |
| | Grand total | | | | | 40,274 | 30,916 |

Table 6: Monthly Workload (75th percentile) – R&L Team

| Total Workload (registration) | IC&H Statistical Metrics | % of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
|---|----------------------------|---------------------|-------------|--------|--------|---------------------|--------------------|
| 3977 | Initiated in MCU | 100 | 3977 | 3 min | 2 min | 11,931 | 7954 |
| Total Workload (logistics) | IC&H Statistical Metrics | % of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
| 995 | Send to officer for filing | 42 | 418 | 5 min | 4 min | 2090 | 1672 |
| | Send to MO for processing | 40 | 398 | 5 min | 4 min | 1990 | 1592 |
| | Accepted for drafting | 4 | 40 | 8 min | 5 min | 320 | 200 |
| | File the work item | 11 | 109 | 3 mins | 2 mins | 237 | 218 |
| | NFA | 3 | 30 | 3 mins | 2 mins | 90 | 60 |
| Total | | | | | | 16,658 | 11,696 |
| <i>Additional duties</i> | | | | | | | |
| Mailroom | | | | | | 3150 | 3150 |
| Courier | | | | | | 5145 | 3360 |
| Centralised Scanning | | | | | | 2520 | 2520 |
| Meetings | | | | | | 1260 | 1260 |
| Phone calls/incoming | | | | | | 240 | 240 |
| Invoice Handling for the Official Establishments Unit | | | | | | 315 | 315 |
| Phone calls/outgoing | | | | | | 252 | 252 |
| Training/ advising colleagues | | | | | | 252 | 252 |
| Referral Mail out | | | | | | 210 | 210 |
| PPQ Printing | | | | | | 126 | 126 |
| Additional duties total | | | | | | 13,650 | 11,865 |
| Grand total | | | | | | 30,308 | 23,561 |

Table 7: Monthly Workload (75th percentile) – A&A Team

| Total Workload (hardcopy) | IC&H Statistical Metrics | Percentage of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
|------------------------------|------------------------------------|------------------------------|-------------|-------|--------|---------------------|--------------------|
| 3977 | Refer and Close | 50 | 1989 | 4 min | 3 min | 7956 | 5967 |
| | Send to MM | 25 | 994 | 3 min | 2 min | 2982 | 1988 |
| | NFA | 25 | 994 | 3 min | 2 min | 2982 | 1988 |
| Total Workload (email) | IC&H Statistical Metrics | Percentage of total work | Work Volume | Min | Target | Workload at minimum | Workload at target |
| 5603 | Refer PM email | 75 | 4202 | 3 min | 2 min | 12,606 | 8404 |
| | Send to MM | 5 | 280 | 3 min | 2 min | 840 | 560 |
| | NFA | 20 | 1121 | 3 min | 2 min | 3363 | 2242 |
| | Total | | | | | 30,729 | 21,149 |
| | Additional duties | | | | | | |
| | Mailroom | | | | | 1575 | 1575 |
| | Rostered tasks | | | | | 2730 | 2730 |
| | Unregistered emails | | | | | 1680 | 1680 |
| | VIP signatory analysis | | | | | 1260 | 1260 |
| | Meetings – MSU and A&A | | | | | 1008 | 1008 |
| | Advising/ liaising with colleagues | | | | | 630 | 630 |
| | Phone calls/ incoming | | | | | 525 | 525 |
| | Phone calls/ outgoing | | | | | 420 | 420 |
| | Drafting replies | | | | | 126 | 126 |
| | Standard subjects, drop down list | | | | | 126 | 126 |
| | PMO correspondence requests | | | | | 105 | 105 |
| | Additional duties total | | | | | 10,185 | 10,185 |
| | Grand total | | | | | 40,914 | 31,334 |

