Dear APS Review Panel Members,

The Terms of Reference for this Review start by praising public servants as skilled professionals, and then go on to declare the need for sweeping change so the APS can adapt to digital disruption and a changing society. I agree with both statements. I also note they echo themes that have been common to almost all reviews of the public service since the Coombs Royal Commission. In this submission, I would like to make a plea for the Panel to remember those same ‘skilled professionals’ who will implement the public service reforms the Panel recommends, and I would like to offer that those ordinary public servants may well see the world through very different eyes. I believe the divergence between the views of the people writing past APS reviews and the views of the front-line public servants tasked with implementation go a long way towards explaining the limited success of many past reform projects.

In this submission, I first argue that the general principles needed for reform have been fairly widely agreed for some time, and challenges in achieving reform have been at least in part implementation problems stemming from unsuccessful engagement of a key stakeholder – ordinary public servants. I then explain why I believe that there is at least a sizeable subgroup of public servants who understand their jobs quite differently from how many executive and senior executive understand the role of the public service. Thirdly, I note that current efforts to engage this subgroup are generally unsuccessful, and describe the processes I see causing that failure. Finally, I offer some suggestions on what it might take to achieve the kind of meaningful change this Review and so many other reviews have genuinely sought to drive.

This submission represents only my own views, shaped by one individual’s experiences. I do not speak for my Department, and I cannot claim any kind of universal insight into public servants’ thinking – especially as I am still very early in my career. I therefore am not claiming that all, or even a majority of, public servants approach their jobs in any particular way. What I describe in this submission is, however, a pattern that appears to be reasonably common, and it is a pattern that I have seen frustrate many efforts at cultural change, at innovation, and sometimes even the gentlest preliminary discussions of whether better ways might be possible, long before implementation began to be discussed.

I apologise if passages of this submission are unclear – cultural change is a classic ‘wicked’ problem and it is therefore challenging to describe all the relevant facets. I would be happy to provide clarification or additional information.

Yours Sincerely,

Zac Neulinger.

The world looks different from the bottom of the heap.

Class is not a new concept, nor is the idea that different groups will experience policy change very differently depending on their background, skill set, resources, and general world view. This understanding is what drives concepts like skill-biased technology change and standard social policy analyses of the interaction between policy change and disadvantage – some people are better placed than others to take advantage of new technology, and some people will find ‘simple’ administrative burdens far more crippling than would an ‘average’ person.

Yet class-like analyses are very rarely applied to the public service itself. While the APS Census collects data on public service diversity, departments very rarely consider what that diversity means for how internal changes will affect different groups of staff – particularly how policy changes about how staff should conduct their work and how staff should understand their jobs will be helped or hindered by those staff members’ backgrounds and pre-existing views.

It is therefore not surprising that McKinsey and Company’s recent global report on government transformation projects found 80% of public sector reforms fail to meet their objectives.[[1]](#footnote-1) This is not an exclusively Australian problem – the failure rate is consistent globally. The McKinsey analysis matches the information presented in the APSC’s *Occasional Paper Two (2003): The Australian Experience of Public Sector Reform*.[[2]](#footnote-2) The Occasional Paper details roughly 25 years of whole-of-APS reform efforts following the Coombs Royal Commission, noting similar themes emerged in each review:

* the need to improve responsiveness to government
* the need to improve efficiency and effectiveness, including through more results-based management and less prescription
* the need to increase community participation in policy design and implementation, and
* that better decision-making and service-delivery would occur if authority and responsibility were devolved to the officials implementing policies and programs.

Those have continued to appear in reviews since 2003, most recently in the 2015 Shergold Review.[[3]](#footnote-3)

That the same issues continue appearing reviews of the APS indicates reform efforts are not succeeding.[[4]](#footnote-4) Indeed, the Terms of Reference for this review indicate the Government is concerned the APS still has not achieved sufficient efficiency and adaptability, and data on public trust in government suggests the APS is not yet achieving sound, meaningful engagement with the public (many studies have now demonstrated public trust in the APS is at an all-time low).

