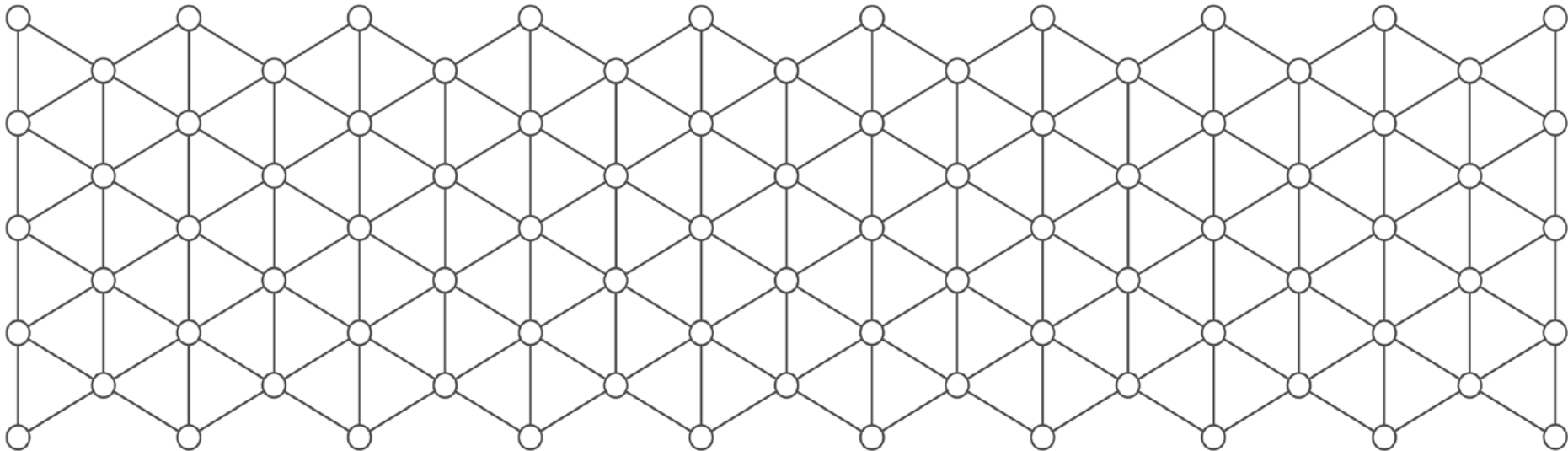# The policy workforce and pathways to improved capability

Public Service agency practices related to policy people capability and potential options for collective policy workforce initiatives

August 2017

Background and intent

This report is part of the Policy Project (PP) people capability workstream, agreed by the Head of Policy Profession (HoPP) Board in 2016. The Board commissioned the PP team to:

- support agencies to use the policy improvement frameworks, including the [Policy Skills Framework](#) (PSF)
- examine and analyse priority policy workforce issues (attract, retain, develop, deploy) and where they might be best addressed collectively.

This report:

- profiles the policy workforce and describes key trends and perceptions related to recruitment, retention, development and deployment
- reports current and potential use of the PSF
- outlines the reported appetite for collective policy workforce initiatives
- sets out potential options for action (for the PP and collective initiatives).

This report draws together information about the policy workforce based on:

- a 2017 PP survey of agency policy capability leads and their HR/OD colleagues on agency policy people capability practices, including their use of the PSF (see Annex 1 for the PP survey methodology)
- 2005-2017 data from the Human Resource Capability Survey (HRC) and Integrated Data Infrastructure (IDI)
- policy related system level workforce analysis of 2017 Four-year plans
- insights from numerous cross-agency workshops and discussions on 'pain points' related to the recruitment, retention, development and deployment of policy staff.

This report supports policy leaders' consideration of potential collective initiatives to build policy people capability, including as part of any possible future Public Service wide policy workforce strategy. Such a strategy, if supported, would be consistent with agencies maintaining responsibilities for their own workforce planning but recognise the opportunities for and benefits of collective action. It should also align with any talent management system in support of the proposed policy career board.
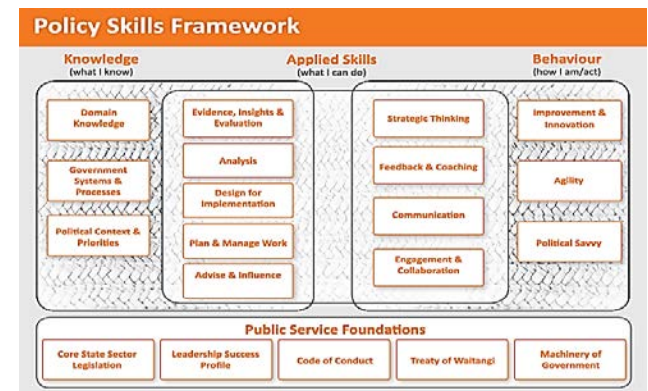
Policy workforce: profile & trends

Changing age profile

Since 2007, the 20-34 and 65+ age brackets' proportions of the policy workforce have increased, while 40-59 brackets have decreased (Chart 1).

Becoming more 'top heavy'

Since 2007 the proportion of the non-managerial policy workforce classified as 'Principals' has doubled, while the proportion of analysts has reduced. The cap on Public Service numbers may incentivise a preference for more senior staff (Chart 2).

Opportunities for more diversity...

There is a mixed diversity story, with low representation of Pacific, Maori and Asians compared with the general population, but good gender balance (except for in the Principal analyst cohort). Gender pay gaps exist, but are less than the Public Service average (Table 1).

