



National School
of Government
International

Report on the Functional Analysis of the Ministry of Foreign Affairs, Republic of Cyprus

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The Journey

- Context and Background
 - Terms of Reference
 - Some overall impressions
 - Trends and Principles of 21st century diplomacy
 - Pressure for Reform
- Principles and Methodology
 - Functional review - the capability model
- What we found
 - Strategy
 - Leadership
 - Delivery
 - Blockers and Facilitators (enablers)
- Summary of Recommendations
- The Action Plan
- Change Management
- Challenges ahead

Context and Background - Terms of Reference

Functional analysis MFA, GoC

Principles

- Policy content is a matter for GoC, outside the scope of the analysis
- Context driven
- Affordable (cost neutral) and sustainable

Tasks

- Analyse central administration and subordinate services
- Analyse missions abroad and their relationship with the centre
- Assess training in generalist and specialists skills in the diplomatic service

In order to

- Provide options for improving efficiency and effectiveness of
 - Strategic coordination within the ministry and across government
 - Decision making processes
 - Management principles and practices
 - Implementation and oversight of priority activities

Overall impressions

- Ministry performs well, with limited resource, compared with other Ministries in Cyprus
- Its work is valued by key external stakeholders.
- But the MFA faces competition outside Cyprus from other diplomatic services; and within Cyprus for scarce financial resources
- With a selection of internal reforms, MFA could enhance its reputation and increase its impact

The MFA at home and overseas

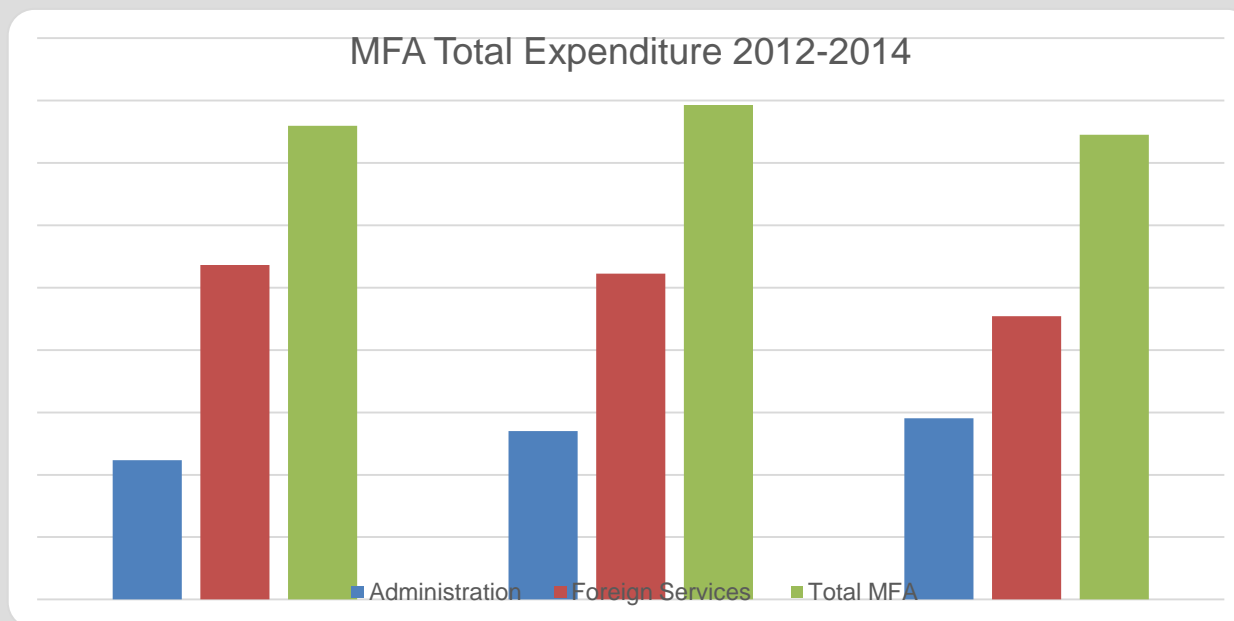


Trends and Principles of 21st century diplomacy

- Diplomats “face two ways at once”
- Competition for diplomatic “space”
- Consultation and Inclusion
- Digital diplomacy
- Customer identification and focus
- Strategic prioritisation to cope with emerging trends and crises
- Delegation of responsibility
- Outsourcing
- Transparency

