

## Submission

### Advisory Group on Reform of Australian Government Administration Department of the Prime Minister and Cabinet

Reform | Innovation | Collaboration | Gov 2.0

Steve Davies

#### Focus

My submission focuses on internal and external collaboration and the question of how to create an innovation culture.

Given the content and focus of the submission copies have been provided to both the [Gov 2.0 Taskforce](#) and the [Advancing Public Sector Innovation Project Team](#) within the Department of Innovation. Both have been requested to formally consider my submission.

#### About me

I have worked in the public sector for just over thirty years. For the last nine of these years I have worked in the Australian Taxation Office. Previously I have worked in the South Australian Public Sector and Northern Territory Public Sector (NTPS). I have also worked on whole of public sector projects and, it is this work that has shaped many of my perspectives. For example, drafting of the competencies related to change in the National Competency Standards for Public Administration.

My work has largely revolved around people and organisational development with a considerable emphasis on the role and influence of technology.

For the past nine years my work has focused on the development of the SURV application within the Australian Taxation Office and I have largely been responsible for the development of the associated consultancy service provided to clients.

This submission is based on my observations and experiences of the Australian Public Service. To be completely transparent this submission also contains a personal statement that is intended to provide a case study on innovation and collaboration. The views and ideas I express do not represent any official view of the Australian Taxation Office.

This submission also contains a personal statements from a fellow APS public servant who is active in the Gov 2.0 space and another with considerable expertise relevant to the whole issue of innovation and collaboration and myself.

#### Innovation and Collaboration

It is my observation that in areas focused on the actual business of their Agency - the coal face - employees innovate to solve problems. This may be done by individuals, though more often it is done with others. Collaboration.

That being said, such innovation is largely focused on solving operational problems and, by and large, takes place despite the structures and processes of most Agencies. In short, due to the good will and talents of individual employees.

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It is also my observation - based on my work in the NTPS and the ATO - that APS Agencies tend to lack a whole of public sector perspective. Hence, it is hardly surprising that APS employees identify more with their Agency than the sector as a whole.

So in response to the question of "How can internal and external collaboration be strengthened to improve policy development and implementation?" one of the key areas to address is that of perspective. To address this issue I suggest the following:

**Recommendation 1 - That the Australian Public Service Commission take an central role in ensuring all APS employees are provided with information so that they can see where their job fits in terms of the 'big picture'.** Little is done in this area at the moment and, as a result, employees are often as inward looking as their Agency. What is done at the moment relies on messages being 'cascaded down'. A top down model that suggests an over reliance on hierarchical structures.

The other issue to address relates to the internal structures and processes of APS Agencies. Processes ranging from recruitment through to making relatively minor changes to improve outcomes are overly complex. Due to this complexity we tend to have to a very hierarchal approach to the way we do business. We involve far to many people, have to many layers of approval and focus on process at the expense of outcomes.

To address the issue raised above it would be tempting for some to say we need a culture change program. However, it would be more direct for Agencies and the sector as whole to review who approves what and drive responsibility downward so that staff are actually empowered. Design for this should, I believe, be from the bottom up and start with two simple questions:

*"What do you need to be able to do to deliver the outcomes of your job or area?"*

*"What should your Agency being doing - or not doing - to help you?"*

**Recommendation 2 - That decision making be driven downwards to make it easy for employees to do their job and, as part of this process, a program of deregulation and simplification be implemented in all APS Agencies. The focus should be on internal processes and getting them on a human scale.**

To broaden external collaboration there needs to be a greater uptake of Gov 2.0 initiatives. These issues are being handled by the [Gov 2.0 Taskforce](#). However, as recently pointed out by Nicholas Gruen, Chair of the Taskforce,

*"However I've got bad news in this area. I'm afraid the US has such structural advantages that it's way ahead of us. And other countries like the UK have been at it for longer, and they're ahead too.*

*. . . What is striking is that virtually all the progress in openness in government in the US over the years has not come directly from the government. It's been prompted and fought for by civil society. The insiders are being dragged along by the work of the outsiders."*

*Nicholas Gruen, Chair*

Base on my experience and observations of the APS what this suggests is that to progress Gov 2.0 we need to focus **more** on enabling the creativity of our people, **less** on risk averse and innovation averse processes and **less** on preserving existing hierarchical structures.