Table 1: Policy Workforce demographics, 2016

| Policy Group	Headcount	% Women	Average age	% Maori	% Pacific	% Asian	Gender pay gap
Tier 2 & 3 Managers	133	51.1%	47.8	10.5%	0.8%	1.6%	6.0%
Other Managers	332	48.5%	46.0	10.4%	1.3%	3.0%	7.5%
Principal Advisors	318	40.9%	49.7	6.0%	0.7%	4.7%	8.0%
Senior Analysts	1,021	57.5%	43.9	11.7%	1.8%	5.2%	5.6%
Analysts	879	59.5%	32.0	10.7%	1.7%	8.2%	4.7%
Policy Total	2,683	51.5%	43.9	9.9%	1.3%	4.5%	6.4%
Public Service	47,570	60.7%	44.8	16.1%	8.1%	8.9%	13.5%

Source: SSC/HRC Survey

Chart 1: Age-brackets' proportion of the policy workforce overtime
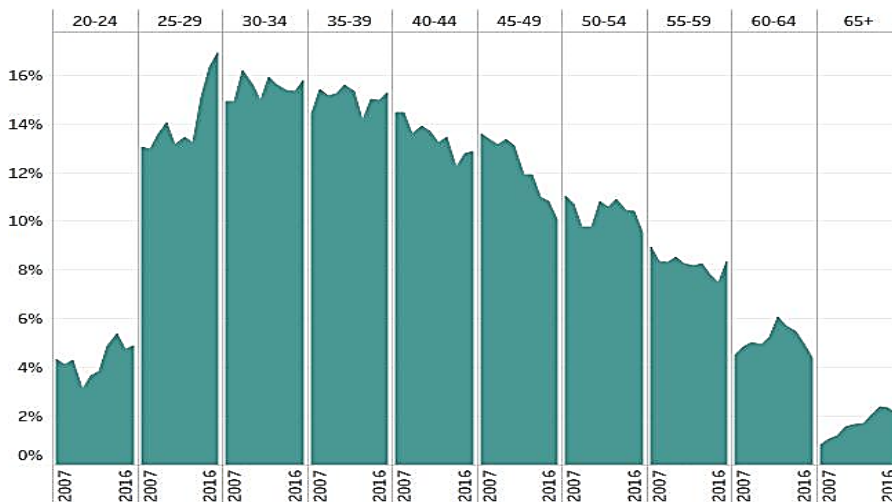
Source: SSC/HRC Survey

Chart 2: Non-managerial job levels' proportion of the policy workforce overtime
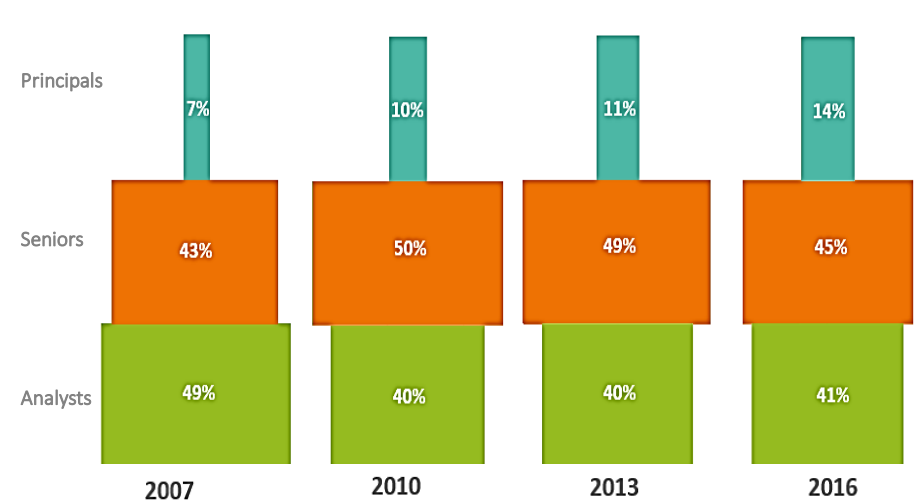
Source: SSC/HRC Survey

Attraction and retention issues

Grad intake dropped post-GFC

Graduate recruitment for all segments of the Public Service workforce dropped post-GFC, but policy dropped the most.

Policy graduate recruitment tends to be higher than for other workforces (e.g. corporate, ICT), as policy capability needs to be developed 'in system' rather than imported 'fully formed' (Chart 3).

Grad retention is also falling

40-45% of policy grads who entered the Public Service between 2006-08 were employed in the Public Service five years later.

For the 2010 entry cohort only 20% remain after five years, and the 2012 cohort is tracking for a similarly low retention rate (Chart 4).

Good seniors are scarce

Senior analysts are perceived to be the hardest policy staff to both recruit and retain.

Principal analysts also hard to recruit, but not to retain (Chart 5).