Table 8: Monthly Workload (85th percentile) – R&L Team

| Total Workload (registration) | IC&H Statistical Metrics | % of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
|---|----------------------------|---------------------|-------------|--------|--------|---------------------|--------------------|
| 4223 | Initiated in MCU | 100 | 4223 | 3 min | 2 min | 12,669 | 8446 |
| Total Workload (logistics) | IC&H Statistical Metrics | % of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
| 995 | Send to officer for filing | 42 | 418 | 5 min | 4 min | 2090 | 1672 |
| | Send to MO for processing | 40 | 398 | 5 min | 4 min | 1990 | 1592 |
| | Accepted for drafting | 4 | 40 | 8 min | 5 min | 320 | 200 |
| | File the work item | 11 | 109 | 3 mins | 2 mins | 237 | 218 |
| | NFA | 3 | 30 | 3 mins | 2 mins | 90 | 60 |
| Total | | | | | | 17,396 | 12,188 |
| <i>Additional duties</i> | | | | | | | |
| Mailroom | | | | | | 3150 | 3150 |
| Courier | | | | | | 5145 | 3360 |
| Centralised Scanning | | | | | | 2520 | 2520 |
| Meetings | | | | | | 1260 | 1260 |
| Phone calls/incoming | | | | | | 240 | 240 |
| Invoice Handling for the Official Establishments Unit | | | | | | 315 | 315 |
| Phone calls/outgoing | | | | | | 252 | 252 |
| Training/ advising colleagues | | | | | | 252 | 252 |
| Referral Mail out | | | | | | 210 | 210 |
| PPQ Printing | | | | | | 126 | 126 |
| Additional duties total | | | | | | 13,650 | 11,865 |
| Grand total | | | | | | 31,046 | 24,053 |

Table 9: Monthly Workload (85th percentile) – A&A Team

| Total Workload (hardcopy) | IC&H Statistical Metrics | Percentage of total workload | Work Volume | Min | Target | Workload at minimum | Workload at target |
|------------------------------|------------------------------------|------------------------------|-------------|-------|--------|---------------------|--------------------|
| 4223 | Refer and Close | 50 | 2111 | 4 min | 3 min | 8444 | 6333 |
| | Send to MM | 25 | 1056 | 3 min | 2 min | 3168 | 2112 |
| | NFA | 25 | 1056 | 3 min | 2 min | 3168 | 2112 |
| Total Workload (email) | IC&H Statistical Metrics | Percentage of total work | Work Volume | Min | Target | Workload at minimum | Workload at target |
| 7215 | Refer PM email | 75 | 5411 | 3 min | 2 min | 16,233 | 10,822 |
| | Send to MM | 5 | 361 | 3 min | 2 min | 1083 | 722 |
| | NFA | 20 | 1443 | 3 min | 2 min | 4329 | 2886 |
| | Total | | | | | 36,425 | 24,987 |
| | Additional duties | | | | | | |
| | Mailroom | | | | | 1575 | 1575 |
| | Rostered tasks | | | | | 2730 | 2730 |
| | Unregistered emails | | | | | 1680 | 1680 |
| | VIP signatory analysis | | | | | 1260 | 1260 |
| | Meetings – MSU and A&A | | | | | 1008 | 1008 |
| | Advising/ liaising with colleagues | | | | | 630 | 630 |
| | Phone calls/ incoming | | | | | 525 | 525 |
| | Phone calls/ outgoing | | | | | 420 | 420 |
| | Drafting replies | | | | | 126 | 126 |
| | Standard subjects, drop down list | | | | | 126 | 126 |
| | PMO correspondence requests | | | | | 105 | 105 |
| | Additional duties total | | | | | 10,185 | 10,185 |
| | Grand total | | | | | 46,610 | 35,172 |

Resourcing comparisons

Resourcing implications for the above tables are set out below in terms of FTE required for minimum, median and target performance.

