

# Learning from other professions to improve your policy advice

## Scope and objective of this paper

This note explains what advisors can learn from other experts who regularly have to persuade people to take decisions. The objective is to encourage you to look beyond the bureaucracy for inspiration about how to crack tough policy problems.

## The best advisers look widely for inspiration

Policy advising is tough. The problems matter, the challenge is usually intellectually demanding, the audience is pressured and there's no textbook that has neat answers.

So we see it as a craft; experience improves the practitioners as they go along. Thus the successes and failures of other advisors are a form of 'second hand trial and error' to be learnt from. Indeed, we rate talking about policy trials and tribulations as potentially one of the best ways to improve performance.

So what about tips from other – non-policy - jobs? Do they have useful insights and professional tricks that we can draw on to improve our advisory performance?

In short our experience says yes: but be careful about it.

The risk is that all roles are different and this comes through in major and minor ways which may be overlooked. The differences are especially large when it comes to the definition and consequences of failure. What can be taken for granted in one role either doesn't apply, or needs special attention in another.

## All jobs have their wrinkles

Our overarching advice is to be very discerning when looking at the application of what seems like a great concept taken from another field.

But for all that, the careful analyst who takes account of the specific demands of policy advising (and its width of application) can often take good ideas and turn them into useable parts of their kitbag – even if only as cautionary tales, or by way of a metaphor.

The rest of this brief looks at a range of other professional activities and sorts out relevant ideas that can be drawn from those areas and used by policy advisors.

## Law

One big idea that comes out of the best legal practitioners is that there are usually many ways of attacking a problem. It is infrequent that one approach dominates in all circumstances.

### Running through the options

Typically the shrewd lawyer will spend time drawing the key issues out of the client and then offer a suite of ways of addressing the problem. All of these will have their own strengths and weaknesses, and these attributes will be summarised as part of the process of determining the way forward.

Of course, it's not often that a policy advisor gets to sit down one-on-one with the Minister and talk about a single issue. (It's sometimes rare to have such a session with the key in-house commissioner.) But it is not just the focused interchange that makes this idea valuable. It's the incorporation of the scan of possible methods/approaches as a natural part of the process of tackling the task.

### Remind in the paper

Every policy paper looking to choose the way forward should include a quick stocktake of the salient options and their relative merits.

## Architecture

### Spending time to know the context

If it's not an old saying that in politics context is everything, but it should be. And all good architects, conscious of the commitment they control, devote significant preparation time to understanding the setting within which they are being asked to solve a problem.

As with the lawyers discussed above, architects are professional advisors. They know there are always many ways of grappling with an issue; the best help to the client will be a guided discussion that steps them through different options with their features – economy, completeness, or targeting, for instance – that may result in deciding to abandon the project.

But to shape focused advice, the architect requires the full background about the issue. And politics, of course, is the key setting for the Minister. It is notorious for its tectonic nature with the ground shifting regularly – or more accurately irregularly. Often what matters this week is trite next week; but otherwise, it can be as Harold Wilson once said, “a week is a long time in politics”.

So investing the effort to gain a good understanding of the circumstances in which the decision is going to be made (and defended), and what really matters to the client, can pay off highly.

The policy advisor has the advantage of repeat business that takes various kinds forms of interaction, including indirect contact, with the Minister. This lasting client relationship can be used to shape the options and their delivery.

The broad political background can be filled in by keeping up with the news. More focused or strategic issues will typically entail desk-based research without access to the decision-maker, drawing on, recent policy statements, manifesto commitments, or major speeches. A brief discussion with the Minister’s office can be a gold mine.

### **How will the issue play out?**

A good architect will not dive into the problem without a clear understanding of how the client sees the project fitting into their lives. Otherwise the ideas are a nine day wonder that comes to irritate.

Similarly the advisor needs to be clear about how both the issue and the solutions under consideration are expected to play out over time. And this will include the detail of implementation – what is going to happen on the ground?

## **Financial advice**

### **Getting the client’s risk profile**

Modern approaches to investment recognise that there are normally trade-offs between the likely yield and the risk the prospect entails. Markets generally show a correlation between risk and return.

