

EXTENDING THE POLICY PARADIGM TO COMPLEX PROBLEMS

A changing policy environment

The policy environment is changing and is becoming more complex in the 21st century. New Zealand is more diverse than ever before, across a range of dimensions – ethnicity, culture, family structures, levels of assets and incomes. This complexity is compounded by the effects over time of changing demographics, global trends and developments.

These are difficult and intractable issues to deal with. Increasing expectations that governments can solve, or substantially contribute to solving, a range of these complex problems will require the collaboration of other actors. For example, in social policy, reducing violence within families, dealing with the low attainment tail in education and reducing obesity among children all require the behaviour change of many players.

These changes have profound implications for how ministers make decisions and how the state engages with New Zealanders now and in the future.

Providing quality policy advice within this environment is becoming an on-going challenge. It places considerable pressure on policy shops to meet these demands and at the same time, be able to invest in building and strengthening their policy capability. They must find ways to navigate through hard and complex problems so that they can provide policy advice to support ministers' decision-making.



And they must continue to provide policy advice on those ongoing agency-focussed matters which are the bread and butter of policy shops, such as department or programme specific policy processes, legislative amendment, regulation change and budgetary processes.

New Zealanders have more control and autonomy over their lives now. They expect more say in the factors that affect their choices of where to invest and what to consume, and in decisions about what services they receive from government. They also have higher expectations about the quality of services and, because government services are compared with the best of the private sector, the bar for state provision is set much higher.

Users and consumers of services are quicker to assert their rights. Targeting and customisation to user needs and preferences is increasingly replacing 'one size fits all' service provision based on assumptions of homogeneity.

The public in general, and special interest groups within that, have much greater and faster access to information than ever before. ICT also assists new organisational structures and networks to become established and sustained and to operate in a global environment. Many interest groups now have better organising ability and information sources than government itself.

The policy challenge

Complexity and change have important implications for the government decision making processes and for how policy advice contributes to them. While there is much that is good in current policy services, there must be a question mark over the extent to which the challenge is being met.

Ministers' views

The concerns of ministers in the 1990s about the quality of policy advice are echoed by their successors, despite various centrally-led in service initiatives, the development of policy specific training and education at undergraduate and post graduate levels, and, more recently, substantial increases in resourcing.

In July 2004, Cabinet noted ministers' concerns that many papers they received were lacking, and such views were still common amongst ministers in 2006.

In summary these concerns are:

- Too often too narrow a perspective is taken to issues and solutions.
- Connections are not made with other policy initiatives.
- Lack of or limited consultation/engagement with wider stakeholders.
- Advice is often naive about political context and/or dimensions.
- Papers do not help good decision-making because they are difficult to read and sometimes incomprehensible.

Policy shops in the current environment

Views expressed by ministers are not the result of a lack of concern by policy advisors and their managers but reflect the nature of working within a pressured environment. In some policy shops, a sense of crisis is pervasive enough to be part of the culture. The work processes allow little or no time to refresh and restore capacity. There is a frequent resort to external expertise to do tasks that are at the core of policy work such as drafting cabinet papers or leading interagency projects.

Such an environment places great stress on the capacity of policy managers and senior advisors in particular, who often become contract managers and hands-on practitioners, with little time to coach and train staff in the skills of developing quality policy advice. The ability to build and sustain a capacity for sound ongoing policy services is often put at risk.

In too many policy shops, morale is poor, turnover is high and a sense of frustration prevails that the whole is adding up to far less than the sum of the parts. And this has occurred despite a considerable increase in investment, many highly skilled workers and potentially high quality management.

In short, central government's policy shops are all too often struggling to meet the demands put on them by the complexities of the 21st Century.

Current paradigm

The current policy paradigm is well suited to responding to straightforward problems. It works well for government in terms of its roles and responsibilities around legislative amendment, regulation change, budgetary processes and department or programme specific policy issues.

It is less able to respond to the more challenging and complex policy problems. Question marks over policy capacity and capability arise because the common perspectives, processes and responses to pressure do not fit. Doing more of the same – or doing it better – will not solve the problem.

