Building policy capability in the Ministry for Culture and Heritage
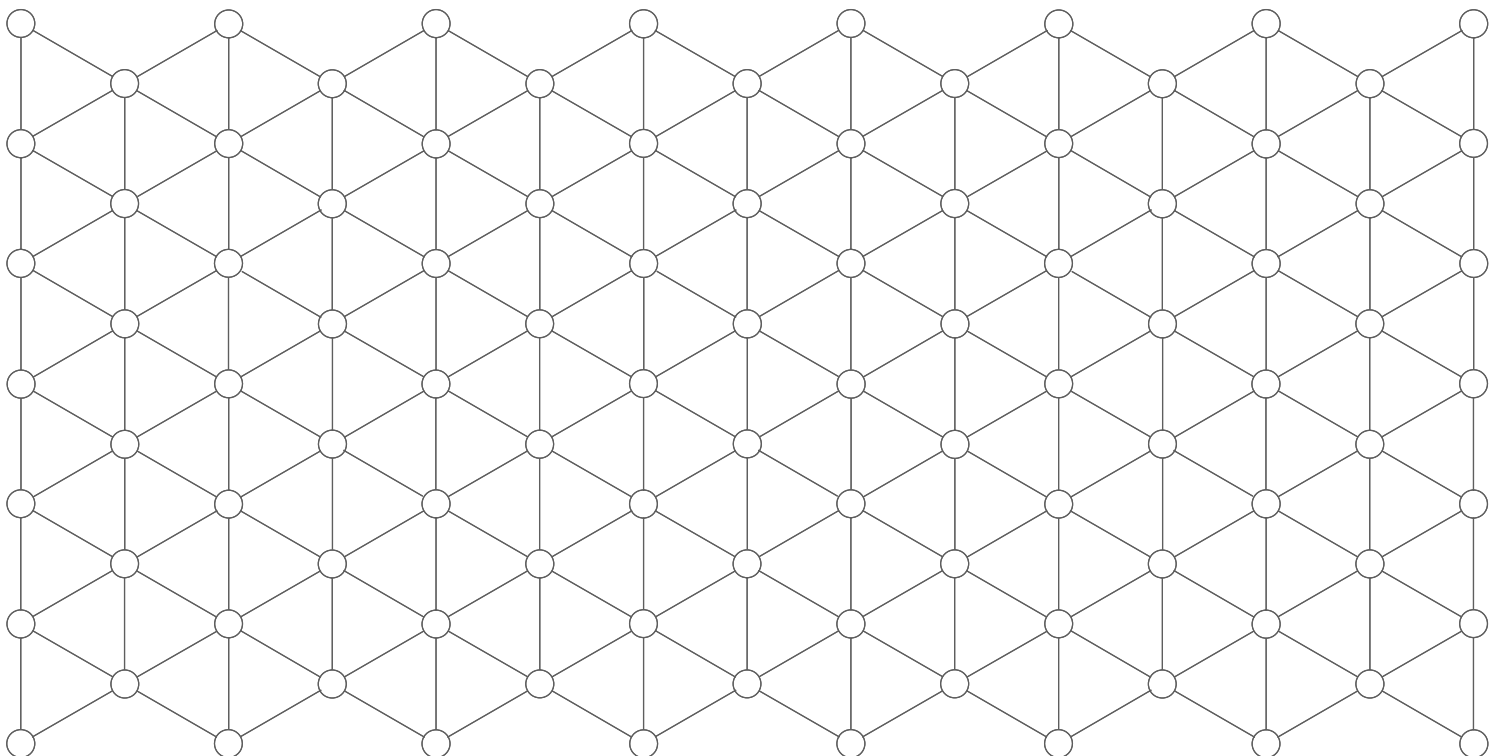
This paper was prepared by Paul Barker and tells the story of the Ministry for Culture and Heritage's efforts to improve policy quality and capability. MCH has agreed to make the paper available to others in the interests of sharing approaches and lessons across the policy community.

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Note from the author

The purpose of this paper is to outline the key elements that have underscored MCH's success as a top performing policy shop. There is no single formula for this, so what I describe is one approach that has proven successful within the MCH Policy Branch which I led. There may be elements which other policy leaders might wish to share alongside this experience. To the extent that much of the experience is transferable to other organisations, I hope other policy leaders might find the MCH approach of interest.