The financial advisor thus typically works to establish the client’s risk appetite: how much are they prepared to tolerate?

Most policy has a similar profile: cheaper solutions are usually riskier.

The detail will depend on the individual circumstances, but the fundamental notion is to use the ongoing client relationship to understand the Minister’s comfort with degrees of risk. Then use this to couch the way options are considered and presented.

### **Prospectus drafting – what’s the worst thing that might happen?**

Policy advice to politicians is essentially an invitation to join a risky venture – it is about launching something new. Almost all policy takes place at the edge of the known universe: if the answers were unambiguous it would not be a political issue.

So there is going to be a range of risks to be discussed as part of the selection of the appropriate course of action. In financial terms invitations to the public to take a risk are accompanied by a prospectus. And a key feature is that these have to set out what a worst-case scenario would look like.

This is not normally a feature of most policy advice, and a simple section on what failure looks like might not be seen as helpful by a Minister. But an aptly crafted discussion of the downside that avoids the ‘irrational exuberance’ we too often see, would assist significantly in the process of making a sound decision.

## **Medicine**

### **Informed consent**

A crucial aspect of today’s medical treatment is that patients have to give informed consent for all interventions, but it’s especially important for the serious or risky interventions. We have argued above that policy is by its nature risky. So making sure that the Minister recognises the risks and their consequences is a necessary feature of the advisory process.

We see the informed consent standard as one that is appropriate for a lasting professional advisory relationship. If possible, a discussion with the Minister that would look to establish this idea formally would be a good option for an agency.

Such a development is not always possible. Ministers all have their own ways of doing business. But in any event setting it as a point to be covered as part of the QA check process that provides an explicit mechanism to ensure the risk side of the advice is up to scratch.

### **Arrow's prescription – whose preferences matter?**

Many years ago in a presentation about health issues, Nobel Prize winning economist Kenneth J Arrow argued that there is a good model for the way expert advice needs to work. He urged the medics to move away from advice that is typically shaped along the lines, "if I were you I would..."

His prescription was for the experts (here policy advisors) to use the client's preferences with their own expert knowledge.

This changes the form of the advice to be more like, "if I favoured x over y (based on the client's views) the situation would be best addressed by..."

This approach helps advisors put their preferences to one side, and to focus on what matters most to the Minister. Such advising is encouraged by the careful definition of a set of assessment criteria for alternatives that is based on the Minister's positions or preferences.

### **Coaching and reviewing**

Several years ago a leading US surgeon penned a piece in the *New Yorker* in which he talked about his experiences in deciding to employ a coach. He said he faced a lot of opposition as it seemed to be an admission of lack of confidence or skill.

But his point was a simple one: bringing in an outsider as coach to look at his performance was a neat and contained way of both checking his performance and being given ideas to improve his own game and standards of achievement.

The way policy advising works means it is not necessary nor practical to have an observer on the spot. Other methods can provide the same sort of service.

NZIER's regular reviews are effectively one side of a proven coaching arrangement. And by dealing with the collective output of the shop they provide a client perspective – reflecting the range of material that the Minister is seeing. All our reviews include explicit suggestions for improvement. We can change the way feedback occurs to be more specific or built round if the coaching model appeals.

Moreover, other offerings such as 'deep dives' can be tailored to the shop or the individuals to replicate the workings of a coach.

### **In closing**

We are relentless in our view that the complexity and diversity of the advisory task means improvements can come from anywhere and everywhere. This set of hints has been provided to give practical examples to add to the toolkit of the policy craftsman. They are illustrative of what we have found useful over the years

But it all needs a degree of caution, as the coaching example illustrates there is often a bit of adaption needed to shape a trick to get it to work in the policy shop.

And as we have warned, take care with how the new idea is employed in practice – generally a little road testing pays off.

### **Further reading**

Atul Gawande (2011) "Annals of medicine: Personal best" *New Yorker*, October 3.

Kenneth J Arrow (1963) "Uncertainty and the welfare economics of medical care," *American Economic Review* 53(5) 941-973.

# Policy advice MASTERCLASS



## Paper 2

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