The major risk to Gov 2.0 and greater external openness and collaboration is that it will be held back by behaviour and practices **within** Agencies.

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Ambivalence over Gov 2.0 and fear of social networking technologies is a major barrier. To put it succinctly, APS Agencies are barely comfortable about the application of Gov 2.0 externally, but they are quite fearful of the use of these technologies internally.

The implication to be drawn by from the above is that we face the prospect of having a public service that simply grafts Gov 2.0 and associated technologies onto existing structures and processes. In practical terms, this would mean we will fail to realise the full potential of Gov 2.0 and fail to harness the creativity and capabilities of APS employees.

For me, this problem brings back recollections of a paper I wrote in the early 90s where I suggested that the public service - all jurisdictions - were good at incremental change, but poor at discontinuous change. Fast tracking to the 21st century, this now translates as being poor at harnessing the potential of technologies and practices that are transformational. The challenge is that we are all, in a sense, trapped within structures, processes and practices grounded in the world of the past.

**Recommendation 3 - To kick start Gov 2.0 that Australian Public Service Commission and the Department of Innovation take a key role in setting an example for the rest of the APS. That they do this by providing a sanction to APS employees to use Web 2.0 technologies for open and transparent collaboration.**

**Recommendation 4 - That a facility be established to enable the community to provide ideas on how to improve the performance APS Agencies in an on-going way. At present we are wedded to annual surveys but need to adopt approaches that bring the community and public servants closer together. One way to do this would be to allow employees to establish Wiki's, blogs and the like.**

**Recommendation 5 - To help address the issue of us being trapped within structures, processes and practices grounded in the past it is recommended that we bring together a formal network of people charged with 'shaking the tree'. Their role would be to produce ideas that are over the horizon and that directly challenge existing ways of doing business internally and externally. At present, individuals with this mindset are scattered and isolated.**

Drawing on the work of Art Kleiner ' The Age of Heretics (2008), Recommendation 5 is intended to help us harness the heretic help us get past the deadlocks and blockers that impede progress.

### **Culture of innovation**

Whenever issues like innovation arise the first port of call is often organisational culture. The moment we arrive in that port an army of organisational development and HR practitioners arrive. However, the predominant approach of practitioners within the APS is behaviourist in tone.

Change the behaviour and you change the culture is the approach. Coupled with this, it is fair to say that many of these practitioners reside in corporate areas and, for all the talk of working with the business the approach is very much 'top down'. Conversely, the constant hum from people is "how hard it is to fix things" and "how hard it is to change things for the better".

The result? We end up with endless culture change programs and, yet, the very structures, processes and practices that are the cultural markers that shape the experience of work for people remain largely the same. As a result, more often than not innovation takes place despite the Agency rather than because of it.

Notwithstanding large scale change - e.g. the Tax Office's Change Program - this is very much the case with on-going innovation. It is also worth noting that large scale change programs are often

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conducted out of necessity and are not a marker of an innovation culture. Such programs often go over budget and under deliver.

What is not currently being taken account of is a bottom up approach that enables people to shape and change the culture through their actions and interactions. Web 2.0 technologies - those that Agencies seem most reticent about - are precisely what would enable people to shape a culture of innovation together.

Given the above points the following is recommended:

[Recommendation 6 - Be innovative about innovation itself. That APS Agencies focus on mechanisms that enable innovation from the bottom up.](#) We need to move beyond suggestion boxes.

