Developing Policy Leadership: A Strategic Approach to Strengthening Policy Capacity in the Health Bureaucracy

Submitted by

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I am deeply grateful for the assistance of many people in preparing this thesis.

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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADT</td>
<td>Australian Digital Theses</td>
</tr>
<tr>
<td>AIHPS</td>
<td>Australian Institute of Health Policy Studies</td>
</tr>
<tr>
<td>AIHW</td>
<td>Australian Institute of Health and Welfare</td>
</tr>
<tr>
<td>AMA</td>
<td>Australian Medical Association</td>
</tr>
<tr>
<td>ANAO</td>
<td>Australian National Audit Office</td>
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<tr>
<td>ANZSOG</td>
<td>Australia and New Zealand School of Government</td>
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<td>APS</td>
<td>Australian Public Service</td>
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<tr>
<td>APSC</td>
<td>Australian Public Service Commission</td>
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<tr>
<td>AUD</td>
<td>Australian Dollars</td>
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<tr>
<td>AusAID</td>
<td>Australian Government Overseas Aid Program</td>
</tr>
<tr>
<td>BMA</td>
<td>British Medical Association</td>
</tr>
<tr>
<td>COAG</td>
<td>Council of Australian Governments</td>
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<tr>
<td>DHS</td>
<td>Department of Human Services</td>
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<tr>
<td>EBM</td>
<td>Evidence-Based Medicine</td>
</tr>
<tr>
<td>EBP</td>
<td>Evidence-Based Policy</td>
</tr>
<tr>
<td>ED</td>
<td>Executive Director</td>
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<tr>
<td>EMPA</td>
<td>Executive Master of Public Administration</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>EO</td>
<td>Executive Officer</td>
</tr>
<tr>
<td>ERC</td>
<td>Expenditure Review Committee</td>
</tr>
<tr>
<td>FTE</td>
<td>Full Time Equivalent</td>
</tr>
<tr>
<td>GP</td>
<td>General Practitioner</td>
</tr>
<tr>
<td>HDV</td>
<td>Health Department Victoria</td>
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<tr>
<td>HREC</td>
<td>Human Research Ethics Committee</td>
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<tr>
<td>IPAA</td>
<td>Institute of Public Administration Australia</td>
</tr>
<tr>
<td>NHS</td>
<td>National Health Service (United Kingdom)</td>
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<tr>
<td>NPM</td>
<td>New Public Management</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OPA</td>
<td>Office of the Provincial Auditor, Manitoba, Canada</td>
</tr>
<tr>
<td>PIU</td>
<td>Performance and Innovation Unit, United Kingdom</td>
</tr>
<tr>
<td>SSA</td>
<td>State Services Authority, Victoria, Australia</td>
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<tr>
<td>SSC</td>
<td>State Services Commission, New Zealand</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>US</td>
<td>United States (of America)</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>----------</td>
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<tr>
<td>VicHealth</td>
<td>Victorian Health Promotion Foundation</td>
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<td>VPS</td>
<td>Victorian Public Service</td>
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<tr>
<td>WHO</td>
<td>World Health Organization</td>
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<td>WIES</td>
<td>Weighted Inlier Equivalent Separation</td>
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ABSTRACT

In recent years there has been increasing interest in improving the quality of policy through building the policy capacity of public sector institutions. To date, however, there has been little evidence on which to base capacity building interventions.

This thesis presents a study of policy process and policy capacity in the Department of Human Services (DHS) in the Australian State of Victoria. Policy capacity was defined as the organisational infrastructure that supports effective policy development and implementation (including individual competencies).

The study drew on the health policy, public policy and public administration literature. Data collection methods involved (i) individual in-depth interviews with policy workers in four policy-oriented organisational units of DHS to explore the policy process and policy capacity, and (ii) a focus group and individual interviews with experienced policy workers to explore potential capacity building strategies.

Findings indicate that building policy capacity requires attention to four domains: building and managing a policy-competent workforce; developing formal processes and guidelines for strengthening the policy process; strengthening organisational culture and policy leadership; and strengthening structures and relationships to support policy capacity. Building capacity also involves negotiating tensions between policy capacity and two other elements of governing capacity (administrative capacity and state capacity).

The appropriate choice of capacity building strategies depends on context and contingency, including the specifics of particular policies, times and settings. Accordingly, the thesis concludes that a focus on developing policy leadership at the middle and senior levels would be a strategic approach to building policy capacity. Policy leadership involves local level judgement, mentorship, initiative and responsibility, and the ability to mobilise organisational resources to build policy capacity.
STATEMENT OF AUTHORSHIP

Except where reference is made in the text of the thesis, this thesis contains no material published elsewhere or extracted in whole or in part from a thesis submitted for the award of any other degree or diploma.

No other person’s work has been used without due acknowledgement in the main text of the thesis.

This thesis has not been submitted for the award of any degree or diploma in any other tertiary institution.

All research procedures reported in the thesis were approved by the La Trobe University Human Ethics Committee, the Victorian Department of Human Services Human Research Ethics Committee and the Monash University Standing Committee on Ethics in Research Involving Humans.
Chapter 1: Stronger Policy Capacity, Better Policy

Introduction

The research reported in this thesis was directed to describing policy capacity in the health and human services field and understanding its determinants with a view to deducing principles and strategies for building capacity. The term policy capacity is used in this thesis to refer to the organisational infrastructure (including organisational structures, processes and cultures) that supports effective policy development and implementation. It includes, but goes beyond, the competency of individuals.

This chapter begins with the emergence of my interest in the field of the research. It outlines the arguments for building policy capacity in the health sector, discusses the role of government in health and describes growing interest in government circles in building policy capacity. The chapter concludes with the research goal and objectives, an overview of the research design and an outline of the structure and content of the remainder of the thesis.

Development of my interest in organisational policy capacity

I began my PhD as a teacher of health policy, wanting to investigate the training needs of health policy practitioners in order to inform curriculum development. At the beginning of this project, I saw the organisational environment as important in terms of providing the context in which competencies were shaped and deployed. I was aware that the knowledge and skills of individuals had to be situated in the organisational environment in which they worked. As I began to review the literature pertaining to policy competencies and policy capacity, and then to talk with policy practitioners, however, it became clear to me that there is no generic policy practitioner or generic set of skills, as the idea of a singular curriculum might imply. Policy work is almost always undertaken in teams, and the mix of competencies available to teams and organisations appeared to be more important than the skills of individual policy practitioners. The focus of my research moved increasingly toward organisational policy capacity (the
organisational infrastructure which supports effective policy development and implementation). While individual competencies are clearly important for policy capacity, they are seen in this research within the context of the team and organisation.

My literature review (see Chapter 2) uncovered a set of widely agreed principles for organisational policy capacity building which seemed fairly self-evident and were supported by my own research findings. However it seemed that there were significant barriers and tensions which commonly prevented their successful application. I found it useful to explore the barriers to building policy capacity in terms of opportunity costs and trade-offs between the different goals of government. I drew upon Painter and Pierre’s (2005a) framework of three types of governing capacity (policy capacity, administrative capacity and state capacity) to explore these trade-offs and tensions. This is further discussed in Chapter 8.

My research did not begin with a focus on policy leadership. As I collected and analysed the data, however, it became clear that the prescriptions for building capacity offered by the literature and by my informants, which were mainly focused on changes to process and structure, did not present a strategic approach to building policy capacity. Rather they provided a checklist of suggestions, all of which would be useful in certain settings; none of which constituted a broad framework for developing policy capacity. The search for a more strategic approach brought me to the notion of policy leadership, which is discussed in Chapter 9.

My interest is primarily in health policy due to my background and training in public health, and so the conclusions of this thesis are framed in terms of suggestions for strengthening policy capacity in the health bureaucracy. The study was conducted in a large health and human services organisation in Australia, the Victorian Department of Human Services (henceforth referred to as DHS or ‘the Department’). DHS is the largest government agency in the State of Victoria and the primary locus, within state government, of policy development relating to health and social policy in Victoria.

As a large mega-department created from the amalgamation of existing agencies, DHS includes a number of policy and program areas in addition to health, including aged care, public housing, alcohol and drug services, disability support services, juvenile justice and child protection. While there are likely to be important differences
between these policy and program areas, a significant amount of policy making crosses the boundaries between them. There are similarities and intersections between these areas in terms of challenges, service systems, policy frameworks, and also in the organisational infrastructure in which this research is interested. In Victoria it would be somewhat artificial to study organisational health policy capacity in isolation from human services policy more generally.

The need for building policy capacity in the health sector

Capacity building is particularly important in the health sector for a range of reasons including entrenched and emerging public health problems; the degree to which health is created outside the health system; tensions between different health system goals; and significant obstacles to reform presented by complexities in health system financing and organisation.

Challenges requiring effective policy responses

Health policy makers around the world face significant challenges including ageing populations, changing patterns of disease, widening inequalities in health, and increasing cost pressures (Mechanic & Rochefort, 1996). While life expectancy continues to improve, health expenditure in OECD (Organisation for Economic Co-Operation and Development) countries has increased from 5% of GDP on average in 1970 to 9% in 2007 (OECD, 2007).

Although the Australian health care system ranks highly in international comparisons, health policy makers in Australia face a broad range of entrenched (and in some cases, worsening) public health problems, as well as emerging issues that create challenges for the health system into the future. These include, inter alia: continuing poor Aboriginal health (Australian Institute of Health and Welfare, 2007); widening inequalities in health (Hayes, Quine, Taylor, & Berry, 2002); an ageing population (Andrews, 2002); increasing health care costs (AIHW, 2004); environmental destabilisation (Butler, Douglas, & McMichael, 2001); rising incidence of chronic disease (AIHW, 2002); and emerging threats to public health, such as new communicable diseases (Australian Government Department of Health and Ageing, 2004). Social and health problems are also becoming more complex and are
increasingly recognised as being interdependent (Eckersley, Dixon, & Douglas, 2001; Marmot, 2005; Marmot & Wilkinson, 1999).

For these challenges to be met, health bureaucracies at both Commonwealth and State levels need the capacity to plan effectively and put policies in place to ensure the health care system (including health care and public health) is organised, funded and coordinated in the most effective and sustainable way.

**The importance of inter-sectoral collaboration**

There is a large body of literature that shows that health is shaped by a broad range of social, political, cultural and environmental determinants such as socio-economic status, early development, employment and working environments, social relationships, social capital, and transport (Eckersley et al., 2001; Marmot & Wilkinson, 1999; World Health Organization, 2008). Health care is only one factor determining the health of populations (Marmot & Wilkinson, 1999). Many policy problems (such as social exclusion and health inequalities) cross jurisdictional, portfolio and sectoral boundaries and require policy makers and public sector organisations to work in new ways in order to be effective.

**Tensions between different health system goals**

There is a high level of agreement about health system goals, which are commonly expressed in terms of equity (with respect to access), efficiency (technical and allocative), and quality (including safety and effectiveness) (Duckett, 2004, p. 285; LaFond, Brown, & Macintyre, 2002; Murray & Frenk, 2000; Ross, Snasdell-Taylor, Cass, & Azmi, 1999; Steering Committee for the Review of Government Service Provision, 2008). In an environment of limited resources, however, there need to be some tradeoffs between competing goals (Ham, 1997, p. 15; Ross et al., 1999). Arguably the most significant tension is that between the need for cost containment and the goal of equity of access. Equity of access is particularly important in the context of widening inequalities in health. The existence or otherwise of universal health insurance is a major determinant of the level of health inequalities in a society (Baum, 2008, pp. 410-411). Less equitable societies with lower social cohesion tend to have worse health outcomes (Wilkinson, 1996).
Cost pressures in health care reflect a range of factors including an ageing population, growing consumer expectations of the health system, growth in medical technology, inefficiencies in the health system, and growth in pharmaceutical expenditure (Hancock & Mackey, 1999). Perhaps the most significant driver is the constant and continuing advances in medical efficacy (including biotechnology and drugs).

Ensuring equity through universal access is an important value on which the Australian system is based (J. Hall, 1999, p. 97). Balancing universality with cost containment, however, is a significant issue for policy makers. Health system reform directed at cost containment can have a significant effect on solidarity, that is the extent to which risks and costs are shared according to need and ability to pay, community support for the sharing of risks and costs, and the willingness of the rich to pay disproportionately more (through progressive funds raising) for access to the same system (Maarse & Paulus, 2003).

**Obstacles to health reform**

Health system reform, in order to meet the policy challenges outlined above, requires overcoming significant barriers arising from the complexity of health system financing and program delivery. For example, rising chronic disease rates mean that the health system must be re-engineered to focus more on prevention, particularly for high-risk population groups. However the capacity to invest in preventive initiatives is hampered by a health system largely focused on episodes of acute care, fee-for-service funding for general practice, poor coordination between acute and community care sectors and workforce shortages in most health professions (B. K. Armstrong, Gillespie, Leeder, Rubin, & Russell, 2007).

Several features of the Australian health system present obstacles to reform. The first of these is federalism, the division of powers between different levels of government. In Australia, responsibilities for health system financing, resource allocation and service delivery are shared between three levels of government. States are primarily responsible for providing publicly-funded institutional health services, particularly hospitals. Local government, despite not having a constitutional role in the health system, is often involved in the delivery of a range of health services such as
maternal and child health services and home and community care services. The Commonwealth Government funds medical services (and thus exercises a great deal of influence in this area) while regulation of medical practice is shared between the states and the Commonwealth. Constitutionally, the states have residual powers and the Commonwealth can only legislate in a policy area if that area is mentioned in the Constitution. However where the Commonwealth does have power it overrides that of the states and territories. Commonwealth power has grown over the years, largely due to the unification of income tax at the Commonwealth level from 1942, the constitutional amendment of 1946 (which gave the Commonwealth additional powers to make laws in relation to sickness, hospital and other benefits) and the Commonwealth’s growing fiscal power. Consequently, the Commonwealth tends to assume a leadership role in areas of national significance (Duckett, 2004, pp. 112-113). Some programs are funded by both State and Commonwealth Governments, for example some primary health and home and community care services.

The way in which responsibility for health is divided between the Commonwealth and the states and territories creates several significant policy problems. It makes coherent policy making difficult (Duckett, 2004, p. 112) and results in a lack of coordination with resulting impacts on cost, quality and access (Duckett, 1999, p. 78). It gives rise to high administrative overheads, wasted resources, overlap and duplication (Commonwealth of Australia, 2006, p. 36). The complexity of funding and delivery arrangements provides opportunities and incentives for cost-shifting (the transfer of the costs of providing a service to another program funded by a different level of government) which in turn dilutes accountability for health outcomes (Commonwealth of Australia, 2006). There are also gaps in service delivery in certain areas as a result of cost-shifting and blame-shifting and the sheer complexity of the service system (Duckett, 1999, p. 79).

Adding to the complexities of health financing and service provision is the mix of public and private insurers and providers of health care in Australia. As well as making the health system more complex, the existence of a private sector limits the ability of government to control health expenditure and means that a more complex set of levers need to be employed to bring about change (Hancock, 2002; Swerissen & Duckett, 2002, p. 39).

20
Another complexity faced by health policy makers is the presence of entrenched powerful interests, in particular the power of the medical profession (Hancock, 1999, p. 42; J.M. Lewis, 2005, p. 14). As a result of its dominance of the health labour market, organised medicine enjoys a degree of autonomy that limits the ability of the state to bring about change (Palmer & Short, 1994, p. 25). Organised medicine largely exerts its influence through professional associations such as the Australian Medical Association (AMA) and the various colleges which control entry to the more senior levels of the medical profession. There are many other powerful interests, including the health insurance industry and the pharmaceutical industry. As Swerissen and Duckett (2002, p. 39) point out, the health system represents a large part of the economy and health policy decisions have economic effects on a large number of people.

The existence of entrenched interests means that proposals for reform are often defeated, and policy makers commonly resort to incremental changes due to the potential for opposition (Ham, 1997, p. 15). A classic example is provided by the failure of the 1993 Clinton reforms in the United States, where the opposition of the health insurance industry and other interest groups was a major factor in the loss of an opportunity for major reform of the health system (H. Johnson & Broder, 1996).

There are many examples also from Australia where entrenched interests have contributed to the failure of health care reforms. Gillespie (1991) describes the failure of the post-war Labor Government to introduce a national health service in the 1940s, due largely to the opposition of organised medicine represented by the Australian state branches of the British Medical Association (BMA). The BMA’s campaign against a national free medicines scheme involved two successful High Court challenges to the Commonwealth’s powers (in 1945 and 1949 respectively) and the sponsorship of a clause added to the 1946 constitutional amendment, which prevented ‘any form of civil conscription’ (Gillespie, 1991). The civil conscription clause meant that doctors and dentist could not be forced into salaried employment and the Commonwealth could not prescribe fees. The BMA’s campaigning effectively limited the Commonwealth’s power to determine prices and to control the medical profession.
The case for building health policy capacity

Health system reform is not easy. There are difficult challenges that health policy must address. Tensions between different goals such as equity, efficiency and quality must be negotiated. Health policy makers are faced with complex financing and service delivery arrangements and entrenched powerful interests whose interests do not always align with the goals of equity, efficiency and quality. Although there is a clear need for innovation to meet contemporary challenges, historically change has been incremental, and there are powerful pressures to maintain the status quo. The challenge for policy makers is to ensure that the cumulative effects of multiple incremental changes are coherent and ultimately result in health improvement.

What would improved policy capacity in government health agencies mean in relation to these complexities? I have argued that there is a need for strong capacity within government to develop and implement effective health policy to meet a range of complex challenges in a complex environment. Clearly there are limits to the effect that improving policy capacity in a single institution would have. However it could be expected that improving policy capacity would contribute to improved population health outcomes by: facilitating the optimal production of public goods; improving policy coherence across sectoral, jurisdictional, and portfolio boundaries; addressing more effectively the social determinants of health; and balancing the tensions between different health system goals.

The role of government in health

Government intervention is necessary in the health system to address market failure and to optimise the production and delivery of public goods (Bloom, Standing, & Lloyd, 2008; Musgrove, 1996; Ross et al., 1999). This section of the chapter describes the various forms of market failure in the health sector and the need for government intervention.

Markets cannot ensure the optimal provision of public goods. Many health-related activities are ‘public goods’. Ross et al. (1999, p. 4) define a public good as ‘a commodity or service whose benefits are not depleted by an additional user, and for which it is generally difficult or impossible to exclude people from its benefits, even if
they are unwilling to pay for them’. A more accessible definition is given by Considine (2005, p. 34) as something which individuals cannot provide for themselves and which must be provided for everyone. An example is disease surveillance. Since people can consume public goods without paying for them, they will not be supplied through market mechanisms alone. Public goods will only be produced if government provides or finances them, or intervenes in the market to ensure their production (Ross et al., 1999, p. 4). Some health goods and services of intrinsic merit, such as preventive health programs, would simply not be produced if left to the market (Ross et al., 1999).

Market failure also occurs as a result of externalities associated with market transactions (Hughes, 2003, p. 79). Health services are subject to externalities, i.e. benefits (or risks), for people other than the recipient of services, which arise from the consumption (or lack of consumption) of health goods and services. For example, the vaccination or treatment of a person with an infectious disease reduces the risk that other people face. Government intervention is needed to minimise negative externalities and maximise positive externalities (Ross et al., 1999).

There are several other reasons for government intervention in the health sector. Government intervention is needed to correct information asymmetry or imperfect information (the gap in knowledge between consumers and health service providers) which leaves consumers ‘vulnerable to supplier-induced demand’ (Ross et al., 1999); and for moral hazard (the tendency for people to over-consume services paid for by a third party) and adverse selection (the tendency for those most likely to use health services to buy health insurance) (Hughes, 2003, p. 80). Some services would also not be uniformly available without government intervention (Ross et al., 1999). The market is not the most appropriate instrument for achieving equity and solidarity, which are widely acknowledged to be important health system goals (Bloom et al., 2008).

**Discourses of public failure**

The benefits of government intervention in the health sector are contested. It is important to note warnings in some parts of the policy and public administration literature about the possible unintended adverse consequences of government intervention. The size, scope and practices of government bureaucracies have been challenged by a number of variants of economic theory including public choice theory,
principal/agent theory and transaction cost theory (Hughes, 2003, pp. 9-13). Public choice theory, for example, critiques the self-serving nature of bureaucracy and proposes market alternatives (Parsons, 1995, pp. 306-312). An example is Osborne and Gaebler’s (1992, pp. 11-12) argument that hierarchical, centralised bureaucracies characteristic of the industrial era are ‘bloated, wasteful, ineffective’. They argue that government should take the role of priority and policy setting and deliver funds to operational bodies separate from government which are responsible for service delivery (Osborne & Gaebler, 1992, pp. 30-40). Other principles advanced by Osborne and Gaebler (1992) include competition between services rather than monopoly; the decentralisation of authority; and reliance on market forces rather than public programs. Public choice theory has been the subject of extensive critique for its narrow view of motivation as solely rational and self-interested and its lack of grounding in empirical studies (see, for example, Stretton & Orchard, 1994, pp. 123-126).

Principal/agent theory and transaction cost economics also provide critiques of government intervention. Principal/agent theory was developed in order to explain the ‘divergence often found between the goals of managers (agents) in private firms and shareholders (principals)’ (Hughes, 2003, p. 12). It focuses on incentives and accountability mechanisms to ensure that agents act for the good of principals. Its application in the public sector raises questions about accountability in a context where the principals are not clearly distinguishable, or are too diffuse to effectively influence or control the agents (Hughes, 2003, p. 12). Transaction cost economics emphasises the costs associated with public sector transactions and argues that there are some transactions for which market mechanism would be more efficient (Hughes, 2003, p. 13).

A further critique of government intervention arises from discourses within the globalisation of governance literature which argue against identifying governance with the role of the traditional institutions of government (Parsons, 1995, p. 242). This discourse is also contested on the grounds that decision making and implementation are still largely the responsibility of the state (Parsons, 1995, pp. 242-243).

The resolution of such debates is not the focus of my research. The desirability of building policy capacity is an assumption of my research; it is not examined empirically
in this research. My research should be understood as a contribution to dialogue among those who share this assumption. I respect those who express caution regarding unintended consequences of government action and about the self-interests of a semi-autonomous bureaucracy and I have kept these warnings in mind whilst analysing my data. Nonetheless the possibility and desirability of strengthening health policy capacity remains an assumption of this research.

Rising interest in (re)building policy capacity

Over the last decade, governments in many countries have turned their attention to building (or re-building) public sector policy capacity (Australian Public Service Commission, 2004; Canadian Government, 1996; Manitoba Office of the Provincial Auditor, 2001; State Services Commission, 1999a; UK Cabinet Office, 1999; UK Government, 1999). This relatively recent focus upon policy capacity stems from several factors. Among these is the view that the public management reforms that swept Anglophone Western democracies from the 1980s onwards frequently had the effect of diminishing policy capacity within government (Aucoin & Bakvis, 2005; Bakvis, 2000; Halligan, 1995; Painter & Pierre, 2005b). Privatisation, down-sizing and contracting out were among the management reforms that have been seen to reduce policy capacity within government bureaucracies (Peters, 1996). Despite subsequent investments in public sector capacity in many jurisdictions, concerns continue to be expressed about the policy capacity of public sector agencies, even in wealthy countries (Graycar, 2006; Howlett, 2008; Tiernan, 2007).

In addition to changes in the structure, staffing and functions of the public sector, increasing attention to policy capacity reflects concerns about the complexity of policy environments and the changing nature of policy work. Many commentators suggest that policy making is becoming increasingly difficult (Davis, 2000; OECD, 1999; Peters, 1996). Rapid changes in society have transformed the relationship between government and society. Pressures associated with globalisation have driven the centralisation of regulation and increased the need for inter-governmental and inter-sectoral coordination in policy making (Davis, 2000; OECD, 1999). These pressures change the environment in which policy capacity is understood by altering the role of government, the choices
available to government, the ways in which policy is made and the policy instruments that can be employed (Davis, 2000; Peters, 2005).

The nature of policy work is changing also with these changes in the policy environment. It is difficult (perhaps increasingly difficult) to predict or control the impact of policy changes into the long term (Dror, 1994). Policy makers need to work in incremental ways but within the context of a long-term vision of social and institutional development. Increasing complexity limits predictability while increasing scale raises the political stakes; balancing the rational/technical and the political aspects of policy development appears increasingly difficult. Emerging ideas such as evidence-based policy making (H. T. O. Davies, Nutley, & Smith, 2000; Lin & Gibson, 2003) and calls for greater policy coherence or ‘horizontal government’ (Lindquist, 2004; Peters, 1998) also bring with them implications for the skills required of policy makers and for the institutional supports required. Accordingly, policy makers are said to increasingly need skills in coordinated and cooperative policy work, networking, negotiating, collaborating, and flexible policy implementation (APSC, 2003; Hess & Adams, 2002).

**Research goal and objectives**

This research is conceived as a contribution to better health policy making by throwing new light on organisational policy capacity and strategies for improving it, and through this contributing to improved health care and improved population health.

The specific contributions which this research makes to this broad project are reflected in the research objectives. The objectives are:

1. to describe organisational policy capacity;
2. to explore organisational capacity (in terms of the relationships between capacity, process and outcomes);
3. to survey organisational enablers and barriers; and
4. to identify strategies for building organisational policy capacity.
Overview of the research design

This research has involved a case study of one large Australian State health and human services department, the Victorian Department of Human Services (DHS). Data collection involved a comprehensive literature review (including a comparative analysis of public sector policy capacity research in four countries), and a two-stage interview study. The first stage comprised twenty-two individual in-depth interviews with policy practitioners (people engaged in policy work) in four policy oriented organisational units within three divisions of DHS. The three divisions comprised two health divisions and a corporate policy-oriented division with cross-portfolio policy responsibilities. The purpose of these interviews was to explore the policy process and the organisational structures, processes and cultures that contributed to policy outcomes.

The second stage involved a focus group interview and three individual interviews with experienced policy practitioners from across DHS who were recognised by their peers as highly skilled. These policy practitioners were selected using a reputational sampling method. The focus of Stage 2 was the development of strategies for building policy capacity. During this stage, a further interview was conducted with a technical specialist in a particular area of relevance to the research.

The analytic strategy involved tracing the relationships between policy capacity, policy process and policy outcomes. The analysis of these relationships was oriented around three units of analysis: the organisational unit (policy-oriented branches); policy workers; and policy episodes (periods of engagement). The criteria upon which policy process and outcomes were evaluated were subjective and implicit; based on the views of the participants themselves.

Data analysis involved: first, assembling a description of the policy process; second, identifying the strengths and weaknesses of the policy process (in terms of putative outcomes); third, identifying the characteristics of organisational infrastructure (process, structure, culture) which enabled or constrained good policy process and outcomes; and finally, developing propositions for building capacity. A range of different conceptual frameworks informed my data analysis. In my analysis of the policy process I used a framework derived from the data (formulating, influencing and implementing policy) and a suite of metaphors for description derived from the policy
studies literature. My analysis of policy capacity in the Department and the development of propositions for capacity building were framed in terms of eight domains of policy capacity derived from a comparative review of previous policy capacity research. Barriers to the implementation of capacity building strategies were explored in terms of the tensions between policy capacity and two other aspects of governing capacity (administrative capacity and state capacity).

**Structure of the thesis**

This thesis comprises ten chapters.

Chapter 1 introduces the problem addressed by the thesis and the rationale for the research. It begins with an account of the origins of my interest in building policy capacity and the changing focus of the research from individual competencies to organisational capacity and policy leadership. It describes the context for concerns about policy capacity, makes a case for the role of government intervention in the health sector and argues for the need for building policy capacity in the health sector, in terms of complex policy challenges, the importance of inter-sectoral collaboration, tensions between different health system goals and obstacles to health reform. The chapter concludes by describing the aim of the research, outlining the research design and the structure of the thesis.

In Chapter 2, I survey what is already known about policy, policy capacity and policy capacity building, drawing on a number of different bodies of literature including scholarly literature on the policy process, the generic capacity and capacity building literature, organisation theory, scholarly commentary on policy capacity, and other research and literature relating to policy capacity and strategies for building policy capacity. Chapter 2 describes the way in which policy capacity has been described and evaluated, introduces the formal research questions and discusses the assumptions underpinning the research.

Chapter 3, entitled ‘A study of policy process and policy capacity in the Victorian Department of Human Services’, describes the methods used in the study. It covers the research strategy, research team and advisory structures, describes the research setting
and participants in some detail and discusses the data collection and analysis methods. Some important methodological dilemmas and limitations are also discussed.

The findings of the study are reported in Chapters 4, 5, 6, 7 and 8.

Chapter 4 describes policy work in the Victorian Department of Human Services, in terms of the nature of the policy work undertaken by the participants and the context for policy work. The chapter begins with a discussion of the policy involvements of the participants in terms of ‘episodes’ or ‘projects’, drawing on a set of four vignettes, followed by a discussion of the variance in the policy episodes and projects. The policy work undertaken in the Department is described using a framework which emerged from the data (formulating, influencing and implementing) and a set of metaphors drawn from the policy literature. Finally, this chapter describes the context for policy work from the perspectives of the participants, including features of the external environment and the internal organisational environment.

Chapter 5 presents the findings of the study in relation to the competency fields important for health policy (including knowledge sets, skill sets and personal attributes) and the formative experiences described by the participants (including workplace experience and formal policy and public administration training).

Chapter 6 presents an analysis of organisational policy capacity in the Department of Human Services. This chapter is structured around eight domains of policy capacity, or areas in which organisational structure, process and culture contributes to the quality of policy practice. In each of these domains, instances are described which illuminate the relationships between aspects of policy process and policy outcomes (from the perspectives of the participants). Drawing from these instances and from the views of the participants, I then make inferences about the relationship between policy process and organisational capacity, under the headings of ‘enablers’ and ‘barriers’.

Chapter 7 presents a set of propositions for building capacity based on the data. The propositions are structured around four capacity development domains (areas in which organisational change should lead to improvements in the policy process, and therefore in policy outcomes). These capacity development domains are: building and managing a policy-competent workforce; developing formal processes and guidelines
for strengthening the policy process; strengthening organisational culture and policy leadership; and strengthening structures and relationships to support policy capacity. Individual competencies are discussed here under the general rubric of mobilising human resources for policy work.

In Chapter 8, I explore barriers to building policy capacity, using a framework adapted from Painter and Pierre (2005a), which conceptualises policy capacity as one of three types of governing capacity. This framework is used to analyse the barriers in terms of tensions between policy capacity and two other types of governing capacity: administrative capacity and state capacity. The chapter describes tensions inherent in building policy capacity in each of the capacity development domains, and discusses ways in which these tensions might be negotiated.

Chapter 9 is a discussion chapter that argues that the long lists of strategies for building policy capacity derived from the literature and from my research are not sufficiently strategic, for three reasons: (i) the appropriate choice of capacity building strategies depends on context and contingency; (ii) capacity is as much cultural as structural; and (iii) the agency of individuals is the driver of change (capacity building) in the organisation. The chapter argues that developing policy leadership provides a more strategic approach. The idea of policy leadership is explored in terms of a number of elements, some of which are captured by the generic leadership literature, some by the public sector leadership literature, and some which are unique to policy leadership. The chapter concludes with a discussion of principles for developing policy leadership based on the research findings and a review of the leadership development literature.

Chapter 10 presents the conclusions of my research. It draws together all of the findings from the previous chapters about the nature of policy work, the institutional policy making environment, the factors contributing to policy capacity, the propositions for building capacity, the tensions associated with policy capacity building and the ways in which these tensions might be negotiated. It discusses the implications of these findings for building policy capacity through developing policy leadership. It concludes by outlining the contributions of the research and suggesting areas for further research and avenues for dissemination of the research findings.
Chapter 2: Policy Capacity and Policy Capacity Building: What is already known?

Introduction

This chapter surveys what is already known about policy capacity and policy capacity building and a number of other issues and questions related to the context of this research. The principal method of this survey is a review of the relevant literature. However, my assessment of the field of the research is also informed by prevailing discourses of public health and government and my own engagement in the field of the research.

The objectives of my research were to describe, evaluate and suggest: to describe the policy process; to evaluate the organisational environment in terms of policy capacity; and to suggest strategies for policy capacity building. This chapter discusses how the policy process and policy capacity have been described in the literature. It discusses how policy capacity has been evaluated; and what the literature has to say about strategies for policy capacity building. In this discussion I have drawn on several different bodies of literature.

The areas in which literature was reviewed for this chapter include:

- The scholarly literature on the policy process (derived from the published public policy and health policy literature);
- The wider literature on institutional capacity and capacity building (mainly derived from the international development literature, including published and grey literature);
- The organisation theory literature, including literature relating to organisational structure and culture, organisational change and leadership, and organisational learning;
- Commentary on policy capacity and policy capacity building (mainly published literature from political science, public policy and public administration disciplines); and
Publicly available evaluations of policy capacity and the quality of policy advice (sourced mainly from the grey literature through government websites and internet search engines), and other relevant research and literature regarding elements of policy capacity (organisational and individual) and strategies for building capacity.

The chapter begins by examining the ways in which the term ‘policy’ has been used and different perspectives on the policy process. It examines a range of metaphors for describing the policy process and introduces the idea of theoretical eclecticism which forms the basis for the approach taken in this thesis.

The middle section of the chapter reviews the literature on institutional ‘capacity’ and ‘capacity building’. It discusses the origins and uses of these concepts and describes the idea of levels of capacity. It includes an analysis of different frameworks for understanding organisational capacity and looks briefly at the capacity development process and how capacity has been measured. Some key principles are also drawn from the organisation theory literature, which have been used in the research.

The chapter next turns to the political science and public administration literature for an examination of different conceptualisations of policy capacity. It then examines (i) organisational capacity in terms of barriers and strategies for capacity development and (ii) competencies for policy work, drawing on a review of previous government research (undertaken for this thesis and published in the journal Australia and New Zealand Health Policy) and a survey of other relevant research and literature.

The chapter concludes by discussing models and methods for policy capacity research, gaps in the literature, the research questions of the thesis and the assumptions underpinning the research.

Policy and the policy process

Usages of the term ‘policy’

The nature of policy has been the subject of extensive debate in the literature (see, for example, Colebatch, 2009; Ham & Hill, 1993; Hancock, 1999; Parsons, 1995). The term ‘policy’ is used to describe a broad range of positions, decisions, processes and
actions (Colebatch, 2009). It is viewed differently from the standpoints of different participants in the policy process (Colebatch, 2009, p. 4). It can be used at different levels of scale, from the goals and aspirations of government to the standardisation of routine practice (Colebatch, 2009). It can be used to refer to specific documents, statements and decisions or the political and bureaucratic processes which produce these outputs (Lin, 2003, p. 5).

One of the most common ways in which the term is used is to describe decisions made by politicians that result in action by the government to address a particular issue (Colebatch, 2009, p. 4). Colebatch (2009, p. 8) describes the commonly understood meaning of policy in terms of three main features: authority (‘the endorsement of some authorized decision-maker’), expertise (using expert knowledge in problem solving) and order (systematic and concerted action). Colebatch (2009, p. 9) notes that these features are not always in balance and may sometimes counteract each other. This definition of policy corresponds to common usage in much of the literature on policy capacity, where the focus is on the resources available to politicians (usually ministers) for decision making.

Policy is often understood as a rational choice between alternatives (J. M. Lewis, 2005, p. 5). For example, Anderson (1975, cited in Walt, 1994, p. 41) defined policy as ‘a purposive course of action followed by an actor or a set of actors in dealing with a problem or matter of concern’. This perspective is also reflected in the policy capacity literature which is based on the implicit assumption that better resources (information, processes, people) will result in better decision making. However Hogwood and Gunn (1984, p. 22) point out that purposes are not always clear at the beginning of the policy making process, and sometimes are even attributed after the fact, rather than determined beforehand.

Policy is often conceived as the choices of authorised decision makers, or the results of such choices (Colebatch, 2009, p. 13). A closer look at the process of policy making reveals an inextricable relationship between decisions and actions (Colebatch, 2009, p. 14). Policy generally involves a series of decisions rather than a single choice between alternatives; a series of related decisions which may or may not proceed in a rational sequence (Ham & Hill, 1993, p. 11; Hogwood & Gunn, 1984, p. 19).
Perceiving policy as a process or a course of action rather than a single decision highlights the complex and diffuse nature of policy and the participation of many players. As Hogwood and Gunn (1984: 20) argue, it is not just high level decision-makers who are involved in policy making:

A so-called policy is often the cumulative outcome of many operational decisions or responses to problems first perceived at relatively low levels of the organization. Especially in highly technical areas, quite junior personnel with specialist skills may have disproportionate influence in policy determination.

‘Policy’ can also refer to non-decisions, inaction and the maintenance of the status quo (Ham & Hill, 1993, p. 12). Inaction that can constitute policy includes both deliberate decisions not to act and omission or inadvertent failure to act (Hogwood & Gunn, 1984, p. 21).

Policy involves more than just what governments do. Much commentary on public policy locates senior government officials as the agents of choice and decision. However public policy making also involves the participation of diverse constituencies in policy decision making. The literature offers many ways of thinking about the involvement of different constituencies in policy making, such as policy networks and communities (M. J. Smith, 1997) and Lipsky’s (1980) theory of street level bureaucrats. The next section of the chapter examines more closely a range of different perspectives on the policy process.

This thesis is concerned with public policy, which is generally understood as ‘policy for which governments are primarily responsible’ (Palmer & Short, 1994, p. 23). It is particularly concerned with social policy, which is a type of public policy that includes a broad set of policy areas such as social security and the provision of health services, education, employment services, social services including aged care and disability and housing (Hill, 1988; Palmer & Short, 1994).

Health policy, which can be seen as a subset of both public policy and social policy, is the main focus of this thesis. Palmer and Short (1994, p. 23) define health policy as ‘courses of action that affect that set of institutions, organisations, services and funding arrangements that we have called the health system’. In reality, there are many overlaps between health and other areas of social policy, in terms of policies, the service
system for implementing them, and the institutional arrangements for policy development and administration (Palmer & Short, 1994).

**The policy making process**

The public policy literature includes many different and incommensurable metaphors for describing the policy making process. All are simplifications of the real world. Policy making is an extraordinarily complex activity, involving many actors, long time frames, and conflicting perspectives, values and interests, in the context of a multitude of overlapping programs and pre-existing policies (Sabatier, 1999, pp. 3-4). This part of the chapter outlines some of the metaphors and models which have attempted to grasp this complexity and examines how policy capacity might be conceived from these different perspectives. I have not tried to canvass all of the metaphors, models and theories offered in the literature but have reviewed those which are useful in the context of this research, or would seem to offer promise in terms of illuminating policy capacity.

**Rational models**

Many models of policy making describe policy as a rational and linear sequence of discrete stages, beginning with agenda setting and issue identification and ending with policy evaluation. These ‘rational’ or ‘stagist’ models of policy making derive from views of policy as a rational and purposive approach to problem solving (J. M. Lewis, 2005, p. 5).

Simon (1945) and Lasswell (1956) are generally credited with being the first policy scientists to conceive the policy process in terms of a series of stages (Parsons, 1995, p. 21). Simon conceived decision making in terms of three stages: intelligence, design and choice (Simon, 1947 in Parsons, 1995, p. 22). Lasswell (1956) described seven stages: intelligence, promotion, prescription, invocation, application, termination, appraisal (Parsons, 1995, p. 78). However the stages are characterised, rational models conceive of policy making as a logical sequence of stages involving problem definition, goal clarification, the generation and analysis of policy alternatives, systematic comparison of alternatives and the choice of the alternative which best meets the goals of decision makers (Buse, Mays, & Walt, 2005, p. 40).
One of the most commonly utilised contemporary versions of the stagist approach is the ‘policy cycle’ model (Bridgman & Davis, 1998). Bridgman and Davis (1998) conceptualise the policy cycle in terms of the following stages which, while never occurring in smooth chronological sequence, are all nevertheless important steps through which issues move:

- issue identification;
- policy analysis;
- selection of policy instruments;
- consultation;
- coordination;
- decision;
- implementation; and
- evaluation.

The policy cycle was earlier proposed by other writers including May & Wildavsky (1978) and Nachmias & Felbinger (1982, cited in Howard, 2005, p. 6). While there are minor differences in the stages included and their order, these models share the idea that the policy process proceeds in a series of discrete stages, involves purposive decision making, and is a cyclical process by which the next round of policy making is informed by previous processes (Howard, 2005, p. 6).

Rational models of policy making, including the policy cycle, are simple and persuasive but are frequently criticised for failing to accurately portray the realities of policy making, in particular its political aspects (Colebatch, 2005; Everett, 2003; J. M. Lewis, 2005, p. 6; Parsons, 1995, p. 79; Sabatier, 1999, p. 7; G. Smith & May, 1997, p. 164). Policy making does not proceed in an ordered sequence or a systematic fashion (J. M. Lewis, 2005, p. 6). Solutions often precede problems or are not related (M. Cohen, March, & Olsen, 1972; Kingdon, 1984). Rational models often assume consensus about what the problem is about, and the range of possible solutions. They also provide a ‘top down’ view of policy making that does not adequately account for the involvement of a multitude of actors (Parsons, 1995, p. 80; Sabatier, 1999, p. 7).

Despite its limitations, the policy cycle and other rational models are commonly considered to be useful for some purposes, to reduce complexity and to understand the
different stages that issues move through (Bridgman & Davis, 1998; Parsons, 1995, p. 80). Howard (2005 p. 9) argues that the policy cycle captures some of the important features of policy making but cautions against its use as a ‘universal explanatory model for public policy’.

If the policy process is conceived as a process of rational decision making, then policy capacity would be conceptualised as the conditions for sound decision making; such as access to the necessary information and analytic capacity to inform problem definition and to assess different policy options. Perceiving policy making as a series of stages or as a cyclical process further suggests that there may be a different set of organisational conditions and practitioner competencies at different stages in the process.

**Systems approaches**

Easton’s (1953; 1965) systems approach was an early and influential model of the policy process which likened political systems to biological systems. This model conceptualises the policy process in terms of inputs (demands and supports) which feed into the ‘black box of decision-making’ and give rise to outputs (decisions and policies) (Buse et al., 2005, p. 34; Ham & Hill, 1993, p. 14). Systems models seek to capture the effect of the wider political environment in which decision making occurs, however the policy process is still conceived broadly in terms of stages and mechanics (J. M. Lewis, 2005, p. 6; Parsons, 1995, p. 39). The Eastonian model is generally acknowledged to have a number of serious limitations including its simplistic depiction of a logical sequence of events and the lack of attention given to the workings of the ‘black box’ of decision making (Buse et al., 2005, p. 36; Ham & Hill, 1993, p. 15).

Policy capacity, using a systems metaphor, might be conceived in terms of the quality and quantity of inputs, the processes for decision making and the outputs of the policy process (for example, policy briefs and policy statements).

**Incrementalism**

Charles Lindblom (1959) proposed ‘incrementalism’ as an alternative model to both rational models and Easton’s approach in his article on the ‘science of muddling through’, arguing that rational decision making is not possible for complex policy
problems. Instead, he contended that policy was made through a succession of limited steps or adjustments, involving compromise and negotiation. From this perspective, decision makers do not start with a blank page, but take what already exists as given, and make small adjustments to existing arrangements. Many researchers have found that this model fits better with policy makers’ experiences of the real world of policy analysis and development, where changes to established programs proceed slowly and in small steps (see, for example, Kingdon, 1984, p. 84; Wildavsky, 1966).

The incremental model has been subject to criticism on a number of grounds, including that it does not explain radical policy decisions and major reforms (Buse et al., 2005, p. 19). Kingdon (1984, p. 85) argues that although incrementalism is a useful metaphor for some purposes, it does not describe agenda setting very well, since often interest in a particular subject rises suddenly and produces large-scale change. The generation of alternatives may be an incremental process but the way in which issues appear on the policy agenda is often ‘discontinuous and non-incremental’ (Kingdon, 1984, p. 87).

A ‘mixed scanning’ theory was proposed by Etzioni (1967, cited in Buse et al., 2005, p. 43) as a compromise between rational and incremental models of decision making. Decision making according to this model involves a combination of close examination of some parts of the policy problem and a broader analysis of the problem as a whole (Buse et al., 2005, pp. 43-44; Parsons, 1995, p. 297).

One of the implications of incrementalism for the study of policy capacity is to underscore the importance of capacity for small-scale, continuous policy adjustment as well as capacity for high profile, large scale policy reform. The metaphor of incrementalism also suggests the importance of a common vision to give coherence to the different initiatives taken in different places, times and with respect to different issues.

**Garbage cans, policy windows, policy streams and policy entrepreneurs**

M. Cohen, March and Olsen (1972) introduced the ‘garbage can’ metaphor to describe how decisions are made in organisations, which they described as ‘organized anarchies’. In organised anarchies, there is often conflict over how problems are
defined, and little consensus over goals. Members of organisations often do not have an understanding of the organisation’s processes or a clear idea of what they are doing and how their work fits in with the rest of the organisation. Participants vary in their level of involvement and move in and out of decision making over time (M. Cohen et al., 1972).

From this point of view, problems and solutions swirl around together within the organisations and in public discourse. ‘Choice opportunities’ are conceived as garbage cans in which problems and solutions coexist (M. Cohen et al., 1972: 2). The decision is a product of the mix of problems, solutions, participants and choice opportunities and the interaction between these different streams within the garbage can. From this perspective, there is no linear or sequential relationship between the opportunity for decision making, the identification of problems and the generation of solutions.

Although the four streams of problems, solutions, participants and choice opportunities are to some degree beyond the organisation’s control, organisational structure and process is important in determining the relationships between them (M. Cohen et al., 1972, p. 3). Organisational structure shapes the timing of problems, choices, solutions and decision makers; determines how much time and resources are allocated by different participants to the decision and affects the way the four streams are linked (M. Cohen et al., 1972, p. 4).

Kingdon (1984) further developed this model, describing problems, solutions and politics as three separate streams which sometimes come together at critical times. Change takes place when a problem is identified, a solution is available and the political situation enables change to occur. Windows of opportunity arise, often serendipitously, where ‘policy entrepreneurs’ can bring the three streams together, match solutions and problems and get the issue high enough onto the policy agenda to be acted upon (Kingdon, 1984).

Policy entrepreneurs are advocates for particular proposals or ideas who are willing to invest resources ‘in the hope of a future return’ (Kingdon, 1984, p. 129). People may take on this role to advance their personal interests; to promote their own values or to advance a particular policy; or even for the enjoyment of participating in policy making. Policy entrepreneurs advance their ideas by advocating for them in different forums, ‘softening up’ policy communities and the public to build acceptance
for their proposals, floating ideas in experimental ways, and keeping the issue alive

Not all issues which are advanced by policy entrepreneurs will get onto the
agenda. They need to be seen to have technically feasible solutions; the solutions need
to be compatible with prevailing values; and the solutions need some continuity with
established institutional structures and processes (Kingdon, 1984, pp. 138-146).

There may be a window of opportunity during which a particular issue will ‘get
up’ when problems are compelling or when events in the political stream make
circumstances favourable (Kingdon, 1984). Policy entrepreneurs keep their proposals
ready waiting for a policy window to open. Policy windows close quickly, and if an
opportunity to get an issue onto the agenda is missed, the entrepreneur must wait for the
next chance. There are some issues whose time has come; there are others which make
their run too late.

Using these metaphors highlights the following dimensions of policy capacity:

- identification of problems – timeliness, degree of conflict over
  problem definition, degree of articulation of problems;
- the resources (particularly time) available to decision makers to
  spend on important organisational problems;
- the ability to generate possible solutions; and
- political skills – the ability to match problems and solutions.

**Policy networks and communities**

The literature on policy networks and communities includes a diverse collection
of theories focusing on the relationships and networks that shape policy making
(Parsons, 1995, p. 185). The term ‘policy networks’ (or issue networks) generally refers
to relatively loose relationships based on particular policy areas, whereas ‘policy
communities’ is used to refer to more ‘tightly knit’ relationships between actors with
common concerns (Parsons, 1995, p. 189). These metaphors provide a way of looking at
the people who are involved in policy making. They point to ‘a conceptualisation of
policy as a complex network of continuing interactions between groups of policy actors
who use public, private, and voluntary organisations to articulate and express their ideas
about a particular area’ (J. M. Lewis, 2005, p. 13). They provide insights into patterns of communication and information flow and patterns of political manoeuvring around policy development.

The central feature of policy networks is relationships (between different groups, parts of government or between groups and the government) that enable the exchange of information (M. J. Smith, 1997, p. 76). Various policy researchers have sought to categorise policy networks into different types. For example, Rhodes (cited in M. J. Smith, 1997, p. 78) describes six types of networks, including policy communities, issue networks, professionalised networks, inter-governmental networks, territorial communities and producer networks. M. J. Smith (1997) describes a continuum of networks from large, loose ‘issue networks’ through to tighter, more exclusive policy communities.

Networks are central to the idea of governance (Rhodes, 1997). Governance, broadly defined, refers to the use of political power in the process of governing (Weller, 2000, p. 3). Governance has multiple meanings but a common element is the involvement of actors and institutions in and beyond the state in the process of governing (Kjaer, 2004, p. 3). According to Castells (2004, pp. 15-22), networks have increasingly characterised society since the 1970s due to a number of transformative social trends including restructuring of industrialism, the social movements of the 1960s and 70s and massive advances in information technology. Contemporary governance, Rhodes (1997, p. 15) argues, is characterised by ‘self-organizing, interorganizational networks characterized by inter-dependence, resource exchange, rules of the game and significant autonomy from the state’. From a governance perspective, government is not the sole ‘policy maker’, but rather policy is created through the interaction of many different players. One of the implications of the concept of governance is a blurring of the boundaries between the state and civil society, and the role of government becomes one of managing or enabling the self-organising networks comprised of both governmental and non-governmental participants (Rhodes, 1996, p. 666).

The idea of policy networks has been criticised on a number of grounds including its inability to account for the influence of macro-political institutions and the internationalisation of policy, its inability to account for policy innovation and its
underlying assumption that there are discrete issues which have their own associated networks or communities (Parsons, 1995, p. 191).

The significance of the metaphors of policy networks and communities for this research is to highlight the way in which policy making extends beyond the bureaucracy and involves the interaction of many diverse participants. These metaphors focus attention on the degree to which capacity is located outside of the bureaucracy, as well as the capacity of bureaucratic policy workers to participate in and support this interaction in ways which lead to better policy outcomes.

**Policy discourse approaches**

Another group of approaches to theorising the policy process includes what Parsons (1995, p. 39) terms ‘policy discourse approaches’. What these approaches have in common is an interest in language and communication in policy making. These include, among others, narrative policy theory and Fischer and Forrester’s (1993) argumentative approach.

In narrative policy theory, policies are conceptualised as stories that circulate through social and institutional systems and coordinate the action of multiple players. Policy narratives are stories which include scenarios and arguments (Roe, 1994, p. 34). A policy narrative tells a story about what will happen if a particular course of action is followed. Policy narratives reduce the uncertainty involved in complex situations to the degree that a course of action can be identified (Roe, 1994, p. 34). Narrative policy theory suggests that policy making often involves uncertainty and conflict about goals, and that an important skill for the policy analyst is to be able to identify, compare and evaluate conflicting policy narratives and to generate a new policy narrative (‘meta-narrative’) which identifies a way forward.

The argumentative approach (Fischer & Forrester, 1993) focuses on the way in which language shapes policy making, particularly ‘the way in which ‘policy discourse’ comes to frame the arguments which form the frameworks within which problems and agendas are constructed’ (Parsons, 1995, p. 152). The work of policy is seen from this perspective as creating persuasive arguments that shape and construct problems and solutions (Fischer & Forrester, 1993, pp. 5-6).
Policy discourse metaphors, particularly the argumentative approach, draw attention to capacity with respect to ‘the process of utilizing, mobilizing, and weighing arguments and signs in the interpretation and praxis of policy making and analysis’ (Fischer, 2003 in Gottweis, 2006, p. 462). They also suggest the importance of writing skills, particularly understanding the best way of couching the problems, analysis and solutions for any given objective or set of audiences.

Models of policy implementation

Implementation is generally understood as the ‘carrying out’ of a policy decision (Mazmanian & Sabatier, 1989, p. 20), or ‘putting policy into action’ (Ham & Hill, 1993, p. 98). A range of different metaphors has been used to describe the process of policy implementation. Implementation looks different depending on whether it is viewed from the perspective of a central policy maker, a field-level ‘implementer’, or the people to whom a program is directed.

A distinction is often made between ‘top down’ and ‘bottom up’ approaches to policy implementation (Buse et al., 2005; Walt, 1994; Younis, 1990). The field of implementation research has traditionally been dominated by the top down approach (Mazmanian & Sabatier, 1989, p. 12), epitomised in the seminal work of Pressman and Wildavsky (1973) in their book about implementation failure, and also in the preconditions for effective implementation developed by Hogwood and Gunn (1984).

‘Top down’ approaches derive from a view of the policy process as a linear sequence of steps with policy development and implementation as discrete stages, where policy is developed by government and implemented by agencies which administer programs (Buse et al., 2005, p. 122). From this perspective, policy implementation is a purely administrative activity, and the success of implementation is defined in terms of how well the policy objectives of the central policy makers have been met (Mazmanian & Sabatier, 1989, p. 12). Successful implementation is seen to depend on both the quality of policy formulation (such as the clarity of goals and the strength of causal links between goals and actions) and the compliance of implementers (Buse et al., 2005, pp. 122-123; Walt, 1994, pp. 153-155). From a top down perspective, the devolution of responsibilities for implementation is seen as creating problems which need to be anticipated and accounted for in the policy development process.
Top down approaches have given rise to many checklists for policy makers to ensure effective implementation, such as the ten pre-conditions for ‘perfect’ implementation proposed by Hogwood and Gunn (1984, pp. 199-206), which include: the absence of obstacles in the environment; adequate time and resources; the availability of resources at the time they are needed; the adequacy of theory about cause and effect; a direct relationship between cause and effect; the simplicity of the implementation process; widespread understanding of and agreement with objectives; good communication and coordination processes; and the compliance of implementers. Ham and Hill (1993, p. 101) summarise the issues which need to be addressed in ensuring effective implementation as: the clarity of the policy; the simplicity of the implementation structure; the prevention of ‘outside interference’, and the degree of control over implementing actors. The metaphors of ‘levers’ and ‘instruments’ for implementation correspond to top down approaches. These metaphors place the ‘policy maker’ in the position of a controller who steers, drives and monitors the implementation process.

Top down models have been subject to criticism for a range of reasons, not least that policy formulation is seen as the exclusive domain of governmental decision makers and the contribution of other actors is ignored (Buse et al., 2005). Top down models and the metaphors of levers and instruments risk positioning ‘implementers’ as having no agency of their own and no role in the making of policy.

Bottom up approaches, in contrast, perceive implementers as active participants in the policy development and implementation process (Buse et al., 2005, p. 124). Lipsky (1980) highlighted the role of field level officials and program staff, in making as well as implementing, policy through their control over the allocation of scarce resources. He argued that ‘the decisions of street-level bureaucrats, the routines they establish, and the devices they invent to cope with uncertainties and work pressures, effectively become the public policies they carry out’ (Lipsky, 1980, p. xi). The conflicts they experience between the policy objectives they are charged with implementing, the shortcomings of the organisational environment in which they find themselves and their own professional and ethical commitments inevitably shape the way in which policy is implemented (Lipsky, 1980).
Viewed from a bottom up perspective, implementation is a political process of negotiation and conflict between large numbers of players, both within and outside government (Buse et al., 2005, p. 125). The metaphor of street level bureaucrats suggests that policy formulation is not confined to a stage preceding implementation, and that policy goals can be transformed or undermined in the process of implementation. As Mazmanian and Sabatier (1989, p. 7) argue, the process of continual adjustments to goals and strategies blurs the distinction between policy formulation and implementation.

Bottom up approaches are generally acknowledged to suffer from the disadvantage of not adequately accounting for formal structures and the effects of the efforts of authorised policy makers (Marinetto, 1999, p. 30; Younis, 1990, p. 12). Accordingly, many policy researchers advocate employing multiple perspectives to explain and analyse policy implementation (Buse et al., 2005, p. 134; Mazmanian & Sabatier, 1989, p. 19; Younis, 1990, p. 12). Contemporary perspectives generally conceive of implementation as a continuum between centrally determined policy objectives and local autonomy (Pulzl & Treib, 2006) and various syntheses and hybrid models have been developed which attempt to maximise insights from the different approaches (Winter, 2006).

Top down and bottom up perspectives are equally useful for highlighting aspects of policy capacity. The top down metaphor suggests that the control of policy workers over implementation (through careful implementation planning, coordination and monitoring) is central to capacity. The bottom up metaphor, in contrast, suggests the importance of relationships with implementers as a part of policy capacity.

**Institutionalism and institutional rational choice**

The group of theories known as institutionalism includes theories from different disciplines including political science, economics, anthropology and sociology (March & Olsen, 1984, p. 78; Ostrom, 1999, p. 36). What these theories have in common is their focus on the way in which policy is shaped by institutional arrangements.

Institutional rational choice (one type of institutionalism) is particularly concerned with institutional rules and incentives and their potential to change institutional
behaviour (Parsons, 1995, p. 224; Sabatier, 1999, p. 8). The term ‘institutions’ is used to
refer to a range of entities, including not just formal organisations but also the rules and
norms that ‘structure interactions within and across organizations’ (Ostrom, 1999, pp.
36-37). Rules are understood as ‘shared understandings among those involved that refer
to enforced prescriptions about what actions (or states of the world) are required,
prohibited, or permitted’ (Ostrom, 1999, p. 50) From this perspective, institutions and
their rules structure the interactions between participants and the choices available to
actors.

At the centre of institutional rational choice is the idea of ‘action arenas’; social
spaces where actors (individual and corporate) interact in ‘action situations’ (Ostrom,
1999). Institutional rational choice theorists see policy outcomes as shaped by the
patterns of interactions which are determined by variables in the action arena, such as
the set of participants, their positions, the ‘set of allowable actions’, the degree of
control over choice, the information available to actors, and the costs and benefits of
actions and outcomes (Ostrom, 1999, pp. 43-44).

Policy capacity from an institutional rational choice perspective would be seen as
located in institutional structure and design (Painter & Pierre, 2005a, p. 8).

**Theoretical eclecticism**

In this thesis I have chosen to draw on a variety of different metaphors (theories,
models, frameworks) for describing the policy process. The metaphors outlined above
represent only a small number of the metaphors available for describing and analysing
the policy process; I have not attempted to comprehensively cover them all here.

The policy process is difficult to describe (Ham & Hill, 1993, p. 11) because it is
necessarily viewed from a broad range of different perspectives, which are useful for
different purposes. None of these metaphors is true in the sense that it is a one to one
representation of reality.

Faced with these multiple theories, all of which illuminate some aspects of the
policy process, I am faced with a choice, between choosing one theory; combining a set
of different theories into a more inclusive framework; or drawing on a range of different
metaphors as appropriate to the descriptive task at hand, using them as lenses through
which to view the policy process, without trying to force them into an overarching framework. The latter is the approach I have chosen in this thesis. Reifying particular perspectives at the expense of others would mean capturing only some aspects of what is a complex social process, and limiting my understanding, description and analysis. As Peters and Pierre (2006, p. 1) argue, the complexity of policy means that achieving understanding ‘requires bringing together a wide range of theoretical and analytical perspectives’.

**The role of the bureaucracy in the policy process**

The traditional model of public administration perceived a strict separation between policy and administration (Hughes, 2003, p. 1). Politicians were seen as ‘transformational leaders’ and bureaucrats as implementers of decisions made by government (Althaus & Wanna, 2008, p. 117). The traditional model of public administration was strongly influenced by Weber’s theory of bureaucracy (Hughes, 2003, p. 21). Hughes describes the traditional model as follows:

> [A]n administration under the formal control of the political leadership, based on a strictly hierarchical model of bureaucracy, staffed by permanent, neutral and anonymous officials, motivated only by the public interest, serving any governing party equally, and not contributing to policy but merely administering those policies decided by the politicians (Hughes, 2003, p. 17).

In the 1970s and 1980s it became more apparent that the traditional model did not adequately reflect the realities of government, and problems with the model became evident. The model was challenged by various attacks on the scale, scope and methods of government and a number of alternative theories including variants of economic theory (public choice theory, principal/agent theory and transaction cost theory) (Hughes, 2003). The introduction of market-based reform from the mid 1980s (generally referred to as the New Public Management) created changes in the role of government and the relationship between government and society (Hughes, 2003).

Bureaucrats are now understood to have a much more active role in policy making (Althaus & Wanna, 2008). Bureaucracies are acknowledged to influence policy through elaborating on legislation, through advising politicians and through their discretion over implementation (Peters & Pierre, 2003). Walt (1994, pp. 80, 83) argues that bureaucrats
can be powerful players in policy making due to their closeness to political policy makers, as well as their ‘expertise, knowledge and competence’. Policy managers in the bureaucracy make substantial contributions to policy making and also, as Considine (1994, p. 220) argues, ‘co-ordinate the roles of all other contributors’. Page and Jenkins (2005, p. 2) argue that policy making is a bureaucratic as well as a political activity. Their empirical study of bureaucratic policy workers showed that middle-ranking public servants were active participants in policy making, not just through the provision of advice and through their involvement in implementation, but also through formulating and maintaining policy (Page & Jenkins, 2005).

The nature of bureaucratic policy work

Policy work looks very different depending on which perspective it is viewed from (Colebatch, 2006a, 2006c). Colebatch describes three distinct perspectives: ‘authoritative choice’, where policy is seen as the decisions of authorised decision makers; ‘structured interaction’, in which policy is seen as the outcome of interaction amongst various participants with different interests and views; and ‘social construction’, in which policy is a process of constructing meaning through language and argument (Colebatch, 2006a, 2006b, 2006d, 2009). Each of these perspectives has implications for the way in which the policy work of bureaucrats is viewed. An authoritative choice perspective positions policy workers as the providers of ‘decision-support’ through rational analysis and advice (Colebatch, 2006a). From a structured interaction perspective, policy work is a process of ‘negotiation between recognised stakeholders aimed at generating a mutually acceptable outcome’ (Colebatch, 2006a, p. 14). A social construction perspective suggests a role for bureaucratic policy workers in ‘constructing shared discourse’ (Colebatch, 2006a, p. 18).

There are few recent empirical accounts of bureaucratic policy work, and little has been documented about the day-to-day policy work of bureaucrats, particularly at the middle levels (Howlett, 2008; Page & Jenkins, 2005).

A study of policy workers in the South Australian Education Department by Gill and Colebatch (2006) found that policy work could be understood from each of the three perspectives outlined above (‘authorised choice’, ‘structured interaction’ and ‘social construction’). Policy workers in Gill and Colebatch’s (2006) study saw
themselves to some extent as preparing information for, and carrying out the directives of, authorised decision makers; however the structured interaction and social construction perspectives more closely fitted their accounts.

Page and Jenkins’ (2005) interview study of middle-ranking officials in the United Kingdom provided a detailed account of policy work. Page and Jenkins (2005, pp. 55-78) distinguish between three forms of policy jobs on the basis of their outputs: ‘production’ (which results in a written product of some sort), ‘maintenance’ (the ongoing management of a particular scheme, set of institutions or policies) and ‘service’ (the ongoing provision of advice). Their study also highlighted a significant role for middle level bureaucrats in initiating and shaping policy; a finding that challenged the conventional view of bureaucrats as simply carrying out the decisions of politicians and senior executives (Page & Jenkins, 2005).

Noordegraaf’s (2000) observational study of public managers suggested that policy work is characterised by political struggle and negotiation in environments of ambiguity. He found that public managers ‘manage issue streams amidst political struggle’ through the production of written and spoken texts (Noordegraaf, 2000, p. 323); a view of policy work that is very different to the standard policy analysis texts. Studies of policy entrepreneurship have also highlighted the active role of bureaucrats in influencing the direction of policy, such as Howard’s (2001) case study of the ‘Working Nation’ policy in Australia, which showed that the actions of bureaucratic policy entrepreneurs were significant in securing reform.

Some studies of policy work have classified policy workers into different types. Durning and Osuna (1994) used a Q-methodology (a methodology for mapping attitudes by sorting them along a continuum) to identify five types of policy analysts based on their views of their roles and their ‘value orientations’, in a study of policy analysts and researchers in three US states. The five types were: ‘objective technicians’, who saw themselves as providing objective advice; ‘client counsellors’, who saw themselves as agents of their clients; ‘issue activists’, who attempted to steer policy and advocate for particular issues; ‘ambivalent issue activists’, who were torn between providing objective advice and promoting issues; and ‘client helpers’, who viewed themselves as ‘strategists for their clients’. A similar study of civil servants in the
Netherlands by Hoppe and Jeliazkova (2006) identified five types of ‘policy functionaries’ who perceived their roles in different ways and had different attitudes to the political aspects of policy making. These were: ‘process directors’, who saw their role as steering and monitoring; ‘policy philosophers’, who maintained a separation from politics; ‘policy advocates’, who promoted the interests of the minister; ‘neo-Weberians’, who attempted to take an objective and value-neutral approach; and ‘expert advisers’, who saw themselves as ‘technocratic’ experts on an equal footing to politicians. These studies throw light on the different roles (and perceptions of these roles) and self-images that characterise policy work.

The wider literature on capacity and capacity building

Origins and uses of the concepts

The concept of capacity has been used in a variety of different disciplines from public administration and management to international development to community development and health promotion and it is defined differently according to the purpose for which it is used (Crisp, Swerissen, & Duckett, 2000, p. 99; Morgan, 2006, p. 2; Tyler, 2004, p. 154).

The concept of capacity has been widely used in the international development literature where capacity building has been a significant focus of investment and is often seen as the key to sustainable development (J. M. Cohen, 1995; LaFond et al., 2002; Morgan, 1998, 2006; OECD, 2006; UNDP, 1997). The idea of capacity building builds on earlier concepts such as institutional development, human resource development and institutional strengthening (Lusthaus, Adrien, & Perstinger, 1999, pp. 1-2). There is much debate in the development literature, however, about whether the concept of capacity is so broad and ambiguous as to be meaningless (J. M. Cohen, 1995; Morgan, 2006; Potter & Brough, 2004).

Attention to capacity and capacity building is not limited to international development, as it is becoming a greater focus of attention in high-income countries (Morgan, 2006, p. 3) although there is little published literature to reflect this trend. In the management and public administration literature in high-income countries, people are generally seen as the focus of capacity building (improvements in organisational
capacity result from training individuals), whereas in the development literature, there has in recent years been a greater focus on organisational and system level capacity (Tyler, 2004, p. 155).

In the health sector, capacity building has become a major focus of efforts to improve health system performance (Crisp et al., 2000; LaFond et al., 2002, p. 5). Developing the capacity of organisations and communities is also increasingly seen as an important strategy for health promotion (Bowen, 2000; Hawe, King, Noort, Gifford, & Lloyd, 1998; Hawe, Noort, King, & Jordens, 1997; NSW Health Department, 2001; Raeburn, Akerman, Chuengsatiantsup, Mejia, & Oladepeo, 2007; VicHealth, nd). The Victorian Health Promotion Foundation (VicHealth), for example, now incorporates measurement of capacity building in its evaluation and performance monitoring of funded projects. Hawe et al. (1998) describe how in the health promotion literature, the term capacity is used to refer, in different contexts, to the infrastructure which supports program delivery, the capacity to sustain program delivery beyond initial short-term funding and the more generic ability to identify and solve problems.

**Definitions of capacity and capacity building**

Capacity is often defined in very general terms, such as ‘the ability of individuals, organisations or systems to perform appropriate functions effectively, efficiently and sustainably’ (Milen, 2001, p. 1). LaFond et al. (2002, p. 5) argue that ‘capacity exists for the purpose of performing a certain action or enabling performance’. Morgan (1998, p. 2) defines capacity as ‘the organisational and technical abilities, relationships and values that enable countries, organizations, groups and individuals at any level of society to carry out functions and achieve their development objectives over time.’ At the core of the various definitions of capacity is the collective ability to perform functions in order to achieve goals.

The terms ‘capacity building’ and ‘capacity development’ are often used interchangeably (Potter & Brough, 2004), however recently there has been a shift in the international development literature away from the language of capacity building (which suggests creating something where nothing existed previously) to capacity development, which suggests the enhancement of existing capacity (Green & Bennet, 2007, p. 43). In this thesis, however, I will use the terms interchangeably.
Many definitions of capacity building are based on the United Nations Development Programme (UNDP, 1997, p. 3) definition of capacity development as ‘the process by which individuals, organisations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems and set and achieve objectives’. LaFond et al. (2002, p. 6) argue that any activity or change that improves the ability of the health system to create better health outcomes can be conceived as a capacity building intervention. In practice, however, the term is usually used to refer to organisational and workforce strengthening.

**Levels of analysis**

Capacity is generally conceptualised as a multi-level phenomenon (LaFond et al., 2002). There are some differences in the way in which the different levels are conceptualised. LaFond et al. (2002), for example, describe four levels: health system, organisational, human resources/personnel and individual/community. The UNDP (1997) proposed four interrelated dimensions for capacity development: individual; entity; inter-relationships between entities; and the enabling environment (including institutional, socio-political and natural environments). A recent Organisation for Economic Co-operation and Development paper on capacity development (OECD, 2006) describes three levels of capacity: individual; organisational; and enabling environment.

Regardless of how the different levels or dimensions are framed, there is broad agreement in the literature that the levels or dimensions of capacity are mutually dependent and inter-related in complex ways (LaFond et al., 2002, p. 14; OECD, 2006). For example, organisational capacity contributes to, and is shaped by, system capacity (LaFond et al., 2002, p. 14). Morgan describes relationships between the different levels as a ‘complex capacity ‘system’, an onion-like structure ranging from the ‘macro’ context or environment to the ‘micro’ individual staff member or project participant’ (Morgan, 1998, p. 3).

There is also a consensus in the literature that capacity building initiatives are more likely to be successful if they are directed at multiple levels simultaneously (Kaplan, 2000, p. 522; Tyler, 2004, p. 155) and are based on a systems perspective that takes into account the dynamics and connections between the levels (Blagescu &
Young, 2006, pp. 4-5; Morgan, 1998, p. 3). Capacity, from a systems perspective, is viewed as emerging from the multitude of inter-relationships and patterns of interaction that make up complex systems (Baser et al., 2008, p. 16). Systems thinking challenges the idea that capacity is the sum of a set of elements of systems and highlights the way in which capacity emerges through self-organisation (Baser et al., 2008, p. 18). Baser et al. (2008, p. 20) argue that systems thinking offers great potential for understanding the dynamics of capacity development; however this approach has not yet been tested in empirical research.

**Organisational capacity**

Organisational capacity is generally conceptualised as the organisational structures, processes, management and resources that enable organisations to meet their objectives and function effectively (Bolger, 2000, p. 4; LaFond et al., 2002, p. 8). These include not just the organisation’s personnel and knowledge resources but also the ‘processes employed to transform these resources into services or products’ (LaFond et al., 2002, p. 8).

**Organisational capacity: frameworks and checklists**

There have been various efforts to operationalise the concept of organisational capacity and to delineate its elements in order to inform capacity building efforts (Hawe, King, Noort, Jordens, & Lloyd, 2000; Kaplan, 2000; LaFond et al., 2002; Morgan, 2006; NSW Health Department, 2001; Nu'Man, King, Bhalakia, & Criss, 2007; Potter & Brough, 2004; Theisohn & Wignaraja, 2007; UNDP, 2007). The different frameworks and their elements are summarised in table form in Appendix 1. These frameworks all conceptualise organisational capacity differently but a common theme is that capacity extends beyond the material and tangible aspects of organisations such as structures and systems, material and human resources, which are readily grasped and quantified, to encompass less visible aspects of organisational structures and cultures which may be more difficult to evaluate and less amenable to direct intervention (Kaplan, 2000; Potter & Brough, 2004).
Context dependency

While there are well-recognised principles of organisational capacity, they are recognised as being context-dependent (Postma, 1998). As LaFond and Brown (2003, p. 8) point out, ‘Capacity building can be defined only in terms of a specific objective goal’. There is no ‘one size fits all’ approach to capacity development (Theisohn & Wignaraja, 2007, p. 13), and different objectives require different capacity building strategies (LaFond & Brown, 2003, p. 8). While the elements listed in Appendix 1 provide useful checklists for the sorts of organisational features which underpin organisational capacity, what is seen as ‘capacity’ is shaped by organisational purpose and objectives.

Relationships between organisational capacity and other levels of capacity

The organisational level cannot be seen in isolation from other levels of capacity. Morgan (2006, p. 18) points out that organisational capacity is shaped by ‘the bigger systems within which it is embedded’. Dysfunction at the organisational level may have roots in enabling or constraining factors located in other levels of capacity (Bolger, 2000, p. 3; Milen, 2001, p. 12). As Morgan (1997, p. 5) argues: ‘Attention to only one activity or part of the system (e.g. organizational restructuring) may have little impact at the broader system level’. There is a consensus in the international development literature that organisational capacity development involves not only the analysis of issues internal to the organisation but also an assessment of how factors in the other levels enable or constrain organisational change (Bolger, 2000, p. 4).

Organisational capacity is inextricably linked with individual capacity also. Mentz (1997) argues that relationships between individual capacity building and organisational change operate through the normal interactions in organisational life; and that the translation of personal development to organisational change depends on an organisation’s norms, values, administrative and corporate capacity.

Assessing and mapping capacity

Capacity assessment, the evaluation of existing capacity to perform key functions and deliver expected results, is the first step in the capacity building process (Capacity Development Group, 2005b). The UNDP (2007, p. 3) defines capacity assessment as
‘an analysis of desired future capacities against current capacities’. Different approaches are required at the different levels (Milen, 2001, p. 13), and the choice of measurement tools depends on the purpose of the capacity assessment (Capacity Development Group, 2005b, p. 5). Measuring capacity presents significant conceptual and practical challenges (LaFond & Brown, 2003).

There is a growing literature on mapping system-wide capacity to engage in health promotion, using capacity mapping tools to measure capacity in terms of national infrastructure such as health promotion policies, expertise, collaborative mechanisms, information systems, professional development, and programs (Lin & Fawkes, 2005; Mittelmark et al., 2007; Nam & Englehardt, 2007). Although questions remain about the suitability of quantitative tools for this purpose, the collaborative process of mapping capacity is seen to be developmental in itself (Mittelmark et al., 2007).

**The capacity development process**

Capacity development generally involves a number of phases or steps, including capacity assessment, formulation of capacity development strategies (which need to be tailor-made on the basis of capacity gaps and future capacity needs), implementation of the strategies, and monitoring and evaluation of the strategies (Milen, 2001, p. 2; Theisohn & Wignaraja, 2007). There are no model programs as each situation is unique (Bolger, 2000; Milen, 2001).

A broad range of approaches, methods and tools is used in capacity development, depending on purpose. These include capacity assessments, stakeholder analysis, participatory planning processes, organisational development, policy dialogue, change management, process facilitation, SWOT (strengths, weaknesses, opportunities and threats) analysis, conflict assessment frameworks, ‘Drivers of Change’, visioning and forward planning techniques (Bolger, 2000, p. 5; UNDP, 2007). Various models and tools have been developed for use by international development agencies (see, for example, AusAID, 2006; Capacity Development Group, 2005a, 2005b, 2007; Department for International Development, 2003).

Crisp et al. (2000) identify four approaches to capacity building: top down organisational approaches (changes to organisational policies and practices); bottom up
organisational approaches such as training and skills development; partnerships approaches to strengthen inter-organisational relationships; and community organising. Morgan (1998) provides a typology of capacity development strategies including: providing financial and physical resources; improving organisational and technical capabilities; developing a clear strategic direction; protecting innovation and providing opportunities for innovation and learning; strengthening the bigger organisational system; helping to shape an enabling environment and creating more performance incentives and pressures. There are clearly many possible approaches which can be used to develop capacity, depending on context, purpose and objectives.

**Evaluating capacity building interventions**

The rhetoric about capacity building in the development and health promotion literatures has not been matched by efforts to measure capacity or evaluate interventions to build capacity, and there is little consensus on approaches to measurement or even on what it is that is being measured (LaFond et al., 2002, p. 5). Methodologies for evaluating capacity development in the health sector are still in the early stages of development (Milen, 2001, p. 22). Evaluating capacity building initiatives presents several challenges including ‘selecting appropriate time scales, choosing suitable indicators and dealing with issues of attribution’ (Milen, 2001, p. 21).

