



# Part 4

4.1

## Developing a Strategic Policy Framework (SPF) using the 17 Sustainable Enterprises Policy Pillars



### Purpose

The first three parts of the EESE toolkit deal with specific policy identification, analysis, and priority setting. These are focused on pursuing specific policy and regulatory objectives and a range of tools are provided to achieve this. This section deals with the overall policy framework that the EO is trying to achieve. It is a roadmap of what the EO wants from the policy and regulatory framework in the medium to long- term.

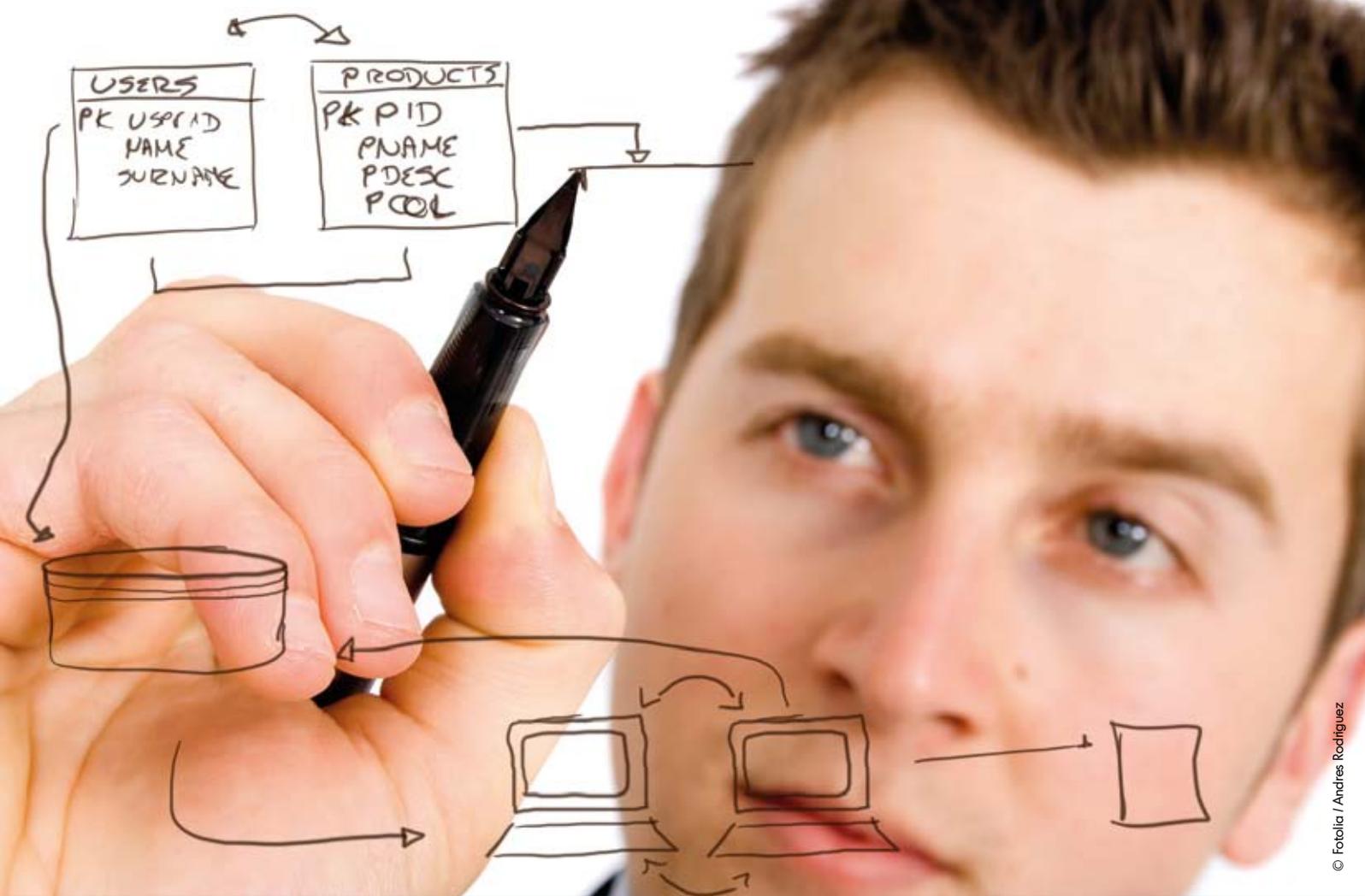


### How to use this tool

This part of the toolkit provides Employers' Organizations with a rationale for strategic policy setting.

Accompanying this section are a series of policy briefs on the key aspects of the 17 policy pillars that comprise the conditions for sustainable enterprises. Each policy brief outlines some generic policy points. These policy briefs are designed to assist EOs in setting broad policies.