[Recommendation 7- Allow all employees access to web 2.0 technologies that enable them to drive the creation of an innovation culture by collaborating.](#)

There are some significant challenges associated with recommendations 6 and 7. Most of these challenges seem to emanate from within corporate areas. They are as follows:

- 🔊 Perceptions of risk - Due to their function corporate areas are particularly risk, if not innovation, averse. Some would say they invent risks.
- 🔊 Trust - Can we trust employees to use Web 2.0 technologies appropriately?
- 🔊 Letting go - Due to their risk averse nature corporate areas tend to want to maximise control. Indeed, their very existence is predicated on such notions. Web 2.0 and a greater emphasise on the professionalism of employees poses a threat to the existence of corporate areas in their current form.

In short, the use of Web 2.0 technologies is at odds with the current role and practices of corporate areas. There is a degree of comfort in relation to Gov 2.0 and the community, but the story is far different internally. However, the key strategic question is how can we **not**, as a service, embrace the use of these technologies by APS employees to enable them to innovate if we wish to build an innovation culture?

In light of the above challenges the following is recommended:

[Recommendation 8 - Review the functions of corporate areas - primarily those concerned with People/Human Resources and Communication - to determine whether they need to be carrying out their functions. The purpose of this review would be to align their functions and practices with the Gov 2.0 agenda and to remove corporate blockers to innovation and harnessing the talents of individual employees.](#)

To conclude. To enable innovation and collaboration, as well as create an innovation culture we need to adopt a series of recommendations that kick start improvement, remove barriers, align Gov 2.0 and the use of Web 2.0 technologies by employees and, most important, free people to innovate and collaborate. Taking actions of this nature will give us culture of innovation.

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Critically, we need to rely less on a top down approach and place more trust in the capabilities of our people. As a service, our current performance in this area is patchy. Given the fact we are behind the U.S and U.K in the relation to Gov 2.0 and, indeed, the use of Web 2.0 technologies by public servants, the best way forward is, in the first instance, to take steps to enable all APS employees to help us progress together.

To demonstrate what can be done I have decided to found [OZloop](#). Feel free to take a look.

*Please note that I have also posted my submission to OZloop and have invited people to provide personal statements if they wish. These will be collated and sent as an addendum to my submission.*

I was inspired to create OZloop by Steve Ressler's work on [Govloop](#) and because it is a logical extension of my work over the last nine years. Steve and I are exchanging ideas of course.

Links to information on Govloop.

Award >>> <http://www.fcw.com/Articles/2009/03/23/Federal-100-Ressler-ICE.aspx>

Steve Ressler >>> <http://www.washingtontimes.com/photos/2009/jul/28/52193/>

## Personal statements

### Craig Thomler

I agree with and support the submission above as written by Steve Davies and have given my permission to be represented as supporting Steve's recommendations.

I believe that the APS has enormous untapped capabilities through the depth of knowledge, expertise and skills possessed by its members. The more effective the public service can become at sharing this knowledge and expertise across the entire APS, the greater will be the benefit to the Australian government and community and the more effective the innovation process within government.

Cross-government peer-based networks are a critical tool for enabling this knowledge sharing and cannot function effectively if participation is allowed to be restricted under formal Departmental hierarchies. These peer-based networks are most effectively managed through the use of Web 2.0 tools which allow communities of practice to form spontaneously from grass-roots needs.

The APSC needs to be empowered to consider whole-of-government approaches to facilitate and support – but not control - peer-based public sector networks. The APSC must also be empowered to appropriately address Departments who seek to 'silo' their staff by physically, digitally or administratively preventing them from forming or participating in cross-government peer networks.

I also agree with Steve that the current structure of the public service presents challenges to innovation and cross-government collaboration that requires a strong view of the APS as a single unified service to overcome. Where government or community needs requires collaboration between agencies, such as when jointly-funding or operating initiatives, cooperation can be difficult to achieve due to differing systems, cultures, legal interpretations or funding models.

To overcome these difficulties there needs to be a strong 'can do' attitude across the APS, where individuals recognise that they serve the Australian government and people first, and therefore are willing to work hard together to overcome agency-specific obstacles.

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There needs to be more done to build this whole-of-government attitude, and greater recognition of the individuals and agencies who share a common vision for the APS of serving the Australian government and thereby the Australian people.