**The relevance of the capacity and capacity building literature to this research**

From this discussion of the concepts of capacity and capacity building, I draw several main ideas:

- Capacity can be usefully conceptualised in terms of inter-related layers or levels;

- Elements of organisational capacity include not just skills and structures but also the less tangible elements of organisational ‘life’;

- The features of organisations which underpin ‘capacity’ depend on context and purpose; and
• Appropriate methodologies for assessing capacity, and for developing and evaluating capacity building interventions, also depend on context and purpose.

**Organisation theory**

The organisation theory literature is huge and multi-disciplinary and it is beyond the scope of this thesis to give a comprehensive account of it. In this section I have sought to briefly summarise some key ideas from this literature that have informed my approach (or my interpretation of the findings) in this thesis.

**Organisational structure**

Organisational structure refers to the distribution of people in an organisation and how that influences the relationships between them (R. H. Hall, 1999, p. 47). Organisational social structure, more particularly, refers to ‘the relationships among people who assume the roles of the organization and to the organizational groups or units to which they belong’ (Hatch & Cunliffe, 2006).

Organisational structure is neither singular nor static. R. H. Hall (1999, pp. 48-49) points out that organisations have multiple structures, with differences between work units, departments and divisions, and different levels in the hierarchy. Organisational structure is not static but is shaped by, even as it shapes, human interactions (R. H. Hall, 1999, p. 48).

Organisational structure can be understood in terms of dimensions such as the division of labour; the degree of complexity and differentiation; the distribution of authority (the degree of centralisation or decentralisation); the degree of formalisation (organisational control through rules); and size (in terms of physical capacity, personnel, organisational inputs and outputs, and resources) (R. H. Hall, 1999; Hatch & Cunliffe, 2006; Pugh, Hickson, Hinings, & Turner, 1968). Other perspectives for analysing organisational structure include symbolic-interactionist perspectives, which see structure not in terms of objects and elements but as the dynamic and fluid outcomes of social interaction and collective meaning-making (Hatch & Cunliffe, 2006).
Organisational structure matters because the patterns of interaction between different people and units in the organisation, and the way in which tasks are distributed and coordinated, shapes the flow of resources, the nature of the relationships and the decision making processes that, in part, constitute the policy process (Considine, 1994).

**Organisational culture**

Organisational culture is an elusive concept. Daft (2005, p. 557) defines culture as ‘a pattern of shared assumptions about how things are done in an organization’. From some perspectives, culture is perceived as an independent variable (an aspect of organisations that can be moulded by managers to achieve organisational goals) whereas from others, organisations can be conceptualised as cultures; as constituted by the patterns of shared meaning sustained through interaction (Smircich, 1983). Schein’s view incorporates both:

Culture is both a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behaviour, and a set of structures, routines, rules and norms that guide and constrain behaviour (Schein, 2004, p. 1).

Many concepts have been associated with culture, including symbols, language, ideologies, beliefs, rituals, myths, assumptions, shared meanings, values, perceptions, norms, artefacts and patterns of behaviour (R. H. Hall, 1999, p. 93; Pettigrew, 1979, p. 2). Organisational culture can be understood to include different layers, such as visible artefacts, invisible expressed values, and deeper underlying assumptions and beliefs (Daft, 2005). Basic assumptions (what members of a culture take as their reality) are seen by Schein (2004) as central to organisational culture. Basic assumptions shape values, which are expressed in terms of norms – the rules, expectations or shared standards that define acceptable behaviours (Daft, 2005, p. 557; Hatch & Cunliffe, 2006, pp. 186-187). Norms are sometimes codified in formal rules and procedures but are more frequently unwritten and informal (Hatch & Cunliffe, 2006, p. 187).

Organisational culture is a significant dimension of organisational policy capacity because although it is elusive and less visible than organisational structure, it is significant in guiding and constraining the behaviour and practices of groups and organisations, through shared norms (Schein, 2004).
An important insight from the organisational culture literature is that organisational culture is not unitary. Organisations are comprised of numerous subcultures which adopt the overall values of the corporate culture to varying degrees, and relate to each other in different ways, including through competition (Hatch & Cunliffe, 2006; Smircich, 1983). Sometimes groups within organisations develop distinctive norms and values and other aspects of culture that compromise their ability to collaborate with other subcultures in the organisation (Hatch & Cunliffe, 2006).

**Organisational change and leadership**

The organisational change literature offers a range of models for understanding how change takes place. These include Lewin’s model for change, where the dynamics of change are understood in terms of a process of unfreezing (where the existing equilibrium is destabilised), movement and refreezing (where new patterns of behaviour are embedded) (Lewin, 1951, 1958, cited in Hatch & Cunliffe, 2006). Weber’s theory of the ‘routinisation of charisma’ explains change in terms of the systematisation and accommodation of the charismatic influence of leaders in the context of existing power relations (Weber, 1947, cited in Hatch & Cunliffe, 2006).

Katz and Kahn (1978) describe three types of approaches to organisational change: individual approaches; group approaches; and approaches which involve direct changes to organisational structure and process. Individual approaches (such as training, selection and behaviour modification) are acknowledged to be insufficient to produce organisational change, and group approaches have been shown to be more successful in terms of changing the behaviour of group members (Katz & Kahn, 1978). Top down changes to formal organisational structure (such as changes in reporting relationships and communication channels, role descriptions, budget allocations and the allocation of rewards) also provide powerful means for creating change at the level of the whole organisation (Katz & Kahn, 1978).

In the organisational change literature, leadership is seen as central to changing organisational culture (Schein, 2004). Leaders create and manage culture by externalising their own assumptions and embedding them in the structures and practices of the group (Schein, 2004) and by introducing new ideas through language or other artifacts, which become symbolised and interpreted (Hatch & Cunliffe, 2006). Leaders
influence culture primarily by communicating their priorities, supporting their ‘espoused values’ even in crisis situations, role modelling values and expectations, allocating rewards to signal valued behaviour, and through their choice of criteria for selection and dismissal (Schein, 2004). Other mechanisms for reinforcing culture include: the design of systems, procedures and structures; stories, legends and myths; and formal statements of values (Schein, 2004).

**Organisational learning**

A key insight from the organisational learning literature is the relationship between individual and organisational learning. Individual learning is understood to contribute to organisational learning by influencing the organisation’s ‘mental models’ (Kim, 1993). Mental models are ‘deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action’ (Senge, 2006, p. 8).

Other useful insights for capacity building include Argyris’ (1999) model of single and double loop learning. Argyris (1999, p. 67) argues that learning occurs when there is a match or a mismatch (which is then corrected) between intentions and outcomes. Single loop learning occurs when an error is detected or corrected without questioning or altering the underlying values of the system (Argyris, 1999, p. 68). Double loop learning, on the other hand, occurs when mismatches are corrected by first examining the underlying assumptions, values and behaviour that created the problem.

Leaders are important in encouraging and facilitating effective organisational learning, through modelling and by changing systems, processes and structures (Senge et al., 1999; Yukl, 2008). Hannah and Lester (2009) argue that leaders create learning organisations at three levels: at the ‘micro level’ by facilitating individual learning; at the ‘meso level’ by promoting learning in social networks; and at the ‘macro/systems level’ by institutionalising knowledge and learning in the system or organisation.
Policy capacity: definitions, discourses and debates

How has policy capacity been conceptualised?

This section of the chapter examines ways in which policy capacity has been conceptualised. This discussion draws mainly on the political science and public administration literature which contains most of the commentary and debate about policy capacity. In a later section of the chapter I will turn to empirical studies of policy capacity to examine the ways in which policy capacity has been operationalised in research.

Like many of the concepts used in this research, there is little agreement over the meaning of the term ‘policy capacity’. The scholarly literature on policy capacity is comprised mainly of commentary focused on describing the causes of declining policy capacity. As noted in Chapter 1, there have been various claims, from a number of different jurisdictions, as well as the published literature, that the policy capacity of governments has declined. This is often seen as a result of the New Public Management as well as other changes to the public service and public sector environments. However what is meant by policy capacity depends on how the problem is defined and whether the causes of declining policy capacity are seen to be located in the external environment (e.g. changes in the state-society interface), in public sector organisations (i.e. public management reforms and public sector down-sizing) or in a loss of analytic capacity in the policy workforce.

In the grey literature, definitions of policy capacity, where the term is defined at all, tend to be loose and somewhat circular. For example, the Canadian Government defined policy capacity as follows:

The policy capacity of the government is a loose concept which covers the whole gamut of issues associated with the government’s arrangements to review, formulate and implement policies within its jurisdiction. It obviously includes the nature and quality of the resources available for these purposes - whether in the public service or beyond - and the practices and procedures by which these resources are mobilized and used (Canadian Government, 1996, p. 1).

In the scholarly literature, there is a range of different definitions which emphasise different aspects and dimensions of policy capacity (see Table 1).
Table 1: Definitions of policy capacity

<table>
<thead>
<tr>
<th>Source</th>
<th>Definition of policy capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davis (2000, p. 231)</td>
<td>‘the ability of governments to decide and implement preferred courses of action, which makes a difference to society and its economy’</td>
</tr>
<tr>
<td>Painter &amp; Pierre (2005a, p. 2)</td>
<td>‘the ability to marshal the necessary resources to make intelligent collective choices about and set strategic directions for the allocation of scarce resources to public ends’</td>
</tr>
<tr>
<td>Peters (2005, p. 73)</td>
<td>‘the ability to make strategic choices to achieve stated goals’</td>
</tr>
<tr>
<td>Olsen, 1983 in Christensen and Laegreid (2005, p. 137)</td>
<td>‘the ability to use resources in a systematic way to make intelligent collective decisions in a democratic political-administrative system based on sufficient understanding, information and authority’</td>
</tr>
<tr>
<td>Polidano (2000, p. 808)</td>
<td>‘the ability to structure the decision-making process, coordinate it through government, feed informed analysis into it, and ensure that the analysis is taken seriously’</td>
</tr>
</tbody>
</table>

Capacity to make (intelligent, collective) decisions

At the core of most conceptualisations of policy capacity is the capacity to make decisions or ‘intelligent choices’ (Davis, 2000, p. 231; Painter & Pierre, 2005a, p. 2). From this perspective, policy decision making requires expertise and skills and the effective utilisation of knowledge (Dror, 2001, cited in Painter & Pierre, 2005a; Peters, 1996). Howlett (2008, p. 11) refers to this aspect of policy capacity as ‘policy analytical capacity’.

Of course policy decision making is not just about making a decision but making a decision that addresses a problem and makes a difference, hence the focus on intelligent choice in many conceptualisations of policy capacity. The making of policy decisions requires an intellectual effort to understand problems (Bakvis, 2000, p. 73) and ‘to decide on an effective course of action in a particular context’ (Aucoin & Bakvis, 2005).

A focus on intelligent choice highlights the quality of the policy workers in the public service as a central capacity issue:

Since policy capacity, first and foremost, is a function of collective intelligence brought to bear on matters of public business, the challenge to securing and maintaining policy capacity is to have the very best minds attending to this core set of governance
functions. In short, state policy capacity requires a professional public service that contains these minds (Aucoin & Bakvis, 2005).

The focus of capacity building, from this perspective, is recruiting, retaining and developing ‘the best and the brightest’ policy workers (Aucoin & Bakvis, 2005; Lindquist & Desveaux, 2007).

The reference to ‘collective’ decision making in the definition offered by some writers, including Painter and Pierre (2005a, p. 2), suggests that policy decisions are not just made by a single decision maker, or even central government, but are a collective effort. This suggests that the role of the policy worker is to advise, inform and support decision making, which may be diffuse and participatory in nature.

**Capacity to utilise, or ‘marshal’ resources**

Painter’s and Pierre’s (2005a, p. 2) definition includes the notion of intelligent choice but adds several dimensions to previous definitions. One of the most significant of these, in terms of this thesis, is the idea of ‘marshalling resources’. This suggests the importance of adequate resources for policy making, such as information; and also the support systems that enable policy workers to utilise or mobilise these resources for use in policy making. Painter and Pierre (2005a) also refer to policy capacity in terms of ‘stocks’ and ‘support systems’ which suggest again the organisational structures and processes that facilitate use of the necessary resources in policy making. Bakvis (2000, p. 73) also emphasises the organisational infrastructure that enables knowledge utilisation in policy making.

Janicke’s (1997) analysis of environmental policy capacity distinguishes between capacity (as a ‘relatively stable condition for action’) and its utilisation to address particular policy problems. He describes a model for policy capacity that includes three dimensions: the overall ability of government and other non-government actors to address a problem; the particular strategies, skill and opportunities that contribute to utilisation of capacity; and the nature of the policy problem (Janicke, 1997). From this perspective, capacity includes not just bureaucratic structures and resources but also the more ‘subjective and situative aspect’ of the application of those resources, in the context of the problems being addressed.
Other dimensions of policy capacity

Some commentators emphasise not just decision making capacity but also the capacity to implement policy decisions (Davis, 2000; Peters, 1996). Overall, however, this aspect of policy capacity has not received very much attention. Implementation is often thought of as program administration and conceived as separate from policy formulation (Peters, 1996, p. 30). However Peters argues that implementation should be included in efforts to build policy capacity because of the role implementers can play in horizontal government, and also because of the need to take implementation into account during policy formulation to ensure effective policy (Peters, 1996, p. 31).

Policy instruments are another dimension of policy capacity which has been noted in the literature. Peters (2005, p. 87) argues that if policy capacity includes the ability to implement programs and achieve goals, then the policy capacity of government is dependent, in part, on the policy instruments that are available to it.

Some commentators express a concern with the outcomes of policy. According to Davis (2000, p. 231), policy capacity is conceived in terms of the capacity for making and implementing policy that ‘makes a difference’. This is also suggested by the reference by Painter and Pierre (2005a, pp. 2-3) to ‘public ends’.

Coordination of the policy making process and coherence across policy areas have also received some attention in the literature as important aspects of policy capacity (Parsons, 2004; Polidano, 2000).

Several commentators also argue that the capacity of political actors, including ministers, is a significant aspect of policy capacity, as well as the capacity of the bureaucracy (Bakvis, 2000; Christensen & Laegreid, 2005; Peters, 1996). Bakvis (2000, p. 71) notes the ‘relative absence of parliamentarians, and even the political executive, from capacity-rebuilding activities, a deficiency that in the long run may undermine the legitimacy and effectiveness of such efforts’.

Governance, networks and ‘relational’ policy capacity

One of the debates surrounding policy capacity is about whether it is essentially a property of government or whether it transcends the boundaries between government
and society. Jayasuriya (2005, p. 19) argues that dominant conceptions of policy capacity are ‘state-centric’, that is, they see policy capacity as an attribute of the state. He advocates a ‘relational’ model of policy capacity, based on a view of the state as de-centred, and governance as increasingly dispersed.

A governance perspective suggests that policy capacity is located across the state-society interface rather than confined within bureaucracies; therefore consultation, coordination and negotiation between the state and other actors and networks is a significant aspect of policy capacity (Painter & Pierre, 2005a, p. 12). From a governance perspective, policy capacity is not a fixed property of the state but rather comes to mean the state’s ‘capacity to enable governance’ (Jayasuriya, 2005, p. 30).

The setting of this thesis is a government bureaucracy and so the research necessarily draws on the ‘attribute’ model of policy capacity. But the significance of the ideas of networks and governance is to bring greater attention to the importance of networks that extend beyond the organisation.

**Sectoral and cross-sectoral capacity**

Painter and Pierre (2005a, p. 3) note that whilst policy capacity may vary across different policy sectors, ‘most significant relationships and processes for generating policy capacity are cross-sectoral’. Many of the conditions that shape or constrain policy capacity are located in state-wide institutions, such as constitutional arrangements and accountability structures, and the coordination processes between sectors of government (Painter & Pierre, 2005a, p. 3). Whilst the focus of this thesis is policy capacity within organisations, it is clear that many aspects of capacity also extend beyond the organisation.

**Discussion**

The different conceptualisations and definitions of policy capacity in the scholarly literature suggest some of the elements of policy capacity that researchers need to consider, including: analytic and advisory capacity (and hence the policy workforce); resources and the organisational structures and processes which enable those resources to be utilised; relationships within and between organisations; capacity to implement policy; and the ability to coordinate policy effectively and achieve policy coherence.
There are commonalities between the ways in which the term policy capacity has been used but there are also differences. This reflects the complexity of what researchers and commentators are trying to capture (as well as the different purposes of the researchers/commentators) and the differences are useful in highlighting different aspects of policy capacity. However the lack of conceptual clarity about policy capacity could be partly the result of the absence of distinctions between different levels of analysis (such as individual, organisational and enabling environment) in comparison with the international development literature on capacity.

**Terminology: capacity, capability and competency**

The terms capacity, capability and competency are often used interchangeably in the literature. Tiernan and Wanna (2006) argue that ‘capacity’ refers to the structural and organisational resources and processes that contribute to policy making whereas ‘capability’ refers to the more micro intellectual processes of decision making, however these terms are often used in interchangeable and overlapping ways. Howlett (2008, p. 11) employs the term ‘policy analytical capacity’ to refer specifically to ‘knowledge acquisition and utilization in policy processes’. Many definitions of policy capacity are multi-dimensional and span these different levels. ‘Competence’ and ‘competency’ were traditionally conceived in terms of technical skills and subject expertise (and still are in the human resources literature), although these terms have more recently been used to refer, at least in some disciplines, to features of organisations as well as individuals (Hood & Lodge, 2004; Lodge & Hood, 2003, 2005). In this thesis, I use the term ‘policy capacity’ to encompass all of these ideas.

**Governing capacity: three interdependent types of capacity**

Painter and Pierre (2005a pp. 2-3) conceptualise policy capacity as one element of a broader framework which includes three interdependent types of governing capacity: policy capacity; administrative capacity (‘the ability to manage efficiently the human and physical resources required for delivering the outputs of government’) and state capacity (‘the state’s ability to mobilize social and economic support and consent for the achievement of public-regarding goals’). These are represented as a triangle; however Painter and Pierre (2005a, pp. 2-3) also point out that policy capacity provides a ‘pivot
around which the other two revolve’, given the reliance of policy for both the other capacities.

A similar framework is used by Polidano (2000), who distinguishes between the capacity of the state as a whole and the capacity of the public sector. He perceives public sector capacity as comprising three elements: policy capacity (‘the ability to structure the decision making process, coordinate it throughout government, and feed informed analysis into it’); implementation authority (‘the ability to carry out decisions and enforce rules’); and operational efficiency (cost effectiveness). Implementation authority and operational efficiency together correspond to what Painter and Pierre have termed ‘administrative capacity’.

The two frameworks are very similar but the governing capacity model has the advantage of greater simplicity. In this thesis I have drawn on Painter and Pierre’s model of governing capacity to explore the tensions inherent in efforts to build policy capacity (see Chapter 8).

**Previous policy capacity research: elements, barriers and strategies for capacity building**

This part of the chapter surveys the relevant research and literature in relation to organisational and individual capacity, canvassing the elements of organisational policy capacity, barriers and strategies for capacity building, and the individual competencies important for health policy work.

A review of previous policy capacity research by government agencies in four countries (the United Kingdom, Canada, New Zealand and Australia) was undertaken as part of the literature review for this thesis. This review (Gleeson, Legge, & O'Neill, 2009) was published in the journal *Australia and New Zealand Health Policy* and is included in the thesis as Appendix 2. A description of the methods of the review (including a list of the documents included) can be found in the published paper (p. 3). The paper also describes in detail the context, themes, models and methods of the policy capacity research undertaken in each jurisdiction (pp. 4-5). The following discussion draws on the findings of the review but also includes additional literature where relevant.
Organisational policy capacity

An analytic framework of eight domains which underpin organisational capacity was developed based on the findings of this review. The domains were:

- Access to, and use of, information and evidence;
- Personnel management and workforce development;
- Consultation and communication;
- Inter-departmental coordination and networking;
- Implementation;
- Monitoring, evaluation and review;
- Policy management and leadership; and
- Organisational culture.

This section of the chapter uses the frameworks derived from the comparative review to examine more systematically the literature in relation to the commonly recognised elements of policy capacity. Under each domain of organisational capacity, I will summarise the findings of the review and survey other research and relevant literature (including more recent government reports and the academic literature) in relation to barriers to organisational capacity and strategies for capacity building.

Access to, and use of, information and evidence

The importance of adequate and timely information and evidence to inform policy making was a strong theme across all of the studies included in the comparative review, particularly those from New Zealand and the United Kingdom. This reflects a growing emphasis in the published literature on evidence-based (or evidence-informed) policy making (see, for example, Davies, Nutley, & Smith, 2000; Lin & Gibson, 2003). The studies reviewed were concerned not just with evidence derived from empirical research, however, but with other types of evidence, including information about the
circumstances in which policy is being made (a distinction that is often not clearly made in the evidence-based policy literature).

Concerns about the availability and use of evidence in policy making were common. The UK Cabinet Office (1999) found that evidence was not always utilised effectively, even when research had been commissioned by the departments themselves. The Canadian Government study (1996, p. 5) also found that relevant statistics for policy making were not always available and capacity for applied research and quantitative modelling varied between departments. Models available for forecasting, analysing contingencies and predicting scenarios were not fully utilised (Canadian Government, 1996, p. 5-6). The Manitoba Office of the Provincial Auditor (2001) also found that there was limited use of both quantitative and qualitative analysis for both issue analysis and for determining policy options. The New Zealand State Services Commission (SSC, 1999a, p. 18-21) identified a number of factors affecting the use of information and evidence including: adequate time to consult with researchers and to commission research where evidence does not exist; skills in using information; ability to coordinate information resources between departments; the production of longer-term and strategic research; and productive relationships with external research organisations.

Many strategies were proposed for building capacity with respect to access to, and use of, information and evidence. The New Zealand SSC (1999a) recommended commissioning more long term and strategic research; increasing central agency expectations; and improving coordination across the public service. The UK Cabinet Office (1999) proposed the development of systematic research strategies within departments, coordination of research effort across government and a range of strategies to improve the accessibility of research evidence including establishing a ‘Centre for Evidence-Based Policy’ to develop international policy networks, databases and information resources. The UK Cabinet Office (1999) also advocated the establishment of a ‘policy researcher’ role with a particular focus on gathering evidence and presenting it in a format accessible to policy makers. A study of policy capacity in the Victorian Public Service (VPS) by Edwards and Allen (2001) also recommended the establishment of departmental research programs.

A series of further reports from the UK addressed the use of research evidence in policy making, including a review of policy analysis and modelling in government called *Adding It Up* (UK Cabinet Office, 2000) that called for a range of strategies to strengthen data analysis, with an emphasis on strengthening leadership. A later report by the House of Commons Science and Technology Committee in the UK (2006) suggested further strategies including strengthening the scientific advisory capacity within the civil service, increasing public investment in research, establishment of a cross-departmental fund to commission independent policy-relevant research, greater investment in horizon scanning and greater transparency in policy making.

The Canadian Government (1996) recommended strengthening relationships with the research community, and established the Policy Research Initiative in 1996 to stimulate inter-departmental research on major strategic issues. Its roles include facilitating, synthesising and disseminating research as well as carrying out medium term cross-cutting research projects (Government of Canada, n.d.). Voyer (2007) describes a number of other initiatives implemented in Canada following the policy capacity report, including new models of partnerships between researchers and departments and the Canadian Research Data Centers program which provides researchers with access to statistical data. Voyer (2007) notes, however, that investments in departmental policy research capacity (such as the creation of research groups for planning and coordination of research) have been patchy, partly due to budget cuts.

There is a huge body of literature on evidence-based (or more recently, evidence-informed) policy making, particularly in the health policy literature. The concept of evidence-based policy (EBP) gained popularity in the health sector in the 1990s following the emergence of the idea of evidence-based medicine (EBM) and its diffusion into related disciplines in the health sector and other areas of public policy.
The idea that decisions should be based on research findings held particular appeal after the health reforms of the 1990s, which were driven largely by ideology rather than evidence (Lin, 2003). The extent to which the principles of EBM can be applied to policy, however, has been the subject of much debate in the literature (Black, 2001; Kemm, 2005; Lin & Gibson, 2003; Marston & Watts, 2003).

The evidence-based policy literature tends to assume a rational-comprehensive model of policy making and a linear model for the adoption of research which assumes that research findings are used in a direct and instrumental way (Almeida & Bascolo, 2006; Bowen & Zwi, 2005; Green & Bennet, 2007; Jewell & Bero, 2008). Much of this literature focuses on the quality and relevance of research evidence and on communication between researchers and policy makers (based on the ‘two-communities’ model which assumes that researchers and policy makers inhabit different worlds), and tends to under-emphasise the institutional and political factors that shape the use of evidence in policy making (Bowen & Zwi, 2005; Green & Bennet, 2007; Jewell & Bero, 2008; Nutley, Walter & Bland, 2002; Wright, Parry, & Mathers, 2007). Recent contributions to the evidence-informed policy literature, however, highlight the complexity of policy making, the often indirect relationship between research evidence and policy and the contestability of evidence (see, for example, Head, 2008; Mulgan, 2003).

The evidence-based policy literature has also tended to ignore other sources of information used in policy making, although there has been a recent shift as research has shown that research evidence is only one of many sources of information used (see, for example, Bowen, Zwi, Sainsbury, & Whitehead, 2009; Bowen & Zwi, 2005). This recognition that policy is subject to a range of other influences has led to a change in language from ‘evidence-based’ to ‘evidence-informed’ policy and a broadening of the term ‘evidence’ to include any information that contributes to decision making (Bowen & Zwi, 2005; Green & Bennet, 2007). For example, the Canadian Health Services Research Foundation (2005) describes two types of evidence – scientific and colloquial – and further divides scientific evidence into context-free evidence (evidence about ‘what works’) and context-sensitive evidence (evidence about ‘how and whether it works’ and whether it would be likely to work in a particular context). A study of the relationship between evidence and policy in early childhood interventions in two
Australian states by Bowen et al. (2009) found that multiple clusters of information (including contextual/socio-political information, expert opinion, scientific literature, policy audit, syntheses and reviews and economic impact analyses) constituted the evidence base for policy.

A number of barriers to the effective use of research evidence in policy making have been identified in the literature, including barriers associated with the nature of evidence, the lack of interaction between policy makers and researchers, and problems arising from the organisational and political context for policy making (Nutley, 2003). The limitations of research evidence have been well documented in the literature (see, for example, P. Davies, 2004; Lin & Gibson, 2003). Characteristics of research evidence identified in empirical studies which can present barriers to the use of research findings include the availability and quality of evidence, its usability (presentation, focus and contextualisation), timing and relevance (S. Campbell, Benita, Coates, Davies, & Penn, 2007; Innvaer, Vist, Trommwald, & Oxman, 2002; Jewell & Bero, 2008; Lavis et al., 2002; Petticrew, Whitehead, MacIntyre, Graham, & Egan, 2004). The importance of links between policy makers and researchers is also well supported by empirical studies (Innvaer et al., 2002; Landry, Lamari, & Amara, 2003; Lavis et al., 2002; Nutbeam, 2003).

Various aspects of the organisational context for policy making have been found to facilitate or constrain the use of research evidence in policy making. Several studies have highlighted the importance of policy workers’ skills in accessing and critically appraising research evidence (Green & Bennet, 2007; Jewell & Bero, 2008; Landry et al., 2003; Mitton & Patten, 2004; Nutbeam, 2003). Some studies have highlighted structural barriers, for example the ‘silo effect’ and lack of sharing of evidence across organisational boundaries (S. Campbell et al., 2007; Waddell et al., 2005); short term research contracts and high job mobility (Elliot & Popay, 2000); and the adequacy of infrastructure and resources (Green & Bennet, 2007; Mitton & Patten, 2004; Waddell et al., 2005). Other issues associated with organisational context include leadership and culture (S. Campbell et al., 2007; Green & Bennet, 2007) as well as communication with researchers and knowledge broker organisations with filtering and amplification functions (Green & Bennet, 2007; Nutley et al., 2002; Waddell et al., 2005).
Political influences on the use of research evidence have also been identified in empirical studies. These include ministers’ preferences, existing political commitments, broader political principles and ideologies, time pressures associated with the political cycle, stakeholder priorities and public and media influences, political instability and turnover of politicians (S. Campbell et al., 2007; Innvaer et al., 2002; Jewell & Bero, 2008; Waddell et al., 2005; Wright et al., 2007).

Strategies which have been proposed (and in some cases, implemented) to build capacity with respect to the use of research evidence in policy making largely reflect the preoccupation of the EBP literature with the limitations of research evidence and the ‘two communities’ model. These include ‘knowledge broker’ organisations set up to review and synthesise research and present it in consumable form for policy makers (Kothari et al., 2005) such as the National Institute for Health and Clinical Excellence established in the UK in 1999. The other main strategy advocated in the EBP literature is institutional mechanisms that promote exchange between researchers and policy practitioners (Green & Bennet, 2007; Kothari et al., 2005). These include guidelines for involving in-house and other researchers in the policy process and secondments and exchanges between government departments and universities.

A number of strategies have been identified to address organisational capacity within the bureaucracy. Nutley (2003) argues that initiatives by government tend to be based on introducing more instrumental rationality into the policy process. These include increasing the demand for evidence (for example by requiring budget bids to be supported by evidence) and closer integration of analytical staff and researchers into departments. Other initiatives include training and mentoring in the use of research evidence and use of incentives for evidence use (Green & Bennet, 2007).

Nutley (2003) argues that although initiatives aimed at improving the use of evidence through making the policy process more rational may have some benefits, there may be more potential in strategies to improve participation of a broad range of stakeholders. This view suggests strategies that are focused on sharing knowledge amongst policy networks and communities rather introducing greater instrumental rationality into policy processes.
There is little evidence to indicate the effectiveness of strategies to build capacity with respect to improving the use of research in policy making (Kothari et al., 2005; Nutley, 2003). Few interventions have been evaluated and the evidence from those which have been evaluated is often conflicting (Green & Bennet, 2007; Walter, Nutley, & Davies, 2005).

There is a general consensus in the EBP literature that a range of strategies needs to be employed to enhance the use of evidence in policy making, including strategies to improve the quality and availability of evidence; strategies to improve its uptake by policy makers; and strategies to improve linkages between researchers and policy makers (Hanney, Gonzales-Block, Buxton, & Kogan, 2003; Nutley, 2003). A systematic review of the effectiveness of different mechanisms for promoting research use found that strategies using multiple mechanisms to encourage research use were more likely to be effective (Walter et al., 2005).

**Personnel management and workforce development**

A common theme in the studies included in the comparative review was the importance of an adequate supply of highly skilled policy personnel and an appropriate mix of skills within units or departments. Staff shortages presented barriers to longer term and more strategic policy making in many studies. For example, the Canadian Government study (1996) noted shortages of key skills, particularly for ‘policy generalists’, and highlighted the importance of personnel management. Areas in which personnel management needed improvement included rotation of staff; recruitment processes; performance review; and mobility and variation in experience. Training needs assessment and the provision of training (for new policy staff, policy staff new to the field and non-policy officers engaged in policy work) were also recommended (Canadian Government, 1996, p. 24-30). The recommendations for improvements in these areas were mostly cast in terms of self-evident principles and there were few suggestions as to how to give effect to these principles. Because of the context in which these studies were commissioned, the recommendations also tended to focus on the organisation as a whole and to be directed towards the top executive levels.

Improving access to training in a range of areas (including analytical thinking, particular disciplines important for policy work and the practical skills of policy
development, implementation and evaluation) was identified by senior managers in the Manitoba study (2001, p. 30) as important for improving policy competencies. Lack of both time and money presented barriers to training (Manitoba OPA, 2001, p. 31).

Edwards’ and Allen’s (2001) study of policy capacity in the Victorian Public Service contained a number of recommendations focused on improving recruitment of young graduates, training in policy skills and development of a program of policy forums.

The UK Cabinet Office (1999) recommended that training should involve both political and bureaucratic policy makers, a strategy that encourages relationship building as well as improving knowledge sharing. This was echoed by the Australian National Audit Office report (2002, p. 108), which recommended the establishment of a ‘senior government network in which ministers, senior government officials and other senior policy makers can meet from time to time for focused seminars on top-level management issues’.

Improving the supply of policy expertise through strengthening recruitment of policy workers has received much attention in the scholarly literature, particularly by commentators concerned about the effects of downsizing on policy capacity (Aucoin & Bakvis, 2005; Bakvis, 2000; Lindquist & Desveaux, 1998, 2007). Lindquist and Desveaux (1998; 2007) outline three recruitment strategies which departments and policy units can pursue to improve the supply of policy expertise: attracting and grooming young policy workers; lateral recruitment of policy workers from other departments or outside the public service; and consulting strategies to employ external expertise. They note that the effectiveness of these strategies depends on the context in each unit, including variations in workflow, resource constraints, the desired mix of expertise and the particular policy challenges (Lindquist & Desveaux, 1998, 2007). Aucoin and Bakvis (2005) argue that strategies to improve retention, such as providing interesting work that provides opportunities to make a difference as well as good working conditions and job security, are also important.

Recent reports by the Victorian State Services Authority (2006; 2007b; 2008) have focused on the need to improve workforce planning in the VPS, particularly recruitment and retention strategies, due to concerns about skills shortages, competition
from other jurisdictions and the private sector, and the ageing of the public service. These reports advocate generic strategies such as more proactive recruitment and targeted investment in workforce development, but do not focus specifically on strategies for building the policy workforce.

**Consultation and communication**

Timely and comprehensive consultation with a range of stakeholders was highlighted as a key factor contributing to good policy outcomes in many of the studies reviewed. Consultation with both internal stakeholders (within the department, other departments, and central government) and external stakeholders (including clients, the public, policy makers in other jurisdictions, professional associations, academics and researchers) was considered important.

The Manitoba study (2001, p. 26) stressed the importance of involving stakeholders, including clients and the public, in policy development from the beginning, including during the initial data gathering stage. Consultation was one of the core competencies explored by the UK Cabinet Office (1999), which found that although ‘good practice’ communication was reasonably widespread, the resources were not always available for comprehensive consultations. Similar concerns were also raised in the Victorian Auditor General’s Office report (2004), which identified weaknesses in consultation planning and recommended the use of project management disciplines to promote more systematic planning for consultation.

The ability to keep abreast of international developments and also to communicate across jurisdictional boundaries was considered important by the UK Cabinet Office (1999), which recommended raising awareness of the ‘political and wider context’, planning for communication, careful targeting, coordination; and fostering relationships with other jurisdictions. Cooperation with ‘external groups such as community organisations, businesses and other jurisdictions’ and ‘strong external links at the political level – ministers, members of parliament, ministerial staff’ were also seen by the Australian Public Service Commission (2004, p. 8) as important for cross-portfolio policy work. Collaboration with policy researchers was highlighted in the Canadian Government research (1996) which recommended opportunities for more exchanges.
The New Zealand State Services Commission (1999a) found that building effective consultation into the policy advice process required investment of sufficient time and resources as well as developing particular competencies including negotiation and communication skills.

The recommendations for improvements in these studies seem to be cast in very general terms and there is little evidence on which to base specific strategies. Although there has been much commentary in the literature about increasing demands of citizens to participate in policy making and increasing pressure on governments to consult (Althaus, Bridgman, & Davis, 2008, pp. 97-98), building organisational capacity with respect to consultation does not appear to have received as much attention as other elements of policy capacity. Apart from the release of a set of guidelines on consultation by the UK Cabinet Office (2006), little capacity building in this area appears to have taken place. Kerley and Starr (2000) note a trend to more actively seek stakeholder input into policy decisions in Australia, although this trend has not been matched by efforts to evaluate mechanisms for increasing stakeholder participation.

**Inter-departmental coordination and networking**

Common findings in the studies reviewed included inadequate coordination between departments due to a ‘silo’ mentality and structure, and few opportunities for collaborative reflection on best practice. ‘Joined-up’ approaches, across departments (for cross-cutting issues), within departments and between departments, service deliverers and those responsible for implementing policies were a major focus in the UK Cabinet Office report (1999). These approaches were seen to be facilitated by compatible information systems, by organisational cultures and processes and by improvements to communication between people developing and implementing policies (UK Cabinet Office, 1999).

A further report by the Performance and Innovation Unit in the UK Cabinet Office called *Wiring it up* (PIU, 2000) identified barriers to cross-cutting approaches to policy and implementation including: lack of consultation with service users; few incentives for collaboration; lack of skills in cross-cutting policy work; impediments in budgets and organisational structures and accountability systems; and a lack of direction from central agencies. Recommendations arising from this report included improving
leadership from ministers and senior civil servants; improving consultation with service
users and providers; improvements to skills (through interchange, recruitment and
promotion initiatives); more flexible use of budgets; using audit and external scrutiny
processes; and strengthening central agency leadership in relation to cross-cutting work.

The Canadian Government Task Force (1996) recommended greater attention to
planning and resource allocation for policy making, as well as the establishment of
interdepartmental policy communities amongst senior policy executives to share ideas
about best practice and the struggles of policy work. In Canada, the preoccupation with
policy coordination and horizontal government that began with the Task Force Report
was continued with a series of further reports including studies by the Canadian Centre
for Management Development (Hopkins, Couture, & Moore, 2001; Peters, 1996) and
the Canada School of Public Service (Bakvis & Juillet, 2004). These studies identified
structural impediments to horizontal initiatives such as a lack of necessary support
systems, tools and resources and accountability structures (Bakvis & Juillet, 2004;
Hopkins et al., 2001; Peters, 1996). They also suggested that horizontal working has
risks and costs that need to be taken into account, recommended informal as well as
formal structures for horizontal policy making and emphasised the need to improve
leadership and culture (Bakvis & Juillet, 2004; Hopkins et al., 2001; Peters, 1996).

In Australia the term ‘whole of government’ has been largely used in place of the
language of joined-up or horizontal government. Halligan (2008) reports that although
Australia ‘came late’ to these ideas, there has been strong commitment at the federal
level, particularly from central agencies, to a broad approach to cultural change and
governance reform. The Connecting Government report by the Australian Public
Service Commission (2004) highlighted similar issues to the UK and Canadian studies,
particularly the need to provide appropriate structures, build a culture of collaboration,
improve information management and infrastructure and change budget and
accountability frameworks. The Connecting Government report only addressed whole-
of-government policy making at the Commonwealth level. A study of Victorian
approaches to joined up government by the Victorian Government’s State Services
Authority (2007c) made similar recommendations for changes with respect to
leadership and culture, rewards and incentives, structures for resource allocation, and
planning and accountability mechanisms. This report also advocated more systematic sharing of experience and evaluation of joined-up initiatives (Victorian SSA, 2007c).

There is an extensive literature on policy coordination that covers many of the same issues as these government reports (see, for example, J. S. Davies, 2009; Halligan, 2008; Lindquist, 2004; Peters, 2006). Much of it is concerned with the institutional arrangements for coordination between departments rather than the capacity within individual agencies for working in cross-cutting ways. Many of these issues are beyond the scope of this thesis.

Implementation

Only a few references to implementation were found in the studies included in the comparative review. The lack of attention to implementation is notable, given the extensive literature which points to the importance of full consideration of implementation issues during policy development (Bridgman & Davis, 1998; Ham & Hill, 1993; Hogwood & Gunn, 1984; Pressman & Wildavsky, 1973; Younis, 1990). The Canadian study found poor links between policy development and implementation (Canadian Government, 1996, p. 8). ‘Greater consideration to policy implementation’ was one of the enablers of change identified in the UK Cabinet Office report Better Policy Making (Bullock, Mountford, & Stanley, 2001, p. 10). Barriers to the integration of policy development and implementation included institutional separation and incompatibility of information technology (Bullock et al., 2001, p. 41). There are few clues in these studies, however, as to how links between policy development and implementation could be strengthened.

In the UK, a further study, Better Policy Delivery and Design, was undertaken by the Performance and Innovation Unit (Mulgan & Lee, 2001). Drawing on case studies of policy delivery, this report identified features of successful delivery, including the quality of policy design, clear and shared vision, commitment from those involved in implementation, drawing on experience of what works, support and training for people with responsibility for implementation, and ‘clear lines of accountability’ (Mulgan & Lee, 2001, p. 3). The report made recommendations for improving policy implementation and program management, including: the more systematic and transparent analysis of implementation success and failure; developing a ‘challenge
function’ in central government to raise standards; better management of human resource issues; coaching and support structures to assist with implementation; quality assurance mechanisms; strengthening the knowledge pool; and introducing web-based tools to develop better links between implementers and policy makers (Mulgan & Lee, 2001, pp. 19-20). In 2001 the Prime Minister’s Delivery Unit was established in the UK Cabinet Office to strengthen the capacity for implementation (Lindquist, 2007).

There has also been strong interest in improving policy implementation in Australia in recent years, at both Commonwealth and state levels (including Victoria), with a number of special implementation units established in central agencies to provide support in planning for implementation, as well as monitoring progress and reviewing performance in relation to implementation (Wanna, 2007). This interest has been attributed to concerns about declining policy capacity and the desire to improve the effectiveness of policy, and to implementation failures in sensitive policy areas (Tiernan, 2007). There is little evidence to evaluate the impact of these implementation units, although Wanna (2006, p. 364) suggests that the Australian Government Cabinet Implementation Unit in the Department of Prime Minister and Cabinet has contributed to raising awareness of implementation issues and better implementation management.

**Monitoring, evaluation and review**

Previous policy capacity research has emphasised policy monitoring, evaluation and review as important aspects of policy capacity. There are two types of evaluation that are important in terms of policy capacity: summative evaluation (that is, evaluations of the effectiveness of policy or programs that are often undertaken for purposes of accountability) and formative evaluation (evaluation that takes place during policy development, with the aim of learning in order to optimise the policy) (Walker & Duncan, 2007). Monitoring involves the continuous tracking of implementation; the collection of information about, and the control over, the activities and outputs of implementation, for the purpose of ensuring successful delivery (Hogwood & Gunn, 1984, pp. 220-221; A. Johnson, 1998).

Monitoring and evaluation were areas where weaknesses were commonly identified in the studies included in the comparative review, either because they were neglected, were not of sufficient quality or did not feed into policy development. For
example, the Canadian Government Task Force (1996, p. 11) found that these functions were frequently separated institutionally from (and therefore poorly integrated with) policy development.

Outcome evaluation was identified as a significant input to policy advice by the New Zealand State Services Commission (1999a), which found that evaluation was most often used for improving delivery and implementation and less frequently contributed to better policy making. The neglect of evaluation as an input to policy making was attributed to: low demand from ministers; political short term-ism; methodological problems with evaluation; lack of evaluation skills; and manipulation of evaluation results for political ends (SSC, 1999c, p. 8). To improve effective outcome evaluation, the SSC recommended: increasing demand from ministers, central agencies and parliament for evaluation information; better specification of outcomes; increasing attention to outcomes (rather than just outputs); improving incentives for reprioritisation and evaluation; and improving the skills of policy staff to both carry out evaluations and to manage external evaluations (SSC, 1999a).

The Manitoba audit identified deficiencies in performance monitoring of policies and found there was an ad hoc, rather than systematic, approach to policy evaluation. However senior policy managers did not rank evaluation amongst the most important criteria for policy capacity and tended to favour a ‘selective’ approach to policy evaluation (as this was perceived to be a more efficient use of resources) (Manitoba OPA, 2001, pp. 27-28).

The UK Cabinet Office (1999) found that there were few opportunities for policy makers to learn from their own and others’ experience. Encouraging a culture of evaluation and improving the quality of evaluations undertaken were both areas that were seen as needing improvement (UK Cabinet Office, 1999). A major recommendation arising from the UK initiative (1999) was the use of peer review processes to allow sharing of ‘good practice’ and organisational learning, and also to encourage cultural change. Peer review was also recommended by the Australian National Audit Office (2002, p. 115) and the Victorian Auditor-General’s Office (2004).

Other mechanisms suggested by the UK Cabinet Office (1999) for improving policy evaluation included strategic management of the evaluation process, better
resource allocation, developing a ‘centre of excellence’ devoted to policy evaluation and establishing processes for people implementing policies to feed back information about the effectiveness and acceptability of policies. The Government Social Research Unit in the UK released the ‘Magenta Book’ (2003), a set of guidelines on policy evaluation and analysis for people doing, using or commissioning policy evaluation.

The review of policy capacity in the Victorian Public Service (Edwards & Allen, 2001) noted similar issues with a lack of rigorous outcome evaluation and attributed this to lack of ministerial interest, the tendency to focus on outputs rather than outcomes for accountability purposes, lack of ‘evaluation champions’ and lack of skills. This report suggested policy and program reviews and the adoption of evaluation planning as a part of the budget process requirements (Edwards & Allen, 2001).

The Treasury Board of Canada commissioned a series of studies and reports in 2005 directed towards improving the ‘professionalism’ of evaluation and its use in government decision making (Aucoin, 2005; Treasury Board of Canada, 2005a, 2005b). Drivers of the effectiveness of evaluations identified from a set of case studies of best practice which were related to organisational capacity included senior management support for evaluation, reciprocal relationships between evaluation and program staff, skilled evaluation staff, and stakeholder participation (Treasury Board of Canada, 2005a). Recommendations for improving the use of program evaluation in government decision making included: requirements for evaluation at both organisational and whole of government level; linking this requirement to budgeting and expenditure management processes; requiring independent evaluations where practicable; and improving the quality of program evaluation through raising the demand from senior officials and ministers (Aucoin, 2005). Recommendations for improving the professionalism of evaluation included: developing evaluation tools and providing training in using them; increasing the profile of evaluation; and developing skills amongst evaluators (Treasury Board of Canada, 2005b).

There is a large body of literature that addresses generic evaluation capacity building (not policy evaluation specifically), particularly in developing countries. Some of the insights from this research include the importance of leadership and demand for
evaluation (from political policy makers), and accountability structures that encourage evaluation, alongside staffing and resource issues (Dabelstein, 2003; Khan, 1998).

McDonald, Rogers and Kefford (2003) offer a number of recommendations for building public sector evaluation capacity based on a case study of evaluation capacity development in the Department of Primary Industries in the Australian State of Victoria. These included: building capacity gradually through a series of stages; focusing on both supply (skills, tools and resources) and demand for evaluation; using both top down (senior-management driven) and bottom up approaches (meeting the needs of staff involved in evaluation); using symbolism (such as feedback and rewards) to encourage behaviour change; developing a common evaluation framework; building knowledge about evaluation approaches that work in the particular context of the organisation; and evaluating efforts to build evaluation capacity themselves.

Duignan (2002) suggests that building social policy evaluation capacity depends on building the capacity of the sector as a whole, by using context-appropriate evaluation models; training and awareness raising activities and developing priority setting processes that include stakeholders outside of government.

The literature on policy evaluation includes a critique of the rationalist assumptions underlying many attempts to build evaluation capacity, which do not always take the political nature of evaluation into account (Howlett & Ramesh, 1995; Hudson, 2007; Sanderson, 2000, 2002). Howlett and Ramesh (1995) argue that policy evaluation is not just important for instrumental reasons but also for its contribution to policy learning more generally. Sanderson (2000, p. 434) argues that the dominant assumptions underlying ways in which the relationship between policy evaluation and policy making are understood ‘constrain the potential of policy evaluation to inform learning and improvement in complex policy systems’. Sanderson (2002) argues for a greater focus on the ‘role of evaluation in reflexive policy learning’.

Policy management and leadership

Strategic management and leadership of the policy development process were common themes in the comparative review. The Canadian Government Task Force (1996, p. 11) found that systematic management of the policy process was patchy, and
the need for it was underestimated. Leadership direction and support was ranked as very important or important by all of the interviewees in the Manitoba audit of policy capacity (2001, p. 22). The New Zealand SSC report *High Fliers: Developing High Performing Policy Units* (1999b) highlighted the importance of leadership and strategic management for improving the performance of policy units. This included ‘policy leadership’ (in terms of developing a coherent overall direction and policy frameworks) and ‘management leadership’ to provide infrastructure and support to policy work (SSC, 1999b, p. 10). Recommendations for developing leadership were generally framed around improvements to personnel management (as described above) and institutional culture (see below).

Althaus, Bridgman and Davis (2008) argue that management of the policy process is an important aspect of policy work that shapes the policy process. This includes managing up (understanding the views of the minister and senior executives); managing across (coordinating policy within peer networks); managing down (to supervised staff) and managing out (working with external stakeholders) (Wanna, 1994, cited in Althaus et al., 2008). Further, Althaus et al. (2008, pp. 218-219) argue that policy capacity includes the ability of managers to draw together and coordinate all of the resources, processes and relationships that are needed for policy work.

Public sector leadership has received a great deal of attention in recent years as a means of building policy capacity and public management capacity more generally (Edwards, Ayres, & Howard, 2003; Victorian State Services Authority, 2007a). This has led to a proliferation of competency frameworks in different jurisdictions, which have been used as the basis for recruitment, selection and leadership development initiatives. These competency frameworks are discussed further in Chapter 9.

Public sector leadership development interventions have included many different approaches. A comparative study of contemporary developments in public sector leadership by the OECD (2001) noted that trends include the development of comprehensive strategies, establishment of new institutions for leadership development and integration of leadership development into existing management training. A comparative review of leadership development approaches by the Victorian State Services Authority (2007a), which included several Australian jurisdictions, New
Zealand, the UK and Canada, noted the extent to which common approaches had been adopted across the jurisdictions. As well as competency frameworks, these approaches included a blend of different interventions and a range of supporting tools, guides and resources (Victorian State Services Authority, 2007a).

**Organisational culture**

Organisational culture was a focus in the policy capacity research undertaken by the UK Cabinet Office, the APSC and the New Zealand SSC. The UK work in particular highlights the importance of institutional culture in recognising the goals of ‘modernised’ policy making, such as a long term and more strategic focus and a culture of innovation and preparedness to take risks (UK Cabinet Office, 1999). A ‘risk averse’ culture was identified as a barrier to improving policy making (Bullock et al., 2001). Some recommendations for strengthening institutional culture with respect to policy development included bringing in staff from outside the public service, providing secondments for policy officers and improving networking both within government and with external agencies and other jurisdictions (UK Cabinet Office, 1999).

The APSC’s *Connecting Government* report (2004) identified a number of features of organisational culture important for the success of whole-of-government approaches. Like the UK reports, it emphasised the importance of innovation and the ability to manage risk. It also highlighted an environment of teamwork and trust and ‘encouragement of the expression of diverse views’ and the ability to ‘balance the tension between short term and long term goals’ (APSC, 2004). Exposure of public servants to different organisational cultures (through secondments and networking) was recommended as one way of fostering a different organisational culture (APSC, 2004).

Clarity of policy direction and policy frameworks was highlighted as important by the Manitoba OPA (2001, pp. 25-6), which described a lack of clear principles or conceptual frameworks for generating or evaluating policy options although this was identified as a very important aspect of policy development by senior policy managers. Clarity in relation to policy direction and frameworks was also found by the NZ SSC (1999b) to be important for improving the performance of policy units.
**Individual competencies**

This section of the chapter surveys the literature in relation to competencies important for health policy work, including insights from the policy analysis and policy studies literature, the health policy competencies literature, the comparative review of policy capacity research reported in Appendix 2 and a recent study of individual policy capacity conducted by the Victorian DHS.

**Insights from the policy analysis and policy studies literature**

Different perspectives on the policy process offer different ways of thinking about the knowledge and skills required by policy workers. Much of the policy analysis literature is grounded in a view of policy analysis as a rational/technical process to inform decision making by elected decision makers. Many traditional policy analysis texts describe the knowledge and skills in terms of the formal, often quantitative, analytic techniques of policy analysis derived mainly from micro-economic analysis (Dobuzinski, Howlett, & Laycock, 2007; Mintrom, 2007). From this perspective policy work involves collection and analysis of data, application of analytical techniques (such as cost-benefit analysis and decision analysis) and formulation of alternatives and preparation of recommendations (see, for example, Bardach, 1977; Heineman, Bluhm, Peterson, & Kearny, 2002).

It is now acknowledged by many researchers and commentators, however, that rational analysis is only one aspect of policy work; that the policy process is also political in nature and involves persuasion and negotiation (Mintrom, 2007; Prince, 2007). This view suggests that skills in political analysis, negotiation and communication are important for policy work. Some of the knowledge and skills needed to influence policy outcomes include the ability to frame problems, to understand the agenda setting process, to recognise political opportunities, to understand and work with political processes, to understand the perspectives of other parties, and to adapt solutions to make them more feasible (Buse et al., 2005, pp. 176-177).

Policy analysis is now seen as a more multi-faceted process (Mayer, van Daalen, & Bots, 2004). Recent accounts of the knowledge and skills needed for policy work emphasise local and experiential knowledge rather than rationalist expertise (Adams,
2004); perceive policy analysis as a ‘soft craft’ (Prince, 2007); and see policy workers as navigating their way through environments characterised by complexity, uncertainty and multiple, conflicting perspectives (Parsons, 2004). Tenbensel (2006) uses Flyvberg’s framework of three types of knowledge (originally developed by Aristotle) – *episteme* (rational knowledge), *techne* (‘practical-technical’ knowledge) and *phronesis* (knowledge based on ethics or values) to explore the different types of knowledge important in policy as argumentation. He argues that policy workers need to be versatile in moving between, and ‘stitching together’, many different types of knowledge (Tenbensel, 2006).

Lindquist and Desveaux (2007) make the observation that policy units and teams need to be assembled drawing on a variety of different skills and expertise, including specialised technical knowledge, access to data streams, centralised policy knowledge, system knowledge, process skills and public service norms.

An empirical study by Lodge and Hood (2003) using case studies of policy making in the UK and Germany categorised policy competencies into three dimensions: background experience (including public sector, industry and business, politics and parliamentary, frontline delivery, foreign and research experience); ‘technical or substantive knowledge’ (including policy historical knowledge, contextual knowledge, knowledge of management techniques, government process knowledge, language and cultural knowledge, and specialist analytical knowledge); and ‘contribution to social processes’ (memory, networking, project oversight, appraisal and critical judgement, conflict handling, knowledge management generation and championing of ideas).

**Health policy competencies literature**

There is very little literature on health policy competencies specifically. Various public health competency frameworks have been developed in Australia and internationally, generally to provide a basis for curriculum development (Fleming, Parker, Gould, & Service, 2009), and health policy development is often one set of competencies amongst these. Examples include competency frameworks developed by the National Public Health Partnership in Australia (2000a; 2000b); the Public Health Agency of Canada (2007); and the Association of Schools of Public Health in the US for the Master of Public Health Degree (Calhoun, Ramiah, McGean Weist, & Shortell,
The National Public Health Partnership (2000b) identifies ‘promote, develop and support healthy public policy, including legislation, regulation and fiscal measures’ as one of nine core public health functions, with which a range of competencies are associated. These include developing and evaluating policy, providing evidence-based advice, advocating for legislation and regulations to promote health.

**Findings from the comparative review**

The knowledge, skills and capabilities of policy staff were frequently referred to in all of the studies. In the Manitoba report (2001, pp. 34-36), the knowledge and skills of policy staff were identified as the most important factor contributing to excellence in policy development and were also the most frequently cited area needing improvement. Despite this emphasis, however, there was little in-depth exploration of the knowledge and skills that policy practitioners needed to do their work and how the presence or absence of these capabilities impacted on the outputs or outcomes of policies.

The Canadian Government Task Force (1996) noted that the skill sets and relevant knowledge requirements differ for different types of policy personnel (with different roles in policy development, implementation and evaluation) but that it is the overall mix of skills which is important for policy capacity.

**Knowledge**

Studies identified a number of different types of knowledge important for policy making. These included knowledge of context, both the context of the problem and of the policy, including the organisational, political and wider social context (Manitoba OPA, 2001, p. 37; UK Cabinet Office, 1999; Wolf, 2000). Various disciplines were identified as contributing to policy making including law, economics, accountancy, statistics, the social sciences, project management and information technology (UK Cabinet Office, 1999). Knowledge of systems and developments in other countries and the ability to ‘learn lessons’ from these was also a key competency in developing more ‘outward looking’ policy making identified by the UK Cabinet Office (1999).
Practical skills of policy making

Policy making skills described in the reports included analytic skills such as the ability to frame problems, appraise research evidence, predict the likely consequences of policy choices and evaluate the associated risks (Manitoba OPA, 1999; Wolf, 2000). Skills in the daily work of policy development (such as drafting, researching, consulting, evaluation and project management) were also mentioned (Manitoba OPA, 2001; UK Cabinet Office, 1999; Wolf, 2000). High level interpersonal and communication skills were highlighted in several studies (APSC, 2004; UK Cabinet Office, 1999; Wolf, 2000). The ability to utilise information technology, to manage risks and to learn new skills were also highlighted by the UK Cabinet Office (1999).

Creativity, intuition and judgement

These attributes were emphasised in one of the UK reports which described the need for policy makers to be ‘flexible and innovative’, willing to question the status quo and prepared to try out new ideas and work in new ways (UK Cabinet Office, 1999). The Canadian task force also discussed the need for intellectual curiosity, intuition and the ability to be ‘comfortable with the uncertainties of policy making’ (Canadian Government, 1996, p. 24). The Manitoba study (2001) also highlighted the importance of creativity and good judgement. The emphasis on these attributes in the studies highlights the significance of personal and second hand experience with cases (stories of episodes of policy making that illustrate principles and insights that can then be used to inform practice). Cases become an important source of knowledge upon which judgement and intuition are built.

Recent study of individual policy capacity in DHS

During the preparation of this thesis, the Social Policy Branch in the Victorian Department of Human Services conducted its own internal analysis of individual competencies for policy work in DHS, using key informant studies and focus groups (DHS, 2008). The purpose of this report was to provide an evidence base for initiatives that the Social Policy Branch wished to implement to improve policy knowledge and skills. The DHS study borrowed from the frameworks and literature reviewed for this thesis but it differed in terms of its methods and its conceptualisation of policy capacity.
In the DHS (2008) study, individual policy capacity was conceived in terms of five attributes: knowledge of context; analytic skills; knowledge of content; process skills for policy analysis and advice; and personal attributes. The report identified concerns about the knowledge of context and analytical skills of policy workers at VPS 5 and VPS 6 levels (middle level policy officers and managers), and found that ‘process skills’ such as policy development and communication skills could also be improved. Interestingly, although the study focused only on individual capacity, many of the issues raised by the focus group participants concerned organisational issues such as coordination across program areas and poor access to information.

**Models and methods for policy capacity research**

*Methods used in policy capacity research*

Methods used in the policy capacity studies included in the comparative review are described in Gleeson et al. (2009, pp. 4-5) in Appendix 2. Most of the studies reviewed used multiple data collection methods. In most cases, interviews with senior officials were used to collect data. These were often supplemented by interviews with other players such as junior policy officers and external policy research experts in Canada, recent leavers in the UK and cabinet ministers in Manitoba. In some cases interviews were combined with other data collection methods including case studies of policy episodes or policy units, focus group interviews or round tables, surveys, and training needs analysis. There are a number of appropriate methods available and the choice of particular methods depends on the context and focus of the study.

None of the studies attempted to evaluate policy capacity against the outcomes of the policy process, although some studies evaluated policy capacity in terms of outputs, such as the quality of policy briefs or the satisfaction of ministers.

There are continuing uncertainties about the conceptualisation of policy capacity and the methods for researching it. All of the models for conceptualising policy work and the methods for evaluating policy capacity used in the studies surveyed in this chapter have limitations. Some studies used relatively linear models of the policy process and fairly narrowly conceived methodologies (particularly the state/provincial level audits), which provided little scope for examining the political and contextual
aspects of policy making. Policy work was often conceived as the provision of policy advice to political policy makers, an approach which may not capture the full range of possible policy engagements and the more active role which policy workers often play in shaping policy.

The conceptualisation of policy capacity underpinning much of the policy capacity research has been criticised more broadly for its reliance on a rational model of policy making that privileges some aspects of policy making over others. The implicit assumption is that improving and systematising the technical aspects of policy making will result in better policy. Brans and Vancoppenolle (2005) point out that this approach conflicts with other perspectives on improving policy making such as ‘interactive governance’, which emphasise citizen involvement and participation and the need for government to be responsive and flexible. This suggests that there is a dimension to policy capacity that is not amenable to technical solutions and that requires more attention to the interface between the bureaucracy and other players outside government, including industry stakeholders and the wider society (Jayasuriya, 2005; Painter & Pierre, 2005a, p. 12). These relational aspects of policy capacity should be a stronger focus in future policy capacity research.

**Evaluating policy outputs and outcomes**

There has been extensive debate in the literature about the difficulties inherent in evaluating policy outputs and outcomes. First, there are problems attributing policy outcomes to policy capacity or even to particular policies. It is difficult to link policy advice with decisions and their outcomes (Nicholson, 1996, p. 29; A. M. Simpson, 2003; Waller, 1992, p. 18). Even the notion of isolating a discrete area of policy in order to assess outcomes and trace the policy development process is questionable, when policies are interwoven and cross-portfolio in nature (Waller, 1992, p. 18). Many other variables impact on policy decision making and its outcomes (Di Francesco, 2000, p. 40; Keating, 1996, p. 61), and often the advice of public servants is only one source of advice used by politicians (Nicholson, 1996, p. 29). Second, there is the issue of timeframes. Policy outcomes are often not evident for many years. The policy development itself can often take a long time, and there is often a long lag time between policy development and implementation (Nicholson, 1996, p. 29; A. M. Simpson,
Incremental changes to policy during implementation may also mean that the long term outcomes are no longer traceable to a particular period of policy development (Waller, 1992, p. 18). Third, judgements about the value or ‘goodness’ of policy vary widely as there is political and ideological disagreement between different interest groups and actors over goals and outcomes (Peters, 1996, pp. 9-10; Thissen & Twaalfhoven, 2001). Finally, there are no simple models available for evaluating policy work and it is generally agreed that would be little value in trying to develop a set of generic criteria to use for evaluating policy capacity (Thissen & Twaalfhoven, 2001, p. 627; Uhr & Mackay, 1996, p. 4).

For all of these reasons, there are no objective standards against which policy outcomes or outputs can be measured. Where policy outputs are evaluated, it is best to employ qualitative methods using professional judgement and peer review (Nicholson, 1996; Waller, 1992, p. 35). Nicholson argues that senior policy advisers who are highly regarded by their peers are likely to be the best judges of the quality of policy advice (Nicholson, 1996, p. 35).

Retrospectively judging the outcomes of policy from the position of an outsider carries the additional danger of ‘concretising’ the contingencies of a particular scenario, whereas at the point of action, the policy practitioner would have been confronting a wider range of possible scenarios. Any assessment of policy capacity must take into account the range of possible scenarios and contingencies confronting the policy maker at the time the policy episode took place. This suggests that policy capacity research needs to draw on the accounts of the policy practitioners themselves of their experiences of the policy development process and the environments in which the policy episode took place.

Despite these challenges, there have been some attempts to delineate criteria for evaluating policy capacity. Thissen and Twaalfhoven (2001) describe three detailed sets of criteria for evaluating policy analytic activities, based on different views of policy analysis: as information provision; as a participative policy-oriented process; and as a set of methods and tools. The framework for organising these criteria distinguishes between inputs, content, process, results, use, and effects. The criteria proposed by Thissen and Twaalfhoven are designed for evaluating policy analytic activities related
Gaps in the literature

There has been a considerable amount of commentary and debate in the literature about a decline in policy capacity in many jurisdictions since the early to mid 1990s, and much speculation about the causes of this decline. However, whilst there are some commonly recognised dimensions of policy capacity about which there is general agreement, there is much that is not well understood.

At present, there is little empirical evidence on which to base the development of capacity building strategies. Whilst there has been some research which has sought to evaluate public sector policy capacity, this is limited to internal government projects and audits and there appears to have been no independent academic research conducted to date in this area. These reports tend to include long lists of recommendations for capacity building that, while useful as a guide to capacity building, are specific to the jurisdictions in which the research took place. Many of the strategies proposed have been focused on cross-sectoral structures (such as knowledge broker organisations and centrally based implementation units) and there has been less focus on building capacity at the organisational level. The research that has been undertaken has often not been well-grounded in an empirically-based description of the policy process, and is often based on a relatively narrow conception of the policy process as rational decision making and of policy work as the provision of policy advice. None of the previous
research reviewed for this thesis has sought to explore policy capacity in terms of multiple perspectives on the policy process.

There is also a gap in the literature regarding policy capacity in the health and human services (social policy) sector. A thorough literature review has uncovered no research specific to this sector. To what degree the generic principles from the public sector can be applied to health and social policy is an open question.

**Research questions**

The research questions addressed in this thesis are:

- how do policy practitioners within a large health and human services organisation perceive the policy process in relation to their own involvements and the organisational context in which they work? and

- what does the experience of policy practitioners tell us about the sorts of organisational development and professional development initiatives which might make for better policy making?

**Assumptions not tested in this research**

This research relies on a number of assumptions that are not tested in this study: first, that there are patterns of practice which (theoretically) should be recognisable as ‘good policy making’ on the grounds they are more likely to produce ‘good policy’ (which is presumed to lead generally towards better outcomes) and second, that there are structural, cultural and procedural attributes which (theoretically) should be recognisable as ‘organisational policy capacity’ (in government health departments for example) on the grounds that strong organisational policy capacity contributes to good policy outcomes. These premises are implicit in the broad field of policy studies (see, for example, Edwards, Howard, & Miller, 2001) and were assumed rather than tested in this research.
Chapter summary and conclusions

Key points from this chapter include:

- **Insights from policy theory**: The policy process can be understood from different perspectives and using different metaphors. The perspective adopted determines what is understood as policy work and policy capacity. The approach taken in this thesis is eclectic; drawing on a variety of different metaphors.

- **Insights from the generic capacity and capacity building literature**: Capacity can be understood at different levels, and the relationship between them needs to be taken into consideration in capacity development. Organisational capacity includes less tangible elements as well as formal structures, processes and skills.

- **Insights from organisation theory**: Organisational structure and culture are both important aspects of capacity. Ideas of organisational change, organisational learning and leadership are important for understanding how capacity development takes place.

- **Insights from the scholarly policy capacity literature**: Policy capacity has been conceptualised in a variety of ways. Some of the commonly identified dimensions of policy capacity include analytic and advisory capacity; resources and the organisational structures and processes which enable those resources to be utilised; relationships within and between organisations; capacity to implement policy; and the ability to coordinate policy effectively and achieve policy coherence.

- **Insights from previous policy capacity research**: A review of the literature suggested that organisational and individual capacity are both important aspects of policy capacity and suggested a number of elements of each. The literature suggests a broad array of strategies for capacity building. A review of the methodological problems
involved in attempting to objectively evaluate policy outputs or outcomes suggests that the implicit judgement of policy practitioners themselves should be employed to evaluate policy process and outcomes.

- **Gaps in the literature:** These include: limitations embedded in the design of previous policy capacity research (including over-reliance on rational-comprehensive models of policy making); lack of generalisability of the recommendations of previous research; little research focused on capacity within departments; and little empirical evidence to support the effectiveness of the strategies proposed.
Chapter 3: A Study of Policy Capacity in the Victorian Department of Human Services

Introduction

This chapter describes the methods used in the study to answer the research questions of the thesis.

The research questions addressed in this thesis are:

- how do policy practitioners within a large health and human services organisation perceive the policy process in relation to their own involvements and the organisational context in which they work? and

- what does the experience of policy practitioners tell us about the sorts of organisational development and professional development initiatives which might make for better policy making as they see it?

This chapter describes the methods which were used to answer these questions and describes the research setting and participant characteristics. The data collection instruments can be found in the appendices.

Research strategy

The research strategy was descriptive, explanatory and strategic. The first step was to describe the policy process within its organisational context; second, to identify factors in the policy making environment which contributed to (or presented barriers to) good policy making; and third, to suggest strategies for policy capacity building on the basis of this analysis.

Research design

I have undertaken a case study of one large Australian health and human services department, the Victorian Department of Human Services (DHS).
Data collection involved a comprehensive literature review and a two-stage interview study. The first stage comprised in-depth interviews with policy practitioners in four policy-oriented organisational units in DHS. The purpose of these interviews was to explore the experience of policy workers in the DHS of the policy process and of the organisational structures, processes and cultures that contribute to policy outcomes. The second stage involved interviews with policy practitioners recognised by their peers as inspiring or outstanding policy practitioners. These included a focus group interview and three individual interviews. An additional interview was undertaken with a technical expert. The purpose of these interviews was to build on the findings from Stage 1 and to further develop strategies for building capacity.

The analytic strategy involved tracing the relationships between policy capacity, policy process and policy outcomes. The analysis of these relationships was oriented around three units of analysis: the policy worker (the interviewee); the organisational unit (the policy team within which the interviewees worked); and the policy episode (periods of engagement described). More detail is provided below.

**Research team and advisory structures**

There were two advisory structures for this project: a project management group and a reference group. The project management group included myself, Associate Professor David Legge, Dr Deirdre O’Neill and senior policy managers Peter Allen and Monica Pfeffer from DHS. This group met at approximately two-monthly intervals throughout the project. An existing group of middle level to senior policy personnel within DHS (the DHS Social Policy Group) acted as the reference group for the project, assisting in the development of the methodology and guiding the data analysis. Professor Stephen Duckett (formerly of La Trobe University) and Professor John Wanna (Australian National University and Australia and New Zealand School of Government) also provided advice in the project design stage.

**Research setting**

The Victorian Government Department of Human Services (DHS) was the setting for this research. I chose DHS as the setting for the study because it is the largest source of health policy practitioners in Victoria and also because I was interested in identifying
strategies to help government agencies to improve policy making in the health area. Three policy-oriented divisions (major organisational units) of DHS participated in Stage 1 of the study. These included the two health divisions and a corporate policy-oriented division. Participants in Stage 2 were recruited from across the organisation and not restricted to the three divisions participating in Stage 1 although there were more participants from these divisions due to the recruitment strategy used (see page 105). Further information about the research setting, including the size, scope, history and structure of the Department is presented later in this chapter.

**Case study approach**

This research utilises a single case study approach; ‘an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident’ (Yin, 2003, p. 13). This approach is particularly suitable for studying policy capacity, as capacity is inextricable from context. Case study research is also particularly appropriate when the phenomenon being studied is poorly understood (Eisenhardt, 1989, p. 548) or when the purpose of the research is to explore and explain complex phenomena (Yin, 2003, pp. 6-9). Case study research can include single or multiple cases, and multiple levels of analysis (Eisenhardt, 1989, p. 534). Cases can be used for the purposes of description, theory testing and theory generation (Eisenhardt, 1989, p. 535).

A single case study design was chosen for this research because it enabled more in depth, intensive study of organisational policy capacity than a cross-case design, within the constraints of available time and resources (Gerring, 2007, p. 1; Yin, 2003, p. 47). There are limits to generalising from a single case study to a larger population, however, in that the specific phenomena may be idiosyncratic and not representative of the wider population of possible cases (Gerring, 2007, p. 43). This needs to be taken into account in the context of drawing conclusions from the findings. Mays and Pope (1995, p. 110) point out that ‘it is essential to take care to describe the context and particulars of the case study and to flag up for the reader the similarities and differences between the case study and other settings of the same type’. Although single case designs are weaker than cross-case designs in terms of external validity (the ability to generalise to a larger
population), they are stronger in terms of internal validity (the validity of the causal relationships within the case) (Gerring, 2007, p. 43).

The case study approach used in this research can also be described as an ‘embedded case study’ as it includes multiple units of analysis, enabling closer examination of specific phenomena in ‘operational detail’ (Yin, 2003, pp. 42-45). This design adds depth to the research.

Data collection methods

Data collection methods included a comprehensive literature review, individual in-depth interviews with policy practitioners in four organisational units of DHS; and a further set of interviews (including a focus group interview and three individual interviews) with policy practitioners recognised as highly skilled by their peers. There was an additional interview with a technical expert in a particular area.

Literature review

A broad ranging and comprehensive literature review was undertaken to identify issues and themes relating to organisational and practitioner policy capacity. This included review of the health policy, public policy and public administration literature as well as government reports and grey literature.

Major foci of my literature review included:

- Usages of the term ‘policy’;
- Policy theory, the policy process and conceptualisations of ‘good’ policy;
- Capacity and capacity building, and methods for evaluating capacity;
- Organisational capacity; organisational behaviour; organisational structure, process and culture (with a focus on public sector organisations);
• Policy capacity and policy capacity building; and methods for evaluating policy capacity;

• Policy practice and policy work;

• Policy competencies;

• Evidence-based policy and research translation;

• Joined up government and policy coherence;

• Policy implementation;

• Policy evaluation;

• Policy networks and communities;

• Leadership and organisational culture; and

• Organisational change and development.

Search terms derived from these foci of interest were used to comprehensively search the literature. I searched the peer-reviewed literature using electronic databases including: library catalogues (La Trobe University and National Library of Australia ‘Libraries Australia’ database), health science databases (Medline, CINAHL and Informit); public administration and management databases (EconLit, ABI Inform and Emerald Full Text); humanities databases (ProQuest and Sociological Abstracts) and thesis databases (Australian Digital Theses Program, ProQuest Dissertations and Theses and Index to Theses) as well as multi-disciplinary databases including Current Contents and Expanded Academic. Government reports on policy capacity (grey literature) were located using Google and through searching government and organisational websites.

I also periodically searched key health policy and public policy journals throughout my PhD including: Australia and New Zealand Health Policy; Health Policy and Planning; Health Services Management Research; the Journal of Public Health Management and Practice; the Journal of Health Services Research and Policy; the Australian Journal of Public Administration; Policy Studies Review; Political Studies
Policy documents generated within the Victorian Public Service were provided by some interviewees where these were pertinent to the policy episodes discussed in the interviews. Some of these policy documents are not referenced as they could enable identification of the interview participants.

Part of my literature review was a comparative review of public sector policy capacity research in four Anglophone jurisdictions: the United Kingdom, Canada, New Zealand and Australia. The themes identified with respect to institutional capacity included: access to, and use of, information and evidence in policy making; personnel management and workforce development; consultation and communication processes; inter-departmental coordination and networking; implementation; monitoring, evaluation and review; policy management and leadership; and organisational culture. Themes relating to individual capacity included: knowledge and experience; practical skills of policy making; and creativity, intuition and judgement. These themes were used to guide data collection and analysis.

**Pilot study**

A pilot study was undertaken during the period of October to December 2005 in the Disability Services Division of DHS; a non-health division which was expected to be most similar to the health divisions in terms of structure and context for policy making. The purpose of the pilot study was to test the recruitment strategy and data collection instruments and to trial different approaches to data analysis.

A policy-oriented branch within the Disability Services Division was selected based on advice of the division head and an email was sent from the division head to all staff in selected branch advising them of the study. The director of the participating
branch was asked to nominate all positions with ‘significant’ policy roles. Staff currently working in these nominated positions were invited to participate in a telephone survey about their policy work and a smaller subset of these staff were invited to participate in an in-depth interview.

Thirty-nine positions in the branch were nominated as having significant policy roles. Telephone interviews and three in-depth individual interviews were conducted with sixteen individuals in these positions. Telephone interviews were part of the methodology as it was originally conceived. The telephone survey was intended to map the policy practice workforce in the organisation and identify a pool of policy practitioners from which a smaller structured sample of policy practitioners could be selected for in depth interviews. It was envisaged that a scheme for categorising the policy practice workforce according to degree and type of engagement in policy work could be developed based on the telephone survey data.

After trialling the telephone interviews and individual interviews, I decided not to proceed with the telephone interviews as part of the main study for two reasons. Firstly, the telephone interviews were time consuming and labour intensive and did not yield rich data; and secondly, it did not seem likely that a scheme for categorising policy practitioners could be developed (on which to base sampling for the in-depth interviews) since the relationship between policy development and implementation appeared to be very dynamic and complex. People often worked on more than one project and their level of responsibility and influence as well as the type of policy work engaged in varied across projects.

I also made some changes to the sampling strategy. I decided to interview the branch heads first, as it was hard to gain a picture of how policy work was undertaken in the branch as a whole just by interviewing people about their own work. I decided to ask branch heads to nominate key policy practitioners for each of the 3-4 main policy issues the branch is dealing with (to obtain a smaller sample of policy practitioners). A large number of staff in the pilot branch was nominated as having a ‘significant’ role in policy work (39 of the 60 staff in the branch). Many more people were involved in policy work than expected, and in this context, the proposed sampling strategy would have resulted in very large number of participants. Asking the branch head to nominate
all personnel with a significant role in policy work also meant that the nominated staff included personnel at relatively junior levels who were implementing policy. These practitioners were less able to reflect on policy process and policy capacity in ways which provided rich interview data.

