

Submission:
to the Advisory Group for Reform of Australian Government Administration
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Thank you for the opportunity to comment on the discussion paper: 'Reform of Australian Government Administration: Building the world's best public service'

This is a private submission by myself, Dr Susan Mackenzie. I speak from my areas of expertise in social research and learning and development, plus my experience, having spent some nine years in the public service; a similar time in freelancing; and initial years in teaching, at Department Head, consultancy, tertiary and secondary levels. My recent PhD and Masters are in organisational and career change, the latter researching transitions from hierarchical to collegiate-based organisational structures, from a managerial point of view; and the former researching successful career transition stages and devising processes of transition out of hierarchies (external to internal motivations).

Introduction

Any organisational restructuring of the scale implied by this and other reviews of the APS will inevitably have deep sociological effects on its employees, leaders and customers, whether foreseen, or unforeseen. This submission urges consideration of the sociological effects and the outcomes that are likely to ensue from the proposed changes in the Moran 'Reform of Australian Government Administration: Building the world's best public service' discussion paper and asks how the APS is to be measured in its evolving status, and by whom?

Will effective analysis be done of the constraints and opportunities inherent in the APS that may influence any moves toward the proposed changes; or the dynamic drivers culturally embedded in the APS and administratively sustained by it?

Overview

As any leader or manager well knows, at whatever level, organisational change is never solely a policy, practical, structural, or systemic change, but is primarily a sociological event with deep sociological implications, which will then be revealed and reflected in the practical workings of that organisation.

Operational and practical tasks are open to prescriptive measures, but innovation, creativity, consultation and collegiate management are not so easily assessed, needing complex and sophisticated tools related to abstract and interpersonal activities and outcomes. How will these intrinsic qualities and processes be measured, and how will the tools and personnel be developed/sourced for this?

How, too, are we to manage assessment of policy development, effectiveness and value? Policy assessment requires, of necessity, long-range evaluation at various stages, which may be beyond the length of political terms of office, may be affected by global (e.g. financial, climatic or political) or local events (e.g. availability of sufficient trained personnel or tradesmen to implement a policy initiative; natural disasters).

The core changes mooted in this review are for a greater citizen-focus in delivery of services, in creative and strategic policy development and trusted delivery of government intentions. Greater efficiency, effectiveness and accountability are coupled with a direction towards greater agility, innovation and responsiveness, all the while working within a constrained fiscal environment. Our values, leadership and cultural unity are under scrutiny, as is our sustainability in a time when some 70% of our SES, and some 42% of the overall APS are eligible to retire in the next ten years, with no indication of being able to fully replace them.

From these factors arise the potential solutions of greater mobility; 'smarter' working; better IT/ICT systems and application to our tasks; wider Whole of Government (WofG) initiatives and efficiencies; more focussed APS-wide learning and development; targeted SES development; more streamlined recruitment; improved retention; increased focus on more creative and effective policy; proposed strategic policy hubs and greater collaboration with diverse institutions, notably academic.

Comments

Such directions describe an organisation with a highly focussed, engaged and capable workforce, whose aspirations and motivations match those of the organisation and its management. It describes an organisation where, optimally, there is a strong accord between its customers, its Management/Leadership and its staff; an organisation able to recognise and value the range of skills and capabilities it requires and holds; an organisation that has a high level of trust and faith in its leadership, its employees, its values and its goals.

It would seem these organisational aspirations are indeed possible. With a highly skilled and well-educated staff, a shared sense of purpose, and confidence in Management, we would be well placed to achieve an innovative and effective, globally respected and citizen-centred APS.

However, there are other factors than these to consider, for instance the need for resourcing of time and the sociological aspirations of APS employees, for effective changes to occur.

Time is an essential part of the innovation, quality delivery and reflection processes that underpin innovative, effective outcomes. At present, pressures of fiscal constraint and increased demands bring pressures that reduced time for these essential tasks.

In regards to APS employees' personal and practical aspirations: in simple terms, the APS is made up of various types of work (tasks and roles), each requiring different types of thinking and capabilities:

- leadership
- management
- routine tasks
- process tasks
- project management
- strategic tasks and planning.

To encourage innovation, creativity, consultation and long-term planning, each of these groups need the encouragement and support to do so (time, resources, culture), yet at all levels the APS is risk averse and most of its work is process and outcome driven, factors which mitigate innovation.

Retention and Recruitment and Mobility

Staff aspirations underlying work and career choices are, as made clear in the APS survey,

- good working relationships
- flexible working arrangements
- salary.