Chart 5: Policy job levels that are the hardest to recruit and retain

Number

Hardest to recruit
Hardest to retain

Source: individual responses to PP survey
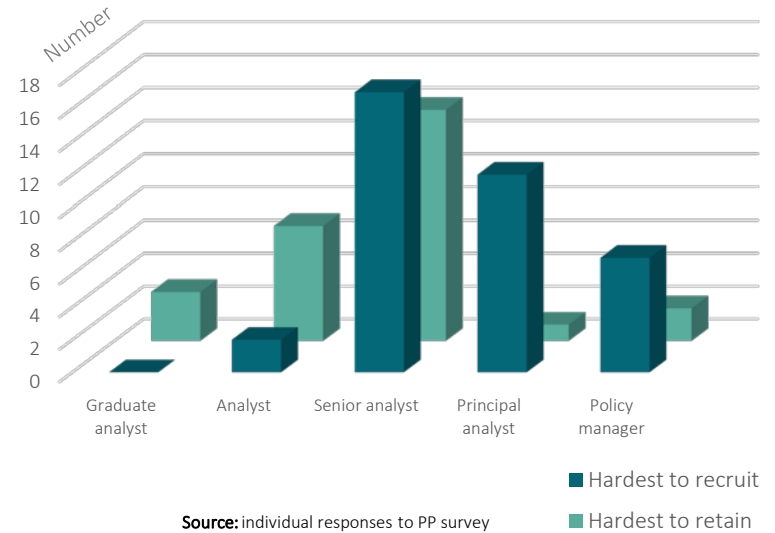
Chart 3: Changes in total graduate intake overtime

180

65

Number

2005 2006 2007 2008 2009 2010 2011 2012 2013

Chart 4: Graduate retention (years in Public Service since initial employment)

year0 year1 year2 year3 year4 year5 year6 year7 year8 year9

2006 2008 2010 2012
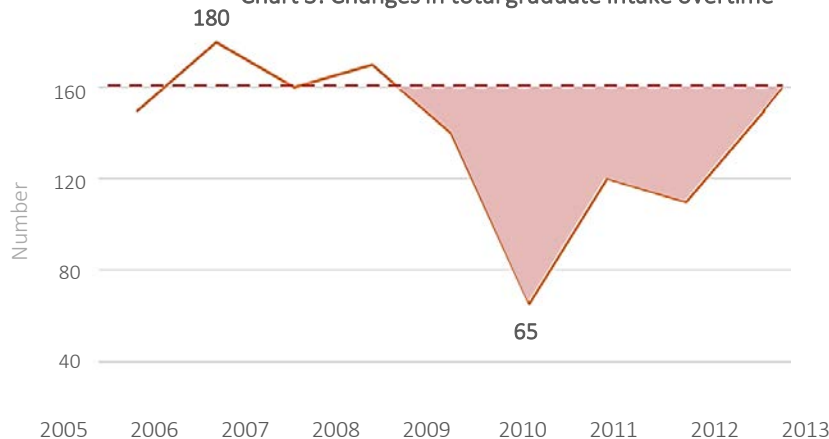
Source: SSC/HRC Survey & Stats NZ IDI
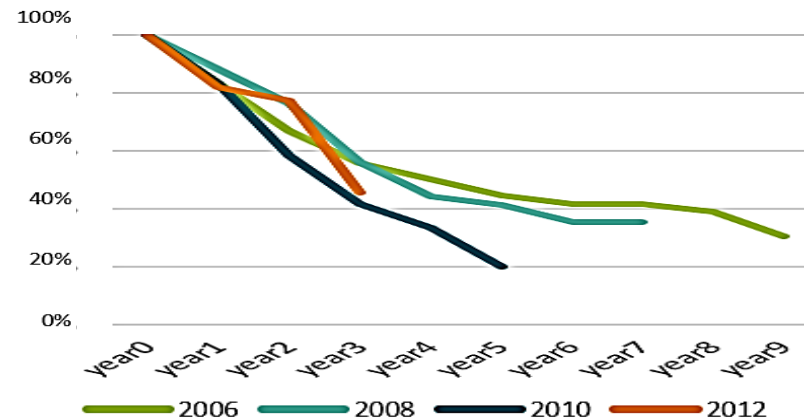
Attraction and retention issues

Unplanned turnover is increasing

Unplanned turnover (the rate permanent staff resign, retire or are dismissed) has trended up since 2010, and is now much higher than the Public Service average. It tends to be higher for Analysts (younger cohorts tend to have higher mobility anyway) but the trend is lifting for Seniors and Principals too (Chart 6).

Why do people move?

According to respondents to the PP survey, the main reason staff leave is to gain broader experience.

Salary variation and progression difficulties also featured as (lesser) drivers (Chart 7).

Salaries are significantly varied, but average increases are modest

Salary ranges vary significantly between agencies.

Overall average Senior and Principal salaries have increased at around the rate of inflation, but slightly less than inflation for Analysts (Chart 8).

Chart 7: Reasons given for why policy staff are leaving

For broader experience — 16
Perceived lower salaries — 6
Perceived progression difficulties — 6
To leave cuture/personalities — 3

0   5   10   15   20

Number

Source: individual responses to PP survey
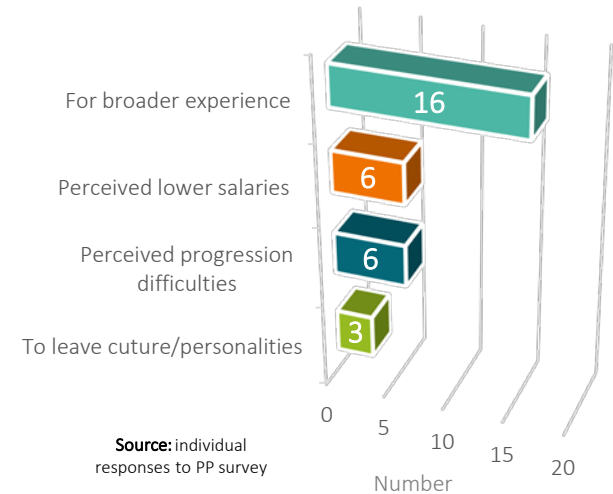
Chart 6: Average unplanned turnover per policy job level over time

