

UNSW SUBMISSION TO APS REFORM

OVERVIEW

UNSW welcomes the opportunity to submit a response to the Advisory Group on Reform of Australian Government Administration. In structuring our response we have considered a number of broad factors which we believe need to be addressed in order to *build the world's best public service*:

- a. **Current performance level of the Australian Public Service (APS).** As the report highlights, the APS performs reasonably well by international comparison. However, 55% of public servants believe their departments are poorly managed and the APS is not adequately unified. This suggests a low level of engagement and morale, and therefore ineffective utilisation of the workforce. The report also identifies areas where there is a greater skills need in the APS including leadership, strategic capabilities, financial skills and continuous improvement. These, together with the recognised needs for greater levels of customer centricity and a 'one APS' model, can be achieved through enhanced skills development, notably leadership and management capability.
- b. **Raising leadership and management capability levels.** The APS is reasonably well educated in terms of percentages holding degrees and higher degrees. However, capability levels can be enhanced at both the individual and organisational levels through recruitment and ongoing development. It is noted that the learning and development budget within the APS is reported to be around 1-2% of the approved budget in 75% of departments and agencies (ANZSOG conference), this compares with an equivalent figure of around at least 3-5% spent by leading global companies.
- c. **End to end performance in the government sector (APS, state and local governments as a whole).** The APS has a leadership role in terms of the end to end reform and performance of the entire government sector including state and local governments. The report discusses this in the context of COAG reform, however the APS role also includes that of leading the development of capabilities and performance across the government sector as a whole. While the APS may rank reasonably well by international comparison, it is widely agreed that enhancement is required in terms of overall government sector performance. The APS can lead the way not only in terms of reform but also capability building.
- d. **Australia's economic and wellbeing performance.** The APS, and the government sector as a whole, has a key role to play in terms of Australia's overall level of performance. There are a number of areas where we do not rank well as a nation notably productivity, diversity and innovation and collaboration (see OECD, Roy Green). As in the APS, the level of investment in ongoing executive and management development is not currently at levels comparable to world's best practice. The APS' leadership role in enhancing overall economic and wellbeing reform in Australia is key and can be achieved through government reform, partnering with business and community sectors to achieve reform agendas, the mobility of leaders from the APS to other sectors, and influencing the higher education sector's development of capabilities to provide world class on-going executive and management development in Australia.

- e. **Higher education sector partnership and performance.** The APS, the government sector and Australia's performance overall can be enhanced through greater capability development, notably leadership and management knowledge, skills and behaviors. This will occur best through cross sectoral (government, business and community) and cross disciplinary learning. How the APS engages with the higher education sector to undertake this best practice development will shape the higher education sector itself, and its capability to support the Australian government, business and community sectors to become world leading as measured by their developed capabilities and their performance outcomes.

In summary, UNSW believes that many of the issues raised by the *Advisory Group on the Reform of Australian Government Administration* can be addressed through an educational and development process that is embedded throughout a public service career and across the public sector at the organisational level as a whole, and that as well as addressing the needs for customer centricity and One APS, this development process needs to be approached cross sectorally, so that the APS encourages development and enhanced performance across the government sector as a whole, and the Australian economy as a whole.

UNSW- UNSW@ADFA AND THE AUSTRALIAN SCHOOL OF BUSINESS CAPABILITIES

UNSW is an internationally recognised university and a member of the Group of Eight (Go8) and is consistently ranked in the top 50 universities in the world. Our commitment to the application of advanced knowledge is directly underpinned by the UNSW strategic intent (*B2B Blueprint to Beyond*): 'To be a leading research intensive university in the Asia-Pacific region, focusing on contemporary and social issues through defined strengths in professional and scientific fields – a peer in good standing with the best globally.'

The Australian School of Business at UNSW is Australia's leading business school and a centre of excellence for business education and research in the Asia Pacific region. The school comprises more than 240 academics in 9 disciplines and includes the Australian Graduate School of Management (AGSM) MBA and AGSM Executive Programs which have more than thirty years' history of leadership in Australia and are recognised nationally and internationally for their rigour, relevance and the unique experience they offer for leadership development at individual and organisational levels in government, business and community sectors. Programs can be provided off the shelf or fully customised to the needs of specific organisations such as the APS. AGSM Executive Programs already provides customised programs to departments and agencies within the APS, and departments also send individuals to AGSM Executive Programs open programs. APS attendance on these open programs is regarded as key to achieve cross sectoral leadership learnings where government, business and community leaders learn about how to engage end to end to achieve economic and social outcomes.