I would also venture, especially in these uncertain financial times, that job security and demographics (ease, distance and costs of travel) also play a strong part in career choices, as does culture, especially a supportive, well-resourced, developmental and flexible one.

If a whole of government (WofG) approach to administration is to widen from those initiatives already in place, such issues will have a clear bearing on recruitment, retention and mobility. For instance, if there was parity across all Departments on pay and core conditions, surely we must expect that people, at whatever level, will look to other areas than these for incentive to move to or from, or to remain, in their positions, especially when both members of a relationship work for the APS.

'Job fit' may also become a more easily attainable goal, and staff (and SES?) may move more frequently to maximise their job enjoyment and satisfaction; to gain experience or to find or follow their career interests. This aspect of mobility could be a boon to the APS, resulting in higher job satisfaction, better job-fit and flexibility in work-life choices. (The down side is disruption to, capture and continuity management of knowledge, skills and coherent teams).

Similarly, if there is to be common core conditions and updated work level standards for the APS, staff who currently endure poor or destructive cultures for the sake of a higher salary or 'prestige', or even advantageous career progression, may no longer feel so motivated to endure such conditions.

Therefore it may well be that culture and conditions; purpose and appreciation; resourcing levels; demographics; colleagues; work/life balance, career plans and task preferences may hold greater sway than is the case now as people consider their choices in the APS.

Factors that will no doubt become increasingly significant in relation to retention and recruitment are: culture; the ability to develop and utilise skills; to be innovative; to part of a collegiate environment, where staff input is not only listened to but taken into account and included as a matter of course. So also will the alignment between words and deeds; policy and application (both internal and external); work conditions and Enterprise Agreement applications; task demands and resources allocated, and career opportunities.

Structure

Despite there having been a move away from strict and centralised hierarchical power structures, the APS continues to bear most of their hallmarks. Additional to its hierarchical architecture, APS employees operate, at all levels, in a complex matrix of diverse work relationship patterns: from fully collegiate and cooperative relationships (I would hazard a guess that this is rare), to autocratic and fear-based environments (I would hazard this is also rare). The middle ground, of an oscillating and fluid environment shifting across a spectrum between hierarchy and collegiate work practices, appears far more common. Each day an APS employee can move often and quickly between hierarchical power structures, collegiate discussion, group processes, project systems and any mix of these.

I coin the phrase 'spectrarchy' (spectrum of structures) in describing the organisational architectures active in the APS. A complexity of skills is needed to negotiate these daily work relationships, though the overriding and dominant architecture is hierarchical observance.

If the culture of the APS is to change, and give a greater credence and viability for innovation and innovative practices, hierarchical power structures must, of necessity, give way to more collegiate and dynamic environments in relevant areas.

And, as with all major change, a key figure or figures of influence need to champion the new parameters, in deed as well as word. Hence the role and attributes of the SES become even more critical.

Collegiate and cooperative leadership (rather than competitive or hierarchical) would be one of the most powerful influences towards the changes of culture mooted. This would dramatically change their interface and dynamics with each other, with their political Masters and their subordinates (a hierarchical concept). Without such leadership, the APS would remain dominantly hierarchical, competitive and guarded. Yet SES are allocated various roles by their political masters, some to build up an area, some to constrict or lessen them; and 'merit' is often assessed on achievement of finite outcomes in relation to others rather than more intrinsic skills.

A strong correlation between pronounced and applied values and practices is the underpinning of a trust-based culture or relationship. If there is a strong dissonance between these, citizens and APS employees would likely reflect cynicism, loss of confidence and regard, lack of engagement and support for each other. Values and practices that reflect mutual respect and regard in practical as well as philosophical ways are also vital. Trust and collegiate management are not something that can be sectioned off to operate in some areas and not others. For trust, transparency, collegiate and innovative practises to be the norm, the SES would need to reflect and champion the proposed values, practises and processes daily, consistently and transparently.

Greater transparency of SES pay, conditions and entitlements, and all variations from standard work conditions for staff, would increase trust and clarify the paths that define 'merit' for career roles more clearly, as would more specific role descriptions in recruitment processes.

As employees are becoming more educated, mobile and 'portfolio-career' focussed, as so many of our younger staff are, there will continue to be greater expectations to have a means and opportunity to shape the organisation (or part thereof) they are in, or they will move on.

