Notice to Contractor

Section 1	
Reference number	KRA_2024_02
Subject	Innovation KPI Trial
Prepared By & Issue Date	Waka Kotahi Maintenance Portfolio team, February 2024
NTC Purpose	The purpose of this NTC is to inform NOC Teams that the Innovation KPI Trial is completed.

Introduction

KPI 4.3.1 Innovation

As part of the 2022/23 KRA framework refresh, KPI 4.3.1 Innovation was introduced in collaboration with the ILM-M Innovation sub-group.

The intention was to promote innovative culture, allowing CMTs to acknowledge innovation without national moderation. Additional mechanisms to evaluate 'shared' innovations included the ILM-M Innovation awards and publication to our Innovations website, which were required to achieve Outstanding.

The results of the trial throughout 2022/23 and the first part of 2023/24 have been reviewed and the trial is now completed.

The KPI will be removed from the 24/25 KRA Framework. NOCs are advised they may opt to cease the KPI with immediate effect.

What were the outcomes of the trial?

What were the goals?

The goals presented as part of the ILM-M proposal were as follows:

- Seeking outcome of an innovative culture
- Innovative culture means:
  - teams are free to bring new/ different ideas to management for consideration and possible adoption
  - Good ideas are actively pursued (implemented) but not everything will work (fail fast)
  - Successful innovation is shared with industry

Additional goals sought by Te Toki Manawa – Programmes and Standards included:

- Demonstrated interest from industry before committing to a scoring KPI
- Demonstrated value from innovations arising from the trial

How was the trial assessed?

The impact on each goal was assessed as follows:

Goal	Assessment approach
Generating and implementing ideas/demonstrated interest from industry	• Numbers of ideas generated and implemented in 2022/23 were assessed by CMT and recorded in quarterly KRA reports
Sharing with industry/demonstrated value from innovations arising from the trial	• Sharing with industry via Innovation Awards: Nominations were collated and published by ILM-M • Sharing with industry via Innovation Website: Proposed mechanism to evaluate and publish innovations was not mobilised, likely due to key stakeholders involved prioritising its core function, Hoe ki angitū - Innovation Fund
Innovative culture	• Innovative culture self-assessment: Engagement surveys completed since the KPI was implemented in July 2022 were assessed. The scores and comments were reviewed and grouped into higher and lower self-assessed performance levels and related verbatim comments reviewed for any impact on Innovation culture relating to the KPI Trial. • Innovative culture (relative to previous survey) The latest scores were compared to historical scores for innovation as an organisational objective/innovative as a behavioural commitment

Summary

- Participation in the trial varied widely with minimal or no contribution from the majority of NOCs, indicating supplier interest in the Innovation KPI is low. This is potentially due to the fact the KPI was not scored.
- The engagement survey findings suggest that the trial did not contribute to the primary goal (innovative culture):
    - Both of the NOCs with strong relative self-scoring and positive commentary for Innovation in Relationship surveys had low or no participation in the Innovation KPI trial and did not submit to the Innovation awards.
    - All 6 of the NOCs with increased absolute self-scoring for innovation in relationship surveys had low or no participation in the Innovation KPI trial.
- Development of innovative culture appears to be more linked to local factors, potentially including the decision to include it in behavioural commitments, and in response to external situations such as severe weather events.

Effective immediately

It was agreed at the MCGG in February 2024 that Contractors may opt to cease the KPI with immediate effect, as opposed to waiting for the next version of the KRA Framework.

Questions

All questions are to be directed to the MCM in the first instance.