I believe one of the factors making reform so difficult is that attempts to engage public servants in the change process are generally fairly unsuccessful. Jeffrey Pressman and Aaron Wildavsky’s seminal analysis of decision-point friction and cultural inertia still holds true today – where a program or reform depends on the cooperation of a large number of decisions, both formal and informal, by people with contrasting and potentially conflicting views of the program’s purpose, outcomes, and general merit, it will prove extremely difficult to achieve success unless all the relevant decision-makers can be won over.[[5]](#footnote-5) The public service recognises this when engaging the general public (with varying degrees of success), and to an extent recognises it when working with its own staff – thus the concept of ‘internal’ stakeholders. However, the limited success of public sector reforms, the pervasiveness of ‘change fatigue’, and a strong correlation in APS census results between areas experiencing major structural and policy change and areas with low moral, would suggest that change management is not sufficiently effective, at least when dealing with internal change.

The discipline of Behavioural Insights would also concur with Pressman and Wildavsky that each person involved in implementing a program becomes a de facto decision-maker.

What I see in APS internal change management processes is usually a genuine attempt by the SES and by the staff tasked with managing the change to explain the change, allay staff concerns, and achieve ‘buy-in’. I am yet to see it succeed. A People Working Group in my Department, set up by staff voluntarily, and given the blessing of the relevant departmental and divisional executive, recently surveyed a division post-restructure about how staff felt about the restructure process, and particularly how they felt about the consultation around the restructure. The results were very clear – staff felt simultaneously over-consulted and under-consulted. That is, the same staff members reported feeling completely in the dark about the reasons for the restructure, what effect it was going to have on them, and whether they needed to do anything as part of the restructure, while also feeling fed up with hearing long, uninformative speeches about the restructure at long, uninformative meetings. Staff felt consulted at, rather than consulted with.

The consultation process I observed leading up to that restructure involved extended talks on the need to balance workloads more evenly between SES, and how the new structure would be more efficient for the Department as it would collocate related functions into single branches. There was also a great deal of information about the overarching policy context behind the restructure. None of the information presented was grounded in the daily experiences of APS-level staff. Staff reported not being able to connect the wider context with their understandings of the work they did, nor to connect SES statements that things were changing markedly with APS perceptions their daily work was unchanged. The language used to describe functions – even functions they worked with closely – seemed alien to APS-level staff. They could not find the missing link between the picture described in consultations, and their lived experiences of work. Of course staff morale was low after that process – how could it be otherwise?

This example is one anecdote of a minor change in a small area of one department. Morale rapidly returned to normal. Staff continued their on-going work with truthfully very little impact. The restructure was sensible, and had been designed well to minimise disruption. The problem was not the policy; the problem was the engagement. This example does not, therefore, flag a particularly awful process, but rather it demonstrates how even on simple changes disconnects between staff and SES can flourish.

Two factors produced the disconnect in the example above. Firstly, the SES saw the restructure as a large change requiring extensive consultation because it would make a large change in their workloads, whereas for staff the change was very minor. Presenting the restructure as a large change therefore confused staff. Secondly, the SES used generalist terminology and overarching theoretical concepts to discuss work changes, concepts like ‘operational maturity’. Staff understood their work in specific, grounded language tied to their daily tasks. To them, generic terms and high-level program theories had no meaning. Both sides approached the project with good will, and acted reasonably throughout, but the frames of reference were too different, and there was no process to recognise and reconnect the disconnected frames.