Pressure for Reform

- Cross cutting reform – PFM and HRM
- Public Sector budget cuts – MFA 11% decrease 2012-2014



- Internal pressure

Principles and Methodology

Our approach

- Interactive facilitative way of working
- Spirit of cooperation between colleagues
- Transparency - no surprises

Our work

- Four missions to gather and refine information; generate options; test recommendations and review action plan
- Visits to Cyprus Embassies in Brussels and London
- Meetings with external stakeholders
- Regular contact with task force team
- Document and budget review

Principles and Methodology

The Capability Model



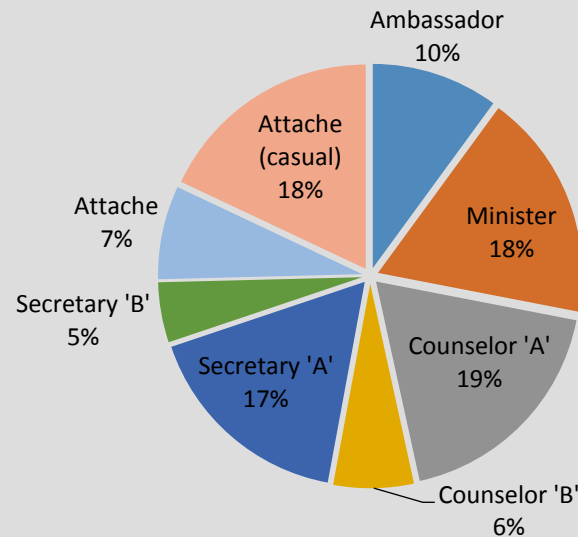
What we found: Strategy and resources

- MFA responsive, but little systematic long-term strategic planning at the start of our work – some progress has been made
- No linkage of resources to strategic priorities, or process for shifting resources as priorities change
- Lack of strategic planning overburdens some staff, while leaving others less busy
- Budget – no resource accounting, lack of transparency
- Financial management – focus on accounting, not planning
- Relations with other ministries – limited cooperation initially, but changes have been made

What we found: Leadership

- Small size and informal character of MFA has its benefits, but:
 - MFA-wide communication is poor, and there is little corporate sense of belonging across the network.
 - Possible overbalance, with too many senior staff

Diplomatic staff by rank



- Lack of performance management protects poor performing staff and demoralises dedicated staff
- Almost no training, induction or development

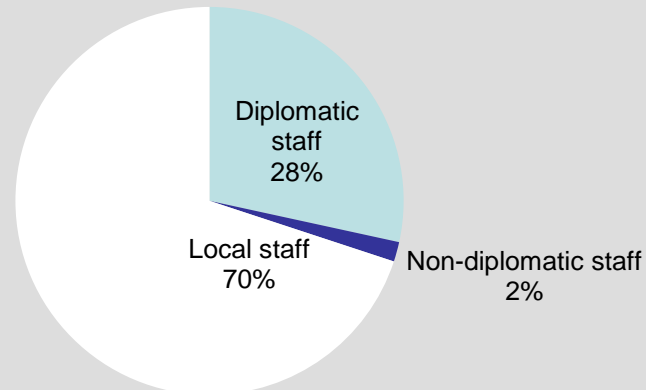
What we found: Delivery

- Little evidence of business planning
- Staff work in 'silos'
- No mechanisms for the MFA to measure its organisational performance
- Structure (especially in Nicosia) fitted to personnel convenience rather than strategic requirements

What we found: Diplomatic Missions

- EU Presidency a catalyst for more joined-up working, but some of the improvements to working practices starting to fade away
- High demands on staff, both in terms of workloads and the expectations of the local community, leaving no time for reflection or strategic thinking
- Lack of career development and performance management for local staff
- Differences in terms and conditions could be divisive