Analyst   Senior Analyst   Principal Advisor   Public Service
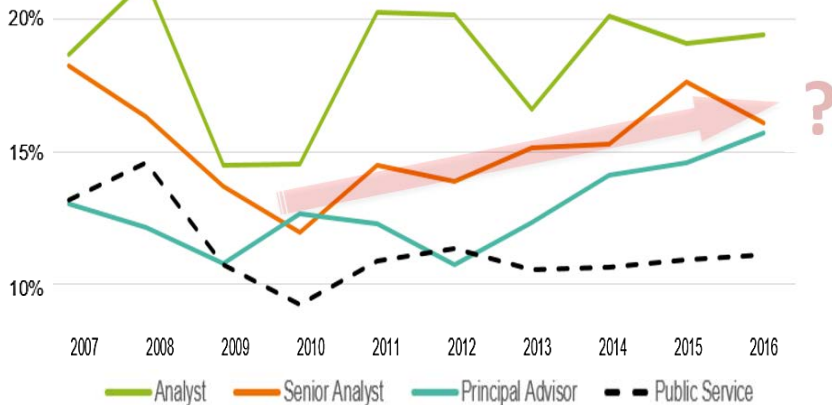
Chart 8: Range of salaries per job level over time

Analyst
Mean up 1.5% per year
$60.7K $66.3K

Senior Analyst
Mean up 1.9% per year
$87.4K $97.2K

Principal
Mean up 1.9% per year
$117.2K $130.9K

2010   2016

Key
Upper limit
Upper quartile 75th percentile
Lower quartile 25th percentile
Lower limit

Source: SSC/HRC Survey
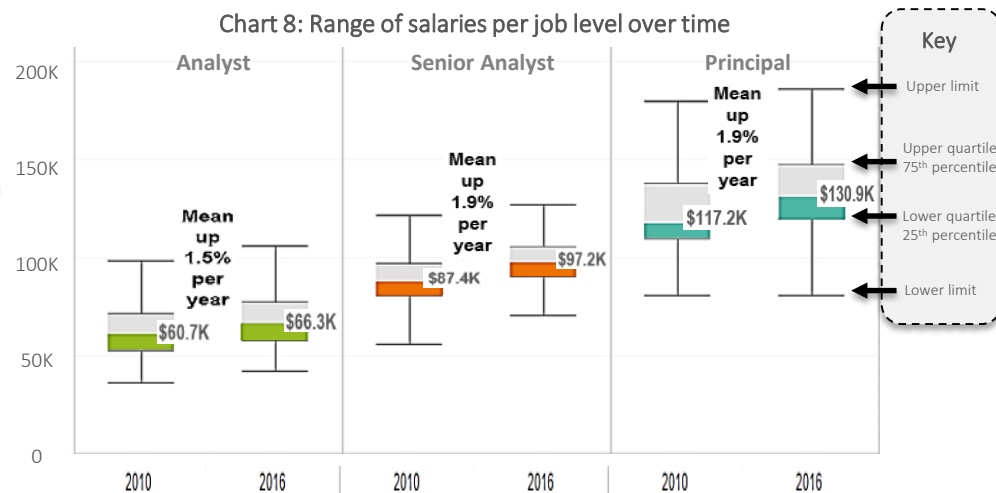
Skills gaps

Perceived skills shortages

The three skills agencies perceived to be the hardest to recruit (based on those listed in the PSF) are:

- strategic thinking;
- evidence, insights & evaluation;
- advise & influence (Chart 9).

Domain knowledge also featured (although being technical and often sector-specific are arguably best addressed at an agency or sector level).

Qualitative comments reveal survey respondents' perceptions of why these skills are scarce. (Chart 10)

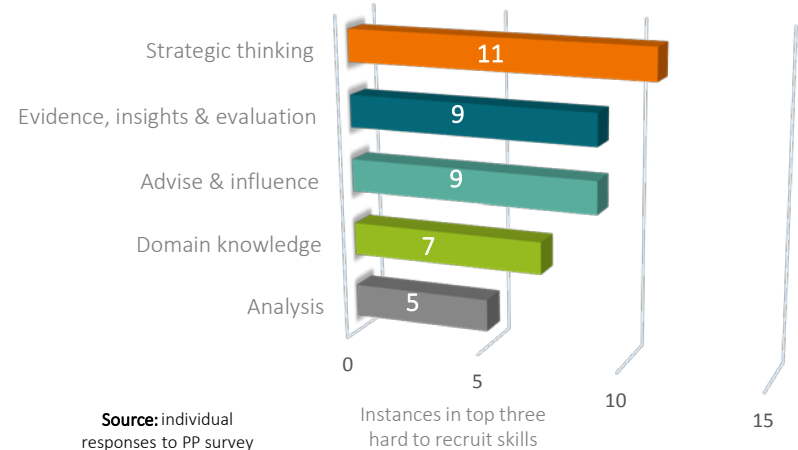### Chart 9: Skills found the hardest to recruit

Strategic thinking	11
Evidence, insights & evaluation	9
Advise & influence	9
Domain knowledge	7
Analysis	5

Source: individual responses to PP survey

Instances in top three hard to recruit skills

Chart 10: Reasons for skills shortages

1) Strategic thinking

"Underdeveloped in Analysts applying for senior positions, despite being (generally) trained in how to frame policy"

"Too much focus on economics"

"Too much reactiveness limits strategic focus/development"