## Part i: First Principles<sup>1</sup>

Employer organizations need to know what they stand for, and clearly express their core values and beliefs. Without single employers and the broader community knowing what an organization stands for they are unlikely to join it, listen to its views, or give it respect and recognition.

This has led most employer organizations to develop statements of first principles that set out their objectives together with the core principles on which the organization is grounded. Statements of first principles often draw on the constitutional objectives of an organization but may also expand upon them or express them in more contemporary terms: *'Support for entrepreneurship, private investment and employment'* is an example of a simple and clear statement of first principles.

Statements of first principles have dual purposes: they act as a first point of reference for members, prospective members, and external stakeholders to understand the nature of the employer organization, together with the common causes around which it provides services and undertakes representation and advocacy. Secondly, they assist executives and staff with internal planning, work or training programmes, and the prioritizing of resources.

Like many other businesses, the day-to-day work pressure in an employer organization can inevitably lead staff (especially newer or less experienced employees) to question what has been achieved or

<sup>1</sup> This section is adapted from an article by Peter Anderson, Chief Executive of the Australian Chambers of Commerce and Industry: "What the Private Sector expects from its representative organizations" *IOE Labour and Social Policy Review*, 2009, [http://www.acci.asn.au/text\\_files/submissions/2009/Peter%20Anderson%20IOE%20Article%20June%202009.pdf](http://www.acci.asn.au/text_files/submissions/2009/Peter%20Anderson%20IOE%20Article%20June%202009.pdf)

the relevance of a particular task. Statements of first principles can act as benchmarks against which activities can be tracked as being relevant to the overarching goals of the organization. This can have the effect of lifting morale, productivity, and internal collaboration.

**An example of a short statement of first principles:**

“The EO will promote the interests of business and employers by working to foster the continuing development of a competitive environment that encourages sustainable growth, and within which both enterprises and people can flourish”

Statements of first principles will be grounded in the following elements:<sup>2</sup>

1. **An open market system:** Policies have been clearly outlined as market-driven and government has demonstrably shown that it has, is, or will effectively liberalize product markets, allow new, more productive firms to enter, and obsolete firms to exit said markets.
2. **Openness to the global economy:** Greatly facilitates exposure to ideas, expertise, and technologies from the rest of the world, while also drawing on global demand to complement domestic components.
3. **Macroeconomic stability:** Control of inflation and sound public finances.
4. **High rates of saving and investment:** Especially public and private sector investment in physical and social infrastructure (e.g., education and health).
5. **Committed, credible, and capable governments:** Acting in a manner that is representative of the interests of the citizens of the country.
6. **Promotion of domestic and foreign investment.**
7. **Labour mobility:** Enabling the movement of people from rural to growing urban job-creating centres.
8. **Investor protection:** The terms of property rights and contract enforcement, as without such protection, firms and entrepreneurs do not have incentives to accumulate capital and improve productivity.
9. **Economic institutions:** These define property rights, enforce contracts, convey information, bridge informational gaps, and influence investments in physical and human capital, and technology.
10. **Maintaining social cohesion, and political stability:** Without which social and political peace and the economy cannot adequately perform.

These abovementioned general principles do not neatly map into specific, universally applicable policies that operate equally well across countries, but they do represent a *policy floor* on which national sustainable growth strategies can be devised, tested, and implemented.

They are the necessary fundamentals that need to be in place to enable growth policies to take off. **These issues need to be the basic fundamental advocacy position of an EO.** Without these elements in place, growth, enterprise development, and job creation is unlikely to happen in a sustainable fashion in the long run.

A clear policy statement to this effect is the very first starting point.

## 1.2 Incorporating Values

All organizations have values, but not all identify or list them. In addition to statements of first principles, setting out core beliefs and objectives (i.e. why the organization exists) many employer organizations have adopted statements of values describing the attributes by which the organization will conduct its

<sup>2</sup> The Commission on Growth and Development: *Final Report*, 2008.

affairs (i.e. how the organization intends to go about achieving its stated goals).

The culture of an organization can be defined as the sum total of its values and the way they are implemented. Value statements often reflect both the aspiration, and the reality. The value or values that underpin a positive or a negative culture are imprecise, but nonetheless tangible. They often reflect the unspoken mood and feel of an organization and its leadership. For example, it does not take long to work in an organization or to be a client of a business to determine if it has a positive 'service-based' culture, or conversely a negative 'just-do-the-minimum-necessary' culture. Examples of positive values often reflected by employers' organizations include 'creativity', 'professionalism', 'inclusiveness', 'persistence', 'excellence' and 'independence', but there are many more.

