

# Reform of APS Administration - Submission Nov 09

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Mr. Terry Moran  
 Chair  
 Advisory Group on Reform of Australian Government Administration

Dear Mr. Moran

## REFORM OF APS ADMINISTRATION

I write in response to Chapter 4 of the Reform paper on *'a values driven culture that retains public trust'*.

My doctoral research investigated the implications of values-based approaches to leadership development and the implications for Australian organisations. Members of the SES formed a peer learning action research focus group which worked with me over eight months to investigate values driven leadership and the grounding of an ethical culture in the APS. The research participants represented eight small, medium and large public sector organisations. My submission herein is based on these findings and the overall recommendations that emerged from my PhD research.

### Questions for discussion

1. Should the APS Values be streamlined? What values do you consider should be included in a revised set of APS values?

There is little doubt that the current APS Values need to be streamlined. In fact there are more values in the Code of Conduct than the APS Values; the latter is, in reality, a set of behaviour statements.

Values are dynamic and operate in clusters. They do not operate in isolation of each other. An example from 30 years of global values research is the cluster of values that make up (the virtue of) **Integrity**:

Stage 6	Stage 5	Stage 4	Stage 3	Stage 2	Stage 1
<b>Presence</b> (Goal Value)	Equality/ Liberation	Competence/ Confidence	Self Worth	Security	Self Interest/ Control
	Service/Vocation				

Stage 6	Stage 5	Stage 4	Stage 3
<b>Accountability/Ethics</b> (Means Value 1)	Authority/Honesty	Duty/Obligation	Courtesy/Hospitality
	Equality/Rights	Loyalty/Fidelity	Obedience/Duty
	Law/Guide	Rule/Accountability	Right/Respect
	Mutual Obedience	Law/Rule	
Stage 6	Stage 5	Stage 4	Stage 3
<b>Community/Supportive</b> (Means Value 2)	Congruence	Membership/Institution	Friendship/Belonging
	Empathy		

## Reform of APS Administration - Submission Nov 09

---

Stage 6	Stage 5	Stage 4	Stage 3
<b>Mutual Accountability</b> (Means Value 3)	Decision/Initiation	Duty/Obligation	Control/Order/Discipline
	Mutual Obedience	Responsibility	Obedience/Duty

In order to demonstrate integrity, values from previous stages need to be matured - not necessarily all of them but each stage must be covered off.

### Revised values?

The values do need to be revised. The values priorities (core values) for public service need to be drawn from a framework that incorporates the dynamic of values-in-action and considers foundation, focus and future values in public service. For example, the research found the value of 'accountability' the strongest (highest value priority) and the value of 'respect' missing (necessary for individual commitment and collegial regard in the workplace).

My recommendations are contained in extracts from my thesis as follows:

### **Chapter 5: Document Analysis Based Comparative Narrative: Interplay between Personal and Organisational Values**

#### **5.2 Australian Public Service (APS) Values**

Document analysis on the APS Values and Code of Conduct, using Values Technology software (Hall et al., 1986)<sup>1</sup>, is a communications analysis based on the principle that values written many times in a document reflect the importance of the value; that is, the more times the value is present the more important the value is and the priority an organisation places on its values will therefore reflect the desired organisational behaviours. The communications analysis revealed the order of value priorities according to the Hall-Tonna Values Framework to be:

1. Service/Vocation
2. Authority/Honesty
3. Accountability/Ethics, Duty/Obligation, Law/Guide and Work/Labour.

The top priority value of Service/Vocation suggests that the documents are directed at serving government and being professional in that service. It is interesting to note that the documents do not suggest Service/Vocation to the people or society at large. This value further suggests that the Australian Public Service (APS) is encouraging meaningful work by helping staff to be motivated to use their unique capabilities to contribute to the organisation.

The second most important value of Authority/Honesty suggests that the APS wants staff to express one's full range of feelings and thoughts in a straight forward, objective manner as an experience of personal integrity in the workplace. This priority also expresses the desire for the APS to be seen by the

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<sup>1</sup> Hall, B., et al. 1986. *Manual for the Hall-Tonna Inventory of Values*. New Jersey, Paulist Press.

people to be above reproach and condemn corruption in the organisation.

The third priority values found in the documents are Accountability/Ethics, Duty/Obligation, Law/Order and Work/Labour. These four values are organisational values that reflect the organisational expectations and organisational pressure to impinge its values on staff. In order for these organisational values to be seen as positive rather than repressive, it is important that the document reflect individual values that are needed to achieve organisational values. Therefore, the values that need to be prioritised more are Self Actualisation, Adaptability/Flexibility and Rights/Respect (Hall et al., 1986).