Composition of Overseas Missions



What we found - Blockers and Facilitators

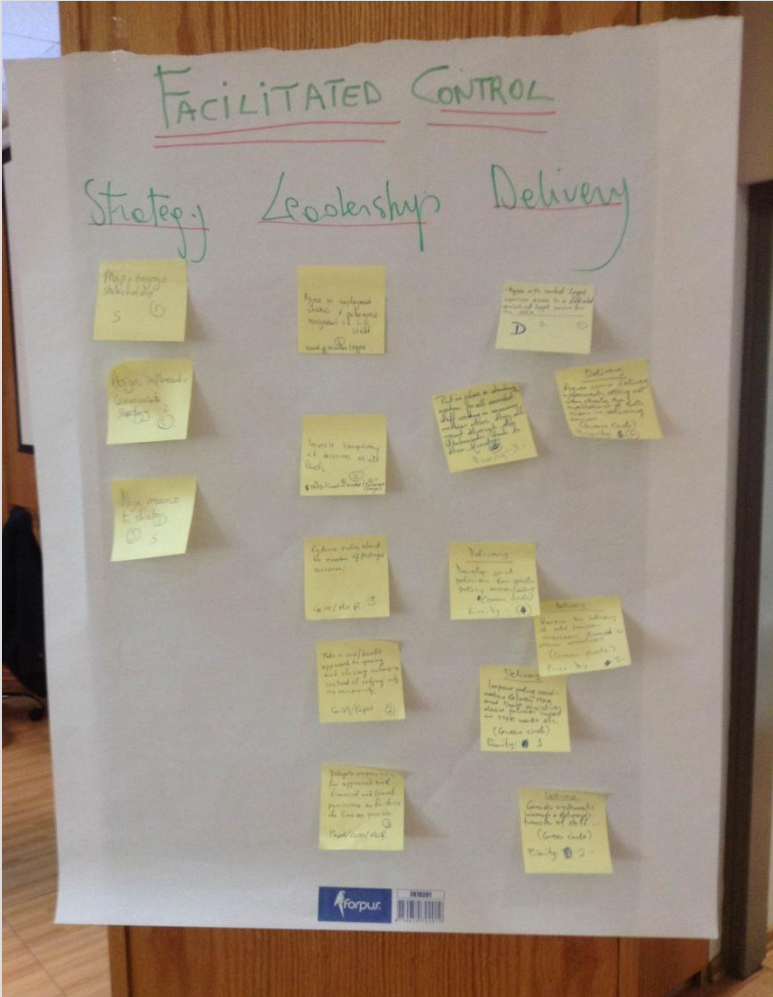
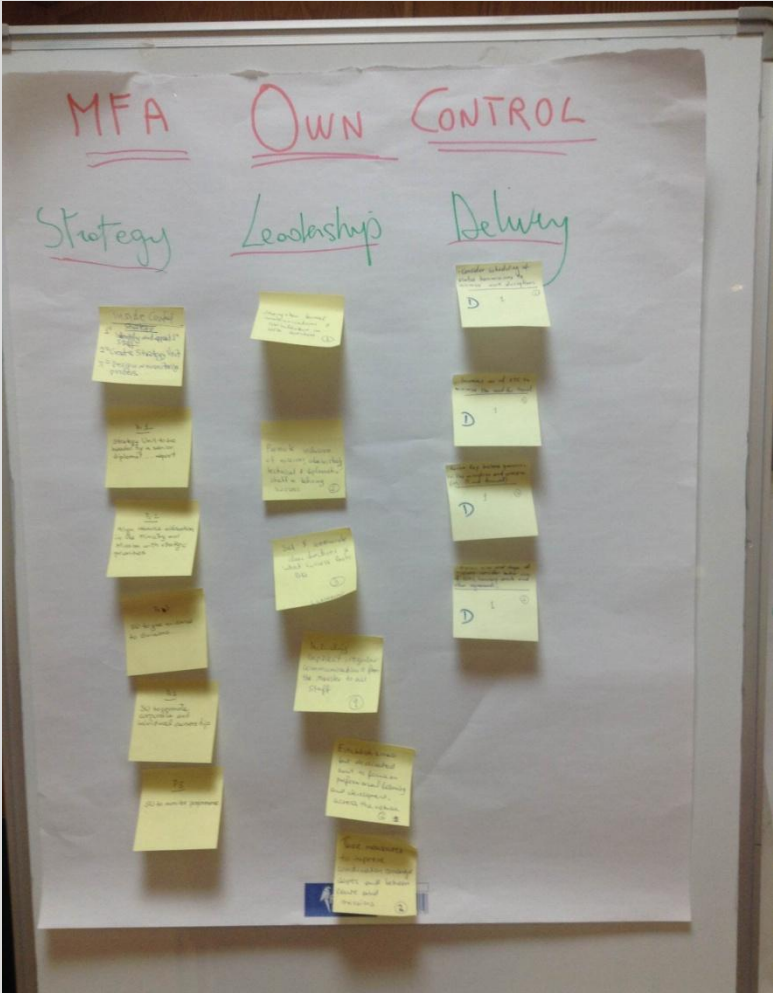
Blockers