Table 10: Resourcing comparison for Average Monthly Workload

| Average Monthly Workload | R&L Team | A&A Team | Total |
|--|--------------------|--------------------|--------------------|
| Average Monthly Workload at MINIMUM performance in minutes | 30,470 | 40,274 | |
| Monthly workload in FTE (1 FTE equals 21 days) | 3.18 FTE (Average) | 4.2 FTE (Average) | 7.38 FTE (Average) |
| Average Monthly Workload at MEDIAN performance in minutes | 27,044 | 35,595 | |
| Monthly workload in FTE (1 FTE equals 21 days) | 2.82 FTE (Average) | 3.71 FTE (Average) | 6.53 FTE (average) |
| Average Monthly Workload at TARGET performance | 23,619 | 30,916 | |
| Monthly Workload in FTE(1 FTE equals 21 days) | 2.47 FTE (Average) | 3.23 FTE (Average) | 5.7 FTE (Average) |

Table 11: Resourcing comparison at 75th percentile

| Average Monthly Workload | R&L Team | A&A Team | Total |
|--|--------------------|--------------------|--------------------|
| Average Monthly Workload at MINIMUM performance in minutes | 30,308 | 40,914 | |
| Monthly workload in FTE (1 FTE equals 21 days) | 3.16 FTE (Average) | 4.72 FTE (Average) | 7.88 FTE (Average) |
| Average Monthly Workload at MEDIAN performance in minutes | 26,935 | 36,124 | |
| Monthly workload in FTE (1 FTE equals 21 days) | 2.81 FTE (Average) | 3.77 FTE (Average) | 6.58 FTE (Average) |
| Average Monthly Workload at TARGET performance | 23,561 | 31,334 | |
| Monthly Workload in FTE(1 FTE equals 21 days) | 2.46 FTE (Average) | 3.27 FTE (Average) | 5.73 FTE (Average) |

Table 12: Resourcing comparison at 85th percentile

| Average Monthly Workload | R&L Team | A&A Team | Total |
|--|--------------------|--------------------|--------------------|
| Average Monthly Workload at MINIMUM performance in minutes | 31,046 | 46,610 | |
| Monthly workload in FTE (1 FTE equals 21 days) | 3.24 FTE (Average) | 4.87 FTE (Average) | 8.11 FTE (Average) |
| Average Monthly Workload at MEDIAN performance in minutes | 27,540 | 40,891 | |
| Monthly workload in FTE (1 FTE equals 21 days) | 2.87 FTE (Average) | 4.27 FTE (Average) | 7.14 FTE (Average) |
| Average Monthly Workload at TARGET performance | 24,053 | 35,172 | |
| Monthly Workload in FTE (1 FTE equals 21 days) | 2.51 FTE (Average) | 3.73 FTE (Average) | 6.24 FTE (Average) |

Resourcing benchmarks

The data from the tables above has been simplified into the two tables below to depict required resources for given workloads and performance expectations.

Table 13: R&L Team Resourcing

| Monthly Workload | FTE required @ Minimum | FTE required @ Median | FTE required @ Target |
|---------------------------------|------------------------|-----------------------|-----------------------|
| Average Monthly Workload | 3.18 | 2.82 | 2.47 |
| Full coverage – 75% of the time | 3.16 | 2.81 | 2.46 |
| Full Coverage – 85% of the time | 3.24 | 2.87 | 2.51 |

Table 14: A&A Team Resourcing

| Monthly Workload | FTE required @ Minimum | FTE required @ Median | FTE required @ Target |
|---------------------------------|------------------------|-----------------------|-----------------------|
| Average Monthly Workload | 4.20 | 3.71 | 3.23 |
| Full coverage – 75% of the time | 4.72 | 3.77 | 3.27 |
| Full Coverage – 85% of the time | 4.87 | 4.27 | 3.73 |

As can be seen the Section requires 8.11 FTE to perform full coverage at the 85th percentile working to Minimum Standard. It can therefore be concluded that a reduction in FTE could occur and the workload managed. The tables above also demonstrate that there is an imbalance of work between the R & L Team and the A & A Team and a restructure could be considered to merge the Teams together into a single unit or actions taken to provide greater cross team employment flexibility.

Benchmark Review

For the purpose of benchmarking the performance of the Section, four Commonwealth Departments and one commercial organisation were selected for examination. The commercial organisation was used to test the performance (skill levels) of individuals who receive remuneration packages comparable to the APS members in the Section.