The Business School at UNSW@ADFA is the only school in Australia that has made an active, continued commitment to study, teaching and research in government-business relations in defence, and to policy for defence-related business. This expertise provides a conduit for the practical study of innovation-

based partnerships between government and business, both locally-based and international. There are significant opportunities, through an Australian Defence and Innovation Centre, to create an arena of dialogue and exchange that will help create opportunities for productive exchange between defence personnel, business and the wider APS. UNSW has a long history of providing quality education to the Australian Defence Force Academy (ADFA) under various Agreements with the Commonwealth of Australia; thousands of tri-service ADF personnel have graduated (many with both undergraduate and postgraduate degrees). Our reputation as the place of choice for uniformed defence staff as well as defence civilian public service staff has been established, not only in Canberra but across Australia and overseas through its distance education programs. Our past students (undergraduate and postgraduate) are now proceeding to senior and high level management positions across defence, industry, Prime Minister and Cabinet, the university sector and the business world. UNSW experience in a tri-service environment that encourages the concept of 'train for certainty and educate for uncertainty', has developed an expertise directly transferable to the current APS environment of inter-agency operability. We are committed to designing courses and programs that develop strategic thinkers who have an ability to perform in a complex, uncertain and rapidly changing world. Professional leaders are taught to think critically and are 'job shapers' not 'job takers'. UNSW has always been able to tailor and adapt programs in an innovative way towards the requirements of professional development. The partnership between Defence and the University has achieved this to great effect, with UNSW consistently providing a set of educational opportunities that are flexible and of high quality.

PATHWAY FOR APS TRAINING AND DEVELOPMENT

UNSW is aware that the APS runs many leadership-training courses for personnel at all levels. However there are a number of leadership disciplines that have not received sufficient attention, for example the conceptualisation of policy problems in systems terms to aid organisational implementation, strategic thinking, financial capabilities, continuous improvement and the areas of customer-centric services, APS agility and flexibility. The need is not so much for concepts to be 'taught' as for practice to be co-evolved in appropriate settings through focus on learning and practice of appropriate best practice knowledge, skills and behaviors.

UNSW, through both the Australian School of Business and the School of Business at UNSW @ADFA, is uniquely equipped to fill this need, through its expertise in policy analysis, project management, knowledge management, organisational development and human resource management. There is also an opportunity here for the government to raise the bar on the leadership development of all Australians and ensure that the courses and programs they develop are accessible to other sections of the economy. In 2007/08, 75% of APS Departments and Agencies spent only 1-2% of their annual budget on learning and development. This figure is similar across other Australian sectors more broadly. For Australia to build world class competitive advantage we need to invest more in the calibre of the management and leadership of our organisations.

The global financial crisis has placed a renewed focus on the APS as an organisational entity. Service delivery requirements are changing, with the public sector called upon to play a greater role, not just in service delivery of traditional functions but also in the economy. Expectations of service delivery are increasing, with public departments and agencies expected to respond quickly and seamlessly, and do more for less. Senior managers and executives are more closely scrutinised and a new emphasis on fiscal stimulus has increased the pressure on all levels of the public service. The APS plays a crucial role in harnessing the creativity of their people, their enterprises and the economy as a whole; seeding and improving economic productivity through initiatives and investments in management skills and leadership capabilities is key.

There is also an urgent need for public servants to be given time and opportunity to complete PhDs or Professional Doctorates in areas of policy relevance. This is a highly cost-effective means for improving the research basis for policy, as well as giving focus to broader-range and longer-term relationships between universities and the APS. It would also be an effective means of boosting participation by well-equipped and motivated local students in Higher Degree Research programs. Stipends at the moment are much too low to bring these high-benefit/low cost students into universities on a full-time basis.

There should be provision for regular secondments of APS public servants to business, not-for-profit and community organisations as well as to universities and to state public agencies (and vice versa). The need for this kind of network-building and knowledge and perspective-sharing has become more pronounced as public sector activity has become more contractualised and governance has come to involve diverse kinds (and levels) of organisations.

Traditionally managers learn to manage vertically; to work upward with senior colleagues and downward with direct reports. However in today's interconnected world it is also critical for managers to work effectively across functions, locations and with external stakeholders. 'Boundary spanning' - the capability to create direction, alignment, and commitment across boundaries in service of a higher vision or goal - is key to driving efficiency throughout public sector organisations. The APS needs to consider an educational process as a means of building up relationships at senior managerial levels and to encourage cross-agency mobility and a whole-of-government understanding. This involves face-to-face communication which engenders a sense of connection and engagement through networking across agencies, regulatory bodies and service delivery areas. The stronger the collective identity within the APS the more it becomes a resilient and unified organisation, capable of responding to a complex and dynamic world. Networking and collaboration across multiple disciplines, companies, sectors and nations enables organisations to tap into ideas and technology can be instrumental in the achievement of long-term objectives. Ultimately, to establish, manage and build social capital is to build future organisational capability, and therefore cross organisational learning capabilities must be utilised. Research undertaken this year on Fortune's list of the World's Most Admired Companies found that the best organisations globally specifically identify, develop and reward leaders who are successful at working **across** the organisation.

