

Insights into System Leadership

NOTES FROM THE SEMINAR ON MAY 18th 2021.

IPANZ President Liz MacPherson recently hosted a conversation with Iona Holsted, Secretary of the Ministry of Education and Vicky Robertson Chief Executive and Secretary of the Ministry for the Environment about system leadership – what is it, why it's important, along with examples from their work. This is a short summary of the conversation including responses to some questions from those in the audience.

How do you make system leadership work and what does it mean?

In giving a snapshot of the respective systems for which they are responsible Vicky and Iona noted their inherent complexities. In the education system there are 1,000,000 students, \$1.3 billion in property to be managed and the second largest payroll in Australasia. Added to this are the roles of Crown entities and the Education Review Office along with the weight of expectations of parents and caregivers and anyone who has been to school.

The environment system is like a large series of concentric circles with Wellington (Central Government in the first circle and the Treaty partner in the second circle. The next circle includes those who help deliver on the policies - local government, farmers, businesses, NGOs and citizens. You cannot think about changes in the environmental policy without thinking about the system as a whole.

How do you think about system leadership?

You have to come from a place of humility. Wellington is important but it does not make all the changes. If you are looking for long-term outcomes for the environment, you have to think about who and where we need to effect change and who we need to work with in order to achieve it. You can't just develop something in the centre, "chuck it over the fence" and expect people to pick it up and make it work.

You have to put yourself in the place of the people whose behaviours you are seeking to change, to understand their lived reality and understand what it takes for an individual to change. There can be a tension between where you want to go and where you need to go but can only go as fast as the critical mass will let you.

It's like a multitude of people holding hands – the ship of state is relatively easy to turn around, it's moving the direction of a flotilla that's hard.

Having agility is important. Developing policy in conjunction with affected groups is key. This helps ensure you're talking to Ministers about the right things.

As a system leader you have a responsibility to your Minister or Ministers - speaking what you know and creating the space for Ministers to be able to listen.

You also need to look to the long-term, which of course is now a legal obligation for chief executives.

Is there a way you navigate the here and now and the future?

Yes, for example in challenges posed by climate change it's become clear you need to also change the financial system. Questions like what climate change risks do commercial boards face is good way to do that. The key is knowing what the long-term thing is you want to change.

Is there a mandate for system stewardship role and is it needed?

There is a huge role and expectation, which we hear a lot from the sector as well as from the public generally. As a leader you can see your role as walking the Minister to the edge and then walking them back again. It's all part of building trust. Within the sector, without trust and confidence nothing happens.

What capabilities do you need to be a system leader??

Part of it is courage. In the systems leadership role you don't really have direct authority over anyone, so you need to think about the "friends" you can work with, those who want the same outcomes. You need to be prepared to give up a bit of power.

You also need to be able to help your people think through "what's our role". When you are out working with lots of other people it is easy to lose sight of your own role. We call ourselves the "Ministry in the middle" – we play a coordinating, collating, synthesising role.

As a systems leader you also need to be able to use systems thinking (the OECD have done a lot of work on this) – you can't think in a linear way. You also have to be able to translate that systems thinking about long-term outcomes into action, into things that can be done on the ground.

Courage is important. Being able to work with others to achieve system outcomes is important. Having the capability to build professional relational trust is important. As CE of the Ministry I have monthly meetings with other CEs across the sector to discuss what we need to do together to achieve shared outcomes. Successive governments have build creative tension into the education system, they didn't give all the power to the Ministry so they must have wanted that tension. So we have to work with that. So how do you build that professional relational trust? By doing what you say you are going to do and by linking what you do to the value propositions you all agree with.

Are we developing these capabilities across the sector?

We need to change, modernise the way we do policy. We need to really understand what the levers of change are. In my sector there has been a heavy focus on legislation. We need to work more alongside others - other regulators like councils for example. We need to ask different questions.

People need the capability to navigate between the authorising environment in Wellington the authorising environments outside Wellington. The best way is to be up-front, to have no surprises – for communities or Ministers. We need to have the capability to allow other voices into the conversation.

We in the Crown have a way to go, especially in training our people in Te Tiriti. New Zealand's approach to stewardship and system leadership will be different to other counties due to the role and influence of Te Tiriti.

We need to have better connection with communities and more diversification across the public service. Citizens what to be involved in solution-building. That is not going away – we better get used to it.

People need to be able to deal with disappointment. Systems issues are usually about achieving long-term outcomes. People working on systems issues often get disappointed because they work really hard but don't see any change. Being able to talk this "disappointment through with them is important. I call it "winning deep" and opposed to "winning shallow". Winning deep can take time and you may not see the change on the surface. As a leader driving your people to really get clarity on those specific things that are really going to make a difference in the long-term is important – its hard to do, but it is possible, my people have just done it.

Being really connected with the community is critical, diversification across the public service is an important way of bringing these voices in. Being connected to the community requires the ability to grow relationships, be authentic in them. As public servants we need to hold the right relationship – we are the crown. This is particularly important when it comes to the Treaty and the right relationship between rangatiratanga and kawanatanga. Have come to realise that a lot of public service don't have a grounding in the Treaty – we don't teach it in schools, we used to get our understanding through the public service (that's how I got it) but we stopped doing that. So now we have a whole generation of public servants who are not steeped in the Treaty – that's something we are trying to do something about working with Te Arawhiti.

But fundamentally leaving aside the skills and capabilities we have discussed, perhaps the most important attribute of a system leader is aspiration – a passion to do things differently and better. Not being afraid to go out there because you know where you stand.

People generally want a solution they have had a part in built themselves. Knowing where you stand also helps you be open to the views of others.

Some questions from the floor

It's hard to drive system change without strong authority to some extent – is it getting harder?

One of the important roles of a public servant is to make sense of the complex - to be able to simplify. For example to look at the environmental consequences of the food system you can simplify by looking where in the system you can start for e.g. with fresh water.

There is a right time for change. Some things, while good ideas, may need to wait for the right time. So the ability to read signals and understand timing is important.

If you are moving in a direction well away from your authorising environment then you need to ask yourself if you're on the right path. It's important to pay attention to the wisdom of the crowds.

What do you see as the role of experimentation and the power of measurement?

We need to experiment all the time – pilots have an important place here.

Measurement is very important. The Parliamentary Commissioner for the Environment for example is taking a lot of interest in data sets – in the environmental space we have lots of data sets from many sources but in a quite decentralised manner.

As a leader in the education system you need to know need if children have learned what they need to learn.

How does accountability work in a system?

We still have yet to work out what the changes means in the recent innovations Public Service Act (and Public Finance Act) for example in the use of the new boards - it's early days.

As to who is responsible when things go wrong - we all are, with each agency responsible for its chapter.

But more generally public accountability for policy is vexed. The timeframes of impact of policy are distant and the connections not always obvious.

In some ways it's a bit like a dance – sometimes we lead and sometimes we follow.

IPANZ would like to thank Vicky and Iona for giving generously of their time and speaking freely of their experiences and thoughts on system leadership.