Continuing with the communications analysis, the foundation values are weak in the goal value area. This suggests that if the APS comes under a crisis and/or is under stress, it will have a hard time seeing its goals to be able to recover quickly. The system will use its 'means values' as a course of action but will have difficulty achieving its desired outcome. The focus values are the strongest area in the documents. As long as a public sector organisation is not under stress, it will run with clear direction both strategically and tactically. However, in new times with changing demographics and market forces, it's likely that the APS will experience stress in the recruitment and retention of public servants for instance. Focus values will not sustain the behavioural change needed, either because behaviour needs to change to be in values alignment or the environment is changing and responding to such requires future/vision values guidance. Unfortunately, the vision area of the documents is also weak in the goal values area. This suggests that the APS does not have a clear view of its long-term outcome and reason for the values in the first place (Kroening, 2006)<sup>2</sup>. Values that are visionary in nature need to be added to the documents to be balanced and for their meaning and context to be understood clearly. Critical visionary values steer a public service towards a future worth aspiring towards.

### **Chapter 7: Interpretations of Composite and Comparative Narratives: Key Themes**

#### **7.7 Australian Public Service (APS) Values and Code of Conduct**

As members of the Senior Executive Service (SES) the research participants supported the tenet of the APS Values but found them unwieldy, irrelevant, ineffectual and impractical. Collectively the suite of values lacked coherence and appeared haphazard. In essence the APS Values and associated Code of Conduct fail as an effective communication tool. There is confusion with what the value priorities actually are for the Australian Public Service.

The research recommends that the APS Values be synthesised into preferably four and no more than six core values that represent the following value clusters: governance; democracy; professionalism; and people. These core values should be presented as key concepts with behavioural examples that reflect what is meant by those values-in-action. Ideally, behavioural examples would be further elicited at the work unit level and understood by everyone within a particular work area and department. The study

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<sup>2</sup> Kroening, J. 2006. *APS Values and Code of Conduct*. In D. Nanschild (Ed.). Santa Cruz, USA, Values Technology.

## Reform of APS Administration - Submission Nov 09

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concur with Hall's findings (Hall, 1995)<sup>3</sup> that at any one time, people can hold up to four value priorities and that four simple values work effectively, not only because they can be remembered but that the value priorities chosen are directly useful to their public service work.

The core values and resultant values framework need to accommodate foundation, focus and future values in their dynamic. The over-representation of focus values does not easily allow for the APS to grow into a new future in these new times. Values that are visionary in nature need to be added to be balanced and for their meaning and context to be understood clearly. Critical visionary values are considered necessary to steer a public service towards a future worth aspiring to, a leadership literacy for these new times.

Ultimately, the research strongly recommends that a Code of Ethics be developed for the Australian Public Service under which the core values and a future APS values framework sit. The current APS Values and Code of Conduct appear to represent a foundation element within a Code of Ethics or the foundation rules of governance with 'accountability' as the highest value priority. What is proposed as an outcome of this study is a Code of Ethics that encompasses the foundation, focus and future values of public service. The APS Values would sit within this code and provide substance for it to be embedded.

A Code of Ethics that provides guidance and direction to the public service differs vastly to a Code of Conduct designed purely for disciplinary purposes. Building a Code of Ethics is a parallel process to developing commitment (Hall & Joiner, 1992)<sup>4</sup> and includes translation of values into ethical standards that clarify what is acceptable and what is not acceptable. The research also suggested a similar Code of Ethics for politicians to adhere to so that elected leaders and appointed leaders were in values alignment with their efforts.

### 2. How do we ensure that APS leaders fulfill their responsibilities to promote and uphold the values?

First things first – make them values and have the values mean something of highest importance to the profession, to governance, to the public and to democracy (not necessarily in that order).

Secondly, APS leaders need to acquire mastery of the values dynamic. To add the 'V' factor back into the APS Values framework, values must be at the epicentre of their 'working with' leadership practices. Developing skills in holding strategic values conversations and understanding the impact of values language are critical leadership literacies for the knowledge era.

My recommendations are contained in extracts from my thesis as follows:

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<sup>3</sup> (Hall, B. 1995. *Values Shift: A Guide to Personal & Organizational Transformation*. Rockport, MA, Twin Lights Publishing.

<sup>4</sup> Hall, B. & Joiner, C. 1992. *Management By Values: Values-Based Programs that Build Commitment*. Ohio, USA, Values Technology.

## Chapter 8: Values-Based Leadership

### 8.2 Values alignment

Individual values are generally hidden and therefore not understood as drivers of individual behaviour unless they are consciously elicited. The research evidence concurred that organisational leaders need to be conscious of their personal values in order to better understand what motivates their thinking, decisions and actions. Without a conscious values position, behavior-in-action can be out of alignment with values espoused. This is referred to as leaders 'not walking their talk' and prevents authentic leadership from taking shape.

Leaders already make decisions using values be they silent, unaligned or purposeful. The research found that knowing one's value position had the effect of enabling leaders to better articulate their position on any given issue with consciousness and to confidently facilitate conversations with others who might have a different values perspective. This is the space where leaders must be purposeful in their efforts to achieve values alignment. It occurs through conversations that are strategically values-based and which allow for dialogue to flow. This suggests an approach for organisational leaders to implement Bragdon's<sup>5</sup> standpoint about cultivating a stewardship culture where there is a deep respect and care for living assets and the things most valued. It is an ongoing role for organisational leaders and public servants alike.