Misaligned frameworks for understanding tasks, work-types, and strategic contexts are a common source of conflict and distress in cultural change programs, and are not unique to the APS. The CEO of a bank sees the bank’s work very differently than do the tellers in public offices. I understand that this Review has fundamentally been asked to provide recommendations that will drive cultural change across the Australian Public Service. For this Review to succeed, it must therefore engage with the very different ways staff at different levels and across different areas understand their jobs, and see the role of the APS as a whole. Not so long ago, the APS embraced (at least for a time) Behavioural Insights. Professor Michael Hiscox (founding director of BETA within the Department of Prime Minister and Cabinet) has argued many times that the two key insights from Behavioural Insights are that program implementation and behaviour change have to be designed for the specific people being targeted, and that therefore what works for one group cannot be assumed to work for another. Cultural change in the APS needs to start from a recognition of the different cultures that already exist.[[6]](#footnote-6)

This submission cannot describe all the cultural groups across the APS, not least because I simply do not have the information needed to speak meaningfully about areas outside my own Department. That said, I can speak to one particular divide that I think is particularly important. What I observe when I hear senior public servants talking about reforming the public service is a focus on management, and management structures. What I hear APS-level staff ask for is the removal of immediate pain-points and specific inefficient processes.

Innovation is an excellent example. Innovation is generally promoted by creating an innovation team, who then use SES to encourage staff to innovate. Permission is given for staff to try new things, and come up with new ideas. There are ‘Failure Days’, where SES talk about important failures they had, what they learned from those failures, and why failing didn’t need to be the end of the story. These are all important things, particularly the permissioning of experimentation and appropriate risk-taking. I also accept that the SES providing such messages are entirely genuine in their desire to encourage innovation. The problem that I see is that these strategies assume that management are the key actor, that staff are raring to go out and innovate, and that when managers use their agency to remove the immediate barriers, staff will automatically take up the opportunities presented. Such an approach discounts, or at least fails to engage with, staff as agents in their own right, and therefore fails to address the other factors shaping staff actions and decision-making.

With innovation, the other barriers staff face are well-documented. Staff are short on time, do not directly control many of the resources needed to undertake innovation, and most importantly they are not able unilaterally to try new things. New processes require consultation, coordination, and clearance. A staff member thinks up a new way of doing something. They talk to their supervisor, and manages to persuade the supervisor to try the idea – with perhaps some minor modifications. The staff member then goes to the rest of the team, consults, adopts modifications and compromises to secure buy-in, but does eventually get agreement that the team will try the new idea. With the team’s support, the staff member gets permission to write a paper proposing the modified idea to their SES (generally a Branch Head). With a few more tweaks, and maybe some of the more radical edges smoothed, the Director clears the paper, and the Branch Head agrees the idea may have merit, so it is appropriate to consult other teams, and then other branches. So begins the long march of consultation and the coordination water-torture, as further modification and slow compromise are used to assuage fears (grounded or otherwise) and secure buy-in, gradually draining the idea of novelty and the staff member of energy. It is not surprising that very few innovations survive this process. By simple attrition, the process of getting an innovation agreed to – not by SES, but by peers – grinds away the will to innovate.

As with innovation, staff using their agency to act on, and constrain, other staff are the major barrier to cultural change. Change becomes impossible, even with the best will in the world, because the inertia is too high. The causes of cultural inertia are also well documented: staff are busy, and fundamentally human beings are resistant to change. This is particularly the case when staff see that change as ‘not my job’. And ‘not my job’ tends to be highly resistant to persuasion or lawful direction to the contrary.

‘Not my job’, in my view, gets to an important distinction between two different kinds of APS officer (I am not saying this is the only distinction, that there are only two types, that all APS can be placed in one category or the other, or even that a single officer will not move between the different behavioural patterns depending on the situation. Nor, interestingly, do I make a value judgement between the categories. I do, though, stand by this distinction as an analytically useful one for designing cultural change programs).