- **Mindsets/culture**
- **Habit/inertia**
- **Political interference**
- **Fear**
- **Rotation**
- **Current centralised and budget HR Management (but reform is on the way)**

Facilitators

- **Appetite for reform**
- **Commitment from top**
- **Small size and informality of MFA => communication**
- **Flexible structures allow reallocation of resources**
- **External factors**

What we found – many options for change were within the MFA's control



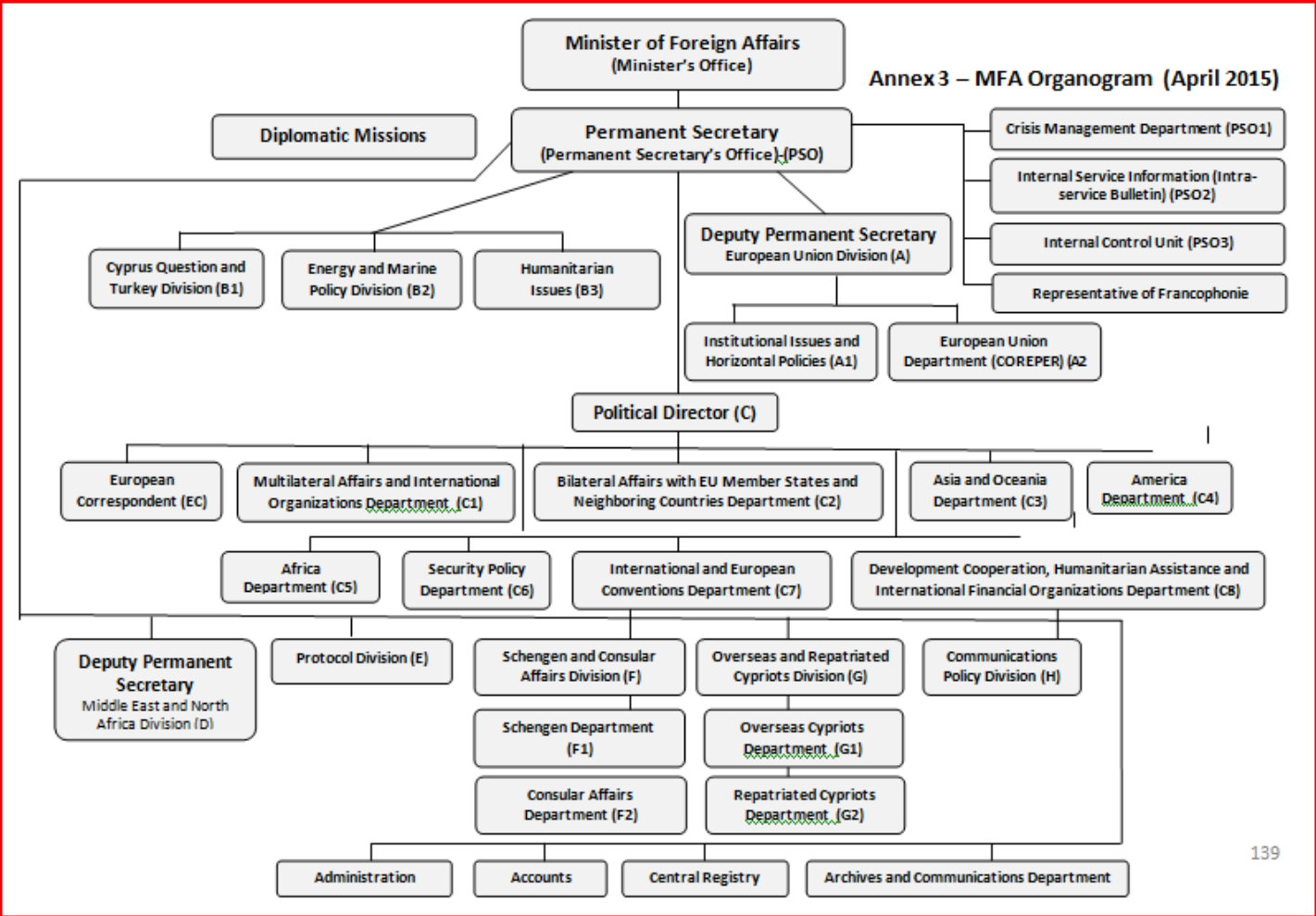
Summary of Recommendations - Strategy

- Establish a Strategy Unit to develop and maintain a strategy
- Develop and maintain a MFA-wide strategy
- Declassify elements of policy, and invite external policy challenge.