The interview schedule was further developed following the pilot study.

**Sampling strategy**

**Stage 1: Describing the policy process within its organisational context and identifying the elements of policy capacity which contribute to better policy outcomes (as judged retrospectively by the practitioners involved)**

A purposive approach was used to identify a structured sample of policy practitioners. Purposive sampling enables selection of ‘information-rich’ cases which will yield in-depth insights about the research questions (Patton, 1990, p. 230).

**Selection of branches**

One or more policy-oriented branches (smaller organisational units) in each division were selected on the basis of advice from the Executive Directors (EDs). Focusing on particular policy-oriented branches enabled in depth examination of the local organisational context for policy development and implementation. One ED nominated a single branch; one nominated two branches which, while both policy-oriented, dealt with different sorts of policy work. In the third division, the position of ED was vacant at the time of recruitment, and the Acting ED was unavailable at the time. A branch was selected from this division on the advice of the DHS Advisors. In total, four branches were selected.

**Selection of participants for in-depth interviews**

Directors of the four participating branches were interviewed about the policy work undertaken in the branch. They were asked to identify key policy issues with which their branch was dealing, outline the policy work that was being undertaken in response to those issues and to nominate the policy practitioners who had lead roles in responding to those issues. The policy practitioners nominated by the branch directors were invited to participate in face to face in-depth interviews about their policy work. I
approached potential participants directly by telephone or email to ensure that they did not feel pressured to participate. They were assured that participation was voluntary and that their supervisor would not be aware of the outcome of their decision whether or not to participate.

I am using the term ‘policy practitioner’ to refer to public sector personnel who are involved in policy development and implementation in a broad range of ways and to different degrees. ‘Policy practitioners’ in this study include both designated policy personnel and people for whom policy development is only one responsibility amongst others. This term is more inclusive than terms such as ‘policy analyst’, particularly given the importance of operational decision making in shaping policy as implemented.

Within the bureaucracy there is a large number of people engaged in policy work in some shape or form. There are few people with designated ‘pure’ policy responsibility; policy roles are usually combined with management and other responsibilities. The rationale for sampling according to key policy issues was to select people who had leadership roles in policy work that was central in their particular branch. Practitioners with some seniority were sought because they were more able to reflect on their work in relation to the work of the organisation as a whole. The judgements of these experienced policy practitioners, including their judgement regarding policy outcomes, have a high degree of normative validity.

**Stage 2: Developing strategies for capacity building**

Selecting experienced policy practitioners for focus group and/or further individual interviews

I used a modified reputational sampling method (Hawley & Svara, 1972; J.M. Lewis & Considine, 1999) to select experienced policy practitioners who were recognised by their peers as highly skilled for this part of the study. I asked participants in the in-depth interviews to nominate policy practitioners from across DHS who they thought of as ‘outstanding’ or ‘inspiring’. Thirty three people were nominated using the reputational sampling method. Of these, four were in very senior positions in the organisation, and these people were approached separately for individual interviews (as their seniority may have inhibited discussion in the focus group interviews).
I aimed for a focus group comprised of eight to twelve participants on the grounds that it would be small enough to enable all participants to share ideas and large enough that sufficient ideas are shared (Krueger, 1994, p. 17; D. L. Morgan, 1997, p. 43). A total of nineteen of the nominated individuals were invited by email to participate in a focus group interview, as I was aware that many of these busy executives were likely to be unavailable on the date of the interview. This sub-sample comprised people who had been nominated more than once and people who, based on the reasons given by the nominating interviewee, were most likely to be highly skilled in policy work. Of the nineteen invited, six did not respond to the invitation and five accepted the invitation but later withdrew due to changes in their availability on the day of the interview. The remaining eight participated in the focus group interview.

**Interviews**

**Stage 1: In-depth interviews with policy practitioners in four branches**

Twenty-two face to face, in-depth interviews were conducted with policy practitioners in four branches of the Victorian Department of Human Services from May to August 2006. Face to face in-depth interviews were used to collect detailed stories of policy episodes in a context that allowed flexibility, probing of interviewees’ responses, and depth in terms of exploration of meaning and explanation of phenomena (Legard, Keegan, & Ward, 2003, pp. 141-142; Liamputtong Rice & Ezzy, 1999, p. 53).

The number of participants from each branch is shown in Table 2.

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<tr>
<th>Branch</th>
<th>Number</th>
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<td>A</td>
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<td>4</td>
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<td>C</td>
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The interviews were semi-structured and of one to one-and-a-half hours’ duration. Interviewees were invited to speak about their role in the organisation (and in particular the policy-related aspects of that role) and to explore in detail the main policy project that they were involved in at that particular time. Whilst a theme list was used (see
Appendix 3), participants were encouraged to recount their stories about episodes of policy development in their own words, and the theme list was used as a guide for issues to explore in more depth and as a checklist for issues that were not raised by the interviewee. Knowledge and skills for policy work and capacity issues were explored further where these arose in the interview.

Definitions of policy, policy issues and policy projects were deliberately kept open, as I wished to canvass as broad as possible a range of policy engagements. I was interested not just the development of high level policy statements and public documents, but also in the areas where policy overlaps with operations and implementation.

A modified theme list was used for interviews with branch directors (see Appendix 4). These interviews were more focused on the directors’ views of capacity in the branch rather than on their policy practice as individuals.

With the consent of the interviewees, interviews were audio recorded and transcribed. Interviewees were asked whether they would like a copy of the transcript to check for accuracy. They were also given the option of asking for material to be deleted. Several interviewees requested copies of the transcript and several made alterations. In most cases the changes made involved minor editing and clarification.

Stage 2: Interviews with experienced/highly skilled policy practitioners to develop strategies for building capacity

Focus group interview

I conducted a single focus group interview with eight policy practitioners from across DHS who were recognised as highly skilled by their peers, in December 2007. The purpose of the focus group interview was to build on the findings from the individual interviews, and to collect data about strategies for building policy capacity.

A focus group design was chosen for this part of the research partly to enable efficient data collection (Stewart & Shamdasani, 1990) and also to harness the interaction between the participants as part of the research data (Hansen, 2006; Kitzinger, 1994; Lehoux, Poland, & Daudelin, 2006). Interaction in group processes
during can help participants to clarify and explore their views (Hansen, 2006); and to build upon each others’ comments (Stewart & Shamdasani, 1990). Participants can challenge each others’ views and ‘spark off’ each other which may result in the introduction of new ideas which may not be picked up in individual interviews (Hansen, 2006, p. 123). Differences of opinion which emerge can also assist in exploring the reasons why people think as they do, and the experiences which have shaped their opinions (Kitzinger, 1994). The combined effort of the group produces a wider range of opinions and ideas than the sum of responses from individual interviews (Stewart & Shamdasani, 1990, p. 19).

The group interaction was particularly critical because the aim of this stage of the research was to develop strategies for building policy capacity. While some respondents in the individual interviews suggested ideas for building capacity, these were often not very practical. For example, interviewees made statements such as “We should be more collaborative” but were unable to suggest practical strategies for achieving these sorts of aims. It seemed more likely that the ideas for capacity building would emerge from the interaction between the participants (as they challenged each others’ ideas and sought to resolve problems) rather than already existing in the minds of the participants. Analysis of the data from the individual interviews also suggested that respondents had quite different views about the ways in which capacity could be strengthened, and I was interested in exploring how people dealt with these differences in discussion with each other.

Focus groups have potential risks and limitations also. The small number of participants limits the generalisability of the findings (O'Donnell, Lutfey, Marceau, & McKinlay, 2007, pp. 978-979; Stewart & Shamdasani, 1990, p. 17). However in this research, the focus group did not ‘stand alone’ but added to the data that had already been collected in Stage 1. The risks of conformity amongst participants’ views (D. L. Morgan, 1997, p. 15; O'Donnell et al., 2007, pp. 978-979) and domination of the discussion by more opinionated members (Stewart & Shamdasani, 1990, p. 17) were minimised by encouraging participants to challenge issues when there appeared to be a consensus, by asking questions such as ‘Does anyone have a different opinion?’ They were also taken into account during data analysis; where consensus was not assumed when quieter members of the group agreed with the more dominant members, and the
transcript was studied carefully for areas of moderator bias. Care was also taken not to invest greater authority in the findings than was warranted (Stewart & Shamdasani, 1990, p. 17). Care was taken to avoid the potential for bias through unwittingly providing cues as to the types of responses expected (Stewart & Shamdasani, 1990, p. 17).

The focus group interview was of approximately 90 minutes duration. It was held at the DHS to encourage the participation of busy executives. The interview was audio recorded and transcribed. Participants were asked if they wished to review a transcript of the interview however none elected to do so. The focus group interview questions are provided in Appendix 5. Approximately one week prior to the interview, the interview questions and a summary of the themes arising from the individual in-depth interviews (relating to strategies for building capacity) were sent to the participants.

Additional expert interviews (individual interviews with highly skilled policy practitioners)

I selected participants for the focus groups who were middle level policy practitioners (predominantly team leaders and branch managers). Hierarchies in the group can affect the interaction; so it is important to select participants who are relatively homogeneous with respect to seniority (Krueger, 1994, pp. 17-18; D. L. Morgan, 1997, pp. 35-37). For this reason I elected to interview individually senior people who were nominated as ‘inspiring’ or ‘outstanding’ policy practitioners, rather than include them in the focus group interview. Three in-depth interviews with senior policy managers were held in December 2007 and followed the same interview schedule as the focus group interview (see Appendix 5). An additional in-depth interview was conducted in December 2007 with an informant involved in a technical area pertinent to the research.

Data analysis

Data analysis involved three stages: first, describing the policy process within its organisational context; second, identifying the elements of policy capacity which have contributed to better policy outcomes (as judged retrospectively by the practitioners involved); and third, identifying possible directions for capacity building.
The data were subject to qualitative thematic analysis and coding using NVivo 2.0 qualitative research software. The analytic paradigm (Patton, 1990) was interpretive, inductive / deductive and iterative. This was an interpretive process in that the emerging narrative was in part shaped by whether it fitted my purpose. I was selecting, sorting and assembling the data in order to ‘make sense’ of the phenomena I was studying; in order to answer the questions I was asking. I was conscious of using my own understanding as part of the frame of reference in sorting and arranging my data and continually re-evaluated how my own involvement in the research shaped the conceptualisation and outcomes of the research (Liampittong Rice & Ezzy, 1999, pp. 40-41).

The analysis was inductive in the sense that I was generalising: from stories of different instances of policy making; from the experience of many different policy makers; and from the culture and practice of several different branches. However, it was also deductive in the sense that I was structuring the data in accordance with pre-existing theory such as the structure, process and outcomes model (described below) and from the categories of organisational policy capacity derived from previous research. Finally it was iterative in that my focus of attention iterated repeatedly between immersing myself in the data, reading previously published research, reflecting and reformulating my analytic framework, and creating text. My narrative developed from my initial statement of my research questions to the final text of this thesis as I cycled many times across these different foci of attention.

**Research model (analytic framework)**

The core relationships being explored in this research were the relationships between policy capacity, policy process and policy outcomes (see bold boxes at the centre of Figure 1). Policy capacity was understood as including organisational structure, process and culture; the local environment at the level of the organisational unit or team; and the competencies of individual policy practitioners.

I examined the capacity, process and outcomes relationship in three different rounds of analysis focusing respectively on three different units of analysis: the policy episode; the policy practitioner; and the policy team. Using the policy episode as a unit of analysis enabled me to trace through the relationships between context, process and
outcomes in relation to specific episodes of policy development and implementation; and then to evaluate the features of the context that shaped process and therefore outcomes.

I treated practitioner competencies as one important element of policy capacity which was included in the capacity process and outcomes analysis. However, I also asked questions about education and other formative experiences of my interviewees which provided an additional insight into how education, training and work experiences shaped the competencies of policy practitioners.

My third unit of analysis was the policy unit or team as reflected in the data provided by the group of informants coming from the unit, the manager of the unit and the comments of divisional directors. Considering the policy unit enabled a deeper understanding of the structural and cultural aspects of capacity including the informal norms and protocols of policy making and patterns of leadership.

Figure 1 shows in more detail the relationships linking the various elements of the research framework.

Figure 1: Research model / analytic framework

A range of further analytic frameworks also informed my data analysis. In my analysis of the policy process I used a framework of three elements which emerged from the data (formulating, influencing and implementing) and a suite of metaphors for description and understanding derived from the policy studies literature. The analysis of
health policy competencies used a framework based on my literature review but modified to more closely accommodate the data. My analysis of policy capacity in the Department was framed in terms of eight domains of policy capacity derived from a review of previous policy capacity research. Propositions for developing health policy capacity were categorised using a framework derived from the research data. Barriers to the implementation of capacity building strategies were explored in terms of the tensions between three domains of governing capacity of Painter and Pierre (2005a). These analytic frameworks are described in more detail in Chapter 2 (and the relevant findings chapters).

**Stage 1**

I began data analysis by preparing summaries of each individual interview under the following headings:

- context, structure and culture;
- policy process and practice;
- strengths and weaknesses (of context, structure, culture, process and practice); and
- possible directions for capacity building.

A coding framework was developed using an integrated approach based on the themes that arose from these summaries as well as more theoretical codes derived from the literature review. Integrated approaches use both inductive (‘ground up’) codes as well as a deductive organising framework (Bradley, Curry, & Devers, 2007). Themes (analytic categories) were derived inductively (i.e. derived directly from the data) but there was an element of deduction as well, in terms of applying generalisations derived from the literature to the data (generalisations about the relationships between capacity, process and outcomes, and also generalisations in terms of domains of capacity and competency fields).

Initial coding resulted in overlapping ‘fuzzy categories’ which were then refined using the analytical and theoretical ideas developed during the research to produce a
smaller set of themes (Pope, Ziebland, & Mays, 1999). A more manageable set of codes was constructed by identifying links between categories, grouping them thematically, and sorting them into main and subthemes (Ritchie, Spencer, & O'Connor, 2003, p. 222). Key themes identified at this stage were then investigated further and tested iteratively against the data (Pope et al., 1999).

**Stage 2**

The data from Stage 2 were analysed using a similar process. Summaries were prepared for each interview. Data were coded initially using the codes developed for Stage 1 with additional codes arising during data analysis.

Data from Stage 1 and Stage 2 were integrated in the writing of the findings chapters.

**The Victorian Department of Human Services**

The purpose of this section is to briefly describe the research setting and participants in order to ‘set the scene’ for the findings chapters. In this section I introduce the Victorian Department of Human Services and briefly outline its history and structure. I describe the responsibilities of the three divisions participating in the study; the policy and human services frameworks that form the context for policy development in the DHS; and capacity building initiatives which are already in place. I then briefly describe the participating branches and individuals.

**Size and scope of the Department**

The Department of Human Services (DHS) is the largest government agency in the State of Victoria, with over 11,000 direct employees (not including employees of funded incorporated agencies), and a budget of approximately AUD $12 billion in 2006-07 (approximately 38% of the Victorian Government’s total operating expenditure) (DHS, 2006b). DHS has responsibility for planning, funding and delivering health care services (including public hospitals, community health and emergency services); residential, rehabilitation and community care for older persons; disability support and family support services; health promotion and protection; alcohol
and drug services; juvenile justice and child protection services; and public housing services.

The Department of Human Services is large in comparison with other state government health departments in Australia due to the bundling together of a range of portfolio areas into the one large department. The Department covers the portfolio areas of health, housing, aged care, children and disability and serves the Ministers for Health, Children, Community Services, Aged Care and Housing (DHS, 2006a, p. 2).

**Departmental history**

The history of health administration in Victoria can be seen in terms of the gradual accumulation and integration of policy and administration responsibilities for a range of different health and welfare services into the one organisation: the current Department of Human Services. While integration has been the overall pattern, there have been certain exceptions, with responsibility for some functions (such as environmental regulation, occupational health and safety and school health) being transferred to other departments. This section of the chapter briefly traces the origins of DHS from the late 1940s to the present, and the way in which different organisations came together to create the current large health and human services department.

From the late 1940s to the 1970s, health policy and administration responsibilities in Victoria were split between three different authorities: the Hospitals and Charities Commission, the Mental Health Authority and the Health Department (Duckett, 2004, p. 106). Each of these authorities was set up under a different Act of Parliament and had different relationships with the Minister of Health and the Executive of the Health Department (Syme & Townsend, 1975, p. 11). The Hospitals and Charities Commission, established by the Hospitals and Charities Act 1948, was responsible for the funding of institutions for the care of the physically sick (Syme & Townsend, 1975, pp. 9, 307). The care of the mentally ill and intellectually disabled was the responsibility of the Mental Health Authority (a statutory authority with policy responsibility for mental health, established in 1950 by the Mental Hygiene Authority Act), but mental health services were administered through the Mental Hygiene Branch of the Health Department (Syme & Townsend, 1975, p. 9). The Health Department was established by the Ministry of Health Act 1943 and initially comprised the General Health and
Mental Hygiene Branches (Syme & Townsend, 1975, p. 223). By the 1970s, the Health Department was comprised of the following branches: the General Health Branch; Maternal and Child Welfare Branch; Tuberculosis Branch; Mental Hygiene Branch; and the Alcoholics and Drug Dependent Persons Branch (Syme & Townsend, 1975, p. 9).

In 1975, the Committee of Inquiry into Hospital and Health Services in Victoria (Syme & Townsend, 1975, p. vii) recommended the establishment of a Health Commission, embracing ‘all the current activities of the Department of Health, including the Commission of Public Health, the Mental Health Authority and the Hospitals and Charities Commission’. The Health Commission of Victoria was subsequently established in 1977 with the passing of the Health Commission Act. The rationale for bringing the three authorities together was to promote integration and make them more directly accountable, through a commission structure, to the Minister of Health.

The Health Commission Victoria was replaced by the Health Department Victoria in 1986, after an inquiry into organisational options for the administration of health care services by the Public Service Board (Health Department Victoria, 1986, p. 2). The Board recommended the creation of the Health Department because of concerns about the efficiency and accountability of the Health Commission and in order to move towards a more decentralised model of administration (HDV, 1986, p. 2).

A new department (Health and Community Services Victoria) was established in 1992, following the election of the Kennett Government, which brought together the Health Department Victoria and Community Services Victoria, the latter having responsibility for aged care, disability services, Aboriginal Affairs, maternal and child health services and child, adolescent and family welfare services (Health and Community Services, 1994; HDV, 1992, pp. 1-3).

The current Department of Human Services was formed in 1996 when Health and Community Services was amalgamated with the Office of Housing and the Office of Youth Affairs (DHS, 1997, p. 8; Healy, Sharman, & Lokuge, 2006, p. 33). The merger followed a trend at the federal and state level for creating mega-departments in order to overcome coordination problems between different portfolio areas (Duckett, 2004, p. 106). The mergers in 1992 and 1996 brought together diverse units with different
histories and ways of working. As noted earlier in this section, however, not all of the functional transfers have been towards the mega-department.

The Department of Human Services has undergone a number of internal restructures since its establishment. Of particular interest in the context of this thesis is the major restructure of the health areas of the DHS in 2001, with the formation of two health divisions: the Metropolitan Health and Aged Care Services Division and the Rural and Regional Health and Aged Care Services Division (DHS, 2002). The stated purpose of this restructure was to further improve integration of both health service delivery and of policy and planning, and to increase the emphasis on rural service delivery (DHS, 2002).

**Significant public sector and health system reforms**

While it is beyond the scope of this thesis to document the history of the Victorian health system in detail, there were a number of public sector and health system reforms that took place in the 1990s that are significant in shaping the current context for policy work in the Department and which are important to mention here.

The New Public Management (NPM) reforms introduced by the Victorian Liberal-National Coalition Government in 1992 brought about major changes in industrial relations and public sector management in Victoria (A. Armstrong, 1998; O'Neill, 2000). NPM is associated with a broad array of public management practices including cost cutting, disaggregation of bureaucracies, purchaser-provider separation, introduction of market and ‘quasi-market’ mechanisms, performance management approaches, personnel policies such as contracts and performance-related pay, and increased emphasis on service quality (Pollitt, 1996 in A. Armstrong, 1998, p. 13). One effect of these reforms was to reduce the size of the public service in Victoria by twenty-four percent over a four year period (A. Armstrong, 1998, p. 16). Another reform involved the large-scale outsourcing and contracting out of core government functions (A. Armstrong, 1998, pp. 18-19). When a Labor government came into power in 1999 these reforms were largely left in place (O'Neill, 2000).

During the same period there were significant health system reforms in Victoria including: increasingly arms-length or ‘quasi-contractual’ relationships between the
health bureaucracy and hospitals (from the mid-1980s); a shift in the role of government from provider to purchaser of health services (from the mid-1990s); the replacement of stand-alone hospitals and their boards of management with networks of hospitals and other agencies governed by network boards of management in the mid-1990s; the introduction of casemix funding in Victorian hospitals in 1993; and increasing private sector involvement in public hospitals (Healy et al., 2006, p. 33; Stoelwinder & Viney, 2000). The seven large Health Care Networks established as part of these reforms were later disaggregated following a Ministerial review (DHS, 2000) and replaced with smaller multi-campus hospitals called Metropolitan Health Services, in order to improve financial viability, service coordination and local responsiveness. These various waves of reform progressively re-shaped the health policy landscape in Victoria.

**Departmental structure**

The Department comprises eight divisions and eight geographic regions. At the commencement of the study, the eight divisions were: Disability Services; Financial and Corporate Services; Housing and Community Building; Metropolitan Health and Aged Care Services; Operations; The Office for Children; Portfolio Services and Strategic Projects; and Rural and Regional Health and Aged Care Services. Service delivery and policy implementation occurs through the eight regions (three rural and five metropolitan), whereas most of the policy development and oversight of implementation occurs at the centre. An organisational structure chart current at the time the project was initiated can be found in Appendix 6.

The Department of Human Services has a matrix structure where responsibilities are divided partly along programmatic lines and partly along geographic lines. Matrix designs are often employed in organisations with both operational and policy development responsibilities, in order to overcome problems associated with lack of coordination and sharing of resources between different parts of the organisation (Considine, 1994, p. 185). There are two health divisions (the Metropolitan Health and Aged Care Services Division and the Rural and Regional Health and Aged Care Services Division). Responsibility for hospital services mainly rests with the Metropolitan Health and Aged Care Services Division whereas responsibility for primary health care services and mental health rests with the Rural and Regional Health
Services Division. One consequence of the matrix structure is that much of the policy making crosses divisional boundaries.

The three divisions with primary responsibility for health policy are the Metropolitan Health and Aged Care Services Division, the Rural and Regional Health and Aged Care Services Division and the Portfolio Services and Strategic Projects Division. Data collection for Stage 1 of the project took place in these divisions.

Each division is further divided into a number of smaller branches. These divisions are generally along programmatic or functional lines.

**Divisions with responsibility for health policy**

The Metropolitan Health and Aged Care Services Division was a large division which managed $7.2 billion in output funding in 2005/2006 (representing 22% of the State Government budget). It was responsible for ‘funding and monitoring performance of all metropolitan-based public hospitals and state-wide policy, funding and program responsibility for public hospitals, ambulance and mental health services’ (DHS, 2006a, p. 48). It also provided leadership in particular areas such as cancer services, palliative care, renal services and ophthalmology (DHS, 2006a, p. 48).

Rural and Regional Health and Aged Care Services, a smaller division in comparison with its metropolitan counterpart, managed $1.8 billion in output funding in 2005/06 and was also ‘responsible for $1.1 billion of expenditure from the acute and mental health outputs for people in rural and regional Victoria, delivered in partnership with rural health service providers and communities’ (DHS, 2006a, p. 48). It also had lead responsibility for particular state-wide programs including public health, primary and community health, aged care, dental health, drug services and hospital quality and safety (DHS, 2006a, p. 48).

The Portfolio Services and Strategic Projects Division, whilst not exclusively focused on the health system, had ‘central office responsibility for cross-portfolio strategic priorities and policy direction’ (DHS, 2006a). It was also responsible for a range of support services such as media and communications advice and management of Cabinet and Parliamentary executive services.
Policy and human services planning frameworks

The two main frameworks for human services planning are Growing Victoria Together and A Fairer Victoria. Growing Victoria Together is the Victorian Labor Government’s ten-year vision for the State, which provides priorities to guide decision making. It was released in 2001 and refreshed in 2005. This framework has four goals: high quality and accessible health and community services; building friendly, confident and safe communities; a fairer society that reduces disadvantage and respects diversity; and greater participation and more accountable government. A Fairer Victoria is a social policy action plan released in 2005 which provides detailed direction for addressing disadvantage and creating opportunities. A second iteration of this policy framework was released in June 2006.

Existing capacity building initiatives

During the data collection phase of this research project, there were few initiatives in place specifically designed to strengthen policy capacity in the Department. There were several programs which aimed to build generic leadership capability, including a management coaching program for regional managers and a leadership development initiative (called Leadership Bank) for identifying and developing high performing leaders. The DHS Leadership Bank program was offered to high-potential junior executives who were nominated for participation by their managers. The program comprised a number of elements offered over a 12-month period including individual coaching, mentoring, a formal placement, an action learning project and a number of other learning and networking opportunities. Policy work was not an explicit focus in these programs. There were also some initiatives to develop public sector skills and knowledge, such as supporting staff to participate in the Australia and New Zealand School of Government’s Executive Fellows Program and Executive Master of Public Administration. Staff had access to a range of both internal and externally provided professional development opportunities which are discussed further in Chapters 6 and 7.

The Social Policy Branch of the Portfolio Services and Strategic Projects Division, which had a role in strengthening policy work in the DHS, provided a monthly policy seminar for senior executives (called ‘DHS Policy Group’) to discuss policy related matters. The objectives of this Policy Group were to support integrated
policy development, enhance policy leadership and capacity across the DHS, build policy networks across the organisation and provide feedback on Cabinet committees. This group usually had external speakers however it sometimes discussed current or previous policy issues and episodes of policy making. The Social Policy Branch also provided, on occasions, policy seminars open to all DHS staff, and staff from this branch provided social policy training sessions on request to other areas of the DHS.

**Branches participating in Stage 1 of the study**

Four branches participated in Stage 1 of the study. These included two branches from the Rural and Regional Health and Aged Care Services Division and one branch from each of the Metropolitan Health and Aged Care Services Division and the Portfolio Services and Strategic Projects Division. In order to protect the confidentiality of the participants, I have chosen not to name the participating branches and will refer to them as branches A, B, C and D in this thesis.

<table>
<thead>
<tr>
<th>Branch</th>
<th>Division</th>
<th>Size of branch (number of positions at time of data collection)</th>
<th>Primary purpose and responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Rural and Regional Health and Aged Care Services</td>
<td>53 (medium)</td>
<td>Funding and service system management</td>
</tr>
<tr>
<td>B</td>
<td>Metropolitan Health and Aged Care Services</td>
<td>62 (medium-large)</td>
<td>Funding and service system management</td>
</tr>
<tr>
<td>C</td>
<td>Portfolio Services and Strategic Projects</td>
<td>39 (small)</td>
<td>Cross-portfolio policy responsibilities</td>
</tr>
<tr>
<td>D</td>
<td>Rural and Regional Health and Aged Care Services</td>
<td>35 (small)</td>
<td>Advocating for the needs of a particular part of the service system</td>
</tr>
</tbody>
</table>

The four participating branches had very different purposes and responsibilities. Two branches (A and B) had primarily funding and service system management responsibilities but undertook some policy development associated with these responsibilities. Branch D had more of a policy advice, planning and advocacy role; advocating for the needs of a particular part of the service system. Branch C had a more explicit corporate role in policy development, particularly for issues and projects that
crossed program or portfolio responsibilities. This branch was institutionally separated from the administration of programs (although there was some implementation, arising from the policy development work, which was coordinated by personnel in this branch).

Branches varied in size from 35 to 62 staff (35 being small for the organisation and 62 being medium to large).

Branch B’s role was primarily service delivery. As one policy practitioner stated: “Our capacity really to do policy work is very constrained...Because we’re a program area, we’re very focused on getting services out” (PP19). However even though its primary role was in service delivery and policy implementation, there were policies that needed to be developed in order to implement the overall policy directions. For example, implementing a policy of integrating a service for a particular client group into mainstream health services meant that there was policy work associated with changing the practices and relationships between the different service types. This means that policies get “played out in terms of service delivery” (PP19).

**Participants in the study: Stage 1**

Participation in the study extended beyond those positions with designated policy responsibility. Few policy practitioners had ‘pure’ policy responsibilities. Most people interviewed were managers of branches or teams who also had other responsibilities, including in some cases project and program responsibilities. Most people also had responsibilities across multiple projects and programs, although there were some with ‘single focus’ positions.

**Job titles**

<table>
<thead>
<tr>
<th>Job title</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch manager</td>
<td>4</td>
</tr>
<tr>
<td>Manager/project manager/team manager/ team leader*</td>
<td>15</td>
</tr>
<tr>
<td>Clinical/medical adviser</td>
<td>2</td>
</tr>
<tr>
<td>Senior policy analyst</td>
<td>1</td>
</tr>
</tbody>
</table>

*this category includes one person who noted that although her title was team leader, her job more closely corresponded with senior policy analyst
Categorising policy practitioners

The policy literature offers several different ways to categorise policy practitioners. Anderson (Anderson, 1996, pp. 483-484) groups policy practitioners into three types: policy generalists, specialist personnel (professional or technical experts such as social scientists and statisticians) and policy managers (those who manage policy organisations and teams). Two other schemes for categorising policy practitioners include that of Snare (1996, cited in Wolf, 2000, p. 6), which describes policy experts, policy advocates and policy trouble-shooters; and that of Hunn (1994, cited in Wolf, 2000, p. 6), who describes policy practitioners as sectoral, specialist or general analysts. None of these schemes is particularly useful for describing the different types of policy practitioners in this study, although Anderson’s (Anderson, 1996) typology is the closest match. In this chapter, policy practitioners are divided into three categories: managers (including managers of units and teams, although not always solely policy-focused units and teams as Anderson’s category of policy managers suggests); designated policy personnel; and sectoral specialists.

Managers

Most of the participants in the study were managers of branches and teams. This reflects the way in which policy work is organised in the Department of Human Services. Those responsible for policy development are in many cases in managerial positions and responsible for delivering or funding services and programs.

Designated policy personnel

Only one person had a designated position as a policy analyst, although one other noted that her position title of team leader did not reflect her responsibilities which were more appropriately characterised as ‘senior policy analyst’. Although the sample for this project is not, and was not intended to be, representative of all policy practitioners in the organisation, this suggests that there is not a high number of designated policy positions in DHS. Anecdotal evidence from other Australian state jurisdictions suggests that this is somewhat unusual.
Sectoral specialists (e.g. clinical or medical advisers)

Two participants in Stage 1 of the study were sectoral specialists, who were in policy roles by virtue of their professional, clinical or medical expertise.

In the remainder of the thesis, I have not sought to distinguish between policy practitioners using these categories in the presentation of the research findings, instead using the term ‘policy practitioner’ for all Stage 1 participants, except where their specific role is important in interpreting the findings.

Education

Academic qualifications

Table 5 shows the highest qualifications obtained by the interview participants.

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masters degree</td>
<td>7</td>
</tr>
<tr>
<td>Graduate diploma</td>
<td>7</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>3</td>
</tr>
<tr>
<td>No tertiary qualification</td>
<td>1*</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
</tr>
</tbody>
</table>

*This person had partially completed both undergraduate and postgraduate courses

Fourteen of the eighteen participants had postgraduate qualifications. Only one participant had no tertiary qualifications, however this person had partially completed both undergraduate and postgraduate courses. Many had multiple post-graduate qualifications.

Three participants were currently undertaking postgraduate studies, including two persons currently undertaking the ANZSOG Executive Master of Public Administration (EMPA) and one person undertaking doctoral studies in public health.

There are limits to generalising from this sample as it was not intended to be representative of the health policy workforce. However it suggests that middle-level
health policy practitioners are likely to have achieved a high level of academic qualification.

Areas of study

The disciplines in which policy practitioners were trained covered a broad canvas. Areas of undergraduate study included: arts; science (including maths and statistics); social work; health information management; political science; medicine; psychology; law; optometry; business study; education; and clinical studies, osteopathy and Chinese medicine. Areas of postgraduate study included: public administration; information systems; education; criminology; public health; health services management; business administration; public policy and management; psychology; community development; business management; special education; and clinical psychology.

Interviewees generally reported that regardless of discipline, their education provided them with a variety of skills that provided the basis for further, more policy-specific learning. Typical comments of policy practitioners were:

“...the undergrad [a Bachelor of Arts majoring in English Literature and language in the media] gave me a reasonable grounding in terms of basic research, writing, analysis skills which are adaptable to a bureaucratic environment, and that I then commenced to build on, I suppose, in a range of other areas.” (PP14)

“I did health information management. It’s completely nothing to do with what I’m doing now other than the language. It gives you the language and an understanding of how the health system works. And then I did a postgraduate diploma in information systems, which again isn’t necessarily linked, but allowed me to move into different areas, because it was applied information systems. It wasn’t an IT course as such. And so that allowed me to develop other skills that I could then use and sort of end up getting into a policy area.” (PP3)

Formal policy and public administration training

Seven interviewees (of the eighteen who were asked about their education and training) had undertaken, or were currently undertaking, formal study in public policy or public administration. These included three practitioners who had completed, or were
soon to complete, the EMPA offered by ANZSOG. The remaining eleven had not undertaken policy or public administration higher education although at least two had participated in workplace based professional development that had included a policy development component (interviewees were not asked specifically about this). Of those people who had had policy training, most had received it at post-graduate level, after considerable experience in policy roles.

**Backgrounds**

Interviewees came from a diverse range of backgrounds. A minority (four interviewees) were career bureaucrats who had not worked outside public sector bureaucracies, although the more senior career bureaucrats had generally moved around extensively within DHS and between other government departments and jurisdictions. Nine respondents had experience in health service provision or management of health services. Five came from other backgrounds including international development, law, social work, and education (including adult and community education).

Participants were evenly spread between those with policy training and those without; and between those with health service experience and those without (see Table 6 below).

**Table 6: Mix of policy or public administration and health services experience amongst Stage 1 participants**

<table>
<thead>
<tr>
<th>Education</th>
<th>Health services experience</th>
<th>No health services experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy/public administration education</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>No policy/public administration education</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

These findings mirror those of the Canadian policy capacity study (Canadian Government, 1996, pp. 24-25) which found that policy practitioners came from a variety of different education and work experience backgrounds:

Strong policy generalists can emerge from almost any academic background and from quite diverse early work experiences […] Such individuals are more likely to emerge from a broad – not narrowly technical – education emphasizing general analytical, quantitative and communications skills.
Participants in Stage 2 of the project

Job titles

Table 7 shows the job titles of participants in Stage 2, including both the focus group (eight participants) and four individual interviews.

Table 7: Job titles of participants in Stage 2

<table>
<thead>
<tr>
<th>Job title</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divisional executive director</td>
<td>2</td>
</tr>
<tr>
<td>Branch manager</td>
<td>2</td>
</tr>
<tr>
<td>Manager / assistant manager / assistant director</td>
<td>6</td>
</tr>
<tr>
<td>Technical specialist*</td>
<td>1</td>
</tr>
<tr>
<td>Senior policy analyst</td>
<td>1</td>
</tr>
</tbody>
</table>

*This person was interviewed because of their technical expertise in a particular area relevant to policy capacity, rather than because they were nominated as an outstanding or highly skilled policy practitioner.

The sample for Stage 2 included more senior policy and management personnel than the sample for Stage 1. The participants also came from across the Department rather than from the branches participating in Stage 1 (although there was a higher number of participants from the participating divisions, which is not unexpected, given the recruitment method). Participants in this stage of the study represented four divisions, one regional office and eight different branches of DHS.

Participant codes used in the findings chapters

Throughout the findings chapters, participant codes are used for the purpose of enabling the reader to assess the consistency of responses. Stage One participants (policy practitioners) have been designated codes PP1 to PP22. Focus group participants are designated FG1 to FG8 and senior policy managers SPM 1 to SPM3.

Ethics approval

Ethics approval was granted by the Victorian Department of Human Services Human Research Ethics Committee (approval no. 70/05), the La Trobe University
Human Ethics Committee (approval no. 05-120) and the Monash University Standing Committee on Ethics in Research Involving Humans (approval no. 2005/701MC).

The main ethical issues arising in this research were the dependent relationships between supervisors and their staff (in the context of asking supervisors to nominate their staff as potential participants) and issues of confidentiality, including policy confidentiality as well as participant confidentiality. I managed the issue of dependent relationships by asking branch heads for suggestions for potential participants, but inviting them directly myself so that they did not feel pressured to participate. I emphasised that participation was voluntary and that their supervisor would not be informed of whether they agreed or declined to participate. Steps taken to ensure confidentiality included de-identifying any data that was reviewed by DHS employees in the project management and reference groups, and asking focus group participants to maintain the confidentiality of all issues discussed in the focus group interview. I have also been careful to preserve the confidentiality of participants, organisational units and policy episodes in my presentation of the findings by removing identifying details from all vignettes, examples and quotes used in the thesis. I have also taken care to preserve the confidentiality of participants in my use of participant codes.

It is important to note that while this research has been conducted in the DHS, I have not set out to evaluate the policy competencies and organisational policy capacity of the DHS. The DHS has provided a setting in which I have sought to describe the key elements of policy capacity and to evaluate how they contribute to good policy process and outcomes. My findings regarding the elements of policy capacity are derived as much from features of excellence in DHS practice as from any weaknesses. The references in Chapter 6 to ‘barriers’ should not be interpreted as evaluative judgements regarding DHS. It was not part of my research design to conduct such an evaluation and such an interpretation would run counter to my conclusions about the non-strategic significance of lists of enablers (Chapter 6) and lists of propositions (Chapter 7) for building policy capacity. My final conclusions focus attention on senior and middle level policy leadership (see Chapter 9) and I have not sought to evaluate this in the DHS context.


Limitations to the methodology

Policy capacity is not measured against the objective assessment of policy outcomes

In this research policy capacity is evaluated in terms of its contribution to good policy process and policy outcomes. However, policy outcomes are evaluated on the basis of the judgement of the interviewees; they are not assessed according to some objective standard. Measuring policy outcomes presents a number of problems which are discussed in Chapter 2 (see Page 91).

This research relies on the judgements of policy practitioners themselves to evaluate the quality of policy process and outcomes rather than employing the judgement of external assessors. The evaluation of policy outcomes is always contested (Painter & Pierre, 2005a; Peters, 1996), and attempting to select and balance the judgements of external assessors about policy outcomes would involve ‘second guessing’ the political process, with the benefit and distortions of hindsight. One of the implications of relying on internal stakeholder judgements, however, is that our evaluation of policy capacity is self-referential. The judgements brought to bear in evaluating capacity have also been influential in shaping the observed process. Using the judgements of ‘insiders’ focuses attention on the frustrations of bureaucratic policy practitioners (what they have been trying to do but not successfully so far), however it risks ignoring the facets of policy capacity that they perhaps should have been working on but (for whatever reason) have failed to recognise or address. Some protection against this motive can be gained by testing the data against criteria derived from previous work and theory but this is not failsafe. Addressing this problem in future policy capacity research will require significant methodological development.

Sector specific

This research is also specific to the health and social policy sector which limits its generalisability to other sectors, although the extent to which the findings confirm the findings of previous research suggests that many of the findings are likely to be broadly generalisable. Painter and Pierre (2005a, p. 3) note that whilst policy capacity varies between sectors, many of the significant elements of policy capacity are cross-sectoral.
My research is not explicitly focused on these cross-sectoral structures and processes or on the machinery of government, although some of the findings are relevant in this context.

**Single institution**

Confining this research to a single institution means that there is a risk that the findings reflect the particular organisational arrangements and context within the particular organisation and system, which limits the generalisability of the results. Differences in the political and governance contexts in different jurisdictions, as well as different policy sectors and organisational factors at the agency level, are acknowledged to be important in shaping organisational capacity and the nature of policy work (Howlett & Lindquist, 2007; Prince, 2007). Comparative research (while beyond the scope of this PhD project) would be useful to explore the influences of broader system, political and social factors on organisational policy capacity.

**Chapter summary**

This chapter described the methods used in the study. It began by introducing the research strategy and research design, the research team and advisory structures, the research setting and the case study approach used in the research. The methods used for data collection and analysis are described. The chapter then provides an overview of the history and structure of the Victorian Department of Human Services, the organisation which provides the research setting; and briefly describes the participating organisational units and individuals. The final sections of the chapter discuss the ethical issues involved in the research and limitations to the methodology.
Chapter 4: Policy Work in the Victorian Department of Human Services

Introduction

This chapter reports the findings of my research with respect to the policy involvements of the participants, the nature of their policy work and the environments which shape their policy work, both internal and external to the organisation. The purpose of the chapter is to describe the range of policy work undertaken in the Victorian Department of Human Services and the range of contexts in which it takes place.

The chapter starts with a discussion of policy work in terms of the different types of ‘projects’ and ‘episodes’ of policy work in which policy practitioners were involved, and then moves on to describe three types of policy work based on the descriptions of policy practitioners: formulating, influencing and implementing policy. It then examines participants’ views of the context for policy work (including the external environment and the internal organisational environment for policy work).

Policy episodes or projects

One way of capturing the policy involvements of the participants is to describe them in terms of policy episodes or policy projects. This sort of terminology offers the heuristic advantage of conceptualising the policy involvements as separable in time and place from other policy involvements and the other activities which make up the working lives of policy practitioners. The assumption here is that policy work does in fact proceed in identifiable and contained episodes and projects although the findings of this research will show that that is often not the case. Nevertheless, I asked my interviewees to talk about policy episodes and projects and they were quite comfortable to do so, notwithstanding the porous and changing nature of the boundaries.

The episodes and projects described by the interviewees varied across a number of different dimensions: policy purpose; scope; level; drivers; instruments and levers; stakeholders; speed of change; and policy products or outputs.
This section of the chapter begins with a set of four vignettes which illustrate the range of different policy episodes or projects in which the participants were involved. It then moves on to a discussion of the dimensions upon which they differ. My aim here is not to exhaustively categorise all the possible variations but to illustrate the spectrum of different policy engagements of policy workers in the Department.

**Vignettes**

**Vignette 1: Producing a high level directional statement**

One of the participating branches had led the development of a whole of Victorian Government policy statement for a particular part of the health system. The intent of the policy statement, according to the policy practitioners involved, was “to bring together all of the significant policy directions of the Department and the Government as they relate to [this part of the health system], and put that within a coherent framework” (PP1). The purpose of the policy was to clarify the role of these health services in the overall system. In the absence of a formal documented policy statement, there had been speculation about the government’s intentions and fears about a “hidden agenda” involving closure of services (PP4).

The need for the policy was identified by branch and divisional executives, in the context of an election commitment and political pressure to maintain this part of the health system, as well as stakeholder lobbying by health services and professional associations.

The nature of the policy meant that it was primarily a repackaging of initiatives already underway rather than change-oriented. However a new planning framework was included as one of the objectives of the policy.

At the time of policy development, there were insufficient people resources to undertake the policy development within the branch, and so a consulting firm was contracted to undertake a targeted consultation process with health sector stakeholders and to write the policy document. The draft policy document was not considered acceptable and the policy writing was then done within the Department.
The writing of this policy document was mainly undertaken by a single policy practitioner with oversight from a direct supervisor and the branch manager. The writing task involved pulling together information about what was being done by all the different areas of the Department that managed health services in this particular area. It was an iterative process of drafting and sending drafts out to other parts of the Department for comment and amendment.

Ongoing responsibility for overseeing implementation remained with the team who developed the policy. The implementation of the planning framework involved negotiating with various players and ensuring that the policy was ‘embedded’ in the system. The policy missed out on capital commitments due to its timing in the electoral cycle and budget cycle – it came out in a non-election year and there were no dedicated resources for implementation.

**Vignette 2: Reforming a legislative regime**

Several policy practitioners were involved in reforming a legislative framework to consolidate a number of smaller acts into a single act in order to achieve more consistent and coherent regulation and to increase the powers of the responsible minister. This policy episode was characterised by high levels of conflict and opposition amongst stakeholders and although it included significant reforms, the framework that was ultimately adopted was less ambitious than some of the more radical options considered during its development.

The policy issue was identified during a series of routine legislative reviews that highlighted inconsistencies between the existing acts and prompted a system-wide review of legislation in this area. It was initiated by departmental officers but the political decision to proceed with the review and develop the new framework was made by the Minister when the issue of inadequate regulation drew media attention.

At the time of the interviews, the policy episode had moved through a number of phases from the review of existing legislation to development of the new legislation, and was in the early stages of implementation. The policy process involved preparation of a comprehensive discussion paper canvassing a broad range of options (with a number of commissioned research projects feeding into this); a comprehensive public
consultation process in order to understand the opposition and canvass options; targeted consultation with the key groups affected; analysis of options for legislative reform; further feasibility studies of different options under consideration; and a second consultation process which included the release of a short options paper.

A team of people worked on this policy episode including policy analysts with content expertise and experience in the policy area and legal expertise. Other areas of the Department with specific expertise were also involved in the development of the legislation.

Implementing the policy involved coordinating the effort across the many agencies which needed to implement the legislation; working out the detail of how the new processes would work; setting up new systems and committees to give effect to the legislation; and developing amendments to the legislation to address some of the issues that arise during implementation. A large amount of additional policy work was generated during implementation.

**Vignette 3: Influencing a national policy agenda**

Practitioners from one branch were involved in a policy episode that involved attempting to influence the way in which Commonwealth Government funds were invested in health services. The aim was to avoid duplication and improve integration in parts of the health system which are funded by both Commonwealth and State jurisdictions and to “get the best outcomes in terms of dovetailing with our own expenditure” (PP18). This policy episode was not so much a discrete episode but rather part of an ongoing stream of policy work which had included input into a national strategy and had then moved on to influencing the way in which reforms determined by the Council of Australian Governments (COAG) were implemented.

This policy episode did not result in a policy document but involved working behind the scenes, negotiating and persuading. The policy work associated with this episode included commenting on discussion papers released by the Commonwealth and developing policy ideas and communicating them to the Commonwealth officials, both directly and in written form. It also involved organising forums to bring Commonwealth officials together with health professionals, so that Commonwealth officials had the
opportunity to listen to the health service stakeholders and gain insights into the system and approaches being used in Victoria. Policy practitioners also reported working “behind the scenes” to help health service stakeholders to “position themselves” to take full advantage of the funding that would be released (PP22).

Vignette 4: Preparing a budget submission for a new service

A fourth policy episode entailed developing a proposal and preparing a budget submission to obtain resources to roll out the provision of a new type of service for a particular population group. Some health service agencies had already been providing this service, however it was not being provided across the State in a systematic fashion. The need for systematic provision of this health service was identified during the consultation process for a directional policy statement. At the same time, the Government was coming under pressure for not providing enough services for this particular population group; and there was reported to be high level policy emphasis on the importance of this service. This coincided with an emerging body of international evidence pointing to the utility of intervention for this population group.

The policy episode involved working with another portfolio area to develop a cross-portfolio proposal. After an unsuccessful budget bid, a small research project was initiated to demonstrate the value of the service. Following this, as a new proposal was being developed, it met a bid coming from another State Government Department. The policy practitioners engaged in a process of negotiation and compromise to develop a joint bid that met the objectives of both departments. The policy episode also involved building support amongst decision makers, keeping them briefed, and obtaining senior endorsement for the proposal(s).

Dimensions across which policy episodes differed

The four vignettes described above provide reference points in relation to the policy episodes and projects that interviewees described. However, the episodes and projects in which they were engaged varied widely across a number of dimensions.
Policy purpose and objectives

The policy episodes described by interviewees varied in their purpose and objectives. Some were designed to change practice whereas the purpose of others was to standardise practice across different services or parts of the service system. The objectives of policy episodes described by respondents included: producing planning frameworks (such as the geographic distribution of services or relationship between services); guiding the allocation of funding; and service system design or development. The purpose of some policy episodes was to influence the policy directions of other levels of government or other portfolio areas. Not all policy was intended to change anything. The purpose of some policies was to be seen to be doing something. For example, one policy practitioner said of the policy she had been working on: “...we’ve got to have action, we’ve got to look like we’re going to do something. [...] ...it’s not really a strategy for the future” (PP20).

Level

Policy making took place at different levels from the broadest aspirations of government to the most detailed guidelines for policy implementation. Some policy practitioners distinguished between: high level directional policy (often referred to as “Big P” policy); operational policy (such as funding policy and budget submissions) and program policy (such as guidelines for service provision). The policy work of the branches spanned a range of levels. The policy work of individuals often also spanned a number of levels (in terms of multiple policy episodes and projects at the different levels and also policy episodes which included work at these different levels).

Often policy work at the higher levels generated lower level policy work. Overarching policy directions (statements or implicit policy directions) were implemented through programs or funding allocations or legislation which then required further policy development. Large scale decisions generated smaller policy decisions, such as decisions about how to allocate and prioritise money. For example, in one project, a single policy decision to change the way in which funding was allocated to a set of health services generated a large range of operational policy work in interpreting and implementing that decision. This was also the case in the new legislative regime.
described earlier in this chapter, where the legislation generated a large amount of more operational policy work.

Policy work at the lower levels also generated higher level policy work. Often the small, more operational decisions (such as how to allocate and prioritise money) actually formed the policy direction. This was referred to by one policy practitioner as “policy making as we go”, arising from the day to day business of public servants: “we do set a range of policy directions through that process, which is fine, you know, it’s that kind of incremental policy model, where the views we take form the broader direction” (PP12). Small decisions also frequently generated higher level policy work by identifying issues that required policy responses. For example, one middle level manager involved in operational policy said “The bean counter work always generates issues of perceived injustice and fairness or challenges on how to manage certain situations and change” (PP6). These issues required policy responses, and so the policy work was often “driven upwards” (PP6).

Scope

Policy episodes and projects also varied in scope (their breadth and coverage). The policy work undertaken by the participants varied from policies which were inter-governmental and inter-sectoral in their scope, to policies for the whole of human services, to policies which were relevant to the health system as a whole, to policies which were focused on a particular part of the service system, to policies which were specific to certain programs or services, to policies that addressed the internal operations of the Department.

Drivers

A range of drivers was identified by respondents for the initiation of policy episodes. Many practitioners distinguished, however, between bureaucratically driven or politically driven or stakeholder driven policy. As one policy practitioner said: “...sometimes it’s driven by the Minister’s Office, and sometimes it’s driven from within the Department, and sometimes it’s driven from outside in response to problems that are identified from outside” (PP10). In contrast to prevailing conventional wisdom (politicians initiate; bureaucrats implement), policy practitioners identified a significant number of policy episodes which were bureaucratically driven.
Policy instruments

The ‘policy instruments’ metaphor is used to describe the means for converting policy objectives into actions, through changing social processes (de Bruijn & Hufen, 1998). Various typologies have been developed to classify policy instruments, some of them very complex (Bridgman & Davis, 1998, p. 70). My discussion here draws on the typologies developed by Van der Doelen (1989, in de Bruijn & Hufen, 1998) and Hoogerwerf (1995, in Van Nispen & Ringeling, 1998, pp. 206-207).

Policy instruments used in the policy episodes described by the participants included regulation (for example, in the regulatory reform vignette described earlier in this chapter); financial instruments (particularly the provision of funding to health services, such as in the budget submission vignette); and communication (the main policy instrument employed in the high level directional statement episode). Financial and communicative instruments were very commonly used; legislation less so, in the policy work of the respondents. Funding was seen as a particularly important lever to create change by providing incentives and removing perverse disincentives to the sorts of practices which advance policy objectives:

“[W]hy funding policy is important is that you have to get it right to ensure that it’s actually providing the incentives and disincentives that are going to change the service delivery to what it should be.” (PP2)

Stakeholders

Policy episodes involved working with a broad range of stakeholders. These included internal stakeholders (people from other areas of the Department, including other ‘program’ areas, resource areas and regional offices) and external stakeholders including health sectoral stakeholders (health service managers, board members and staff, professional associations), central agency staff, officers from other government departments, other jurisdictions and other levels of government. Some episodes were driven and watched carefully by external stakeholders; whereas some were less closely scrutinised. Some episodes involved mainly internal departmental stakeholders.
**Speed and size of change**

Some policies produced large reforms in a short period of time. More commonly, however, policy episodes introduced incremental changes in the context of uncertainty, conflict and complexity.

**Policy outputs and outcomes**

Policy episodes varied in their policy outputs and outcomes. The term ‘policy outputs’ usually refers to the physical changes that are made as a result of policy implementation (de Bruijn & Hufen, 1998, p. 15) although some policy writers use the term to designate the more immediate products of policy work such as policy briefs or documents (Waller, 1996). Policy outcomes are generally understood as the ultimate effects of the policy and its implementation on social processes (de Bruijn & Hufen, 1998, p. 15; Waller, 1996). In this research I did not attempt to evaluate policy outputs or outcomes in any objective sense, rather relying on the subjective evaluation of policy practitioners about the ‘goodness’ or otherwise of the policy episode. The criteria which policy practitioners used to evaluate the worth of the policy process, outputs and outcomes were generally not explicit.

**Types of policy work: formulating, influencing and implementing policy**

This section of the chapter describes the policy engagements of the participants in Stage 1 of the project in terms of three broad types of activity: formulating, influencing and implementing policy. This categorisation is based on the descriptions by the policy workers of the different passages of their policy work. In elaborating on these types of policy work I have drawn also on a range of metaphors, many of which are derived from the literature (see Chapter 2), which offer more explanatory insights into such passages of work. Metaphors which I have used to describe the policy work undertaken in the Department include:

- Rational identification and testing of options (the policy cycle);
- Preparation and presentation of policy advice;
• Mapping stakeholders’ interests and levers;

• Project management;

• Industrial production;

• Agenda setting (and associated metaphors);

• Policy advocacy;

• Shaping policy discourse;

• Implementation levers and instruments; and

• Street level bureaucracy.

My purpose in this section is partly to introduce languages for describing the policy process which are used in the remaining findings chapters. It is also partly to present empirical data describing the policy process, which is a central part of my research model. In this thesis I am interested in the relationships between capacity, process and outcomes. Hence describing the policy process is a central part of my method.

Dividing policy work into these three types is a somewhat artificial division for the purpose of description. Many policy practitioners engaged in all three types of policy work, either in their work on a single policy project or across different episodes. Although some policy episodes or projects could be classified according to one of these types, often policy episodes could be described in terms of more than one. To some extent, the three types correspond to different perspectives on the policy process rather than different activities, in the same way that the different metaphors are all attempts to explain the same complex process.

The metaphors do not map perfectly into the three types of policy work (there is significant overlap) however I have allocated them to types as they provide languages for speaking about the different types of policy work. Some policy practitioners described their policy work as moving between different phases that involved different
activities. This was described in much more fluid terms than models like the policy cycle would suggest, for example one policy practitioner said:

“[T]here is a natural, if you like, continuum, where all these things sit on the continuum and there’ll be a waxing and waning about you’ll do more of this at the beginning and more of something else at the end. And you’ll find that over time you’ll be doing something of every one of those things, but you’ll just have different peaks and troughs depending on where the development continuum is.” (PP18)

Formulating policy

One of the ways in which policy practitioners in DHS were engaged in policy work was through formulating policy. Formulating policy involved generating, devising or developing a policy product, which was often (but not always) a formal policy statement or document (such as a directional statement, a planning framework, or a set of guidelines), a policy brief, or a piece of legislation.

This type of policy work closely corresponds to Page and Jenkins’ (2005, pp. 55-78) category of ‘production’ as a type of policy work: production of a physical product such as a draft, proposal statement or document (see Chapter 2 page 49 for a description of Page and Jenkins’ framework). While I have used different categories which correspond more closely to the perceptions of respondents in my study, there are similarities between the two schemes, particularly between Page and Jenkins’ idea of production and my category of policy formulation.

Activities described by policy practitioners as part of formulating policy included:

- **Mobilising information and evidence**: Information and evidence to inform policy making was mobilised through a variety of avenues including reviewing existing research and literature, commissioning research, accessing and analysing existing quantitative data and mobilising information through stakeholder relationships. This aspect of policy work is described further in Chapter 6 (page 206).

- **Policy analysis**: Some practitioners described undertaking quantitative data analysis, financial analysis, trends analysis and forecasting; however
there was little evidence of the formal application of policy analytic techniques described in the literature. For example, environmental scanning often involved seeking information through informal networks rather than the application of systematic tools and methodologies.

- **Policy drafting, editing, and commenting:** This was a core part of policy work in episodes that involved production of a policy document or brief, a discussion paper or proposal. Some projects were essentially writing projects. Drafting was a highly iterative process. Many people described contributing to and commenting on policies being developed in other parts of the organisation.

- **Consultation:** Formulating policy often involved consultation with stakeholders. In some cases this was formal, structured and extensive; in some cases it was smaller scale and targeted. In others there was more informal, ongoing consultation through existing links with health services and other stakeholders. Consultation was undertaken in order to understand the issues and context and develop policy options, as well as to gain “buy in” amongst stakeholders and create the conditions for successful implementation. Consultation methods included releasing discussion or options papers, public forums, face to face meetings, newsletters, websites, and formal submissions processes.

**Useful metaphors**

There are a number of metaphors which are useful for understanding the roles of policy practitioners in formulating policy. These include:

- rational evidence-based choice (often represented by the ‘policy cycle’);
- authoritative choice with the bureaucratic role as decision support (represented by the ‘policy advice’ metaphor);
- mapping stakeholders’ interests and levers;
- project management; and
Rational evidence-based choice (the ‘policy cycle’)

The policy cycle is a commonly used representation of the policy process (see Chapter 2). The policy cycle is based on the idea of rational evidence-based decision making; the process of identifying and analysing issues and developing and evaluating options. Steps in rational decision making are commonly represented as:

- identifying a particular problem that needs to be solved;
- clarifying and prioritising goals, values and objectives;
- listing all possible strategies for achieving a particular goal;
- analysing, in a comprehensive fashion, the consequences of each alternative;
- comparing each alternative and its consequences with other options; and
- choosing the strategy which provides the best match with values and goals (Buse et al., 2005, p. 40).

A project that involved developing a new legislative framework (Vignette 2) exemplified the rational evidence-based choice metaphor. A policy practitioner involved described the steps that the project moved through. The first of these was problem identification. She explained: “[P]art of trying to go through a rational policy process is trying to tease out exactly what the problem is, because if you don’t understand the problem, then your solution is probably not going to work” (PP10). Following the problem identification stage, a review of the current legislation in place included a thorough comparison of different policy options for reform. She described the process as follows:

“Analysing the context, analysing the nature of the problem, understanding the regulatory framework and the policy framework within which we were doing the review, then doing the research, preparing a discussion paper, conducting a
consultation…and then framing up the options, putting the options to the Minister...” (PP10)

In other policy episodes, comparison of alternative courses of action was evident but this was undertaken to different degrees, depending on the nature of the policy project. In many cases, however, the consideration of different options was more limited or there was a pre-existing commitment to a particular direction.

Authoritative choice with the bureaucratic role as decision support (‘policy advice’)

The metaphor of ‘policy advice’ is based on the authoritative choice model of decision making which suggests that decisions are made by authorised decision makers (generally political actors) and the role of bureaucrats is to provide information to support decision making (Colebatch, 2005, 2006a).

Policy advice was a strong theme in the interviews. It was seen by one policy practitioner as the “bread and butter work” of policy practice (PP8). Policy advice was provided to the Minister, to senior executives, and to other portfolio areas, and to agencies in the field: “So people will come with different problems, sometimes it’s people outside, sometimes it’s the Minister’s Office, sometimes it’s people in the Department, and I’ll give advice on those problems” (PP10).

Although policy practitioners often represented their role in policy work as simply providing policy advice and presenting options to the Minister, it was clear from their accounts that often a particular option was presented in a more favourable light. One policy practitioner described how she saw herself as a “servant” to the Minister who was making the decisions, however in her presentation of options she noted that “you might make an option look more attractive” (PP16). Despite the representation of policy work as no more than policy advice in some of the literature and also in much of the previous policy capacity research, it was clear from practitioners’ accounts that policy advice was only one element of what they do and not an all-encompassing descriptor.
Mapping stakeholders’ interests and levers

Policy formulation involved the mapping of stakeholders’ interests and levers. For example, one policy practitioner spoke of consulting with stakeholders to understand their different perspectives and “…so being able to consolidate all that information and analyse all that information and understand where the overlaps, where the consensus is and where it isn’t, and where the polarisation of views is, and how to use that polarisation” (PP10).

Project management

The metaphor of project management also featured strongly in participants’ accounts of policy practice. It was used to refer to managing the governance and progress of the project. One policy practitioner described it this way:

“A lot of it comes back down to project management. So it’s about having the right people involved in the project governance, making sure that the key people who are going to be responsible for the success or failure of that aspect of the work are really closely involved and engaged, and putting a lot of effort into trying to get momentum happening and direction pretty focused.” (PP14)

Industrial production

Policy making can also be understood as a process of ‘industrial production’, transforming problems through progressive transmutation; changing the framing; mobilising information resources; subjecting the policy to consultation; changing the carriers; changing the positioning on the policy cycle. This metaphor captures, in a way that the policy cycle does not, the organisational processing that is a part of policy development and implementation. There were many references in the data to this sort of progressive transmutation, along with all of the organisational inputs and processes which contributed to the transformations that policy issues moved through. In particular there were many references to the iterative nature of policy development, for example:

“…it was very much a cyclical development process which involved quite a bit of analysis but then bringing forward some kind of interim products as a way of getting us closer to the goal.” (PP14)
“It’s then gone through a range of iterations, to try and focus it and get the balance right, taking into account what we wanted to do.” (PP12)

Influencing policy

In many cases, policy work included more than the formulation of a policy product. It also involved influencing more actively the direction of policy. This featured very strongly in policy practitioners’ accounts of policy work.

Useful metaphors

There is a range of useful metaphors for describing this aspect of policy practice, including:

- Policy making as committee decision making (influencing policy understood as agenda setting);

- Policy making as public debate (influencing policy understood in terms of advocacy); and

- Policy effected through the meaningfulness of the language we use to speak about ‘problems’ and possible directions (influencing policy understood in terms of shaping policy discourse).

Policy making as committee decision making (policy work understood in terms of ‘agenda setting’)

Policy practitioners frequently engaged in pushing issues onto the ‘policy agenda’ (that set of issues occupying government attention at a particular time) at both state level and sometimes at the national level.

Kingdon (1984) argued that for issues to get onto the policy agenda, three streams must be present: the problem stream, the political stream and the policy stream. When the three streams converge, this creates windows of opportunity, where policy entrepreneurs can couple the streams and push issues onto the agenda. These (somewhat mixed) metaphors were reflected in the interview data.
Policy windows arose when the three streams were present. This was often referred to by the study participants as the “right timing” or the “alignment of the planets”. The directional statement described in Vignette 1 was able to be pushed onto the policy agenda when all three streams converged. The need for a policy statement was identified by health services “crying out” for clarity about direction and their role in the health system (the problem stream); there was political pressure for the maintenance of these services, lobbying by health service stakeholders, and negative press about the Minister having a “secret agenda” (PP4) in the absence of an explicit policy framework (the political stream); and background work had been done on developing a policy statement (the policy stream). In the words of a policy practitioner involved: “[The Minister] was ready, we were ready and the sector was ready. The planets [were] aligned” (PP4).

Bureaucratic policy entrepreneurs often identified themselves as responsible for driving issues onto the agenda. As well as identifying windows of opportunity, policy practitioners described preparing policy proposals in advance, keeping policy ideas in the “bottom drawer” until the timing was right, and actively garnering support for their policy proposals.

Many interviewees talked about developing ideas for the “bottom drawer” and waiting for the right time (such as the election of a new government) (e.g. PP1, PP10, PP18). An example was the development of a new regulatory framework. Many issues were being raised by various stakeholders and the link between the lack of a regulatory framework and problems in the field was increasingly recognised. The policy practitioners involved had been aware for some time that the present regulatory framework was out of date and had done some work to identify potential options for reform. They had briefed the Minister about the need to review the legislation but it was not a priority at that time. When a journalist published a story about problems associated with inadequate regulation, which created a problem for the Minister (just before the election), a phone call came from the Minister’s Office and a review was immediately announced.
“[T]he stars have to be aligned for you to even get anything up, and then what you do if you don’t get it up is you put it in your bottom drawer, and if you stay around long enough, you get another opportunity to whip it out.” (PP10)

Policy making as public debate (policy work understood as ‘advocacy’)

Policy advocacy involves organised efforts to influence or change the direction of public policy; to push a particular solution to a policy problem. The New Shorter Oxford English Dictionary (Brown, 1993) defines ‘advocate’ as to ‘plead in favour of, defend; recommend publicly’. Policy advocacy can involve arguing for a particular policy approach based on research and analysis, or alternatively gathering information to support a particular case (Gordon, Lewis, & Young, 1997). Policy advocacy is often thought to be the domain of health activists and consumers outside of government (lobbying politicians, media advocacy etc.), however some policy theorists argue that policy practitioners may play an activist / advocacy role within the bureaucracy (Dugdale, 1998; Yeatman, 1998).

Advocacy was frequently described by participants as a core part of policy work. Policy practitioners described advocating for policy ideas with other levels and sectors of government; with other portfolio areas within the organisation, and with health agencies and external stakeholders. For example, one policy practitioner said:

“Internally I’m advocating with other areas of the Department about what our stakeholders need; externally I’m advocating with the stakeholders about why we can’t deliver them everything they want, and trying to provide for them the state-wide and policy perspective that will try and make it transparent to them why what has happened has happened and why all the things they want can’t be delivered.” (PP2)

The matrix structure of the Department meant that often responsibility for particular policy areas was shared between different parts of the organisation, which meant that policy practitioners needed to get the cooperation of other portfolio areas through persuasion and negotiation, as comments from two policy practitioners suggest:
“My work there is about getting the ideas put to the right people in a coherent way, and getting enough other people strategically involved to influence it and make it happen.” (PP5)

“Advocacy clearly is important in terms of getting a policy framework that’s actually going to be implementable, because it relies on a whole series of other people doing a whole bunch of stuff.” (PP14)

Policy practitioners talked about: pushing a particular policy position; trying to shape and influence policies; persuading, convincing and negotiating with decision makers; finding opportunities to advance policy ideas; and using the political agenda to make the most of opportunities that came along.

“You’ve got to make the best of the opportunities, and even if it is something that you don’t really like and don’t think is important, you can try and shape and influence it in a way that gets the most out of it…” (PP20)

“…my commitment is to getting better outcomes for [my service area] so using the political agenda to make the most of the opportunities that come along.” (PP22)

There were several examples of policy work that involved advocating for policy ideas at the Commonwealth Government level. For example, the policy practitioners involved in Vignette 3 engaged in lobbying and negotiating with the Commonwealth to ensure that their investment in a particular set of services built on, and did not undermine, the existing state level investment.

Some policy practitioners described working behind the scenes, advocating on behalf of stakeholders to government. For example, one policy practitioner described how he supported the arguments of consumers in advocating for the replacement of an obsolete health facility by “reinforcing that their concerns were real” and working behind the scenes (unbeknownst to the consumer groups) to bring the issue to the government’s attention and influence the direction of change (PP22).
Policy effected through the meaningfulness of the language (policy work understood as shaping policy discourse)

The policy discourse metaphor is based on the idea that policies are stories; that policy making is conversation, making meaningful stories to make sense of collective problems and meaningful stories about possible futures. From this perspective, policy practice is about shaping meaning; constructing a shared idea of the problem and what can be done about it.

Interviewees offered many accounts of building shared vision. For example, one policy project involved building consensus across the different program areas in DHS about how to engage general practitioners (GPs) in the Department’s policies and programs. Many different program areas were involved in working with GPs (and GP engagement was central to the success of much of the work going on, such as responding to chronic disease) but each different area of the Department had different expectations and different ways of working. This resulted in too many requests for participation; this was burdensome and confusing for some Divisions of General Practice. The policy work in this case involved setting up a GP policy coordination group as a “debate and discussion type forum” with the aim of identifying some common principles, priorities for GP involvement, and coordinated communication pathways. A policy practitioner involved talked about “getting people together around the table to debate ideas” and “keeping the conversation going” (PP15).

There were many other examples of policy work understood as shaping policy discourse. A policy practitioner who was advocating for a particular policy approach at the Commonwealth level reported making sure that she was part of the discussions about different options for reform (PP18). Another policy practitioner prepared a detailed discussion paper for a national review, in order to build understanding of the different options for addressing a policy problem amongst the states and territories (PP10). A third policy practitioner worked with the boards of management of health services who would be implementing a new funding model to help create an understanding of the policy objectives and shift the local culture in the health services (PP6).
Implementing policy

Implementing policy was one of the main policy engagements of the participants in this study. Policy practitioners’ roles in implementation included coordinating policy implementation, and more direct involvements in program management and development.

Program management and development has traditionally been considered to be policy implementation rather than a part of policy work (which is more commonly understood as policy development and policy analysis). However program management and development was a central part of the work of most of the policy units and policy practitioners in this study. Program management and development was often difficult to separate (in time and place and person) from more ‘pure’ developmental policy work. Program management and development was one of the main ways in which policies were put into effect. Many policy issues also arose in the context of program management and development.

Useful metaphors

There are two metaphors that speak about the role of implementers in relation to the policy makers. Policy implementation can be understood in terms of:

- a controller who monitors, steers and drives (levers and instruments); or
- the autonomy of local implementers (street level bureaucrats, or program or institutional management).

These metaphors are not exclusive, but represent different languages for speaking about implementation. A noted in Chapter 2, most policy researchers now employ hybrid approaches which combine different perspectives on implementation.

Top down implementation: levers and instruments

The metaphors of levers and instruments are consistent with top-down theories of policy implementation which assume a clear distinction between policy formulation and implementation and a relatively rational, sequential process where implementation involves subordinates putting into action the intentions of the ‘policy makers’ (Buse et
al., 2005, p. 122). From this perspective, effective implementation requires ensuring that the planned actions match with the policy goals (Buse et al., 2005, p. 123). The metaphors of levers and instruments then refer to the tools available to decision makers to ensure compliance with and the realisation of policy objectives. The downside of this discourse is that it risks positioning the implementers as having no agency of their own.

Our informants used terms like levers to describe policy implementation – levers were often things like funding, legislation, regulation, persuasion. For example, funding was used in one instance to ensure that services worked together: “We’re virtually saying if you don’t do it then you’re not going to get funded, and that’s the big carrot and stick that we have” (PP2). Coexisting with this sort of language, however, was a recognition that implementation required working in partnership:

“We really have very few levers with which to influence change, other than funding and some regulation. We need to be doing this in partnership with [...] a range of stakeholders.” (PP12)

Policy practitioners in this study used the language of levers and instruments; however they often used this discourse to speak about the lack of control over implementers and hence the need to use other approaches to ensuring effective implementation.

The top-down metaphor is also evident in practitioners’ accounts of ensuring the success of policy by communicating clearly with stakeholders about the intent of the policy.

**Bottom up implementation and the role of street level bureaucrats**

In contrast to the top down perspective, bottom up approaches to implementation cast implementers as active participants in policy implementation and central to its success. Street-level bureaucrats (e.g. teachers and case workers) were seen by Lipsky (1980) as having a role in making as well as implementing policy, through their control over the allocation of scarce resources. Lipsky (1980, p. xi) argued that ‘the decisions of street-level bureaucrats, the routines they establish, and the devices they invent to cope with uncertainties and work pressures, effectively become the public policies they carry out’. Whilst Lipsky (1980) used the term ‘street level bureaucrats’ to refer to field-level
staff administering programs, such as doctors, teachers and local government officials, the metaphor is also useful in thinking about the role of implementers within the bureaucracy.

These metaphors suggest that the myriad of small decisions of implementation are an important part of policy development. They also suggest the possibility of subversion – that policy goals can be changed or undermined during the implementation phase. They are consistent with a view of policy as an interactive, political process involving a large number of participants, of which negotiation and conflict are dominant features (Buse et al., 2005, p. 125).

The bottom up metaphor is reflected in stories from the data about how ideas about gaps or problems identified in policies and programs often arose during implementation and were then fed back up to decision makers through the informal circulation of ideas and more formal channels such as information papers or briefs.

**The context for policy work**

This section of the chapter describes the context for policy work, including the external environment and the constraints and opportunities it presents, as well as the internal environment within the organisation. The aim of this section is to provide a descriptive account that ‘sets the scene’ for the discussion of policy capacity in Chapter 6 (which explores in more depth the effects of organisational structure, culture and process on the policy process).

**The external environment**

This section describes some of the main external influences (that is, external to the organisation) on the policy making process that featured commonly in the accounts of policy practitioners. These include Commonwealth-State relations, the media, health system pressures, powerful stakeholders, and government processes and cycles (including budget cycles, the electoral cycle, and the management of hot issues).

**Commonwealth-state relations**

Policy in many areas was shaped and constrained by the division of responsibility for health between the Commonwealth and the states, and the complexity and
interconnectedness of Commonwealth and state-funded parts of the health system. State level policy was also often dependent on Commonwealth funding.

Policy determined by the Commonwealth Government or through the Council of Australian Governments (COAG) shaped much of the policy work undertaken in the DHS. Some national policies which introduced changes to Commonwealth-funded services or health insurance also affected State-funded aspects of the health system. Policy workers spent much of their time responding to Commonwealth and COAG proposals, assessing the risks and potential benefits, and advocating for particular approaches with the Commonwealth and sometimes also with the other states and territories. A significant amount of policy work was also generated by ‘directional’ policy determined at the national level but where the states and territories were responsible for implementing it. Some policy practitioners noted, however, that sometimes national policies had no funding commitment or implementation plan and unless there was commitment at the state level, as one policy practitioner pointed out, “they don’t necessarily go anywhere” (PP3).

**The media and policy making**

The media was another significant influence on policy making; both media reporting of issues and also the way in which the anticipation of negative reporting in the media shaped the options considered by both politicians and bureaucratic policy practitioners. Government was sometimes seen to “respond inappropriately” (PP5) to media interest in policy issues, particularly before elections. This was particularly the case for politically sensitive issues. Some policy practitioners commented that policy topics that were not “sexy” and did not get reported in the media were easier to advance (PP5, PP8, PP10). Media reporting, however, sometimes created opportunities for advancing policy ideas, as in the case of Vignette 2, where media reporting of problems associated with lack of regulation prompted the ministerial announcement of a review of the regulatory framework.

**Health system pressures**

Chapter 1 discussed a range of health system pressures which make the environment for policy making more complex, including challenges to health (ageing populations, changing patterns of disease, widening inequalities in health, increasing
cost pressures); tensions between different health system goals (such as equity, efficiency and quality) and obstacles to health reform arising from the complexity of the health system itself. Few of these issues were explicitly discussed in the interviews, however they formed an implicit backdrop in terms of the policy context for many of the policy episodes. These were the sorts of issues that many of the policy episodes were trying to address.

Health system pressures which were frequently mentioned in the interviews as impacting directly on policy making included workforce shortages, which had a direct impact on the implementability of preferred policy options in many cases, and cost pressures. Cost containment was a common concern that policy practitioners reported having to come to terms with: “Another great challenge for the future [...] is that the rate of increase in spending on health services is faster than the rate of increase in State Government revenue” (PP1). This meant often less palatable options such as rationing services had to be considered as an alternative to increasing health expenditure.

**Powerful stakeholders**

The existence of powerful stakeholders in the health sector, including unions, professional associations, colleges and boards of health services, was seen as a significant influence on policy making in some areas of the Department. The influence of health sector stakeholders varied according to the policy issues they were dealing with. Policy issues which involved workforce reform tended to attract significant opposition from powerful stakeholders. One branch manager explained that much of the work of his branch involved trying to keep the powerful stakeholders “comfortable”, and also to “try and keep government comfortable that it’s not moving down too controversial a path on any given issue” (PP7). He explained that governments in general, and the current government in particular had become “less adventurous in terms of what they may choose to seek to reform” and less likely to introduce changes that might be seen as too controversial with the stakeholders. Another policy practitioner working in the medical policy area described the stakeholders she was dealing with (including medical professional bodies such as the Australian Medical Association as well as hospital managers and boards) as “militant” and “resistant to change” (PP8).
Government processes/cycles

Budget cycles

Governmental and departmental budget cycles were a significant feature of the policy making environment. Budget cycles were the primary source of funds to progress policy work, particularly for the implementation of policy. One policy unit manager reported being “intimately locked into the budget cycle, the ERC [Expenditure Review Committee] whole of government budget cycle and the departmental budget cycle as well” (PP1). It was seen as “part of our daily living” (PP1).