Given that values and cultures are a reflection of the collective ethic of officers, executives and staff, it is highly desirable that statements of values be developed through an inclusive process, such as workshops and team meetings. Experience in a number of employers' organizations, and businesses more generally, suggests that the development of statements of values can be an enriching and bonding experience amongst executives and staff if undertaken in a forward-looking and non-judgmental manner. The implementation of agreed organizational values can create coherence and direction for those involved in its leadership, operational activities, and service delivery.

Broadly speaking, values are the inherent beliefs held by individuals while culture describes the behaviour of a group of like-minded people. Different nations, different groups of people, or different societies are likely to have different values, and often, people with similar values will group together. Values can include ethical and moral values, political values, social and aesthetic values, etc.

Values imply that people have choices – and the choices that they make will be guided by their values. Shared values are likely to lead to mutual trust and to consistent decision-making. If everyone in the business believes everyone will take the 'right' decision in a given set of circumstances, then there is less need for hierarchical control and more scope to encourage personal responsibility and initiative. This will result not only in a stronger focus on achieving the organization's goals but also in a more motivated workforce.

#### EXAMPLE OF VALUE STATEMENT:

"We are dedicated to serving our members promptly and professionally. We are committed to the highest standards of ethics and integrity, to being a cutting-edge employer, and to fostering a working environment and culture within which people will treat each other with mutual respect and trust."

## Part ii: Approach to Strategic Policy Development

An EO's role as a key societal actor is to promote the views of the business community to the wider public. EOs need to explain why profits matter and how investment and job creation heavily depend on them in order to persuade the public that society as a whole has a very real interest in the health of the business sector. Likewise, EOs have to clearly articulate what the role and responsibilities of enterprises are in society; what they can and cannot do. A strategic policy framework (SPF) is a vehicle to achieve this.

An SPF should mark the strategic themes and directions that enable the EO to consolidate and develop its activities and better serve its membership. The environment in which EOs operate is changing, but the need to do what they have been doing so far has not. An SPF can provide the EO with the strategic principles around which it can collectively provide direction to meet those challenges.

A SPF requires an organization to stand back from its busy day-to-day work, identify its strengths and

weaknesses, listen to its members, and position itself for future activities.

The SPF should reinforce some existing values and practices, create a unity of purpose and approach, allowing all members to be able to associate with future strategic directions, goals, and governance.

The SPF itself will be a time bound document (e.g., five-year time frame) for the EO to improve its services to members, increase their delivery, and achieve specific policy goals. It will underline and reinforce the basic principles of the EO and the values it stands for. It is a roadmap above all else.

While the Strategic Policy Framework should include first principles, it is more of a current vision for the economy. *What are the EO's goals for the national economy; what conditions does business need in order to thrive.* The document should seek in simple terms to garner resonance within policy circles; it should act as a short 'biography' of the business community and its objectives.

## 2.1 Rationale for a Strategic Policy Framework

Placing strategic goals and a vision into a consolidated written framework that has been endorsed by the organization is an extremely valuable tool in ongoing advocacy work.

An SPF will identify members' priorities, including the business challenges and the key strategic issues flowing from those challenges. It will outline the organizational structures to deliver the strategy and to respond to necessary change as it occurs over the next five years. In summary it is:

- A summation of the collective views of business the EO can continually point to in its discussions with government;
- a way of demonstrating to members what it stands for and what are its goals in the current policy environment;
- a useful marketing tool to attract new members;
- a means to talk with donors;
- a mechanism to signal to other organizations and actors who may want to work with the EO on achieving one or more shared goals.

## 2.2 Structure of Strategic Policy Framework

The SPF may be split into both long-term and short-term objectives. The long-term objectives may be unrealistic in the short-term but still be *'desirable'* and remain policy objectives of the EO. For example, "overhauling taxation structures" is unlikely to be undertaken by government without considerable pressure for change and strong empirical evidence of failures in the current system, coupled with clear proposals for new taxation systems.

Short-term 'achievable' objectives are the ones the EO feels are realistic within a given period of time. For instance, in the above example a short-term objective may be to consolidate some specific taxation reporting that is required of businesses.

Criteria for inclusion of short-term objectives would include:

- Clear cut issues;
- good chance of success in a reasonable time period;
- likely to secure public support from members;
- little opposition by powerful groups or the general public.

The SPF is mostly concerned with principles and big ideas. There is no need for precise proposals in this document. For example, if social security is identified as an employer priority, an articulation of the EO's

principles on this issue may look like this:

*“Social Security is a responsibility of society as a whole. No one single section, such as the business community, should have to bear an unequal burden in the financing of it. There must be a balance between the provision of social security and the creation of employment, competitiveness, and economic growth. For wealth to be distributed – it needs to be created in the first place. Economic growth and job creation, as well as being the best means of social security, is the key to sustaining any social security response.”*

The employer policy framework needs in the first instance to be credible, and in order to achieve this it needs to be based on the real needs of enterprises. The following paragraphs can help in the overall approach.

