

30 November 2009

Mr. Terry Moran AO
Secretary
Department of Prime Minister and Cabinet
Chair, Advisory Group on Reform of
Australian Government Administration

Dear Sir

Thank you for the opportunity to make a submission to the Advisory Group on its work to develop a blueprint for reform of the Australian Public Service (APS). After living in South Australia for nearly three years as the Executive Director of Carnegie Mellon–Australia, the country's first overseas university, I have been consistently impressed with the approach and effectiveness of the APS as compared to many others that I have directly experienced around the world. The efforts of this government to not be satisfied with the status quo and commit to continuous improvement are commendable.

Carnegie Mellon's H. John Heinz III College was founded as the School of Urban and Public Affairs in 1968. The animating vision that led to the founding of the school was to bring a systems analytic approach (inspired by engineering and the mathematical social sciences) to the study of important questions of public interest – particularly questions related to U.S. urban environments. This was completely novel. At the time, no similar academic institution in the U.S. even contemplated the possibility that engineering, operations research, or computing systems had even the remotest relation to the conduct of policy and public management. Indeed, even more traditional mathematically based social science disciplines brought into the School at that time - economics and statistics, in particular – were quite unusual in the environment of schools of “public affairs”.

Obviously, the world has changed since 1968. Despite this change, however, the basic approach to solving real problems in the world that formed the basis of the vision then has remained incredibly durable and is the soul of who we are today. But the contexts in which the Heinz College has chosen to apply that approach have expanded remarkably. They include the expansion of public interest domains beyond urban development and poverty to areas like health, globalization and social innovation. We have also gone beyond the traditional boundaries of the domain of the public interest to explore deeply the impact of information technology on organizations, markets and societies. Finally, we have persistently explored the ways in which we could make our educational programs more relevant and effective in their curriculum, in their delivery models, and in their degree of connection to external partners.

And this leads me to a story. A few years ago, the keynote speaker at one of Carnegie Mellon's graduation ceremonies, a prominent high-tech entrepreneur, articulated his very simple philosophy for success.

"I've always thought," he said, "that it's my team against their team, and the best team wins."

No organization, from the smallest start-up company to the most stable government, will easily neutralize every problem, digest every change, and repel every competitor. But, at the core, its chances are better if it can attract, inspire and, most importantly, continue to develop talented staff.

There is no question that the challenges of the future for the APS will be complex, influenced by pervasive and rapidly advancing technological development, and more global in scope. That will require the attraction and retention of leaders in the public service who are much more:

- Analytical and data driven, using both modelled and derived evidence to formulate policy positions, develop implementation plans, and track results
- Multidisciplinary with a deep understanding of the influence of ICT and other relevant technologies on issues of the public interest
- Globally-aware with a better appreciation of cultural and other factors which will increasingly mean the difference between well-managed outcomes and implementation failures in what are becoming more distributed, "networked" organizations

The phrase "demography is destiny" is customarily attributed to the 19th century French philosopher Auguste Comte and describes a belief that the economic, social, and cultural fabric of a nation (and, I believe, of the APS) derives substantially from population dynamics. The fact that 70% of SES employees will be eligible for retirement in the next 10 years, the talent pool for future leaders is likely to shrink over the coming decades due to an ageing population, and only 6% of all APS agencies have a talent management strategy is a set of demographic and organizational conditions that should be cause for alarm.

Ensuring that there are leaders in the APS at every level and in every department with requisite skills (and the ability to readily learn and apply new capabilities) will be further complicated by the "supply and demand" of talent. A large proportion of key public servants will retire soon and competition for the "best and brightest" that the APS will need to be successful in the future is fierce and will only get more intense. That competition is coming not only from places you might expect, such as the private sector, but increasingly from other part of the world as barriers to employment mobility continue to fall.

As a result, I believe that the intent to institutionalizing training and development initiatives in unique and innovative ways is critical to the future success of the APS. It has the potential to not only continually attract the best talent to the public service but to provide the flexibility and accelerate the kind of cultural change required to address the needs of the 21st century.

But the nature of talent development, as well as the modes of delivery, will need to be radically re-thought. Gone are the days when a single educational institution or even a small domestic consortium of universities, delivering theoretical, conceptual lectures focused on singular disciplines, is sufficient. Instead, the future of public sector training and development, particularly to a more digital-savvy up-and-coming talent pool, must be more dynamic, multi-modal, and interdisciplinary. For example,

- Lectures, presentations, and simulations, developed by recognized experts, practitioners, and even participants, should be combined with applied research and practical applications that includes longitudinal tracking of results.
- Delivery should be accommodated synchronously or asynchronously to allow participants to learn at their own pace, “just-in-time”, sensitive to different learning styles, no matter where they are in the world, using the latest and most appropriate audio, video, web, and other ICT tools
- “Best of breed” institutions, groups, and individuals from around the world and from different disciplines should be used to ensure that the APS has a “world view” that is both innovative and “close to the ground” where the action of governing truly takes place

Above all, the development of talent in the public service must be conducted in a “safe haven” where participants are free to think in radically different ways, take risks, make mistakes, and actively question the decisions and actions of current leaders, both bureaucrats and elected officials.

The Australian Public Service has the potential to effectively address the “War For Talent” challenge that will underlie the success of nearly every other government initiative, now and in the future and, in the process, set an example for governments around the world. It will most certainly require the collective creativity and efforts of relevant individuals and institutions from around the world, and the willingness to “leapfrog” conventional approaches.

I would like to extend my best wishes to the Advisory Group in their efforts and offer the resources, insights, and innovations of Carnegie Mellon and the Heinz College in support of your success.

Sincerely



Timothy J. Zak
Executive Director
Carnegie Mellon–Australia