Budget cycles impacted on policy work in a number of ways. Policy practitioners described having to time policy projects carefully to be able to obtain resources for implementation, and also to frame their policy arguments in terms of the “broad strategic government objectives” (PP1) and the particular priorities for that budget cycle. The budget process was also a source of frustration. Some policy practitioners reported spending a great deal of time was preparing budget bids that often “go nowhere” (PP16) because of changing priorities and political factors. Others reported that the annual budget cycle meant that government was unlikely to commit funds for a multi-year strategy, which constrained the capacity for forward planning.

Achieving sustainable changes was seen to be very difficult when policy practitioners were unable to guarantee funding for implementation beyond the next year. Some policy practitioners reported having to find “a really delicate balance about not raising expectations that you’re not going to be able to deliver on” (PP2) and having to make “a judgement call about how much you can actually consult on what you’d like to recommend” (PP2) because of the risks of raising stakeholder expectations when they might not be able to deliver.

Despite frustrations, the budget cycle sometimes gave rise to opportunities to invest in ‘bottom drawer’ proposals. As one policy practitioner suggested “...you get towards the end of the financial year and we’ll be underspent, and that’s an opportunity to take those proposals out of your bottom drawer and say here, let’s do this short term project.” (PP10)
Electoral cycle

The electoral cycle was also associated with both constraints and opportunities. The electoral cycle was seen as important “in terms of thinking about what the government would be prepared to sign up to” (PP14) at any particular time. The beginning of the cycle (when a new government was elected) was seen as the time to propose “bold things” and to wheel out the “bottom drawer” proposals that were in line with government commitments (PP1), whereas closer to election time government was seen to be more cautious about adverse publicity, particularly for issues which might generate opposition from stakeholders. A branch manager explained that this meant that before elections, “a lot of our energies are turned to damage control rather than striking out in new directions” (PP1). The new directions, he explained, would be kept in the bottom drawer until after the election, particularly where those new directions would have “oppositional elements”.

In less politically sensitive policy areas there was scope for suggesting policy directions before an election: “Well certainly before an election there are often opportunities to put up some ideas about where you think government might think of going, and they’re often open to that sort of thing” (PP13). Where there was scope for policy to be “positioned within a broader electoral push” (PP14), the politicisation of the issue before an election was seen as an advantage.

One branch manager pointed out that the frequency of elections “means that there is a relatively narrow window for everything just cruising along smoothly” (PP19). New governments and minority governments, she explained, were less likely to make major decisions, which she suggested presented a problem because “a lot of policy actually involves bravery and commitment”. Election promises also sometimes meant “we’re stuck with whatever the government decided to promise during the election, rather than necessarily what we needed” (PP19). Election time also tended to result in a heavy workload in terms of multiple ministerials that had to be responded to.

Management of hot issues

In some of the participating branches, there were a lot of very politically sensitive issues that impacted on policy work. In some areas, small changes to health service
funding could be perceived as a threat and quickly become “an intense political issue” (PP2). This meant that sometimes the most rational policy decision was not able to be pursued. As one policy practitioner explained: “…it sometimes means that decisions taken that from a pure health policy and planning point of view, we would not support” (PP2). A branch manager pointed out that all issues need to be handled as though they are politically sensitive, because “you just never know what is going to pop up as a question in parliament or a story in the paper or something like that. You just never know who the minister is friends with […] and who may have been on the phone to the minister complaining about X, Y and Z.” (PP1)

Political sensitivities often meant that policy practitioners had to be pragmatic and prepared to compromise or abandon a particular policy project where it was likely to generate too much opposition. Sometimes policy practitioners had to take a “soft approach” (PP14), using incremental change rather than introducing controversial reforms. The skills policy practitioners needed to handle politically sensitive issues are discussed further in Chapter 5.

Other governmental processes

Other governmental processes which had an impact on policy work included major governmental reviews and legislative reform, in terms of generating further policy development and implementation work as well as requiring input and comment from policy practitioners. These processes were mentioned in passing but did not feature very strongly in policy workers’ accounts.

The internal organisational environment for policy work

The organisation of policy work in the department

Teams and individuals

Both policy development and implementation were organised into teams, in terms of units (branches), teams within units and teams (with varying degrees of formality) spanning different units within the organisation. In some branches, policy practitioners tended to work closely with other non-policy teams within the branch (such as teams of planners and statisticians).
Although policy making was very much a joint activity, there was clearly also a degree of autonomy for many individual policy practitioners. For example, one manager reported that she had what seemed to her, a quite startling degree of freedom to make autonomous decisions (for example, about access to services), which, while minor in nature, actually contributed to overall policy directions (PP16).

**Movement of people and projects**

There were many accounts of both policy projects and people being moved around in the Department in order to ensure that projects were located in areas of the Department which had the necessary expertise, and that people from all the areas whose cooperation was needed were involved. For example, one project officer described how a person was brought in from another division to lead a policy project in his division, which was very much a collaborative effort between the two divisions. This was “a conscious decision in the sense that the project was very much a joint one across the health portfolio” (PP14).

**Roles in policy work**

**Managers of units**

Managers tended to perceive their roles (in terms of their policy responsibilities) mainly as providing oversight of the policy work of the branch and setting vision and direction. This was often described by managers in terms of “providing overall vision” (PP13), “higher level kind of priority setting” (PP1) or “directing traffic” (PP1). This meant both leadership in shaping the direction of the branch’s work on major policy issues and also coordinating the work that was necessary to bring policies through a process from conception to implementation. Their position enabled them to have more of a “helicopter view” (PP12, PP13, PP20) and awareness of the policy making environment, as a result of their knowledge of the “broader context” (PP7, PP19) and access to senior decision making processes.

Managers of policy units tended to take the lead on some high level projects with strategic importance, such as cross-government projects; but in the main delegated policy work to their staff. Some managers were more closely involved than others in managing the policy work of their subordinates.
Unit managers also perceived part of their role to be assembling teams with the right mix of knowledge and skills. One manager said: “Our task is to make sure we have a team of people who broadly speaking, have that kind of combination of knowledge and skills and capabilities” (PP1). Some also saw their role as managing the organisational environment outside of the branch, to ensure adequate resources for their team and to protect their staff from burdensome bureaucratic tasks that took them away from policy work. Other aspects of branch managers’ roles were leading collaboration with stakeholders, getting endorsement for policies from senior decision makers and being a spokesperson for the branch, often in an advocacy role within the organisation.

Division heads

According to the participants, the role of the divisional executive directors was largely to provide the strategic vision that informed policy work, to identify and manage risks and to endorse and assist in moving policy projects through the bureaucratic and governmental processes. In some branches, the divisional executive director had a closer involvement in the policy work done in the branch than in others.

Team managers

Team managers had responsibilities that included both policy responsibilities and the management of staff. A typical comment was: “So I manage staff, I do the line management, all the performance plans, work plans, meeting of deadlines” (PP8). The role of some was more a coordinating role, guiding and supporting the policy development undertaken by their staff. For others, people management responsibilities were combined with substantive responsibility for particular policy projects, for example one team manager said: “So I’ve got major projects under my belt as well as managing staff managing other projects” (PP8). Some also took responsibility for particular aspects of policy development, depending on their particular knowledge and skills sets, or for “the very complicated or more strategic things that would be cruel to delegate” (PP20). One team leader explained that the complex policy problems and policy environments in her area of policy work meant that she needed to have a strongly “hands on” role in the policy development work undertaken in her team, particularly in the early developmental stages of problem definition and planning the policy project (PP12).
Team managers often had other responsibilities as well, such as supporting their director with particular initiatives and stakeholder relationship responsibilities, the preparation of budget submissions, and research and evaluation responsibilities.

**Other roles**

Two participants in the study were sectoral specialists (clinical or medical advisors) and one was a senior policy analyst. There were such small numbers in these roles that it is difficult to generalise about the nature of their roles. However all of these participants were free of the managerial responsibilities that other policy practitioners carried. The sectoral specialists tended to have more of an advisory function, and to a certain extent seemed to be freed from the bureaucratic controls of line management, which gave them a higher level of autonomy in their policy work.

**Branch environments**

The participating branches had very different purposes and responsibilities (see Chapter 3). The local environments in the branches reflected these differences. The aim of this section of the chapter is to outline briefly some of the differences in the context within the participating branches. The section begins by outlining the main differences in structure, process and culture between the branches and then provides brief descriptions of each branch based on the views of the participants. Chapter 6 examines more explicitly the impact of structure, process and culture on the policy process, in terms of organisational enablers and barriers to effective policy making.

Branches differed in terms of:

- the mix of policy and operational (service system management) responsibilities;
- the mix of levels and types of policy work undertaken;
- the nature of their relationships with stakeholders;
- the degree to which their policy work crossed program and portfolio boundaries;
• the coherence and clarity of their policy direction and policy frameworks;
• the political sensitivity of the branch’s policy issues; and
• the prevailing culture and the leadership styles of the managers.

Branch A

Branch A was a medium-sized branch (by DHS standards) with funding and service system management responsibilities. Branch A was working in a policy area where there were significant overlaps between Commonwealth and state responsibilities and this shaped much of the policy work undertaken. This branch was engaged in policy work at all levels and of all three types with a particular emphasis on influencing policy through advocacy and implementing policy through program management and development. There were a number of policy frameworks that shaped the work of the branch. Branch A had close relationships with health service stakeholders through its funding and service development functions and the issues with which it was working were not particularly politically sensitive.

The branch had a very collegial atmosphere with the whole branch involved in developing common vision and priorities. The manager appeared to have a generous and supportive leadership style.

Branch B

Branch B was a medium to large sized branch with a service provision focus in a highly politically sensitive area. The emphasis on this branch was on program management and development and there were significant resource constraints to engaging in policy development in other ways. There was reported to be a lack of a current, coherent and clearly articulated policy direction although there was a set of generally agreed policy principles underpinning the work of the branch. This branch had close relationships with health service organisations.

The culture of Branch B was reported to be hard working and committed. It was mainly comprised of people who had come into policy jobs from clinical and service management roles and had maintained their strong commitment to the particular client
group the branch was providing services for. The leadership style of the manager seemed to be encouraging and rewarding of good policy work through recognition for success.

**Branch C**

Branch C was also a small branch, however it was located in a corporate division with cross-portfolio responsibilities and had more of an explicit policy orientation. This branch was institutionally separated from the administration of programs and did not have significant program management responsibilities, although there was some implementation arising from the policy development work which was coordinated by personnel in this branch. This branch engaged in all types of policy work at all levels, with an emphasis on formulating and influencing policy. While there was no explicit overarching policy framework guiding the work of the branch, there was a clear, if unarticulated, policy direction. The policy issues the branch was pursuing generated significant opposition from powerful health sector stakeholders.

The culture of Branch C was characterised (by a number of managers within the branch) in terms of ‘policy purity’, a team of intelligent policy analysts and managers who were committed to intellectual rigour and evidence-informed policy making. The manager of this branch was reported by his staff to be visionary and innovative, closely involved in the policy work of the branch and committed to providing a supportive environment for policy work.

**Branch D**

Branch D was a small branch in a relatively small division. Its main role was to advocate for the needs of a particular part of the health system. Whilst it had some program management responsibilities, other program areas were responsible for developing and managing most health programs and services at a state-wide level. This meant that staff in the branch needed to work collaboratively with other branches to achieve its policy objectives. The branch was primarily engaged in operational and program level policy. The policy work of this branch was framed by a strategic whole of government policy statement which was important in providing a clear direction and in coordinating the actions of stakeholders. Branch officers had close relationships with
health service agencies and a strong advocacy role within the Department. Whilst there were politically sensitivities surrounding some policy issues, the concerns of the stakeholders generally aligned with the policy directions of the branch and the political commitments of the Victorian Government.

The branch culture was described in terms of an environment of teamwork and trust. Policy practitioners reported having a high degree of autonomy in their policy work, underpinned by support from their manager when needed. The manager was reported to be very approachable. There seemed to be good communication across the branch however participants reported some tensions with other DHS branches which had overlapping policy responsibilities.

Chapter summary and conclusions

Participants in this research were involved in a diverse range of policy engagements. These have been conceptualised in this chapter as policy ‘episodes’ or ‘projects’ or ‘streams of policy work’. Four vignettes are presented to illustrate the different types of policy episodes and projects. Policy episodes and projects differed along the following dimensions: purpose and objectives; level and scope; drivers; policy instruments; stakeholders; the speed and size of change; and policy outputs or outcomes.

The policy work of the participants was also kaleidoscopic and multi-faceted. Their policy work is described in this chapter in terms of three elements: formulating, influencing and implementing policy. A range of metaphors provide languages for expressing more analytical and explanatory insights regarding the different types of policy work. These metaphors include the rational identification and testing of options (the policy cycle); provision of policy advice; mapping stakeholders’ interests and levers; project management; industrial production; agenda setting (and associated metaphors); policy advocacy; shaping policy discourse; implementation instruments and levers; and street level bureaucracy. Different metaphors could be used to describe the policy work of different participants at different times and in different episodes of policy work.
The final section of the chapter describes the context for policy work. The impact on policy making of features of the context external to the organisation is discussed, including Commonwealth-State relations, the media and policy making; various health system pressures; powerful stakeholders; and government processes and cycles. All of these contextual issues shape and constrain the policy work undertaken in the Department, although in different ways and to different degrees. The internal context for policy making is described in terms of the organisation of policy work in the Department, the different roles that people play in policy work, and the differences between the local environments in the different branches.

The data presented in this chapter highlight two very important issues, which are further developed in later chapters. The first of these is the role of contingency in policy work. Each policy episode and each engagement in policy work is unique and subject to a particular set of contingencies. The appropriate approach to policy work is therefore dependent on the particular contingencies of the episode and the context. As Bobrow and Dryzek (1987, pp. 19-20) argue, policy design must be sensitive to context; context in terms of time and place; in terms of the complexities and uncertainties of the external environment and also the context of the ‘analyst’s milieu within the policy process’. The second insight arising from this chapter is the importance of the context at the local level (the level of branches and teams) and the role of managers in shaping this context. These issues are important threads of the argument for building policy leadership and are discussed further in Chapter 9.

The next chapter examines the policy competencies important for policy work and the formative experiences of the Stage 1 participants. Chapter 6 returns to the issues of organisational context in its analysis of organisational capacity in DHS.
Chapter 5: Policy Competencies and Formative Experiences

Introduction

This chapter describes the findings of the study in relation to policy competencies (policy capacity at the individual level) and the formative experiences recounted by participants.

Research method

I conducted in-depth interviews with a sample of twenty-two policy practitioners from four policy-oriented branches about their policy work. I conducted a further set of interviews (including a focus group interview and four in-depth individual interviews) with a sample of senior and/or experienced policy practitioners and a technical specialist about strategies to build policy capacity.

I analysed the data in relation to individual competencies using the following process. I began by collecting ‘instances’ from the data which illustrated the links between policy process and policy outcomes. The ‘instance’ constituted the principal unit of analysis (either instances described by the interviewees or generic ‘instances’ inferred from generalisations offered by my interviewees regarding the relationship between competencies and policy process or outcomes). I then identified the competencies which were manifest in each of these instances and allocated these to the identified competency fields. My initial schema for categorising policy competencies (competency fields) was based on my literature review but the categories were then modified as necessary to accommodate the competencies identified in my data. I analysed the data regarding formative experiences and integrated these findings into the analysis of ‘people management for policy practice’ presented in Chapter 6 as one of the domains of institutional policy capacity. I developed propositions for organisational capacity, building in relation to competency development (reported in Chapter 7).
Chapter outline

There are three sections to this chapter. The chapter begins by presenting instances from the data which illustrate the links between competencies and policy process/outcome, in each of the competency fields. The data on policy competencies is drawn from both stages of the interview study: from the accounts of policy work offered by policy workers in the Stage 1 in-depth interviews; and from the views of senior managers in Stage 2 about desired policy competencies. Where data is reported from Stage 2, this is made clear in the text. The second section of the chapter presents the findings in relation to policy practitioners’ formative experiences. The data on formative experiences comes from the Stage 1 interviews with policy practitioners. The final section links the competency fields and the formative experiences through an analysis of the types of competencies that are produced or cultivated by different learning experiences.

In this thesis I have conceptualised policy capacity at two levels: individual capacity (competencies) and organisational capacity (including the capacity to develop and mobilise the necessary expertise for particular facets of policy making). My focus in this chapter is on individual competencies but the analysis of formative experiences, formal training and learning pathways feeds into the discussion of organisational capacity in Chapter 6 and the propositions for building organisational capacity in Chapter 7.

Where I have used quotes from the data or attributed comments to particular types of participants, I have used the following conventions throughout the findings chapters:

- Stage 1 participants are referred to as ‘policy practitioners’ (PP1 – PP22) except where their particular role (e.g. branch manager, team manager) is important in interpreting their perspective; and

- Stage 2 participants are referred to as ‘focus group participants’ (FG1 – FG8) ‘senior policy managers’ (SPM 1 – SPM3) and ‘technical specialist’ as appropriate.
Many policy practitioners talked about the importance of knowledge of the health system and its dynamics in policy work. There were many instances where knowledge of the health system contributed to good policy making by enabling policy practitioners to understand stakeholder positions, the levers for change, and the context for implementation. In the words of a branch manager, health system knowledge contributed to “better understanding the services needs, [...] better understanding what are the issues they’re facing and what might be the impact of some of the policy responses” (PP7). Another policy practitioner suggested that health sector experience helped people to “know what the ramifications of decisions are that are made by others” and to understand “what it is actually like on the ground” (PP3).

A policy practitioner with responsibility for developing and implementing a new planning framework explained that having a good understanding of the health care system gave him “a reasonably broad understanding of what’s going on” and “a reasonable canvas across which to think” (PP14). Another practitioner reported that her in-depth knowledge of the hospital environment (gained through implementing policy in the area in which she was now developing policy) gave her a sound understanding of the context for implementation and enabled her to produce a realistic policy that was implementable. A third policy practitioner described the way in which she used detailed knowledge of health services to gain stakeholder cooperation in a hostile environment. Her knowledge of the problems the health services were experiencing enabled her to refute their claims that all was well and no policy change was required: “you sort of counteract them by saying well, this is my observation of where things are going wrong in your place, and this is where I believe I can help” (PP8). In circumstances of stakeholder opposition, she attested, “knowledge is power”.

While every policy team needed to have people with a sound knowledge of the health system, many participants emphasised that it was not necessary for every policy practitioner to have such knowledge. Several participants pointed out that the health system is extremely complex, and that no one has complete knowledge in any case. It
was seen as more important to have networks of relationships and sources of information through which to obtain detailed knowledge of the health system as needed.

Lack of health system knowledge was frequently cited as a gap and a ‘trap for young players’. There was a high level of concern about the lack of health system knowledge. A typical quote was: “I think there’s too many people in DHS who actually know nothing about health” (PP3).

Lack of health sector knowledge was seen to result in policy that was “out of context” or even “totally alien to what the service system’s about” (PP22). Lack of knowledge of the health system also meant that sometimes people did not understand the consequences that changing policies in one area would have on other parts of the health system. As one policy practitioner explained:

“I think there’s a lot of traps if you don’t really understand the subject, and it can be very tempting to think “Oh yes, I can do this, develop this policy” and look at something in isolation and not necessarily realise that there’ll be other consequences from this and that if you change one service then inevitably it will have an impact on other areas. [...] it can end up that some things are really not able to be implemented.” (PP3)

It was not only people who come into the Department as new graduates who were seen to lack health system knowledge, but also people “who come from other program areas” (PP22) and lack knowledge about the new area they have moved into.

**Comparative and historical knowledge**

Historical knowledge of the health system was clearly important. For example, one practitioner described how a detailed knowledge of the history of hospital budgets and the WIES (Weighted Inlier Equivalent Separation) throughput system for funding hospitals was essential to her role (PP2). The importance of historical information is covered in more detail in Chapter 6 under the domain of ‘Utilising information and evidence’ (see page 206). Sometimes lack of historical knowledge was a handicap. This is also dealt with in Chapter 6 in the section ‘Utilising information and evidence’.
Knowledge of models and processes used in other jurisdictions also contributed to better policy outcomes in many projects. An example was the decision to change the way in which certain health services were funded (from inpatient funding to flexible funding based on community need). According to a policy practitioner involved, this was based on knowledge of “*what other people were doing in other countries to try and deal with these same or similar issues*” (PP6). Of course there were many instances where policy practitioners did not have existing knowledge of models and processes in other jurisdictions, and the skills of obtaining such knowledge were also important.

**Knowledge of the departmental and public sector environment**

Alongside knowledge of the health system, knowledge of the departmental and public sector environment was considered very important. According to a senior policy manager, the capacity to “*really astutely understand the environment*” was a core characteristic of people who were “*hard-wired for policy*” (SPM1).

Knowledge of the internal departmental environment was seen as critical, particularly given the size and complexity of the organisation. Knowledge of the DHS context included knowledge of departmental policy frameworks, including the values and directions embedded in these frameworks, the Department’s position on key issues, as well as the policy frameworks and issues specific to one’s own work area. One policy practitioner explained how “*you actually sit within a whole set of contexts in a sense*”, which she described as being like “*the layers of an onion*” (PP21). It was necessary to have knowledge of each layer, she explained, although “*you end up operating within the ones that are more immediate to you, because that’s where you’ve got some authority and some responsibility*”.

It was also seen as important to understand bureaucratic norms and processes, “*the process for how you get something done*” (PP5) or “*the business of the public service*” (PP1). This was seen as a challenge particularly for people who came into the Department with no previous experience of government departments (including senior career people recruited laterally).
Knowledge of the political process and political environment was seen as important for being able to “find opportunities in it to advance things” and to be “know how to package them into the general direction of the day” (PP21).

For people working on inter-governmental policy, knowledge of the relationship between the State and Commonwealth Government was also perceived to be important: “Obviously when we’re working with the Commonwealth, we probably need to be more mindful of the policy drivers; we need to be more mindful of even what the bi-lateral relationships are at any one point…” (PP18).

A sound knowledge of context was implicit in many policy practitioners’ accounts of being able to successfully navigate the bureaucratic processes, to take advantage of opportunities that arose, and to engage the authorising environment. One policy practitioner described how another practitioner’s depth of knowledge of government gave him “a capacity to make connections between policy imperatives and initiatives”, and an ability to relate developments “that are happening at a State-Commonwealth level back to what we might be doing and how it might influence it” (PP12).

Lack of knowledge of the DHS and public sector environment was frequently cited as a trap for young players. Not understanding the environment, interviewees argued, led to people misjudging the authorising environment and stepping outside of their area of influence; failing to consult with stakeholders whose participation was essential; or producing ‘pure’ policy that wasn’t able to be implemented.

“I suppose trap one is the data gives you a logical answer; that’s the answer. That response is you don’t know your environment. […] The second trap is too big. […] according to your role you can shape your activity or investigation at various levels. If you shape it too high and too broad, you get outside your own sphere of influence, and then you’re in real trouble.” (PP6)

“I’d say the biggest trap is not having the authorising environment engaged early enough. So it’s a very easy thing to go off and do a nice piece of policy work but then your senior management are somewhat surprised by your work and actually don’t particularly want to know about it, because it may create problems for them or it may [inaudible word] things up at the wrong time.” (PP17)
“Probably the other issue of capacity is understanding the connections between all of the work. [...] where we do not do as well as we could is understanding that [all these areas of work] represent parts of an overall strategy. So when I was talking about the work on [a particular policy project], those staff involved weren’t able to make in the first instance a link and understand that maybe we could use other structures [...] to support the [policy project’s] approach.” (PP7)

A focus group participant also highlighted lack of knowledge of the “operational environment” as a limiting factor:

“I think we have a lot of people who don’t fully understand the operational environment in which they work, in the broader context. Things like the role of Cabinet and Parliament, the role of the system, how things link up together, how issues are conceptualised, and that changes from time to time, and who makes the decisions about that, and what forces bear down on governments to shape what is a current issue. Those are really quite complex things, but I think there’s quite a lot of people who work in the public sector who don’t understand really the whole environment in which they operate, and that limits their capacity.” (FG5)

Lack of understanding of the authorising environment was also emphasised by senior policy managers in the Stage 2 interviews. One senior policy manager said: “…I think understanding the authorising environment is probably the least well appreciated dimension of public policy work ” (SPM3). Another senior policy manager stated: “There is a serious lack of understanding of the authorising environment” particularly in terms of a lack of understanding of the “imperatives and incentives that act on ministers, and what drives them” (SPM1). She argued that “…lots of the policy work we do is conducted as though ministers were a nuisance to the process, and not at the heart of it.”

Lack of knowledge of “what it takes to be a professional bureaucrat” (PP2) was seen to be particularly a problem for policy practitioners who had come to policy positions in the Department from service delivery positions in the health sector. They were seen to “struggle a bit with managing the normal processes of government, the awareness of the broader framework of public accountability and the link between the
policy objectives of the democratically elected government and our obligations to implement them, and the mechanics of government process just in terms of getting things done” (PP2). According to one policy practitioner, however, even many experienced staff needed to “be more aware of the broader DHS environment” (PP18).

Knowing “your own limitations” and knowing “what you don’t know” (PP11) was perceived by many people to be just as important as the knowledge sets that people already had. One team manager told the story of how some younger policy people she had worked with had been asked to fix a problem by the Minister. Instead of realising they didn’t have the knowledge to solve the problem, they “jumped in” and started writing a discussion paper (PP11).

**Knowledge of the policy process**

Several policy practitioners pointed out that knowledge of the policy process was an important competency for policy practitioners. As one manager of a policy unit put it, “it’s the knowledge of what makes good policy that’s absolutely critical” (PP7). He emphasised that understanding how to go about developing policy, and “the steps that you need to follow to make a good piece of policy” were particularly important. Another policy practitioner also explained how knowledge of the policy development process was important in terms of understanding how different approaches to policy development could lead to different outcomes:

“I suppose understanding that different things inform policy development, like for example you might commission research to inform what you’re doing, but you might look at research that’s out there and undertake a literature review to pick up on and depending on the way that you approach how you inform your project, you’re going to come out with different outcomes.” (PP10)

It was also important, she argued, to have an understanding of the political nature of policy development and the impact of powerful stakeholders:

“Understanding the role of actors, for example, the stakeholders within and without, and the impact they have on the kind of policy you’re developing, and the power relationships that different stakeholders have, and being aware of the impact that
they have on policy that’s developed - that it’s not always pure, because it’s got to take into account the context and the politics.” (PP10)

**Knowledge from different disciplines**

Policy practitioners drew on knowledge from a broad variety of disciplines in their work, reflecting their diverse backgrounds and areas of study (see Chapter 3, page 124). These included, but were not limited to, law, economics, statistics, and the social sciences. There were no core disciplines that all policy practitioners seemed to need.

Knowledge of particular disciplines was needed in some policy teams, dependent on context of particular policy project. For example, a project team that was developing and implementing a new regulatory regime included a lawyer. Several projects which involved economic modelling included people with quantitative skills and statistical knowledge. For some roles in some policy teams, specific health-related disciplines were required (e.g. psychiatry, medicine).

There were many instances where policy practitioners did not have the knowledge of specific disciplines that was needed for a particular policy project. However in these cases, the strategy was generally to bring in a person from elsewhere in the organisation (or from outside) who had the expert knowledge in the particular discipline that was needed.

**Conceptual and analytic skills**

Conceptual skills were mentioned very frequently in the interviews as very important for policy workers. They were seen as important because of complex contexts for policy making, including interconnected and cross-portfolio policies, competing and contradictory policies, and multiple, often powerful stakeholders.

Conceptual skills were seen as important in formulating policy, for identifying problems, framing options, and understanding the consequences of different choices. This is seen in frequent references in the Stage 1 interviews with policy practitioners to using conceptual skills to “formulate a set of policy directions that are well grounded” (PP2), “make a rational and defensible judgement” (PP2) in the context of stakeholder demands; “to be able to draw out common themes and then simplify it down and not get
lost in the detail” (PP12); “drawing conclusions from all the diverse pieces of information and research, to draw some conclusions about what we should do and why” (PP10); and “breaking down and considering the implications of things and making connections between issues or areas” (PP11).

Conceptual skills were seen as important for working out what the most effective options were for responding to policy problems, and for making sure that the policy being developed did not undermine important policy principles.

“I think the sort of conceptual, analytical skills are really important, because every agency in every town is different, and every time the phone rings you’re basically being advised about the reason why this is a particular issue to this particular thing that isn’t a state-wide policy issue, it’s an exception. And the ability to take that and put it into some sort of context and make some sort of rational and defensible judgement about whether it is an exception, what precedents it may or may not set on a state-wide level, and what implications it may have in terms of supporting or undermining existing policy directions at a state-wide level, I think, is pretty crucial. Because your heart can have you running off trying to do things to fix things in a number of occasions that, no question, would bring joy to a number of people, but may in the same token create disasters or six months down the track end up undermining something that’s an important policy principle or something like that.” (PP2)

Many of the references to conceptual and analytical skills by participants emphasise the importance of being able to see the connections between different issues and parts of the health system and to understand both the context and also the operational issues in terms of implementation. Conceptual skills were also seen by many respondents as important in enabling practitioners to communicate policy ideas in ways that were “consumable for politicians and government” (PP10) and made it easier for decision makers to make choices between different options.

Many of the practitioners nominated by the Stage 1 participants as inspiring or outstanding were nominated because of their excellent conceptual and analytic skills. Typical comments about inspiring policy practitioners included:
“She can take a problem and turn it on its head and dissect it and come up with very, very good answers.” (PP12)

“One of the smartest people I’ve ever met in my life. Incredible knowledge, but also incredible analytical skill in being able to get a ten, fifteen minute briefing from you and find the hole in it instantly.” (PP2)

“She has a really good brain for policy development and how far you can take things and what constitutes a good policy...” (PP4)

“I like the way she sort of breaks problems down into little bits and systematically addresses them...” (PP8)

“I think [X] has a very impressive and incisive way of considering policy implications of various issues.” (PP11)

Lack of conceptual skills was not identified as a significant issue in the interviews. To some degree this may be an artefact of the method (policy practitioners commenting on their own knowledge and skills would be unlikely to comment on a dearth of conceptual skills). However, lack of conceptual skills was not mentioned in relation to areas where junior policy practitioners needed to develop their skills, nor was it mentioned by senior policy practitioners as an area of concern. This is likely to reflect two factors: firstly, that teams are assembled to include people with conceptual skills (and so any lack of conceptual skills amongst more junior staff is compensated for in the team); and secondly, that the promotion process is likely to select for conceptual skills amongst senior managers.

**Strategic and political skills**

Strategic and political skills were also very commonly mentioned as important competencies for policy practitioners. When policy practitioners referred to strategic or political skills, the sorts of things they were referring to included understanding and locating oneself within the broader environment, “being able to read the lay of the land” (PP18); having “a bit of a radar around what your audience is going to need and not need” (PP12). This was often referred to as “political astuteness”.
One policy practitioner described strategic skills in terms of being able to listen to different stakeholders’ perspectives, but still being able to reach a decision which is consistent with policy principles:

“…you’ve got to make some sort of decision, so how do you make that decision? You go back to your fundamental strategic drivers. What are you trying to achieve overall, and why are you here, and how in fact do these various options contribute to the overall strategy that you’re pursuing” (PP6)

“…if you don’t have a clear strategic sense of what it is you’re addressing and what your outcome is, you’ll get waylaid and confused and bent around everywhere.” (PP6)

Strategic and political skills also included the ability to make a case using persuasion and negotiation skills, to “make other people see how your initiative or your policy direction is going to help them as well” (PP17). Policy practitioners spoke of the importance of being “strategic in how you position yourself” (PP18) and “how you handle yourself in the environment strategically” (PP20).

There were many instances where strategic and political skills were perceived to contribute to good policy process or outcomes. A policy practitioner involved in negotiating with the Commonwealth Government over the roles of the State and Commonwealth in an area where both jurisdictions had responsibility described how she needed to have “a level of political astuteness” in terms of making decisions about directions, understanding what the Commonwealth “wanted to hear”, and working out what information to share and how to frame it (PP18). She told how she had done a “piece of work to send to the Commonwealth” but in the end decided to send instead a “handful of dot points that actually gave an overview of the direction” in order to leave the options more open:

“…I suppose this is a lot about strategy. It’s about how much information, what information, and when. It’s not all about that, it’s obviously about the content, but it’s also about how you present it, when you present it and all those sorts of things.” (PP18)
She also described how political astuteness enabled her to predict possible scenarios that might arise, and to help the service sector to prepare for changes in the Commonwealth’s role: “…that’s about having a level of political astuteness, I suppose, in terms of the direction. It’s putting in place, if you like, mitigating strategies around that, which is partly what we’ve been doing with the sector” (PP18).

Another policy practitioner described how strategic thinking involved understanding, for a particular policy project, “where this fits into the universe and how it fits together; what’s important and what might government want to say about this, and why, and who’s going to be interested” (PP12). In the context of a particular project she was working on, this helped her “to be able to draw out common themes and then simplify it down and not get lost in the detail”.

Concern was expressed about the political astuteness of staff in some areas of the Department, particularly with respect to their understanding of the more strategic policy issues and the connections between them. There were also concerns about the ability of some staff to negotiate with stakeholders, for example:

“…where they fall down is in their political astuteness and their ability to convince and negotiate a position through with stakeholders and with government. And that’s probably one of the great difficulties I think in the pure policy development function. There is a view that truth is right and truth will win, which we all know obviously doesn’t happen. So I think one of the skills that need to be developed further is a better understanding of the realisms of what you’re able to achieve in government public policy environment and being able to manage stakeholders and negotiate through with stakeholders an acceptable outcome.” (PP7)

Lack of strategic and political skills was noted as a ‘trap for young players’ which resulted in “coming up with something that doesn’t work” (PP14). This was seen as the result of failure to work effectively with stakeholders and to understand the political environment:

“That’s really about the extent to which you’ve worked with people who have a stakeholder interest and how effectively you’ve been able to get the information from
them that you need to formulate some options that are really going to be workable. And then that’s overlaid by both a large and small P political environment, so that you have to be working towards directions that are going to be politically acceptable for the organisation and politically acceptable for Government.” (PP14)

**Intuitive judgement**

From the accounts of policy practitioners, intuitive judgement was a very important (but difficult to define) competency. References to judgement in the interviews included judgement in relation to politics, policy and people. It also included foresight. Judgement involved a combination of intuition and knowledge, or as one policy practitioner described “the combination of gut and knowledge” (PP4). Policy practitioners talked about learning to “trust instinct” (PP4) and how policy making was an art as well as a science.

**Judgement in relation to politics**

Experienced policy practitioners seemed to draw on intuitive judgement about the political environment as well as a sound knowledge of the environment. In many situations, they had to be able to ‘read’ the political environment in very complex and difficult circumstances – a political environment which was often described in terms such as “fluctuating”, “ambivalent”, “unclear” and “fluid”. Participants explained that there were many situations where they didn’t have access to as much information about the political environment and minister’s priorities as they would like to have had, and found themselves in the position of having to, as one policy practitioner described, “try and read it and second guess some of it” (PP20).

Judgement about the political environment was important in identifying opportunities. For example, one policy practitioner described how he used his judgement of the government’s priorities and the likely political sensitivities at a particular point in time to prioritise the policy projects that he judged aligned best with political priorities and had the greatest chance of being funded (PP22).
Judgement in relation to policy: “what will fly and what won’t fly”

There were many instances where judgement in relation to policy was important in contributing to good policy outcomes. Several practitioners talked about developing an intuitive sense of “what will fly and what won’t fly”, or “what’s something that will get up” (PP1). As one experienced team leader asserted, “I know what I can get up” (PP16).

Judgement was important in determining the appropriate investment in developing policy ideas. A branch manager explained how there were often benefits to being prepared earlier by doing “more future scanning, more data analysis, more kind of back room work”, but that there was a danger in terms of “diminishing marginal returns” (PP1). He described how his branch had learned to “get a feel reasonably early on in any process about whether or not this is going to fly”, which helped them not to waste resources, and also helped the branch to avoid any “real disasters” in terms of policy failure. Intuitive judgement seemed to help this branch to “stop doing the work before we got too far down the track with something that isn’t going to be palatable or acceptable” (PP1). A manager in another branch also noted that “reading the environment” was important to be able to stop work on a policy when the environment was not right (PP20).

Another policy practitioner described using judgement about knowing when to consult and listen and when to make decisions about how to proceed: “being able to know when to be inclusive and when just to say okay, enough is enough, the consultation has happened, now let’s be decisive” (PP5). She gave an example of where a number of gaps had been identified in the course of developing a particular policy. She had developed a list of things that needed to be done. She found, however that “some people wanted to add everything to that list, which was going to fix every problem in the health system”. Although they were all valid problems, she said, they were “outside the scope and not my issue”. After listening to the issues, she found that she had to be “clear about what the boundaries are about where you’re going to be effective”.

One practitioner described using judgement about how “revolutionary or evolutionary” an approach to take in a policy project (PP14). The decision ultimately
taken was to use a “soft approach” to ensure that the policy was not rejected outright by the stakeholders. This judgement depended partly on feedback from working with stakeholders and partly on his experience working in the area for a number of years, but also seemed to involve an element of intuition.

**Judgement in relation to people**

Judgement in relation to people was also seen as an important competency. This included judgement about the quality or value of information provided by other people, and how trustworthy they were: “When person X says that Person Y is on the ball or has given us the right story, have they picked it correctly?” (PP1). Judgement was also used in determining “how you manage up and what you manage up” (PP16). One experienced team manager working in a very politically sensitive area recounted how over time, she developed a sense about what decisions she had the authority to make on her own and what to “bother the boss about” (PP16). When she did need to manage up, she depended on her knowledge and understanding of the people in the levels above her to be able to “write things in a way that makes the choice easy”.

**Foresight**

Foresight was also seen as an important element of judgement which was often mentioned in relation to ‘inspiring’ policy practitioners. This included the ability to imagine future scenarios and to predict, on the basis of experience, which issues were likely to become political priorities in the future. Closely related to this was the ability to “see things and understand things over a longer time frame” (PP17) and to be able to plot out a course of action over the long term.

**Communication and interpersonal skills**

Working with stakeholders is a major part of policy work and this was perceived to require high-level communication and interpersonal skills including negotiation skills, listening skills and other interpersonal skills.

**Negotiation skills**

Policy work was often seen as a process of negotiating with different stakeholders to a point where a way forward could be found: “So your act of policy is to work your
way through those issues of credibility and trust to a workable solution that can perhaps be accepted by all the protagonists” (PP6).

Negotiation skills were seen as particularly important for gaining input from other portfolio areas and for gaining support for policy proposals. A branch manager, for example, said:

“...there’s skills about being able to communicate and negotiate through with the people that you have to get the approvals from, try and understand, again, what’s important to them and how you need to shape the policy direction that would be suitable, or if not something that they actively support, something they won’t interfere with.” (PP7)

Listening skills

Listening skills were considered important in policy implementation, to “...understand what some of the issues are for [stakeholders]” (PP3).

“Just being able to listen to what people are saying and question and really try and understand what their perspective is and why, and keeping in touch with them.” (PP10)

Other interpersonal skills

Other communication and interpersonal skills that were often deemed important by policy practitioners were being “open and honest with people”, being “interested in other people’s perspectives” and “wanting to try and find some common or agreed position on things” (PP20). One practitioner described how she tended to “undersell” herself as a deliberate strategy to ensure that she didn’t project herself as someone who knew all the answers (PP20). Another described how she gained people’s trust through building reciprocal relationships (PP2). This involved “trading favours” and being honest about what she was not able to guarantee she could deliver, in order to build trust and goodwill. These sorts of reciprocal relationships, she found, meant that “they may tell you things that they might otherwise hide from you, that inform you and make you better able to both anticipate problems and see issues that you might not otherwise see.” Sometimes establishing rapport involved being prepared to share information
beyond what they are technically permitted to share. As one policy practitioner said, “...I’m not a traditional public servant in that I give people a whole lot more information than I should or I’m technically allowed to, and people really respond well to that” (PP10).

Communication and interpersonal skills were important for the success of many projects. As one policy practitioner noted: “I think for any project, you can have brilliant people, but if they lack interpersonal skills it will all fall down” (PP9).

In many cases, relationship building skills ensured successful implementation. For example, in an action research project, it was vitally important to build good relationships to ensure successful implementation:

“With [this project] we’re working with health services and trying to bring them on board and engage them as well as all the professional associations. We make mistakes along the way because we’re trying a methodology, essentially, as we’re going. People can become intolerant of that pretty quickly and unless you approach people in the right way and engage them in the right way and show goodwill and have those skills about being able to build relationships with individuals, is really important because people will be more forgiving if you’ve got those good relationships established.” (PP9)

In another project, negotiation skills were critical to gaining the necessary information from other parts of the organisation (see references above). Interpersonal skills were also important in change management (as part of policy implementation), for affirming what people are doing and alleviating the fear of change. As one policy practitioner said, “...in any change management process, you’ve got to be able to deal with the most concerned people in a direct, face to face way” (PP6).

**Project management skills**

Project management skills were highlighted by several participants as being essential skills for policy practitioners. Good project management was seen as one of the main strengths of a policy project which involved development and implementation of a cross-portfolio planning framework. Good project management, a policy practitioner involved reported, meant:
“...having the right people involved in the project governance, making sure that the key people who are going to be responsible for the success or failure of that aspect of the work are really closely involved and engaged, and putting a lot of effort into trying to get momentum happening and direction pretty focused.” (PP14)

The project management skills of this particular practitioner had clearly contributed to the successful adoption and implementation of this policy.

There was some concern about a lack of project management skills in some parts of the Department. As one policy practitioner commented:

“You know what we’re also lousy at? Project management. In a really fundamental sense it’s getting structures and systems around our investigations and developments.” (PP6)

A focus group participant also commented on the importance of good project management skills in ensuring that policies were implemented as planned:

“…policy people need to have good project management skills, because in actual fact, just dumping it onto someone else and walking away and developing another policy means you don’t get to carry through things and see what actually happens, and you certainly get this situation where people are disconnected from the outcomes, and that can be quite dangerous for an organisation.” (FG1)

Writing skills

Many policy practitioners said that writing skills were very important. Three of the four branch managers interviewed said this was a skill they looked for, or tried to develop, in their policy staff.

Writing well involved the conceptual skills of being able to synthesise and analyse information (including the contributions of different stakeholders), and “get the essence of something” (PP5).

“So it really is communication skills and being able to tell a story. There are conceptual skills in terms of drawing conclusions from all the diverse pieces of information and research that we did on the system, to draw some conclusions about
what we should do and why, and the rationale, and framing it in a way that’s consumable for politicians and government, that’s the challenge, and that bit of it, that step, takes a lot of effort, to be able to put it in a consumable form for the Minister in a briefing which says this is the outcome of the review; these are the options and this is what we should do. That’s a real challenge.” (PP10)

This was not just the technical process of writing a readable document but also about writing for an audience. A policy practitioner explained that this required an understanding of who the audience was for a particular piece of writing, and what level and type of information that audience was likely to need, and also the ability to “tell a story” (PP10) that clearly articulated the issues, the options and their likely outcomes.

Writing in a concise way, to communicate the essence of something in the minimum number of words, was seen as a critically important skill by several policy practitioners, for example: “…you’ve got to be able to write clearly and concisely and in a way that demonstrates the case and the capacity to do something about it” (PP17). The ability to write clearly was seen as particularly important in communicating persuasively or advocating for ideas.

Writing skills were also perceived to assist decision makers to make choices between different policy options. Policy documents that were too long and had too many options were believed to make it too hard for decision makers to choose between the different options available: “I think one of the problems is that people make it more complex than it needs to be, and people make it too hard for people to make decisions” (PP16).

A well written policy was also seen to contribute to successful implementation by clearly conveying the meaning and intent of the policy, being clear about “the direction we’re going in” and also practical and “bridging the theory with the real world” (PP5).

Writing skills, particularly the ability to write concisely and persuasively, were seen to be a “lost art” by many policy practitioners:

“... a lot of people write waffle and wander all over the shop and don’t actually make the case well in a written sense.” (PP17)
“I think being able to write, that is write concisely, succinctly, clearly, is almost a lost art, so if you can find someone who can do it, that’s good stuff.” (PP19)

“The number of people who can’t write is just incredible.” (PP16)

**Data analysis and research skills**

Familiarity with statistics and quantitative data was an important skill but seen to be uncommon nonetheless. The blend of numeracy skills and word skills were seen to be particularly rare:

“I think in terms of skill mix there tends to be a separation in the Department. There’s people who are sort of word based, conceptual people or people who are finance budget people, and I think in terms of the Department’s skill set it could really do with more numbers people that didn’t just regard themselves as corporate administrators, and words people that didn’t just regard themselves as high level policy thinkers, but people who could blend those sorts of skills.” (PP2)

“[W]e live with good writers, good flowery writers in one corner and number nerds in another. There are not many people who are the balanced practitioners of all of this stuff.” (PP6)

Many policy projects required both quantitative data analysis and policy writing and this particular blend of skills had obviously contributed to good policy outcomes in many projects.

A basic level of quantitative data analysis skills and skills in numerate modelling in one branch contributed to higher quality policy work in the view of a team manager in the branch: “[M]ost of the people in the group are reasonably numerate and able to work with data as and when required” (PP12). In the view of several policy practitioners, these skills had contributed to high quality policy formulation and had assisted in “pushing the policy agenda we want” (PP12).

A practitioner from another branch also emphasised the importance of confidently dealing with quantitative data in making a strong case for a policy project: “Often your case is strengthened by being able to demonstrate an understanding of the quantitative
data, so having a grasp of the financials” (PP17). He explained that the skills did not need to be “super-sophisticated”, but sufficient to be able to quickly confidently respond to queries with accurate information about how much a proposal was likely to cost.

An understanding of research methods and the role of research in policy development, along with the ability to interpret research findings was also seen as an important competency for policy practitioners. As one policy practitioner commented: “Research methods, both qualitative and quantitative, and research methodologies are essential in doing the job” (PP9).

**Skills in accessing, appraising and filtering information**

Surprisingly, given its emphasis in the literature, there were few references in the data, particularly by policy practitioners in Stage 1, to skills in accessing and appraising research evidence. This may be an artefact of the method for this study – policy practitioners may not be aware of their own limitations in this area. One senior manager pointed out that “not understanding or respecting evidence” was a major contributing factor to “indifferent policy work” (SPM3). He saw “the interpretation of evidence, particularly numerically based evidence” as a “continuing issue” in the public sector generally.

A focus group participant suggested that being able to “filter” information was as significant as being able to access it, since often there was “too much information” (FG4). To her, it was about “your capacity to draw sharply and smartly” on the available information. A senior policy manager also pointed out that it was relatively easy to locate research evidence through the internet and library searching facilities.

The ability to access information featured more strongly in the interviews as an important competency than the ability to appraise or use information. Relationships with people in other portfolio areas of the organisation were seen as particularly important for gaining access to historical, local and program-specific knowledge. A policy practitioner described her reliance on relationships for the information she needed for policy development on a daily basis:
“I’m very reliant on a number of other people for specialist, more detailed knowledge than I have, particularly in relation to some of the more obscure intricacies of acute funding policy and how it’s implemented, which sometimes bears very little relation to how it’s actually documented.” (PP2)

Both formal and informal avenues were used to source information from other portfolio areas. Informal networks were often relied on, as one policy practitioner described:

“I have a network of people that I would go and seek advice on about things that they know more than me about. I always think I’m not really good on the more technical funding type ideas and policies, and I’m not an accountant so I can’t speak accountancy. But I have an informal network that would help me with that.” (PP16)

Gaining needed information depended to a large degree on relationship and communication skills. As one policy practitioner said, “If you are able to set up effective relationships, you’ll be able to find someone who does know” (PP2).

**Evaluation skills**

There were few references to evaluation skills being important competencies for policy practitioners in the Stage 1 individual interviews. However there were frequent references to a widespread lack of evaluation skills in the Department in the context of discussion about strategies for capacity building in the Stage 2 interviews with senior policy managers. These data relating to the perceived lack of evaluation skills and strategies for their development are discussed further in Chapter 6 and Chapter 7.

**Personal disciplines for ethical practice**

Many participants reported that there were times in their work where they needed to manage conflicting accountabilities: accountabilities to the Minister and Government; to the Department; to the health sector; to the public; and to health service consumers. For example, sometimes policy practitioners’ commitment to better outcomes for a particular consumer group conflicted with the Government’s election commitments to divert funds towards a different group or service. One policy practitioner described
herself as a “juggler” who was “trying to keep a number of balls in the air” as she tried to “get an outcome” for consumers (PP21).

The personal disciplines that policy practitioners reported using to help them to practice ethically in the context of these conflicting accountabilities included: effectively managing both sides of the relationship with honesty and integrity; not having “tunnel vision” about one’s own priorities or “bunkering in” to one’s own position (PP21); ensuring that politicians are fully equipped to make informed decisions, and being “flexible and pragmatic” (PP20) in making the best of opportunities to shape and influence policy outcomes.

**Commitment to outcomes**

Being committed to outcomes (in terms of health or social outcomes) was an attribute that many practitioners felt was important. ‘The passion’ helped people to focus on the end result in often difficult and high pressure environments: “So I’ve always had to be passionate about what I do, believe in the cause, and that’s probably why I’ve survived here” (PP8).

It was the combination of strong policy skills and enthusiasm and commitment that was seen to make a good policy practitioner:

“…it seems to be a happy coincidence of intellect and enthusiasm that seems to make a good policy officer” (PP11)

“[The Department] does attract people who seem to be very passionately committed to their work and the worthwhile nature of their work, and I think that probably contributes to the policy making capacity, because I think without that dedication to the subject matter, it wouldn’t happen or have the same degree of rigour to it.” (PP11)

“…it’s about having some sort of belief or commitment about something, and a set of values […] the thing that drives me and informs policy for me, is a desire to see better outcomes for people, and that everything we should be doing is aimed towards that, realistically of course, realising we work in a bureaucracy and government and all sorts of things.” (PP21)
**Freedom from ideological parochialism**

Some practitioners commented that sometimes policy practitioners were overcommitted to a particular discipline or professional discourse and “unwittingly captured into an orthodoxy” (PP2) or “overly committed to a particular direction” (PP14). This over-commitment was seen to prevent them from making necessary compromises to accommodate different perspectives. These comments suggest that freedom from ideological parochialism is an important competency for policy practitioners.

**Other personal attributes**

Several other attributes of good policy practitioners were briefly mentioned in the interviews. These included resilience and persistence, creativity, problem solving and a sense of humour. Resilience and persistence were seen as important because of the long lead times before some policy ideas were adopted: “Ideas can sometimes find their place immediately; others take a really long gestation period and you have to know how to do that” (SPM1). Creativity and problem solving were considered crucial to finding ways around problems and overcoming obstacles: “thinking rapidly, when one route to getting something done doesn’t work, of other ways to achieve the same end” (SPM1). A good sense of humour was considered essential by one senior manager, because it provided “a capacity for perspective” and indicated that people “didn’t take themselves too seriously” (SPM1).

**Formative experiences**

Interviewees were asked to describe formative experiences that had shaped their approach to policy work. These formative experiences included workplace experiences and formal policy or public administration training.

**Workplace experiences**

Many people said that they had learned their policy skills “on the job” through cumulative experience in their current and previous roles. Workplace experiences that participants reported as ‘formative’ included: good supervisors or mentors; good working environments; previous experience in policy projects; experience in the health
sector; training and experience in other sectors; experience in regional offices; and having had a variety of different experiences. Each of these is described below.

Good supervisors or mentors

The formative experience most commonly cited in the interviews was having worked with good policy practitioners, either as supervisors or less formal mentors. It seemed that watching experienced policy practitioners at work was the most valuable developmental experience for many policy practitioners.

“... if I look back over my career, the things that have had the most impact on me, really, are about watching how other people operate, or working for people who had good skills. Role modelling, really, is where I’ve really learned the most about how things work in the real world.” (PP21)

“I think that probably the best developmental learning I’ve experienced is from working with particularly good bosses. So I’ve felt like I’ve grown and developed when I’ve been in environments where I’ve been exposed to and been able to work with people who were very good leaders and very good practitioners.” (PP14)

In the views of participants, good supervisors and mentors provided valuable learning experiences by teaching and demonstrating good policy process, by modelling stakeholder management skills, and by motivating and extending the skills of their staff.

Good working environments

One policy practitioner described a particular work environment she had experienced earlier in her career, which had shaped her approach to policy work, as “very dynamic, very committed, very action and change oriented” (PP2). The team she worked in had “a very strongly shared view of policy and objective” and engaged in frequent debates about whether the decisions they were making fitted with their objectives and principles. She also described her current working environment as formative, particular the opportunity to participate in discussions at a high level of the Department and work with senior people. She believed this added to the effectiveness of her work, “because having had the opportunity to do that, you can actually see how they use the information that you are putting in front of them, and how you might be
Previous experience in policy projects

Interestingly, several policy practitioners cited experiences in challenging or difficult policy projects as important formative experiences that had shaped their approach. One spoke about learning through difficult experiences what she would “not do again in certain situations” (PP3). Another practitioner described having learned about good communication processes through working on a project where things went wrong due to “differing expectations from various parties heavily involved in the project about what it was and what we were supposed to be achieving” (PP11). She described how this had assisted her in “learning about your audience and directing things to that audience.” A third policy practitioner described having worked on a difficult project where the team of people recruited for the project “really had no knowledge of the area and limited capacity to develop it” (PP12). One of the things she learned from this experience was that “…public policy is probably about half about good ideas and concepts and articulation, and about half how you manage the environment in which you’re placed”. A fourth practitioner described learning, through difficult experiences, about the complexity of the context for policy making, and how the environment shifts and changes as projects proceed (PP22). This knowledge helped him to accept and work with the various shifts and flows that impacted on his current policy development work.

Health sector experience

Many policy practitioners cited previous experience in the health sector as a significant formative experience. This included experience in clinical and/or service provision roles, as well as administration and management of health services and roles in other stakeholder organisations such as the professional associations and colleges. People with this experience said this gave them a depth of understanding of the service system that was very helpful to them in their current policy work. It also helped them to understand what it was like ‘on the ground’, for the people who are implementing policy, enabled them to predict the likely ramifications of policy decisions, and assisted them in understanding stakeholder perspectives and needs.
Several people also described how having worked in professional associations was invaluable in helping them to understand the perspectives of stakeholders and the politics of professions. For example, one policy practitioner described how having been in a senior policy role in a professional association gave her “a lot of exposure to policy development from the perspective of a stakeholder”, an understanding of how professional associations work and of “the politics of the professions”, which was very helpful to her in her current role (PP12). A practitioner who had worked in a professional body during a period when it was going through a significant change process talked about how she had learned about the dynamics of organisational change through that experience; learning that was very important in her current project which was all about “getting organisations to change how they do things” (PP9). Another team manager described how working with the divisions of general practice had given her a broad based knowledge of the health system, including “the most dysfunctional bits of the health system” (PP16).

One policy practitioner also mentioned that having experience of health services through “actually being sick and knowing people that are sick” had given her an understanding of “what it's really like” from the perspective of a patient (PP3). She also recounted how having family members in rural areas gave her an understanding of “what it’s like to live in a very small rural town with no hospital and the sort of experiences those people have to go through.”

Training and experience in other sectors

People who came into policy roles from other sectors often found that their training and experience in those areas informed their current approaches. For example, one policy practitioner had worked in an international inter-governmental organisation and had brought the diplomacy and relationship building skills she had learned there into the policy work she was doing with powerful stakeholders (PP8). Another practitioner reported how his training in social work (particularly community development work) gave him “a good grounding in consultation” and an awareness of “the importance of involving people in decision making” (PP10). A further policy practitioner described how her experience as a teacher gave her skills in relating with diverse groups of people, which were transferable to her policy work (PP20). A practitioner with a background in adult community and further education, in particular
in a role responsible for managing a metropolitan region, found that “it was a very good experience in having to balance central bureaucracy and a very community based locally grounded sort of reality” (PP15). This experience helped her to learn to think “outside the square” and to be strategic.

People who had training and experience in non-health related disciplines and sectors reported being able to transfer their skills (including analytic skills, interpersonal skills and management skills) to their current policy work. For example, a policy practitioner who began as an early childhood teacher and moved from that into management and then community health found that she was able to apply her intellectual, interpersonal and management skills to the new policy area (PP20).

**Experience in regional offices**

Those practitioners who had had the opportunity to work in regional offices of DHS found this to be formative in terms of understanding the role of DHS, learning to work with stakeholders, understanding different perspectives, and understanding the issues involved in implementing policy. One policy practitioner described how her experience in a rural region had made her “more practical”, gave her a better understanding “around what works”, and made her more sensitive to the competing demands experienced by service providers and regional offices (PP18).

**Variety of experiences**

As well as the particular formative experiences cited by participants, it seemed that policy practice was enhanced by the cumulative effects of having worked in a variety of different positions, both within and outside of the bureaucracy. A typical quote was: “I’ve learnt a lot of policy development simply by the different choices of positions I’ve been in” (PP3). One practitioner described how the combination of health sector experience, working in different policy areas and in regions contributed to a breadth of knowledge about the health system that had been important in her policy work, particularly in terms of understanding the different perspectives of the different agencies and services (PP4). Another policy practitioner described the value of moving in and out of the bureaucracy from other roles in the health sector, and how that had helped her not only to bring an understanding of the health system to her policy work, but also an understanding of how health agencies can influence policy making: “it does
give you a sense of how you can actually influence central policy from service level” (PP21).

**Formal policy and public administration training**

All seven interviewees who had undertaken formal policy/public administration studies reported that their training was beneficial to them in their current policy work. The benefits of formal policy training reported by participants included: understanding the environment for policy making; being able to apply policy theory to the challenges they faced in policy work; having a grounding in a range of relevant disciplines; having opportunities for self-reflection; having (in some courses) the opportunity to develop networks across government; and being exposed to particular teachers and texts.

**Understanding the environment for policy making**

Formal study in public policy and/or public administration was helpful in gaining an understanding of the organisational and political environment for policy making. One policy practitioner described how a masters in public administration gave her “an acknowledgement and an affirmation of things”, such as “the fact that the public sector is different and we do have other considerations to legitimately factor into decision making other than efficiency and business process” and “an acknowledgement that you are actually sort of cooperatively delivering services and we are subject to the goodwill of all the participants...” (PP2). Another policy practitioner recounted how a master’s degree in public policy and management was useful in terms of helping her to be clear about “governance and organisational issues and management issues” encountered in policy work (PP12).

**Being able to apply theory to the challenges faced**

Most policy practitioners reported having learned their policy skills through experience in the workplace, however those who had undertaken policy or public administration courses found that it gave them the theoretical frameworks to frame what they were doing. For example:
“...I started doing [policy work] before I knew I was doing it, and when I go back and read the theoretical frameworks I think oh, I knew that, I knew that we needed to manage it that way.” (PP10)

“No one taught me how to think, but I guess some of the study and the experiences I’ve had have helped me to confirm that the way I’m thinking might be the right way to go.” (PP16)

Experienced policy practitioners drew on tacit knowledge based on the accumulation of experience. Tacit knowledge, a concept theorised originally by Michael Polanyi (1967) and used extensively in the knowledge management and organisational learning literature, refers to knowledge that cannot be expressed in words. Tacit knowledge, as opposed to explicit knowledge which can be easily formalised, codified and transferred, is vested largely in personal experience and capabilities and is harder to transfer (Bertels & Savage, 1998, p. 22). A typical quote was: “You just do it and you have built up knowledge and experience and it just happens” (PP5). Having access to public policy and/or public administration theory, however, seemed to provide policy practitioners with the language to speak about their practice.

One practitioner described how she tended to draw on theory to solve problems and confront difficult challenges, whereas when her policy work was proceeding smoothly she was more likely to rely on “what’s worked before”, and to work “in autopilot” (PP5).

Two policy practitioners described using the theoretical frameworks learned through formal study to assist others in understanding the policy process. For example one recounted being approached by a senior colleague who was frustrated about obstacles she was encountering in trying to “get something they want to develop into a policy up”, and how she found herself “talking about policy development from a theoretical perspective but then applying that to her situation and saying I think if you did this you might move that along” (PP5). She described helping her colleague by discussing incremental policy change and its benefits as compared with more radical reform.
Grounding in a range of relevant disciplines

Two participants described having acquired knowledge of particular disciplines during their formal studies which assisted them in their policy work. A policy practitioner who was doing the Australia and New Zealand School of Government’s Executive Master of Public Administration (EMPA) reported that there had been “a series of practical areas of knowledge that I absorbed in that course” (PP14). An example of this was doing an economics subject. He reported having acquired “some new areas of knowledge that have been quite useful in terms of adding some more depth to the way in which I approach the work I do, day to day.” Another practitioner who had completed a Master of Public Health described how it had given her a “basic understanding of different skills and knowledge that you need to draw on to work in the Department” across a broad range of disciplines, including epidemiology and biostatistics, health economics, evaluation and program development, policy development and research methods, both qualitative and quantitative (PP9).

Opportunities for self-reflection

The ANZSOG EMPA, in particular, offered opportunities for reflecting on one’s own practice that were cited by two policy practitioners as an important formative experience:

“...there is also an element of self-reflection in it as well which is about how I relate to others in undertaking that function, which is also actually remarkably useful when you’re working in a team based environment.” (PP12)

“[The EMPA] gave me a sense of structure that I could use in a more self-reflexive way about how I work and the environment I work in.” (PP14)

Developing networks across government

One policy practitioner noted that the ANZSOG EMPA had provided her with opportunities to develop networks across government that were useful for informing policy making and testing ideas (PP12). She described having developed strong links with another government department that allowed her to “test concepts and ideas with colleagues in there informally, and think about well what does that mean more broadly.”
Exposure to particular teachers and texts

Several interviewees cited particular authors, texts, teachers that had helped them to develop their approach to policy work. One practitioner described having learned how to communicate with a broad range of people through his contact with a particular lecturer, David Green: “he was able to make that transition between knowing exactly what someone experienced, to formally conceptualising it, to communicating it and managing it. I’ve never seen it done so well” (PP6). Another practitioner described how the combination of a particular teacher (Stephen Duckett) and text (Wayne Parson’s book Public Policy) in her studies in public health, was helpful in enabling her to apply theory to practice (PP10).

Competency fields and learning pathways

While it is not easy to specify how particular formative experiences or training contribute to particular competencies, it is evident that:

- Workplace experiences appeared to be the main ways in which policy practitioners learned the practical skills of policy development, including strategic and political skills, communication skills and stakeholder management;

- Policy practitioners who had had formal policy or public administration training all reported having benefited from the experience. Benefits included developing a deeper understanding of the policy making environment; and acquiring theoretical frameworks which assisted them in reflecting on their experiences, extending their skills, solving problems and assisting others in understanding the policy process. Policy practitioners with formal policy or public administration training also reported acquiring a broad-based knowledge of a range of relevant disciplines; being able to reflect on their own practice; developing networks across government; and being exposed to particular teachers and texts that assisted them in developing their approach to policy work.
• Health sector experience was the main pathway to gaining an understanding of the health system and its dynamics and an understanding of stakeholder perspectives and needs;

• Experience in regional offices assisted in developing health system knowledge and policy development skills generally; and

• Having a variety of different workplace experiences seemed to be important for developing broad based knowledge.

**Chapter summary and conclusions**

This chapter began by presenting the competency fields important for health policy practice, which are summarised below in Table 8. These have been grouped in the table into three sets of competencies: knowledge sets, skill sets and personal attributes.

**Table 8: Competency fields**

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<thead>
<tr>
<th>Knowledge sets</th>
<th>Knowledge of the health system and its dynamics</th>
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<tr>
<td></td>
<td>Comparative and historical knowledge</td>
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<td></td>
<td>Knowledge of the departmental and public sector environment</td>
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<td></td>
<td>Knowledge of the policy process</td>
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<td></td>
<td>Knowledge from different disciplines</td>
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<tr>
<td>Skill sets</td>
<td>Conceptual and analytic skills</td>
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<td></td>
<td>Strategic and political skills</td>
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<td>Intuitive judgement</td>
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<td>Communication and interpersonal skills</td>
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<td>Project management skills</td>
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<td>Writing skills</td>
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<td></td>
<td>Data analysis and research skills</td>
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<td>Skills in accessing, appraising and filtering information</td>
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<td>Evaluation skills</td>
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<td></td>
<td>Personal disciplines for ethical practice</td>
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<tr>
<td>Personal attributes</td>
<td>Commitment to outcomes</td>
</tr>
<tr>
<td></td>
<td>Freedom from ideological parochialism</td>
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<tr>
<td></td>
<td>Other attributes including resilience, persistence, creativity, problem solving and a sense of humour.</td>
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</table>

The findings of this chapter indicate that there is a wide array of competencies that contribute to policy work. However individual policy practitioners do not necessarily need to have all of these competencies. It was seen as desirable for policy
teams to contain a mix of people with different knowledge and skill sets, and policy managers described consciously assembling teams to ensure the necessary mix of competencies for particular policy projects. This finding reinforces the observation made by Lindquist and Desveaux (2007) that policy units and teams require a variety of different skills and expertise, and that the particular blend of competencies, and the balance of generalist and specialist expertise required, depends on the context.

These findings suggest that for organisational policy work, the way in which the policy workforce is managed, mobilised and developed is likely to be at least as important as the competencies of individual policy workers. For this reason, individual competencies are henceforth dealt with in the context of organisational capacity, in the ‘people management’ section of Chapter 6 and in the propositions for building policy capacity in Chapter 7.

Policy practitioners reported a range of formative experiences which shaped their approach to policy work. These included workplace experiences including good supervisors and working environments; previous experience in policy projects; health sector experience, training and experience in other sectors, experience in regional offices and having a variety of different experiences. Policy practitioners reported largely learning their policy skills through experience. Formal policy and public administration training (following on-the-job experience in policy work) was also reported as an important formative experience by those who had experienced it. Its benefits included developing an understanding of the environment for policy making, assisting practitioners to apply theory to the challenges they (and others) experience; providing a grounding in a range of relevant disciplines, providing opportunities for self-reflection and the development of networks across government; and exposure to particular teachers and texts. These findings in relation to formative experiences are discussed further in Chapter 7 in the context of propositions for building policy capacity.
Chapter 6: Organisational Policy Capacity

Introduction

This chapter presents an analysis of organisational policy capacity within the setting of the Victorian Department of Human Services. In this research DHS provides the substance for an analysis (identification of elements and dynamics; identification of enablers and barriers) of organisational policy capacity. This does not constitute any kind of ‘evaluation’ of DHS organisational policy capacity; such would have required a more systematic sampling, previously validated measures and recognised standards for comparison. My analysis should not be read as an evaluation; my conclusions regarding organisational barriers and enablers reflect as much the provisions currently in place to support policy making in DHS as they reflect evidence of weaknesses in capacity.

The principal unit of analysis for this chapter was ‘instances’ of policy action. These were vignettes or generalisations provided by the interviewees in both stages of the study which illuminated the links between organisational context, policy process and policy outcomes. These ‘instances’ take the general form of ‘this was what was done in this episode (in this context) and it led to this kind of outcome’ or ‘if one works in this way (in this setting) one is likely to get good outcomes’. The valuation of the policy outcomes is the judgement of the interviewee (implicit or explicit in the data).

Drawing upon the explanations of shortfalls and strengths in policy process provided by the interviewees these ‘instances’ were further analysed in order to identify the features of organisational context which enabled good outcomes in each domain of policy capacity (enablers) or made it harder to achieve good outcomes (barriers). The instances (and associated enablers and barriers) were then allocated into eight domains of policy capacity. These domains of policy capacity were based on the domains derived from my literature review, which were refined to more closely accommodate the data. In some cases, this involved a simple name change (for instance, ‘Access to, and use of, information and evidence’ became ‘Utilising information and evidence’, and ‘Personnel management and workforce development’ became ‘People management in relation to policy development’. Some changes, however, reflected a shift in the conceptualisation of the domain during the process of data analysis. ‘Consultation and communication’
was changed to ‘Managing stakeholder relationships’ because such management included a broader set of strategies than just consultation and communication. The domain ‘Interdepartmental coordination and networking’ was changed to the more inclusive ‘Managing intra-portfolio, cross-portfolio and inter-governmental relationships’. ‘Monitoring, evaluation and review’ became the more specific ‘Policy evaluation and monitoring’. The domain of ‘Policy management and leadership’ was separated into two, as the enablers and barriers were very different for these areas. Organisational culture was not retained as a separate domain as culture was significant across all of the domains.

The most significant change was the renaming of the domain of ‘Implementation’ to become ‘Working between policy development and program management’. In the context of capacity building, I needed to focus on the domain which lies within the agency of the policy makers and executive managers – namely, the relationships with program management. Implementation is a much wider project which policy makers must take account of but in which they often have only limited involvement.

Suggestions for policy capacity building derived from the interview data (including references to initiatives for capacity development already in place) were checked against the enablers and barriers identified in each domain and were further developed into ‘propositions’ for capacity building. These propositions are presented in Chapter 7.

The organisational barriers to good policy practice were also screened against the Painter and Pierre (2005a) model of three domains of governing capacity (policy capacity, administrative capacity and state capacity) in order to identify constraints on policy capacity which arose from tensions between the requirements for policy capacity on the one hand and the requirements of state capacity or administrative capacity on the other. Many of the explanations of shortfalls in policy capacity provided by interviewees were usefully categorised in relation to such tensions. This analysis and some propositions for managing these kinds of tensions are presented in Chapter 8.
Thus the steps in this analysis involved:

- identifying ‘instances’ in the interview data which reflect upon links between policy process and policy outcomes;

- identifying the enablers and barriers in the organisational context which underlie successes and shortfalls in policy process; and

- allocating the instances and the enablers and barriers to the eight domains of policy capacity.

This chapter presents the instances, enablers, and barriers in each of the eight domains:

- utilising information and evidence;

- people management in relation to policy development;

- managing stakeholder relationships;

- managing intra-portfolio, cross-portfolio and inter-governmental relationships;

- working between policy development and program management;

- policy evaluation and monitoring;

- managing the policy process; and

- leadership.

The instances are presented in detail in Appendix 8 in order to conserve space for the discussion of enablers and barriers. These instances are a mix of specific vignettes (stories from practice) and generalisations offered by the interviewees regarding the relationships between process and outcomes.

In each of the domains listed above, I begin with a brief explanation of what the domain comprises. I then briefly summarise instances from the data which relate policy process to outcomes. I then draw inferences, drawing on both the testimony of the
interviewees and my own inferences, about the relationship between organisational context and policy process, under the headings of ‘enablers’ and ‘barriers’.

Utilising information and evidence

Mobilising Information and evidence

Policy practitioners reported drawing on a range of information sources to inform policy development, including both general and contextual information. General information included: research evidence (including evidence of need, causation and the effectiveness of interventions); checklists and frameworks; historical information and information about the dynamics of change; and information about models used in other jurisdictions. Contextual information included information about the health system; information about the needs of populations and groups; quantitative data (such as population and service utilisation data); local histories; policy frameworks; and information about the environment for policy making within and outside of the organisation (including politics and stakeholders and people). These findings reinforce the findings of other empirical studies that multiple sources of information are used in policy making, of which research evidence is only one (Bowen et al., 2009; S. Campbell et al., 2007; Elliot & Popay, 2000; Lavis et al., 2002; Waddell et al., 2005).

Information and evidence to inform policy making were mobilised through a variety of avenues including reviewing existing research and literature, commissioning research, accessing and analysing existing quantitative data and mobilising information through stakeholder relationships.

Most policy projects or episodes involved a review of existing research and literature as part of policy analysis. The extent of the literature review depended on the scale of the project and the context and purpose. In many cases it was relatively informal. For example, one policy practitioner said “…we did some international searches and things to look at what wise people had said in various forums, and picked things that seemed sensible” (PP3). Most frequently, this involved searching the internet and using the DHS library services. Some policy episodes involved more extensive and formal research and analysis undertaken ‘in house’ although more often such research was commissioned.
Sometimes the research or literature review aspects of policy development were delegated to specific people in the team with research skills. This was particularly likely where the main person responsible for policy development had multiple responsibilities including management of personnel and projects. One branch had a specific team with designated responsibility for literature reviews.

In some cases, where there was little or no pre-existing research evidence on which to base policy development, primary research was initiated. In a few cases, research was conducted within the Department, however generally external agencies were commissioned to undertake research.

Research was commissioned mainly when there were insufficient resources or expertise within the organisation to enable the research to be done internally. Other reasons given for commissioning research included where the results were likely to be contentious and there was a desire to “distance ourselves from it” or “where it’s an issue that we’d feel more confident stakeholders would accept if it was done by an independent group” (PP7). Research was often, but not always, outsourced to independent consultants. In some cases, regional offices were provided with funding to undertake research at the local level. Sometimes health services were funded by the DHS to undertake research.

Many policy projects drew on pre-existing data sets. Sometimes these were managed by the portfolio area within which the policy project was located. In many cases practitioners also needed to draw on information systems and data sets that were managed by other portfolio areas (particularly for cross-portfolio policy projects). In some cases information was required from information systems and data sets from outside DHS. Some branches had designated teams with responsibility for the more technical and quantitative aspects of policy analysis such as statistical analysis, forecasting and modelling.

Relationships with a broad range of stakeholders were important for gathering essential contextual information. Practitioners described obtaining information from other portfolio areas in the organisation; from experts outside the Department; from regional offices and from ministers’ offices.
Policy practitioners reported needing to go to other people for information because there were always areas where their knowledge was insufficient. As one policy practitioner said, “There’s no way I know everything about the whole health system” (PP3). Experienced policy practitioners had established networks of relationships with a range of stakeholders and used these on a regular basis. As the aforementioned practitioner commented, “you tap into as many people as you can” (PP3).

**Instances where effective use of information contributed to good policy outcomes (or where less than effective use of information could have led to shortfalls in policy outcomes)**

I collected ‘instances’ from the data that illuminated the links between effective use of information (or less than effective use of information) and policy outcomes. These instances are presented in detail in Appendix 8 (see page 410).

In summary, instances where effective use of information contributed to good policy outcomes included the following:

- Evidence of an effective strategy for meeting need helped to ensure the success of a budget proposal;
- Quantitative data assisted in resource allocation (as a part of implementation), and in the budget bidding process;
- Assembling a body of evidence assisted a policy team in prosecuting a strong argument for their favoured option in a national review process;
- Information, including research evidence and information about models in other jurisdictions, assisted in developing policy options;
- Information about context often assisted in stakeholder management;
- Information about the authorising environment assisted policy practitioners in taking up opportunities and helped to ensure that policy was politically acceptable;
- Research evidence informed broader debate about policy directions and created a supportive environment for policy shifts.

Instances where less than effective use of information could have led to shortfalls in policy outcomes included the following instances, described in Appendix 8 (see page 414):

- Lack of evidence about ‘what works’ made it difficult to mount a case for a particular policy;
- Difficulty locating historical information about past work done on a policy issue meant that a policy being developed may not have been informed by previous work;
- Policy was sometimes developed in the absence of necessary information;
- Evidence collected for a particular policy project was not used in policy decision making, for political reasons; and
- Contracted research did not always provide a good product or ‘add value’.

**Enablers: organisational conditions for effective use of information in the policy process**

**Library services facilitate access to information from the literature**

Library services were reported to be very useful in facilitating access to information from the published literature (including research evidence and grey literature such as government reports). Library services in the Department may have been subsequently affected by cost-cutting measures since the period of data collection for this study.

**Access to data analysts and designated staff to do literature reviews assists in information generation to support policy development**

Having the necessary data available and the human resources to analyse data were seen as significant in ensuring good policy process. Branches which had designated data analysis teams or personnel appeared to have better access to information needed for
policy making. As one policy practitioner said, “the fact that these studies are being done and there’s data being available and there’s people who can analyse [the data] has made life so much easier” (PP8).

Early investment in assembling a body of evidence enables policy practitioners to seize opportunities

Investing early in assembling a body of evidence and other necessary information, before the policy task becomes urgent, was a key factor in the success of several policy episodes.