Greater incentives (rather than demands or 'expectation', which are diametrically opposed to innovation) to be innovative include greater tolerance of diversity and the middle-ground between idea and decision; and greater engagement with risk. For this to be manageable and productive, effective skills in decision-making need to be applied, not just generically, but tailored to local needs.

Whole of Government

It would seem a misnomer to think of the APS as one body made of identical parts. Each Department, Division, Branch, Section and team are individually shaped by role, its resources, its members and its Manager chain.

For this reason alone, APS-wide systems and processes are never likely to work.

However, if a clear, robust and workable set of core systems and processes are co-created (be they IT/ICT, payroll, data systems, etc) with local areas, and a high interoperability exists between all relevant processes and systems, then WofG practices could become feasible on a practical level. Significant sociological factors, including trust between agencies, and relative regard for individual area needs and responsibilities, are not as easily regulated and require local solutions for ongoing effectiveness.

In fact, a workable balance between whole-of-government processes and locally tailored independence may well be one of the critical factors in this proposed APS-wide change. Without that balance being manageable and desirable, by SES and front-line staff in particular, conscious and unconscious manipulations of the system will continue to occur to moderate the situation to the needs and desires of the local decision-makers and environments.

This is particularly so in the area of employee and Manager development. A 'centralised Learning and Development Framework' could mean many things. A core set of training and development opportunities available to all staff equally is advantageous in creating core knowledge, language, understandings and capabilities at a generic level. Courses related to Strategic thinking, innovation and responsible decision-making would be essential in such a framework, as would innovative policy making.

From Moran report:

'Capable people

It is possible to identify a generic set of core skills and capabilities needed to drive performance improvement and citizen centred approaches:

- *analytical ability to link service delivery to program design and innovation*
- *communication skills, especially to undertake citizen engagement*
- *collaboration skills, particularly team skills and working with other agencies*
- *program and project management skills, including financial management*
- *leadership and capacity for innovation at all levels*
- *IT and information assurance skills*
- *the ability to manage people and organisational performance.'*

However, Corporate training is generally insufficient for local needs. Tailored courses, that are designed and delivered to fit local needs, balance and complement Corporate generic courses. To maintain a well-skilled APS and create a credible pool of current and experienced knowledge, all training needs to be well-resourced and equitably available.

For another example, 'strategic policy hubs', while having the potential to create an environment conducive to innovative, and to develop creative, long-range and accountable policies and strategies, need also to be responsive to front-line policy thinkers to ensure practical, applicable and timely policies are developed and delivered, whether internal - within the APS; or external - to our customers; or in combination of these.

Dichotomies of Role

While our political masters may change each triad, the APS has an ongoing commitment to serve the Australian public and those in it. It is a delicate balance to manage this dichotomy. How is this to change and what effects will it have? Which priority will engender most trust in the APS by its citizens – to be seen as primarily in existence to be a core support for the good governance and care of Australians, or as an effective administrator for the Government of the day?

If the first is favoured, is there a need to develop a more strategic organisational interface between governance and politics to ensure the APS is truly apolitical, and not just an administrative arm of the existing Government.

If the APS is to be an administrative arm of Government only, where is the role of frank and fearless advice; innovative strategic planning and policies? What is the place of effective long-range planning when its direction can change at each election? Where are the efficiencies of use of public monies when Machinery of Government changes (MOG) can also virtually reinvent Departments and agencies at the same time (along with new stationery, tenancies, workplace agreements, and associated organisational costs)?

Is there a need for an associated but independent organisation to ensure innovative, strategic and effective long-range policies, planning advice and research continues to be available to Governments? (If such a body were to develop, it may well be a National think-tank under Constitutional governance as an advisory body to Governments and the APS; be made up of representatives from a range of relevant organisations (from both the Public and Private sectors) and have independent apolitical accountability - to be able to truly offer frank, fearless and balanced research, advice and projections. The head of such a body would no doubt need to be frank and fearless as well!!!)

Innovation

Most people are inherently inclined to seek to improve their circumstances, and that includes the way they work, so it is not that we need to create innovation practices from scratch; as a well-educated and capable workforce, we need to encourage, support and incorporate what innovation is already there or latent. New and improved mechanisms will be needed for this, for example: increased advertising of projects (such as cross-Divisional or Departmental tasks); more secondments; more cadets training across Departments (rather than just within one Department); finite-term-or-task think-tanks; more awareness of the capabilities of staff (for instance, by having CVs posted on a central site so that employees can be identified for specific tasks); more accessibility to regional experience and locality swaps, etc.