The processes used by the agencies who participated in this Review were all markedly different in some aspects. As such we have not been able to draw direct benchmarks in regard to metrics such as throughput per staff member

Volume of correspondence

The volume of correspondence handled by the benchmarked Departments varied from approximately 6,000 pieces per annum up to 100,000 pieces per annum (this latter situation relates to the maximum received if a “campaign” is being conducted). PM&C clearly handles one of the largest Ministerial correspondence loads of any Department.

Staff levels for managing the Ministerial correspondence

Staff managing Ministerial correspondence in the benchmark Departments are not provided on a simple proportional basis to the volume of correspondence handled. Rather, workflow considerations are used to determine these levels and in two Departments a heavy reliance is (successfully) placed on technology to maintain appropriate staff levels.

APS Work Levels are adhered to rigorously in the Departments benchmarked. In one department, APS5s actually compose responses to Ministerial correspondence and ensure its rapid flow through the process.

Because a clear staffing comparison could not be achieved we sampled work practices in a commercial organisation to assess the speed with which similar correspondence related tasks were carried out. Generally the individual skills at similar pay classifications were higher in the commercial organisation.

Productivity considerations

There is no consensus amongst benchmarked Departments as to how to measure productivity and conduct performance management. Approaches ranged from individual metrics through to overall unit performance. Consensus did however exist on the point that well managed Ministerial correspondence systems were an essential tool for maintaining effective relationships with Ministers and their staff and therefore contributed to the overall organisation climate in those Departments.

Wherever possible, process efficiency has been maximised by either outsourcing work that is below the work level standards of the establishment, or by applying technological solutions.

Two of the Departments benchmarked had moved to reliance on soft-copy for the management of Ministerial correspondence. This has been very

successful and we consider this to be best practice. The Departments noted that this transition required both the re-deployment of staff that were unable to achieve the necessary skills and the recruitment of staff with the appropriate skills to key positions in the re-designed work processes.

Levels of backlog

All Departments benchmarked experienced a current level of backlog ranging from 2 days to 8 weeks. Most reported that this backlog was due to recent Cabinet changes and are managing the backlog through a combination of supplementary resourcing from other areas, overtime and finding process efficiencies through personnel development or procedural change.

Review findings

We have applied the principles of the *Accountable Organisation Framework* as a guide and identified the following opportunities for organisational performance improvement within MSU's Information, Coordination & Handling Section.

A ruthless focus on value

- **Outsourcing:** duties relating to the courier runs, mail receipting and sorting, and bulk mail-outs are below the APS Work Level of current Section staff, are disruptive to work routines and should be outsourced to an appropriate provider or lower level staff used to conduct the tasks. Currently the work relating to these tasks is undertaken as a part of other staff duties but it is well below the APS Work Level Standards for R&L team members. If the low level tasks were outsourced, staff could be freed to do more meaningful work at the appropriate level and contractual arrangements could have sorted correspondence ready for action by 8:00 am. There are however resource considerations required for the establishment and ongoing management of a contract for these services. Outsourcing these duties requires serious consideration of the security risks involved with access to sensitive information, this would be a significant evaluation criteria for any tendering activity. However, a number of Departments have services, such as courier work, outsourced at this time.
- **Reviewing redundant practices:** the Section's workflow includes inefficient practices. We believe that PM&C should undertake a "lean process" analysis of the workflow to determine structural efficiencies and eliminate process waste. This analysis would also inform position responsibilities and documentation and procedural instructions. Activities identified in this analysis as not contributing to the MSU's mission, and therefore not creating value, should be eliminated.
- **Focus on quality customer service:** while the Section reviews replies for formatting and spelling errors it does not demonstrate a consistent focus on quality customer service. Completion time-frames are not actively managed and other Departments used for benchmarking in this review observed that correspondence sent to them by the Section often contains items that are required to be actioned by other Departments. It is recommended that response time-frames be set and adhered to and

customers surveyed regularly to measure their satisfaction with the quality of the service provided.