1. Background: policy in the Ministry for Culture and Heritage

MCH is a small agency (115 people) with responsibilities for 3 portfolios: Arts, Culture and Heritage, Broadcasting and Sport and Recreation. The Policy Group comprises 5 teams: separate teams for Arts, Heritage and Media Policy; a Cultural Performance Unit (responsible for monitoring 15 funded agencies) and a small Ministerial Support Team.

For the past 4 – 5 years the Ministry has had a dedicated focus on lifting policy capability. This has involved strong policy leadership by the Policy Group Manager supported by a series of policy clinics led by principal advisers. The Policy Group has had a long tradition of providing responsive advice to ministers – including support for speeches (the Minister of Arts, Culture and Heritage is particularly active in this respect) and legislation.

This focus on policy improvement has seen a steady rise in the annual NZIER Policy Advice Quality Review score. In 2014 the average quality score for MCH papers was 7, in 2015 it was 7.5 and in 2016 it rose to 7.8 which was the highest of the 18 agencies whose policy papers are assessed by NZIER.

Accompanying this result was an increase in ministerial satisfaction scores with the Minister of ACH rating the quality and timeliness of policy advice as 'very good'. Furthermore, the annual engagement survey (IBM NZ Workplace Survey) in 2016 showed significant improvement across the organisation including the Policy Group.

2. What makes a top performing policy shop?

A NZIER paper on "*What do other agencies do to lift quality*?" notes that there is no simple recipe for success. Not all the best performers have all the features identified to lift quality all of the time; but they have enough of the features to stand above the rest.

How to build and sustain a high performing policy shop has been an integral focus of the DPMC-led Policy Project. A Policy Capability Framework[1] has been developed in consultation with the Tier 2 Policy Leaders Network and comprises the following elements:
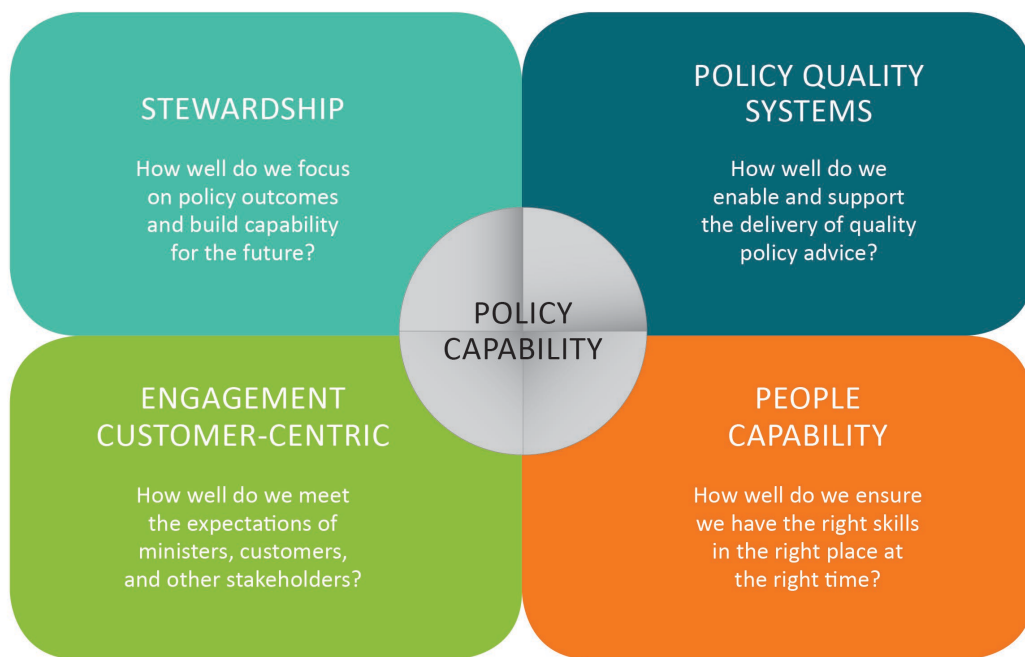
Drawing on the Policy Capability Framework, the foundations for success in MCH are similar to those needed for most organisations:

- strong **leadership** within the organisation (along with a specific commitment to policy quality that is manifest throughout the organisation)

- **continuous improvement** processes involving all staff

- highly developed **team** working and sharing of experience as part of a commitment to learning and improvement

- **involvement** by all members of the policy community operating against clearly articulated expectations

- **engagement** of key clients and stakeholders with clear understanding of their needs and the context in which they operate

- active **talent** management systems

- well developed **business planning** processes that allow clear prioritisation along with rigorous QA practices.