Policy practitioners often had to respond very quickly to requests for policy advice from the minister’s office. For example, one policy practitioner described how she received “regular phone calls to say this issue’s come up; what are we going to do about it?” (PP10). Experienced policy practitioners found that having ideas already developed about what needed to happen next helped them to take advantage of windows of opportunity that arose when events brought issues into political focus.

“It helps to have these sorts of ideas in your bottom drawer about what you think needs to happen next, because often you’ll get a phone call from the Minister’s Office saying there’s this journalist doing a story and we’ve got to be seen to be doing something, what are we doing?” (PP10)

In a policy episode which involved a submission to a national review, investing early in assembling a body of evidence was seen by one policy practitioner as very important in being able to take the opportunity that arose:

“I think for me, the experience with [this project] highlighted just how valuable putting the investment in early into understanding the problem and having the evidence has been, because it’s allowed us to prosecute a strong argument in a national arena when that opportunity happened to present itself…[C]reating the space to identify and start thinking about these issues early is really critical to being able to take your opportunities when they come, and for something like this kind of policy issue, where we have so few of the levers under our direct control, that’s critical.” (PP12)
Having policy ideas sufficiently developed reduced the risk of a “politically motivated knee-jerk reaction”, which was often the case when there was not a reasonably well developed proposal to put on the table, one practitioner commented: “…we get those all the time, and we’ve got to be in a position to say well, a more sensible way of tackling this issue is in this way” (PP10).

Investing in developing proposals earlier was seen as an important strategy for working more effectively with the cycles of government, including the budget cycle and the electoral cycle, and “getting ahead of the game” (PP1).

**Research commissioning programs (or capacity for research commissioning) enable information generation to support policy development**

One branch had an annual research commissioning program which, among other purposes, supported policy development. The ability to commission research (as well as to undertake research in house) clearly contributed to high levels of evidence-based policy development in this branch. For example, a policy team engaged in reviewing existing legislation and developing a new regulatory framework was able to commission a number of small research projects which contributed to the analysis of the existing situation and the development of policy options.

**Adopting a formal research and evaluation framework contributes to more effective use of research in policy making**

One of the participating branches had a research and evaluation framework; a plan for encouraging research and evaluation by developing a research agenda in line with DHS priorities and for encouraging and supporting research and evaluation that informed policy and practice. The aim of this program was not just to commission research, but also to build capacity outside the Department for research and to improve the prioritisation of research and the translation of research into policy. The experience of this branch suggests that adopting a formal research and evaluation framework is likely to improve the utilisation of research in policy making.

**Culture and leadership supports strong evidence-informed policy making**

One organisational unit appeared to be particularly strong in its research and evidence base for policy development. A team manager from this unit explained that
this was due not just to the availability of data analysts in the branch and a research commissioning program, but also the expectation that policy work would draw upon evidence:

“Most of the work we do that we’re developing does start from a fairly strong research base […] there is a basic expectation that any policy work that’s being done will draw upon existing evidence and where possible identify where there are research gaps that we need to fill.” (PP12)

The strength of evidence-based practice was seen to have positioned the branch very well in negotiations with the Commonwealth Government and in “pushing the policy agenda we want” (PP12).

The strength of this branch in evidence-based policy was attributed by the team manager to the leadership of the branch manager: “…it has been something that [the branch manager] has pushed quite heavily, the focus on utilising data, utilising evidence and ensuring that we’ve had evidence-based approaches” (PP12). The experience of this branch suggests that culture and leadership are very important in shaping an environment in facilitates the intelligent use of evidence, and therefore better policy work.

Workforce skilled in accessing, appraising and filtering information enables effective use of evidence

Clearly the skills of policy practitioners in accessing information were significant in terms of its use in policy development and implementation. These skills are discussed in Chapter 5 on page 188.

Close relationships with the research community ensure policy is based on the latest evidence

There were few references to relationships with the research community (which was surprising given the emphasis in the evidence-based policy literature on this link). Only one policy practitioner described keeping very “close connections” with people doing research to ensure that she was up-to-date with current developments (PP19).
Organisational barriers to the effective use of information in the policy process

Pressures of service delivery in an operational context prevent time and space being devoted to research and information generation

Policy practitioners from the branches with service system responsibility noted that there was very little time and resources for undertaking research. A typical comment was “We would love to have more time to do theoretical research but we probably don’t have a lot of time” (PP19). One policy practitioner from a service delivery area of the organisation commented that “we don’t do nearly as much [research] as we should”, explaining that there was not enough “time and space” due to pressures to “meet operational priorities”:

“I think there are enormous strengths that are underestimated about doing policy work within an operational context, but one of the challenges is that when you are coming from the operational context, you have to meet operational priorities, and that can often squeeze out doing the sort of developmental policy work that in the long term would mean that you were better set up for the operational challenges, but in the short term is very hard to find space for, because if a hospital can’t meet its payroll next Thursday, that’s what you’ve got to do something about.” (PP19)

This putative barrier could be understood, in some degree, as reflecting the tensions between the different domains of governing capacity (this is discussed further in Chapter 8).

Limited resources for research commissioning in some parts of the Department mean necessary evidence is not always available

In many areas of the Department there seems to be limited capacity for commissioning research. It was beyond the capacity of the more operational branches involved in the study. This apparent barrier to the availability of necessary evidence could be understood, in some degree, as reflecting the tensions between the different domains of governing capacity. It is discussed further in Chapter 8.
Tendency to outsource research combined with lack of capacity amongst external consultants means research does not always meet policy practitioners’ information needs

There was a tendency to outsource research, which, while often done for good reasons, did not always produce results which met policy practitioners’ information needs. The decision to commission research by external consultants was often seen to be made due to a lack of capacity within the Department. Referring to a major policy project which was contracted out, a focus group participant said: “...I think often we need those sort of consulting groups because we don’t allow ourselves the time and we don’t value time spent in evidence gathering and analysis enough” (FG7).

Lack of communication between different parts of the Department makes gathering information difficult

Many people experienced frustrations in trying to get information from other areas of the Department. Difficulties were attributed to people focusing on their own particular role and work and also to the silo nature of the organisation. However a policy practitioner involved in a large scale cross-portfolio project commented that whilst information from other portfolio areas was not easy to get “because everyone has their own objectives”, on the whole, cooperation was good (PP3). Some level of frustration with the process of accessing information held in different parts of the organisation was generally seen as part and parcel of working in a large bureaucracy.

Some practitioners described difficulties in obtaining expert advice from other parts of the organisation, such as the “service areas of the Department like Industrial Relations Branch, HR, Finance” (PP16). One policy practitioner explained that “...my biggest challenge often is getting the right advice about interpreting internal departmental policy, or even government policy about what’s the indexation rate and why, and those sorts of things” (PP16).

Lack of access to senior decision makers means information about the authorising context is not always available

Lack of access to senior decision makers (or briefings by senior people), including those in central agencies, was seen by a focus group participant as a barrier to obtaining needed information about the authorising context for policy. A focus group participant
commented that only a few people had such access to senior people in central agencies—“who are important in terms of defining what the direction is and what those opportunities might be from time to time” (FG6). Others, she suggested, had to rely on this sort of information “coming down through the line” (FG6).

Lack of systems for preserving corporate knowledge means historical information is not always available

Often detailed historical and program-specific knowledge was needed for policy making; however this information was not always systematically recorded, transferred and preserved. One policy practitioner described how doing her job required detailed historical information about hospital budgets; information which was largely undocumented and limited to the specific people working in the area:

“In my particular job, knowledge is actually really important, and it’s a real problem in terms of continuity and transfer, because a big hospital’s budget might have sixty different funding lines in it. Each one of them has a history. Very little of it’s documented, and very few people are in the position where they’ve actually had to – all the program areas only need to know about their line. So there’s few people who are structurally in the position of ever having had to ask how each one of them works.” (PP2)

Gaps in internal information systems mean quantitative data is not always available to inform policy development

Often new policies required information that was not available from existing data sets. For example, one policy practitioner described having to collect detailed information from individual health services during policy implementation, since existing databases did not contain the information she required.

Several focus group participants commented on significant gaps in the internal information systems:

“[W]hile in some areas of the Department we have excellent systems, we’ve got great really rich data environments, in others we have next to nothing.” (FG5)
“In some areas we don’t have data. In other areas we have a lot of data and we don’t use it.” (FG7)

Another focus group participant agreed, stating that she had just discovered a data set that she hadn’t known existed.

**Speed of political decision making sometimes precluded systematic collection and appraisal of evidence**

The speed of policy decision making sometimes precluded systematic collection and appraisal of evidence or meant that decisions had to be made before the data was collected. For example, a policy practitioner working on a state-wide capital plan found that he had to set priorities for capital investment before he had started the planning process, to feed into another policy development process within the Department. This barrier is discussed further in Chapter 8.

**Political priorities sometimes prevent effective use of evidence**

Sometimes policy decisions were made for political reasons and there was no attempt to review research or to generate research evidence prior to policy decision making. For example, one policy practitioner said: “*some things you can’t rely on research you’ve just got to do because there’s an imperative*” (PP5). A senior policy manager described how some policy was “*based on expediency, because you know you’ve got to do something, and you’ll have a go at various things*” (SPM2). This issue is discussed further in Chapter 8.

**Evidence-based policy not a high priority in all areas of the Department**

Some people commented that the priority given to evidence-based policy, and the degree to which this was required, was variable throughout the Department. For example, one policy practitioner said “*...we talk a lot about evidence-based but it still seems to be in little segments*” (PP15).

**People management in relation to policy development**

A policy-competent workforce is a critical element of policy capacity. The relationship between policy competencies and policy outcomes is described in detail in
Chapter 5. Few instances are listed in this section because the comments of my interviewees mainly referred to enablers and barriers.

The people management domain of policy capacity includes a range of organisational structures, processes, norms and protocols for managing the policy workforce in the organisation. These include issues of organisational design (the assembly and location of policy workers and teams and the relationships between them), professional development practices, recruitment and retention strategies, selection and recruitment practices, career planning and succession planning.

**Instances where effective people management contributed to good policy outcomes (or where less than effective people management could have led to shortfalls in policy outcomes)**

Instances where effective people management contributed to good policy outcomes are summarised in Appendix 8 (see page 417). These instances included:

- Assembly of project teams to include an appropriate mix of knowledge and skills ensured the necessary knowledge base to inform policy development;
- Bringing in a person from a health service on secondment enabled access to necessary health sector knowledge in a particular project; and
- Placement of a policy project into a team with appropriate content knowledge saved time and ensured the policy met stakeholders’ needs.

Instances where less than effective people management could have led to shortfalls in policy outcomes included:

- Deficits in policy-relevant knowledge and skills generally, and particular knowledge and skill sets, were widely believed to compromise the quality of policy work; and
- Outsourcing of policy work (due to lack of personnel in house) resulted in wasted time and money in some policy episodes.
These instances are presented in detail in Appendix 8, page 419.

**Enablers: organisational conditions which enabled people management decisions to contribute usefully in the policy process**

Professional development opportunities provide staff with a broad range of opportunities to develop skills

There was clearly a broad range of professional development opportunities already available to staff in the Department. These included opportunities to attend conferences, seminars and short courses, support to undertake formal postgraduate study including the Australia and New Zealand School of Government Executive Master of Public Administration, as well as other opportunities such as overseas study. The provision of these sorts of opportunities was seen as a strength of the Department. Typical comments were: “I think the Department is quite good at providing opportunities to attend conferences and seminars and do further study” (PP13) and “…there are a range of opportunities around access or support for external learning” (PP19).

There were also various opportunities provided for ‘in house’ learning experiences within the Department such as rotations in different program areas and regional offices, opportunities to learn from more experienced staff through formal and informal mentoring, and participation in policy seminars (such as the Social Policy Group).

Some branches had branch development plans where learning experiences were provided branch-wide as well as to individuals. These branch development plans were believed to build the capabilities of the entire branch. One branch had a whole-of-branch development plan where the entire branch was expected to participate in activities such as workshops (on topics including financial management and policy dilemmas). In this branch, as well as the branch-wide activities, individuals were encouraged “to go to various training and other developmental programs, conferences and the like” (PP1).

The manager of a policy unit described how he tried to expose his policy staff to decision making processes and broader government policy directions through seminars
and meetings in order to improve their knowledge of public sector environment and their political astuteness. He described this as “the best way to expose people to help them understand what the reasons are for decisions and perhaps inform them, understand what are the drivers of a particular individual, the Minister or whatever” (PP7). He described how, during the development of a legislative framework, he had taken most of the team to a number of meetings with the minister “and used them to take her through what the options were”. He reported that “it gave them a lot of insight into what she was interested in and whether these things were a possibility, what didn’t interest her, what she couldn’t do. And it made them have to construct arguments” (PP7).

Informal mentoring by managers builds understanding of authorising environment and strategic and political skills amongst staff

Managers commonly provided informal mentoring to their staff to assist them in developing an understanding of the authorising environment and skills in how to manage the policy making environment. One senior policy manager described how she had provided assistance to a staff member who didn’t “have that sense of how government works” (SPM1). As well as sending her on external short courses about how government works, she wanted to “help her find an accommodation with this fluid environment” help her learn how to flexibly manage the environment, seize opportunities and make compromises. She did this through informal mentoring and coaching and designing opportunities for her to get feedback on her work from other senior executives.

Policies legitimising staff time spent in health service agencies create better knowledge of health service system amongst staff

For policy practitioners who are more removed from stakeholders outside the organisation or who do not have backgrounds working in the health sector, spending time in health services was seen as important: “I think we need to, where we can, have staff spending more time out in the health services, better understanding what are the issues that they’re facing and what might be the impact of some of the policy responses” (PP7).
In one branch, there was a requirement to “go out and spend time talking to services and stakeholders about the problems and the impacts of the proposed policy responses” (PP7) in order to understand the service needs. A team leader from this branch described sending all of her staff, including those who were in junior positions, on a “road show”, talking to hospitals about the policy being developed, to ensure that they gained a “wider perspective” that enabled them to “think outside the square” about the possible policy options (PP8).

**Organisational barriers which appeared to limit effective people management decisions in the policy process**

**Lack of time for professional development (and inability to backfill positions) means opportunities are often not accessible**

Although there were many opportunities for professional development available, participants frequently reported that they were not always able to take advantage of them due to being overwhelmed with their day to day workloads:

“Because people are so overwhelmed with work so much of the time, going off and doing these sorts of things is often seen as a luxury that they can’t afford” (PP1)

“Look I think there are barriers in terms of time. People think time is precious and they should be spending every minute of their day working, and nothing but working, and I think it’s a bit endemic in this place.” (PP22)

“… personally I haven’t been to a training program for a long time, simply because I just don’t have the time.” (PP8)

Several participants (including branch managers and policy practitioners) commented that the inability to backfill positions often prevented people from participating in professional development. This barrier can be understood in terms of tensions between policy capacity and administrative capacity, and is discussed further in Chapter 8.
Lack of career paths prevents development of senior policy-focused personnel

Several participants commented on the lack of career paths for policy analysts. A policy analyst who was in a relatively unique position of having a designated policy position without line management responsibilities commented on the scarcity of such positions in DHS: “I’m in the absolutely luxurious position of not managing a budget, not managing people, not managing a program, and being at VPS6 level, so I’m unique. But I’ve really strongly resisted being pushed into management” (PP10). VPS6 level is the level just below executive officer positions. Another policy practitioner who was in a management position but able to undertake significant policy work said: “…I don’t think there are that many lovely policy jobs like mine around the Department” (PP20). She commented that although she was able to do this work at her current level in the organisation, she would not be able to “at the next level”.

Senior positions tended to be largely management-focused and the management responsibilities associated with these roles were perceived to crowd out policy work:

“…there’s not a career path for policy analysts, because what happens to them is that they get thrust into management roles, and these days management roles are so demanding in terms of the bureaucracy and the administration.” (PP10)

“Being able to have the time to sit down and do some clear thinking, to advise things, is very tricky when you’re also managing a team.” (PP16)

The system of promotion based on significant changes in responsibilities did not encourage people to stay in policy roles. As one policy practitioner commented:

“Currently our system is such that if you’re a [VPS5 or VPS6], in order for you to progress to the next level, there has to be a significant change in your work. So it disregards the fact that your current work is going to be so difficult anyway.” (PP8)

Tendency to ‘recruit laterally’ rather than train people at junior levels leads to deficits in knowledge of public sector environment and failure to develop junior policy staff

Some respondents believed that current recruitment practices were focused on recruiting to high level positions, and not enough focus was put on recruiting and
training junior people, as the following quotes from two managers of policy-oriented branches illustrate:

“…what we don’t do as well as we should is we often recruit laterally. 
[...]We’re recruiting at the high levels. I don’t think there’s enough effort spent on trying to build people from a more junior level upwards.” (PP7)

“We have very few graduate entry level people coming into the Department, which I think is another weakness, I might say. Far too many entry level positions, if you look at the jobs that are advertised by DHS in the papers and elsewhere, they are overwhelmingly at higher levels, which I think again is bad, because we should be grooming, recruiting young people, quite frankly. If you look at the demographic, the reality is that old crows like me are going to be gone in five years and then there’s going to be this great hole, and I don’t believe we are well positioned to fill that hole.” (PP1)

High staff turnover prevents development of content knowledge and leads to loss of corporate memory

A common problem noted in the interviews was the high turnover of policy workers in some areas of DHS, which was seen to hamper the development of deep content knowledge. A typical comment was: “I think the Department needs to work on its staff turnover. The reason that I think I’m good at what I do is because I’ve been here five years. [...] People don’t stay long enough to develop those skills” (PP8).

Continuity of staffing was important for a number of reasons. Developing the depth of expertise and historical knowledge required for policy work often meant “staying long enough to actually progress and build that knowledge base” (PP8). One policy practitioner suggested “…you need to be in a job for at least two years before you get a full handle of the issues” (PP8). Working with the flows and seasons of government processes often meant that ideas had to be wheeled out several times before they were successfully adopted; this meant people had to stay long enough to wait for the right time: “…the stars have got to be aligned for you to even get anything up, and then what you do if you don’t get it up is you put it in your bottom drawer, and if you stay around long enough, you get another opportunity to whip it out” (PP10).
Failure to retain experienced policy practitioners was seen to lead to a loss of corporate knowledge:

“You have to reduce staff turnover in any policy team because to retrain somebody every time somebody new comes in or somebody experienced leaves, you lose a chunk regardless of how good their handover notes are. You can’t bottle that mental ability.” (PP8)

“…people who are the repository of historical knowledge about a program or an area [are] very valuable to have around, because we can say no we’ve dealt with that and this is how it was dealt with and this is the rationale and maybe there is a new aspect of the problem or maybe it is the right time to do something about it now…” (PP10)

Failure to provide adequate induction training on the ‘business of the public sector’ leads to deficits in knowledge of public sector environment and political astuteness

Some interviewees commented on the tendency to recruit practitioners from outside the public sector to senior positions. Often these practitioners have no (or limited) experience in the public sector, and the induction they receive does not, in the opinion of some, equip them adequately with knowledge of public service structure, process and culture and the complexities of working in the public sector.

Lateral entrants (people coming into middle or senior level policy positions from outside of government) were often highly skilled in their own field, “well along in their careers” (PP1) and “past the point at which it’s comfortable to ask anything” (SPM1). A branch manager made the following comments:

“…but they aren’t necessarily bureaucrats. So what do we do to prepare them for bureaucratic life? Virtually nothing.” (PP1)

“I believe that this organisation is weak [...] in terms of teaching people, newcomers, the business of the public service. How to be a good public servant, how to be a good bureaucrat, is not taught.” (PP1)
The existing induction program was seen to be inadequate to provide such lateral entrants with sufficient knowledge of the public sector environment, including accountability processes and structures.

To some extent this was seen as the consequence of a policy to recruit practitioners with health sector experience, which, while appropriate at the time, led to a deficit in public sector knowledge:

“I actually think that over the past few years there’s been a really strong desire in the Department to increase our on the ground sectoral knowledge, and an extraordinary amount of recruitment of practitioners and people with backgrounds from service delivery, which was, at the time I’m sure, needed, and is very important, but none of those people are being skilled up in what it takes to be a professional bureaucrat. So [they] tend to struggle a bit with managing the normal processes of government, the awareness of the broader framework of public accountability and the link between the policy objectives of the democratically elected government and our obligations to implement them, and the mechanics of the government process just in terms of getting things done.” (PP2)

Lack of adequate succession planning contributes to loss of health sector knowledge

In some program areas, policy development depended on detailed local historical knowledge of particular parts of the health system. One policy practitioner whose policy work depended on such knowledge and who was about to leave her role to move to another part of the Department expressed concern at the lack of succession planning (PP2). A policy practitioner in another branch commented on the high rate of staff turnover and the loss of knowledge that occurred each time “somebody experienced leaves” (PP8). Another policy practitioner in this branch also commented that “one thing that could be an issue is succession planning with staff, because I can imagine circumstances where if one person disappears, effectively the knowledge base of that area is gone” (PP11).
Crisis of operational capability leads to focus on recruiting for and developing operational/management skills rather than policy skills (leading to deficits in policy skills)

The Department of Human Services, along with similar departments in other jurisdictions, was seen to be having a crisis of operational capability, with insufficient front line and management staff in operational areas. This meant that the focus in terms of human resource management was firmly on developing operational capacity, as one senior policy manager explained:

“…by and large the focus is on managerial capacities.” (SPM1)

“…most of the management work is about maintaining and improving within an existing envelope the operational capacity, and we are often desperate for good managers, because we have very large numbers of staff and they often do difficult, dangerous work, highly stressful work. [...] So that is a very high priority for DHS. It has to be.” (SPM1)

Policy development, however, was seen to require different skills from those necessary for operational management, such as “being able to envisage something” (PP21). One policy practitioner commented that “an effective manager may not necessarily be the person you find most inspiring in terms of actual policy development” and “it doesn’t go hand in hand that people who are good at managing are necessarily good policy developers” (PP21). Several other policy practitioners made similar comments.

This barrier can be understood in terms of tensions between policy capacity and administrative capacity, and is discussed further in Chapter 8.

Managing stakeholder relationships

Policy practitioners worked with a broad range of stakeholders in developing and implementing policy, both external to the organisation (including managers and staff of health service agencies, professional associations, and non-government agencies; other government departments and central agencies; ministers and ministerial officers) and internal stakeholders such as staff in other program areas and senior executives. This
section of the chapter deals with stakeholder relationship management generally
(particularly looking at stakeholder management and consultation). The two domains
that follow this section address management of relationships that cross boundaries
(intra-portfolio, cross-portfolio and jurisdictional) and management of relationships
between policy development and program management more directly.

**Instances where effective stakeholder relationships management contributed to good policy outcomes (or where less than effective stakeholder relationships management could have led to shortfalls in policy outcomes)**

Instances where effective stakeholder relationships management contributed to
good policy outcomes are described in Appendix 8 (see page 420). These include
instances where:

- Successful management of stakeholder opposition prevented a policy from
  being derailed by powerful stakeholders;

- Stakeholder consultation provided information about stakeholder needs
  and preferences, informed policy decisions and ensured the relevance of
  policy to stakeholders;

- Communicating the vision and intent of a policy contributed to successful
  implementation; and

- Communication with the Minister’s Office helped to secure political
  support.

Instances where less than effective stakeholder relationships management led to
shortfalls in policy outcomes included instances where:

- Failing to engage the authorising environment early in the policy
  development process meant that a policy did not get senior endorsement;

- Failure to consult with and engage the service sector in a meaningful way
  meant some policies ended up being ‘desktop jobs’ which did not produce
  real change;
• Failure to effectively engage central agencies and internal research managers stymied implementation of a new policy framework; and

• Lack of effective management of a powerful lobby group was seen to contribute to disappointing outcomes.

More detail regarding these instances is provided in Appendix 8 (see page 423).

**Enablers: Organisational conditions which enabled effective stakeholder relationships management in relation to policy development**

Professional development in relationship management and communication skills enables more effective stakeholder management

In many of the instances described in the previous section of this chapter, the relationship management and communication skills of the personnel involved clearly contributed to successful engagement and management of stakeholders. These relationship management and communication skills are described in more detail in Chapter 5. Professional development in these areas would be likely to improve stakeholder relationships management. The instances described in the previous section suggest that professional development needs to include not just the operational mechanics of successful communication and consultation, but also the more strategic questions such as who and when to consult.

One branch had undertaken branch-wide professional development to build communication skills, which was seen as very helpful: “...we’ve had a number of communication seminars, we’ve looked at Barkly’s model for communication – it’s given everyone a really helpful framework to think about communication” (PP9). These communication seminars, a policy practitioner reported, had helped staff to “understand levels of communication, being clear on who you need to communicate with and why, for what purpose, the dangers of over-communicating. [...]... being clear on whether we’re engaging someone and we’re really consulting, or are we just informing.” (PP9). Another branch was also planning professional development activities focused on improving communications.
Communication channels with a range of stakeholders contributes to successful stakeholder engagement

From the instances described in Appendix 8, it is clear that effective communication with a range of stakeholders (including, among others, minister’s offices and central agencies) was essential for many policy projects. Having appropriate communication channels in place facilitates such effective communication.

Informal norms and protocols supporting meaningful and focused consultation processes ensure stakeholder input and engagement

Meaningful and focused consultation processes were also essential for ensuring effective stakeholder input and engagement. Fostering these seems to depend not just on practitioner skills but also on an environment in which stakeholder consultation is valued, and where the informal understood ways of working support practitioners in their efforts.

Barriers: Organisational conditions which appeared to limit the effectiveness of stakeholder relationships management in relation to policy development

Meaningful consultation and communication is time consuming and resource intensive; resources are not always available

Several practitioners commented on the time and resources consumed by meaningful consultation, and how hard it often was to consult well within the available resources. For example, the manager of a service delivery branch said:

 “[C]onsultation is terribly important, but on the other hand it is also very time consuming and consultation needs to be honest and real, not token, and that means that at times it can be very difficult to get a shared view of where you go, within the funds available.” (PP19)

Another policy practitioner in a different branch also commented on the resource barriers to effective communication: “Communications – this is one area that we can improve more on. […] it’s very restricted. Sometimes it’s because of a budgetary constraint, sometimes because of a time constraint” (PP8). These barriers are discussed further in Chapter 8 as a tension between policy capacity and administrative capacity.
Political risks associated with consultation mean consultation processes are not always undertaken

Consultation involves political risks such as potential breaches of confidentiality, raised public expectations and the potential for priming stakeholder opposition. In some policy projects, the extent of consultation was deliberately restricted altogether, or limited to discrete, well defined and carefully managed stages to minimise political risks and ensure that potentially politically embarrassing information was not turned up. This barrier is discussed further in Chapter 8 in the context of tensions between policy capacity and state capacity.

Managing intra-departmental, cross-portfolio and inter-governmental relationships

This section addresses the management of relationships across boundaries: intra-departmental, cross-portfolio and inter-governmental.

Almost all policy episodes that participants talked about involved relationships that crossed boundaries. As one practitioner said, “There’s never a problem that not at least five people in this place are thinking about” (PP16). Due to the size of DHS, much of the cross-portfolio collaboration is actually across divisional boundaries within the organisation, rather than with other government departments. Typical comments were: “...much of the interaction with others that we need to have is within our own department” (FG7) and “with separate ministers and separate programs, which have their own imperatives in every respect, working within DHS is a form of inter-governmental work...” (SPM1).

Instances where effective intra-departmental, cross-portfolio and inter-governmental relationships management contributed to good policy outcomes (or where less than effective intra-departmental, cross-portfolio and inter-governmental relationships management could have led to shortfalls in policy outcomes)

Instances where effective intra-departmental, cross-portfolio and inter-governmental relationships management contributed to good policy outcomes are described in Appendix 8 (see page 425). They included the following:
• Good management of relationships across DHS ensured a good outcome from a project that crossed program boundaries;

• Good management of relationships with other departments and portfolio areas ensured the success of a budget bid;

• Regional management forums led to good local level horizontal collaboration;

• A whole of government working group contributed to effective policy coordination across jurisdictions;

• A shared sense of problem and commitment to outcomes contributed to effective inter-governmental collaboration; and

• Mediating between the Commonwealth Government and Victorian health service providers built shared understanding in a cross-jurisdictional policy project.

Instances where less than effective intra-departmental, cross-portfolio and inter-governmental relationships management led to shortfalls in policy outcomes are described in Appendix 8 (page 428) and include the following:

• Difficulties getting input from other program areas contributed to delays in cross-portfolio projects;

• Lack of clearly designated leadership prevented effective collaboration and created the potential for policy failure;

• Inter-governmental committees where “nothing ever happens”; and

• Coordination of a whole of government process by a service delivery branch meant that broad government ownership was difficult to gain.
Enablers: organisational conditions that enabled effective intra-departmental, cross-portfolio and inter-governmental relationships management in the context of policy development

Practitioner skills in relationship building and communication contribute to successful collaboration

From the instances presented above, it is clear that practitioner skills in relationship building and communication were critically important for ensuring successful relationships management across program, portfolio and governmental boundaries. These skills and their contribution to good policy process are covered in more detail in Chapter 5.

Organisational design facilitates collaboration across internal boundaries

To some extent, the design of the Department itself, which brought together a number of portfolio areas into the same organisation, was seen to facilitate integration: “...large departments are an expression of a theory about integration, and that if you can integrate at the level of the organisational chart, that will make it easier to integrate at the level of the service system” (SPM1).

Sound stakeholder analysis and environment scanning contributes to better relationships management across boundaries

Focus group participants identified the quality of stakeholder analysis and environment scanning as important factors determining good relationships across boundaries:

“[D]oing the right sort of stakeholder analysis and identifying who it is you need to involve and then how you involve them, what mechanism you use to involve them, is an important precursor to rolling out policies.” (FG1)

“It’s about has your environment scan been broad and being able to think laterally about how you might be able to leverage off something else that’s happening.” (FG6)
**Barriers: organisational conditions that appeared to limit effective intra-departmental, cross-portfolio and inter-governmental collaboration in the context of policy development**

**Barriers to effective communication across the department compromise effective internal cross-portfolio collaboration**

There appeared to be a number of barriers to effective communication across the different branches and divisions of the Department, which sometimes prevented effective internal cross-portfolio collaboration. These barriers include cultural barriers (norms of operating within program boundaries); lack of communication and interpersonal skills amongst policy practitioners; and lack of opportunities to cultivate informal relationships across the Department.

One focus group participant argued that it was now more common than it had been in the past for people to “think about needing to talk to other people” (FG7). However, she believed that the way in which they talked to and engaged with other people was still “too late, too infrequent, too little thought about”.

There may also be structural barriers. One policy practitioner commented that there were separate sets of agendas in different parts of the Department and that the integration was at superficial management and administrative levels rather than at the level of fundamental philosophies and ways of working (PP6).

Barriers also included the demands of operational management, which often conflicted with the time that needed to be invested in making internal cross-portfolio projects work: “But it is a significant challenge to get any other part of the Department to work with you and to take what you’re doing as a priority, because they’ve already got their own overwhelming demands” (PP17).

**Lack of opportunities to make links and develop effective relationships with people from other jurisdictions means opportunities for working together may be lost**

One policy practitioner working on inter-governmental policy development commented on the lack of opportunities for developing relationships with people from other jurisdictions working on the same policy issues. There were no cross-jurisdictional meetings in her policy area where ideas could be exchanged. She
explained how opportunities for information sharing: “helps you build up relationships so that when and if issues come up, you feel more comfortable – first of all you know who to contact, and then you have a level of comfort about doing that” (PP18). It was hard, she explained, to “ring a department cold when you don’t have the connections”.

**Conflicting objectives between levels of government may prevent effective inter-governmental collaboration**

Imbalances in power, competitive relations and conflicting objectives between levels of government (between the Commonwealth and the states and between the states and local government) were seen to, in many cases, prevent effective inter-governmental collaboration. Some participants argued that these issues need to be addressed at a broader level, and that there was little value in trying to improve the capacity within the Department for better inter-governmental collaboration because “they don’t hold the power” (FG7). A senior policy manager described how a couple of years previously, DHS had made “quite a significant investment in a strategic project about inter-governmental relations, and how to try to improve it and how you could learn from those Commonwealth-State agreements that have worked well”, but this project had had “almost no impact because it’s the sound of one hand clapping” (SPM1). She pointed out that “There’s no point having really good ideas about collaborative federalism if the other side doesn’t want to play”.

**Lack of avenues for inter-governmental collaboration in some policy areas**

A focus group participant commented on the lack of avenues for engagement with the Commonwealth Government in some policy areas. She found the lack of “informal or formal forums to actually make those connections” to be a difficulty (FG6). This participant also commented on the limits to the ability of the state offices of the Commonwealth Government to represent the Commonwealth in negotiations with the states: “in many instances, their influence and their power in the Commonwealth is quite minimal…” (FG6). There was agreement amongst the focus group participants that the relationship between jurisdictions varied between policy areas, with some working together better than others. It seemed to depend on the extent to which they had to work together to achieve common goals, and “who’s got the most important bits of it” (FG7).
Many of these issues (such as the way in which the Commonwealth Government is structured and Commonwealth policies for inter-governmental communication) are beyond the scope of the research. They are mentioned here because they may present barriers to collaboration but they are not addressed in Chapter 7 (which is about building organisational capacity).

**Competitiveness between ministers, departments and levels of government works against effective collaboration**

Competitiveness between ministers, departments and levels of government was perceived to present a significant barrier to effective inter-governmental and cross-portfolio collaboration. As one senior policy manager suggested, “*What would enormously facilitate [inter-governmental collaboration] would be if our politicians would cease throwing rocks at each other and actually recognise mutually the value of working across jurisdictions and there could be no more evident area than health*” (SPM2). This barrier can be understood in terms of tensions between different aspects of governing capacity. This is explored further in Chapter 8.

**Current incentive structures largely reward ministers and bureaucrats for individual success**

The current incentive structures were seen by one senior policy manager to largely reward ministers and bureaucrats for individual success rather than for collaborative policy development and implementation: “*...no one who plays in Commonwealth-State relations ever gets rewarded for generous collaborative behaviour. You get rewarded for being a ruthless warrior...*” (SPM1). The budget process was also seen to reward “*the portfolio level over the joined up*”, which provided “*implicit signals*” that discouraged collaborative bids (SPM1).

This senior policy manager saw the levers for change as largely outside the control of particular departments and requiring commitment at the political level: “*...at some point, a cabinet has to make a resolution that they are actually all in this together, and they’ll get a better result collectively if they act collectively*” (SPM1).

The culture at senior levels in departments was seen as very important in shaping the conditions in which cross-portfolio and inter-governmental collaboration could
flourish: “My view is that the culture at the top is very important, and there are some pretty uncaring, un-sharing people, some real boundary riders and bullies at the secretaries level, and only costly signals count, really” (SPM1). This barrier can be usefully understood in terms of tensions between different aspects of governing capacity. This is discussed in Chapter 8.

Lack of clearly assigned leadership sometimes compromises internal and external cross-portfolio policy development projects

It seemed, from the accounts of some participants, that a lack of clearly assigned leadership amongst government agencies or areas of the Department (and/or allocation of responsibility to areas of the Department that did not have sufficient leverage) sometimes compromised effective management of relationships across boundaries.

Large size of DHS compromises negotiations with other States

According to one focus group participant, the large size of the Department was seen as a significant challenge when it came to negotiating with the other states because it was seen to get “the lion’s share of state revenue” (FG4). The perception that DHS had “such extraordinary capacity, flexibility, because of the size” (FG4) was seen to make it more difficult to negotiate successfully. As the focus of this research is on building policy capacity within organisations, this barrier (the problem of external perceptions of DHS) is not addressed in Chapter 7.

Working between policy development and program management

This domain concerns the relationship between policy development and program management (which is often understood as policy implementation). This section of the chapter begins by describing instances from the data where relationships between policy development and program management contributed to good policy outcomes, or where the lack thereof seemed to lead to shortfalls in policy outcomes) and then presents organisational enablers and barriers to effective relationships in this area.
Instances where relationships between policy development and program management contributed to good policy outcomes (or where lack of relationships between policy development and program management seemed to lead to shortfalls in policy outcomes)

Instances where relationships between policy development and program management contributed to good policy outcomes included the following the following instances described in Appendix 8 (see page 430):

- Including implementation plans in policy documents put in place the necessary conditions for successful implementation;
- Engaging implementers in policy design ensured that policy was based on the real world context, ensured ‘buy in’ and built a constituency for implementation;
- Providing for the capacity building (of implementing agencies) within policy design enhanced the chances of successful implementation; and
- Field testing enabled policy ideas to be ‘reality tested’ prior to implementation.

Instances where lack of relationships between policy development and program management could have led to shortfalls in policy outcomes are described in Appendix 8 (see page 432) and include the following:

- Lack of staffing and resourcing for the coordination of implementation created challenges in terms of ensuring coherent and timely implementation;
- Policy developed in the absence of operational input was difficult to implement;
- Good policy ideas were sometimes lost during implementation; and
- Some politically-driven policies were not intended to be implemented.
**Enablers: organisational conditions for more effective management of relationships between policy development and program management**

Skills in policy development (and implementation planning in particular) increase the likelihood of successful implementation

Based on the instances described above, it is clear that skills in policy development (and implementation planning in particular) are critical to successful implementation. These included understanding the necessary conditions for implementation; preparing implementation plans and engaging implementers in policy development.

**Informal norms and protocols supporting involvement of implementers in policy design leads to more successful implementation**

Involvement of people responsible for implementation ensured that policy was soundly based on knowledge of the health system, built a constituency for implementation and enabled a sense of ownership or partnership that facilitated successful implementation. Informal norms and protocols in some parts of the department seemed to facilitate this way of working.

**Norms and protocols supporting building capacity of implementing agencies contribute to successful implementation**

As described in Appendix 8 page 431, making provision for building the capacity of implementing agencies to implement policy, as a part of policy development (for example, through funding, guidance and mentoring), was an important contributing factor to policy success. There seemed to be norms and ways of working in some parts of the department which facilitated this capacity building activity as a part of policy development and implementation.
Organisational barriers to the effective management of relationships between policy development and program management

Lack of understanding of the conditions for successful implementation, and lack of implementation planning leads to implementation failure

A senior policy manager described how at times in the Department there had been areas where people thought that if a policy “was full of great words then it would be implemented”, and did not understand that “policy is like a pre-prepared canvas” where the detail needs to be filled in during implementation (SPM2). According to this manager, there was a lack of understanding in some areas of the Department that business plans were needed to “attract the resources that were necessary to make things change and then influence the people who were actually going to implement those policies, in order that those changes occurred” (SPM2). The fact that these barriers seemed to be associated with particular areas of the Department suggests that this lack of understanding and lack of implementation planning is as much the result of a lack of informal norms and protocols, as a lack of skills and competencies.

Separation between policy development and operations areas of the Department carries risks in terms of implementation failure

Participants expressed concern about the extent to which policy was developed in the absence of operational input, which resulted in policy that was less implementable. There was a consensus amongst focus group participants that there needed to be “a very close connection” (FG4) between policy and program staff. Establishment of separate policy areas was also seen to result in “some fracturing of relationships and some disenfranchisement” (SPM2).

There are tensions involved in the institutional location of policy development and program management functions. These are discussed further in Chapter 8.

Lack of continuity of staffing between policy development and implementation means the intent of policies may be lost during implementation

One senior policy maker described her anguish at watching some of the policies she had engineered “evaporate” because her “successors totally missed the point” (SPM1). She said: “In my experience, as soon as the people who are really good at
policy and who’ve done the work in policy vacate, it just goes to pack, because people come in who don’t grasp the kernel, and they just let it go.” Two focus group participants recounted similar experiences, with one describing the sadness experienced when “something you’ve had a lot to do about then just falls away, because other people get involved and don’t really know what it was trying to do in the same way, don’t drive it” (FG3).

A senior policy manager argued that “the way to implement is to have someone remaining on the scene to revisit the essential nature of the reform” (SPM1). Another senior policy manager agreed: “It’s always going to be better to have the people who oversighted the policy development sort of closely connected with implementation...” (SPM3).

A focus group participant argued, however, that although it was necessary to be connected with implementers and involved in implementation, “actually having to manage the whole process of implementation is a huge job in itself” (FG2). There is a tension between being involved in implementation and “being freed up from the minutiae to do the policy work” (FG2).

**Political risks involved in engaging implementers in policy development may lead to their exclusion (and less meaningful policy as a result)**

In some projects, implementers were deliberately excluded from policy design (as in the two projects described earlier in the ‘instances’ section). This was due to the political risks. This barrier can be understood as a tension between different types of governing capacity and is discussed further in Chapter 8.

**Policy evaluation and monitoring**

This section of the chapter explores the relationship between evaluation and monitoring (including impact/outcome evaluation and formative evaluation, monitoring of implementation and evaluation of the policy process itself) and good policy outcomes, drawing on the interview data. It then identifies the aspects of policy capacity (structures, processes and cultures) that facilitate the effective use of evaluation and monitoring in the policy process.
Instances where evaluation and monitoring contributed to good policy outcomes (or where the lack of evaluation and monitoring appeared to limit the achievement of good policy outcomes)

Instances where evaluation and monitoring contributed to good policy outcomes are described in Appendix 8 (see page 434) and include the following:

- Good evaluation data protected a program from falling victim to fluctuating fashions and policy priorities;
- Demonstrating the impact of a pilot project, through good evaluation, generated strong stakeholder support for implementation; and
- Monitoring the implementation of a new regulatory regime allowed incremental adjustment of that regime in the course of implementation.

Instances where lack of evaluation and monitoring appeared to limit the achievement of good policy outcomes are described in Appendix 8 (see page 435) and include the following:

- Policy work which involved strategies which had been previously applied but not evaluated was unable to benefit from the previous experience;
- Poor quality or purely summative program evaluation failed to inform future policy makers about the dynamics of change; and
- Poor specification and management of commissioned evaluations meant they often failed to inform ongoing policy development and implementation.

Enablers: organisational conditions for effective use of evaluation and monitoring in the policy process

Access to technical (evaluation) expertise and advice contribute to more useful evaluations

The Metropolitan Health and Aged Care Services Division within the Department had a specialist evaluation unit which had been operating for approximately two and a
half years. It was set up, initially on a trial basis, in recognition of the importance of evaluation and the need for capacity building with respect to evaluation. The role of the unit was to assist in specification of the evaluation, the selection of consultants, and monitoring of evaluation consultancies: “it’s not about doing the evaluation but just supporting you…” (FG7). It also had an “up-skilling, consulting kind of role, to help people within this division to learn about evaluation and get better quality evidence from evaluation” (Technical specialist). There was general agreement that the success of the evaluation unit was attributable to “the quality of the people who are in it” (FG7).

The approach taken by the evaluation unit was to reduce the cynicism and apprehensions regarding evaluation through directly helping people with evaluations, ‘tailor-fitting’ evaluation frameworks, providing tools, helping people manage the politics of evaluation and helping with governance arrangements and specifications.

Although there were no specific examples in the data of the direct contribution of the evaluation unit to better policy outcomes, it was clear from the data that many people held the view that this was the case. Focus group participants agreed that there would be benefit in extending this model across the Department. However several people cautioned that there were dangers in having a centralised evaluation unit and that it was important that such expertise be provided close to the program areas.

The specialist evaluation unit in the Metropolitan Health and Aged Care Services Division was dismantled soon after the data collection period for this research project, which underlines the vulnerability of such units which are not tied directly to program delivery.

Standardised requirements and protocols for policy evaluation ensure that evaluation is systematically considered in relation to all policy projects

In one branch, implementation of a branch-wide standardised evaluation framework (based on a program logic approach) had led to more effective monitoring and adjustment of branch policies, in the views of several policy practitioners within the branch. As a result of this framework, one policy practitioner explained, “There is an increased focus on evaluation now in terms of monitoring impact rather than just saying did this work or did this not work” (PP8). Policy practitioners in this branch talked
about building evaluation into program design and making evaluation by funded agencies a requirement of funding: “We try to do [evaluation] in house where possible because we try to build that within the project. So you do the baseline and as part of the monitoring there’s also an evaluation component and an end of project evaluation” (PP8). The standardised approach to policy and program evaluation clearly enabled a higher standard of evaluation in that branch.

**Support for in house evaluation contributes to better specification and higher level expertise in policy evaluation**

The experience of the branch which had successfully improved policy evaluation and monitoring was likely to be attributable to the supports provided to policy practitioners in the branch to enable them to conduct evaluations (as opposed to ‘independent’ external consultants), including cultural norms and protocols requiring evaluation, and accountability mechanisms which support in house evaluation rather than external commissioned evaluations.

**Organisational barriers to the effective use of evaluation and monitoring in the policy process**

**Lack of evaluation skills contributes to no (or less useful) evaluation**

Lack of staff with appropriate skills in evaluation (particularly specification and monitoring of consultancies) was seen as a barrier to effective policy evaluation and monitoring. Focus group participants commented that many people do few evaluations and so it was difficult for policy practitioners to build up evaluation skills: “...one of the difficulties is often program people won’t do many evaluations in their working life. They may only do one or two, and so they really aren’t sure about what they’re doing. So we need some expertise...” (FG7). This points to the importance of human resources planning for appropriate expertise as well as effective ‘in house’ professional development.

**A culture of having to get it right the first time prevents appropriate investment in implementation monitoring and incremental adjustment**

A culture of having to “get it right the first time” (FG2) was seen by the focus group participants as an obstacle to implementation monitoring and incremental policy
adjustment. A focus group participant recounted how, within six months of beginning to implement a piece of complex legislation, she already had a list of twenty amendments that needed to be made. However, she felt that to go back to Parliament with amendments would expose her to criticism:

“There’s this perception that if we’re proposing to go back to Parliament and say look we want to make these changes, then somehow we’ve failed [...] I come up against this attitude of well why didn’t you get it right the first time and is there a mistake with this legislation that you’ve got to go back to Parliament and fix it.” (FG2)

Other focus group participants agreed that there needed to be a culture change in terms of recognising the need to continually refine policy incrementally.

Some focus group participants suggested that a political preference for “reformitis” or “big bang reform” got in the way of “a process of continuous improvement, looking at what you’re doing and improving upon it.” (FG7). It was also seen to be, at least in part, about ‘branding’ by different portfolio areas: “And part of that’s about the environment that we work in, where sometimes they want to brand something differently, [...] and we have to have our own thing, even if it’s almost the same” (FG7). This barrier is discussed further in Chapter 8.

Pre-occupation with ‘evaluation as accountability’ leads to a normative preference for ‘independent’ summative evaluation which is less useful in terms of learning how to do the policy work better next time

Much of the evaluation of DHS policies and programs was outsourced to independent consultants. There seems to be a normative preference for ‘independent’ outside evaluation which may weaken the strategic pressure on managers to put in place the necessary supports for better evaluation and monitoring (including longitudinal data collections, policies and standards). Learning how to do the policy work better next time would require a more systematic formative evaluation in real time. This issue is discussed further in Chapter 8 as illustrating the tensions between policy capacity and state capacity.
One senior policy manager noted the lack of evaluation metrics and the need to commission appropriate developmental work on such metrics (SPM2). The practice of commissioning evaluations by external evaluators rather than doing them in house may contribute to the lack of appropriate frameworks and methodologies, as the external evaluators become the custodians of knowledge in this area; knowledge which is then located outside of the bureaucracy and less available policy practitioners to draw on and build as a coherent body of knowledge.

**Inadequate data systems and data management limit the scope of evaluation and necessitate (more expensive) one-off data collections**

As described earlier, participants highlighted the importance of structural feedback loops to feed intelligence about the implementation process back into policy development for the purpose of incremental adjustment. There was agreement amongst the focus group participants, however, that “you’ve got to have the systems in place to do it” (FG5). The data systems were not seen to be uniformly available to support this process across the Department: “*while some areas of the Department have excellent systems, we’ve got great, really rich data environments, in others we have next to nothing*” (FG5). Other participants agreed that there were areas in which data was not available; but two participants pointed out that there were also areas in which there was data that was under-utilised. Data management and access to data were areas which were pointed out as needing attention.

**Widespread mistrust of and cynicism about evaluation means that the full potential benefits of decent, well planned evaluations are not achieved**

Participants reported high levels of mistrust and cynicism about evaluation, particularly amongst (but not confined to) senior managers. A technical specialist described how evaluation had “*an exceptionally poor reputation*” due to a perception that much of the money spent on large commissioned evaluations “*yields very little for the dollars they invest*” (Technical specialist). There was seen to be a culture in which finding that a policy or program was “*not working*” was seen as a “*personal reflection rather than good administration*” (Technical specialist).
To some degree this was seen to be the result of the political risks associated with evaluation. These are discussed further in Chapter 8 in terms of tensions between policy capacity and state capacity.

**Short time horizons for policy decision making mean that evaluation results are not always available when needed**

One of the reasons for the perception that money was wasted on evaluation was seen as the long time frame of evaluation: “The results come too late to influence the next policy direction” (FG7). This barrier is also discussed further in Chapter 8.

**Managing the policy process**

This part of the chapter explores policy capacity in relation to management of the policy process. It describes instances from the data illustrating the relationship between management of the policy process and the quality of policy outcomes, and evaluates policy capacity in terms of enablers and barriers to effective management of the policy process.

**Instances where effective management of the policy process contributed to good policy outcomes (or where less than effective management of the policy process appeared to lead to shortfalls in policy outcomes)**

Instances where effective management of the policy process contributed to good policy outcomes are described in Appendix 8 (see page 438) and include the following:

- Good policy development planning ensured all resources and relationships were in place to support policy development; and

- Sound project management kept a project on track.

Instances where less than effective management of the policy process appeared to lead to shortfalls in policy outcomes are described in Appendix 8 (see page 439) and include the following:
• Lack of clarity about purpose contributed to disappointing policy outcomes;

• Inadequate problem definition created confusion about roles and responsibilities;

• Lack of clarity or agreement about how the project would be managed led to delays and inefficiencies; and

• Lack of forward planning leading to failure to identify and respond to emerging issues.

**Enablers: organisational conditions for effective management of the policy process**

Processes for policy development planning (e.g. preparation of concept plans) provide clarity about scope, process and required resources

There was a consensus in the focus group that policy development planning was important: “...there needs to be that fairly standard robust sort of project management approach, because if you go down that path then you’ve got to give some thought to the stakeholders before you launch into something...” (FG8).

Preparation of concept plans (in the very early stages of policy development) were one example put forward as a way to systematise policy development planning. A team manager described how her staff had begun the routine practice of developing concept plans for every policy project: “…a concept plan tries to define what this is, what it could be, what’s in scope, what would be its key component, what it might mean at different levels, what are the benefits to various stakeholders, what that might mean for governance” (PP20). This had assisted in gaining a “level of agreement or sense in the branch of what we’re talking about” (PP20).
Project management skills and training ensure that policy projects are planned and executed well

Good project management skills were identified as important in ensuring good outcomes from policy projects (see Chapter 5 page 184 for more detail). Professional development would be likely to contribute to better policy process in this area.

Internal project management consultancy may assist with project management

One branch of the Department had a consultancy arm that had a role in providing technical assistance and building capacity with respect to project management. As one senior policy manager described, “You can get them to do it all for you, or you can get them to do part of it, or you can get them to work with you on it” (SPM1). This branch also provided a “toolkit” (SPM1) which was available on the intranet to assist people with project management. There is no data to indicate whether participants found this technical assistance useful or not.

Organisational barriers to effective management of the policy process

Lack of norms and protocols supporting planning for policy development

There were some accounts in the interview data of sound policy development planning, it seems that these experiences are not universal. It seems likely that there are areas of the organisation where the norms (widely agreed principles) and informal protocols (understood ways of doing things) do not facilitate sound policy development planning.

Pressure to solve problems quickly prevents adequate attention to problem definition

Focus group participants agreed that the pressure to solve problems quickly prevented adequate attention to problem definition and task allocation as the following section from the focus group transcript illustrates:

FG7: “… it’s because people want to do the right thing and they want to get it done and they’ve been told to hurry and it’s got to be done quickly, and we all run off and do it, when we would be better to spend a period of time, it doesn’t necessarily
have to be a long time, but when we actually do have a problem definition and task allocation phase.”

FG1: “I think within the organisation there has to be a recognition that speed doesn’t always equate to quality. That getting something done within two days doesn’t mean you’re going to come up with the best outcome, and unfortunately that needs to be embedded in senior, senior management level, not necessarily at the policy development level, because I think a lot of policy officers would understand that a bit of time thinking through the issues, examining what the critical likely outcomes are going to be and then being able to brief on that, is probably going to save a lot of grief down the track, rather than just going I want this in two days, get it on my desk, just make it happen, which seems to be, unfortunately, the approach to a lot of the stuff that we do, and I think a lot of us do jump, and try to deliver in unrealistic time frames.”

FG7: “But when we do it in two days, we then spend the next two years sorting it out. So there’s something about trying to get recognition that it still takes as long as it takes, and you can do it the hard way, which is what it leads to, or you can take a bit of time at the start, get it right, and then move in a more rigorous fashion.”

This is another area where norms and protocols are important: norms of investment in problem definition and task allocation and protocols for ensuring that adequate resources and time are made available for this.

Performance measured against responsiveness rather than sound policy development

There was a perception that performance measures designed to reward “responsiveness” to the minister and senior executives helped to entrenched the culture norms that supported unrealistic timeframes for policy development. As one focus group participant said: “[O]f course we do what we get measured against really, which is how responsive we are, and when we’re not perceived to be responsive, we get our butts kicked, so we’re responsive” (FG5). Responsiveness in this context seemed to mean producing results quickly (which often precluded the investment of sufficient time in policy development). This barrier can be understood in terms of tensions (see Chapter 8).
Tendency to put relatively junior people in charge of projects who don’t understand how government works

The management of policy projects was perceived to often be given to people who do not understand how government works. As one senior policy manager argued:

“...there is a tendency to carve policy projects off, put someone in charge of it who’s relatively junior, often they’ve come in from the service delivery sector, you typically bring in someone from hospital land and they’re doing a project on A, and hospitals are big scary places but they are more bounded. This poor person beavers away, discovers it all from scratch and then is completely flummoxed when it sits in a minister’s in tray for months or years and never happens, or something completely different transpires.” (SPM1)

Leadership

This section of the chapter presents the findings in relation to leadership in the context of policy work. First, the characteristics of leadership in the public sector environment are outlined, drawing on the interview data. This is followed by instances from the data illustrating the relationship between leadership and policy outcomes, and an analysis of the organisational conditions which foster effective policy leadership.

Characteristics of leadership in the public sector environment

In the interviews, many qualities, characteristics and practices were associated with leadership in relation to policy work. The following table lists quotes from the interviews that describe some of these characteristics.

Box 1: Quotes from the interviews relating to leadership

“The leaders are the people who see over the horizon and who can inspire change.” (SPM1)

“People who are insightful and rigorous at every point, and who never lose an opportunity to share knowledge and share ideas and challenge” (SPM1)

“The ability to read the times you’re in. There are some people who are really good at it, who can see where things are going and can give you a pointer. [...] to get a signpost from one of those people is to set you off on a whole process...” (FG5)
“They can harness opportunities, read the state of play, know how to exploit it, and they’re quite adaptable and resilient.” (FG4)

“A good manager, a good people person who is prepared to take risks is what I characterise as leadership” (SPM2)

“That should define leadership, the taking of risk to move forward and to gain success in whatever domain or through whatever means.” (SPM2)

“To be a risk taker you have to be respected. To be respected, you need to have demonstrated that you are sound, that you give sound advice, that you are on top of your subject matter in general, and it helps to be intelligent.” (SPM2)

“So the leadership of being able to spot what’s going on, and then understand where we’re slowly steering the big titanic towards is really critical. And a bit of guts and imagination as well” (FG5)

“...these people need to be astute and have a level of political acumen...” (FG6)

“In many ways their most important quality is not so much that they themselves are highly technically proficient at policy but they have moral courage, so they’re actually prepared to say to ministers ‘This is a really bad idea. This is an idea which solves your problem at this very second but creates all these other ones’” (SPM1)

“...people who challenge and are prepared to think about different ideas” (SPM1)

“You need to understand fundamentally that you are here at the end of the day to improve the lot of man, as it were – gender neutral – through working for your minister and your government, whoever it may be on the day, because you sure as hell aren’t going to improve the lot of man working against your minister or your government, and you need to understand that you can only do so much and that you must seize opportunities when they arise.” (SPM2)

“...an embedded interest in making the world a better place, so a sort of an interest in change for the better, [...] and an appreciation for the contemporary role of the state and the limitations of its reach.” (SPM3)

“Good leaders are usually good people managers – good managers, anyway” (SPM2)

“Leadership is something that people have. It’s generally not something that people learn, and it’s a bit like good management.” (SPM2)

“...some of that [leadership] stuff, you’ve either got it or you haven’t.” (FG6)

The sorts of characteristics and practices which were associated with leadership in the context of policy work included:

- the ability to inspire others and to encourage and challenge more junior policy personnel to produce better policy work;
• the ability to recreate leadership through informal mentoring relationships where they shared ideas and assisted policy workers to interpret the environment in which they found themselves, providing “pointers” or “signposts” for their subordinates;

• sound judgement, astuteness and the ability to “give sound advice”;

• the ability to take “prudent risk”, to manage risk well and protect their subordinates, where appropriate, from sharing those risks;

• the ability to “survive failure”;

• “moral courage”, “guts” and preparedness to challenge conventional wisdom and group think;

• excellence in their own sphere of expertise (namely, policy work).

It is clear from participants’ accounts that leaders (in the context of policy work) are also good policy practitioners who display all of the competencies described in Chapter 5 and are leaders by virtue of the ways in which they work, the outcomes they produce and the manner in which they inspire and encourage others to also produce good policy work.

The attributes of leadership described by interviewees were in many ways specific to the public sector environment, in large part due to the constraints that go along with being part of the political bureaucracy. One senior policy manager described these constraints in terms of “lots of accountabilities and scrutinies, lots of potential inhibitors and restrictions and lots and lots of process” (SPM2). Constraints which potentially inhibited leadership included “the rules pertaining to public servants and their conduct”, “the accountability requirements of executive government” including accountability to parliament as well as government and the “high level of scrutiny that is placed on anybody working in the senior levels or any level of public administration in part of the political bureaucracy” (SPM2). The processes of government, including committee decision making with its associated “time consuming and extra-ordinarily process driven set of activities”, meant that “everything moves at a pace that many people get very frustrated with, and where a good idea alone is not anything like
enough” (SPM2). These comments suggest that leadership in the public sector environment requires familiarity with and competence in negotiating the structures and processes associated with bureaucracy and government.

Another feature of leadership mentioned frequently in the interviews was commitment to the public good and to “making the world a better place” (SPM3). This characteristic also commonly appears in accounts of public sector leadership in the literature (‘t Hart & Uhr, 2008; Moore, 1995).

Policy making in the public sector was seen as not only subject to the process and accountability constraints of the public sector environment generally, but also as characterised by high levels of uncertainty and contingency. As one senior policy manager described: “I think policy leadership is by its nature more contingent; that there is a contingent element to implementation, but it should be more predictable, whereas in policy it can be as serendipitous as the age of the children of ministers” (SPM3). Policy success was seen as partly the result of “being in the right place at the right time”, but also the readiness to take advantage of “openings” and “opportunities” and the ability to “capture attention” (SPM3).

The ability to identify and seize opportunities featured strongly as a core quality of leadership (in relation to policy work) in the comments of interviewees. References by many participants such as “seeing over the horizon”, being “able to spot what’s going on” and the “ability to read the times you’re in” as well as many references to harnessing or exploiting opportunities all highlight entrepreneurialism as important in policy leadership.

**Instances where effective leadership contributed to good policy outcomes (or where lack of effective leadership appeared to limit policy outcomes)**

Interviewees commented frequently on the ways in which the leadership qualities and practices of middle-level and senior managers contributed to better policy work, by: ensuring time and space for policy work; valuing and rewarding policy work; encouraging innovation and autonomy; and establishing informal norms and protocols
to support good policy practice. These instances are described further in Appendix 8 (see page 440).

There was also concern amongst many participants about a perceived lack of leadership with respect to policy development in the organisation. Although there were few specific instances where poor policy outcomes were attributed to lack of leadership, leadership deficits were seen (by focus group participants) to contribute to a lack of investment in sufficient time for policy development and to poor collaboration across program and divisional boundaries. More detail is provided in Appendix 8 (page 441).

**Enablers: organisational conditions which cultivate effective leadership in relation to policy work**

**Leadership development programs develop generic leadership skills but do not target policy leadership specifically**

Leadership Bank, the existing leadership development program for executives in the Department of Human Services (described in Chapter 3 on page 119), was highly regarded for developing leadership skills generally, with several focus group participants commenting on its value. A typical comment was: “[Leadership Bank] is certainly valued by people who see themselves on a path to leadership” (FG7). The mentoring aspect of this program was particularly highly regarded: “[Almost all of] the Leadership Bank people have indicated that the mentoring element of that year-long program is one of the most important elements” (FG7).

Other leadership development opportunities which focus group participants noted as useful included informal shadowing and the sharing of executive officer opportunities. However none of these programs were specifically focused on developing leadership with respect to policy work. A focus on policy leadership is warranted because leaders who are not excellent policy practitioners themselves (or who don’t understand policy and the policy environment) will not be able to encourage the norms and protocols that support good policy work in the organisation.
Managers who encourage people to develop themselves; provide them with freedom to make mistakes; encourage and celebrate good work

One senior manager described how he encouraged the development of leadership skills in his staff through practices such as devolution of authority (with appropriate accountability structures in place so that managers know what their staff are doing); tolerance of failure as a learning experience; personal advancement planning, and encouraging and celebrating good policy work. These sorts of management practices were also described by managers of policy-oriented units. These practices could equally apply to developing policy and management skills more generally.

**Barriers to effective policy leadership**

**Culture intolerant of risk and failure**

The ability to take risks and survive failure was seen as a core characteristic of policy leadership, and experiencing failure was seen by some as a core developmental experience. However the culture of the public service was seen to be intolerant of failure: “*In our system, failure is often terminal. [...] Now in the public sector, taking of risk is something that a lot of people are reluctant to do, so people won’t necessarily express the skills they have within them.*” (SPM2). This barrier is discussed further in Chapter 8 in the context of tensions between policy capacity and state capacity.

**Constant movement of people works against development of leadership capabilities**

According to one senior policy manager, the frequent movement of people worked against the development of leadership capabilities in the Department. He cautioned that such a policy could result in “*a very thin layer of people who are all working hard, re-inventing wheels like there was no yesterday.*” (SPM2). This barrier is discussed further in Chapter 8 in relation to tensions between policy capacity and administrative capacity.
Failure to cultivate the next generation of leaders due to constraints on number of positions (particularly senior) plus tendency to periodically ‘purge’ lower executive levels may compromise policy leadership

In the view of one senior policy manager, constraints on the number of senior executives presented barriers to developing leadership in the Department (SPM2). These constraints were seen as being specific to DHS rather than applying across the Victorian Public Service. One of the results of these constraints was a failure to protect the next generation of emerging leaders during periodic ‘purges’ of the executive levels in DHS. Young people in the lowest rank of executive officers, he said, were the first people to be retrenched during such purges. The senior policy manager noted, however, that “we haven’t done this for a while”. This barrier is discussed further in Chapter 8.

Leadership programs focused on grooming people for management (but not policy) roles fail to build the next generation of senior policy leaders

Although Leadership Bank was highly regarded, it was perceived to be focused on grooming people for management roles, rather than for policy roles. As one senior policy manager said: “Leadership Bank is about developing the next line of EOs. That doesn’t necessarily have a policy connection.” She noted that the priority for Leadership Bank was “to focus more strongly on the operational and regional side” and “to develop the capacity of the operational people who are the next generation of operational managers” (SPM1).

There was seen to be a pressing need for cultivating “good managers” who were able to cope with difficult working environments characterised by highly stressful and in some cases dangerous work (such as child protection), workplace conflict, whistleblowers, strongly unionised workforces and various forms of external scrutiny. In this environment, the focus on good management was seen as perfectly appropriate: “...so that is a very high priority for DHS. It has to be” (SPM1).

However valid this concern with developing operational managers might be, the result seemed to be a dearth of opportunities for people to develop leadership skills specifically related to policy work. This barrier is discussed in Chapter 8 as a tension between policy capacity and administrative capacity.
A propensity to ‘contract out’ policy work may compromise the development of policy leadership skills within the organisation

The tendency to contract out policy work to consultants was viewed by a focus group participant as a contributing factor to the failure to develop policy leadership skills in the Department:

“I think one of the things that undermines [developing leadership] is our propensity to contract out the work. [...] I think if you’re an organisation who’s about building leadership, then why keep paying other people hundreds of thousands of dollars to do the thinking for you?” (FG8)

Underinvestment in reflective practice impedes organisational learning about good policy process

Some senior policy practitioners argued that there was a dearth of collective reflection on the policy process. One senior policy manager commented that this was partly the result of the ongoing nature of the policy process: “It’s a bit of a continuous picnic, and it’s not often that you get a sort of beginning, a middle and an end and can sort of reflect on it constructively” (SPM3). Another reason given for this lack of reflection was the political risks involved in evaluating policy episodes. This issue is discussed further in Chapter 8.

Political risks involved in developing policy leadership skills in bureaucrats

Policy leadership (for bureaucrats) is a contested space. The dominant discourse about the role of public servants in policy making is that it is ministers who make policy decisions and the role of bureaucrats is decision support (Halligan, 2003). Despite empirical evidence to the contrary (see, for example, Page & Jenkins, 2005) and a growing recognition of the legitimacy of a more active role for bureaucrats (Althaus & Wanna, 2008), there are clearly continuing tensions in the role of bureaucrats in policy making. As one senior policy manager said:

“The leaders are the people who see over the horizon and who can inspire change. That’s quite an interesting ask for a bureaucrat, because what is the difference between that and a minister’s or a government’s role.” (SPM1)
Chapter summary and conclusions

This chapter has traced the relationships between policy process and policy outcomes (from the perspective of the participants) and made inferences about the relationships between policy capacity and policy outcomes, in terms of enablers and barriers in the organisational context. A summary of these enablers and barriers is presented in Table 9 below. It is important to note that some of these enablers and barriers derive from a single account of a policy episode or from comments from a single participant or a small number of participants.

The next chapter (Chapter 7) presents propositions for building policy capacity based on the organisational enablers and barriers discussed in this chapter, as well as the findings in relation to individual competencies and formative experiences, and advice from the participants about ways in which capacity could be improved.

Table 9: Enablers and barriers presented in Chapter 6

<table>
<thead>
<tr>
<th>Domain: Utilising information and evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enablers</strong></td>
</tr>
<tr>
<td>o Library resources</td>
</tr>
<tr>
<td>o Access to data analysts and staff to do literature reviews</td>
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<tr>
<td>o Early investment in assembling a body of evidence</td>
</tr>
<tr>
<td>o Research commissioning programs (or capacity for research commissioning)</td>
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<tr>
<td>o Formal research and evaluation frameworks</td>
</tr>
<tr>
<td>o Culture and leadership</td>
</tr>
<tr>
<td>o Workforce skills in accessing, appraising and filtering information</td>
</tr>
<tr>
<td>o Close relationships with the research community</td>
</tr>
<tr>
<td><strong>Barriers</strong></td>
</tr>
<tr>
<td>o Pressures of service delivery in operational contexts</td>
</tr>
<tr>
<td>o Limited resources for research commissioning</td>
</tr>
<tr>
<td>o Tendency to outsource research combined with lack of capacity amongst external consultants</td>
</tr>
<tr>
<td>o Lack of communication between different parts of the organisation</td>
</tr>
<tr>
<td>o Lack of access to decision makers</td>
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<tr>
<td>o Lack of systems for preserving corporate knowledge</td>
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<tr>
<td>o Gaps in internal information systems</td>
</tr>
<tr>
<td>o Speed of political decision making</td>
</tr>
<tr>
<td>o Political priorities</td>
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<tr>
<td>o Evidence-based policy not a high priority</td>
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</tbody>
</table>
### Domain: People management in relation to policy development

**Enablers**
- Professional development opportunities
- Informal mentoring by managers
- Policies legitimising staff time spent in health service agencies

**Barriers**
- Lack of time for professional development (and inability to backfill positions)
- Lack of career paths
- Tendency to recruit laterally
- High staff turnover
- Inadequate induction training
- Lack of adequate succession planning
- Focus on developing operational/management skills rather than policy skills

### Domain: Managing stakeholder relationships

**Enablers**
- Professional development in relationship management and communication
- Communication channels with stakeholders
- Informal norms and protocols supporting meaningful and focused consultation processes

**Barriers**
- Lack of resources for meaningful consultation and communication
- Political risks associated with consultation

### Domain: Managing intra-departmental, cross-portfolio and inter-governmental relationships

**Enablers**
- Practitioner skills in relationship building and communication
- Organisational design
- Sound stakeholder analysis and environment scanning

**Barriers**
- Cultural and structural barriers to communication across the organisation
- Lack of opportunities to make links and develop effective relationships with people from other jurisdictions working on the same policy issues
- Conflicting objectives between levels of government
- Lack of avenues for inter-governmental collaboration
- Competitiveness between ministers, departments and levels of government
- Incentive structures that reward individual success
- Lack of clearly assigned leadership for policy projects
- Large size of DHS
### Domain: Working between policy development and program management

**Enablers**
- Skills in policy development and implementation planning
- Informal norms and protocols supporting involvement of implementers in policy development
- Norms and protocols supporting building capacity of implementing agencies

**Barriers**
- Lack of understanding of the conditions for successful implementation
- Separation between policy development and operations areas
- Lack of continuity of staffing between policy development and implementation
- Political risks involved in engaging implementers in policy making

### Domain: Policy evaluation and monitoring

**Enablers**
- Access to technical (evaluation) expertise and advice
- Standardised requirements and protocols for policy evaluation
- Support for in house evaluation

**Barriers**
- Lack of staff with evaluation skills
- Culture of ‘having to get it right the first time’
- Pre-occupation with ‘evaluation as accountability’
- Inadequate data systems and data management
- Widespread mistrust of and cynicism about evaluation
- Short time horizons for decision making

### Domain: Managing the policy process

**Enablers**
- Processes for policy development planning
- Project management skills and training
- Access to technical project management assistance

**Barriers**
- Lack of norms and protocols supporting planning for policy development
- Pressure to solve problems quickly
- Performance measured against responsiveness
- Tendency to allocate policy projects to junior staff
<table>
<thead>
<tr>
<th><strong>Domain: Leadership</strong></th>
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<tbody>
<tr>
<td><strong>Enablers</strong></td>
</tr>
<tr>
<td>o Leadership development programs develop leadership skills generally (but do not target policy leadership skills specifically)</td>
</tr>
<tr>
<td>o Managers who encourage people to develop themselves; provide them with freedom to make mistakes; encourage and celebrate good work</td>
</tr>
<tr>
<td><strong>Barriers</strong></td>
</tr>
<tr>
<td>o Culture intolerant of risk and failure</td>
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<td>o Constant movement of people</td>
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<td>o Perceptions of failure to cultivate next generation of leaders</td>
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<td>o Leadership programs focused on grooming people for management (but not policy) roles</td>
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<td>o Propensity to ‘contract out’ policy work</td>
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<td>o Underinvestment in reflective practice</td>
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<td>o Political risks involved in developing leadership skills in bureaucrats</td>
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Chapter 7: Propositions for Building Policy Capacity

Introduction

This chapter presents propositions for building policy capacity based on analysis of: (i) the individual competencies and formative experiences reported in Chapter 5; (ii) the organisational enablers and barriers reported in Chapter 6; and (iii) advice from the research participants (in both stages of the study) about ways in which capacity could be strengthened. The propositions are presented in four domains of capacity development (areas in which organisational change should lead to improvements in the policy process, and therefore in policy outcomes). These capacity development domains are:

- Building and managing a policy-competent workforce;
- Developing formal processes and guidelines for strengthening the policy process;
- Strengthening organisational culture and policy leadership; and
- Strengthening structures and relationships to support policy capacity.

The propositions set out in this chapter are not presented as mandatory or universal. Most of the propositions presented in this chapter arose in the context of particular instances or episodes and the particular circumstances of the policy units from which my data came and therefore must be regarded as suggestions for consideration rather than universal prescriptions. Many propositions arose from the senior interviews but even these are in some degree specific to DHS. The set of propositions presented in this chapter provide context-dependent suggestions that could be useful in building policy capacity in various different circumstances. The appropriate choice of strategies in any particular setting or circumstance would depend on the local context in the division, branch or team, and the capacity issues that need to be addressed. The significance of ‘policy leadership’ in making such choices is elaborated in Chapter 9.
Propositions to address barriers that can be usefully understood in terms of
tensions between the three types of governing capacity (policy capacity, administrative
capacity and state capacity) are not addressed in this chapter; they are discussed in
Chapter 8.

This is a long chapter and the discussion necessarily revisits some of the issues
introduced in earlier Chapters 5 and 6. Readers may wish to scan Table 10 on page 306
which provides a summary of this chapter before perusing the detailed findings.

Building and managing a policy-competent workforce

In this section a number of propositions are put forward for developing an
appropriate level and mix of skills for policy work under the headings: developing
policy competencies; investing in building human capital; supporting people in taking
up development opportunities; planning ahead; protecting “thoroughbreds”; and
mobilising an appropriate mix of skills.

Develop policy competencies

This section describes a number of professional development strategies that would
be likely to improve the competence of the policy practice workforce. These strategies
are based on the views of the participants, the analysis of policy-relevant knowledge and
skills in Chapter 5, the formative experiences of participants (described in Chapter 5)
and the enablers and barriers identified in Chapter 6. As noted above, these strategies
are not presented as universals; the appropriate choice of strategies in any particular
setting depends on the local context and the workforce capacity issues that need to be
addressed.

Build contextual knowledge by teaching the business of the public service

Knowledge of context, including knowledge of bureaucratic process, was an
important competency that contributed to good policy making (as shown in Chapter 5).
This was an area that was seen as needing improvement in the Department of Human
Services, particularly amongst people who come into policy roles in the Department
directly from the health sector without previous experience in government.
One avenue suggested for improving knowledge of the bureaucratic process amongst new recruits from the health sector was strengthening the existing induction program, which was seen as too generic. As one senior policy manager said, “...we have to do more in orientation...” (SPM1). Several participants suggested that more differentiated induction training would be useful. For example: “It probably wouldn’t be a bad idea if we could get HR to have some policy and program specific orientation in addition to the generic one” (SPM1). Induction training could also be differentiated according to level of seniority in the organisation.

Given the lack of knowledge of government processes and the public sector environment amongst existing staff, it would make sense to offer a similar program (perhaps an in-house short course) to existing staff who wish to improve their knowledge base in this area. Existing short courses on “how government works” are already provided periodically through external providers including the Institute for Public Administration Australia (IPAA), however these could be made more widely available.

One branch manager pointed out that it was important to “respect the fact that people are coming in at relatively senior levels” by offering teaching and learning experiences that “engage them in adult learning techniques, real life problems” (PP1). This suggests that creativity and initiative is needed at the branch and team level to ensure that lateral entrants obtain the information they need at the appropriate time and in a suitable fashion.

Use a variety of strategies to build health sectoral knowledge

Broad based knowledge of the health sector was an important competency for policy practitioners and teams and this was identified as a strength of many policy episodes (see Chapter 5). It was also one of the areas where weaknesses were identified by participants and was frequently mentioned as a ‘trap for young players’. Opportunities for learning about the health sector were seen as important, not just for junior policy practitioners and professional bureaucrats, but for anyone who lacked knowledge of the particular service area, including people moving from one program area to another.
For policy practitioners who are more removed from stakeholders outside the organisation or who do not have backgrounds working in the health sector, spending time in health services was seen as the best way to acquire this sort of knowledge. As one policy practitioner said: “Well I think nothing beats actually going out there and spending time out there, in different services, and talking to people out there” (PP22).

There are several possible pathways to improving health sectoral knowledge. As described in Chapter 6, one branch had adopted an explicit policy which legitimised staff time spent in health services; this seemed to create better knowledge of the health system amongst the branch staff. Given that many people recounted experiences of working in the health sector as significant formative experiences, it seems likely that structuring longer periods in the health sector into policy practitioners’ careers would also be beneficial. Policy practitioners also acquired knowledge of the health system and its dynamics from working in other areas of the Department including the regional offices. Greater use of rotations (of policy staff through the various areas of the Department) and secondments (of policy staff into health services and regional offices as well as other areas of the Department) as well as increasing capacity for involvement in projects in diverse areas of the organisation would provide other ways to build health sectoral knowledge. Job rotations and other work assignments have been shown to have benefits in terms of knowledge and skill acquisition and career development (Campion, Cheraskin, & Stevens, 1994). The appropriate choice of pathways depends on the particular contingencies of the needs of the policy team, the needs of the individual and the context at any given time.