"Only senior managers get opportunities to practice it"

2) Evidence, insights & evaluation

"Data/numeracy skills supply is limited"

"Hard to find people who can blend data/info and its context to know how to use it"

"Trouble finding analysts good with data & numbers"

"Responsiveness limits ability to think through what issues actually need fixing"

"Sector/needs evolving quickly, traditional responses not relevant"

3) Advise & influence

"People need more experience in engaging Ministers"

"Relationships & networks not sufficiently emphasised - introverts struggle"

"People forget & not taught to frame & position advice in influential way"

"Undervalued need; not well articulated or recruited"

"Relying on intellect & analysis not enough; audience (often Ministers) has broader concerns"

4) Analysis

"Many experienced analysts have little actual analytical framework experience"

"Lack of diligent seniors with core analytical skills who enjoy hard work"

"Small talent pool, and takes a long time to develop – not taking on enough grads"

"Underdeveloped in Analysts applying for senior positions"

Skills development and progression issues

Planning for future skills is mixed

Some respondents felt planning for future skills was integral to wider agency planning.

More described their skills planning as ad hoc or dependent on the relative attention given to it by particular managers (Chart 11).

Learning from seniors is not systematic

While senior policy staff are nominally responsible for coaching less experienced staff, many felt that this was up to individuals to organise and was therefore not systematised.

Shadowing of senior managers provides other opportunities for on-the-job learning (Chart 12).

## Progression pathways are perceived to be transparent

Job levels, progression pathways and opportunities are perceived by agencies to be largely transparent, with staff promoted 'when ready', but usually only when a vacancy exists (Chart 13).

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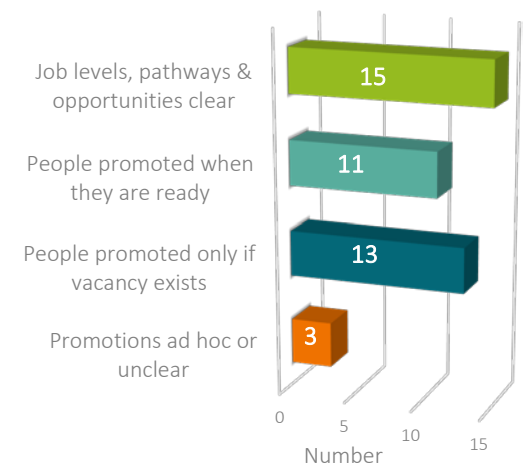Chart 11: How agency planning for future policy skills is described

Source: individual responses to PP survey

Chart 12: How policy people learn from more senior staff
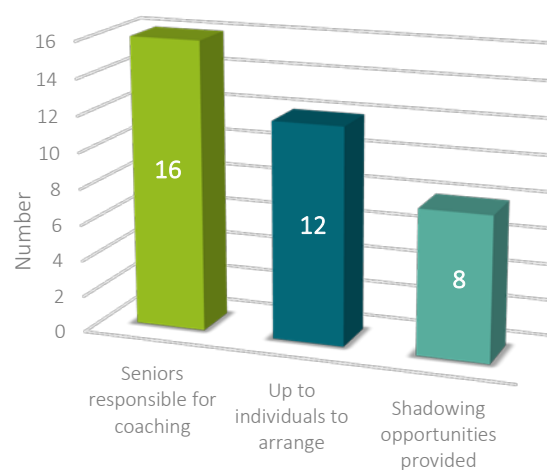
Source: individual responses to PP survey

Chart 13: Perceptions of progression management

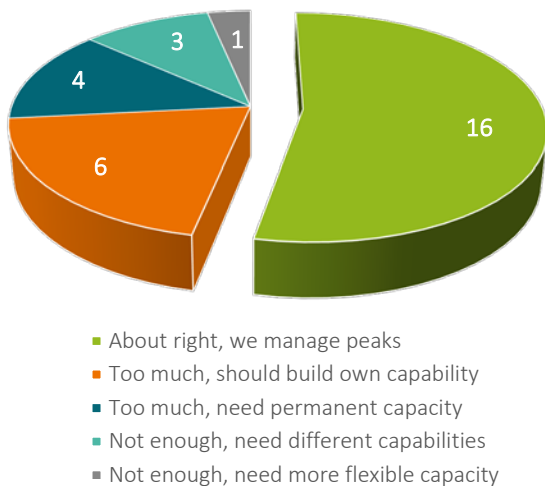**Source:** individual responses to PP survey

Capacity and deployment issues

Use of contractors is mostly to augment capacity and 'about right'

60% of respondents considered their agency primarily contracts for capacity needs (rather than to fill gaps in capability).

The majority perceived their agency's use of contractors was about right (Chart 14).

Deployment based on work demands

Most respondents considered their agency to be reasonably agile in terms of moving staff to meet work demands (Chart 15).

Secondments are more passive than active

Regular offers to rotate internally are fairly common.

External secondments are largely supported, but often are up to individuals to organise (Chart 16).