Retention priorities may drive the need to create such opportunities; and to simplify and support the mechanisms that allow them (the internal policies, in many cases, exist for these opportunities already; however, it is apparently rare for mobility and secondment requests to be accommodated). However, it should be noted that an organisation with a mobile, educated and responsive workforce will require solid cultural, organisational and knowledge retention; with effective communication existing post and prior to any position change.

Our APS age demographics now lean towards two main groups: a large older band and an increasing numbers of young staff. The APS survey defines the key personal motivations of staff as:

- purposeful work of which they can be proud
- pride in their agency and/or the APS
- a job well done.

How are we to move these motivations and aspirations to a commitment and engagement with the aspirations of the review; and how is this to be achieved and recognised, especially when less than half of employees (45%) agreed their agency is well-managed?

What attention will be given to creating and maintaining a dynamic a-political balance between innovation, sustainability, development and delivery, responsiveness and accountability?

Innovation Culture

Logic, while a significant preference in the public Service, does not necessarily foster creativity, the basis of innovation. Studies reflect that it is often the creative employees who are jetisoned early from conservative and risk-averse organisations such as the APS for the attendant attributes they bring with their tendency to think outside the square: variable work styles; a lack of close adherence to rules, hierarchies and processes where they are deemed restrictive or obstructive; a willingness to take what others may see as risks; an uncomfortable tendency to 'name the elephant in the room' and take it into their equations; a willingness to embrace ideas and processes unlike their own and passionately align themselves with what they see as 'truth' or 'best' rather than political expediency, or position protection.

A high level of scepticism undermines trust, loyalty and engagement. This rapidly occurs when the application of values are seen to serve the dominant party rather than fairness or mutuality. When all grievances are dealt with by the inclusion of independent mediators or moderators mutually agreed and centrally funded and referenced, then that scepticism may diminish.

Greater citizen-focus

Customer focus is generally not an issue in the APS, but deciding and providing relevant customer Service certainly is. Who is the customer? The APS serves the Government of the day, and the people of the Nation, their own Managers and business plans, their own immediate members of the public they may come in contact with, be they individuals or organisations. They serve their fiscal constraints; their risk parameters; their avoidance of media embarrassments; their local organisational cultural values; their Minister.

Greater citizen-focus will require a strong cultural change where hierarchical, power-over structures, processes and roles are ameliorated or minimised, yet maintain accountability; where citizens not matching the profile of the APS are given equal regard and care; where private organisations are not required to work *for* the Government through its red-tape, but *with* the Government to create mutually acceptable and viable processes; where Government responsibilities are more widely known and articulated in transactions; where policies and promises to citizenry, either to a collective group or to individuals, are brought to fruition in full consultation with the customer, and full transparency, with the basic tenant that the customer feels themselves benefited by their dealings with Government, or at least not harmed; where the nexus between frank and fearless information and response to political masters is made clear.

APS staff will require strong inter-business/Government skills to ensure policy development includes those it is being developed for. Sophisticated market skills will also be needed to manage the implementation of policies within the Govt/private interface to ensure maximum efficiencies and accountabilities of public monies, and best delivery of results and outcomes (i.e. reference and measure the process design and milestones to the desired outcomes, rather than the input – especially financial - or intent).

An environment that fosters innovation and continuous improvement requires a culture and management style that shows a respect for task (including adequate resourcing - and for innovation that means time and networks) and staff, plus staff creativity and input.

For instance, respect for task and outcome means relevant levels of resourcing (time, money, staff, training, etc), clear priorities and the ability to define what *cannot* be achieved under existing resourcing. It also requires the ability to decline or close a task because of this. Pressured, ongoing periods of increased workload are not sustainable (either health-wise or for moral reasons). The present efficiency dividends, and tight fiscal circumstances limit task capabilities, staffing ratios, work/life balance and morale.

Nor do ongoing reductions in resources, coupled with increased demands, scrutiny and controls engender trust, innovative work practices, good morale or long-term sustainable work practices or outputs. People are willing to 'tighten their belts and pull harder' for a period, when their values and sense of purpose align with the words and deeds of their employer, but if that goodwill is abused, no talk of wanting increased trust will make any difference; motivation, commitment and engagement will dwindle, both overtly and covertly.

Common and core qualifications for SES

SES leadership is essential for the proposed changes to occur, through their support and demonstration of the preferred principles of collegiate, considerate, cooperative, accountable and transparent management styles at all levels. These characteristics do not diminish capacities for effective, robust, strategic and innovative agencies, but they do go a long way to develop, retain and engender trust, loyalty and positive engagement, the bases of retention and positive contribution, and high customer satisfaction (internal and external).