Is there something else that is special about policy groups? I would argue yes – policy advice is fundamentally about establishing trust and rapport with ministers and this creates a set of dynamics

[1] www.dpmc.govt.nz/policy-project/policy-capability

around the craft of delivering advice that is highly customised. These dynamics mean that policy leadership, within a wider organisational context, matters.

3. Organisational leadership really matters

A critical dimension which is often under reported in policy quality discussions is how the wider organisational context matters, particularly the leadership and expectations set from the top. In MCH there are several features of organisational leadership which have a critical bearing on policy quality:

- a strong **commitment and engagement from the Chief Executive** in championing policy quality – Paul James brought a clear expectation of policy quality and this permeated throughout the organisation. Paul ensured that policy issues were actively discussed at the leadership team meeting. He supported a strong and clear focus on developing policy quality. Paul would often attend policy clinics and champion success (which included regular communications with all staff as well as personalised messages and feedback to individuals)

- a commitment to **group work and enhancing team dynamics** – the organisation's leadership team invested in team development and this is clearly expected throughout the organisation

- **active talent management** – MCH adopted an active talent management approach which provided for rotations, development opportunities including acting arrangements and special project teams. For example, a team from across the organisation was pulled together to produce an assessment of the organisation for the PIF review which was very constructive and well received by the PIF examiners

- adoption of a **coaching approach** – the organisation changed the emphasis of its performance management system to embrace a coaching approach. The heart of this change is to switch the role of managers to empower their staff through open questions that support staff to find their own solutions. For policy managers accustomed to coming up with solutions this was quite a shift which changed the focus firmly towards staff development and empowerment.

4. The Branch Manager has a key role to set expectations and create the right dynamics for policy improvement

Branch managers have many demands on their time and have to make choices in the face of competing demands. In all policy shops I have worked in demand for policy resources has exceeded the capacity to deliver their entire work programme. A common trap is for policy leaders to fall into spending much of their time and energy in leading policy issues themselves (i.e. working in the business and not on the business).

While thought leadership is very much a key competency required of senior policy leaders there are choices in how this is delivered. My approach was to support and expect managers and lead analysts to lead particular projects. My value-add was to enable them to get on with their work. Sometimes this meant challenging their approach and/or testing their framing or option development. This wasn't hands-off in terms of understanding the policy issues – but it meant that my focus revolved around:

- early **framework development**, problem identification and setting appropriate objectives

- ensuring **connections** across the policy group and the wider organisation are being made (and often with other government agencies). An often asked question was "who needs to know – and why/why not?"

- testing the **priority** of different work streams – including whether they are appropriately resourced (and whether they need reprioritisation across the branch or wider organisation)

- running robust **risk assessment** including testing whether suitable mitigation measures are in place (which often led to discussions about who needed to know things)

- thinking about **longer term issues** including how the work programme might benefit from framing around some of the mega trends (demographics, changing values and expectations, global challenges etc) that are impacting our sector.

5. The need to work across the Policy Group

A key area of focus for me was developing a strong team dynamic within the Policy Branch Leadership Group (comprising policy managers and chief advisers). A focus was to shift the purpose of branch meetings from information sharing to collective decision making and operating as the Branch Leadership Team. Some of the key initiatives to achieve this included:

Breaking out of team silos and managing across the branch

For a relatively small policy agency it was ineffective to have teams locked into work programme silos. Too often the work pressures fell unevenly across the branch, yet team and managerial resources were not able to be easily redeployed. I focussed on two key mechanisms to free up the resources of the group to operate at a whole-of-branch level (not just portfolio defined teams):

- business planning across the branch to identify branch priorities and resource them. This work involved several sessions and close involvement of the Finance and Strategic Planning Manager

- rotations of managers to other teams: I had the opportunity to swop several managers around into different teams for a 2 month period to provide cover (when one of the team managers went on parental leave). As well as 'acting up' a high potential senior into a management role these changes made a huge difference in shifting managers' focus from their teams onto the wider

branch work programme issues. It also facilitated discussions around talent management across the branch as managers had more direct contact with staff from other teams. Furthermore, I asked a policy manager who had a temporary reprieve from work load pressures to lead the development of a key project in another team where that manager was overcommitted with other work priorities.