The current paradigm in practice

The current paradigm puts policy work at the centre of problem resolution – central in terms of accessing and controlling information, doing the analysis, preparing advice and running processes from Wellington. The intention is to present a full package – problem defined, solutions proffered, implementation and evaluation designed. 'Good' policy in this paradigm is based on good information, informed by a sound knowledge base, and produced through sophisticated analysis. All the 't's are crossed and 'i's dotted.

The processes are essentially intellectual (reading, writing, analysing), and the advice is often the result of the work of one analyst (or analyst and manager). The drafting of the advice falls to one person or team and is then subject to many quality assurance inputs.

Dealing with complexity

Government's policy sector struggles to meet and respond to the challenging and complex problems that ministers are now facing. What characterises these problems are:

- An evolving set of interlocking issues and constraints so that the nature and extent of the problem is not immediately evident.
- The information is distributed and as likely to be held by service deliverers as it is in information centres or administrative records.
- The knowledge base, in particular a well evidenced knowledge base, about the cause of the problems and what might work to solve them, is thin.
- There are many stakeholders who want a say in how the problem is to be resolved.
- There may be many agencies with aligned or associated problems which may impact on the issue at hand and need to be part of the response and solutions.
- There are constraints on the solutions such as resources and change over time.

Use of the current paradigm to resolve these complexities can be problematic. Its processes do not fit well where there are uncertainties about the boundaries of the problem, a high level of interdependency with other work, information gaps, a thin knowledge base, and a complex set of interested parties. These difficulties are compounded by time pressures and the need to manage risks tightly.

Some of the responses to these difficulties can be seen as an attempt to force a complex and chaotic world into something that better fits a paradigm response:

- Time pressures and risk averse behaviour mean that the complexity inherent in many issues is dealt with by narrowing down the problem definition producing narrow responses and solutions.
- Complexities in the environment (such as the views of other agencies, external interest groups or links with other policy work) are dealt with at worst by ignoring them, at best by limited or late stage consultations.
- A risk averse response to information gaps leads to recommendations for more information gathering, sometimes in circumstances where more information is not going to improve the advice and simply delay decision making.
- Knowledge gaps lead to very cautious recommendations for action, pilot programme proposals and lengthy evaluations.
- Risks lead to excessively cautious advice, and an emphasis on processes rather than actions and outcomes.

This way of dealing with complexity, uncertainty, risk and time and resources pressures leads to policy on complex problems that is all too often narrow, inwards looking, and process-focused.

At a system wide level, other responses also occur. Some responses try to compensate for the deficiencies. Policy work gets done in ministers' offices or central agencies are asked to lead cross agency teams. Sometimes structures, such as policy operational teams or interagency task groups, are set up to avoid too narrow a focus. Such responses however tend to be one off initiatives that lie outside of the mainstream of policy work.

Extending the paradigm

pattillo proposes extending the current policy paradigm to provide a new set of assumptions and ways of working that will service policy shops so they are able to better support decision-making over complex issues.

Perspectives and assumptions

The perspectives and assumptions that might lie behind a new paradigm are:

- Policy processes and products are one important part of an input into good decision-making, not the be all and end all of it.
- Solutions to problems are unlikely to be singular and fixed. Complex problems are likely to result in multiple responses and decision-makers where there will be shared responsibility for the problem and the decision.
- Answers are likely to be discovered through actions as well as through policy analysis.
- An outcomes focus provides the best promise for collaborative work because it provides a fertile common ground for all stakeholders.
- Collaboration and engagement with others almost always add to the public value of the policy process.
- Learning through action, both spontaneous and through formative evaluation, is a vital part of knowledge building.

What does the *extended* paradigm look like?

This approach is grounded in collaboration, founded on relationships.

It will bring together diverse views and expertise to unlock the connective tissue of the problem, to see what the issues are, find out what works, evaluate what happens, learn from what works best and put these learnings into practice. The policy shop will be one player in this collaboration, sometimes leading sometimes not.

This approach is problem/opportunity initiated, outcome led and solutions focused.

It starts with a current complex problem that an organisation is finding difficult to resolve. The project can be initiated and led in any part of the organisation or sector. The springboard for resolution starts with an invitation to others to form a collective to solve the problem. They may be doing the same work or work that is aligned to the problem. They may be people within the same organisation or in other government agencies. They may be key external stakeholders with an interest or a stake in how the problem is resolved.