Crystal clear relationships

- **Documentation:** existing job description documentation is either out of date or totally irrelevant to current circumstances in the Section. Updated Position Descriptions are required for the Section after implementation of changes to increase performance.
- **Knowledge management:** clear “how to” guides are required to ensure that knowledge is not considered a personal possession and used to retain certain desired elements of work in the Section. Further, a staff directory is required to ensure that Section members understand better where correspondence is to be sent for action.

Clear definitions of concurrent accountabilities and tiebreakers

- Regular team leadership /management briefings are held for the Section as a whole. These briefings should continue and be focussed on procedural matters. Part of these regular briefings should be devoted to how well performance measures (see section 5.6) are tracking. These briefings should not be seen as a substitute for Section members maintaining “situational awareness” in regard to “hot issues”.
- To ensure that Section members have freedom to act, strong position documentation (roles/accountabilities) as mentioned above is required. Notwithstanding the prescriptive nature of position documentation Section staff should be rewarded for using their initiative in taking actions to constantly improve the quality of the service they provide. We observed that while Section staff take pride in their work they do not exhibit a culture of seeking continuous improvement in workplace efficiency.

“Do-able” roles

- APS Work Level standards should be observed. Our review demonstrated that many of the jobs undertaken by members of the Section (often on rotation) are well below the appropriate APS Work Level standard e.g. the courier runs and mail room activities.
- Some positions can be required to routinely undertake more responsible roles than is currently the case e.g. APS3s can do more than is currently demonstrated in the Section.
- The nature of some work undertaken in the Section legitimately requires contributions from higher level employees, particularly from a quality assurance perspective. However, even allowing for this requirement, the distribution of employment levels appears skewed towards an overrepresentation of higher level grades. This is one factor that has, over time, influenced the current attitudinal and behavioural challenges.
- Training/development for members of the Section was not targeted to improving performance of the Section and such training/development should be provided.

Individuals & teams are accountable

- Performance Metrics could be tighter if extraneous tasks were removed from the Section and work was undertaken at appropriate APS Work

Levels. Focusing purely on speed of processing over a 2 week period means team members who are required to do (or volunteer to do) more tasks (e.g. courier runs, reporting etc) not related to correspondence processing may not record accurate utilisation results..

- The teams should be reminded that team leaders were consulted on the best way to measure performance. Hay Group considers that the metrics currently used, particularly target performance, are comparable with private sector expectations.
- Once individual performance measures are able to be made with work below appropriate APS Work Level removed, team performance metrics should also be introduced to allow identification of the result of cumulative effort to be measured.
- Performance targets should be “challenging but achievable”.

Observations and procedural improvement recommendations

Both the A&A and R&L teams take pride in their work. However in terms of efficiency, there is a high level of variability between team members. As there is yet to be defined benchmarks for performance, the variance is not quantifiable in terms service standards. Therefore, whilst data is being collected, it is not clear what level of performance is deemed as “excellent” or “requires improvement”.

Team morale is not particularly high as there is a high level of mistrust between team members and management.

Specific tasks that could be improved include:

Task: To register mail in SlipStream

- This includes:
 - Entering address, date received and other details.
 - Confirming whether writer is already in the system.
 - Scanning the correspondence.
 - Allocating the correspondence to a reader.
 - Delivering the hard copy to the reader.
- Ways to increase efficiency in this processing:
 - All team members should be able to touch type at 60+ wpm.
 - IT improvements: There is a 10 – 30second delay while SlipStream checks its database to see whether the individual is already there. Ways to reduce this delay should be investigated with IT.
 - Reduce delays caused by scanning by examination of alternative scanning methods.
 - File hardcopy and work from soft, instead of delivering to reader.

Task: Allocation and Analysis (hard copy)

- This includes:
 - Reading item.
 - Determining subject of item, and entering this into slip stream.
 - Determining who item should be referred to for response (if anyone).
 - Delivering hard copy of item to pigeon hole.
- Ways to increase efficiency in this processing:
 - All team members should be able to touch type at 60+ wpm.

- Work from soft copy so reader does not have to leave their desk to deliver hard copies to pigeon holes.