**Ensure policy practitioners have opportunities to experience operational environments**

Exposure to operational environments (for example, through periods working in the regional offices of the Department) was described as an important formative experience by policy practitioners (see Chapter 5), and ensuring that policy workers had opportunities to experience such environments was seen by senior policy managers as a way to build broad-based sectoral and contextual knowledge and policy skills. One senior policy manager described how he had consciously engineered for some of his policy practitioners, who were “frustrated because they can see that they’ve got great policies but nothing’s happening”, to spend periods of time “out in operations
land” (SPM2). This, he explained, would help them to “see it from the other side” and become “better rounded” policy workers. This suggests the need for both organisational policies that support rotations into operational roles and the local level commitment and initiative to ensure that these opportunities are utilised when needed.

**Increase the breadth of contextual knowledge by encouraging a variety of different experiences**

Providing people with “opportunity to work across areas, work with different people, get out of the silos” (PP16) was seen as an important learning experience. Even relatively experienced people said it would be useful to have more exposure to different areas within, and beyond, the organisation.

Exposure to a variety of different workplace experiences was also perceived to prevent people from being overly committed to their own particular discipline, profession, or part of the health system. One policy practitioner described how people in his work area tended to come from clinical backgrounds, which was seen, in some cases, to inhibit or bias policy and stifle innovation (PP22). Exposure to different areas of the Department and different parts of the service system was seen as important in broadening their outlook. Exposure to a range of different workplace experiences was also seen as important in attracting and retaining highly skilled staff. As one senior policy manager argued, “...to attract and retain highly skilled project managers and policy people you’ve got to give them the opportunity to move around…” (SPM2).

For junior staff, placements and projects in other areas of the Department were strategies that were suggested for providing a broad range of experiences. Restrictions on personnel allocations (known as the “FTE cap”, i.e. restrictions on the number of Full Time Equivalent positions), however, worked against managers ‘lending’ their staff to other areas to broaden their experience. One middle manager explained that she had a young project officer in her team who she would have liked to “lend to someone for half a day a week to do another project” (PP16). However she knew that she would lose the personnel allocation if she did so, because it would appear that she no longer needed it.

Several policy practitioners suggested that opportunities to move in and out of the bureaucracy into the health sector and/or academia were important, not just for
individual learning, but also to ensure that “what’s being taught in the lecture halls matches what’s happening on the ground, which matches the policy” (PP13). There were significant barriers identified to such movement in and out of the bureaucracy, however, such as the loss of long service leave entitlements. As one policy practitioner said: “Even at the senior level, I think it would be great for [my manager] and I to go and work in a hospital, but the reality of that is it’s hard to do…” (PP4). These findings suggest that there is a need to remove structural barriers to the movement of people between areas within organisations, and in and out of organisations, as well as for local level judgement about when and for whom such experiences would be beneficial.

Develop strategic and political skills by exposing junior policy practitioners to decision making processes

Strategic and political skills were believed to be vitally important for good policy process. These were areas in which there was significant concern amongst the interview participants about the capacity in the Department. Participants’ accounts of their formative experiences suggest that people learn these more ‘subtle arts’ through experience and exposure. For example, Chapter 5 describes the experience of a practitioner who was able to participate in discussions at a high level and how, as a result of this experience, she was able to adjust the information she was providing to senior executives to make the information more useful.

One team manager described the importance of exposure to decision making processes in developing political astuteness and argued for policy practitioners to be involved in discussions with more senior decision makers where possible (PP20). Another team manager, however, cautioned that “contact with senior forums is only going to be useful to you if your policy skills are already pretty good” (PP2). She argued that without reasonable policy skills, there was a risk that “you’re just going to end up doing spin and you may win arguments but you may not do good policy”.

A team manager explained that it was important to balance the need for exposure to decision making processes against political sensitivities (PP20). Some discussions were seen as too sensitive to have junior staff present. He also described needing to support his junior staff in this process: “I think they do need someone in between to help translate, clarify, support, explain. They very much need their manager or their
supervisor to play a role of - I could call it protection but it’s the wrong word - a filter. They need filters.” Clearly there is a need for judgement in determining the appropriate timing and degree of exposure and the level of support that is needed during this process.

**Develop policy knowledge and skills generally by creating opportunities for participation in policy debates**

Participation in policy debates, many policy practitioners felt, would give developing practitioners a better understanding of the issues and all of the implications and connections of the work that they were doing. This was seen as particularly important for new and junior policy practitioners. For example, one policy practitioner argued that being involved in “genuine policy debates” enabled “a broader understanding of the implications of a policy issue, some of which may be negative” (PP2). Another argued that younger policy practitioners needed to be “encouraged to debate and discuss things openly and safely” (PP20).

It was not only junior policy practitioners or people new to the bureaucracy, however, who were seen to benefit from participating in policy debates. The opportunity to “throw ideas around” (PP11) was seen as useful for all policy practitioners.

This type of debate and discussion was already being practised in some areas of the Department. Sometimes this was done relatively informally at the local level. One policy practitioner described how at times, “... members of other teams have raised a particular issue and we’ve formed little teams as an exercise where you thrash out what potential issues are, what potential options there are for addressing them, what are the complexities” (PP11). The Social Policy Group organised by the Social Policy Unit in the Portfolio Services and Strategic Projects Division of DHS also provided more formal opportunities for policy discussion and debate amongst more senior executives.

Some people suggested extending the Social Policy Group to include less senior staff: “I think a lot of the kind of things that are discussed and thrown around in that forum would be equally relevant and enriched at that next level down” (PP12). This would provide opportunities for policy practitioners who are already experienced to extend their skills and to “engage in frank and open debates and come up with
innovative solutions to potential issues facing one element of the Department” (PP12). However some practitioners pointed out that policy seminars which were offered in the Department were not always well attended due to people finding it difficult to make the time.

There was value seen in creating more opportunities within existing branch meetings for policy debate and discussion, which as one policy practitioner argued, would make it “more integral and integrated”. (PP20). She said: “…I think that people in the branch need to talk more about what they’re doing and present their policy ideas and debate them.”

There was agreement amongst several focus group participants that there would be value in bringing people together “around a real issue” (FG7). Some of this was seen to happen informally but there was interest in embedding it “as more standard practice”, since “what happens now is based on people knowing each other and trusting each other” (FG5). Clearly there is a need for policy discussion and debate to be fostered systematically at a number of levels, including at the organisation-wide level and at the local level of branches and teams.

Strengthen policy-relevant knowledge and skills by providing policy and public administration training (after on-the-job training)

Many people emphasised the value of having a theoretical understanding of the policy making process (see Chapter 5). All of those practitioners who had undertaken policy or public administration education said that they had benefited from the experience (see Chapter 5).

Many interviewees suggested that younger policy practitioners or practitioners new to policy work would benefit from opportunities to learn about the policy development process:

“I think that a lot of people would benefit from a basic understanding of the theory behind policy development, and it would give people more of a structure to hang what they’re doing on.” (PP9)
“...If you’re involved in policy development and you’ve never really known, never been involved before, I think some basic concepts would be really useful.” (PP5)

Some people thought opportunities to do courses or units in policy studies or related areas would be useful “while they’re working on the job” (PP10). It seems likely, from the accounts of policy practitioners’ formative experiences, that formal study in policy and public administration is most useful when it occurs after substantial on-the-job experience. In house professional development around policy skills was also seen as useful by several policy practitioners. One policy practitioner suggested providing “a structure or ‘how to’ of policy development” (PP9) and another “greater capacity to do the two or three day working with Government seminars, or development of policy seminars” (PP19).

Considerable interest was expressed by two senior policy managers in the model offered by the Australia and New Zealand School of Government (ANZSOG). In particular the problem-based case study approach was seen as a particularly useful learning experience for developing higher level policy skills amongst those who had the aptitude, in contrast to more conventional pedagogical approaches. For example, one senior policy manager said: “the case study work of ANZSOG is a really good lens on the policy enterprise. [...] I think that is a very good way of dealing with senior experienced people [...]. Many of the public policy courses in the universities are too abstract and theoretically driven.” (SPM1).

**Develop policy skills in junior staff through opportunities to learn from experienced policy practitioners**

Learning from experienced and committed policy practitioners was the most commonly cited formative experience and was also frequently suggested by interviewees as likely to be a useful learning experience, particularly for younger policy practitioners. It was seen as especially important for developing the more subtle arts, such as judgement and balancing conflicting accountabilities, that cannot necessarily be taught, but have to be “lived and experienced” (PP18). Experienced policy practitioners were often seen as able to “help step you through the elements of things you need to
consider” and “help people problem solve and get a framework for thinking about things” (PP21).

Mentoring and shadowing were commonly mentioned strategies for assisting younger or new policy practitioners to learn from more experienced staff. These strategies were already being used in various ways in the Department. Mentoring and shadowing were among the strategies used in the Leadership Bank program, along with more formal learning mechanisms such as seminars and meetings. A focus group participant pointed out that the mentoring element of the Department’s Leadership Bank program was highly regarded: “...it’s certainly valued by people who see themselves on a path to leadership” (FG7). This focus group participant also reported that the Legal Services Branch of the Department was “intending to put in place some mentoring arrangements to help the legal staff to build up their policy skills” (FG7).

Informal mentoring took place in many areas of the Department. Some managers provided informal mentoring to their own staff. Many interviewees described this sort of informal mentoring as a key formative experience which helped them develop their policy skills. Although mentoring and shadowing were taking place in some parts of the Department, they were not seen to be uniformly available, and were largely left up to managers: “[T]hey’re more informal at this point in this department. They perhaps self-initiate or might have a manager that is supportive of growing and developing staff, but they’re not comprehensive at this point” (FG4).

Existing opportunities for mentoring and shadowing were seen to be targeted at managers rather than people at levels below the executive levels in the Department, where much of the policy work is done. Existing mentoring and shadowing opportunities were not explicitly focused on developing policy skills. As one focus group participant pointed out “…I’m not aware of any mentoring that’s specifically focused on policy analysis skills and people who are in policy analysis roles, that is specifically designed to develop that sort of capacity” (FG2). Another focus group participant suggested that mentoring tended to be used “for people who are totally confused by how everything fits together, and they want a coach to help them understand how it is that one can operate in such a complex organisation” rather than
for developing the higher level policy skills amongst people who were already engaged in policy work (FG7).

Overall there was a great deal of interest in using mentoring and shadowing strategies more systematically and strategically to develop policy skills amongst policy staff at the lower to middle levels: “...mentoring processes that are not so much about moving you up the management line, but mentoring processes around policy development...” (PP21). Some participants, however, cautioned that formal mentoring programs are not easy to implement. It was seen as difficult to find skilled mentors who were prepared to give up their time. One policy practitioner suggested that mentors should not necessarily come from the most senior levels, but rather should be chosen for their willingness to share their experience: “They need to be people who are expansive and willing to share and talk about things that they’ve mucked up as well as things they’ve done well, because it has to be a pretty honest dialogue for it to be effective...” (PP20).

These findings underline the usefulness of formal mentoring programs (focused on developing policy competencies) at the organisational level. They also highlight the central role of experienced policy practitioners in providing informal mentoring and guidance to more junior staff, and suggest that developing the mentoring skills of middle level policy managers and officials might have considerable benefits.

**Extend policy knowledge and skills through learning opportunities beyond the organisation**

Participants reported that engagement in policy networks beyond the organisation was an important learning experience. Opportunities for such engagement included conferences, external seminars, and involvement in professional networks. The ANZSOG EMPA was highly valued by people who had experienced it, not only for the content of the subjects but also for building personal networks with peers across government. One policy practitioner who was undertaking the ANZSOG EMPA program reported valuing the opportunity to “touch base” and “test concepts and ideas” with colleagues from other departments, which assisted her in developing her policy thinking (PP12). Another found that being part of a cross-jurisdictional ‘learning group’ was a useful professional development strategy: “...they are useful for peer
review and support and we’re great for each other, in terms of this is happening and you can find out about this by talking to so and so” (PP5). The organisation’s policies and practices need to enable participation in such learning experiences. Professional development planning at the level of branches and teams must also be part of any effort to build policy capacity, to ensure that people are able to take up these opportunities as appropriate.

**Ensure a basic level of skill in accessing and appraising and filtering information (including research evidence)**

Skills in accessing, appraising and filtering information were seen by some participants as skills that needed improvement (see Chapter 5). One senior policy manager suggested that these skills should be structured into existing higher education courses in public policy and public administration. Workplace-based short courses and other workplace-based learning opportunities may also be warranted. Judgement and initiative is needed at the local level to determine the appropriate utilisation of these opportunities.

**Develop communication and interpersonal skills**

Chapters 5 and 6 both point to high level communication and interpersonal skills (including negotiation skills, listening and relationship building) as being critical for policy work. Communication and interpersonal skills were important in many facets of policy work, from working successfully across program, divisional, governmental and jurisdictional boundaries, to ensuring successful implementation.

There are various ways in which these skills can be developed and many courses and tools (both internal and external) were available to policy workers. For example, one policy practitioner described a range of strategies and techniques for building interpersonal and relationship management skills, including tools to assist in “thinking about how you interact with people”, developing “emotional intelligence” and “being able to respond to others appropriately and build positive and productive relationships” and understanding how people work together (PP14).

Given the emphasis on communication and interpersonal skills by policy practitioners (see Chapter 5), it seems that a planned approach to professional
development in this area should be considered. This would mean ensuring appropriate human resources policies and opportunities at the organisational level, and planning for professional development at the local level, in the context of the needs of the individual and the team.

**Build project management skills**

Project management skills were clearly important in policy development and implementation (see relevant sections of Chapters 5 and 6) and were an area where suggestions for improvements were made. There were already resources and tools available to assist policy practitioners in the Department to develop their project management skills, including a ‘toolkit’ available on the internet and technical expertise which was available to assist people with project management. A senior manager also pointed out that “we’ve sent people off to do various forms of training in project management, so it’s actually relatively easy to build some technical capacity” (SPM1).

There was no indication in the data that policy practitioners found the tools and resources available particularly useful. An explicit focus on project management and the tools and resources directed to developing relevant skills should be included in the menu of propositions for capacity building. There may also be a need for additional strategies such as peer support networks to assist people in developing project management skills.

**Develop basic evaluation skills through in house training, curriculum development and peer support strategies**

A widespread lack of skills in policy and program evaluation amongst policy staff was seen as a barrier to more effective in-house policy evaluation and monitoring. Lack of evaluation skills may have also contributed to poor specification and monitoring of externally commissioned evaluations.

There was agreement amongst the focus group participants that there was a need for developing a basic level of skills amongst policy staff, including both lower level and more senior staff:

“...I think they’re skills very few people have, around evaluation, and I think that maybe the VPS generally and even [senior policy managers] [...] could benefit
from some professional development in that space. Not that we can go and become specialist evaluators, but just so that when we’re trying to specify, we can have some discipline and robustness in terms of some of the issues that we need to deal with.” (FG6)

Focus group participants agreed, however, that it was not high level technical skills that were required, but a basic level of skills in scoping and commissioning evaluations. These skills were described as: “...skills not so designed that you can do your own, but that you’re better able to scope, for instance, something that you might want to commission in that space or that you want to talk to a specialist about” (FG6).

One strategy for encouraging skill development suggested by the focus group was to develop an “evaluation community of interest” (FG7). Apparently there is such a community of interest across the Victorian Government as a whole, which might provide a model which could be used within the Department. Another strategy suggested was to include some basics in program management, policy development and evaluation in staff orientation programs, including information about how to access specialist expertise within the organisation.

The analysis above suggests a range of strategies that might be used for developing evaluation skills. These could include: ‘in house’ training through a variety of means including induction training, short courses in evaluation and one on one specialist technical support; advice to training institutions about incorporating policy and program evaluation curriculum into policy and public administration courses; and peer support strategies such as evaluation communities of interest which might assist policy practitioners to extend their evaluation skills. Some of these strategies need to be employed at the organisation-wide level (such as induction training), and others are more appropriately initiated at the divisional or branch level.

**Develop basic data analysis and research skills**

Branches and teams which had access to personnel with data analysis and research skills seemed to be better equipped with policy-relevant information when it was needed. To ensure good policy practice, policy units and teams include (or have strong
links with) data analysts and practitioners skilled in understanding and critically appraising research evidence.

Ensuring a basic level of numeracy amongst policy personnel was also seen as important. A team manager described the importance of having in her team people who were “reasonably numerate and able to work with data as and when required”, including a small number of people who were able to do numerate modelling (PP12). Although this team drew on the expertise of the data analysis group in the branch, there was still a need for a certain level of competence with quantitative data amongst the people with direct involvement in policy development.

Strategies for developing data analysis and research skills might include in-house training (perhaps utilising data analysts from within the Department); external courses; and advice to training institutions about including a focus on data analysis in policy courses. Local level judgement and initiative is also important in determining the appropriate investment.

**Develop writing skills**

Writing skills were a competency seen as very important in policy practitioners, and an area where capacity building was seen to be important. There are already a number of different opportunities available to people in the Department for developing their writing skills, including courses organised by the Institute of Public Administration Australia (IPAA). Given the significance of writing skills for policy capacity, senior managers might consider making these sorts of courses part of standard training for people in policy positions.

**Develop a common language and intellectual framing through shared learning experiences**

One senior policy manager argued for investing in developing a “shared language, or shared framing” with which to speak about policy and the public sector context (SPM3). This could be built, he argued, through shared learning experiences such as those offered by ANZSOG. What was useful about the ANZSOG approach, he said, was:
“…a strong emphasis on instrumental learning, a gathering together of intelligent, able people who are broadly at the same stage in their careers but come from different places, so they can see the commonalities and the differences, and in a sense recognise that there is benefit in using, when appropriate, a common language.” (SPM3)

Utilising more widely the ANZSOG model of case or problem based learning, both within organisations and also in the curriculum of policy and public administration education, may help to build a shared more sophisticated understanding of the theoretical and conceptual frameworks available to frame analyses of policy problems, the policy development process and the public sector context.

**Invest in building human capital**

Building an adequate policy workforce requires investing in building human capital through:

- ensuring the ongoing supply of skilled policy practitioners by recruiting people with the requisite policy capabilities (or the potential to develop them);

- building a policy workforce for the future by developing promising young policy practitioners; and

- preserving continuity and corporate knowledge by retaining skilled and experienced policy practitioners.

**Ensure supply of skilled policy personnel by recruiting people with the requisite policy capabilities (or the potential to develop them)**

An adequate supply of appropriately skilled policy practitioners has been identified in the literature as an essential element of policy capacity. The ability of the public sector to recruit and retain the ‘best and brightest’ has received a significant amount of attention in the literature (see, for example, Aucoin & Bakvis, 2005). The ageing of senior public sector managers has been a significant concern in many countries including Australia, where it is estimated that 50% will retire in the next decade (Charih, Bourgault, Maltais, & Rouillard, 2007).
In this study, several participants considered recruitment processes to be an important aspect of policy capacity. For example, one policy practitioner said: “[capacity building] is about being able to attract the right people, so it’s about recruitment. […] So it’s getting the right people in the first place…” (PP21).

From the discussion of lateral recruitment in Chapter 6, it is clear that many participants believed that current recruitment practices in the Department were focused on recruiting people with health sector experience to high level positions, and not enough focus was put on recruiting and training junior people.

There were few suggestions made in the interviews for improvements to recruitment practices. One senior policy manager suggested more deliberate use of policy skills as selection criteria, and the use of behavioural tests to identify these skills: “…there’s the selecting for [policy skills – referring particularly to problem solving], so making sure that you use the kinds of behavioural tests in interviews which pick people who can do it” (SPM1). A team manager suggested that recruitment practices also needed to be attuned to the mix of skills needed in policy teams, and recognise the different backgrounds and experience that could enrich policy work (PP20). She argued that interview processes may need to be changed to better recognise the range of skills and backgrounds that could contribute usefully to policy making.

As Lindquist and Desveaux (1998; 2007) argue, the appropriate choice of recruitment strategy depends on the contingencies of the work patterns, the required mix of expertise and the particular policy challenges facing any particular organisational unit.

**Build a policy workforce for the future by developing promising young policy practitioners**

There were perceived to be few strategies systematically available in the Department for developing the policy knowledge and skills of young graduates, although some managers were clearly committed to providing opportunities to those young policy practitioners for whom they had responsibility. One team manager argued for professional development opportunities specifically targeted to this group. She explained how she had provided opportunities for the graduate recruits in her area: “I make sure they’ve got a mentor who provides them with something different to what I
can provide, and I look out for those opportunities that I think will help them” (PP12). However she explained “But that’s very much beholden to who the individual person is and how committed they are to those kind of things.”

The sorts of professional development strategies which might be useful in developing young policy professionals have been discussed in the previous section of this chapter. Clearly it is important to have systematic provision of professional development opportunities for policy practitioners across the organisation as well as the sort of local mentoring and guidance described by the team manager above.

**Preserve continuity and corporate knowledge by retaining skilled and experienced policy practitioners**

High turnover of policy workers was identified as a barrier in Chapter 6, contributing to loss of corporate knowledge and loss of potential opportunities to advance policy ideas. Although there was much discussion during the interviews about the need to retain skilled policy practitioners, there were few practical strategies mentioned by which this could be achieved. One senior policy manager talked about the need for ensuring career paths and for providing adequate variation in experience (SPM2). These points are discussed further in other sections of this chapter.

**Support people in taking up development opportunities**

Participants reported having many opportunities for professional development, however they were not always able to access these. This was particularly the case for people in predominantly operational roles who “spend all day with both hands holding the wall up” (PP6). The barriers to taking up professional development opportunities have been mentioned in Chapter 6.

There were some supports already in place in the Department to support professional development (such as notional budgets for professional development). Additional strategies for supporting people suggested by interview participants included making professional development opportunities more attractive (e.g. through paying for courses) and ensuring ‘backfill’ of positions so that people are actually able to leave their desks. It is likely that even where supports are already in place, they could be made more systematic through more careful planning of professional development in line with
desired competencies. Branch-wide development planning also appeared to offer significant gains in addition to planning for individual professional development.

**Plan ahead**

High turnover of policy staff together with lack of adequate succession planning were identified as barriers to good policy process in Chapter 6, resulting in loss of content knowledge and deep policy expertise and failure to preserve corporate historical knowledge of systems and services, programs and policies.

Participants made very few suggestions about how to improve succession planning, apart from the more careful documenting of corporate knowledge (which is discussed in greater detail in other sections of this chapter). This is an area that may need further investigation.

**Protect your ‘thoroughbreds’**

Identify and develop people with the aptitude for policy work

Many interviewees believed that there were few people with good policy skills, particularly “the conceptual skills to do the policy analysis” (PP10). There were many comments from policy practitioners such as “...people with good policy skills are very rare” (PP10) and “I would argue not everyone has [policy] skills” (PP20).

Participants generally believed that there are relatively few people who have the aptitude for policy work. Many policy practitioners believed that there are limits to the degree to which policy skills may be cultivated by teaching. Typical comments were: “...I’m not sure how much you can train people if they haven’t got the intellectual capacity to think in that way” (PP10) and “some people will never have [policy skills] regardless – you actually have to be able to think in a particular way and you have to be able to interact in a particular way” (PP20). However many also thought that people who had the aptitude for policy work could be “brought along” with appropriate professional development, for example:

“I think some people have a natural ability to do [policy work], together with, I suppose you can teach skills and knowledge.” (PP20)
“... is strategic policy something you can actually be taught or learn, or is it something that is a product of how you think more broadly, and not really amenable to instruction? [...] I think that there are perhaps people who have the preconditions that they can be taught.” (PP12)

The debate about whether policy skills are ‘born’ or ‘made’ obscures the way in which policy knowledge and skills derive from the combination of aptitude, training and experience. However the argument put forward by many participants that some element of aptitude for policy work is innate does point to the need to focus on personnel management practices as well as simply developing competencies. It is important to have processes in place to identify people with the requisite attributes and to ensure that they have opportunities to develop their skills. These people also need to be given opportunities to move into positions which extend their skills. The practice of recruiting people from outside the organisation to senior positions may present a barrier here: “...there’s very little opportunity these days for people to come up through less senior roles because people just get brought in over the top of them...” (PP2).

**Protect policy people from being overwhelmed with operational responsibilities**

A strong theme throughout the interviews was the difficulty of finding time to do developmental policy work in an operational context (see references to time barriers in Chapter 6), particularly for the majority of policy practitioners whose roles combined management of people as well as policy responsibilities. In many cases, operational and people management responsibilities tended to crowd out policy development. Some people reported that their supervisors were able to create space for them to do policy work. Capacity to do this, however, was seen as limited. For example, one policy practitioner from a relatively operational branch recounted how even with a supportive manager, it was very difficult to go “off line” for sufficient periods of time to do the necessary “thinking and writing” for policy development (PP22). He explained that “you need a capacity within the branch to do that, and I don’t think we have that at the moment...you can’t put all the service plans that are going on, on hold...and you can’t put all the master planning that’s going on in services on hold...”.

This underlines the role of managers of policy units and teams in ensuring that people with strong policy skills are able to do policy work and are not overburdened by
other responsibilities. It also points to the need for organisational policies and structures that ensure adequate people resources so that local level managers have the flexibility to re-assign operational responsibilities at times when policy formulation needs more time.

**Provide career paths for thoroughbreds**

Lack of career paths for highly skilled policy workers was noted as a barrier in Chapter 6. There were few designated policy positions at the higher levels of seniority, and people with high level policy skills were often perceived to be promoted to management roles which did not allow them time for policy work.

Some policy practitioners suggested that ensuring a sufficient number of designated or ‘earmarked’ policy positions at a range of levels of seniority would be an important way to build policy capacity in the Department:

“I think the Department really needs to think about policy and policy positions and the sorts of people it puts in them, and that there should be more [positions oriented towards the different levels].” (PP20)

“I think if you’re talking about capacity building, you’ve got to earmark those sorts of [designated policy] positions and leave people free to do that sort of work.” (PP10)

These findings suggest that organisational policy capacity could be strengthened by placing people with high level policy skills in positions where they are able to exercise and develop those skills, and by providing career paths which enable promotion without having to move away from policy roles. These issues must be balanced against the need for policy practitioners to also experience operational environments (as described elsewhere). This highlights again the role of local level judgement in determining the appropriate balance in people management strategies.

**Mobilise an appropriate mix of skills**

A broadly based skill mix across policy units and projects seemed to be more significant in terms of organisational policy capacity than the skills of individual policy practitioners. The mix of policy skills and operational expertise in policy projects, teams
and units was seen as particularly important; particularly when policy and operations functions were separated structurally:

“...if you're going to have [policy and operations] physically separated, the people involved must actually have content or an understanding and really strong capacity to relate to the program area they’re developing policy for, because otherwise, it just doesn’t work.” (PP4)

Drawing effectively on operational expertise in policy teams was seen as a challenge for the Department, but essential to overcome divisions between “the ivory towers and the mud-sloggers” (PP6). A risk associated with including operational personnel in policy teams, however, was that once operational staff were removed from the operational area to work on a policy issue, they did not necessarily return, leading to a loss of knowledge and skills in that area. As one policy practitioner argued: “if anyone rises - you take people out, they never go back. And you form groups that are highly skilled around a project and they go on somewhere else” (PP6).

Having a balance of ‘content expertise’ and policy and bureaucratic expertise was also seen as important: “…you need people with skills who can actually project manage the development of the policy, but you actually need the content as well, either directly in the team that you’re using or connection across to the team” (PP6).

It is essentially the responsibility of senior and middle managers to ensure that teams are assembled with the right mix of skills, as one branch manager pointed out: “I think that’s just again what I and the other senior managers around here are kind of responsible for. Our task is to make sure we have a team of people who broadly speaking, have that kind of combination of knowledge and skills and capabilities”. (PP1). Managers of policy units and teams need to be able to identify areas where skills will be needed; and to exercise flexibility in deploying staff and shifting the skill mix across units, teams and projects to meet emerging challenges.
Developing formal processes and guidelines for strengthening the policy process

**Start early**

Many practitioners commented that the speed of policy decision making often meant that there was insufficient time for research and information gathering. Investing early in assembling a body of evidence and other necessary information, before the policy task becomes critical, ensures that policy ideas can be sufficiently developed to enable policy practitioners to take advantage of windows of opportunity, which often arise unexpectedly. This enabler of good policy process was a key factor in determining optimal use of evidence and information in the policy process (see Chapter 6, page 210). Starting early means systematically planning ahead for the commissioning of research and investing in developing ‘bottom drawer’ policy proposals.

Investing in systematic, ongoing, forward looking research and information development to provide a strong evidence base requires planning and priority setting at the most senior levels of the organisation, to ensure that resources are available. It also requires norms and protocols at the level of policy units and teams that support this sort of early investment. For example, sometimes practitioners were able to make small investments in research to develop ‘bottom drawer’ proposals using unused funds at the end of the budget cycle: “…you get towards the end of the financial year and we’ll be underspent, and that’s an opportunity to take those proposals out of your bottom drawer and say here, let’s do this short term project” (PP10).

Being able to ‘start early’ also requires sufficient human capital. One practitioner described how having an extra staff person meant that she was able to get developmental projects done earlier in the year (PP2).

Policy practitioners cautioned, however, that starting early was not always a useful exercise. As one focus group participant commented, “[S]tarting early may add absolutely no value” (FG4). A branch manager also commented that sometimes there were “diminishing returns” involved in early investment in research and policy development for ideas which might not be taken up (PP1). This is clearly an area where
judgement is required to determine the appropriate degree of investment, in an environment characterised by uncertainty.

**Preserve history**

Often detailed historical and program-specific knowledge was needed for policy making; however this information was not always systematically recorded, transferred and preserved (see Chapter 6). Consideration needs to be given to knowledge management practices that ensure relevant historical information is preserved and accessible to policy practitioners. The important issue here is that the wisdom of previous experience is distilled, not just that past experience is recorded. Past experience is not always directly relevant to current challenges because the context may have changed.

Strategies for enhancing the preservation of historical knowledge might include improvements to filing, indexing and technologies for searching archives, and maintaining engagement with, or retaining, former senior policy practitioners as consultants or advisors. Strategies such as blogging and informal case study repositories might assist in preserving the experiences of experienced policy practitioners for study and discussion. This was suggested by a senior policy manager: “One of the [strategies to preserve information] would be to try and get people like [senior managers] and those of us who’ve been around a long time to do more writing up of case studies” (SPM1). Given the high workloads of senior managers, external assistance with preparing case studies would appear to be beneficial.

**Review information systems**

Barriers discussed in Chapter 6 which impacted on the quality of the policy process included lack of data, lack of access to data and poor management of data. There is clearly a need for ongoing review of information systems to ensure that they meet the information needs of policy practitioners. A focus group participant also suggested greater use of the intranet as a repository for data, to make it more accessible to policy professionals.
**Build the requirement for monitoring and/or evaluation into the policy development process**

A culture of evaluation needs to be underpinned by policies, norms and protocols for building policy evaluation into policy development at both the organisation-wide and local (branch and team) levels. One participating branch appeared to have improved branch-wide evaluation and monitoring by requiring all new policies and programs to be evaluated. This, along with the adoption of a program logic framework for evaluation and corresponding accountability mechanisms, appears to have been successful in changing the cultural norms locally with respect to evaluation.

Some of the literature about building evaluation capacity suggests that ‘champions’ for evaluation are needed to provide the impetus and leadership for building evaluation capacity. However a technical specialist emphasised that the sort of leadership that was needed to strengthen evaluation in the Department was leadership from directors and executive directors for the implementation of the requirement to evaluate, rather than champions for evaluation. This would also require addressing the sources of cynicism about evaluation, including the preoccupation with summative to the discounting of formative evaluation (see below).

More formal requirements for evaluation would need to be tied into existing processes such as the budget process. One suggestion offered by a technical specialist was for new budget bids to be required to specify program logic and indicators, main activity areas and outcomes (including short, medium and longer term). The technical specialist cautioned that adoption of such a policy would need to be introduced iteratively and in a non threatening way. He argued that it would need to be a policy “that’s light touch and that people don’t freak out about”, to be coupled with technical support, and in the first instance be directed at new programs because it was seen as too threatening to evaluate some existing programs: “...start with the low hanging fruit, do it for all the new ones, wrap a policy around it and introduce it slowly. Make it palatable, show them how easy it is and in fact how helpful it is, but don’t over-regulate it” (Technical specialist).

He also warned that such a policy would need to be sensible and not over-ambitious in its requirements. Some criticism was expressed about central government
requirements for specifying program logic, which were seen as impractical and too ambitious for most programs.

Organisational policies and processes to encourage evaluation of new programs and the development of norms and protocols at the local level which facilitate such practices should be considered in any menu for capacity building.

**Develop processes for formative evaluation and reflection on the policy process**

Senior policy managers suggested that there should be more learning from practice, from success and failure, and more debriefing about policy episodes. Several focus group participants argued for building a culture in which continual monitoring and adjustment are acceptable; they suggested that this might be supported by promoting ‘robust debate’ and adopting continuous quality improvement approaches. One senior manager, however, warned that it was important to keep in mind that policy is often an ongoing, dynamic, fluid process rather than a discrete episode, which complicates evaluation of the policy process itself (SPM3).

A useful approach to strengthening formative evaluation and reflective practice might be some kind of low key policy audit conducted at the unit and section level with outside ‘peer reviewers’ and reflective case studies. The UK Cabinet Office (UK Cabinet Office, 1999) also recommended peer review of evaluation processes as a strategy to encourage organisational learning and cultural change. The critical reflection workshops described by Gardner and Fook (2007), although designed for social work practice, could also be useful for encouraging critical reflection in relation to policy work. The critical reflection approach enables participants to view their practice from different perspectives; to articulate the assumptions and values that underpin their work and to explore new ways of approaching their work (Gardner & Fook, 2007, p. 175).

**Establish principles, guidelines and processes for determining appropriate investment in, and approach to, evaluation and monitoring for particular policies**

Several participants commented that there were often not the resources for commissioning large scale evaluations. It was argued that it was not necessary to
evaluate everything in a resource-limited environment. A technical specialist argued that evaluating every policy or program would be “a waste of money”. He argued that every program should be monitored, whereas “with the evaluation work, we’ve got to be a bit more strategic about where we put it and who we give it to and how we monitor it, how we specify it” (Technical specialist).

Identifying high risk evaluations (evaluations which were high risk for a range of reasons, including financial, political and strategic) and ensuring ‘tight’ governance structures were seen as important. Governance structures for monitoring and managing such evaluations also help to ensure evaluation results are actually utilised.

Processes for decision making with respect to the investment in monitoring are equally important, in order to ensure that the approach to monitoring is not dependent on the existing administrative data, but strategically designed for policy purposes.

Clearly a focus on strategic decision making with respect to evaluation and the development of principles, guidelines and processes to support such decision making would be useful in building policy capacity. A practical strategy for achieving this might be to establish a network of evaluation experts across the organisation. There is clearly also a role for judgement and initiative at the local level in determining appropriate investment in evaluation and monitoring.

**Test ideas on field personnel through action research and piloting**

Field testing, through action research and piloting, was a strength identified in many projects. As Chapter 6 describes, action research and piloting enabled new policy ideas to be ‘reality tested’ prior to the commitment of large amounts of resources; ensured that policies were suited to the context in which they were to be implemented; and in one case, assisted in building political support for wider implementation.

There were few clues in the data about the organisational conditions which support field testing of policies or what could be done to build a more conducive environment for incorporating field testing into policy development. Clearly processes and resources need to be in place to support field testing. Clearly practitioners also need to have knowledge of the principles of good policy development. However this is also an issue of informal norms and protocols; the understood ways in which things are done
in the organisation (and its units and teams). Creating these norms and protocols requires leadership, at both the senior and middle levels.

**Develop guidelines and processes that encourage building the capacity of implementing agencies**

Lack of change management capacity amongst implementing agencies was noted as a weakness in several policy episodes. Successful implementation depends on implementing agencies having the capacity to make the changes and meet the policy objectives. Strategies to build the capacity (of implementing agencies) suggested by respondents include peer to peer mentoring, and providing training and/or additional resources to agencies that need extra assistance. Processes and guidelines need to be in place to ensure that capacity building measures need to be built into policy development, and formal processes and guidelines need to be supported at the local level by informal norms and protocols.

**Develop guidelines and processes for ensuring implementation planning during policy development**

Planning for and adequately resourcing implementation was seen as critical in many projects. This included ensuring the provision of necessary resources and staff. It also involved ensuring that responsibility for implementation was given to the most appropriate part of the Department and that feedback loops were in place to monitor implementation. In several projects, inclusion of an implementation plan was seen as an important determinant of good policy outcomes. Conversely, lack of planning for implementation often resulted in failure to attract the necessary resources for implementation. A senior policy manager expressed his support for requiring implementation planning as part of policy development: "*... policy should not be put forward even within the Department, let alone to decision making entities within government, unless they are accompanied by very clear implementation pathways...*" (SPM2).

However the processes by which implementation planning can be strengthened are less clear. In the DHS, there was already a requirement for new budget bids and policy documents to include implementation plans. There could be dangers inherent in
the over-specification of implementation arrangements, particularly for new or innovative policies.

Including a formal implementation plan as part of a budget bid or policy document is an important but not a sufficient condition for ensuring that the necessary arrangements for successful implementation are put in place. Ensuring successful implementation also requires knowledge and skills (of policy practitioners); an environment in policy units and teams in which there is sufficient time for policy development; and informal norms and protocols which encourage the consideration of these issues.

**Develop guidelines and processes for involving implementers in policy development**

Successful implementation depends on the involvement of people with responsibilities for implementation (including operational staff with implementation responsibilities as well as external implementing agencies and stakeholders) in policy development. Involvement of implementers informed policy development (thereby ensuring technical implementability) and built a constituency for implementation (thereby ensuring political implementability) (see Chapter 6 page 237). Policy developed in the absence of operational input was seen as more difficult to implement (see Chapter 6). This was seen as a risk where the policy development and operations areas of the organisation were too widely separated.

Ways to involve implementers in policy development include consultation processes, governance structures and action research models of policy development. The appropriate choice of pathway for involving implementers depends on context.

**Develop processes and guidelines for decision making with respect to, and management of, consultancies**

A number of issues were raised in Chapter 6 concerning decision making about the outsourcing of various aspects of policy work, and the management of consultancies. These include the failure in some cases of contracted research to provide a good ‘product’ which contributed to policy development; a tendency to contract out research or aspects of policy development that would have been better done ‘in house’
due to lack of personnel; and poor specification and management of commissioned evaluations.

Organisations need to have guidelines in place for decision making with regard to the conditions under which consultancies are used and the appropriate processes for specification and management. There is also a need for local judgement in relation to the decision when and what to outsource, and local level initiative in terms of creating the norms and protocols that support good specification and management of consultancies.

**Ensure systematic planning for policy development**

Systematic planning for policy development, including preparation of project proposals and concept plans, and planning for the governance and resourcing of the project, seems to be a significant factor contributing to the quality of policy work. Going through a process (such as concept planning) to agree on scope and nature of policy project was seen to help policy practitioners to avoid situations where people do not understand the parameters and boundaries of the project. As one policy practitioner said: “It’s just about people having the dialog up front and more senior people communicating with their staff about what is in scope and out of scope. It’s like straight out Project Management 101. You know, what’s your brief, how far can you go…” (PP4). Procedures for policy development planning may also address other barriers to good policy process by assisting in gaining clarity about the purpose of the project; allowing adequate time for problem definition; and ensuring appropriate governance structures and stakeholder involvement.

“Probably the primary lesson is the planning in the first instance, and assessing what skills you need to do the piece of work, assessing who your stakeholders are and figuring those things, understanding that some of it will not necessarily always turn out as you expect, but making sure that you’ve got it planned and resourced with the appropriate skill base and that you have a model which takes you through the various steps in terms of the research, analysis and discussion with the key stakeholders, the approvals, all that…” (PP7)
Strengthening organisational culture and policy leadership

Many of the propositions developed in the previous section, under the heading ‘Developing formal processes and guidelines for strengthening the policy process’ point to the significance of developing informal norms and protocols at the local level to support the implementation of formal processes and guidelines. Local norms and protocols seemed to be particularly important in encouraging best practice in the following areas: investing early in research and information gathering; strengthening policy evaluation and monitoring; improving implementation through practices such as action research and piloting, building the capacity of implementing agencies, implementation planning and involving implementers in policy development.

The following section of the chapter focuses on propositions for developing culture in relation to areas which have not yet been discussed.

Provide policy-focused leadership development

Leadership is important in shaping the culture (including norms and protocols) in which good policy practice can flourish (see Chapter 6). The Department of Human Services has a leadership development program already in existence, which is held in high regard but it does not focus on policy leadership in particular. It seems likely that policy-focused leadership development is an important strategy for capacity building. This proposition is developed further in Chapter 9.

Cultivate an environment that supports the intelligent and appropriate use of evidence

The culture at the local level (the level of organisational units and teams) is an important determinant of the intelligent use of evidence in policy development. The experience of one branch (documented in Chapter 6 page 211) suggests that expectations of managers about the use of evidence in policy work was an important prerequisite for effective use of evidence in policy development (alongside other factors such as data analysis expertise and resources for commissioning research). This suggests that the leadership of senior and middle level managers is critical for ensuring an environment which supports the appropriate use of evidence in policy development.
However there seem to be risks involved in relying on research evidence to the exclusion of other sources of information (including information about political considerations). In some areas of the Department there was considered to be an over-reliance on evidence-based practice to the exclusion of political considerations, which compromised the political acceptability and implementability of policy: “There is a view that truth is right and truth will win, which we all know obviously doesn’t happen” (PP7).

Creating an environment that supports sound decision making with respect to the use of evidence is not easy. A senior policy manager suggested that one strategy which might contribute to building a culture of appropriate decision making with respect to evidence was rewarding the intelligent use of evidence, perhaps through existing awards and recognition processes such as the “Valuing Achievements Awards”, the organisational newsletter, and other “subtle ways by which we signal what’s important” (SPM1). This senior manager also pointed out that there needed to be support at the political level for rational, transparent policy making, and that building the capacity of ministers with respect to evidence-based policy and its appropriate use was important: “You have to build ministerial interest in it”.

*Develop a culture of expectation in relation to information exchange across the organisation*

One senior policy manager argued that staff should be clear about the business rules of the organisation (about providing information to other areas of the organisation) and the consequences for breaching them: “[T]he organisation has to be clear about what its business rules are, and if the business rules are clear and clearly articulated and people breach them, or fail to observe them, then there should be consequences.” (SPM2). His view was that senior managers had a role in continually reinforcing the expectations in this area. He described how he took advantage of opportunities to do this: “...I suppose I use the opportunities that I have [...] to sort of reinforce or highlight what’s expected.” This highlights the role of local managers in sustaining and reproducing the cultural norms that are needed to support good policy making; in this case reinforcing the expectation that information would be shared between areas of the organisation. This might be particularly important where there are structural incentives
which run counter to such practices, for example, through privileging individual achievement in determining advancement (see below).

**Create a culture that facilitates collaborative policy development**

Lack of collaboration across the Department was said to be a barrier to good policy practice. While this is partly an issue of skills in relationship building and communication, it also points to the culture of the organisation (and the leadership role of managers in shaping that culture) as an important factor underpinning effective collaboration.

Role modelling by senior and middle level managers was seen as important in creating a collaborative culture. One senior policy manager argued that an important practice for facilitating collaborative policy development (particularly with respect to inter-governmental policy collaboration) was behaving in a trustworthy way: “*We can do the best we can. We can be the change we want to see in the world. So we can persist in altruistic behaviours, and we can be trustworthy in order to gain trust, and trusting.*” (SPM1). Building this trust, she described, required understanding other people’s world views and priorities and being prepared to work in ways that supported their priorities as well as one’s own: “*It’s giving, and it’s showing that we understand what their lives are like.*” She described how she had actively gone about building the necessary skills and practices in her policy team, by establishing unwritten rules about how people should be approached (such as making human contact rather than sending “*cold emails of demand*”, informing oneself about the other person’s job and taking an interest in what they do, and being prepared to “*give as well as get*”).

She gave several other examples of how other senior managers in the Department had actively created culture by sending “*clear messages about how we are to behave*” with the intention “*to try and create self-consciousness about the way we behave*” (SPM1). One senior manager, she reported, had declared that bullying conduct in meetings was not acceptable “*and her very demeanour sent a strong signal about how you behave to people*” (SPM1). This sort of role modelling at all levels of the organisation appears to be central to creating and maintain a collaborative culture.
There was also seen to be a need for structural incentives, and the removal of disincentives, for collaboration. There was interest amongst the focus group participants in rewarding “genuine collaboration” because of the perception that while some people “naturally work in a collaborative and collegiate way”, there are some who “are competitive and closed up and don’t necessarily want to do that” (FG5).

One strategy suggested by a focus group participant for rewarding genuine collaboration was to build stakeholder perceptions of collaborative behaviour into performance assessment (“do you talk to other people, do you follow through, do you take on board what people have said”) (FG5). Another focus group participant pointed out that 360 degree performance assessments included assessing collaboration from stakeholder perspectives, but were limited because they were done at the individual level, not for whole projects (FG2). There may be value in exploring the possibility of adapting the 360 degree performance assessment principles for use at the policy project level.

A strategy which was suggested by a senior policy manager for rewarding genuine collaboration was to promote successful policy practitioners to roles with greater responsibility (SPM3). This senior policy manager also pointed out, however, that there are risks involved in promoting people on the basis of good policy work, as this can lead to people being “promoted to a point where you’re basically reading other people’s policy work rather than doing it”; a point which is discussed further elsewhere in this chapter.

Another senior policy manager suggested that rewards for collaboration needed to “be at the political level” (SPM1). Because the culture at the top is so difficult to change, she explained, “signals that actually rewarded people who are generous and collaborative and fail to reward people who weren’t, would be extremely powerful. [...] people only follow what is really meaningful. They look at what you do and not what you say.”

There were also seen to be structural disincentives to collaboration, including short term Executive Officer contracts that contribute towards greater competitiveness. These sorts of pressures to be competitive and the structural disincentives that
reproduce these patterns of behaviour must be addressed as part of efforts to build capacity.

**Create a culture that supports sound stakeholder management and meaningful stakeholder consultation**

Chapter 6 described several instances where successful stakeholder management and meaningful stakeholder consultation led to better policy process and outcomes (in the views of the participating policy practitioners). Along with practitioner skills and communication channels, informal norms and protocols reinforced at the local (team, unit and divisional) level seem to be important in supporting policy practitioners to work in these ways.

**Select for policy leadership qualities in the appointment of senior and middle level policy managers**

The findings reported in Chapter 6 indicated that policy leadership is important in creating the informal norms and protocols that underpin good policy development and implementation. A senior policy manager also highlighted the impact of senior executives on the quality of policy work:

“…the EDs, our deputy secretary level, are an incredibly important group, and the way in which we appoint to those jobs is extremely important. That’s not just about policy, but it’s about ethics and it’s about collaboration [...] The leaders set a tone about the way we work and the things we discuss. If they set a tone of wheeler dealing opportunism and self promotion, policy work will not be good. It will always be utterly compromised by the moment.” (SPM1)

One strategy for ensuring strong policy leadership in senior positions would be to focus explicitly on policy leadership qualities and skills in the selection process for senior managers. Leadership development focused on developing policy leadership amongst middle level managers (from which group the next generation of senior managers might be drawn) would also be important. This argument is taken up further in Chapter 9.
Value policy skills

Valuing policy skills as highly as operational management skills would be likely to contribute to policy capacity. Policy practitioners made comments such as “they often don’t value those skills” (‘they’ presumably meaning senior executives) (PP16) and “we need to value policy as a discipline” (PP20). A lack of value placed on policy skills was also reflected in the professional development opportunities available, in position descriptions and even job titles. Mentoring and other training and development opportunities were said to be focused on career building and developing leadership and management skills.

Whilst leadership and management skills are clearly important organisationally, valuing policy skills and focusing specifically on developing those skills would be likely to result in improvements to policy practice. Requiring reference to conceptual and analytical policy skills in position descriptions may be one strategy for increasing this focus. However there would be tensions involved in choices between these and other equally desirable skills (see Chapter 8).

Develop a learning culture through collective reflection and analysis of cases

Learning from previous policy episodes, including unsuccessful policy episodes, was seen by several participants as very important for improving the quality of policy work. For example: “...we improve policy by openly acknowledging where we haven’t done well and trying to improve it – you have to have a learning culture about this.” (SPM1). Learning from failure as well as from success was seen as important by one policy manager: “…you can actually learn more from what went wrong than the sort of marketing of what went right” (SPM1). She suggested that “Some behind closed doors work on policy failure and what we learn would actually be very helpful.”

According to Argyris (1999), organisational learning takes place when mismatches between intentions and outcomes are detected and corrected. The sort of collective reflection and analysis of real life policy cases described above would be likely to encourage what Argyris (1999) calls ‘double loop learning’ – learning that goes beyond correcting the immediate actions that create problems to challenge the
underlying ‘governing variables’ that lead to a mismatch between actions and outcomes. It is more likely to produce sustainable organisational learning than the ‘single loop learning’ that takes place when there is a match between intentions and outcomes, or when a mismatch is corrected by a simple change to the actions.

The DHS Social Policy Group had, in the past, sometimes been used for this type of learning process, however there were seen to be political risks involved in using a large forum for this purpose: “I suspect if you ran something like that, someone would go off and tell the newspapers that the government itself is admitting to, you know. I think it would carry some political risk that we wouldn’t be able to do” (SPM1). A senior policy manager suggested that it might be more worthwhile for managers to spend time with program executives, to “come around and work them through some policy enterprises, and see if we could just take one of their normal executive meeting times to just stand back a little, understanding how busy people are, and do some reflection and thinking on what works” (SPM1).

Harness the leadership of high profile external stakeholders

A senior manager pointed out that the leadership of high profile external stakeholders was an important resource: “A very good stakeholder, either from academia or from the non-government sector, can be incredibly powerful, because they have different pathways to power and influence.” (SPM1). She argued that these stakeholders can act as “translator and mediator” between academia, bureaucracy and other stakeholders. She described how in the context of a trusting relationship, she was sometimes able to share with these stakeholders what she needed them to advocate for, when her position prevented her from doing this herself. Investing in close relationships with such leaders external to the organisation may be an important strategy for capacity building.

Reflect collectively on the qualities needed for policy leadership

One senior policy manager argued that there was a need in for reflective learning about leadership in the public sector environment and about the implications of the organisation’s values for leadership: “[I]t’s important for people, particularly in an organisation where we have a clearly articulated statement of values, that there is some
reflective learning about what the implications of those values are for the nature of leadership” (SPM3). Given the differences between policy leadership and generic public sector leadership highlighted in this study, collective reflection on the qualities needed for policy leadership and how these might be developed might be important for capacity building.

**Strengthening structures and relationships to support policy capacity**

**Build networks across the organisation**

Almost all policy making crosses portfolio and program boundaries. Whilst many people work well across portfolio boundaries, there can be challenges in keeping people engaged. In a large and siloed bureaucracy it is important to provide avenues for collaboration.

There were clearly significant cultural barriers to collaborative policy making across DHS (see Chapter 6). Staff rotations and secondments were seen as useful strategies for building networks across the Department. For example, one focus group participant said: “That sort of approach where you can move into different areas, expose [people] to new connections within the organisation, will certainly break down some of the barriers and frustrations that people feel” (FG1). A senior policy manager pointed out that there was already a significant amount of “people moving” encouraged through secondments and internal advertising of job opportunities, and that experience had shown that this policy was effective in building networks across the organisation (SPM2).

Another strategy suggested for strengthening information exchange and collaboration between program areas was to provide opportunities for building informal social connections: “One of the ways [to strengthen collaboration between the different program areas in the Department] is to build the social connections and really work on breaking down the barriers” (SPM1). A senior manager described how there were already many avenues for informal social interactions across the Department, including a toast master’s club, a strategic thinking group, a choir and a capella group and a social
club. These social groups were seen as “very good for building the informal networks” (SPM1).

Another strategy suggested to facilitate information exchange was to develop a registry of expertise: “[O]ne of the things that many areas do is have their organisational charts list what people are actually expert in. It makes it much easier to find the people in the Department who know things.” (SPM1). Developing directories of subject expertise was a strategy also recommended by the ANAO (2002) as part of ‘knowledge pools’ within and across agencies. It is unclear how well such formal registries and directories would facilitate information exchange, however, given that participants described largely using informal networks to obtain this sort of information.

**Provide access to specialist technical support**

Access to specialist technical support, including evaluation support, data analysis support and project management support was clearly an important aspect of policy capacity.

**Evaluation support**

There was a consensus amongst the participants in Stage 2 of the project that provision of technical assistance for evaluation was important in strengthening policy evaluation capacity. The rationale for this view was that evaluation requires a very broad skill base and specialist expertise in a range of areas including qualitative and quantitative evaluation methods, and an understanding of financial and economic analysis. It was seen as unrealistic to expect policy and program staff to have extensive knowledge and skills in these areas. Many policy and program staff do not have the opportunity to do the large number of evaluations that would be necessary to build up such expertise, or may not have training or interest in evaluation: “[I]f you ask a person on the ground how many evaluations they’ve routinely commissioned, it’s not a lot [...] I think it’s unrealistic to expect staff to necessarily develop skills in evaluation” (Technical specialist).

One way to provide technical assistance with respect to evaluation is through evaluation support units embedded in program areas. Several areas of the Department had such evaluation units, including the Housing and Community Building Division and
the Metropolitan Health and Aged Care Services Division. The evaluation support unit in the Metropolitan Health and Aged Care Services Division was highly regarded and there was interest expressed in duplicating this model. The demand for this unit extended beyond the division in which it was located. For example, one focus group participant commented: “Well [the Metropolitan Health and Aged Care Services Division] have got itself an evaluation support unit, and I’ve been using that unit as well […] I requested if I could use it, and I think that needs to be available more across the whole Department…” (FG7).

What was seen as particularly important about this model was the fact that it was close to the business of the program area. This “devolved system” was seen by a senior policy manager as a model that could be replicated (SPM1). This senior manager cautioned about the dangers of evaluation units which are too removed from the program areas which need their assistance. An example was given of the implementation unit of a central agency which had the mandate of building a culture of evaluation, but was seen as emphasising compliance and taking a punitive approach rather than assisting people and building their skills. An important aspect of evaluation units was seen as the support and assistance provided at every stage of evaluation, rather than just provision of advice.

An alternative approach to providing technical assistance suggested by a focus group participant was purchasing assistance from external specialists (FG4). One participant described having employed a methodologist to design an evaluation project that was then put out to tender, which worked well (FG2). A third approach suggested was better utilisation of staff in some parts of the Department who have evaluation expertise: “[W]e need to certainly identify those who have good skills and can combine statistical and other skills to give advice on evaluation” (SPM2).

There is clearly a need for expert technical assistance in evaluation. Identified evaluation units, located close to program areas and working with more distributed networks of personnel with evaluation skills seem likely to offer the most in terms of capacity building. However there is no ‘one size fits all’ approach.
Data analysis support

Branches and teams which had access to personnel with data analysis and research skills seemed to be better equipped with policy-relevant information when it was needed. Senior managers need to ensure that policy units and teams include (or have strong links with) data analysts and practitioners skilled in understanding and critically appraising research evidence. A focus group participant suggested that there might be ways of utilising more effectively existing staff with good data analysis skills, perhaps by sharing them between policy areas (FG7).

Project management support

Specialist project management support (in the form of an internal consultancy arm and intranet-based toolkit) was available to policy practitioners in the Department (see Chapter 6). However there was no data to indicate whether policy practitioners found this support useful.

Specialist policy development/project management units can be too separate from operations. There was some criticism of policy units that are set up as specialist policy/project units, that they can lack content knowledge from the program areas, resulting in “some fracturing of relationships and some disenfranchisement” (SPM2):

“You can’t separate implementation from the program area. So if you’re going to have policy development capacity, and I don’t have a problem with that, because I think our project management skills are limited, then that policy development or project management capacity has to actually be like an internal consultancy rather than an accretion or absorption of roles and responsibilities.” (SPM2)

There is a strong rationale for making project management expertise available at the program level, rather than in separate consultative units. However one senior manager also pointed out that creating new teams within the program areas could create difficulties in terms of limiting organisational flexibility: “Whenever you build new policy areas within programs, the hardest thing in the world is to get rid of them”. He recommended instead “being able to flexibly use some of those highly skilled people...” (SPM2). Flexible use of highly skilled people across the organisation (including both
central project management expertise and specialists located in program areas) seems to be an important capacity building strategy.

**Develop structures and procedures for inter-governmental and cross-portfolio collaboration**

Successful inter-governmental and cross-portfolio policy work often seems to require appropriate structures such as taskforces that provide the mandate and legitimacy for collaboration. Structures for cross-portfolio and inter-governmental collaboration, however, as one senior policy manager noted, can be “very expensive” and “it rapidly gets constructed as a junket” (SPM1). In one policy area, there were “very, very elaborate structures and frankly it’s just a total waste of money” (SPM1). Investment in these structures and committees involves opportunity costs in terms of service delivery, an issue that is taken up in Chapter 8.

Two senior policy managers argued that less formal opportunistic collaboration often has better outcomes. These findings suggest that this is another area where norms and protocols (or ‘soft structures’) are at least as important in shaping good policy process as formal structures.

**Increase the strategic use of off-line task teams**

One senior manager suggested that off-line task teams “that basically are taken off-line in a pressure cooker sort of way to crunch through an issue” were a useful strategy for ensuring concentrated effort on major cross-program or cross-portfolio policy issues (SPM3). However he argued that they were useful only in particular circumstances, where there was ministerial support and a “reasonably discrete time horizon to do it”. In the view of this senior manager, increasing the strategic use of off-line task teams would require “an appreciation of its value, its cost benefit”. Other strategies might include collective reflection on the conditions in which these task teams are useful; evaluation of episodes where these teams were used; and development of guidelines for their use.
Ensure that those who oversee policy development are also connected with implementation and evaluation

Lack of continuity of staffing between policy development and implementation was seen to result in the intent of policies often being lost during implementation (see Chapter 6). Similarly, lack of continuity between policy development and evaluation was a barrier that was likely to have contributed to failure to utilise evaluation results (see Chapter 6).

It is clearly important to ensure some degree of continuity of staffing throughout the policy development-implementation-evaluation cycle, rather than completely disbanding policy teams at the implementation stage. A focus group participant argued, however, that although it was necessary for policy development staff to be connected with implementers and involved in implementation, taking responsibility for the implementation of policy could prevent policy staff from being available for further policy work: “Actually having to manage the whole process of implementation is a huge job in itself. If you’re doing that, you haven’t got time, necessarily, to do the other stuff” (FG2). Clearly it is not always feasible for policy staff to have direct involvement in implementation.

Strategies for maintaining continuity and coherence across policy development, implementation and evaluation phases might include ensuring the involvement of key policy development staff in committees overseeing implementation and ensuring an ongoing role in the management of evaluations. This points again to the issue of norms and informal protocols and the local level leadership which promotes these.

Provide (and manage) fora for discussion and debate with stakeholders

Opportunities for open discussion and debate with a range of stakeholders are important. Sometimes these need to be managed carefully. One manager described having been involved, in a previous job, in a multidisciplinary “breakthrough collaborative”, a strategy for engaging a range of stakeholders in policy discussion and debate (PP13). The breakthrough collaborative gave rise to an ongoing “issues group” which met twice a month. She explained that she had adopted this practice in her current
job, to bring stakeholders together around a variety of specific issues. Exploration and evaluation of different strategies such as these for engaging stakeholders in policy discussion and debate would seem to be worthwhile.

**Encourage opportunities for engagement with the research community**

Close connections with the research community were seen as very important to ensure that policy practitioners were up to date with current developments. This suggests that organisational investment in providing regular fora for interaction and exchange and collaborative policy reflection and problem-solving would be beneficial. The evaluation and wider application of strategies such as the ‘breakthrough collaboratives’ described above might be one way to build capacity in this area.

**Develop governance and accountability structures that support collaboration across the organisation**

Governance and accountability structures appear to be significant factors underpinning successful intra-departmental collaboration across program and portfolio areas. Involvement of sufficiently senior representatives of appropriate areas of the Department (including the relevant program areas) in governance structures (such as policy teams and advisory committees) seemed to be a critical factor in making cross-program policies work. A senior policy manager pointed out that it was important to involve relatively senior people from each of the program areas in governance structures for new projects (SPM2). A focus group participant explained that senior departmental officers were already “looking across the Department at different governance models of different initiatives in the Department” and considering a variety of “different matrix management models” to improve governance and accountability mechanisms “so that you identify areas of common interest and where you can work together to realise common benefit” (FG4).

**Develop fora for communication across jurisdictions**

Some practitioners suggested that networks and cross-jurisdictional meetings of people working in similar areas or on similar issues would be beneficial for improving communication. However a senior policy manager described how another department
had started a “something called a community of practice for policy practitioners” but in her view it was “a total waste of time” because it was “content-free” (SPM1). Clearly for such communities of practice to be practically useful, they need to be established to address policy issues of common concern to the participants.

Chapter summary and conclusions

This chapter presented a set of propositions for building policy capacity in four capacity development domains: building and managing a policy-competent workforce; developing formal processes and guidelines for strengthening the policy process; strengthening organisational culture and policy leadership; and strengthening structures to support policy capacity. Table 10 summarises the propositions for capacity building in each of these areas.

These propositions have come from many different stories of policy making. From each story, and from the full collection, I have drawn conclusions about the links between context, process and outcomes. But the stories all come from different contexts (times in the cycle, issues, people and levels and locales) and we cannot conclude that the totality of the set of propositions represents a universalising optimum approach to policy capacity building.

The propositions are context dependent. Whether they are useful in other organisations depends on the particular contingencies. However they may provide a useful checklist for managers who wish to build policy capacity in their organisation or organisational unit.
<table>
<thead>
<tr>
<th>Capacity building domain</th>
<th>Propositions</th>
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<tbody>
<tr>
<td>Building and managing a policy-competent workforce</td>
<td>Develop policy competencies</td>
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<tr>
<td></td>
<td>Invest in building human capital</td>
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<td></td>
<td>Support people in taking up development opportunities</td>
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<td></td>
<td>Plan ahead</td>
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<td>Protect your ‘thoroughbreds’</td>
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<td></td>
<td>Mobilise an appropriate mix of skills</td>
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<tr>
<td>Developing formal processes and guidelines for strengthening</td>
<td>Start early</td>
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<td>the policy process</td>
<td>Preserve history</td>
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<td></td>
<td>Review information systems</td>
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<td>Build the requirement for monitoring and/or evaluation into the policy process</td>
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<td>Develop processes for formative evaluation and reflection on the policy process</td>
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<td>Establish principles, guidelines and processes for determining the appropriate investment in, and approach to, evaluation and monitoring for particular policies</td>
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<td></td>
<td>Test ideas on field personnel through action research and piloting</td>
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<td></td>
<td>Develop guidelines and processes that encourage building the capacity of implementing agencies</td>
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<td>Develop guidelines and processes for ensuring implementation planning during policy development</td>
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<td>Develop guidelines and processes for involving implementers in policy development</td>
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<td></td>
<td>Develop processes for decision making with respect to, and management of, consultancies</td>
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<td>Ensure systematic planning for policy development</td>
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| Strengthening organisational culture and policy leadership | Provide policy focused leadership development  
Cultivate an environment that supports the intelligent and appropriate use of evidence  
Develop a culture of expectation in relation to information exchange across the organisation  
Create a culture that facilitates collaborative policy development  
Create a culture that supports sound stakeholder management and meaningful stakeholder consultation  
Select for policy leadership qualities in the appointment of senior and middle level policy managers  
Value policy skills  
Develop a learning culture through collective reflection and analysis of cases  
Harness the leadership of high profile external stakeholders  
Reflect collectively on the qualities needed for policy leadership |
| --- | --- |
| Strengthening structures and relationships to support policy capacity | Build networks across the organisation  
Provide access to specialist technical support  
Develop structures and procedures for inter-governmental and cross-portfolio collaboration  
Increase strategic use of off-line task teams  
Ensure that those who oversee policy development are also connected with implementation and evaluation  
Provide (and manage) fora for discussion and debate with stakeholders  
Encourage opportunities for engagement with the research community  
Develop governance and accountability structures that support collaboration across the organisation  
Develop fora for communication across jurisdictions |

The propositions for building capacity presented here echo many of the recommendations for building capacity which have arisen from previous research. For example, recommendations from previous research which are supported by the findings of this thesis include: systematic investment in research (UK Cabinet Office, 1999), development of knowledge management infrastructure (UK Cabinet Office, 1999), personnel management practices such as professional development and staff rotation.
(Canadian Government, 1996); processes for systematising consultation planning (Victorian Auditor-General's Office, 2004); opportunities for collaboration with policy researchers (Canadian Government, 1996); and use of peer review processes (Australian National Audit Office, 2002; UK Cabinet Office, 1999; Victorian Auditor-General's Office, 2004). These sorts of formal processes and structures are clearly important in developing policy capacity.

The findings presented in this chapter, however, suggest that culture (particularly informal norms and protocols at the local level) may be as important as formal structures and processes in shaping best practice in policy development and implementation. The findings also point to the importance of local level judgement, commitment and initiative in determining the appropriate mix of strategies to build policy capacity. These ideas are taken up further in Chapter 9 in the context of policy leadership.

The next chapter (Chapter 8) explores some of the barriers to good policy process which also constitute barriers to building policy capacity; barriers which have the potential to prevent the successful implementation of the propositions and strategies outlined above. These are analysed in terms of tensions between three types of governing capacity (policy capacity, administrative capacity and state capacity). Chapter 8 suggests strategies to negotiate these tensions, which are likely to enhance the successful implementation of the propositions.
Chapter 8: Negotiating Tensions in Building Policy Capacity

Introduction

Chapter 7 offered a smorgasbord of ‘propositions’ for developing policy capacity. Many of these propositions are fairly self-evident. This chapter asks the question: if the prescriptions for building policy capacity are so obvious, why are the principles not implemented more widely?

This chapter explores barriers to building policy capacity. A framework adapted from Painter and Pierre (2005a), which conceptualises policy capacity as one of three types of governing capacity, is used to frame these barriers in terms of tensions between policy capacity and two other types of governing capacity: administrative capacity and state capacity. This chapter describes tensions inherent in building policy capacity and suggests ways in which they might be negotiated. In this chapter I use the term ‘negotiate’ in the sense of navigating or ‘finding one’s way through’ the tensions, rather than the process of bargaining or coming to an agreement, as it is more commonly used.

The principles are obvious but applying them is not easy

The propositions for building capacity presented in Chapter 7 largely confirm the findings of previous research. However there was another stream of advice that the informants of my study offered about the reasons why the principles, while fairly self-evident, were not being fully realised. Many interviewees were sceptical about whether policy capacity could in fact be ‘built’. For example, whilst many people noted the importance of evidence-based policy making, there was a degree of scepticism about whether research evidence can actually make a difference when decision making is often short term, reactive and politically driven. In a similar vein, most people would agree that policy capacity depends on an adequate supply of skilled policy practitioners, however interviewees highlighted many barriers to strengthening the policy workforce.

I have explored the constraints on policy capacity raised by my interviewees in terms of the idea of tensions between policy capacity and other imperatives. To do this I
first needed to locate policy capacity within a broader framework that took account of other priorities and requirements of government.

**Policy capacity as one element of governing capacity**

Governments and public sector organisations must balance a number of competing priorities, of which policy development is only one. A conceptual framework developed by Painter and Pierre (2005a) is useful for framing these competing priorities and understanding their impact on efforts to build policy capacity. Painter and Pierre (2005a, pp. 2-3) conceptualise policy capacity as one element of a broader framework which includes three interdependent types of governing capacity: policy capacity; administrative capacity (‘the ability to manage efficiently the human and physical resources required for delivering the outputs of government’) and state capacity (‘the state’s ability to mobilize social and economic support and consent for the achievement of public-regarding goals’).

Policy capacity is inextricably linked to, and to some degree dependent on, administrative capacity and state capacity (Painter & Pierre, 2005a). Painter and Pierre depict this relationship in terms of a triangle. In this chapter I argue that the relationship between these domains is characterised by tensions as well as synergies. The conditions for good policy process (understood as policy capacity) may conflict with the necessary arrangements for efficient resource allocation in terms of service delivery (administrative capacity), or with the requirements for the reproduction of state power (state capacity). This means that the task of achieving ‘good’ policy often involves negotiating imperatives arising in all three domains.

Sometimes these tensions can be negotiated in such a way as to achieve better alignment between the domains. At other times, particularly in the case of state capacity, alignment or balance cannot be achieved and the limits to policy work imposed by such imperatives will not be addressed by redoubled efforts to improve policy capacity. In such cases, the policy practitioner needs to recognise the constraints on his or her policy work arising from the imperatives of state capacity.

It follows that tensions between policy capacity and administrative capacity, and tensions between policy capacity and state capacity, need to be taken into account in
devising capacity building strategies and that the opportunity costs of investing in policy capacity need to be recognised. The following section of the chapter explores these tensions through a discussion of the tensions inherent in the propositions for building policy capacity presented in Chapter 7, drawing also on the barriers presented in Chapter 6. The propositions are discussed in relation to each of the four broad capacity building domains which were used to organise the propositions in Chapter 7:

- building and managing a policy-competent workforce;
- developing formal processes and guidelines for strengthening the policy process;
- strengthening organisational culture and policy leadership; and
- strengthening structures and relationships to support policy capacity.

For each of these domains, using data from the interviews, I draw out tensions between policy capacity and administrative capacity and between policy capacity and state capacity, and explore ways in which these tensions might be resolved or navigated to achieve closer alignment between the imperatives arising from the different domains of governing capacity. I do not produce a set of universal solutions to such tensions. Rather I conclude that the configuration of tensions generally reflects the specific circumstances of the policy task in focus and that the management of such tensions is highly context dependent.

**Tensions in building policy capacity**

**Tensions inherent in building and managing a policy-competent workforce**

**Propositions for building capacity**

Chapter 7 argued for a number of capacity building strategies to build and manage a policy-competent workforce within the organisation. Developing individual policy competencies was clearly central to policy capacity building. Strategies include: improvements to induction training; provision of ‘in house’ and externally provided short courses; increased use of secondments, rotations and projects; and providing
opportunities to move between sectors and workplaces. They also include increased exposure to decision making processes; opportunities for participation in policy debates; providing policy and public administration training; formal and informal mentoring and shadowing opportunities; and use of case or problem-based learning.

Building and managing a policy-competent workforce also requires a number of other capacity building strategies alongside professional development. These include ensuring an ongoing supply of skilled policy personnel by recruiting people with the requisite policy capabilities or potential; developing promising young policy practitioners, and retaining skilled and experienced policy practitioners. People need to be supported in taking up development opportunities, through individual and team-based professional development planning and backfilling of positions. Succession planning was also clearly important for preventing the loss of corporate knowledge. Capacity building also requires identifying and developing people with aptitude for policy work, protecting them from being overwhelmed with operational responsibilities; and providing career paths including designated policy positions at relatively senior levels. Senior and middle level managers also need to be able to mobilise the appropriate mix of skills for policy jobs.

**Tensions between the imperatives of administrative capacity and efforts to build a policy-competent workforce**

Tensions between policy capacity and administrative capacity create challenges for building and managing a policy-competent workforce.

There are tensions between developing policy competencies and developing administrative (management) competencies. Policy practice requires skill sets which are different from the skills needed for administration and management, as one policy practitioner described:

“It doesn’t go hand in hand that people who are good at managing are necessarily good policy developers. I’m not sure that they are the same set of skills...[S]ome managers, it’s about getting the work through, rather than having the vision. I think policy development is about being able to envisage something.”

*(PP21)*
The findings of this research suggest, however, that existing mentoring and training opportunities in DHS tend to be focused on grooming people for management roles rather than on improving policy skills (see Chapter 7 Page 269). There are clearly opportunity costs involved in focusing on management skills rather than policy skills. The importance of sectoral and disciplinary expertise for policy practitioners (alongside public service ‘know how’) was highlighted in this study, and people with these skills may prove difficult to manage as one policy practitioner pointed out: “They often don’t value those skills. They’re hard skills to manage, you know. So the skills we want for good policy usually mean you’re going to have people who are quite tricky to keep interested, to manage...” (PP16).

Investment in professional development activities which support policy work also creates more immediate tensions with respect to administrative capacity by taking people away from administration and service delivery. In an organisation such as DHS, where policy roles are usually combined with management responsibilities, this is a significant concern. There seems to be no shortage of learning and development opportunities for DHS staff, however operational and administrative responsibilities often prevent people being able to take up these opportunities, as the following quote demonstrates: “Because people are so overwhelmed with work so much of the time, going off and doing these sorts of things is often seen as a luxury that they can’t afford...” (PP1).

Building administrative capacity (or ‘operational’ capacity as it was described by informants) was described as a significant focus of the Department of Human Services, due to a perceived crisis of operational capability (see Chapter 6, page 225). Investing in building administrative capacity, however, can compromise the development and maintenance of policy expertise. For example, status and promotion often depend on the size of budgets managed and the number of staff supervised, meaning that policy-competent people are often encouraged to move beyond policy-focused positions into senior management. This was a common concern, with many respondents commenting on the dearth of policy-focused positions at senior levels and promotion patterns that encouraged people to move beyond policy roles (see Chapter 6 page 221).
Similarly, valuing breadth of experience and career mobility across the public service (and linking this with status and promotion chances) militates against the development of deep policy expertise, continuity of staffing in policy areas and maintenance of organisational memory. Loss of institutional memory as a result of rapid staff turnover was a common theme in the interviews (see Chapter 6, page 222).

**Tensions between the imperatives of state capacity and efforts to build a policy-competent workforce**

Attempts to improve workforce capacity for policy development are also complicated by tensions with state capacity (including the political objectives of politicians). Whilst sectoral expertise is clearly important for policy teams, officials with professional socialisation or commitment to particular programs and objectives may face accountability tensions (where an individual’s professional commitment might be at odds with their accountabilities as a government official). This was evident in one respondent’s story of experiencing conflict between her commitment to providing essential services for a particular high needs group, and other political priorities that might divert funding from this group (PP20). A second policy practitioner described how she had to balance several (at times conflicting) “alignments” which she described as layers of an onion: to consumers; to her profession; to the team and unit she was working in; to the Department and to the Government (PP21). Public officials are accountable upwards to the politicians and outwards to the various constituencies with whom they are engaged; however state capacity depends on the electoral accountability of the politicians and, within the boundaries of judicial and parliamentary review, this means political judgement overriding the judgement of officials.

**Tensions inherent in developing formal processes and guidelines for strengthening the policy process**

**Propositions for building capacity**

Chapter 7 argued for a number of propositions for building capacity with respect to strengthening the policy process. These propositions focus on formal processes and guidelines for improving access to and use of information, strengthening the use of monitoring and evaluation in the policy process, improving connections between policy
development and implementation, improving the management of consultancies and ensuring systematic planning for policy development.

**Tensions between the imperatives of administrative capacity and initiatives to strengthen the policy process**

There are opportunity costs, in terms of building operational capacity in the ‘here and now’, associated with investing early in evidence gathering, research commissioning and developing policy ideas and options. This is reflected in the limited resources available for research commissioning in DHS, particularly in operational areas of the Department.

There are also tensions between the forward looking perspective required for improving evidence-based policy and the immediate pressures on managers to respond to today’s problems and ensure that services are delivered and programs implemented. A common theme in the interviews was the challenge of finding time for developmental policy work amid the day-to-day pressures of responding to requests for advice and managing service systems, particularly in operational areas of the Department. Many respondents described the benefits of gathering evidence and beginning policy analysis early in anticipation of opportunities that might arise, however there were seen to be ‘diminishing marginal returns’ for this work in the context of other pressing demands. It is perhaps useful to view the challenge of information and evidence development in terms of uncertainty. Government decision making is very complex; the range of possible options and scenarios grows rapidly from the short term to the medium and longer term. A comprehensive program of information and evidence development for the medium to longer term could be quite expensive in terms of money and limited human resources.