### 8.3 Mastery of the values dynamic

The increasing reliance on compliance and surveillance highlighted by Marr<sup>6</sup> under the Howard government were seen as attempts to control order in an increasingly complex global, networked and information rich world. The machine-age scientific world view of 'if it can't be measured it can't be managed' is still prevalent but it is no longer appropriate because this view does not acknowledge that the real key performance indicators required for success in the new millennium are likely to be intangible. The overuse of such control mechanisms and economic rationalist single bottom line practices that Edwards<sup>7</sup> and Bragdon refuted are actually part of the problem, not a solution. Such behaviour is an example of regression under pressure to outmoded foundation values. This has the effect of diverting energy away from the true purpose of governments, the public service as well as other organisations for the future. Mastering the values dynamic is an appropriate method for moving this agenda forward.

The research clearly demonstrated the tension that senior public servants must traverse in their everyday work between their role as leaders in the administration of public service and their role as servants to the Minister of the elected government of the day. As organisational leaders, senior executives are expected to uphold a high standard of ethics and integrity which is usually played out

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<sup>5</sup> Bragdon, J. H. 2006. Profit for Life: How Capitalism Excels. *SOL Reflections*, 55-62.

<sup>6</sup> Marr, D. 2007. His Master's Voice: The Corruption of Public Debate under Howard. *Quarterly Essay*, 26.

<sup>7</sup> Edwards, L. 2002. *How to argue with an economist: reopening political debate in Australia*. New York ;, Cambridge University Press.

behind the scenes yet is fundamental to honourable public service. Ministers, on the other hand, see themselves ideologically in a political context. They appear to care less about their ethics and integrity than with how they are seen by the public who elect them. Incidents where senior public servants were told by Ministers not to comment in Senate Estimates Hearings were frequent yet it is a forum of accountability of public service under our Constitution.

To navigate a tightrope created by clashes in values held by senior executives with those held by their political chiefs requires mastery of the values dynamic. The research highlighted this mastery as a requisite for positive 'working with' leadership practices and ethical behaviour. Being true to one's personal values is not always possible when confronted with a range of politically charged situations that senior public servants face on behalf of government policy. Understanding the values dynamic at play enabled research participants to separate personal values from political values and to critique the behaviours involved. Mastery was developed through conscious guidance of conversations and dialogue in strategic planning processes based on this values perspective.

### 8.4 Organisational values

Hall and Tonna discovered that individuals could hold up to four value priorities at any given time whereas organisations could hold up to ten for them to remain meaningful and relevant. The Australian Public Service has at least fourteen through the APS Values statements of behaviour and more through the Code of Conduct. The research elicited troubled passages for implementing these values into action, values primarily drawn from political bunkers presented in an uninspiring fashion. This situation is unlikely to change until they are synthesized into a meaningful and practical form.

Mastery of the values dynamic creates the potential for a leaderful organisation with exertion concentrated towards values and behaviour alignment cascading from a workable number of core organisational values. These core values are the values priorities for the organisation and they ought to reflect foundation, focus and future values that people in the organisation can align with and uphold. This values dynamic would eventually lead to continual review of core values as the organisation reached its goals.

In conjunction with this development the research found that organisational leaders needed to be mindful of values language. At the fulcrum of successfully conducting strategic values conversations is the critical ability of leaders to draw out, through dialogue, mutual interpretation of organisational values in action. This supports Ras<sup>8</sup> who suggested that effective leaders were able to draw on people's values, and Chippendale<sup>9</sup> who claimed that highly successful organisations comprised of people aware of how their values align with those of the organisation. Mastery of the values dynamic necessitates skillful use of values language as a tool for mediation in an organisational setting.

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<sup>8</sup> Ras, N. 2008. *Transformational leadership and the creation of a collectivistic organizational culture: Unintended consequences in educational organizations*, 7th International Conference on Studying Leadership. Auckland, NZ, University of Auckland.

<sup>9</sup> Colins, C. & Chippendale, P. 1995. *New wisdom II: values-based development*. Brisbane, Acorn Publications.

3. Do you think the APS engages appropriately and actively with government on an apolitical basis?

Refer extract above about APS leaders working in a contentious space. In my dealings with APS staff, I find they do their best to engage with government on an apolitical basis. It is the internal politics of organisations where staff experience most trouble.

4. Are further reforms needed to clarify the roles and responsibilities of the APS when dealing with ministerial offices?

A Code of Ethics for both the APS and for ministerial staff would go a long way towards aligning their efforts. My research found that the standard held for public servants was much higher than for politicians and there is room for reform on the side of ministerial offices in particular.

Publications submitted in addition to this paper:

- Nanschild, D. 2008. Explicating Values as the Epicentre of Public Sector Leadership for New Times: Putting the 'V' Factor back into the Australian Public Service Values Framework. *The International Journal of Knowledge, Culture and Change Management*, 8(6), 131-140.
- Nanschild, D. 2008. *Leading from Values, Leadership Excellence*, Vol. 25: 19.
- Nanschild, D. & Davis, H. 2007. *The 'V' Factor: Thinking About Values as the Epicentre of Leadership, Learning and Life, The 13th International Conference on Thinking*. Norrkoping, Sweden, Linkopings Universitet.