Task: Daily VIP and Org Report (Note – this function is soon to be transferred out from the Section)

- This includes:
 - Exporting relevant information from SlipStream to Excel.
 - Manually ‘cleaning up’ export to match report format.
 - Manually entering critical timing and signature recommendation.
- Ways to increase efficiency in this processing:
 - Excel training for team member running report.
 - Review structure of report and attempt to set it up to ‘match’ the format data is exported in.
 - Review requirement for report content (i.e. can it be drawn directly from Slipstream).

Task: Fortnightly general correspondence report

- This includes:
 - Manually scanning through SlipStream list for trending subjects.
 - Running a search for each identified subject, and manually recording number of received items.
 - Entering these numbers into a spreadsheet.
- Ways to increase efficiency in this processing:
 - Encourage more consistency in the way subjects are written by the AA team, e.g. grammar (putting ‘the’ at the beginning), terminology (asylum seekers / illegal immigrants; rubbish / litter), etc.
 - IT upgrade: Investigate if SlipStream could be set up to do some of this automatically E.g. scan for key words etc

Task: Processing children’s mail

- This includes:
 - Registering in SlipStream.
 - Determining subject.
 - Generating response, mostly from a pre-written, pre-approved ‘bank’ of text.
- Ways to increase efficiency in this processing:
 - Make the responses more generic (allowing a more streamlined, easier to navigate ‘bank’ of text).
 - Reorganise bank of text so it is easier to navigate.

Task: Print and Pack

- This includes:
 - Scanning signed letter.
 - Photocopying for cc’s and including any enclosures.
- Ways to increase efficiency on this task:
 - Train all team members to touch type.
 - cc other stakeholders (Ministers office etc) via e-mail instead of hard post.

Staff Issues Emerging from Feedback

During the review the staff of the Section mentioned several other issues that they felt should be brought to the attention of MSU management. These points will be important to consider when reviewing functions, position structures and classification levels.

The major points raised by Section members to the Hay Group team for management consideration were that they had concerns regarding:

- Moderate levels of uncoordinated activity
- Lack of role clarity
- Tension over who is responsible for what
- Mismatches between level of work and seniority of incumbents
- Undue focus on activities and tasks
- A feeling of disconnect from the broader organisation
- A sense of being disenfranchised

Review Recommendations

In order to maximise the performance of the Information, Coordination and Handling Section Hay Group recommends that:

1. Work that is below APS Work Levels for existing Section staff should be outsourced. Specifically, noting security implications, mail sorting and courier runs could immediately be contracted to an external provider or undertaken by lower level staff.
 - Mail sorting
 - Courier runs
2. Wherever possible, correspondence managed by the Section should be handled in soft copy.
3. Workflow and corresponding team structure should be assessed and documented using “lean methodology” to:
 - Ensure most effective team structure
 - Identify and resolve bottle necks in processing
 - Ensure work levels match APS standards
 - Remove unnecessary steps and inefficiencies
 - Document processes, systems and position descriptions
 - Balance workloads between Teams by possibly merging the two existing teams into one unit or by providing greater cross Team employment flexibility
4. Improved management/team relationships be developed by:
 - Practical leadership training (specifically developing an understanding of the dimensions of Organisational Climate) for team leaders be conducted to:

- Continue to improve communication
 - Support team members to succeed
 - Raise situational awareness
 - Ensure team members feel valued and supported
 - Responsiveness to concerns raised
 - To ensure clarity of role is achieved.
5. The performance measures used in this Report be adopted across the Section and the previous backlog not be allowed to occur in future as sufficient staff exist to prevent a backlog from occurring.
6. Team based performance measures are introduced to generate accountability:
- Measures of performance should be included at both individual and team levels.
 - Ensure performance metrics are accurate and meaningful
7. Training and support is appropriate to the tasks undertaken:
- Ensure access to relevant training and development
 - Touch typing
 - Excel
 - Speed reading
 - Leadership and Management training
 - Ensure team is adequately supported by IT infrastructure, with quick responses if IT problems arise.