Summary of Recommendations - Leadership

- Make appointments to the PS position fixed term, for a minimum of 4 years
- Create a 'Chief Operating Officer' role to give strategic oversight to all HR, administrative and financial affairs
- Decentralise and delegate decision making where possible
- Create more formal structures and processes for communicating to all staff
- Mainstream managerial work into diplomatic careers
- Regularise and make consistent the procedures for employing, developing and managing performance of local staff in overseas missions
- Establish a dedicated unit for professional development in the MFA

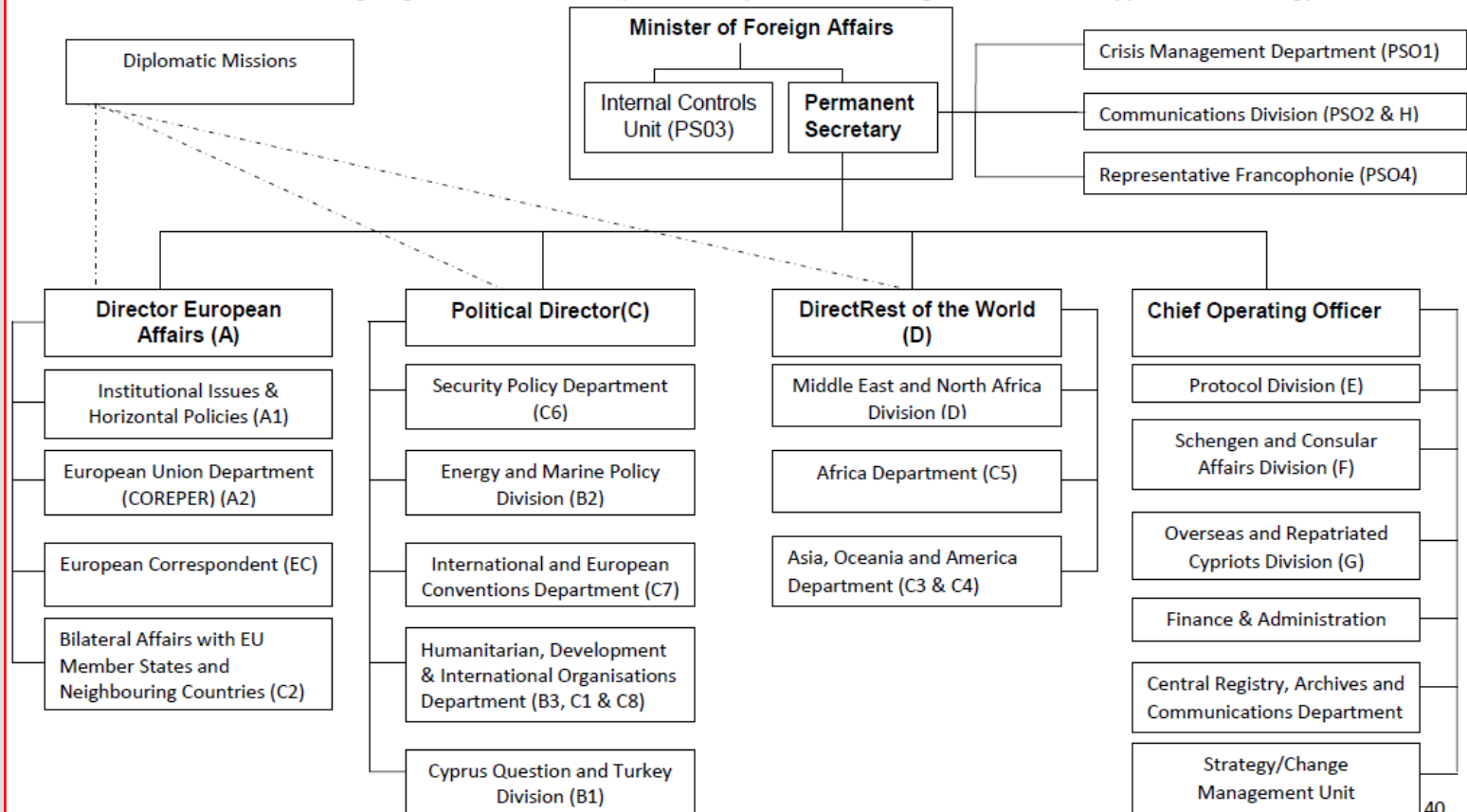
Two structural models (1)