Chart 14: Perceptions of levels of contracting (by count)

- About right, we manage peaks
- Too much, should build own capability
- Too much, need permanent capacity
- Not enough, need different capabilities
- Not enough, need more flexible capacity

Source: individual responses to PP survey

Chart 15: Perceptions of agency agility

Source: individual responses to PP survey

Chart 16: Management of rotations & secondments
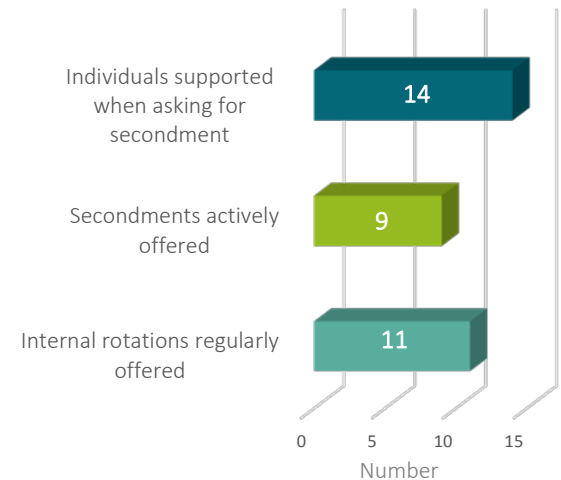
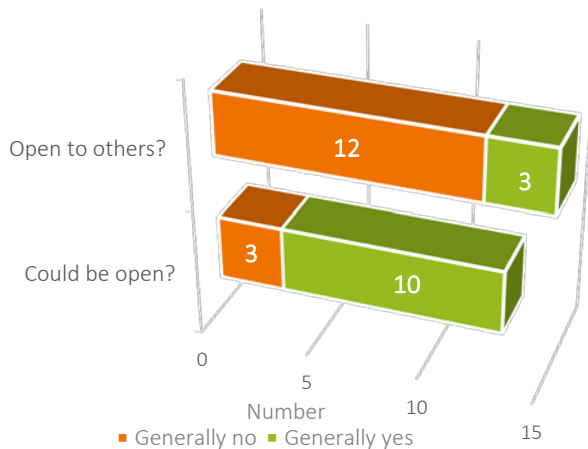**Source:** individual responses to PP survey

Training provision

Internal agency training is kept 'in-house' but could be open to others...

Most internally-delivered training is limited to agency staff, but respondents considered that it could be opened up to staff from other agencies.

A number of agencies deliver similar training suggesting scope for some shared provision, opportunities for consistency and potential economies of scale.

Chart 17: How open is or could internal training be

Number
- Generally no ■ Generally yes

Source: individual responses to PP survey

*When asked what policy training provided **internally** is most useful respondents cited...*

- Writing [MoT, MBIE, MoJ]
- Machinery of Government [TPK, MPI]
- Critical thinking [TPK, MoT]
- Good Regulatory Practice [MBIE, Treasury]
- Regulatory Impact Analysis [MoJ, MPI, Treasury]
- Policy analysis fundamentals [MfE]
- Frameworks for policy papers [MCH]
- Assessing risk [MCH]
- Formulating Policy Advice [TPK]
- Intro to Microeconomics for Policy Analysis [GEN/MBIE]
- Presentation of policy papers [MCH]
- Peer review [MfE]
- Coaching and mentoring training [MoJ]
- Commissioning [MfE]
- Basics of International Law [MFAT]
- OIA training [MoT]

*When asked what policy training provided **externally** is most useful respondents cited...*

- Writing skills [**seven** agencies listed various private providers useful]
- Machinery of Government, especially for graduates /advisers [**five** agencies listed various private providers useful]
- Applied Policy Adviser Development (APAD) [**three** agencies cited Vic School of Government provision as useful]
- Good Regulatory Practice [two agencies cited MBIE, Treasury provision as useful]
- Introduction to/basics for policy making [**two** agencies listed different private providers useful]
- Story lining for policy analysts [**one** agency cited a private provider]
- Foreign Policy [**one** agency cited Otago University provision as useful]
- Private Secretary Course [**one** agency cited a private provider]
- Agile [**one** agency cited a private provider]
- Critical thinking [**one** agency cited a private provider] Achieving results through others [**one** agency cited a private provider]

Source: responses to PP survey

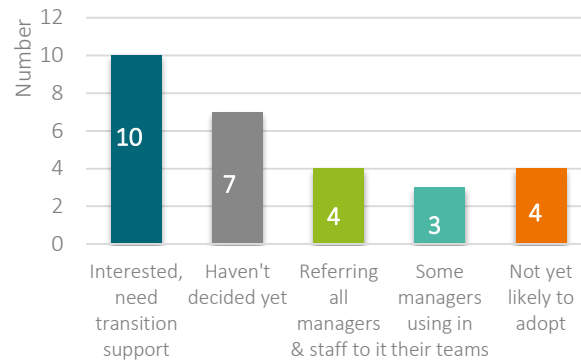# Policy Skills Framework – current and potential uptake

Agencies are already using the PSF

- ✓ To describe required policy skills [MoH, MSD, MPP, LINZ]
- ✓ For aligning with own competency framework [MBIE, MoE]
- ✓ To create JD's [MBIE, MPP, Customs]
- ✓ For recruitment assessment [MPI, LINZ, TSY, MPP]
- ✓ For performance and development processes [LINZ, Corrections]
- ✓ To map skill gaps and overlaps of teams [MoJ, MoE, Corrections, LINZ]
- ✓ For setting up new policy teams [MoH]
- ✓ Looking to embed throughout agency [MCH]

Source: policy capability leads workshop
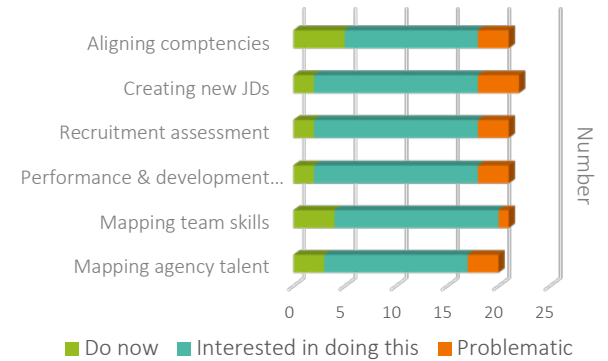
Many are interested in using it…