The role of principal advisers in leading policy capability

The branch had two highly experienced principal advisers who led and championed policy capability. The principal advisers were located in policy teams but were direct reports to the Policy Branch Manager. Their work was split between supporting their home team, leading key policy work and thought development, and leading a Quality Policy Programme (QPA). I met regularly with the principal advisers on the QPA and this focussed on an explicit improvement process. Core to the QPA were: running the in-house policy clinics, helping implement the graduate programme and leading QA practices across the branch.

Policy clinics – embedding a learning culture

A series of in-house policy clinics was a very successful means of providing contextualised learning involving all the policy branch (as well as those involved in operational policy). The clinics were run on a 3 weekly cycle and included examples of work that teams were involved with or had recently completed.

The principal advisers set up a small group of policy analysts (including graduate analysts) who prepared material for the clinics. The quality of material prepared for the clinics was very high and there was a high level of attendance and energy at these sessions. Clinics were also designed to be fun learning situations often with prizes and humorous elements.

One such clinic topic was "frameworks that work". This topic had been recommended by NZIER in a recent policy quality assessment of the Ministry. This clinic provided excellent reference and source material, then set up several examples that were workshopped to show how frameworks could be applied in a range of different settings.

Policy clinics were designed to address key areas of the policy craft – including core policy skills such as proofing and QA. The intention was to continually refresh core policy skills as well as to introduce new areas of focus and push boundaries.

Graduate programme – a key to professionalising policy shops

There had been a tendency to employ more experienced policy analysts in MCH in preference to younger new analysts. I initiated a new graduate programme which drew on the experience of other policy shops, including the Ministry of Education, which had also implemented new graduate programmes.

Well-designed graduate programmes, in my experience, have the potential to be quite transformative. Core elements of the MCH programme included:

- a clearly structured programme of coaching and development leading to progression to the next level (analyst) in 18 months with salary progression during this period
- at least two rotations within the Policy Group during the first 18 months so the graduates are clearly seen as a group resource (and they in turn get to experience different work programmes and other managers and analysts).

MCH recruited two graduates from a pool of almost 200 applicants. The design of the graduate programme also led to discussions around better defining competencies and progression points across the Policy Group, as well as wider consideration of training and development plans. Along with rotations of policy managers, the movement of graduates across the groups helped create a more flexible and dynamic group that worked more seamlessly across the wide range of issues facing the branch.

6. No policy group should be an island

Notwithstanding the relatively high turnover common in policy groups, there isn't as much sharing of practice and collaboration between agencies as there should be. The Policy Project provided a forum where a wider community of practice came together and it drew on policy leaders to develop guidance across the public sector.

MCH has been a strong supporter of the Policy Project at the Tier 2 Policy Leaders Network as well as contributing to technical work on quality and capability development. The Chief Executive is also a member of the Head of Policy Profession Board (governance group). MCH principal advisers contributed to the co-design work on the Policy Quality Framework[2] and Policy Skills Framework[3]. One of the MCH policy clinics focused on insights and resources from the Policy Project, with a presentation by the Policy Project. This commitment enabled MCH to contribute and benefit from the shared experience within the wider policy community.

7. Concluding remarks

High performing policy shops are dynamic systems which tend to be driven by strong leadership and the dedication and professionalism of staff. MCH had some very talented policy staff, particularly the policy managers and principal advisers who were committed to policy quality improvement.

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[2] www.dpmc.govt.nz/policy-project/policy-quality

[3] www.dpmc.govt.nz/policy-project/policy-skills

It requires an unrelenting focus on quality improvement which can't be eased up. With relatively high policy staff turnover, including policy managers, policy shops are in constant need of recreating and regenerating themselves.

In this short note I haven't covered other softer areas such as the importance of feedback (involving all staff – not just one-way traffic from managers) and celebration of success. Nor have I dwelt much on systems and processes – such as policy intranets and formal mechanisms to disseminate good practice. These are very important elements and cannot be understated.

Like any policy shop, MCH had its weaknesses. There were several areas still needing improvement such as lifting the bar on QA and sign-off processes to ensure consistency throughout the branch. However, there were enough of the elements that make a great policy shop to generate some fantastic achievements. Hopefully these elements are embedded firmly into the organisation and refreshed and energised to meet changing circumstances. It is certainly not a case of achieving a high policy quality score and easing up in the mistaken belief that the system will now sustain itself with little input and guidance. It requires ongoing effort and commitment at all levels.