UNSW remains committed to excellence, high performance and best practice approaches to encourage and develop better ways of working, improve management and leadership skills. This year UNSW

@ADFA was awarded accreditation by the prestigious Project Management Institution (PMI) which is the sole governing body of the policies, procedures and standards to accredit project management programs across the world. The Australian School of Business has top-class links to overseas schools, including Wharton in the United States and the London Business School, and in 2002 the AGSM became the first Australian business school to receive international accreditation from the Association to Advance Collegiate Schools of Business (AACSB), an honour only granted to institutions fulfilling the highest standard in curriculum, faculty and teaching. Our modern business management practices and philosophies can help to grow a strong and professional public service able to meet practical challenges through the integration of practical, theoretical, and case-based courses in areas of public administration, project management, business practices and policy development. Our ethics and leadership courses at UNSW@ADFA were designed as a strategy for Defence. The AGSM Executive MBA and AGSM Executive Programs are among the top rated (Financial Times) providers globally of executive and management development programs, offering both higher degree and on-going short programs (which can articulate to degree programs), for emerging managers and leaders up to non-executive director and executive team level.

Courses and programs can enhance upward mobility of the APS both through additional tertiary qualifications, and through targeted knowledge, skill and behavior gap closure at individual and organisational levels through AGSM Executive Programs. UNSW@ADFA offers a large range of higher education programs, a variety of specialist postgraduate coursework programs of high quality delivered to senior ADF personnel and public service staff. Programs are often designed to be positioned at the forefront of current strategic issues eg ethics and leadership, security, risk management, logistics, project management, public administration, human resources, systems management, capability and technology management. Many courses offered through both the Australian School of Business and UNSW@ADFA Schools of Business have strong commercial appeal and are in fields entirely appropriate to the APS environment. Leadership development solutions at AGSM Executive Programs offer a highly effective, relevant and interactive learning experience for the APS and develop the strengths needed to achieve positive and sustainable outcomes across the public sector. This professional development should not be undertaken in isolation. Our experience demonstrates that the APS needs to focus on broad leadership skills and this learning, focused on community issues and immediate application to drive APS outcomes, is best undertaken with others across sectors, including whole of business and community groups.

At UNSW@ADFA we have shaped composite courses with employment relevance. Our Professional Education for Career Development program of short courses has over 116 courses conducted over 14 different categories. In 2008 a total of 1,040 people attended, including Department of Defence employees, staff from other Government agencies and people from the wider community. Credit awarded from these short courses is counted towards future higher level qualifications. Our recognised expertise in the development and delivery of distance education through alternate and flexible means ensures that we have the ability to cater to delivery preferences (eg distance, online and intensive mode) to adapt to the needs of changing locations, and circumstances. This capability and capacity to design and deliver high quality, outcomes focused programs extends more broadly across AGSM

Executive Programs within the Australian School of Business, where short programs can articulate to AGSM Executive MBA credit points. Drawing upon 240 full-time academics and researchers who are global leaders in their fields, as well as a broad network of visiting international faculty, adjunct faculty and industry partners, the Australian School of Business delivers Award Programs in six major cities across Australia (including Canberra) as well as an intensive program in Hong Kong. AGSM Executive Programs delivers customised development solutions and open enrolment executive programs to thousands of participants per year, both nationally and internationally, developing executives, senior leaders and managers across the private, public and community sectors.

Leadership development for the APS will also have an impact on the higher education sector. If one 'training body' is responsible for the entire sector's leadership training and development, what impact will this have on the structure of the sector? This approach could adversely affect the development of what is needed, namely a select number of strong, world class executive education providers which are available to work with government, business and community sectors, thereby enhancing Australia's performance overall.

UNSW urges the APS to pursue excellence wherever it can be found, not concentrate on the skills of only one university which can narrow any approach to reforming the APS as an organisation. A skilled workforce needs to be built on the foundation of cutting-edge, flexible, tailored tertiary programs/courses which will equip people to make informed decisions, formulate informed policy and strengthen their commitment to service delivery. This can be achieved through the provision of coordinated high quality, effective programs and services to enhance and develop capabilities. Through this approach the APS can strengthen the Australian higher education sector's ability to provide world class leadership development programs to all sectors of the economy.

IN SUMMARY

UNSW, notably through the Australian School of Business and UNSW @ADFA, looks forward to partnering with the APS and other higher education institutions notably ANU and ANZSOG, in the development of world class leadership and management development programs for the APS, the government sector and across business and community sectors. Together we can ensure that leadership and Australia's performance overall are world leading.