Chart 18: Likelihood of using the Policy Skills Framework

Interested, need transition support	Haven't decided yet	Referring all managers & staff to it	Some managers using in their teams	Not yet likely to adopt
10	7	4	3	4

Source: individual responses to PP survey

For multiple purposes

Chart 19: Use and function of Policy Skills Framework

Aligning comptencies
Creating new JDs
Recruitment assessment
Performance & development…
Mapping team skills
Mapping agency talent

■ Do now ■ Interested in doing this ■ Problematic

Source: individual responses to PP survey

Many use bespoke or agency wide frameworks

Chart 20: How agencies describe required policy skills

	Number
Using Policy Skills Framework	5
Specific framework for policy staff/levels	13
Competency framework for all staff	9
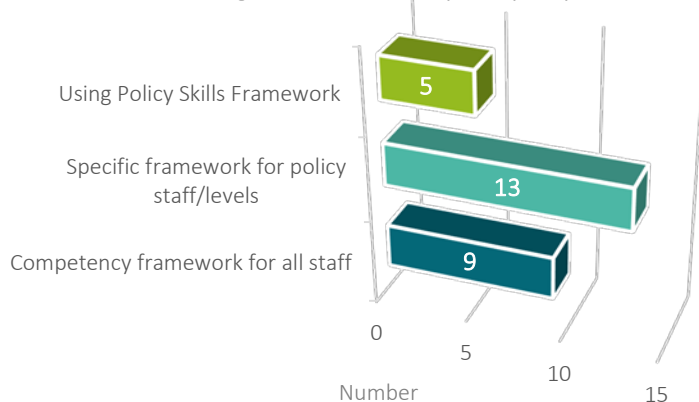
Source: agency responses to PP survey

…and there are barriers to uptake

When asked what was stopping agencies from using the PSF some agencies say they simply don't know where to start and need implementation support and advice.

Other agencies cite the need for alignment with existing HR systems and competencies (policy specific and general).

Support from HR partners would be needed to enable uptake, including mechanisms for incorporating the PSF into job descriptions, recruitment processes, and performance, development and progression discussions.

Collective policy workforce initiatives – top picks

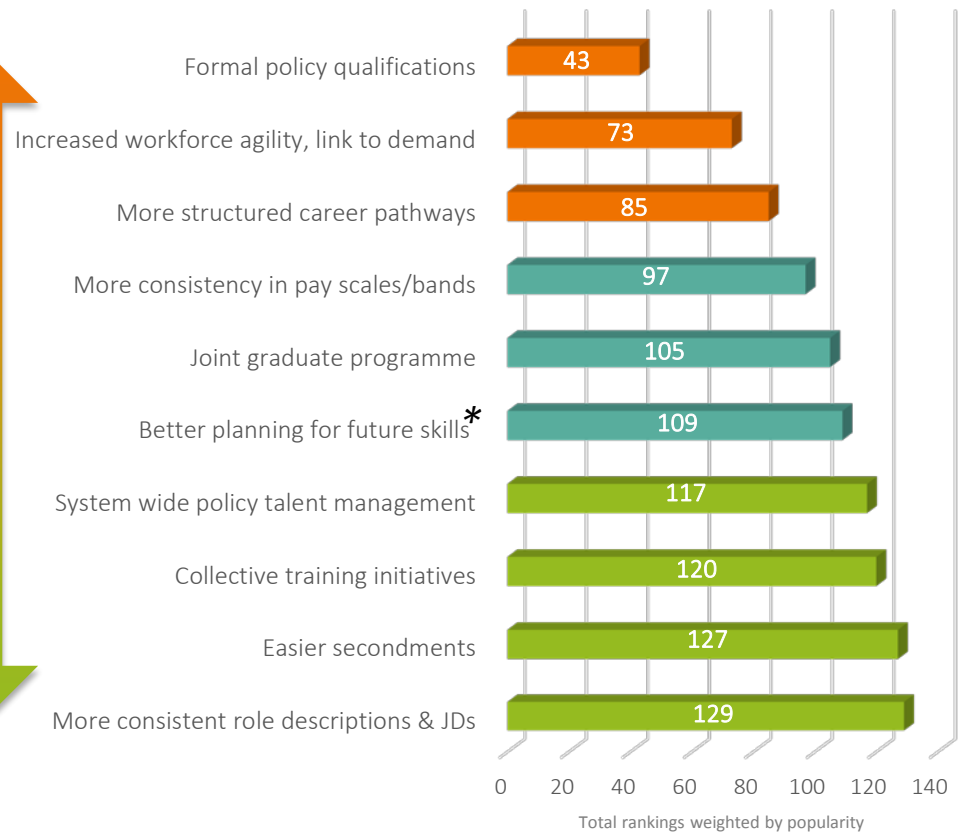Survey respondents supported more consistency across agencies in the following areas:

1. role descriptions
2. secondments
3. common training
4. system-based approach to talent management
   (Chart 21)

The survey asked "what collective action would help build a more unified policy workforce?" Respondents ranked a shortlist of options (developed with the policy and HR communities).

How well might these most favoured collective initiatives start addressing the above attraction, retention, development and deployment challenges??