Two structural models (2)

Annex 4

Possible Alternative Organogram – to be taken only as an example when reviewing the structure in support of the strategy



Summary of Recommendations - Delivery

- Review the structure of the MFA, based on requirements set out in the MFA's to-be-developed strategy
- Conduct a 'Zero Based Review' of overseas missions and their staffing
- Consider the requirements for a legal resource in the MFA, and create a position if required
- Assess where co-ordination with other ministries can be improved, and develop mechanisms to address the need
- Rationalise and make consistent levels of service expected by other ministries
- Ensure that all staff seconded overseas report through the Ambassador of the country in which they serve
- Consider posting non-diplomatic home-based staff into process heavy slots
- Review all MFA business processes to see what can be changed, improved or dropped
- Consider widening systems of electronic payments for public services (e.g. visas)
- Assess options for reducing travel of diplomatic staff
- Replace the current inadequate IT system

Action Plan

- Purpose of Action Plan is to guide implementation of recommendations.
- Will include objective/area, activity, time frame, dependencies
- Provides the work plan for the change management team
- PS owns the Action Plan, CMT will make it happen

The Action Plan

8. Action Plan

ACTION PLAN								
FOR THE IMPLEMENTATION OF THE REFORM OF THE MINISTRY OF FOREIGN AFFAIRS								
Nr	RECOMMENDATION	DEPENDENCIES	PRIORITY	ACTION PLAN	PROPOSED TIMESCALE	NOTES	RESOURCE NAMES	STATE OF PLAY
Change Management								
<p>The MFA will need to establish a Change Management Team (CMT) or Unit to see through the required reforms. The team will need to be headed by a senior diplomat, and we would envisage this being a full time position for a limited period of time (perhaps one year), during which the main reforms will be implemented and embedded. The senior diplomat will need to be supported by one or two members of staff initially: this number may fall as the year goes on. He/she will need to draw in expertise from other parts of the MFA as the reforms progress. He/she may want to use team members from the current Task Force for this purpose, as well as colleagues from the Administration and PADP.</p>								
CM1	Establish a Change Management Team	<p><u>Before team is established</u> Decisions needed about size of team, how long it will be required, grades of team members, skills and experience needed.</p>	HIGH	Develop the business case for a new unit or team (including the option of assigning responsibility to the Strategy Unit) through wide consultation	October 2015	<p>The Change Management function needs to be developed and 'protected' within the SU to support implementation of the strategy</p> <p>This should be done as soon as recommendations agreed</p>	Head of Admin, PS	
		<p><u>When team is established</u> Depending on skills and experience, ongoing development may be needed</p>		Agree size of team; grades of team members; and for how long the team will be required	November 2015	<p>This should be done as soon as business case is signed off</p>	Head of Admin, PS	
		<p>Agree monitoring arrangements</p>		Draft role specification for each team members including skills and experience needed for success in the roles	December 2015		Head of Admin, PS	

Change Management

- Change management is important and needs 100% support from the very top
- MFA change management team, headed by a senior diplomat, will drive forward implementation and monitoring of the change.
- We envisage a small team with a range of skills and experience, drawing on expertise from across the Ministry as and when required
- Responsibility for the change lies with the Ministry as a whole
- Clear and consistent communication will be one of the CMT's key roles
- The work of the CMT will evolve over time as change is embedded

Challenges

- Maintaining and staffing the overseas network
- Recruitment of COO
- Skills and competences vs Scheme of Service
- New models for Learning and Development (70/20/10)
- IT procurement

- Implementing the change and making it stick – new roles and ways of working...
- ...We stand by to offer our support