This approach recognises that complex problems need more than one response.

This may require a mixture of policy development and innovation testing. Immediate action could be taken for one aspect of the problem to test and learn while yet another may require research and analysis prior to programme design. Working through complex problems in this way will generate innovative solutions.

This approach is likely to use a ‘multidisciplinary’ team.

It will generate a work programme which uses the strengths and comparative advantage of different parts of the collective. Wellington based policy shops, for example, are likely to be best placed to access research, to look at overseas approaches, to manage legislative change, and to win resources if necessary. Operational agencies may be best placed to gather information, to undertake external consultations and to manage innovation testing activities.

In this approach, processes will be as open and transparent as possible.

How does this paradigm add value to dealing with complexity?

- Complexity is embraced and addressed by bringing a diverse range of interests and views to bear on the problem and the responses and the actions needed to progress sustainable solutions.
- Coherence is achieved by a focus on shared outcomes and on a collaborative approach.
- It establishes a shared responsibility for resolving the problem. The solutions (and the problems) will be owned by many. A wider group who understand and know the issues and can confidently transform these into solutions that make sense in the real world.
- Risk will be actively managed in a different way by engaging others in the solution – risks are known and managed as the project progresses.
- There will be learning through real time evaluation to provide continuous feedback throughout, to identify any emerging issues, and to determine/ensure that the project is on track. Plans may need to be modified as a result. This evaluation will also occur at the conclusion of the project to find out if it is achieving its intended results.
- It sets up strong information and feedback loops which deal with the complexity at hand but are also the catalyst for spotting new opportunities, challenges and collaborative solutions.
- It creates a learning space for those involved. It provides opportunities for people to be curious, to learn from others and to share their expertise. Skills will be strengthened and new capabilities developed and it will encourage them to think more broadly outside the policy context.
- It supports policy managers to build their policy capability while at the same time letting managers manage the work programme and their people.



How well does our *description* fit with what you see and experience?

How close to the mark is our analysis of current responses to the challenge?

Is it time for a change?

How do we build a differentiated approach to the complex challenges that face us? Will a new paradigm help?

How can government agencies charged with the leadership on critical and complex challenges best lead problem solving?

What would be different for NGO's, sector stakeholders, communities and citizens?

What would be different for government agencies and their managers?

What would be different for policy shops and their analysts?

The *pattillo* team is:

Anne Pattillo

Anne is well recognised in every area of her expertise, from her insightful strategic and leadership work across the government sector to the creation and delivery of an extensive range of specialised, tailored training and development programs for more than fifty Australasian businesses. She also has a reputation for her high level corporate mentoring work with New Zealand leaders, and has been celebrated for her unique ability to influence organisational culture and performance.

Cath Nesus

Cath is a lawyer with extensive experience at senior management levels in government in both New Zealand and Australia. She has been closely involved in a range of key policy and legislative initiatives over the past 20 years. As a consultant, she has worked for a number of government agencies and Maori organisations providing advice and support on a range of matters including policy development and planning strategies.

A full profile for the **pattillo** team can be found at www.pattillo.co.nz

The *pattillo* team will also be supported in this work by:

John Angus — John is a social policy consultant living in Central Otago. An historian by academic training, a social worker by craft, and a policy worker by vocation, John spent from 1987 to 2006 working in social policy for the Ministry of Social Development and its various predecessors.

He led policy work on child support, the care and protection of children and support for vulnerable families. He played a leading role in the development of several interagency programmes such as Family Start and SKIP and was on the working group which prepared the Baseline Review of Child Youth and Family.

Dr Jess Dart, of Clear Horizon in Melbourne, an associate of **pattillo** – She is a recognised world leader in evaluation. Originally from the UK, Jess Dart is now based in Melbourne, Australia. A celebrated published professional and international guest speaker with a PhD in programme evaluation and an MSc in sustainable agriculture, Jessica's doctoral research launched a revolutionary participatory monitoring tool – the Most Significant Change Technique (MSC). The MSC workshop has been run internationally across health and education, the natural resource community and development sectors.

Further information about Dr Dart can be found at www.clearhorizon.co.au