Chart 21: Most favoured collective workforce actions

Least favoured

Most favoured

Action	Total rankings weighted by popularity
Formal policy qualifications	43
Increased workforce agility, link to demand	73
More structured career pathways	85
More consistency in pay scales/bands	97
Joint graduate programme	105
Better planning for future skills *	109
System wide policy talent management	117
Collective training initiatives	120
Easier secondments	127
More consistent role descriptions & JDs	129

Total rankings weighted by popularity

*This option had a low number of agencies selecting it, but those that did gave it a high ranking

Source: individual responses to PP survey

Options for Action

1. Policy Project (PP) and early PSF adopters develop further tools to make PSF **'easy to use'** e.g. sample JD text and bank of interview questions, an online assessment tool (based on the mapping tool)?

2. PP and early PSF adopters undertake a lessons learnt exercise to share with agencies who are willing (but not ready) to adopt? Consider a 'buddy system' or early adopters 'paying it forward', or external consulting model (PP and/or others to help with implementation)?

3. Agencies identify the best HR process for the starting point for using the PSF. For example:

   Recruitment – use the PSF for **all new recruitment** e.g.

   ➢ To identify the gap/s to be filled based on mapping of teams' PSF profile (using team mapping tool)?

   ➢ To develop new JDs that incorporate the PSF?

   ➢ To assess candidates using the PSF diagnostic tool?

   Development and performance discussions – use the PSF progressively for **certain job-levels or all policy staff** e.g.

   ➢ To assess staff current skills profile (whether they are developing, practicing or expert/leading on each component of the PSF)?

   ➢ To identify knowledge, skills and behaviours to be developed (using PSF diagnostic tool)?

4. Develop expectations to make the PSF **'hard to avoid'**, by referencing the need to use the PSF (and its value) in accountability documents (e.g. Four-year plan workforce strategy guidance, PIF guidance)?

5. Facilitate easier secondments through more transparency of opportunities (perhaps as phase 1 of a talent management system)?

6. Use the PSF as the foundation for:

   ➢ a system-wide policy training strategy (see **Annex 2**: training options – a mix of light to heavy intervention)?

   ➢ a talent management system to help feed the pipeline for the policy (leadership-level) career board (including clarifying how agencies concurrently use the PSF and Leadership Success Profile (LSP))?

   ➢ a system-wide policy workforce strategy (including clarifying roles and responsibilities for agencies and the 'centre', and sequencing)?

Annex 1: PP survey methodology

PP survey methodology

- **22/26** policy agencies responded to the March 2017 PP survey on practices related to policy skills, capability and workforce. Respondents were primarily those nominated as responsible for their agency's policy capability, with many in senior management roles.

- **Nine** agencies provided multiple responses, such as two or three from policy and/or HR/OD people, lifting total responses to **32** (plus some responses to just a few questions). This level and diversity of responses provides a sound evidence base as these people tend to have a high stake in, and influence on, policy people capability.

- When multiple responses were received from a single agency, and either a single agency view was preferred or there should only be one objective or technical truth, different response have been reconciled, e.g. through follow-up with respondents.

- Alternatively, when understanding the diversity of perspectives is desirable, or the responses are more subjective in nature, all the different responses have been accepted. Assumptions include that reconciled views are representative of the agency's views, and that the diversity of responses represents the views of the Public Service.

- *Note*: **In most cases, insights provided below are based on individual responses to questions that can have more than one answer. Because of this, and the fact that some respondents skipped a few questions, total counts of responses to each question vary.**

Annex 2: Training options – a mix of light to heavy intervention

Light intervention **Heavy intervention**

	Light ← → Heavy

Internal provision

Do stocktake of internal training and ask agencies to open up their existing training to others, and advertise offerings centrally

Seek agency-to-agency reciprocity commitments to balance capacity barriers

Groups of agencies develop new and/or share existing training

Policy Project (PP) develop Policy Skills Framework (PSF)-based training modules and trains trainers; agencies deliver customised versions of course

Training offered across the state services e.g. Government Economics Network (GEN), Govt. Regulatory Network (G-Reg) and newer 'communities of practice' (e.g. strategy/ futures thinking)

Specialised agencies act as Centres of Expertise (CoE) to develop and deliver the training for a subject (e.g. Superu, Social Investment Agency and Stats NZ on evidence and data analytics)

Head of Policy Profession (HoPP) provides training resources for mandated policy training (e.g. common policy induction)

External provision

Do stocktake of external training and develop basic online directory (with transparency of alignment to PSF)

Develop a sophisticated on-line directory, linked to external provider websites (allowing online enrolments)

Agencies partner with providers for training development and/or delivery of in-house courses

Agency led procurement of training e.g. MoT-led Applied Policy Adviser Develop. programme

New 'Policy Academy' entity provides PSF-based policy training – customised in-house and external 'public courses' available to all agencies

Survey users of externally provided courses and provide online 'trip advisor'-style rankings that future potential users can access

Centrally led training procurement to meet gaps (once identified against the PSF) and achieve best public value (quality, consistency and efficiency):

A. All of Government contract – agencies must purchase from approved suppliers run by a CoE with oversight from HoPP (fee remitted to MBIE)

B. Syndicated contract – groups of agencies collectively procure policy training services

C. Partner and co-develop training with a limited number of external suppliers e.g. IPANZ, Victoria University

Options are not necessarily mutually exclusive ways of increasing PSF-linked training to build policy capability – what 'direction of travel' should the Policy Project focus on, in the next 3 years?