There are also tensions between policy capacity and administrative capacity inherent in the development of information systems. Policy practitioners may have different information needs to those of operations and resource managers, and policy relevant information development must compete with other information development priorities, including resource management.

Tensions inherent in strengthening policy monitoring and evaluation include the opportunity costs associated with increasing the number of evaluations, which are costly
in terms of time and resources, and of investing in evaluation skill development and support structures. The lack of continuity between policy development and evaluation, discussed in Chapter 6, can be understood in terms of tensions between policy capacity and administrative capacity. Career mobility, which is highly valued for grooming managers and building administrative capacity, presents costs in terms of policy evaluation capacity. Typically, given the degree and speed of career mobility, the official commissioning the evaluation is no longer in the same position when the final report is received. If the evaluation is longitudinal, there may be no one left in the area with any memory of, or commitment to, the original research design. There was high mobility of both projects and personnel within the organisation, and it was uncommon for the practitioners interviewed to have been involved in the project(s) they were working on throughout the life of the project.

There are also tensions inherent in strategies to create closer links between policy development and program management. There are tensions between the requirements of policy development versus the requirements of operational management (implementation). There are clear differences between the mix of skills required for operational management and those required for policy development. Policy makers do not always understand the life world of operations managers and vice versa. Several interviewees described their frustrations with administrative systems, which are designed for funding recurrent services but not flexible enough for innovative policy projects, and administrative personnel who lack an understanding of policy development. Operations managers and implementers may have different views about policy priorities, and involving them in policy development can be costly in terms of time and resources. Interviewees cited several instances of policy development in which the inclusion of both internal and external stakeholders in policy development was deliberately limited for these reasons. In one policy project, however, the lead practitioner identified the lack of involvement of administrative personnel (both within the Department and in central agencies) in policy development as an area which could have been improved (PP14). This might have assisted in developing a broader recognition of the problem the policy was addressing and the outcomes it was trying to achieve by ensuring that the policy principles informed central agency expectations of the budget bids coming from different areas of the Department.
Tensions between the imperatives of state capacity and initiatives to strengthen the policy process

The inherently political nature of policy making can produce tensions between evidence-based policy practice and state capacity. There are legitimate considerations other than research evidence which political decision-makers must take into account (Black, 2001).

There are also questions about whose evidence has legitimacy. Some ‘rational evidence’ may run counter to political judgement of electoral sentiment, and some ‘rational evidence’ may constrain ministerial discretion. One policy practitioner described a major gap in quantitative data about a particular service type which constrained policy development in a number of areas:

“I don’t think anyone’s ever been unaware that it needed work doing on it, it’s just that there’s a priority list of stuff you can tackle and stuff you can’t…I don’t think there was ever great political will to tackle it because it was likely to result in a big wish list of things that were all going to cost, and that no one in the public was going to be too concerned about.” (PP2)

Sometimes policy decisions were made for political reasons, and there was either no attempt to review research, or the information collected was not used in policy decision making. A practitioner recounted the story of a policy development project which was initiated for political purposes, in order to be seen to be doing something about a particular health issue, rather than to bring about change (PP20). As population and service data was collected and analysed, funding inequities and gaps in the system became apparent; at that stage the project stalled and did not progress until the politically sensitive data was removed. In situations where what counts as evidence and how evidence should be interpreted are highly contested, the privileging of rational evidence may run counter to political judgement. The ability of political leaders to listen and respond to (sometimes leading, sometimes following) the sentiment of various constituencies is an important element of ‘state capacity’. Policy capacity (if it is defined purely in terms of rational decision making) may need to compromise with this aspect of ‘state capacity’.
There is often a mismatch between a politician’s need to solve problems quickly and the time required for research and data generation (SSC, 1999a). For example, a practitioner responsible for developing a state-wide capital plan for a particular service system described having to determine priorities for investment in the early stages of the project, even as the data were being gathered. This tension is reflected in the barrier described in Chapter 6 (page 216) ‘Speed of political decision making sometimes precluded systematic collection and appraisal of evidence’. Pressure to solve problems quickly was also seen to prevent adequate attention to problem definition and task allocation (see Chapter 6, page 247).

There are a number of tensions with respect to state capacity which may compromise efforts to improve the use of evaluation and monitoring in the policy process. Short term considerations associated with the electoral cycle may not value future-directed evaluations. The speed of political decision making means that evaluations, which take time, may not always be ready in a timely fashion. This is reflected in the comment of a focus group participant (FG7) that “The results [of evaluations] come too late to influence the next policy direction” (see Chapter 6, page 245). The pressures of political accountability tend to encourage summative rather than formative evaluation, which limits the impact of evaluation findings on policy development.

Formal evaluation (as opposed to political evaluation) may also carry political risks such as the consequences of a politically supported program being found to be ineffective, or findings which are at odds with the favoured directions of key stakeholders. This is reflected in the comment of one senior policy manager that people don’t evaluate because “government often doesn’t want to know the answer” (SPM1). A technical specialist also said: “There’s the tension of not wanting to look at programs that you haven’t really specified, or designed, or suspect are not going to run very well.” Some senior managers, he suggested, would not want their programs too closely scrutinised, “because it’s probably money they’ve had to put out there, and they don’t want it evaluated because it would make them look bad…the reality is it’s very, very difficult to close a program down once you’ve got it up and running…”. Ministers may value retaining policy agility as issues emerge, and may not welcome being constrained by broader public knowledge of what works.
Tensions with state capacity are also evident in the culture of ‘having to get it right the first time’ and the political preference for ‘big bang reform’ (See Chapter 6, page 242) which present barriers to appropriate investment in implementation monitoring and incremental adjustment.

Tensions between state capacity and policy capacity also present challenges to greater integration of policy development and implementation. Policy is not always intended to be implemented; sometimes it is largely symbolic, for the purpose of satisfying the requirements of particular stakeholders or government. Some participants in this research recounted experiences with such policy projects. In such situations, implementation planning and involvement of implementers in policy development would be counter-productive. Involving implementers can also lead to unintended outcomes, or loss of control of policy development and implementation. In some projects, involvement of implementers was limited for these reasons.

**Tensions inherent in strengthening organisational culture and policy leadership**

**Propositions for building capacity**

Chapter 7 discussed a number of propositions for strengthening organisational culture to ensure a supportive environment for policy making. These include developing norms and protocols through leadership at both the local and organisational levels (reinforced, where appropriate, by incentive and reward structures) which support: the intelligent and appropriate use of evidence in policy development; a culture of expectation in relation to information exchange; a culture of collaborative policy development; a culture that supports sound stakeholder management and meaningful stakeholder consultation; a culture in which policy skills are valued; and a culture of organisational learning.

Leadership is clearly important in developing organisational culture in these areas. Propositions focused on strengthening leadership (and thereby organisational culture) include providing policy-focused leadership development, selecting for policy leadership qualities in the appointment of senior and middle level policy managers and collective reflection on the qualities needed for policy leadership.
Tensions between the imperatives of administrative capacity and developing policy leadership and culture

Tensions with respect to administrative capacity which create barriers to the realisation of strategies to build policy leadership and a supportive institutional culture include the competing demands on managers (of which policy development is just one); the opportunity costs of time spent thinking about options and scenarios; and the immediacy of operational pressures which often conflict with longer range policy perspectives. In branches with major operational responsibilities, it was clearly very difficult to dedicate time and resources to the sorts of strategies and practices that build leadership and organisational culture. For example, improving communication and developing shared vision across the branch (and between policy areas and corporate areas of the Department) were often identified as areas that could be improved, however there was little time for sharing ideas amidst the pressures of responding to crises and administering complex systems within resource constraints.

Tensions with administrative capacity are also evident in propositions regarding valuing policy skills and rewarding collaborative policy development. In an environment where operational capability was perceived to be in a state of crisis, there was a clear tension, in the view of one senior policy manager, “between sending a message that central office policy really matters, compared to actually doing the work that government gives us the budget for” (SPM1).

Other tensions between policy capacity and administrative capacity associated with the development of policy leadership include the constant movement of people and the focus of existing leadership programs on grooming people for management (both of which are discussed earlier in this chapter).

Tensions between the imperatives of state capacity and initiatives to develop policy leadership and culture

Tensions with respect to state capacity may also frustrate efforts to improve leadership and organisational culture. Vision, a necessary part of policy leadership, may be seen as the prerogative of politicians rather than bureaucratic policy advisers. There may therefore be political risks involved in developing policy leadership skills in bureaucrats. One senior policy manager emphasised that “public sector leadership at a
policy level is quite a contested space”, with tensions between the role of bureaucrats and ministers (SPM1). Consistency (across time and policies) may also run counter to the politician’s need for flexibility. Creating a culture of innovation and risk taking in the bureaucracy may also be seen as politically risky, involving tensions between policy capacity and state capacity.

Political imperatives (particularly a commitment to ‘small government’) may create tensions with building policy leadership by resulting in restrictions to the number of senior positions and politically driven purges of lower executive levels (as discussed in Chapter 6 page 255). Political imperatives may also drive the contracting out of policy work, which may compromise the development of leadership skills within the organisation.

Organisational learning through reflection on cases of policy development and implementation is also subject to political risks associated with confidentiality leaks and associated embarrassment to government. There may also be political risks associated with drawing on the leadership of high profile, external stakeholders.

**Tensions inherent in strengthening structures and relationships to support policy capacity**

**Propositions for building capacity**

Chapter 7 presented a number of propositions for building policy capacity by strengthening organisational structures and relationships. These include strategies to strengthen relationships across and between organisations by providing opportunities for engagement and debate between different parts of the Department, between different jurisdictions and levels of government and between bureaucrats and researchers. They also include strategies to improve organisational design (such as the provision of, and location of specialist technical support; the use of governance and accountability structures; and the structural connections between policy development and implementation).
Tensions between the imperatives of administrative capacity and structural approaches to building policy capacity

Strategies to strengthen relationships across and between organisations generally have high transaction costs with implications for administrative capacity in terms of opportunity costs, time and resources required for effective coordination and collaboration. Some interviewees had experienced significant delays in cross-portfolio projects due to difficulties in engaging internal stakeholders from other areas of the organisation. One policy practitioner talked about the need for more collaboration but then noted that the extra committees and meetings that collaboration requires can also be overly burdensome (PP3). Practitioners from branches with substantial operational management responsibilities generally seemed to experience more difficulties engaging in policy development at the whole-of-government level.

Building relationships with stakeholders takes a significant investment of time and resources which could otherwise be invested in operations and service delivery. Formal consultation can result in ‘administrative overload’ and the conflict and opposition which arises can create significant delays and unforeseen costs (OECD, 1997; SSC, 1999a). Many policy practitioners commented on the resource barriers to effective consultation and communication (see Chapter 6, page 228). In one branch, formal communications with stakeholders had been identified as an area that needed improvement. However, as one practitioner commented, there were significant budgetary and time constraints which affected the achievement of this objective (PP8).

There are also tensions inherent in the institutional location of policy development and implementation functions. Combining policy and operational development functions in the same unit can be burdensome for managers. Operational units may not be well equipped for policy work and lack time and resources, as the director of one service delivery-focused branch commented:

“...development of policy is very time consuming, because it involves a lot of consultation and lots of inter-government work and lots of consideration of the consequences on different groups, and that sort of work is beyond our capacity.”

(PP19)
“You have very limited resources and the main aim is to get services to people who need them.” (PP19)

There is thus a strong rationale for having dedicated policy areas within the organisation that are not ‘distracted by emergencies’ and have the space for policy work. But separating policy development from operational functions carries risks in terms of implementation failure (see Chapter 6, page 238):

“...I think it’s a bit artificial in a program area to separate policy from planning from delivery, because it’s really a bit of a loop, and if you didn’t have good information flow between all those areas, you wouldn’t get anywhere.” (PP19)

Stand-alone policy units may not have a strong enough mandate, may be too separate from links with stakeholders, and may not have enough local knowledge to develop policy that will be effective.

Tensions between the imperatives of state capacity and structural approaches to building policy capacity

There are also tensions with respect to state capacity inherent in efforts to improve policy collaboration in Australia because competitiveness between ministers, departments and levels of government is a feature of both cabinet government and federalism. Current incentive structures largely reward ministers for individual success, as discussed in Chapter 6 (see page 234). Further, neither the resource allocation processes of government nor the performance rewards for ministers and senior public servants are structured in ways which reinforce long term commitment to new ways of working within and between sectors. Although these issues are largely beyond the scope of this research, these tensions appear to present significant obstacles to ‘joined-up government’ as a prerequisite for better policy making.

Tensions between policy capacity and state capacity are evident in the risks associated with consultation including potential breaches of confidentiality, raised public expectations, and potential for priming stakeholder opposition. In some policy episodes described in the interviews, consultation was deliberately limited to discrete, well defined and carefully managed stages to minimise these risks (see Chapter 6, page 229).
Accounts of negotiating the tensions

This section of the chapter describes examples from the data of policy practitioners and policy managers negotiating the tensions in their policy work and their attempts to build policy capacity.

Negotiating the tensions between policy capacity and administrative capacity

Participants reported a range of strategies they used to manage the tensions between policy capacity and administrative capacity, which were experienced as resource constraints and the opportunity costs of investing in building policy capacity. Some policy practitioners described practising the personal disciplines of making space for policy work amongst the pressures of service delivery. For example, a focus group participant talked about “holding off the tide of the everyday stuff that comes in and making the space for the research and thinking and reading and writing that’s required to do good policy” (FG2). This was described as a constant challenge but one which was possible to do, with management support. Another focus group participant pointed out that time constraints were an ever present feature of the job that had to be accommodated: “I’m not convinced that they are necessarily constraints, they’re just a reality. It’s about how we accommodate that” (FG4). She described how accommodating the constraints required being “opportunistic” and being prepared to “strategically exploit an environment”, such as working with the timing of the electoral cycle and the shifting political priorities.

In addition to the personal disciplines of negotiating the tensions in relation to one’s own policy work, there were also many accounts of middle managers negotiating the tensions by protecting their staff, as much as possible, from being overwhelmed by operational responsibilities. The strategies used to do this (such putting people “off line” for a period of time, or creating an extra position or a designated policy position) varied according to the context.

Senior managers also described various strategies for achieving a balance between policy capacity and administrative capacity, and negotiating successfully the tensions between these domains. For example, one senior manager deliberately kept a policy unit
at a small size because of her awareness that policy was seen as an “overhead to service delivery” (SPM1). She was concerned that if it grew too big, the policy unit was vulnerable to being dismantled. Another senior manager described keeping policy work closely connected with service delivery and flexibly using highly skilled people rather than locating policy work in separate policy units.

**Negotiating the tensions between policy capacity and state capacity**

Senior and middle level policy managers employed a variety of approaches to manage the tensions between policy capacity and state capacity. Many managers described maintaining a very clear understanding of the current and likely future concerns of politicians and about the changing focus of inter-governmental dynamics. One senior policy manager recounted how she was continually checking and re-checking the authorising environment, to make sure that there was ongoing political support for the policy episodes her team was working on, sometimes even playing ‘devil’s advocate’ and suggesting that policies might not proceed, in order to gauge the level of political support (SPM1). She explained how she had to take a relaxed approach to the idea that policy projects might be “dropped” at any time. This manager also described how she cultivated understanding amongst her staff (largely through informal coaching and mentoring) about the pressures on ministers.

The common practice of keeping policy ideas in the ‘bottom drawer’ was another strategy to achieve greater alignment between policy capacity and state capacity (with respect to particular policy episodes). In a hostile environment, policy ideas were laid carefully aside, with sufficient developmental work already done that they could be “wheeled out” at the right time, when the issue came into political focus.

Another strategy for dealing with the tensions between policy capacity and state capacity was strategically using relationships with leaders outside government. One senior policy manager described how she harnessed the leadership of trusted opinion leaders outside government in order to influence public opinion or government more directly (SPM1). A similar strategy described by some policy practitioners for achieving greater alignment between policy capacity and state capacity was the practice of building a constituency amongst stakeholders for a particular policy that was not politically palatable at the time. Several policy practitioners spoke about working
“behind the scenes” to support the concerns of stakeholders and help them to develop the arguments they were putting to government. Some policy practitioners also talked about anticipating likely resistance from politicians on issues that were likely to give rise to some political sensitivities, and doing the back room work and generating support through the Department.

A further strategy for managing the tensions between policy capacity and state capacity was working to overcome the different ‘life-worlds’ of policy practitioners and politicians. A senior policy manager also described how she worked to get the politicians “on the journey” with the policy workers, to build common understanding of policy problems and solutions, by organising for expert speakers to talk to committees of politicians (SPM1).

Senior and middle level managers also at times distanced themselves from certain policy functions in order to engage in different ways with state governing processes. In particular, certain aspects of policy research and evaluation were at times contracted out in order to ensure that they had greater legitimacy because they were produced by independent third parties.

**Discussion**

*The tensions are part of the picture*

Tensions between policy capacity and administrative capacity include tensions between priorities for investment, given the opportunity costs of investing in policy capacity (including money, people skill sets, workforce development and organisational design). They also include tensions between the advancement and mobility of personnel versus continuity and depth of policy; and tensions between the ‘life-worlds’ of policy practitioners and administrators.

Tensions between policy capacity and state capacity include tensions in a range of areas where building policy capacity has potential implications for political accountability to the electorate, political strategy and agility, political risk management and the careers of politicians.
The tensions between the three elements of governing capacity are part of the context for policy work. Embedded in all accounts of policy work, either explicitly or implicitly, were the discourses of resource constraints and political constraints. Policy practitioners struggled to negotiate these tensions in their policy work and policy managers struggled to negotiate them in their efforts to build policy capacity in their team, unit or organisation.

The idea that tensions and trade-offs are involved in policy work is not new. Prince (2007, pp. 164, 167), for example, notes that policy work involves ‘hard choices’ and, at times, ‘explicit sacrifices’ between different values and priorities. The argument that building policy capacity also requires trade-offs has also previously been made in the literature. Lindquist and Desveaux (2007), for example, comment on the costs and risks involved in choices of recruitment strategies for mobilising policy expertise.

**The tensions vary depending on context and contingency**

Findings suggest that the tensions are an ever-present feature of the context of policy making but they are fluid and dynamic rather than fixed and concrete. The configuration of tensions varies across place, time, level and issue.

The tensions were experienced differently by the different branches and teams participating in the study. For example, branches which were heavily engaged in service delivery experienced more pressing resource constraints that limited their ability to invest in policy capacity. Some branches were engaged in work on policy issues that were more politically sensitive and thus tensions with state capacity were more evident.

The tensions also varied across time. The cycles of government, including the electoral cycle and budget cycle, are good examples of how tensions with state capacity vary temporally. Chapter 4 describes how the appropriate approach to policy development varied according to the time in the electoral cycle and budget cycle. For instance, participants reported that policy issues that were too politically sensitive before an election might be appropriately launched after an election, following the introduction of a new government.
There were different tensions and different degrees of tensions associated with different policy issues and episodes. Some were more politically sensitive and attracted more attention (and thus more potential tensions with state capacity).

The tensions were also experienced differently according to ‘level’ – both level in terms of hierarchy in the organisation and level in terms of higher or lower level policy (as I have used the term in Chapter 4, see page 136). Although senior managers may have more influence in terms of the formal organisational structures and processes that comprise policy capacity, they may be more exposed to the tensions than middle level managers and policy officers who may be able to engage in capacity building in more low-key ways. The different levels of policy are also likely to vary in terms of the tensions, with policy practitioners engaged in high level, high profile policy episodes likely to experience more resource and political constraints.

**The tensions need to be flexibly managed**

The tensions described in this chapter are part of the territory. The key to good policy work in this context lies in flexibly and strategically managing these tensions. However, as outlined above, the balance of imperatives is highly contingent. The most appropriate balance between the three domains is likely to change over time and to vary between different contexts.

The key to managing the tensions is for the policy operative to understand the frustrations she/he faces in terms of tensions and to be able to move swiftly and strategically on the issue of current concern. Negotiating the tensions depends on awareness of the public sector environment and the imperatives facing government; awareness of the trade-offs and opportunity costs involved in building policy capacity; and the judgement to employ appropriate strategies for negotiating the tensions according to the particular context.

There may be some circumstances where the tensions (particularly the tensions between policy capacity and state capacity) may not be able to be satisfactorily negotiated to achieve good policy outcomes, at least in the short term. An example might be a politically driven decision not to proceed with a policy despite strong evidence of effectiveness. Similarly, tensions between policy capacity and state capacity...
may also over-ride the ability of managers to build policy capacity (as in the case of politically-driven reductions to the size of the policy workforce). In such circumstances, the imperatives of state capacity, rightly or wrongly, may present immutable constraints to ‘good’ policy at a given point in time. In such cases, it is valuable for the policy practitioner to understand the constraints he or she is facing in terms of the tensions – firstly in order to understand that the obstacles are beyond his or her control, and secondly to be able to plan for the moment when the tensions move to a new alignment where a better balance may be able to be achieved.

Managing the tensions inherent in doing policy work and in building policy capacity highlights once again the importance of judgement and leadership. Whilst there may be ways in which organisational structures and processes could be tweaked to align the different aspects of governing capacity, the fluid nature of the tensions (across time, issue and level) means that they need to be flexibly and strategically managed at the local as well as organisational levels. Developing policy leadership at the middle and senior levels therefore becomes a core strategy for building the capacity to successfully negotiate the tensions involved in building policy capacity.

Chapter summary and conclusions

A number of generally accepted principles for building organisational policy capacity can be gleaned from the literature. These were largely confirmed by the findings of my study. Interviews with policy practitioners, however, suggest that realising these principles in practice is neither easy nor straightforward. In this context, conceptualising policy capacity in its relation with the other domains of governing capacity is a useful approach to understanding why self-evident principles can be so difficult to implement.

This chapter has explored some of the tensions between different domains of governing capacity in relation to the propositions for building policy capacity discussed in Chapter 7, using Painter and Pierre’s framework of three elements of governing capacity. Successfully building policy capacity depends on being able to negotiate these tensions, which may involve aligning the imperatives of these different aspects of governing capacity. Sometimes the tensions may be irreconcilable, and successfully negotiating them may require strategic choices to maximise one aspect of governing
capacity at a particular point in time, without dismantling the infrastructure which supports the other types of capacity.

The findings of this chapter suggest that the capacity to negotiate the tensions between the different aspects of governing capacity should, in itself, become a focus of capacity building efforts. These tensions are subtle and context dependent, yet they can significantly impede capacity building initiatives. The appropriate level for capacity building interventions aimed at negotiating these tensions more effectively is the level at which policy making is undertaken; the level of directors of policy units and teams. This is taken up in the next chapter. Chapter 9 builds on the findings discussed in each of the findings chapters to argue for the idea of developing policy leadership at the middle and senior levels as a strategic approach to developing policy capacity.
Chapter 9: Policy Leadership: the Key to Policy Capacity Building

Introduction

This chapter focuses on the idea of ‘policy leadership’ as the key to building organisational policy capacity. The chapter argues that whilst the propositions presented in Chapter 7 provide a useful checklist for policy capacity building, they do not provide a strategic approach to policy capacity development. This chapter discusses why the checklist approach is not sufficiently strategic and argues for a more strategic approach to organisational policy capacity development based on the idea of policy leadership. I am using the term ‘policy leadership’ to conceptualise the characteristics and behaviours of middle and senior level bureaucrats that contribute to improvements in policy capacity. The chapter explores the concept of policy leadership in terms of a number of elements and suggests the kinds of professional development programs that might support the development of policy leadership.

The need for a strategic approach to capacity building

Chapter 7 presents a list of propositions for building policy capacity that addresses both individual and organisational capacity and provides a useful checklist for managers who wish to build policy capacity. These propositions largely confirm the widely agreed principles for building policy capacity derived from a review of the literature. However, the propositions of Chapter 7, along with other checklists developed in previous policy capacity research, do not provide a strategic approach to policy capacity development.

In this section of the chapter, I shall discuss the characteristics of a strategic approach to policy capacity building approach under three headings:

(i) the appropriate choice of capacity building strategies depends on context and contingency;

(ii) organisational capacity to manage the challenges of policy making is as much cultural as structural; and
the agency of individuals is a key driver of change (capacity building) in
the organisation.

Under each of these headings I shall discuss why the checklist approach is not
strategic and how the ‘policy leadership approach’ (as I am using the term) does provide
the basis for a strategic approach to policy capacity strengthening.

**The appropriate choice of capacity building strategies depends on
context and contingency**

There are many different aspects of organisational infrastructure which shape or
constrain policy capacity and where capacity building interventions could make a
difference. Chapter 7 presents a suite of propositions for building policy capacity based
on both the views of the respondents and an analysis of the findings with respect to
practitioner competencies and organisational capacity. These propositions are presented
in four capacity development domains: building and managing a policy competent
workforce; developing formal processes and guidelines for strengthening the policy
process; strengthening organisational culture and leadership; and strengthening
structures and relationships to support policy capacity. In each of these domains there
are many different propositions which have emerged from this research as likely to
enhance policy capacity, under certain conditions. These findings reflect and confirm
the findings of previous policy capacity research, which has tended to give rise to
multiple recommendations for improvements to many aspects of organisational
structure, process and culture.

The propositions for building policy capacity have come from many different
stories of policy making. From each story, and from the full collection, I have drawn
conclusions about the links between context, process and outcomes and hence
propositions for developing capacity for better process and better outcomes. But the
stories all come from different contexts (times in the cycle, issues, people and levels and
locales) and we cannot conclude that the totality of the set of propositions represents a
universalising optimal approach to policy capacity building. Indeed there are
contradictions between many of the propositions (for example, mobility or stability of
staff; distance or proximity to program management) because they arise from different
circumstances.
The appropriate approach to policy making depends on the particular contingencies of the episode and the context. Likewise, the capacity building strategies that need to be employed in any given situation depend in significant degree on the particular contingencies of the organisation (or the organisational unit) and its context. The propositions presented in Chapter 7, like the prescriptions arising from the literature, could not be implemented all at once, in some blanket and uniform way. The utility of the propositions needs to be evaluated in accordance with the specifics of the time, the issue, the people, and the level or locale.

The findings presented in Chapter 8 also point towards contingency as an important consideration. In Chapter 8 I discussed the limitations to building policy capacity in terms of tensions between policy capacity, administrative capacity and state capacity. I have traced some of the tensions and trade-offs involved in managing these three domains. However in the course of working through these tensions (and sometimes synergies) between the three domains of governing capacity, the contingency of policy judgement emerged as particularly important. The right choices and the right balance of choices in steering policy development are highly contingent; contingent on time (e.g. the time in the political cycle), the issue (e.g. controversial or routine), personalities (the minister, senior officers), and bureaucratic level (from unit to division to department to whole-of-government). In the context of Chapter 8 I concluded that finding pathways which minimise the tensions and maximise the synergies, in the context of policy development and policy capacity building, requires judgement in terms of flexibly and strategically managing the tensions.

So whose judgements of context and principle shall determine the right approach to policy development; the right mix of propositions, the right pathway for negotiating tensions? These judgements depend on the managers and policy leaders who are guiding the policy process in relation to the specifics of time, issue and person, and at every level. This ability to assess context and principle and to direct the policy process accordingly is a core component of ‘policy leadership’ as I am using the term. It is necessarily a dispersed kind of leadership because it is specific to the local context (in the organisational unit or team) and the policy task.
Organisational capacity to manage the challenges of policy making is as much cultural as structural

The view that capacity includes ‘intangible’ aspects of organisational life, such as norms, culture and leadership in addition to the ‘tangible’ elements of organisational infrastructure (such as structures, resources and people) is supported by the international development literature (Kaplan, 2000; Potter & Brough, 2004; Tyler, 2004). However this thesis goes beyond this observation to argue that these intangible aspects are of critical importance in creating the conditions for good policy making.

Many of the propositions developed in Chapter 7 point to the importance of prevailing norms and commonly accepted protocols as key features of organisational capacity. Many of the propositions advanced in Chapter 7 can be enacted through organisational change, new data collections, budget decisions or new human resources policies. Indeed in the case of DHS many of these organisation-wide structures and processes are already in place.

However, most of the propositions for capacity building are as much cultural as structural in the sense that they deal with prevailing norms of good practice at the local level rather than with questions of formal organisational design and process. Examples of more formal organisational design questions include: should policy units be part of or separate from service delivery or should all policy units have evaluation expertise, or should all policy units be able to commission research? In contrast the kinds of cultural norms and protocols which have emerged in this study as key elements of organisational capacity are exemplified by norms and protocols which support:

- the intelligent use of information and evidence in policy making;
- early investment in data gathering, research and development of policy options;
- routine formative evaluation of policy work and monitoring of policy implementation;
• better links between policy development and program management (such as building capacity of implementing agencies; implementation planning; and involving implementers in policy development);

• expectations in relation to information sharing and collaboration; and

• effective stakeholder management and consultation practices.

There is scope for executives at the top of the organisation to promote the kinds of cultural reforms which might support excellent policy making in these ways through guidelines, training courses, rewards, or criteria for promotion. The findings presented in chapters 6 and 7 suggest that these sorts of initiatives are important, but not sufficient, for building policy capacity. It is easy for such mechanisms to become empty formalities, whereas local policy leaders can create local cultures informally through local mentoring and guidance. The capacity to promote norms of good practice and to institutionalise useful protocols through local mentoring and guidance comprises a core element of ‘policy leadership’. Again it points to a kind of disseminated, or dispersed, leadership.

There is a large body of literature that supports the idea that leadership is central to changing culture (Korac-Kakabadse & Korac-Kakabadse, 1998; Schein, 2004; Senge et al., 1999). Schein (2004, p. 10) argues that leadership and culture are ‘two sides of the same coin’; creating and managing culture is the main function of leadership. Leadership has been shown to have a significant impact on the development of norms within teams (Taggar & Ellis, 2007).

**The agency of individuals is a key driver of change (capacity building) in the organisation**

Developing the competencies of policy practitioners is an important way to build policy capacity and in this area there are some fairly obvious training initiatives which can be relatively easily implemented. Clearly it is also important – perhaps more important – to create a supportive organisational context for policy development and implementation. However the levers by which such organisational change can be produced are less clear.
Published prescriptions for building policy capacity are commonly framed without reference to whose responsibility it might be to implement them. There is an assumption underlying much of the previous policy capacity research that it would be the responsibility of managers at the most senior levels to re-engineer the organisation in order to build policy capacity. However the findings of this thesis suggest that capacity is determined locally as much as centrally. The checklist approach to capacity building is not strategic because it does not conceive an active role for managers and policy practitioners in developing policy capacity at the local level. This brings us to the idea of agency: the capacity for policy leaders to actively shape the environment in which they work.

The idea of agency is implicit in my conceptualisation of policy leadership. Giddens’ (1984) notion of agency highlights the purposeful nature of actors in shaping the environment in which they find themselves. Giddens (1984, pp. 14-15) saw agents as acting intentionally to intervene in the world to transform the existing state of affairs, through the use of power. Giddens argued against a view of social structure as totally constraining. He used the concept of ‘structuration’ to describe the duality of structure and agency; that social structures (including the rules and resources of institutions) both shape the actions of individuals, and are produced and re-produced by the practices of everyday life (Giddens, 1984).

The initiative of policy leaders at the local level is important with respect to choices about the policy process, including the most appropriate choice of policy development approaches in the particular episode and the particular context for policy development. It is also important with respect to cultivating the informal norms and protocols that support effective policy practice at the local level.

The idea of ‘agency’ overcomes the problematic distinction between organisational and individual capacity. It addresses a gap in the existing capacity development literature, which, to some extent, is polarised between perceiving, as the source of capacity, either individuals (the view largely taken in the management literature), or organisational systems and processes (a perspective favoured in the development literature) (Tyler, 2004). More recently, many authors suggest that capacity development needs to take place at multiple levels simultaneously (Kaplan,
2000; Tyler, 2004). Although some recent capacity development research has emphasised the contributions of individuals as core to the creation of organisational capacity (see, for example, Baser et al., 2008, p. 24), the interface between the different levels of capacity is relatively unexplored in the existing capacity development literature.

The organisational learning literature has more to offer in terms of understanding the articulation between individual learning and organisational change. Senge et al. (1999, p. 54) explain organisational learning in terms of three interdependent, mutually reinforcing processes. Learning occurs first through individuals, then diffuses through organisational networks before eventually generating new business practices (Senge et al., 1999, p. 54).

Clearly the expression of agency at the local level needs to be broadly coherent with the general directions and policies of the organisation. This would require that managers and policy practitioners exercise a ‘sense of responsibility’; a commitment to change at the local level; but change which is in line with the organisation’s goals and policies generally. My use of the term ‘commitment’ follows from Pettigrew (1979, p. 577) who defines commitment as ‘the willingness of participants to give energy and loyalty to an organization, to be effectively attached to its goals and values and thereby to the organization for its own sake’. This sense of responsibility is a core aspect of policy leadership.

**Developing policy leadership: a more strategic approach**

Developing policy leadership provides a strategic approach to capacity development. Employing the judgement of policy leaders (managers at the middle and senior levels) enables flexibility and precision in the choice of policy making approaches, of capacity building strategies, and of the appropriate balance between the different domains of governing capacity. Policy leaders can create and nourish the cultural norms and expectations that support good policy process, through local mentoring and guidance. Policy leaders express a commitment to building capacity at the local level but in ways which are congruent with the needs and broader direction of the organisation.
Policy leadership

Elements of policy leadership

This section of the chapter explores the idea of policy leadership in terms of a number of elements, some of which are captured by the generic leadership literature, some by the public sector leadership literature, and some which are unique to policy leadership (which I have described under the heading of organisational policy leadership). It draws together the literature and the findings of this research to explore what sort of leadership is needed for building organisational policy capacity.

My usage of the term ‘policy leadership’ differs from the ways in which it has previously been used. In the public policy and public administration literature, the term ‘policy leadership’ has generally been used to describe political leadership, or leadership with respect to particular policy decisions or the advancement of specific policies (see, for example, Eyestone, 1971; Janis, 1989). In this thesis I am using the term ‘policy leadership’ to conceptualise the characteristics and behaviours of middle and senior level bureaucrats that contribute to improvements in organisational policy capacity.

Generic leadership

The generic leadership literature: approaches and themes

The generic leadership literature is a huge and disparate body which spans a range of disciplines and includes a large number of different approaches. I will not attempt to comprehensively review all of the approaches here but will outline the main broad types of approaches: attribute or qualities approaches; situational, contingency and transactional approaches and charismatic and transformational approaches.

The attribute or qualities approaches to leadership, which were popular in the early twentieth century, perceived leadership as the result of particular personality traits or qualities, which are often believed to be inborn (Daft, 2005; D. W. Johnson & Johnson, 1975, pp. 172-173; Turner, Reynolds, & Subasic, 2008). There is a lack of consensus over what these traits or qualities might be, and lists of leadership qualities have not proved to be particularly useful for leadership development (Adair, 2006, p. 9;
D. W. Johnson & Johnson, 1975, p. 173). The idea that leadership traits are inborn rather than developed encourages a focus on recruiting a particular type of individual, rather than leadership development (Adair, 2006, p. 10).

In situational, contingency and transactional approaches, leadership is seen as a function of the particular context, including the task, the group, the organisation and other aspects of the environment (Adair, 2006, pp. 11-12; Daft, 2005; Turner et al., 2008, p. 59). These perspectives emphasise the relationship aspects of leadership rather than the qualities of individuals, however they do not account for the way in which some individuals appear to exercise leadership in a range of different contexts (Adair, 2006, p. 12).

Charismatic and transformational theories of leadership return to the idea of the individual personality and behaviour as the explanation for leadership. These approaches have emerged largely from US studies of white male heads of organisations (Alimo-Metcalfe & Alban-Metcalfe, 2004, p. 176). Attributes associated with these approaches include heroism, commitment to values, insight, vision for the future, and commitment to caring for followers (Storey, 2004, pp. 27-28). Transformational leadership also includes the central notion of ‘inspirational motivation’, being able to inspire followers to achieve extraordinary things (Storey, 2004, p. 28). These approaches have been subject to criticism due to the dangers of over-reliance on particular individuals, which can result in problems including narcissism, misuse of power, and over-dependence amongst followers (Storey, 2004, p. 32). There have been concerns expressed about the relevance of charismatic and transformational approaches to the public sector environment (Alimo-Metcalfe & Alban-Metcalfe, 2004, p. 176; P. Simpson & Beeby, 1993). However many public sector leadership programs continue to be informed largely by transactional and transformational leadership approaches which tend to be regarded as having advantages over traditional leadership training (Trottier, Van Wart, & Wang, 2008).

Whilst the way in which leadership is defined differs depending on the perspective from which it is viewed, most definitions centre around the idea of leadership as influencing others (in the context of a group or organisation) in order to achieve a common goal (Morse & Buss, 2007, p. 4; Shafritz & Russell, 1997, p. 361;
Yukl, 2002, p. 2). Contemporary understandings of leadership tend to be multifaceted and to integrate different theories and models of leadership, incorporating both individual qualities and the organisational context. For example, Edwards et al. (2003, p. 4), in their review of public sector leadership, define leadership as follows:

The capacity at both the individual and institutional levels to: identify and define organisational goals and desired outcomes; develop strategies and plans to achieve those goals and deliver those outcomes; and guide the organisation and motivate its people in reaching those goals and outcomes. This requires energy, commitment, persistence, integrity, intelligence and a capacity to inspire from the leader and the encouragement of these attributes from the organisation.

Leadership is often distinguished from management. Whilst there are significant debates about the meaning of and boundaries between leadership, management and administration, management is generally conceived as the accomplishment of routine tasks in order to achieve results, or as Hughes (2003, pp. 6-7) argues, ‘organization to achieve objectives with maximum efficiency, as well as genuine responsibility for results’. Leadership is seen as more about change and new directions (Baker, 1989, p. 252; Scott, Coates, & Anderson, 2008, p. 3). Management is more often associated with positional authority, whereas leadership can be informal as well as formal (Shafritz & Russell, 1997, p. 362). Leadership and management, however, are commonly perceived to be complementary and overlapping rather than mutually exclusive (Dunoon, 2002, pp. 5-6; OECD, 2001; Yukl, 2002, pp. 5-6).

**Generic leadership characteristics important for policy leadership**

The findings of this research suggest that characteristics of generic leadership that are important for policy leaders include:

- the ability to inspire others;
- the ability to reproduce leadership through informal mentoring relationships;
- sound judgement, astuteness and the ability to give sound advice;
- the ability to take (and manage) risks and survive failure;
- ability to harness opportunities in an environment of uncertainty;
• moral courage; and
• excellence in their own sphere of work (in this case, policy work).

Many of these elements of leadership correspond closely to Bass and Riggio’s (2006, pp. 6-7) conception of transformational leadership which includes ‘idealised influence’ (leaders are role models who are admired, respected and trusted), ‘inspirational motivation’ (motivate and inspire others), ‘intellectual stimulation’ (stimulate innovation and creativity) and ‘individualised consideration’ (coaching and mentoring according to followers’ individual needs). Bass’s model of leadership also includes elements of transactional leadership, including rewarding satisfactory performance and monitoring deviances, mistakes or errors and taking corrective action (Bass & Riggio, 2006, p. 8). A large scale empirical study of US Federal agencies (Trottier et al., 2008) found that Bass’s blended model of leadership captured well the main elements of public leadership, from the perspective of leaders’ subordinates.

**Public sector leadership**

The notion of policy leadership that I am using also incorporates elements of public sector leadership as it is generally described. There is little consensus in the public sector leadership literature about what public sector leadership entails (Van Wart, 2003) although the last decade has seen a proliferation of capability frameworks for leadership by public sector organisations. In order to describe dimensions of public sector leadership, I will first examine features of the public sector environment that shape the sort of leadership that is needed, then discuss contemporary conceptions of bureaucratic public sector leadership and finally outline common elements of public sector leadership capability frameworks.

**The public sector leadership literature**

The sort of leadership that is needed in the public sector is seen as quite different from the leadership needed in private organisations, due to differences between public and private organisations (Christensen, Laegreid, Roness, & Rovik, 2007; Currie, Humphreys, Ucbasaran, & McManus, 2008; PIU, 2001). The aim of public organisations is to create public, rather than private goods (Currie et al., 2008). They are driven by ‘multiple, intangible, social and political objectives’ rather than economic
objectives (Currie et al., 2008, p. 990). Public sector organisations are accountable to
democratically elected political leaders (which are ultimately accountable to the people)
rather than to shareholders (Christensen et al., 2007). They are also accountable to
multiple stakeholders with conflicting demands (Currie et al., 2008). Public
organisations are also subject to unclear and sometimes conflicting goals and demands
(some of which include participation by affected parties, transparency, neutrality,
efficiency and effectiveness), and are therefore much more subject to criticism
(Christensen et al., 2007).

Public managers also face a greater degree of scrutiny than their counterparts in
the private sector (Currie et al., 2008). Peter Shergold (2004) argues that public servants
in Australia are increasingly subject to scrutiny due to increasing public access to
decision making processes such as freedom of information legislation, the extension of
the role of the Auditor-General and the increased ability of Parliament to question
public servants directly. According to Shergold (2004), this means that mistakes are far
more likely to become public than they were in the past.

These features of public sector organisations are seen to place unique pressures on
public managers and to make it more difficult for public sector leaders and managers to
take identify and pursue opportunities and to take risks (Currie et al., 2008, p. 990).
Additional barriers to effective leadership in the public sector identified by the UK
Performance and Innovation Unit (2001, pp. 12-13) include: a risk averse culture
intolerant of failure, less tangible results for leadership than in the private sector, poor
role delineation between elected officials and bureaucrats, few opportunities for
improving performance, tight controls and lack of value placed on leadership.

The public sector leadership literature also includes considerable commentary
about new or emerging pressures on public sector leaders, with associated calls for both
increased investment in developing leadership and also a new emphasis on leadership
with respect to collaboration (Morse & Buss, 2007, pp. 7-10; OECD, 2001, p. 13; PIU,
2001, pp. 9-11; Rusaw, 2001, pp. 1-2). These arguments are similar to the arguments for
building policy capacity which were discussed in Chapter 1; they include large-scale
changes in the public sector environment such as globalisation, rapid technological
change, increasing organisational complexity, rising public expectations of government
and the increasing need for collaborative or ‘horizontal’ policy development (Morse & Buss, 2007; OECD, 2001, p. 13; PIU, 2001, pp. 9-11).

The meaning of public sector leadership is unclear and disputed (Althaus & Wanna, 2008, p. 125; Morse & Buss, 2007, p. 4). Althaus and Wanna (2008, p. 125) argue that ‘It is not clear whether public leadership is “smart politics”, “good policy”, “strategic direction”, or something “well-administered”’. The public sector leadership literature is relatively small and fragmented compared with the mainstream leadership literature and there is little in the way of academic literature that synthesises the different conceptions of bureaucratic public sector leadership (Morse & Buss, 2007, p. 3; Van Wart, 2003). Trottier et al. (2008) also comment on the dearth of empirical studies of public sector leadership. Van Wart (2003) contends that the literature prior to the 1980s focused mainly on administrative responsibility and discretion. During the 1980s transformational leadership became more of a focus, reflecting developments in the mainstream leadership literature, however literature from the 1990s largely focused on political leaders rather than administrative leadership (Van Wart, 2003).

Recent contributions to the public sector leadership literature have highlighted a number of distinctive characteristics of bureaucratic public sector leadership. ‘t Hart and Uhr (2008, pp. 5-7) conceive administrative leadership (as distinct from other types of public leadership such as political or civic leadership) as comprising three elements: serving the government through the implementation of public policy; managing large public organisations; and delivering ‘public value’, shaping policy through discretion during implementation. The idea of public leadership as ‘creating public value’ is generally credited to Mark Moore (1995). Moore (1995, p. 71) argued that organisational strategy must create public value in terms of producing valued services at low cost, as well as being ‘legitimate and politically sustainable’ and ‘administratively feasible’. The themes of leadership of formal organisations and leadership with respect to solving public problems through inter-organisational collaboration permeate much of the contemporary public sector leadership literature (Morse & Buss, 2007, pp. 4-5). A study of public sector leadership undertaken by the Performance and Innovation Unit in the UK (2001) emphasised collaborative skills (being able to work well with other organisations), along with organisational skills and the ability to motivate others, as central to public sector leadership.
Public sector leadership is also understood to have an ethical dimension (Rusaw, 2001; Springer, 2007). Rusaw (2001, pp. 228-230) suggests there are several qualities that characterise ethical public leadership, including democratic values: commitment to openness and to continuous learning; stewardship of resources; civic responsibility, prudence; critical and self-reflective thinking; and moral sensitivity, understanding and courage.

Alimo-Metcalfe and Alban-Metcalfe (2004) undertook two studies of the nature of public sector leadership as perceived by the ‘arbiters’ of leadership (the direct reports of those in leadership positions) in the middle to top levels of the National Health Service (NHS) and local government in the UK. They found that the behaviours associated with leadership included: leading and developing others (showing genuine concern, empowering others to make decisions, being accessible and encouraging change); personal qualities such as transparency, integrity, decisiveness, inspiring others, and capacity to resolve complex problems; and behaviours associated with leading the organisation (networking and achieving, focusing team effort, building shared vision, supporting a developmental culture, facilitating change sensitively). Alimo-Metcalfe and Alban-Metcalfe (2004, pp. 178-179) note that these characteristics place less emphasis on charisma and vision than generic leadership models, and more emphasis on the leadership of staff, connectedness and the creation of a supportive environment.

Several significant reviews of approaches to public sector leadership development have highlighted the sorts of competencies which are considered important for public sector leadership. A review of contemporary public leadership development in six member countries by the OECD (2001) identified the most important public sector leadership qualities as: focusing on delivery of results; challenging assumptions; being open to learning from outside; understanding the environment and its impact; thinking and acting strategically; building new patterns and ways of working; and developing and communicating a personal vision of change. A review of public service leadership in the UK, Canada, New Zealand, Victoria and Queensland by Edwards et al. (2003, p. 34) found that some of the common leadership competencies identified included: ‘the capacity to enthuse others and convince them to share a vision, to think strategically, to understand the detail of implementation, to manage interpersonal and inter-agency
relationships, and to develop and use one’s own personal strengths’. The Victorian State Services Authority’s (2007a, p. 26) review of leadership capability frameworks in Australian jurisdictions, the United Kingdom and Canada found that common elements included: capacity and strategic thinking; horizontal integration and community liaison; vertical integration and alignment; management fundamentals and a variety of personal qualities such as personal drive and integrity, self management, communication, creativity and self-awareness.

The Australian Public Service Senior Executive Leadership Capability Framework (APSC, n.d.) includes five competency criteria with associated capabilities. The five competency criteria are: achieves results; shapes strategic thinking; cultivates productive working relationships; communicates with influence; and exemplifies personal drive and integrity.

Characteristics of public sector leadership important for policy leadership

The findings presented in this thesis suggest that many of the characteristics described in terms of public sector leadership in the literature are important for leadership in relation to policy work. Many of these overlap significantly with the generic leadership characteristics already discussed.

Characteristics of policy leadership which are distinctive to the public sector environment include familiarity with, and competence in negotiating, the structures and processes associated with bureaucracy and government; capacity to deal with multiple accountability structures and dynamic and fluctuating environments; as well as commitment to the public good or ‘public value’. The findings from Chapter 8 also suggest that an important aspect of public sector leadership (and therefore of policy leadership as defined in this thesis) is the ability to understand and negotiate the tensions inherent in building capacity.

Organisational policy leadership

The findings of this research suggest a conception of policy leadership which goes beyond the elements of generic leadership and public sector leadership presented in the literature. Additional elements of leadership associated with organisational policy leadership include:
• judgement in relation to the appropriate choice of policy approaches, capacity building strategies and trade-offs involved in policy work and in building policy capacity;

• guidance and mentoring, as part of building local norms and protocols;

• local initiative and responsibility for public good and organisational goals; and

• the ability to mobilise organisational resources to build policy capacity.

Policy leadership has been associated with the concept of ‘policy entrepreneurship’ by some researchers. Policy entrepreneurship (or public entrepreneurship) is generally associated with the ability to identify and maximise opportunities, to translate ideas into new courses of action and to secure support from those in power (Howard, 2001; Kingdon, 1984; Oliver & Paul-Shaheen, 1997; Roberts, 1992). Public entrepreneurship has also been associated by some researchers with organisational leadership (Mack, Green, & Vedlitz, 2008). A study by Currie et al. (2008) of entrepreneurial leadership in the English public sector highlighted the role of public sector entrepreneurs not just in identifying opportunities in the political landscape and negotiating with stakeholders to gain consent, but also in supporting and empowering their colleagues in engaging in entrepreneurial behaviour themselves. They state:

…our study indicates that one of the major defining characteristics of entrepreneurship in the public sector is the extent to which the senior leadership figures within an organization can foster entrepreneurial activity and distribute entrepreneurial leadership. The leaders of public sector organizations in our study felt that they had a significant role in shaping an entrepreneurial culture and recognized their role as change agents (Currie et al., 2008, p. 1001).

One of the ways in which leaders encouraged entrepreneurial behaviour in Currie et al.’s (2008) study was by creating a climate in which new ideas were encouraged, and protecting their subordinates from external pressures in order to make ‘space’ for entrepreneurship.
The findings of this thesis suggest that, following Currie et al., there is more to policy leadership than the individual aspects of policy entrepreneurship. Policy leadership extends beyond individual contributions to policy innovation to include the ability to mobilise organisational resources to create the organisational conditions in which good policy process can flourish. Leadership is the process through which the norms and protocols which support good policy process are created and maintained. My use of the term policy leadership here is closer to the usage of Korac-Kakabadse and Korac-Kakabadse (1998) in their report on leadership in the Australian Public Service. They describe leaders as organisational ‘architects’, who design and develop organisations (Korac-Kakabadse & Korac-Kakabadse, 1998, p. 11).

It also reflects, in part, the notion of collective learning-centred leadership advocated by Dunoon (2002). Using the learning-centred leadership perspective (as opposed to a competency approach), leadership involves creating ‘the conditions under which organisational members, jointly and individually, can better make sense of, or interpret, issues and opportunities they face that are not purely of a technical nature, and then take effective action’ (Dunoon, 2002, p. 8). According to Dunoon, learning-centred leadership involves fostering learning at (i) the individual level, by supporting people in their learning; (ii) the group level, to enable groups to gain greater insights into issues and solutions and (iii) the system level; by ‘creating the conditions under which a system or part of a system may increase its ability for effective performance’. This conception of leadership emphasises it as a process rather than a set of competencies.

Policy leadership differs from policy expertise although policy expertise is a necessary precondition for policy leadership. The findings of this research suggest that policy leadership involves:

- understanding the relationships between process and outcomes;
- understanding the relationships between capacity and process; and
- judgement about the appropriateness of different approaches to policy work and to policy capacity development.

Stronger policy leadership would be expected to facilitate stronger policy process in each of the domains of capacity through the cultivation of informal norms and
protocols which enable better policy practice in the following areas: more intelligent use of information in policy making; better people management; stronger stakeholder relationships; more effective collaboration across program, departmental and jurisdictional boundaries; better relationships between policy development and program management; better policy management; and improved policy evaluation and monitoring.

**Policy leadership is not just associated with position**

The idea that leadership is only the domain of senior executives has been discredited in the organisational change literature as it has not been supported by research findings (Senge et al., 1999, pp. 10-12). Many initiatives introduced by senior management have been found to be ineffective or even to worsen existing problems (Senge et al., 1999, p. 13). Instead, Senge et al. argue, leadership capacity needs to be developed throughout organisations. They describe three types of leaders who contribute to organisational change in different ways: ‘local line leaders’, who have accountability for the organisation of work at the local level; ‘internal network leaders or community builders’, who have greater freedom to carry new ideas around the organisation; and ‘executive leaders’, who are able to instigate changes to infrastructure at the organisation-wide level as well as modelling new norms and behaviours (Senge et al., 1999, pp. 16-19).

Christensen et al. (2007) argue that leadership in the sense of changing organisational culture is not limited to those with formal authority conferred by their status in the hierarchy. Cultural leaders can also be informal leaders as a result of their membership of social groups within the organisation, their professional status or their personal values (Christensen et al., 2007). A study of public sector organisational culture change and leadership in the UK by P. Simpson and Beeby (1993) supports this view. P. Simpson and Beeby found that the focus of the transformational leadership literature on individual leaders in top-level positions did not fit well with the political complexities and bureaucratic structure and culture of the public sector context in the UK. Instead they argue that the sort of leadership that transforms public sector organisations (developing vision and communicating it to others and negotiating to gain consensus and commitment) involves every part of the organisation (P. Simpson &
Beeby, 1993). Currie et al. (2008, p. 996) further suggest that leaders at the top of organisations are less likely to engage in innovation and change than their subordinates due to the risks associated with failure at senior levels.

**Developing policy leadership**

*Principles for developing policy leadership*

Although there is some evidence of the effectiveness of leadership development strategies (such as Collins & Holton, 2004), on the whole, the evidence is weak (Day, 2001; PIU, 2001, p. 60). The leadership development literature is largely normative and descriptive rather than empirical. The following set of principles for developing policy leadership (listed below and discussed in the following section) has been drawn from the findings of this research and the leadership development literature:

- focus on developing organisational policy leadership as well as generic and public sector leadership;
- develop policy leadership at the middle, as well as senior, levels;
- use a range of different learning experiences;
- use experiential and action learning principles and ground policy leadership in real world contexts;
- incorporate the requirement for management commitment to support participation in training;
- include peer review as one of the learning strategies;
- incorporate an ongoing mentoring program;
- include a networking component;
- use collaborative learning and assessment methods; and
- evaluate the effectiveness of policy leadership development at multiple levels.
The application of these principles in designing programs for developing policy leadership is discussed below.

**Focus on developing organisational policy leadership as well as generic leadership and public sector leadership**

Developing policy leadership requires attention to developing not just generic and public sector leadership skills and qualities but also competencies which are specific to policy leadership, including the ability to mobilise organisational resources to build policy capacity and the judgement, mentoring and responsibility needed to lead policy development at the local level. Programs to develop organisational policy leadership would need focus on developing participants’ knowledge and skills in the following areas: understanding and working with policy environments, understanding the policy process, developing policy capacity, and understanding policy leadership and organisational change.

**Develop policy leadership at the middle, as well as senior, levels**

The findings of this research suggest that developing policy leadership amongst middle level managers (i.e. sub-executive staff) and policy officers would have significant benefits; these are the team leaders and unit managers who are engaged in policy work to a significant degree and who are identified by their managers as having strong potential in relation to policy work. In Victoria this corresponds to VPS5 and VPS6 levels. As managers of teams and units they are in the position to be able to mobilise organisational resources to create an appropriate environment; to give leadership about policy choices in relation to the contingencies of the moment; and to take responsibility for developing capacity at the local level (including cultivating the informal norms and protocols that encourage good policy work), in line with the needs and direction of the organisation as a whole. More senior staff, including those who are relatively new to the public sector environment, might also benefit from policy leadership development initiatives.

**Use a range of different learning experiences**

Integrated approaches to leadership development, which include a range of experiences that provide feedback, challenge and support to participants, are generally
perceived to constitute best practice in leadership development (Van Velsor & McCauley, 2004, p. 16). A study of best practice leadership development practices in private sector organisations (Ninth House, 2006) identified using a multi-dimensional approach as an aspect of best practice approaches. Leskiw and Singh (2007) also recommend using an ‘entire learning system’ that includes formal training, action learning, support and feedback. Most public sector leadership programs also utilise a blend of different approaches (Edwards et al., 2003; Victorian State Services Authority, 2007a). The sorts of approaches that could comprise a multi-dimensional policy leadership development program are explored further below.

**Use experiential and action learning principles and ground policy leadership development in real world contexts**

Policy leadership training programs need to be grounded in real world contexts and using a problem-based approach. While policy practitioners who had undertaken formal policy and public administration training had all reported their experience as beneficial, (see Chapter 5, p. 196-9), two senior policy managers believed that the ANZSOG model of problem or case-based learning was particularly useful, in comparison with other higher education courses which were seen as too abstract and theory-driven.

This principle is also supported by the literature. Approaches to leadership development that depend on the passive transfer of knowledge have been discredited as ineffective in the leadership development literature and have been largely replaced by experiential approaches (Antonacopoulou & Bento, 2004). There are limits to the transferability and sustainability of classroom teaching programs (Day, 2001). The ability to transfer learning to the workplace is believed to be more difficult the further removed the learning context is from the context in which it will be applied (Tyler, 2004, p. 166).

Action learning approaches (collective, team based approaches to learning through reflection on real life problems) have been increasingly used in leadership development (Day, 2001, p. 601). These approaches generally combine formal training with experiential approaches (Yukl, 2002, p. 387). A study of public sector leadership
development undertaken by the UK Performance and Innovation Unit (PIU, 2001, p. 65) found that it was important to balance teaching with experiential methods.

Whilst every application of action learning is unique (Day, 2001), DeWolfe Waddill and Marquardt (2003) describe the core components as: a significant problem or challenge; a diverse small group or ‘set’ as the learning context; a process of reflective inquiry; active involvement in the learning process; application of the group’s learning in the organisational context; and use of a facilitator to assist group learning. Wallis et al. (2007, p. 147) describe the aim of action learning as ‘to harness the individual experiences of a group of managers to bear, share, reflect and learn about a challenging and unfamiliar issue of strategic importance to the organization’.

**Incorporate the requirement for management commitment to support participation in training**

The findings of this study showed that policy practitioners were often unable to avail themselves of professional development opportunities because of their high workloads – particularly when they were in positions with substantial management loads as well as policy responsibilities. In the Department of Human Services, most policy practitioners were in roles which had significant management responsibilities. The explicit commitment of senior manager to support policy practitioners in their training would be important in ensuring that busy executives are able to undertake development opportunities. There would also need to be sufficient human resources in policy units and teams to enable people with significant policy responsibilities to take time out for professional development.

The need for support from, and active involvement by, senior managers in order for leadership development initiatives to be successful is well recognised in the literature (Alimo-Metcalfe & Alban-Metcalfe, 2004; Leskiw & Singh, 2007; Ninth House, 2006; Yukl, 2002). A study of best practice leadership development in private sector organisations identified active support by senior leaders as the most significant factor contributing to effectiveness (Ninth House, 2006, p. 3). The UK Performance and Innovation Unit’s study of public sector leadership (2001) also highlighted the need for ongoing support for leaders both during and beyond formal leadership development programs.
The organisational development literature offers the insight that the transfer of individual learning to the workplace environment depends on the receptiveness of the workplace environment (Tyler, 2004). Specific support factors need to be in place, such as opportunities to exercise new skills and try out more challenging roles (Tyler, 2004). Managers can facilitate the sorts of conditions that enable learning to be utilised in the workplace context; therefore their involvement in a policy leadership program is very important.

**Include peer review as one of the learning strategies**

Peer review of policy work, as part of policy leadership development, would assist in creating a culture of learning from practice. Findings from the interviews suggested that learning from previous policy episodes (including from ‘failure’ as well as ‘success’) was an important strategy for organisational learning, and reflection on one’s practice emerged as an important strategy for competency building. Feedback is also recognised as an important element of leadership development programs that assists with providing motivation for change and providing participants with information about their progress in learning new behaviours (D. J. Campbell, Dardis, & Campbell, 2003; Van Velsor & McCauley, 2004, pp. 6-7).

**Incorporate an ongoing mentoring program**

Learning from experienced policy practitioners was the most common formative experience mentioned by participants in this study. It seems likely that this is the primary pathway through which policy practitioners acquire high level policy skills. Including an ongoing mentoring component (with mentors from the participants’ own organisations) would help to ensure that learning is sustained and that participants are able to translate their new knowledge and skills into the organisational context in which they work. Leaders also need to be able to mentor their own staff effectively; being mentored (as part of leadership development) may be a useful way to develop such self-expectations, models and skills.

Mentoring is a widely used component of leadership development programs (D. J. Campbell et al., 2003; Day, 2001; Yukl, 2002). D. J. Campbell et al. (2003, p. 35) argue that mentoring is important for helping to ‘clarify the ambiguities and seeming contradictions associated with any complex value system’. Although little is known
about how mentoring facilitates leadership development (Yukl, 2002, p. 389), there is some research evidence from systematic reviews in the education leadership literature which suggests that well-designed formal mentoring programs offer a range benefits including leadership skills development and capacity building (Ehrich, Hansford, & Tennent, 2004; Hobson & Sharp, 2005).

A number of issues need to be considered in designing formal mentoring programs, including the recruitment, selection and training of mentors, the matching of mentors and mentees, the length of the mentoring relationship and the frequency of meetings (Allen & Poteet, 1999; Hobson & Sharp, 2005; Stead, 2005).

**Include a networking component**

Networking is considered an important aspect of leadership development that provides participants with opportunities to build peer relationships which often last longer than other developmental relationships such as mentoring or coaching (Day, 2001). The Performance and Innovation Unit’s study of public sector leadership in the UK (2001, p. 66) showed that informal networks were very important in providing people with opportunities to talk about the issues they confront. Fredericks (2003) argues, on the basis of two case studies of leadership development programs in the US, that networks should be an important component of leadership development programs, however, they found that it was difficult for participants to maintain networks beyond the conclusion of the program.

Findings from this study indicate that policy practitioners value highly opportunities to form networks with their peers, particularly when these networks provide opportunities to debate policy issues and potentially to work together on common issues.

One way to build a networking component into policy leadership development programs would be to draw participants from similar policy areas or sectors from different jurisdictions. Including facilitated learning sets as a component of policy leadership development would offer the additional advantage of increasing the likelihood of continuation of networks beyond the program itself.
Use collaborative learning and assessment methods

Peer or cooperative learning, defined by Boud et al. (1999, p. 2) as ‘the use of teaching and learning strategies in which students learn with and from each other without the immediate intervention of a teacher’ is important in developing many skills important for leadership, including collaborative and communication skills, self reflection and ‘learning to learn’. Peer learning also more closely reflects the experiences participants are likely to encounter in the workplace (McCallum, 1994). Senge (2006, p. 10) argues that teams are the ‘fundamental learning unit’ in organisations. Senge (2006, p. 9) argues also that when learning takes place in teams, learners develop more rapidly than they otherwise would.

Assessment is acknowledged to have a powerful influence on learning, so it is important that assessment processes reflect and reward desired learning outcomes (Boud et al., 1999). A range of strategies can be used for assessment of peer learning, including group assessment (assessment of group rather than individual outcomes), peer feedback and self-assessment, assessment of learning processes (as distinct from assessment of knowledge), negotiated assessment (where students and teachers negotiate the assessment process in the light of goals and expected outcomes), and use of cumulative rather than weighted assessment (Boud et al., 1999).

The assessment of peer learning is associated with a number of dilemmas and challenges, including the possibility of freeloading and the problem that assessment may not take into account the individual contributions made by group members (Albon & Lindsay, 2005; Boud et al., 1999; Thompson & McGregor, 2005). Research has shown that students generally benefit from collaborative learning and assessment, particularly when these potential problems are taken into account and negotiated successfully (McCallum, 1994; Slavin, 1989; White, Lloyd, Kennedy, & Stewart, 2005).

Evaluate the effectiveness of policy leadership development at multiple levels

The aim of developing policy leadership is not just developing individual leaders, but also building policy capacity within the organisation. Therefore evaluation of policy leadership development programs should focus on the impact at the organisational level as well as on individual learning. This is a well-recognised principle in leadership.
development generally (Leskiw & Singh, 2007, p. 457; Tyler, 2004). Martineau (2004) argues further that the outcomes of leadership development should be measured at three levels: the individual, the group or team, and the organisation.

Assessing the impact of leadership development on policy capacity at the organisational unit or organisation-wide level would require the development of methods and tools specific for this purpose. The framework of enablers and barriers presented in Chapter 6 might provide the basis for development of a survey tool for measuring policy capacity before and after intervention.

A methodology for evaluating leadership programs called EvaluLEAD, developed by the Public Health Institute in California (Grove, Kibel, & Haas, 2005) and adapted in PROLEAD, the World Health Organisation’s Health Promotion Leadership Development Program (Lin & Fawkes, 2006), may provide a useful framework. The EvaluLEAD methodology can be used to measure change of three types: episodic change (change that is produced as a direct result of the intervention); developmental change (change that occurs over time) and transformative change (which involves ‘fundamental shifts in individual, organizational, or community values and perspectives’) (Grove et al., 2005, p. 7). The methodology is also designed to evaluate change in three domains: individual; organisational; and societal/community change (Grove et al., 2005, pp. 8-9). Whilst this methodology is designed to evaluate system-wide leadership development (hence the inclusion of the societal/community change domain), it may be suitable for modification in order to measure the effects of leadership development at the individual, organisational unit and organisation-wide levels.

Outline of a policy leadership development program

A brief outline of a policy leadership development program based on the principles discussed above has been developed and is presented in Appendix 9. This program would need further development and pilot testing before application.
Chapter summary and conclusions

This discussion chapter argues that developing policy leadership provides a more strategic approach to building policy capacity than the checklists of strategies offered in Chapter 7 and in previous policy capacity research. This position is based on three arguments drawn from the findings of the research:

(i) the appropriate choice of capacity building strategies depends on context and contingency;

(ii) capacity is as much cultural as structural; and

(iii) the agency of individuals is a key driver of change (capacity building) in the organisation.

Policy leadership includes organisational policy leadership along with elements of generic leadership and public sector leadership. Organisational policy leadership involves:

- judgement in relation to the appropriate choice of policy approaches, capacity building strategies and trade-offs involved in building policy capacity;

- mentorship and guidance as part of building local norms and protocols that sustain best practice in policy work;

- local initiative and responsibility for public good and organisational goals; and

- the ability to mobilise organisational resources to build policy capacity.

The chapter elaborates on these elements drawing on the literature and the findings of the research.
The chapter concludes by describing a set of broad principles for developing policy leadership based on the findings of the thesis and a review of the leadership development literature.
Chapter 10: Conclusions

Introduction

Chapter 10 draws together the findings from this research and discusses the main insights relating to policy capacity and policy capacity development. It also outlines the main contributions of the research to the existing body of knowledge about policy capacity building and suggests directions for further research.

Assumptions

A number of assumptions underpin this research. A fundamental assumption is that good policy contributes to better health outcomes. This assumption, in one form or another, is shared by a large number of researchers and commentators (see Chapter 2). A further assumption is that there are patterns of practice which (theoretically) should be recognisable as ‘good policy making’ on the grounds they are more likely to produce ‘good policy’, which is presumed to lead generally towards better outcomes. A third assumption is that there are structural, cultural and procedural attributes which (theoretically) should be recognisable as ‘organisational policy capacity’ (in government health departments for example) on the grounds that strong organisational policy capacity is associated with good policy outcomes. These premises are implicit in the broad field of policy studies and were assumed rather than tested in this research.

The case for building policy capacity

My thesis began by making a case for building policy capacity in the health sector. Whilst policy capacity is not vested exclusively within government agencies, developing the policy capacity within the bureaucracy is an important focus for capacity building efforts.

I argued that there is a need for strong capacity within government to develop and implement effective health policy to meet a range of complex challenges in a complex environment. Capacity building is particularly important in the health sector for a range of reasons. These include entrenched and emerging health problems, the degree to which health is created outside the health system, the need to balance tensions between different health system goals, and significant obstacles to reform presented by
complexities in health system financing and organisation. I argued also that government intervention is necessary in the health sector in order to address market failure; to ensure the provision of public goods; to correct for information asymmetry, moral hazard and adverse selection, and to achieve equity and solidarity.

Against this backdrop, I outlined concerns about the policy capacity of public sector agencies; persistent concerns which have been expressed in many jurisdictions. I discussed the increasing interest in re-building policy capacity following reforms to the structure, staffing and functions of the public sector introduced as part of the New Public Management reforms from the 1980s.

Given the need for policy capacity building, in the public sector generally and particularly in the health sector, there is a need for better understanding of policy capacity and how it can be improved.

*Not a great deal is known about how to build policy capacity*

The published literature includes a great deal of commentary and some research into policy capacity – research which has been largely undertaken by government agencies. Policy capacity is not very well understood, however; and there is little empirical evidence of the effectiveness of the capacity building strategies that have been recommended in various reports.

The published literature offers some insights into policy capacity and capacity building. The generic capacity development literature (mainly grey literature in the international development area) offers a number of useful insights, particularly that capacity can be understood at multiple levels which are mutually linked; and that organisational capacity includes range of different elements including both formal aspects (structure) and informal (culture). The scholarly policy capacity literature focuses on a number of different dimensions including the capacity to make intelligent collective choices between policy options; capacity to utilise or marshal resources; and a range of other dimensions.

A review of previous policy capacity research undertaken for this thesis (Gleeson et al., 2009) pointed to both organisational and individual capacity as important and suggested a number of elements of each. These elements provided the basis of a
framework for guiding the analysis of policy capacity in this study – a framework which was adapted in the course of the analysis to more closely fit the empirical data. The findings and conclusions of the policy capacity studies reviewed generally took the form of detailed lists of prescriptions for strengthening policy capacity in the particular jurisdictions where the studies took place, rather than generalisations about the sorts of arrangements that improve capacity. These studies also tended to be limited by conceptualising policy work as the provision of policy advice and therefore by over-reliance on an implicit rational-comprehensive model of policy making. There is also little empirical evidence of the effectiveness of the capacity building strategies that have been proposed, and in some cases, implemented.

There is extensive commentary and some research reported in the public policy and health policy literature about some aspects of policy capacity, such as the role of evidence in policy making and strategies to strengthen access to, and use of, evidence in policy decision making, but not so much about other aspects such as policy implementation. However little of this literature is focused on the organisational context within the bureaucracy and on building capacity within this context and again, there is little empirical evidence of the effectiveness of the proposed strategies.

In summary, the existing literature suggests some of the elements of policy capacity but the need was identified for more in-depth research focused on the health bureaucracy and taking a more holistic view of the policy process.

Summary of main findings and conclusions

This summary presents the main insights into policy capacity and policy capacity building gained from the research. They are discussed under the following headings:

- insights into the nature of policy work;
- capacity is both organisational and individual;
- individual capacity: competency fields;
- formative experiences;
- organisational capacity: enablers and barriers;
propositions for building policy capacity;

- negotiating tensions in capacity building; and

- developing policy leadership: a strategic approach to policy capacity building.

**Insights into the nature of policy work**

Chapter 4 described wide variations in the nature of policy work undertaken in the Victorian Department of Human Services: variation across policy episodes; types of policy work; and context (internal and external to the organisation). Some of the dimensions along which policy episodes differ include purpose and objectives; level and scope; drivers; policy instruments; stakeholders; the speed and size of change; and policy outputs or outcomes. Each policy episode involves a unique set of characteristics. Policy work was diverse and multi-faceted; the types of policy work that practitioners were engaged in depended on the particular characteristics of the episode and the context.

This chapter highlighted the importance of context and contingency in shaping the appropriate approach to policy work. Chapter 4 also highlighted the diversity in local contexts in policy units, the importance of local level culture in shaping the policy work of the unit, and the roles of managers in shaping this culture.

**Capacity is both organisational and individual**

A review of the wider literature on capacity and capacity building suggested that capacity can be understood at multiple levels of analysis, from the individual to the organisation to the wider system or environment. My findings confirm that capacity includes organisational and individual elements. Both organisational and individual factors shaped the quality of policy process and outcomes. Capacity at the level of the wider system or environment was not the focus of this research although the impact of the external environment on organisational capacity was taken into consideration.
Individual capacity: competency fields

In Chapter 5 I explored the competency fields important in health policy work by collecting ‘instances’ from the data which illustrated the links between policy process and outcomes, and identifying the individual competencies which were manifest in each of these instances. These competency fields are summarised in Table 8 on page 200.

The findings regarding individual capacity largely confirm the findings of previous research and the commentary about necessary policy knowledge and skills in the policy literature. However the findings of this thesis add an original contribution to the literature by linking the individual competencies to policy process and outcomes (as judged by the participants themselves) and providing a rich description of how the competencies contributed to better policy outcomes (and the effects on policy outcomes of deficits in these competencies). The findings also suggest that the competencies of policy teams are at least as significant in terms of policy capacity as the competencies of individual policy workers.

Formative experiences

The findings in relation to policy practitioners’ formative experiences (described in Chapter 5) suggest that most policy practitioners learn the necessary knowledge and skills through experiential learning in the workplace. Formal policy and public administration training was reported as providing a range of benefits. These include: a deeper understanding of the policy making environment; theoretical frameworks to assist in interpreting experience and solving problems; a grounding in relevant disciplines; opportunities for self-reflection; opportunities to develop networks across government; and exposure to particular inspiring teachers and texts. However formal training was seen as a useful addition to on-the-job training rather than the primary means by which policy practitioners learned the competencies they needed to do their work.

Organisational capacity: enablers and barriers

I examined the relationships between organisational capacity, policy process and policy outcomes through the study of ‘instances’ (illustrative vignettes or generalisations provided by the interviewees). Drawing on a framework of domains of
organisational policy capacity derived from a review of the literature, the instances were
analysed to identify the features of organisational context which enabled good outcomes. This process gave rise to a set of enablers of, and barriers to, good policy process, in each of the following domains:

- utilising information and evidence;
- people management in relation to policy development;
- managing stakeholder relationships;
- managing intra-portfolio, cross-portfolio and inter-governmental relationships;
- working between policy development and program management;
- policy evaluation and monitoring;
- managing the policy process; and
- leadership.

These enablers and barriers are discussed in Chapter 6 and summarised in Table 9 on page 257.

**Propositions for building policy capacity**

Propositions for building policy capacity were developed based on the analysis of enablers and barriers, the analysis of participants’ formative experiences, and the direct suggestions of research participants regarding strategies for building policy capacity. Propositions for capacity building are presented in Chapter 7 in four capacity development domains; areas in which organisational change is posited to lead to improvements in the policy process, and therefore to policy outcomes. These capacity development domains are:

- building and managing a policy-competent workforce;
• developing formal processes and guidelines for strengthening the policy process;

• strengthening organisational culture and leadership; and

• strengthening structures and relationships to support policy capacity.

These sets of propositions confirm many of the findings of previous research. They provide a menu of strategies which may provide a useful checklist for policy leaders who wish to build policy capacity in their local area.

In the process of working through these propositions, however, it became apparent that there is no universal optimum approach to policy capacity building. There are tensions between many of the items on the checklists. The appropriate mix of capacity building strategies depends on the particular context.

The analysis of instances of policy work also highlighted the significance of local level culture and leadership in shaping policy capacity. Whilst formal organisational structures and processes were important in shaping policy process (for example, recruitment processes and selection criteria, research commissioning programs, or the provision of technical assistance), cultural norms and informal protocols at level of policy units and teams also appeared to have a powerful impact on the quality of policy work.

The findings also pointed to the importance of local level judgement, commitment and initiative in determining the appropriate mix of strategies to build capacity and mobilising the organisational resources to do so.

**Negotiating tensions in capacity building**

Some policy practitioners expressed scepticism about the prospects for strengthening policy capacity because of what they saw as political ambivalence regarding bureaucratic policy capacity. They identified costs as well as benefits which might flow from capacity building initiatives.

In Chapter 8 I have used a framework adapted from Painter and Pierre (2005a) to analyse some of the trade-offs and opportunity costs involved in policy capacity
building. The Painter and Pierre framework conceptualises policy capacity as one of three elements of governing capacity, along with administrative capacity and state capacity. Drawing on the interview data, I explored tensions between these three aspects of governing capacity arising in each of the capacity building domains described in Chapter 7, using examples to illustrate the way in which policy practitioners and managers negotiated these tensions in their policy work and in their efforts to build policy capacity.

Tensions between different elements of governing capacity are part of the context for policy work. These tensions are fluid and dynamic. The configuration of tensions varies across place, time, issue and level; and the most appropriate balance between the three domains is likely to change over time and vary between different contexts. It is in the context of policy making that these tensions have to be negotiated. I have argued in Chapter 8 that local leadership (leadership at the policy making level) is critical to negotiating these tensions; to flexibly and strategically managing the processes and structural relationships between the three elements of governing capacity.

**Developing policy leadership: a strategic approach to policy capacity building**

The propositions for policy capacity building developed in Chapter 7 (along with the various prescriptions arising from previous research) provide useful checklists for policy managers seeking to build the capacity of their units, but as a general approach to policy capacity building they do not constitute a strategic approach. The propositions are derived, in many cases, from particular instances of policy making. They do not cohere as a universal approach; nor do they facilitate the specificity which is needed to respond to the particular contingencies of policy making in different contexts.