A diversity of personality types, thinking and working styles, and ways at arriving at outcomes, are needed. A requirement of common and specified qualifications can tempt cloning and diminish the value of experience; but combined with a regard for experience and adaptability, it can be a powerful force. Stated preferred qualifications also tempt those who want to fast-track superficially, or to prematurely seek the qualification, and overlook the unique and significant role of experience and maturity of capabilities.

For instance, recently, at an information session on the Masters in Public Policy, mooted as a prerequisite for SES offices, the room was full of Gen-Y'ers; only three of us in the room were older than their late twenties or early thirties, and we were there on behalf of others. With a career eye, the attendees were there with the intention of launching into gaining the necessary qualifications for the SES of the future (themselves), and seemed hardly daunted by the presenters' comments that the degree was being aimed at experienced and mature members of the APS.

Career progression and effective staffing

Bracket-creep and a movement toward more EL1 staff and less APS level staff has resulted in many EL1s being well-paid to do tasks such as data entry, file management, extensive photocopying and document collation, etc. The changes have also limited career paths in the APS significantly. More lower-level APS staff and greater task delegation would make for more efficient staff usage, increase career progression potential, plus increase recruitment diversity in the APS.

Greater reliance on recruitment processes that test the abilities of the applicant (whether by task or scenario questioning, or similar) may greatly increase the mobility and career development of staff as they are then not constrained by the need for a reference from their immediate Manager, and therefore their 'approval'. The present system encourages cloning and hierarchical controls. Ironically, if a staffer does not fit a team or a Manager's preferred work ways, or the required skill set, unless a good reference is given by the Manager. That staffer may remain in that area; and so a problematic situation remains for both parties.

Fair, flexible, safe and rewarding workplaces

Fair and equitable responses to employee concerns could also act as a factor to increase retention. This may require Managers gaining more skill in people management, and respect and engagement with diverse ways of working. Processes dealing with staff or management dissatisfaction or concerns would support greater morale and efficiency if simpler; clearer; less punitive and onerous for all parties, especially the plaintiff; if more neutral and less legalistic; if more options exist and if greater transparency is encouraged and demonstrated. Wider data communicated to SES would also help define employees' actual experiences of workplace adherence to the spirit of APSC values: to create fair, flexible, safe and rewarding workplaces. A voluntary survey, such as the APS State of the Service survey is, cannot be held as statistically correct. At present, discomfort is often used as a means to motivate movement of employees out of a position or team, rather than an issue being managed or resolved. Consistent and coherent application of good people-management practices with goodwill, and embracing differences (in work styles as well as skills, culture, gender and capabilities) could ameliorate some of the problems inherent in present structures.

Workplace agreements are an opportunity to demonstrate collegiate management and regard. It is not reasonable to have negotiations between parties where one party is not to be subject to the agreement they are creating (as the old joke says: 'if you don't play the game, don't make the rules'). Nor is it practical to tie productivities to staff wage increases when the very information to create these are in the hands of those not bound by the agreement, and are not in the hands of those that these improvements are required from, and the when the APS is basically a service provider, rather than a producer.

Conclusion

Within the lofty ideals and ideas proposed as part of the RAGA process, the sociological implications and potential outcomes of these need to be taken into account, understood and incorporated for effective change.

Consistent and coherent application of the APS values (spirit, word and intent) at all levels and in all situations, would in itself create major change in the APS. It is an ongoing task, especially at the interface between Management demands and practice.

The Australian Public Service:

- a. is apolitical, performing its functions in an impartial and professional manner
- b. is a public service in which employment decisions are based on merit
- c. provides a workplace that is free from discrimination and recognises and utilises the diversity of the Australian community it serves
- d. has the highest ethical standards
- e. is openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament and the Australian public
- f. is responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government's policies and programs
- g. delivers services fairly, effectively, impartially and courteously to the Australian public and is sensitive to the diversity of the Australian public
- h. has leadership of the highest quality
- i. establishes workplace relations that value communication, consultation, co-operation and input from employees on matters that affect their workplace
- j. provides a fair, flexible, safe and rewarding workplace
- k. focuses on achieving results and managing performance
- l. promotes equity in employment
- m. provides a reasonable opportunity to all eligible members of the community to apply for APS employment
- n. is a career-based service to enhance the effectiveness and cohesion of Australia's democratic system of government
- o. provides a fair system of review of decisions taken in respect of employees.