The policy framework needs to be owned: members need to feel they can see their concerns and perspectives in it. Proper and full consultation throughout the membership base, across sectors and sizes, will help to ensure this. It must also be based on policy areas where the EO has expertise, i.e. where it is a respected actor.

It should be comprehensive. It is a statement about what the EO stands for and what policies it wants to enable enterprises to thrive and in order to create wealth and jobs. If it is too narrow in its focus it will fail to provide the EO with the necessary platform for all its policy work; however it should still prioritise as not every issue is equally important.

It should be constructive and offer practical policy solutions. It should make sure that there are no opportunities to damage the EO's reputation and should focus on policy not symptoms.

## 2.3 Five steps to developing a Strategic Policy Framework

### 1. Listen

The basis of an effective EO is being membership-driven - this at its simplest is reflecting members' needs in its advocacy and service provision. An EO will know its members priorities through: general interaction with members, discussions through the EO's policy committees (where these exist), specifically assembled focus groups across sectors of members, and through its formal survey work. These elements will provide the EO with the raw material to draft an SPF document.

### 2. Research

National and international research can provide the EO with additional information that can support its policy aims and add credence to it. Incorporating empirically-sound assertions based on research from respected institutions will help position the EO as an advocate for forward-looking and positive policy change.

### 3. Listen Again

The SPF needs to gain resonance across numerous publics. It is an articulation of what the EO and its members want but it is also a vehicle to garner broader support. The EO cannot ignore the views of other stakeholders. Issues should be tracked against what other stakeholders are saying and what is the broader societal view. All these viewpoints need to be distilled and sifted before being incorporated into the final SPF in a way that does not dilute the EO's overall objectives. Efforts should focus on gauging public opinion and consulting with policy experts to determine the national mood. The consultation process should embrace outside stakeholders including governmental departments, State agencies, other

EOs, be they national, regional or international, as well as journalists, politicians, and other stakeholders.

## 4. Endorse

Ensure that the SPF is fully reflective of the membership – both across sectors and the size of enterprises. The draft SPF should be the focus of workshops across regions and sectors as it needs complete ownership by the broader membership before it is finally endorsed by the Board.

## 5. Sell

As an instrument to achieve policy goals it needs to be written in a language that can draw support, that others can see the value of, and that can be seen as a path to wider economic growth.

The final document should include a short statement that sums up the EO's strategic approach and places it within a context. The following is an example:

### THE EO's VISION

"The EO's vision is to enable business to meet the challenges of globalization and to ensure the continuing development of a responsive business and social environment. To achieve this vision, the EO dedicates itself to promoting and encouraging leadership, innovation, research, excellence, and professionalism in carrying out its role as the representative voice of business, as well as in the delivery of member services."

### EXAMPLES OF EO STRATEGIC POLICY STATEMENTS

Policy document presented in February 2010; BUSINESSEUROPE and all its members propose an agenda for the European Union in 2010 – 2014 "Go for growth"

<http://www.businessseurope.eu/content/default.asp?PageID=568&DocID=25499>

Confederation of British Industry (CBI) paper on what business ought to consider in the coming decade and issues that will impact on their operations. It touches on the main categories of concern of business, people issues, environmental, partnerships, supply chain, and technology.

<http://www.cbi.org.uk/pdf/20091123-cbi-shape-of-business.pdf>

PSFU is Uganda's apex body for the private sector. It is made up of 145 business associations, corporate bodies, and the major public sector agencies that support private sector growth. The 2010 PRIVATE SECTOR PLATFORM FOR ACTION is a Synopsis of Key Private Sector Growth Challenges and Proposals for Policy Reforms.

[http://www.psfuganda.org/forms/policy/Private\\_Sector\\_Platform\\_March\\_2010.pdf](http://www.psfuganda.org/forms/policy/Private_Sector_Platform_March_2010.pdf)

Business New Zealand "Plan of Action" to increase national competitiveness and productivity.

<http://www.ema.co.nz/docs/SETTINGNZAPART.PDF>

National forum of industry Brazil outlines an agenda for period 2007 – 2015.

<http://www.cni.org.br/mapadaindustria/>

FOCUS 2010, which was the Irish Business & Employers Confederations Statement of Strategy for the five years from 2006 to 2010.

[http://www.ibec.ie/IBEC/Publications.nsf/vPages/Focus\\_2010\\_-\\_IBEC\\_Statement\\_of\\_Strategy~focus-2010---ibec-statement-of-strategy/\\$file/Focus2010.pdf](http://www.ibec.ie/IBEC/Publications.nsf/vPages/Focus_2010_-_IBEC_Statement_of_Strategy~focus-2010---ibec-statement-of-strategy/$file/Focus2010.pdf)