In Chapter 9 I argued that developing policy leadership presents a more strategic approach to policy capacity building. I argue for policy leadership for three reasons. First, the importance of context and contingency (in shaping the appropriate approach to policy work, the choice of capacity building strategies and the choice of trade-offs between the three elements of governing capacity) suggests the importance of local level judgement in steering policy development and building policy capacity. Second, the insight that capacity is vested as much in local cultural norms and informal
protocols that support good policy practice at the local level as in formal aspects of organisational structure and process suggests the significance of local mentoring and guidance for capacity building. Finally, the findings highlight the importance of initiative and responsibility at the local level in building organisational capacity.

The sort of policy leadership described here is not limited to senior executives with formal authority who occupy positions at the top of the organisation. This sort of leadership is necessarily dispersed throughout the organisation because it is specific to the local context and the policy task.

Policy leadership overlaps in some degree with prevailing conceptions of generic leadership and public sector leadership. However, I am using the term here to highlight an ability to build organisational policy capacity through:

- judgement in relation to the appropriate choice of policy approaches, capacity building strategies and trade-offs involved in policy work and in building policy capacity;
- guidance and mentorship as part of building local norms and protocols that support best practice policy work;
- local initiative and responsibility for public good and organisational goals; and
- mobilising organisational resources to build policy capacity.

Policy leadership includes the individual competencies of policy analysis, development and implementation as described in Chapter 5 but highlights the ability to build policy capacity through local-level judgement, mentorship, initiative and responsibility, and through mobilising organisational resources.

The thesis concludes by describing principles for developing policy leadership based on the findings of the thesis and a review of the leadership development literature. The principles suggest that policy leadership development should focus on developing organisational policy leadership as well as generic and public sector leadership; and that middle level managers and policy officers would be likely to benefit from such
development opportunities. Policy leadership development programs should draw on a range of different learning experiences, using experiential and action learning principles and real world contexts. The principles also suggest that requiring management commitment to support candidates in their learning would improve the outcomes of policy leadership development. Best practice would also involve: including peer review as one of the learning strategies; incorporating an ongoing mentoring program; including a networking component; using collaborative learning and assessment methods; and evaluating effectiveness at multiple levels.

**Contributions of this research**

This research has the potential to contribute to health policy and public policy in the following areas:

- elaboration of a broad conceptual framework for policy capacity;
- development of a method for analysing policy capacity at the organisational level, tracing the relationships between capacity, process and outcomes;
- articulation of a set of health policy competencies which could be used (after further testing in a broader range of contexts) as the basis for curriculum development;
- identification of organisational enablers and barriers of good policy process which could be used as the basis for developing an assessment tool for policy capacity;
- development of a set of propositions for building capacity that could be used as a checklist for policy managers;
- clearer articulation of the difficulties encountered in and impediments to building policy capacity (in terms of tensions between different types of governing capacity);
identification of policy leadership development as a strategic approach to building organisational policy capacity; and

articulation of principles for policy leadership development that could be further developed for wider implementation in health bureaucracies.

Whether these potential contributions to health services and public policy are realised will depend on further dissemination of these findings (see below).

Limitations of this research

This research has a number of limitations arising from the research design.

In choosing the research design, I traded off breadth for depth, choosing a single case study design rather than comparing policy capacity in a number of organisations. There are limits to the ability to generalise the conclusions of research conducted in a single organisation to other organisations. The single case study approach also means that the research was not able to examine directly the ways in which different institutional, social, economic and political contexts shape policy capacity. The research is also specific to the health and human services sector which limits its generalisability to other sectors, although the extent to which the findings confirm the findings of previous research suggests that many of the findings and conclusions are likely to be broadly generalisable.

Due to the conceptual contradictions and methodological challenges involved in attempting to measure policy outcomes against some objective standard, evaluating the quality of policy process and policy outcomes in this research relied on the subjective and implicit views of the policy practitioners themselves. Relying on the judgements of the policy practitioners about their own work offers some degree of normative validity but carries inherent risks in terms of bias which must be taken into account in evaluating the findings and conclusions.

Next steps

The next steps arising from this research include the dissemination of the findings and conclusions of this research through various avenues including: presentations at
academic conferences; publication in scholarly journals; and presentations and written
information directed to the staff of DHS. To date, a paper has been published in
*Australia and New Zealand Health Policy* based on the literature review undertaken for
this thesis. A further paper based mainly on Chapter 8 of the thesis has been submitted
to the *Journal of Comparative Policy Analysis*, has been accepted in principle and is
now being revised following peer review. An abstract for an oral presentation has been
accepted for the Annual Conference of the Public Health Association of Australia
(entitled *Making a Difference: Intervening to Improve Health Outcomes*) to be held in
Canberra in September 2009. This presentation will focus on the idea of policy
leadership and a written paper will be submitted to a journal for publication following
the presentation. A further paper summarising the findings of the study is planned. A
plain English summary of the research findings will also be sent to the participants in
the study in accordance with the requirements for ethics approval.

The thesis will be made available in electronic form through the Australian Digital
Theses (ADT) database. The thesis and associated published papers will also be posted
on the Australian Institute of Health Policy Studies (AIHPS) website.

Directions for further research include further testing of the findings and
conclusions through:

- comparative study of different jurisdictions and possibly different policy
  sectors to test the applicability of the findings in different contexts, and to
  ascertain the effects of jurisdictional and organisational differences on
  policy capacity and policy capacity building; and

- further development and pilot testing of the proposed policy leadership
development program.

A comparative research project including an intervention arm directed to these
ends is now underway.
## Appendix 1: Organisational Capacity Frameworks and Checklists from the Literature

<table>
<thead>
<tr>
<th>Author</th>
<th>Elements of organisational capacity</th>
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</thead>
</table>
| Morgan, 2006 pp. 8-16 | Five ‘core’ capabilities:  
- The capability to act (make choices and implement them)  
- The capability to generate development results (i.e. to deliver programs and achieve goals)  
- The capability to relate (to other actors)  
- The capability to adapt and self-renew  
- The capability to integrate and achieve coherence |
| LaFond et al., 2002 p. 8 | Capacities relevant to organisational performance:  
- Strategic planning  
- Financial management  
- Information management  
- Logistics systems  
- Communication networks  
- Human resource development and management |
| LaFond et al., 2006 in Nu’Man, 2007 | Three domains of organisational capacity:  
- Formal systems (including fiscal and human resource management; staff recruitment, retention and training; policies and procedures)  
- Resources (including knowledge and skills; leadership; tools and processes; sufficiency of staff, funding and materials)  
- Informal systems and organisational culture (including perceptions of staff and leadership; motivation; values; leadership and management styles; internal relationships) |
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<thead>
<tr>
<th>Author</th>
<th>Elements of organisational capacity</th>
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<tbody>
<tr>
<td>Potter and Brough, 2004</td>
<td>Nine component elements of systemic capacity building:</td>
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<td></td>
<td>• Performance capacity (tools and material resources)</td>
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<td></td>
<td>• Personal capacity (staff knowledge and skills)</td>
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<td></td>
<td>• Workload capacity (sufficiency of staffing; appropriateness of job descriptions; appropriate mix of skills)</td>
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<td></td>
<td>• Supervisory capacity (reporting and monitoring systems; accountability structures; supervision; incentives and sanctions)</td>
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<td>• Facility capacity (training centres and facilities)</td>
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<td>• Support service capacity (e.g. laboratories, training institutions, research facilities)</td>
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<td>• Systems capacity</td>
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<td>• Structural capacity (decision making forums)</td>
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<td>• Role capacity (decision making authority and responsibility)</td>
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<tr>
<td>Kaplan, 2000</td>
<td>Elements of organisational life:</td>
</tr>
<tr>
<td></td>
<td>• a conceptual framework that allows the organisation to make sense of its context</td>
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<td>• organisational attitude and confidence;</td>
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<td>• vision and strategy</td>
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<td>• organisational structure; skill acquisition</td>
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Appendix 2: Evaluating Health Policy Capacity: Learning from International and Australian Experience

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Appendix 3: Interview Schedule for in-depth Interviews

A. Information about this research

The research we are involved in is looking at the conditions for good policy making in the health and human services sector. What I am wanting to do today is to listen to you talk about your policy work and to work with you in identify the factors that contribute to good policy making in the context in which you are working.

B. Tell me about the policy development work that you are currently involved in

- What is your job title?
- What does your job involve? (prompt: what are the different projects, programs or issues you are working on? What are your responsibilities?)
- What are the main policy projects that are on your desk at the moment?
- To what extent is your policy development work related to operational or project management responsibilities?
- How would you describe the different types of policy development work that you are engaged in? [Prompt: display different frameworks: functions, levels, focus, type of work]

C. Can we talk about the project which is occupying most of your time at the moment?

Prompts:
- What the department/government/minister is trying to achieve
- How issue was identified as a policy issue for DHS/Victorian Government
- How issue got into your in tray
o Own role in particular

o Autonomy vs teamwork

o How work fits into what Department/Government is doing about this issue

o Extent to which work is driven by Commonwealth/State issues

o Interface with other processes such as the budget cycle, the electoral cycle, legislative reform, major reviews and management of politically sensitive issues (How could you interface with these cycles more effectively?)

o Resources from elsewhere in the Department (research findings, expert advice e.g. about political sensitivities, information inputs, other?)

o Resources from beyond the Department

o Editing and guiding drafts that other people prepare; redrafting by others

o Stakeholder consultation

o Strengths and frustrations (Prompts: evidence and information structures and processes for policy making, clarity of purpose, resources and time, coordination and communication mechanisms, relationships and consultation, other)

o Own personal knowledge and skills (about the health system; from different disciplines; other sorts of knowledge, policy skills, other personal attributes)

o Most essential skills

o What do you do when you don't have the knowledge and skills that are needed? Have you had to deal with this in the context of this project?

o Chances of policy being adopted, implemented, and effective in achieving its objectives

o Implementation (role in ensuring implementation is going to be effective; role in implementation; addressing impediments to implementation)
D. Are there other projects that you have been working on that would help us to understand some of the policy work of your branch better?

(Prompts: how your work fits into what the Department as a whole is trying to do, resources that you draw upon from other parts of the Department, the whole drafting approving submitting and sending back process, consultation, strengths and frustrations of the process, the full employment of your own personal knowledge and skills (and ways of reinforcing your knowledge and skills where necessary)?

E. Can you tell me about some of the traps for young players in policy work?

   o policy episodes that went wrong?
   o what were the lessons for you out of such episodes; how to do things differently?

F. Issues Management: It seems that sometimes policy work is more about managing politically sensitive issues, perhaps keeping them off the agenda; perhaps steering the way they are thought about?

   o examples of such episodes?
   o what are the lessons that can be drawn from such episodes?

G. We're nearing the end now. Can I ask you about your own education and experience?

   o undergraduate training
   o postgraduate training
   o experience working in the field
   o experience in DHS
   o other experience in policy work
H. What would you regard as the key formative influences on your approach to policy work?

(Prompts: key people; key academic disciplines and paradigms; particular teachers, texts, authors; key learning experiences)

I. In what areas would you want to see aspiring young policy practitioners develop their skills?

- What sorts of training or professional development would be most appropriate?
- subject matter
- type (accredited or short course)
- modes of delivery
- other types of professional development (e.g. mentoring)

J. Inspiring policy practitioners

- Can you think of any people in the Department whom you think have outstanding skills in policy development (people you think are particularly inspiring policy makers?)
- What is it about the way they work that is inspiring to you?
Appendix 4: Interview Schedule – Branch Heads

1. What are the key policy issues your branch is dealing with currently?

[prompt: three or four main issues that you are worrying about this week]

2. Apart from yourself, who is taking the lead on these issues and how do they fit into the organisation of the branch?

[prompt: how is the work in your branch organised to deal with issues like these?]

3. What are the different types of policy work done in your branch?

[prompt: display different frameworks: functions, levels, focus, type of work]

4. What is your role in relation to these issues; what is different between what you do and what the leading staff members of the branch do in working on these issues?

[prompt: To what extent is your supervisor involved in shaping how you deal with these issues?]

5. Can you tell me about the context for policy making in the branch in terms of how it constrains and facilitates policy making and implementation?

[Prompts: big policies; resources; politics; legislation; stakeholders; interface with other processes or cycles such as the budget cycle, the electoral cycle, legislative reform, major reviews, management of politically sensitive issues? How could the branch interface with these cycles more effectively?]

6. How does the branch mobilise the information needed to support the policy work of the branch?

[prompts: quantitative data (resources, utilisation, expenditure, etc), evidence for policies, knowledge of field, expertise and experience in policy and politics]

7. How would you describe the organisational culture of the branch and how that supports policy work?
8. How much policy work do you outsource to consultants? How do you manage the consultants?

9. Can you tell me about the three best policy episodes and the three worst policy episodes your branch has been involved in?

10. What are the emerging issues in your field of responsibility?

11. How would you wish to be developing the branch to be better able to cope with those emerging issues?

12. What knowledge and skills do you look for (or develop) in policy staff?

13. What opportunities do staff have to develop their knowledge and skills in policy work and what are the gaps that you would like to see addressed?
Appendix 5: Focus Group Interview

Questions/Prompts

1. When you read through the preliminary findings, what ‘rang true’ to you, from your own experience?

Using the notepad in front of you, note down your response; share it with the group unless someone else has already covered it. We will return to look at your responses at the end of the interview.

2. What are the special characteristics of policy leadership in the public service environment? How could this sort of leadership be developed?

3. How could the capacity (within DHS) for inter-governmental collaboration be improved?

4. What could be done to strengthen collaboration between portfolio areas and between different areas within DHS?

5. How can the management of policy projects be improved?

6. What are some practical things that could be done to improve capacity for policy implementation?

7. What practical initiatives could be put in place to improve the human resources for policy work?

   (a) developing the competencies of policy practitioners

   (b) improving the management and deployment of the policy workforce

8. What are some of the strategies that could be used to improve access to information for policy work?

9. How important is evaluation, and why do we do it? How could the capacity for evaluation be improved?
10. Looking back at the notes you jotted down at the beginning of the interview, and thinking about what we have covered, is there anything that we haven’t discussed that you think is important to take into account in building policy capacity?
Appendix 6: Department of Human Services

Organisational Structure
This material has been removed due to copyright.
Appendix 7: Participant Information and Consent Form

Participant Information and Consent Form
Version 2 Dated 12/08/05

Full Project Title: Policy Capacity in the Health and Human Services Sector
Principal Researcher: Associate Professor David Legge, School of Public Health, La Trobe University
Associate Researcher(s): Dr Deirdre O'Neill, Mr Peter Allen, Ms Monica Pfeffer, Professor Stephen Duckett, Professor John Wanna, Ms Deborah Gleeson

This Participant Information and Consent Form is eight (8) pages long. Please make sure you have all the pages.

1. Your Consent
You are invited to take part in this research project.

This Participant Information contains detailed information about the research project. Its purpose is to explain to you as openly and clearly as possible all the procedures involved in this project before you decide whether or not to take part in it.

Please read this Participant Information carefully. Feel free to ask questions about any information in the document. You may also wish to discuss the project with a colleague or friend. Feel free to do this.

Once you understand what the project is about and if you agree to take part in it, you will be asked to sign the Consent Form. By signing the Consent Form, you indicate that you understand the information and that you give your consent to participate in the research project.

You will be given a copy of the Participant Information and Consent Form to keep as a record.

2. Purpose and Background
The purpose of this project is to provide a better understanding of the pre-conditions for effective policy making in the health and human services sector. The pre-conditions being investigated include institutional structures, processes and cultures and the capabilities of people involved in policy work.

Strong policy capacity is essential if the health and human services sector is to effectively address a range of complex and inter-connected health and social problems. In order to build the capacity for good policy making we need to know more about the factors that contribute to policy capacity and what sort of capacity building strategies would be likely to work.
Research into public sector policy capacity in the United Kingdom, Canada, New Zealand and Australia points to some of the preconditions for effective policy making and suggests some strategies for building capacity. For example, some of the factors which have been identified include: knowledgeable and skilled policy staff; structures and processes for coordination, consultation and knowledge sharing between departments; investment in long-term research to inform policy development; and organisational cultures that are open to innovation.

The current research project will examine the institutional factors and practitioner capabilities that contribute to effective policy making in the health and human service sector in particular.

The project will be conducted within three divisions of the Victorian Department of Human Services. Approximately 50 people will participate in this project.

You are invited to participate in this research project because you are a policy practitioner (someone who is engaged in policy work) in the health and human services sector. Your insights into the nature of policy practice and the pre-conditions for good policy will be valuable for this research.

You may have been identified for potential participation in this research by a supervisor, however your relationship with your supervisor will not be adversely affected in the event of your decision not to participate.

The results of this research may be incorporated into Ms Deborah Gleeson’s PhD thesis.

3. Procedures
If you agree to participate in this research project, you will be asked to participate in one or both of the following procedures:

a) a single face-to-face interview which will take between one and one and a half hours.

b) two focus group interviews, each taking one and a half to two hours.

The individual interviews and focus group interviews will be audio recorded (this is optional and you may ask that the interviews are not recorded). A copy of the transcripts will be made available to you to confirm accuracy. You will be asked to sign separate consent forms for the individual interview and the focus group interviews.

4. Possible Benefits
The benefits of this research will be likely to accrue to members of society in the future as a result of more effective policy development.

However possible benefits to the participants include professional development as a result of the opportunity to reflect on your practice. We cannot guarantee or promise that you will receive any benefits from this project.

5. Possible Risks
Possible risks include breaches of policy confidentiality or breaches of individual confidentiality. Such breaches could result in negative consequences such as embarrassment or distress or discrimination in the workplace.
These risks will be minimised by de-identification of the data before it is seen by any employee of the Department of Human Services (researchers or members of the project reference group). Focus group participants will be asked to agree to maintaining confidentiality of any matters discussed during the focus group interviews.

You can suspend or even end your participation in the project at any time.

6. Privacy, Confidentiality and Disclosure of Information

During the project, the data will be stored in a locked filing cabinet in the office of the student researcher (in the School of Public Health at La Trobe University). Data will be de-identified before storage. The student researcher will have sole access to the filing cabinet. After the completion of the project, the data will be stored in the research data archives of the School of Public Health for seven years from the date of publication. At the end of this period the data will be destroyed.

Any information obtained in connection with this project and that can identify you will remain confidential. It will only be disclosed with your permission, except as required by law.

Data will be de-identified before being viewed by members of the research team who are also employees of the Department of Human Services. De-identification will involve removing names and any other details from the data and from case studies and scenarios derived from the data that might reasonably identify you personally.

Participants in focus groups will be asked to strictly maintain the confidentiality of any information shared in the groups.

Whilst every effort will be made to protect your anonymity, due to the small number of people participating in some parts of this project it is possible that you may be identifiable as a participant. If this becomes a concern to you at any stage during the project you may withdraw and ask that data arising from your participation is not used.

If you give us your permission by signing the Consent Form, we plan to communicate the results of the project through the DHS website and publications; through seminars for DHS staff; through refereed and other journal publications and presentations at appropriate meetings and conferences; and through seminars, websites and publications of La Trobe University and the Australian and New Zealand School of Government. Case studies and scenarios developed during the project may be deposited in the Case Library of the Australian and New Zealand School of Government to be used for teaching purposes.

You may request a copy of your personal data collected in the course of the research, and will be provided with an opportunity to review the transcript of your interview prior to submission of a thesis or publication of reports or papers.

In any publication, information will be provided in such a way that you cannot be identified.

7. Results of Project

A plain English summary of project outcomes will be made available to you at the end of the project. You will be invited by email to contact the researcher to obtain a copy.
8. Further Information or Any Problems

If you require further information or if you have any problems concerning this project, you can contact the principal researcher, student researcher or any other member of the project management team. The researchers responsible for this project are:

Associate Professor David Legge (Principal researcher)
School of Public Health, La Trobe University
Ph. (03) 9479 5849
Mob. 0408 991 417

Dr Deirdre O'Neill
Senior Lecturer, School of Management, Monash University
Ph. (03) 9905 5461 or (03) 8344 1979

Mr Peter Allen
Under Secretary, Policy and Strategic Projects, Victorian Department of Human Services
Ph. (03) 9616 7748

Ms Monica Pfeffer
Director, Policy Projects Branch, Victorian Department of Human Services
Ph. (03) 9616 7215

Professor Stephen Duckett
Professor of Health Policy and Dean, Faculty of Health Sciences, La Trobe University
Ph. (03) 9479 1930

Professor John Wanna
Sir John Bunting Chair in Public Administration, Australian and New Zealand School of Government
Ph. (02) 6125 2134

Ms Deborah Gleeson
Doctoral Research Candidate (Doctor of Philosophy; Supervisor: Dr David Legge)
School of Public Health, La Trobe University
Ph. (03) 9479 3262
Mob. 0423 209029

9. Other Issues

If you have any complaints about any aspect of the project, the way it is being conducted or any questions about your rights as a research participant, then you may contact:

Name: Genevieve Nolan
Position: Executive Officer, Department of Human Services Human Research Ethics Committee
Telephone: 9637 4239

You will need to tell Genevieve Nolan the name of one of the researchers given in section 9 above.
10. Participation is Voluntary
Participation in any research project is voluntary. If you do not wish to take part you are not obliged to. If you decide to take part and later change your mind, you are free to withdraw from the project at any stage and, further, to demand that data arising from your participation are not used in the research project provided that this right is exercised within four weeks of the completion of your participation in the project.

Your decision whether to take part or not to take part, or to take part and then withdraw, will not affect your relationship with the Department of Human Services.

Before you make your decision, a member of the research team will be available to answer any questions you have about the research project. You can ask for any information you want. Sign the Consent Form only after you have had a chance to ask your questions and have received satisfactory answers.

If you decide to withdraw from this project, are asked to complete the “Revocation of Consent Form”. Please notify a member of the research team before you withdraw.

11. Ethical Guidelines
This project will be carried out according to the National Statement on Ethical Conduct in Research Involving Humans (June 1999) produced by the National Health and Medical Research Council of Australia. This statement has been developed to protect the interests of people who agree to participate in human research studies.

The ethical aspects of this research project have been approved by the Human Research Ethics Committee of the Victorian Department of Human Services, La Trobe University and Monash University.

12. Reimbursement for your costs
You will not be paid for your participation in this project.
I have read and I understand the Participant Information version 2 dated 12/08/05. Any questions I have asked have been answered to my satisfaction.

I freely agree to participate in the individual in-depth interviews for this project according to the conditions in the Participant Information.

I realise that whilst every effort will be made to protect my anonymity, it is possible that I may be identifiable as a participant in this research.

I realise that I may physically withdraw from the study at any time and may request that no data arising from my participation are used. I agree that research data provided by me or with my permission during the project may be included in a thesis, presented at conferences, published in journals and published in the ANZSOG Case Library on the condition that neither my name nor any other identifying information is used.

I will be given a copy of the Participant Information and Consent Form to keep.

Participant’s Name (printed) ……………………………………………………
Signature  Date

Name of Witness to Participant’s Signature (printed) ………………………………………
Signature  Date

Researcher’s Name (printed) ……………………………………………………
Signature  Date

Name of Student Supervisor (printed)………………………………………

Note: All parties signing the Consent Form must date their own signature.
Consent Form: Focus group interviews  
Version 2 Dated 12/08/05  

Full Project Title: Policy Capacity in the Health and Human Services Sector  

I have read and I understand the Participant Information version 2 dated 12/08/05. Any questions I have asked have been answered to my satisfaction.

I freely agree to participate in the focus group interviews for this project according to the conditions in the Participant Information.

I realise that whilst every effort will be made to protect my anonymity, it is possible that I may be identifiable as a participant in this research.

I realise that I may physically withdraw from the study at any time and may request that no data arising from my participation are used. I agree that research data provided by me or with my permission during the project may be included in a thesis, presented at conferences, published in journals and published in the ANZSOG Case Library on the condition that neither my name nor any other identifying information is used.

I will be given a copy of the Participant Information and Consent Form to keep.

Participant’s Name (printed) .................................................................  
Signature ........................................................ Date  

Name of Witness to Participant’s Signature (printed) .............................................  
Signature ........................................................ Date  

Researcher’s Name (printed) .................................................................  
Signature ........................................................ Date  

Name of Student Supervisor (printed) .............................................................  

Note: All parties signing the Consent Form must date their own signature.
Revocation of Consent Form

Full Project Title: Policy capacity in the health and human services sector

I hereby wish to WITHDRAW my consent to participate in the research proposal described above and understand that such withdrawal WILL NOT jeopardise any treatment by, or relationship with, the Victorian Department of Human Services.

Participant’s Name (printed) ………………………………………………………………

Signature                  Date
Appendix 8: Instances Illuminating the Links between Policy Process and Policy Outcomes

This Appendix accompanies Chapter 6. It describes instances from the interview data which illuminate links between policy process and policy outcomes, in each of the following domains of organisational capacity:

- utilising information and evidence;
- people management in relation to policy development;
- managing stakeholder relationships;
- managing intra-portfolio, cross-portfolio and inter-governmental relationships;
- working between policy development and program management;
- policy evaluation and monitoring; and
- leadership.

Two cautions are worth keeping in mind in reading this appendix.

The relationships described in this appendix – relationships between organisational attributes, policy process and policy outcomes – reflect the opinions and judgements of my informants. A statement such as ‘the effective use of information contributed to good outcomes’ might be more correctly qualified as ‘the effective use of information appeared (or was seen to) contribute to good outcomes’. To insert such qualifiers wherever they might apply would greatly extend the length of this report and reduce its readability. The qualifiers should be assumed however. The methodological considerations involved in using the judgements of policy practitioners in this way are discussed in Chapter 3.

This research was conducted in one organisation, the Victorian Department of Human Services (DHS). The methodological considerations involved in single case study research are also discussed in Chapter 3. One risk associated with this method is
that negative statements such as ‘less than effective use of information led to shortfalls in policy outcomes’ could be misinterpreted as reflecting some overall evaluation of policy practice within DHS. This research was not designed as an evaluation of policy practice in DHS and it would be methodologically inappropriate to interpret it as providing the grounds for such an evaluation. The instances collected under a heading such as ‘Instances where less than effective use of information led to shortfalls in policy outcomes’ reflect the methodology adopted for this research. These are reflections offered by individual policy practitioners on specific episodes. This research project does not provide any grounds for concluding that such instances are representative of the organisation as a whole or that they reflect a standard of practice below that prevailing in other similar departments.

The participation of DHS in this research reflects a commitment to organisational learning and continuous quality improvement. The identification of instances which may have involved shortfalls, but from which lessons for the future might be drawn, reflects this commitment.

Utilising information and evidence

Instances where effective use of information contributed to good policy outcomes

Evidence of an effective strategy for meeting need helped ensure success of a budget proposal

A policy practitioner described how information and evidence from a range of sources was drawn on to add legitimacy to a proposal for the provision of a new type of service (see Vignette 4 in Chapter 4). This was seen as crucial to the success of the budget bid. As a result, “...there was a recognition within senior government ranks that this wasn’t just something that had been dreamed up at the last minute; that this was something that was a thought through approach...” (PP17).

Evidence of the role and effectiveness of an existing set of health service agencies in providing these services was particularly important for getting the issue onto the policy agenda, within both the health portfolio and another portfolio area whose collaboration was needed. This evidence was provided by piece of research, funded and
overseen by the Department but conducted by the health service agencies, that demonstrated the effectiveness of the new service approach; this was useful for establishing credibility in negotiations with senior officers in both the departments. Although the research was not a prospective trial, and was seen to “have lacked a certain level of academic rigour in its methodology”, it was useful in demonstrating the value of the service: “So there was a body of evidence that we had gathered that said yes, this is achievable; this is possible; we’ve got people doing it and we can do more and it’s valuable; it’s worth the investment.” (PP17).

An initial budget bid, made before the research had been undertaken, had failed to attract funds. According to a practitioner involved, having done the research was a key factor in the success of the proposal in the budget process the following year.

**Quantitative data assisted in resource allocation as a part of implementation**

A policy practitioner described how quantitative data sets (socio-economic and service utilisation data) together with local information from regional offices assisted in the implementation of policy, by ensuring resources were allocated to the areas of greatest need (PP17).

**Assembling a body of evidence assisted in prosecuting a strong argument**

In a policy project which involved preparing a discussion paper to contribute to a national review, the utilisation of data and evidence was seen as having positioned the Victorian government well in the debate about policy options: “So for pushing the policy agenda we want, we’ve had a level of coherence about where we’re trying to get, and we’ve been able to support that coherence with a range of evidence, data and analysis” (PP12).

**Quantitative data leveraged better resource allocation in the budget bidding process**

Analysis of data from pre-existing data sets was often undertaken in order to leverage better resource allocation in the budget bidding processes (both governmental and internal departmental processes). For example, a branch manager described how data on hospital demand increases, which was “already here in well-oiled data sets”, was assembled to substantiate claims for greater resource allocation for a particular set
of hospitals (PP1). If the data showed a comparatively lower rate of growth in demand in these hospitals, then further data analysis and information gathering would be undertaken to “find out what else is happening out there” (PP1). The manager explained that this would be “one of the pieces of information and data and analysis that you would kind of feed into the mix as part of a broader discussion about how are all of these dollars to be allocated”. Another policy practitioner also described drawing on quantitative data in preparing budget papers: “And if we’re preparing budget papers and things like that, I’ll say find the evidence, what can we quote here, where’s the data” (PP13).

Information, including research evidence, assisted in developing policy options

In many cases, research evidence assisted in developing and analysing policy options. Some policy episodes involved extensive research and literature searching to investigate problems and analyse different options. As one policy practitioner explained: “in order to develop responses to address some of the issues, we obviously need to understand what those issues are and understand them in a detailed and meaningful way” (PP9).

One example was the development of a planning framework for a certain hospital service, which involved a literature review to examine evidence about the relationship between the size of hospitals offering these services and the outcomes in terms of safety and quality. The evidence seems to have been used to inform decision making about whether these services should be provided in smaller hospitals, in the context of contested territory between the medical profession (who argued that larger units were better because of greater throughput and more opportunities for doctors to gain skills) and stakeholders (who argued that it was important to maintain local services close to communities).

A further example was the development of a new legislative framework which involved gathering information about the policy context, government priorities, the regulatory context (including historical context of contemporary structures), stakeholder politics and policies in other jurisdictions. This information was gleaned through several commissioned research projects, stakeholder consultation, literature review, analysis of
interstate and international experience, costing of reform options and cost-benefit analysis. The information was used to develop a set of possible options for reform.

**Information about models in other jurisdictions informed development of policy options**

Many projects drew on information about policies and programs in other jurisdictions to inform the development and analysis of policy options. One practitioner described looking for “Lessons that we can learn about how people have actually done something” (PP3). Another explained: “[W]e’re doing a huge lot of research about models in other places, and what models are even being used in this state, to understand what are our options for our policy” (PP16). In a project which involved re-designing the roles of health professionals, a policy practitioner spent some time in the United Kingdom examining the models that were being used in the NHS. The learnings from these models informed the development of the current project: “…we went over there and looked at what they were doing, and learnt from some of their mistakes – maybe not mistakes but oversights, or areas that need a bit more improvement” (PP9).

**Information about context assisted in stakeholder management**

Often evidence was used to persuade stakeholders of the value of a particular course of action. In some cases, evidence was used to de-legitimise the claims of stakeholders. For example, one policy practitioner described how being able to draw on data from within the branch, commissioned research, and data contained in reports produced by other agencies was important for providing her with the contextual knowledge that she needed to refute the claims of certain hospitals who were opposing the changes the policy was trying to introduce (PP8).

**Information about the authorising environment assisted in taking up opportunities and ensuring policy was politically acceptable**

Focus group interview participants suggested that capacity to do opportunistic policy work depended on information about the authorising environment, “so you can make a judgement about whether there’s an opportunity or not” (FG6). The term ‘authorising environment’ was used by several interviewees in this study to refer to the senior decision makers, both political decision makers such as ministers and senior bureaucrats, including those in other departments and central agencies. In the literature,
the term is generally used in a more encompassing way, including those whose
authorisation is needed to be able to pursue courses of action and use public resources to
do so (Moore, 1995, pp. 113-120). Other features of the political and legal environment
such as laws and regulations, social attitudes, the media, interest groups and political
parties are also understood to comprise the authorising environment (Moore, 1995).
Information about political sensitivities and priorities was also very important in
determining which courses of action were likely to be politically acceptable. These
issues are discussed further in Chapter 5 in relation to the type of knowledge required
for policy work.

**Research evidence informed broader debate about policy directions and created a
supportive environment for policy shifts**

Information and evidence was used to inform broader policy discourses about
problems and solutions. For example, one policy practitioner said: “...we look at
research not just as a way of informing our own work, but also as a way of informing
the broader debate about policy directions and change” (PP12). She described how
some research done for a potential new policy project was used:

> “That work’s informed our thinking but we’ve also used it and sent it through
to a range of other stakeholders in relation to other things to inform their thinking
about what is, and also to get them thinking about what could be, which is I guess
creating the environment for policy shifts and policy change. And because a lot of
what we do has a strong change focus to it, that’s been something that’s been quite
important.” (PP12)

**Instances where less than effective use of information could have led
to shortfalls in policy outcomes**

**Lack of evidence about ‘what works’ made it difficult to mount a case for a
particular policy**

One policy practitioner described how, for a new policy, there was a lack of
evidence about “what works” because similar policies (implemented in other
jurisdictions) had not been systematically evaluated: “It means that it’s difficult to
mount a case about why we should do it, when there’s no evidence that it’s worked in the past” (PP9).

**Difficulty locating historical information about past work done on a policy issue meant that policy may not have been informed by previous work**

One policy practitioner recounted trying to trace some work that had been done a number of years earlier on a particular issue she was working on (PP5). Not wanting to duplicate what had already been done, she spent a large amount of time telephoning various people. Due to staff attrition and branch restructures, the trail was difficult to follow.

**Policy was sometimes developed in the absence of necessary information**

There were few specific episodes or projects referred to where the necessary information for policy making was not available. However it was clear from the many references to barriers to obtaining information, such as lack of time and resources (see Chapter 6, page 213), or the speed of policy decision making (see page 216) that there must have been many experiences where sufficient information was not available within the time and resource constraints.

**Evidence collected was not always used in policy decision making**

A policy practitioner recounted the story of a policy development project which was initiated for political purposes, in order to be seen to be doing something about a particular health issue, rather than to bring about change. As population and service data was collected and analysed, funding inequities and gaps in the system became apparent; and “people got nervous about what [the data] was telling us” (PP20). At that stage the project stalled and did not progress until the politically sensitive data was removed. The policy practitioner explained: “As government, we don’t always want to be explicit about the funding inequities or the imbalances and the gaps in the system.” She described how the data went through a process of being “pared back” several times and even after this, the policy stalled when it got up to the Minister for endorsement because “there was too much data in it”. The policy was endorsed after some time but in a very different form to what was originally envisaged by the policy practitioners involved.
Contracted research did not always provide a good product or ‘add value’

Many respondents were dissatisfied with the quality of commissioned research. For example, a number of small pieces of research were commissioned as part of a review of legislation and development of a new regulatory framework but the quality was perceived as disappointing by those who commissioning the research. As one policy practitioner commented: “…the extent to which those particular studies added value is a bit limited” (PP10). She attributed the disappointing product to lack of policy analysis skills on the part of the consultants, particularly a lack of ability to think conceptually and present the information well in written form, targeted appropriately to the audience. A manager from the same branch also commented on the difficulties in getting a good quality product from contracted research: “… the biggest challenge with consultants is getting them to deliver a high quality product, which is sometimes not the case and it requires a lot of work from staff here in getting their draft to an acceptable standard” (PP7). He explained that there were occasions where they had decided it was not worthwhile to continue with consultancies as the quality was too low.

In some cases, the policy analysts in the Department were perceived to be more highly skilled than the consultants: “In my experience, many consultants are not of the same calibre as staff here” (PP7). Consultants were also perceived to, at times, “come up with proposals that wouldn’t be palatable to government” (PP16). A policy practitioner told a story about a consultant who was engaged to do a costing study for a new funding model (PP16). The consultant “spent a lot of time and a lot of money collecting data from ninety agencies” and “came up with a new funding formula that was beautiful” by standards of scientific rigour, however the new funding formula would have resulted in some services losing large amounts of funding; a result which would not have been palatable to either stakeholders or government. There were seen to be risks involved in outsourcing the development of policy options, which was seen to be as much an art as a science.
People management in relation to policy development

Instances where effective people management contributed to good policy outcomes

Assembly of project teams to include an appropriate mix of knowledge and skills ensured the necessary knowledge base to inform policy development

Staff with appropriate knowledge and skill sets contributed to successful policy outcomes in many cases. For example, when asked about the strengths of a particular policy, one team leader said: “I think the staff involved and the drive and commitment of the people involved in the project are strengths because it’s hard work and it’s a bit draining at times, pushing uphill” (PP9).

More important than the skills of individual policy practitioners, however, was having a broadly based skill mix across policy units and across policy projects. Several practitioners stressed the importance of teamwork and being able to draw on practitioners with a range of different skills, particularly for large scale policy development projects:

“You don’t try and get all these things in any one individual. That’s why we have to have teams of people, because they all bring different characteristics.” (PP1)

“...no one person can have all the skills that you need to do this sort of work, and you need management skills, project management skills, you need legal advice, you need the basic administrative side of getting papers out and organising meetings and everything else, and then the policy advice, then you need financial advice in doing costings of different options, and you need the strategic advice which really comes from [senior executives] and all of us putting our heads together to frame the options that we’re going to take forward.” (PP10)

Although high level conceptual and strategic policy skills were desirable for policy teams, it was not seen as necessary for every person to have these skills, which were seen as more of a “corporate competency” (PP12).

One team manager told of how she used her staff strategically depending on their skills (PP8). One had “brilliant writing skills”, so she put him to writing tasks; another
was good at the “operational stuff” so she was given contract management responsibilities; a third person had good communication skills, so his role was to “go out and talk and fly the DHS flag”. Another policy practitioner described assembling a team including health planners, people with writing skills and people with program development expertise (PP4). A third policy practitioner talked about her experience on a team that had a variety of different skills and knowledge sets, including someone with a depth of historical knowledge, arguing that “it’s useful having people with different skills and with different perspectives” (PP11).

**Bringing in a person from a health service on secondment enabled access to necessary health sector knowledge**

In one project, the project team was deliberately assembled to include a person on secondment from a health service and people with knowledge of service and capital planning to ensure the necessary knowledge base. A practitioner involved in this project described how his lack of knowledge of a particular type of health service was a ‘handicap’ when he initially started work on the policy project, but this deficit was dealt with by bringing in someone from the health sector who had the specific knowledge set required (PP14). Another practitioner also described a deliberate policy in her unit to bring in people “from the sector” to fill vacancies, “because you can only be enriched by that direct field knowledge” (PP4).

**Placement of a policy project into a team with appropriate knowledge saved time and ensured the policy met stakeholders’ needs**

A policy practitioner described how the development of a high level policy framework was originally placed within a separate policy area that lacked knowledge of the service system. This meant “...you lost a whole lot of time because it just wasn’t sitting in the right place” (PP4). It was eventually moved to an area with more ‘content knowledge’ and close links with the service system, and according to one of the policy practitioners involved, “The major strength I think is that we had people involved that knew something about health” (PP4). In this case, the purpose of the policy was to meet a need identified in the health sector for direction and clarity about the government’s commitments. Knowledge of the service system was important in understanding the needs of stakeholders and creating a policy that met those needs.
Instances where less than effective people management could have led to shortfalls in policy outcomes

Deficits in policy-relevant knowledge and skills generally, and particular knowledge and skill sets, were perceived to compromise the quality of policy work

Policy knowledge and skills in general were seen by several interviewees as a weakness of the Department. A typical statement from a policy practitioner was: “…good policy skills are very rare, and I don’t know how you address that, because it’s not always obvious” (PP10).

Several interviewees suggested that deficits in particular knowledge and skill sets affected the quality of policy work. These included: knowledge of the health system; knowledge of the DHS and public sector environment; strategic and political skills; writing skills; and quantitative data analysis skills. Lack of broad-based knowledge of the health system and its dynamics (particularly amongst, but not limited to, more junior policy staff) was perceived to contribute to implementation failure or negative consequences for other parts of the service system. Lack of knowledge of the DHS and public sector environment was seen to contribute to failure to engage the authorising environment and ultimately to politically unpalatable policy. Lack of strategic and political skills was seen to create difficulties in terms of negotiating a direction which was acceptable to stakeholders and government. Lack of writing skills appeared to compromise the clear communication of ideas, making policy decision making difficult. These competencies are discussed in more detail in Chapter 5.

Outsourcing of policy work (due to lack of personnel in house) resulted in wasted time and money

There were some instances described by participants where policy development projects were outsourced to consultants due to a lack of suitable personnel in the Department to undertake the work. In one case consultants were commissioned to develop a high level directional statement. However the resulting policy document was not ultimately useful, and had to be re-written in house, resulting in wasted time and money:
“They hadn’t picked up what were the priorities, they hadn’t picked up what were the inter-connections, they just hadn’t got their heads around those kinds of questions. And in the end we actually found or [the lead policy practitioner] found herself writing this thing virtually from scratch.” (PP1)

“In the end I think it cost us time, because the consultants took longer than they were supposed to and even then we didn’t get a product that was any good.” (PP1)

A policy practitioner involved in re-writing the policy argued that a better decision may have been to have ensured adequate resources “in house” to undertake the policy development (PP3).

Managing stakeholder relationships

Instances where effective stakeholder relationships management contributed to good policy outcomes

Successful management of stakeholder opposition prevented a policy from being derailed by powerful stakeholders

There were many instances where successful management of powerful stakeholders prevented policies from being derailed. In one policy episode that involved a major change to the way in which funding was allocated to services, the policy was announced suddenly and deliberately without consultation so that “we dodged all the flak and got straight to the issue” (PP6). In this policy episode, lack of consultation was seen as a strength: “…if it had all been planned out a year in advance and people had targets and expectations, we would have created a whole lot more confusion and pressure” (PP6).

A policy practitioner involved in developing and implementing a new model for distributing training places amongst health services described using a broad range of strategies to manage “militant stakeholders” (PP8). These strategies included setting up an advisory committee including representatives from all of the stakeholder organisations; negotiating and persuading; and appearing to compromise on issues where some flexibility was able to be exercised but where compromising did not
jeopardise the policy’s objectives. She described listening to the concerns of stakeholders and responding to their concerns where she was able to, in order to gain leverage in other areas. She also used the hierarchy in the organisation, strategically drawing in people in positions of authority when needed to ensure stakeholder cooperation. All of these strategies contributed, in her view, to the success of the policy project.

Stakeholder management was also a success factor in a project that involved developing and implementing a new regulatory regime. As a practitioner working on this project said, “...you’ve got to be really good at managing the opposition if you’re going to make any progress at all in moving it forward” (PP10). Part of managing the opposition, she said, was doing a detailed and extensive consultation, including a submissions process, “so that you really understand where the opposition is”. Doing the consultation helped to understand the positions of stakeholders, “where the consensus is and where it isn’t, and where the polarisation of views is, and how to use this polarisation” (PP10). The policy practitioner described using two strategies to manage the opposition to the regulatory changes:

“One was keeping them guessing to the very end about the extent of reforms, knowing we weren’t going to do the really radical stuff, so when they finally found out what was in it, a lot of them were relieved, and it took them a while to rally their forces to oppose the things that they still didn’t like. And the second strategy that we used was really what I call divide and conquer, where we knew that there were some professional groups that would support some things, and so we used that information and made public that information so it isolates those that are opposed, so they’ve got less traction.” (PP10)

Stakeholder consultation provided information about stakeholder needs and preferences, informed policy decisions and ensured relevance of policy to stakeholders

Formal consultation processes were an important means for gathering information required for policy development in many policy projects. For example, one policy practitioner recounted how consultation was important for a major new policy development project, to “understand what’s currently happening in hospitals”, to gain information about stakeholders’ preferences and to explore the implications of different
policy options (PP9). In the development of a major directional statement, consultation was used to determine what the issues were that needed a policy response. In the development of a new regulatory framework, submissions from stakeholders were invited and used to gain an understanding of their different perspectives.

In many cases, stakeholder consultation informed policy decisions (resulting in better quality policy decisions) and provided the necessary information to ensure that the policy was suitable for the context in which it would be implemented. In one case, stakeholder consultation highlighted the need for a new service, which was then developed and implemented. Another instance was recounted by a manager with responsibility for a scheme for providing funds to people who had to travel large distances to obtain health care (PP6). He was approached by some people from certain organisations who wanted to ensure better access to the scheme for a minority group. He began a process of visiting the organisations and talking with them about how people from this minority group travelled to health services, which helped him to understand the issues and ensure that the policy was appropriate.

**Communicating the vision and intent of a policy contributed to successful implementation**

In many policy episodes, effectively communicating the vision of a policy contributed to successful implementation of the policy. For example, implementing a radically new funding model for a group of health services involved “a whole series of activities which are probably not policy but which have needed to be about communication, information and sharing of that strategic direction that we have” (PP6). This was done through “central forums where we’d be going through on a regular basis with regional people, so it’s just pushing the message” (PP6). Consultants were engaged to do information sessions with the hospital boards; communicating the vision of the policy in the context of broader public health concerns and “talking about models of health care in the community to a range of people” (PP6). This was not just about trying to conveying the Government’s expectations of health services, but also about trying to “inculcate this sense of what we were doing, what we wanted” and inviting them to look beyond their own health service’s concerns and to see their place in the bigger picture (PP6). Another policy practitioner also talked about the importance
of “talking up” or “living and breathing” the policy she was implementing, and described “constantly reiterating, referring to it in everything we do” (PP4).

**Communication with the Minister’s Office helped to secure political support**

Several participants described policy episodes where communication with the minister’s office was critical to policy success. As one policy practitioner attested, communicating with the Minister’s Office ensured that “you’re not going ahead with something that doesn’t have the government’s support” (PP22). A branch manager described testing policy ideas with the Minister’s Office early in the policy development process (PP7). This helped them to “get a sense of what the will is and the interest” and to “understand the envelope that you’re working in to start with” (PP7).

Another participant described how getting support from the Minister’s Office, who acted as champions in the budget process, helped ensure the success of a budget bid (PP17). This support was gained by involving them from the outset in policy development and keeping them briefed along the way.

**Instances where less than effective stakeholder relationships management could have led to shortfalls in policy outcomes**

**Failure to engage the authorising environment meant that a policy did not get senior endorsement**

Failing to engage the authorising environment early enough in the policy development process was noted by several policy practitioners as a difficulty that younger or newer policy practitioners sometimes experienced that often resulted in not getting senior endorsement. For example, one policy practitioner said: “it’s a very easy thing to go off and do a nice piece of policy work but then your senior management are somewhat surprised by your work and actually don’t particularly want to know about it, because it may create problems for them…” (PP17). He described how, in the early stages of a new piece of policy work he was currently initiating, he was talking to his supervisor and ensuring that he had verbal agreement on the way forward (and making sure she had also talked to her supervisor and got approval from further up the hierarchy). Once he had that verbal agreement he was planning to prepare a more
formal proposal and seek formal endorsement. It was also important, he said, to “keep them engaged, so again keeping people well briefed” (PP17).

Failure to consult with and engage the service sector in a meaningful way meant some policies ended up being ‘desktop jobs’

A team manager described how the failure to consult with the service providers in a meaningful way, to “get more buy in, and get more sense of what’s working on the ground out there” resulted in a policy framework ending up as a “desk-top job” and a “dust-gatherer on the shelf” which did not result in much change (PP20). In this project, and another which the same manager also described as “a bit of a desk-top job, again, and not an ideal way to develop policy”, there were strong political imperatives not to consult widely about the policy. In both cases, in the view of the respondent, the policy was being developed more to be seen to be doing something than to actually create change. In both cases, there was the risk of potentially embarrassing information being turned up which could have put the Government in a difficult position (having already decided essentially not to act).

Failure to effectively engage central agencies and internal resource managers stymied implementation of a new policy framework

One policy project involved the production of a planning framework which was intended to “broadly inform an approach to budget bidding across health” as a “strategic underpinning of and rationale for a particular approach to budget bidding” (PP14). However, as one of the practitioners involved commented, they had not worked closely enough with central agencies (Departments of Premier and Cabinet, Treasury and Finance) to “get people in those agencies approaching health issues from the perspective of this framework” (PP14). This was seen to have compromised the adoption of the principles and directions of the framework and the extent to which they influenced the budget bids in the Department. Similarly, the participant noted, it would have been useful to work more closely with the budget planning and review area in the Department “because they then have the regular links to those central agencies and if they’re more involved and more aware of what’s going on, then they can pick up some of those themes in their ongoing dialogue with people in those agencies”. In the view of this practitioner, “that could have helped to create a broader recognition of the
outcomes that this framework was trying to achieve, and also the pressures that it was trying to respond to.”

Lack of effective management of a powerful lobby group was seen to contribute to disappointing outcomes

The manager of a policy-focused branch told how a particular policy episode had had “disappointing” outcomes due to “political interference” by a powerful lobby group (PP7). In this case, he said, the disappointing outcomes were partly the result of “not fully appreciating and working with stakeholders and in particular, doing everything possible to shore up government.” With politically sensitive issues, in the context of powerful and influential stakeholders such as unions and professional associations, he explained, it was particularly important to communicate well with politicians to “try and keep government comfortable that it’s not moving down too controversial paths on any given issue.” The main weakness identified in the policy process in this episode was “not providing enough confidence and comfort to government to ensure that they could remain firm on the issue” (PP7).

Managing intra-portfolio, cross-portfolio and inter-governmental relationships

Instances where effective intra-departmental, cross-portfolio and inter-governmental relationships management contributed to good policy outcomes

Good management of relationships across DHS ensured a good outcome from a project that crossed program boundaries

A practitioner involved in developing and implementing a planning framework that crossed program boundaries within DHS described how he used a number of strategies to improve engagement and obtain a good outcome from a project that crossed program boundaries (PP14). These included establishing a steering committee which included key directors across the participating units; not going ahead with meetings unless key people were present; and frequent and clear communication. The communication was structured such that “people were really clear about what the project was doing and when”, and “being quite responsive to the outcomes of
discussion and suggestions and recommendations [...] coming out of the planning group and the steering committee”. He described how this responsiveness created “a positive feedback loop where they’re seeing that the things they’re asking for are actually coming to fruition and a sense that it’s worthwhile to continue to be involved” (PP14).

**Good management of relationships with other departments and portfolio areas ensured success of a budget bid**

A manager told the story of a policy project that involved preparing a budget bid for implementing a new type of service within existing health services, in high need areas (PP11). An initial budget bid had been unsuccessful, and part of the reason for this, explained the manager, was that it fell between two portfolio areas and was a high priority for neither. However a budget bid was prepared again the following year, and this time, it was met by a similar bid from another government department. The two departments collaborated successfully and the joint bid was funded, although there was some compromise over the geographic areas in which the services would be provided. The manager described how the main factor in ensuring successful collaboration in this policy episode was “persistence, staying in touch with the decision makers”. He stressed the importance of “staying in the game” and continually “reminding people what it’s about” (PP11).

**Regional management forums led to good local level horizontal collaboration**

A focus group participant described how “at a regional level, there’s quite a lot of useful operational structures in place, which go between departments and between state departments and local government, which seem to me to work quite well” (FG8). These regional management forums, which involved six monthly meetings between the regional executives of different departments, had reportedly generated a “whole bunch of quite useful and reasonably effective projects” (FG8). However he noted that there was a “disconnect between what goes on in those forums, and what goes on in big policy discussion forums” (FG8).
Whole of government working group contributed to effective policy coordination across jurisdictions

A focus group participant described how a whole of government working group in an area of regulatory policy enabled “a whole of government view to every proposal on a standard” (FG5). The effectiveness of this working group was attributed to personalities and commitment of the people involved, as well as “signals from the top that that’s what we should be doing”. Over a period of time, these signals had become “embedded in people’s psyche” and part of normal practice in this area: “We consult each other because it’s what we’re practiced in doing now” (FG5). However this experience was not seen to be necessarily applicable to every policy area, depending on the “dynamics of the external environment” (FG5). It was seen to be easier in a regulatory environment than in a service delivery environment where collaboration was needed between diverse and fragmented parts of the service system.

A shared sense of problem and commitment to outcomes contributed to effective inter-governmental collaboration

In the view of one senior policy manager, an exception to the generally poor relations between the Commonwealth and the State was in Aboriginal health, because “we are all so mutually bewildered by what to do about Aboriginal health, and so we share so strongly the sense of despair and pessimism and anxiety and frustration, that we really collaborate very well” (SPM1). There was a sense that policy practitioners had been “driven to that” by the complexity of the problems and the difficulties in responding. There was also a view that Aboriginal health was not as politically sensitive as it was in some other jurisdictions, where such collaboration may have been more difficult to achieve. As this senior policy manager explained: “…the harder the problems, the more inclined people are to get together and talk about it” (SPM1).

Mediating between the Commonwealth Government and Victorian health service providers built shared understanding

One policy practitioner was working to try and influence the way in which the Commonwealth Government invested a substantial amount of money in a new set of initiatives, to ensure that the way the money was invested in Victoria aligned with the priorities and directions of the Victorian health services (PP18). One of the strategies
she used was to bring together Commonwealth officers with service providers in a forum where the service providers were able to provide some insights into what was already happening in Victoria. This also provided an opportunity for the service providers to understand the priorities of the Commonwealth.

**Instances where less than effective intra-departmental, cross-portfolio and inter-governmental relationships management could have led to shortfalls in policy outcomes**

Difficulties getting input from other program areas caused delays in cross-portfolio projects

Policy practitioners noted that involvement of other areas of the Department in policy development, particularly in the early stages, was often critical. It was considered difficult to plan ahead without knowing the impact of policies on other parts of the department. However participants frequently reported having difficulties getting other program areas “involved in all of the discussions” (PP8). In one major policy development project that needed involvement from several different program areas of the Department, a practitioner involved commented on frustrations “around the extent to which people had engaged, particularly with material that was going out to them for comment or for discussion at meetings” (PP14). The result was that “that kind of slows things down” (PP14). He did note, however, that these frustrations were to some extent unavoidable in working across branch and divisional boundaries in a large organisation. A branch manager also commented on the difficulties of getting input from other program areas, particularly for ‘corporate’ (rather than service delivery) parts of the organisation (PP7).

**Lack of clearly designated leadership prevented effective collaboration and created the potential for policy failure**

Focus group participants noted that a lack of clarity within the Department about who was taking the lead role often prevented effective collaboration across the department on policy projects that involved different areas of the organisation: “...sometimes we’re just not clear about who’s doing what [...] There’s confusion about who’s meant to do what, how important it is, where it fits, who else should know about it...” (FG7). An example was given of a current policy development initiative to
address a very important health issue, where lots of different areas of the Department were working on it in an uncoordinated fashion, and as one focus group participant reported, “...as a consequence, we’ve actually lost the initiative, and there’s a view that we don’t know what we’re doing, and I think it’s probably correct, because we haven’t been able to get it together and to really understand how we could do it better” (FG7). Another focus group participant agreed, and expressed concern that this episode would end up being “an interesting case study when we get to the end of it on how we can muck up something very important” (FG5).

Inter-governmental committees where “nothing ever happens”

One senior policy manager suggested that many senior bureaucrats believed there was too much inter-governmental work happening and that it often didn’t produce results (SPM2). There was a feeling that “...you can have inter-governmental committees and meetings until the cows come home, and nothing ever happens” (SPM2). On the other hand, he referred to several instances where policies had been “successfully negotiated in a bilateral manner” through more focused efforts. He suggested that successful inter-governmental collaboration relied on getting “the right people around the table” to work on issues in a focused, concentrated way, rather than “meetings for the sake of meetings” (SPM2).

Coordination of a whole of government process by a service delivery branch meant that broad government ownership was difficult to gain

A team manager told of a cross-portfolio policy project in which her branch had the lead role in policy development (and would probably also take the lead role in policy implementation) (PP20). The branch had been given responsibility for this project because of its expertise in a particular area of the health system. In her view, it was problematic that a primarily service delivery-focused branch was “running a sort of whole of government process”. She felt that the branch was not “well positioned” to lead a cross-portfolio project and that as a result, there was a risk that the project might not have “any impact at all”. The project was not a high priority to any particular program area, and the service delivery branch was not seen to have enough leverage over either the other areas of the Department or other government departments to ensure that the policy was implemented. As the manager stated: “What sort of impact it’s going
to have without proper leadership and leadership in the right part of government, I don’t know” (PP20).

**Working between policy development and program management**

*Instances where relationships between policy development and program management contributed to good policy outcomes*

Including implementation plans in policy documents put in place the necessary conditions for successful implementation

There were several instances where the inclusion of an implementation plan in a policy document was seen as an important determinant of good policy outcomes. For one policy practitioner, the fact that there was an implementation plan “*built in*” to a particular policy was seen as very important for ensuring the success of implementation (PP14). The advantage of an implementation plan was that it “explicitly sets out a series of actions that are going to be taken to implement the policy directions”:

“*It really does lock in the implementation of the policy. If you don’t have really clearly defined, practical steps, then there’s potential for it to lose momentum and potentially lose its way in implementation. So I think that’s a very important aspect, to try to build as much as possible the implementation into the policy statement as well.*” (PP14)

**Engaging implementers in policy design ensured policy was based on real world context, ensured ‘buy in’ and built a constituency for implementation**

In several instances, the engagement of people who would have responsibility for implementation in the design was seen to ensure that policy was based on a sound understanding of the real world context for implementation. For example, the lead officer in the development of a policy involving governance and accountability mechanisms for health services explained that involving directors of medical services “*who had real life experience*” had been a strength of the process, in terms of being able to “*know what the pitfalls are*” and ensure that the policy was practical and implementable (PP5). Another practitioner who was developing an innovative policy
project involving workforce redesign explained that “talking to people who are living it day to day was sometimes the best place to identify where the problems are and where things can be done better” (PP9).

There were also several instances where engaging implementers in policy design was a “political decision” (PP9) to ensure that the policy would be accepted by the implementers. For example, in one project, due to the involvement of implementers in a “ground up approach”, the policy workers were able to argue that “this is what health services are telling us is needed” and to demonstrate that the project was “meeting a need rather than a directive” (PP9). In another project, “making sure that the key people who are going to be responsible for the success or failure…are really closely engaged” was seen as a key factor in successful implementation (PP14). A further policy practitioner described how engaging health service providers in “local challenges” rather than using a “driven down philosophy” enabled them to be involved in creatively identifying solutions to the problems they were facing (PP6). There were many other instances where including people with responsibility for implementation in the policy development process ensured what many people referred to as “buy-in” (PP4) or a sense of ownership of the policy, and thereby ensured successful implementation.

Providing for the capacity building (of implementing agencies) within policy design enhanced the chances of successful implementation

Several practitioners involved in implementing policy projects noted weaknesses or variations in the capacity of agencies (such as health services) to implement policy changes, which threatened the extent and success of implementation. This was seen as a significant limiting factor, unless strategies were put in place to build capacity in the sector as a part of policy implementation.

Successful implementation clearly depends on implementing agencies having capacity to make the changes and meet the policy objectives. As one policy practitioner argued: “…if the relationships at the local level are not good, you’re not going to get the best outcomes” (PP18). She described how a necessary part of policy development involved supporting capacity in the agencies responsible for implementation: “…you need to do the capacity building out there so that they understand the evidence and can
translate it for their own setting, and also how they can contribute back in terms of evaluation to build that evidence” (PP18).

In a policy project which involved improving partnerships between different parts of the service system, a manager described strategies employed, as part of policy design and implementation, to build the capacity of implementing agencies, including “putting up the lighthouse sort of projects”, “getting one organisation to either mentor or just provide the inspiration for another one of its peers” and reserving funds for agencies which were experiencing difficulties implementing the changes (PP15).

**Field testing enabled policy ideas to be ‘reality tested’ prior to implementation**

In several policy episodes discussed by respondents, action research and piloting enabled new policy ideas to be ‘reality tested’ prior to the commitment of large amounts of resources. As one policy practitioner said, “You have to try these things, see how they look on the ground” (PP22). Action research was considered critical to the success of an innovative workforce role redesign project, in part because there was very little evidence available to show what worked. In this policy project, action research, driven from the “ground up”, ensured that the models developed for wider implementation were appropriate for the real world context in which they would be implemented (PP9). In another project which involved introducing an integrated approach to service planning, trials were important in generating the evidence that the approach worked, which was also seen as important for building the necessary political support for wider implementation of the policy framework (PP14).

**Instances where lack of relationships between policy development and program management could have led to shortfalls in policy outcomes**

**Lack of staffing and resourcing for the coordination of implementation created challenges in terms of ensuring coherent and timely implementation**

It was seen by many policy practitioners as rare for policy implementation to be adequately resourced in terms of people and resources. In one policy project, implementation was not proceeding as quickly and smoothly as hoped, and according to a policy practitioner involved, this was largely due to the lack of dedicated resources for the coordination of implementation. The policy practitioner explained how the lack of
resources for implementation meant that they were not able to “actively bring a team of people together to implement it” and had to rely on people to implement it “just in the course of everyone’s normal work” (PP3). She expected implementation would still happen, but that it would take much longer as a result of not having that dedicated capacity.

In this project, the lack of resources for implementation was attributed partly to lack of clarity about the scope and nature of the policy commitment, partly to the nature of the policy (a direction statement) and partly to timing: “…it came out in a non-election year; there was nothing around that we could grab some money from” (PP3). However a policy practitioner involved in this episode argued that implementation should have been considered more closely during policy development (PP3).

In a second policy project, lack of staffing for the coordination and management of implementation was seen as a challenge to coherent implementation:

“I think [coherent implementation] will be difficult because there’s very little staffing for the coordination, monitoring, management of the implementation, and the responsibility for those actions lies with a whole bunch of disparate parts of the Department.” (PP14)

Some participants expressed concern that sometimes implementation issues had not been thought through carefully enough by the more policy focused areas of the Department (those more distant from service delivery), and that sometimes operational areas were given policies to implement where there were insufficient resources for implementation.

**Policy developed in the absence of operational input was difficult to implement**

Some participants thought that too often, policy was “developed in the absence of operational input” (PP2). Failure to involve people with responsibility for implementation was considered to make policy more difficult to implement:

“If it’s policy that’s so far removed from how services are actually being delivered that it’s going to take a decade to even start making a dent in it, it’s not as effective as something that may have the same ultimate objective, but if it’s
developed with a strong link and input from and feedback with an operational perspective...” (PP2)

Good policy ideas were sometimes lost during implementation

According to a focus group participant, there were “lots of examples where what we think we’re implementing bears no relation to what we’re funding people to do and what we thought was going to happen” (FG7). Another focus group participant pointed out that sometimes “great ideas get rolled out but they get a bit lost at the regional level...” (FG8).

Some politically-driven policies were not intended to be implemented

In some policy projects described by participants, there was no intention to implement the policy. One policy practitioner described two projects which were politically driven because government needed to be seen to be doing something (PP20). Both of these policies, in the view of the practitioner involved, were “desktop jobs” where the service sector was not significantly involved in policy development. She believed there was little likelihood of change as a result of these policies. This barrier can be understood in terms of tensions between different aspects of governing capacity and is discussed further in Chapter 8.

Policy evaluation and monitoring

Instances where evaluation and monitoring contributed to good policy outcomes

Good evaluation data protected a program from falling victim to fluctuating fashions and policy priorities

One practitioner told of implementing a new funding and accountability policy for a set of health services, which removed perverse incentives (PP6). The policy shift enabled the health services to use their funding more strategically, however it created challenges in terms of accountability to central agencies. The practitioner described needing to go through a “data process” to demonstrate the impact of the new policy. Careful monitoring and evaluation in this case enabled the policy practitioner to verify what the policy had achieved, in order to justify it and defend it against its critics.
Demonstrating the impact of a pilot project, through good evaluation, generated strong stakeholder support for implementation

In a project which involved a new structure for training a certain group of health practitioners, evidence of the positive outcomes of a pilot project (high exam pass rates amongst the health practitioners) was used as a “communication tool” to generate support amongst stakeholders for the broader implementation of the policy to other groups of health practitioners (PP8).

Monitoring the implementation of a new regulatory regime allowed incremental adjustment of that regime in the course of implementation

A policy practitioner who was in the process of implementing a new regulatory scheme spoke about “putting in place some tools that will allow us to better monitor what’s going on out there and alert us to where the problems are” (PP10). This monitoring allowed her to compare the performance of different parts of the system, to determine how well the scheme was performing as a whole, to pinpoint problems as they emerged and to make incremental adjustments to the implementation process.

There were several references in the data to instances where lack of monitoring hindered incremental policy adjustment. Making sure that information about implementation was fed back into policy development was seen as very important. Several focus group participants emphasised: “Putting in place those structural feedback loops, so that you’re getting intelligence on how things are going with implementation, so that you can look at what changes you need to make” (FG2). However this was seen as a weakness of the Department: “…carefully monitoring and adjusting programs as they go is the area we are quite poor at, and not enough time’s given to that” (FG7).

Instances where the lack of evaluation and monitoring appeared to limit the achievement of good policy outcomes

Policy work which involved strategies which had been previously applied, but not evaluated, was unable to benefit from the previous experience

Although there were few specific instances in the data, it was clear from the accounts of policy practitioners that evaluation results were not consistently available
for use in policy development. Previous policy episodes were not always documented, so that the concepts and strategies and outcomes of previous episodes were not available for later related episodes.

There was a perception in the focus group that much of the funding that was invested in evaluation was wasted, as evaluation findings were often not used in policy development. A focus group participant described how in a particular policy area, a number of demonstration projects and evaluations had been done over a period of ten years, however “nothing had happened as a consequence of those things, and that’s a real indictment of waste” (FG7).

Poor quality or purely summative program evaluation failed to inform future policy makers about the dynamics of change

Participants in the Stage 2 interviews noted shortfalls in the quality of impact and outcome evaluation. Focus group participants commented on the lack of ‘decent’ evaluation. Reasons for this shortfall suggested by focus group participants included lack of skills, lack of investment in good quality evaluation and lack of clarity about the reasons for evaluating and the objectives and expected outcomes of the policy. It was felt that lack of consideration of evaluation during policy development tended to result in descriptive process evaluations which did not provide evidence of impact to inform the next round of policy making.

The evaluation that was undertaken in the Department tended to be summative in nature (that is, evaluating the effectiveness of policy or programs). There was a sense that while there were expectations about summative evaluation for the purpose of accountability, people were not being encouraged to do formative evaluation, as illustrated by the following quote from the focus group interview:

“…carefully monitoring and adjusting programs as they go is the area we are quite poor at, and not enough time’s given to that. […] It’s really intensive engaged monitoring of what’s happening out there, and we are now often so removed from the ground that we’re not even capable of doing it.” (FG7)

There appeared to be little formative evaluation (evaluation aimed at optimising a policy or program, which takes place during policy development) taking place, or
systematic reflection on the policy process. As one focus group participant pointed out: “...it should be part of the process, so you’re not getting to the end of it and looking back to see what mistakes you’ve made. You should be testing what you’re doing as you go along, and there’s a number of ways you can do that” (FG1).

Whilst it seems likely that informal monitoring is happening, there may not be systematic reflection on the data produced in ways that enable formative evaluation, reflective practice and organisational learning.

Poor specification and management of commissioned evaluations meant they often failed to inform ongoing policy development and implementation

There was some dissatisfaction with the quality of evaluations undertaken by consultants. This was seen as partly the result of poorly skilled consultants who lacked the appropriate health sector expertise, or consultants with vested interests. However, participants more commonly identified deficiencies in the specification and management of commissioned evaluations, for example: “A lot of the problems stem from the terms of reference in these evaluations. They’re far too open and general and they’re led by consultants, who tell the program what to do, which is just absurd” (Technical specialist).

Lack of specification of short and medium term outcomes was perceived to mean that evaluation results were often not available in a timely manner to inform policy development. There was also a perception amongst the focus group participants that money spent on evaluations was often wasted, partly due to poor specification: “It’s often not well specified to begin with, to answer the right questions” (FG7).

Reasons identified for the pattern of poor specification included lack of skills and technical support, and lack of a program logic framework that includes intermediate indicators. Another reason put forward for such poor specification was confusion about the reasons for evaluating:

“Sometimes we’re doing it just as an accountability measure, in which case we probably don’t need to do really big things, it could probably be something much more simple, as opposed to doing an evaluation to really try to understand what
works, to make decisions about the future. And those are the ones where we get them too late, or they just sit on a shelf.” (FG7)

This suggests that accountability concerns dominate over concerns with learning and steering.

The lack of appropriate monitoring and management of commissioned evaluations was seen by a technical specialist as contributing to the potential for “derailment” and the failure to utilise evaluation results.

**Managing the policy process**

*Instances where effective management of the policy process contributed to good policy outcomes*

Good policy development planning ensured all resources and relationships were in place to support policy development

Good planning was identified as the key strength of a project that involved development of common policy recommendations across jurisdictions, which resulted in “some proposals for quite radical and far reaching reform” (PP7). In the view of the manager, careful planning ensured that the policy team included the necessary skill base; that the stakeholders had been analysed and engaged appropriately; and that the necessary steps in developing the policy were clearly mapped out and understood.

“Probably the primary lesson is the planning in the first instance, and assessing what skills you need to do the piece of work, assessing who your stakeholders are and figuring those things, understanding that some of it will not necessarily always turn out as you expect, but making sure you’ve got it planned and resourced with the appropriate skill base and that you have a model which takes you through the various steps in terms of the research, analysis and discussion with key the stakeholders, the approvals, all that, is probably the lesson learnt as the right way to do it.” (PP7)
Sound project management kept a project on track

Good project management was identified as a major contributing factor in the successful development and implementation of a major cross-portfolio policy framework:

“A lot of it comes back down to project management. So it’s about having the right people involved in the project governance, making sure that the key people who are going to be responsible for the success or failure of that aspect of the work are really closely involved and engaged, and putting a lot of effort into trying to get momentum happening and direction pretty focused.” (PP14)

Instances where less than effective management of the policy process appeared to lead to shortfalls in policy outcomes

Lack of clarity about purpose contributed to disappointing policy outcomes

There were several instances where lack of clarity about the purpose of a project was considered to contribute to disappointing policy outcomes. A policy project where “the result was OK, but it wasn’t by any stretch of the imagination the reforms that we wanted to gain” was seen as at least in part the result of “…not being clear enough about what we wanted to achieve, and having some of it evolve too late, so that you weren’t able to do any of that work” (PP7). In another project, not being “clear enough about what we were doing and why” and not having “a common understanding about what this was going to be” contributed to a policy that ended up being “not really a strategy for the future” (PP20). A policy practitioner also described a policy experience where “differing expectations from various parties heavily involved in the project about what it was and what we were supposed to be achieving” created difficulties in terms of achieving a coherent direction (PP11).

Inadequate problem definition created confusion about roles and responsibilities

A focus group participant pointed out that often there was inadequate attention paid to problem definition: “I think we probably don’t work through our problem enough. So identifying what the real problem is that we’re trying to solve and making up our mind about who’s going to do this” (FG7). She described how often she had been given policy projects which “were one-liners, that had dropped out of the mouths
of the executive at the executive retreat” where insufficient time had been given to problem definition and consequently “people were running around trying to do these projects and they would be half way through the project before they realised that it actually wasn’t a good idea and no one supported it”.

Lack of clarity or agreement about how a project would be managed led to delays and inefficiencies

A major directional policy statement took much longer than expected to develop, in part because of a lack of agreement about how it would be managed, who would lead it and where in the organisation it would be located. A practitioner involved argued that not “starting out with some kind of clear brief in the beginning” and not “having an understanding of your parameters” could often lead to policy projects going “wrong” (PP4).

Lack of forward planning led to failure to identify and respond to emerging issues

Some participants noted a lack in forward planning which was seen to lead to a failure in identifying and responding to emerging issues. As one policy practitioner said, “...I don’t think this department plans very well, and if you don’t do your planning you are not going to see the buses coming, and therefore your policy response could be quite out of whack” (PP15).

Leadership

Instances where effective leadership contributed to good policy outcomes

There were many cases where the leadership of senior managers and policy unit managers contributed to the quality of policy work. The quotes in the box in Chapter 6 (page 249) all point to the impact of leadership on policy outcomes. Policy leadership was not seen as confined to the senior levels, however. As one focus group participant said, “[T]here are people at quite middle levels who have very strong influence; far more than a lot of people realise” (FG5).
Leadership qualities and practices of senior managers contributed to better policy work

There were many instances cited where the leadership of senior managers ensured time and space for policy work. For example, one policy practitioner said: “...your capacity to actually make policy change depends on having an environment that really has leadership that gives you the time and space to do it” (PP12).

Senior and middle-level managers created a culture where policy work was valued and rewarded, where innovation and autonomy was encouraged; and where the norms and established ways of working supported good policy process. The importance of senior managers in creating this sort of culture was highlighted by the comment of a senior policy manager:

“The leaders set a tone about the way we work and the things we discuss. If they set a tone of wheeler dealing opportunism and self-promotion, policy work will not be good. It will always be utterly compromised by the moment.” (SPMI)

Based on the data presented in Chapter 6 in each of the domains, it is clear that leadership contributed to establishing and supporting norms and protocols within their work units that encouraged strong policy process in the following areas: effective use of information and evidence in policy making; effective people management; better stakeholder relationship management (including relationship management across program, portfolio and jurisdictional boundaries); strong relationships between policy development and program management; sound management of the policy process; and policy evaluation and monitoring.

Instances where lack of effective leadership appeared to limit policy outcomes

Generalised concern about lack of leadership

Concern was expressed by several participants (including senior and experienced policy practitioners participating in the Stage 2 interviews) about a perceived lack of leadership with respect to policy development in the organisation. However there were few specific instances where poor policy outcomes were attributed to lack of leadership. Leadership deficits were seen (by focus group participants) to contribute to a lack of
investment of sufficient time for policy development and to poor collaboration across program and divisional boundaries.
Appendix 9: Outline of a Policy Leadership Development Program

Format

A policy leadership development program could be offered as a postgraduate level program, possibly at Graduate Certificate level, articulating into a Master’s Degree. It could be offered through a number of higher education institutions, such as the Australia and New Zealand School of Government (ANZSOG) or a consortium of universities in different jurisdictions, or a single institution. It could be offered specifically to policy workers in the Department of Human Services, or to a wider audience, perhaps including policy workers from different Australian jurisdictions.

Key program characteristics

Due to the structure of the Department of Human Services, the program would be focused on both social and health policy rather than exclusively health policy focused. It could be offered to both middle-level and senior managers and policy workers.

Key elements of the program could include:

- a combination of seminars and workshops (coursework) with a fieldwork component;
- a requirement for commitment from supervisors to support candidates’ participation for the duration of the program;
- case study documentation as part of (and extending beyond) this program;
- structured peer review, analysis and commentary;
- structured policy mentorship;
- facilitation of the establishment of learning sets (small groups of people who support each other in their learning) that extend beyond the life of the program;
• broad emphasis on applied learning, using real life examples in the classroom; case studies as relevant and topical as possible;

• a mix of high ranking practitioners and academics as teaching faculty; and

• drawing people from across jurisdictions so they can learn from each others’ experience.

Curriculum

Learning objectives

On completion of this course, participants should:

• Understand the context for policy making in the public sector environment and demonstrate this understanding in relation to their own work;

• Have a better understanding of the policy process (including within the context of their own workplace);

• Understand the different aspects of policy capacity and how it can be developed, and be able to apply this in the context in which they work;

• Understand, and be able to apply, the principles of policy leadership and organisational change.

Course work

Curriculum should emerge from a broadly based consultative process and would cover topics such as:

1. Policy environments – understanding policy environments, including government and the public sector environment;

2. Policy process in large organisations – the policy process (including different models), policy analysis and implementation;

3. Developing policy capacity – elements of policy capacity, enablers and barriers; building policy capacity (developing a policy-competent workforce,
strengthening the policy process in the organisation, developing a supportive culture, strengthening structures and relationships that support policy capacity); and

4. Policy leadership and organisational change – understanding policy leadership, the dynamics of organisational change, negotiating tensions in policy work and in building policy capacity.

Assessment tasks

Assessment tasks should be both individual and team based and reflect the real world of the workplace.

Evaluation of the program

The program evaluation should measure not just the acquisition of knowledge but also the ability to apply it in the workplace and any resulting organisational change.
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