**Craig Thomler**  
7 October 2009

### **Kylie Flanigan**

I agree and support the submission above as written by Steve Davies and have given my permission to be represented as supporting Steve's recommendations.

After eight years in the Australian Public Sector I stepped aside to work through a private firm. I did this because of the frustration, disappointment and general lack of support I received for being an innovator, a creator and an opportunist in the technology space. As a HR generalists, specialising in learning & development and change management, I was generally up against peers who believed communication was a five sentence email signed off by four managers and sent out providing the receivers with no channel for discussion. If you let the people talk to each other without overseeing it, chaos will erupt. This was the general attitude.

At times, I had management who supported my 'let's do it' attitude but eventually hierarchy always put out that light on them as well. The irony is that I now occasionally contract back into the APS at times and my innovation, creative technology solutions and left of centre ideas are welcomed, accepted and readily paid for.

Nowadays we operate in a global environment, a global economy and a global business world. The APS needs to unite and build themselves as a united capability with depth, trust and acceptance. The APS can no longer afford to be introspective and competitive with each other. The Australian population let alone the APS is simply not large enough to support this.

Technology moves at a pace that not even the cashed up corporate world can keep a pace of. Online collaboration, peer support networks spring up on an as needs basis. They are utilised in the personal, professional and academic space. Peers are often more successful at driving change amongst each other and communication spreads like wildfire in these avenues. Isn't the risk of not being ahead of the game higher than choosing to be out of the game altogether?

Agencies that are national and even internationally based need to be communicating in their professional space at the same speed and reliability they are communicating in their personal space. The next working generation are iphone, blackberry enabled. They think laptops are large and burdensome. One dimensional internet is archaic to this group. How are we to attract and retain this talent? I personally want to be able to ask my Australian peers how they achieved success in their change programs? Currently, until the introduction of Ozloop, I was reliant upon my peers in the UK and US.

It may be time to revisit Dr Spencer Johnson and his analogy in 'Who moved my Cheese?'. Sniff, Scurry, Hem or Haw? The APS leadership I have experienced is certainly acting in a Hem fashion. 'one who denies and resists change as he fears it will lead to something worse'.

**Kylie Flanigan**  
9 October 2009

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### **Steve Davies**

Throughout my submission my frame of references has, essentially been that of a participant observer of the Australian Public Service. It is always difficult examining an organisation you are part of. However, by drawing on my training and experiences in other public sector jurisdictions, as well as my understanding of people and technology I believe I have managed to provide objective and considered recommendations.

Essentially, the challenge that faces us is to move the APS to a position of professional trust in the capabilities, values and ethics of our people and extend that trust to allowing them to collaborate with each other and the Australian community.

In my experience the major blocker to extending that professional trust is the risk averse, if not innovation averse, mindset of corporate areas. Specifically, those responsible for strategic human resources and internal communication and, to a slightly lesser extent, external communication.

Changing corporate areas is going to pose a considerable challenge due to the entrenched views and practices of management and leadership in those areas - top down, process driven and overly hierarchical.

Over the years I have dealt with hundreds of clients across the Tax Office and conducted thousands of projects with them. The constant complaint is that corporate areas don't really understand the business, they impose what they want and that such collaboration that takes place is largely top down. Even the collaboration process itself.

Increasingly, employees see the disconnect between what they are able to do to collaborate and communicate outside organisations and what they are unable to do within them. This disconnect is going to increase as the current generation of public servants depart and the next generation takes over.

Those Agencies who do not move to a position of trust to enable public servants to collaborate with each other and the community will be left behind and unable to deliver on Gov 2.0. To collaborate and build a culture of innovation we need to give people the tools that enable them to create the spaces where they can talk and exchange in the first place. Web 2.0 technologies.

To address that across the APS central Agencies need to take a lead role so that we do not continue to fail to take advantage of the vast and untapped intellectual capital available to us - our people - individually and collectively.

I wish the Advisory Group well in its endeavours and would be more than happy to help you with your work in any way I can.

**Steve Davies**  
7 October 2009