The ‘typical’, or possibly the ‘ideal’, APS staff member described in many reviews, and in many speeches by senior executives, appears to be a generalist, career-driven professional whose commitment to excellence manifests in wanting to achieve a strong outcome for their current project, and who will be equally committed to achieving a strong outcome in their next project in a different area. While they take pride in the work their Department does, they are happy – and possibly even eager – to move between Departments to work on the next project, gain new experience, and continue serving the government of the day. This picture of what the career of a successful, effective member of the APS ‘should’ look like is evident in the description of high-performing ‘tiger teams’ in the Shergold Review, in the discussion of the need for increased staff mobility discussed by Dr Heather Smith PSM in her recent ‘Doing Policy Differently’ speech for the Institute of Public Administration Australia, and in the Terms of Reference for this Review, which describe the need to nurture talent, increase staff flexibility, and promote whole-of-government approaches.

There is nothing wrong with such a person, and the flexibility and strategic scale thinking such people display are often highly valuable to the public service. It is also not necessarily what many staff want.[[7]](#footnote-7)

Many staff choose to work in an area not because they are necessarily passionate about the public service as a whole, but because they are passionate about that area. These are staff who stay in one portfolio, often even one Department, for their entire careers, specialising in their jobs, identifying with that specific role, and becoming intimately familiar with it. These staff generally acknowledge that there is a trade-off in staying in a single comfortable area – there are severe limits to promotion opportunities – and those staff have decided to accept them. I work with many staff like this, who are invaluable repositories of corporate knowledge and lived experience of the challenges and the options available in their area, so there is also nothing wrong with staff who find their niche.

Yet I have not come across a policy paper, senior executive speech, or review report on reforming the APS that talks about the place of specialist staff. I have not encountered a change process that recognises these kinds of staff have fundamentally different motivations to highly mobile staff and therefore need to be engaged with in entirely different ways.

That silence is particularly troubling because specialist staff are the staff most likely to feel threatened by change. If a person identifies closely with their job, then changes to their job can very easily feel like attacks on who they understand themselves to be. This is particularly the case with policy changes that alter which components of a job are emphasised and prioritised. To take a hypothetical example (because real examples could not avoid being sensitive and contentious), if we think of a career child protection officer being told that they were now also responsible for penalising families through withholding welfare payments if the child misses school, they would likely feel enormously conflicted – it would not feel like the job they had signed up to do. ‘Not my job’ would become an entirely understandable response to feeling like the identity they had as a person who helps people was being subsumed and eaten up by a new identity imposed on them as a person who punishes the sinful. (This example is not intended as a comment on policies proposed by any political party, it is merely intended as an example of values dissonance).

The above is a very shallow analysis and a simplistic example but the general point is valid – to discuss public sector reform and staff mobility without recognition of staff who choose to be specialists, even knowing it will hamper their careers, is to ignore a large group of passionate, motivated staff who will therefore not only not be inclined to support the reforms but may actively oppose them owing to perceived identity threats.

Attempts at reform and cultural change without engaging such staff are also highly likely to fail. By their very nature, specialist staff will outlast more mobile staff in any given area, meaning specialist staff will become the keepers of the culture for their sections, branches, divisions, and sometimes even departments. With regards to innovation culture (which, from one perspective, could be seen as a rolling threat to how staff understand what their job is), it is particularly important to recognise and engage with specialist staff. These staff are the long institutional memories that can help innovators avoid pitfalls. They are also the crushing entropy that will grind away attempts at innovation that do not appropriately engage with specialist staff.

Ironically, the specialist staff most resistant to change, especially those made cynical by previous failed changes, are also often the ones least motivated to engage with change processes. Though that is perhaps unsurprising.

How then can the public service do ‘doing policy differently’ differently? I would start by noting cultural and institutional change are considered one of the classic ‘wicked’ problems, so I do not imagine there are simple answers. I also believe the intentions being expressed by SES presiding over change process, seeking to promote innovation, or trying to drive cultural changes are the right intentions. I hear what I believe to be thoroughly genuine statements about wanting to engage staff, wanting to get staff input into new processes, trying to permission new ideas, and wanting to run truly meaningful co-design processes. These are the right intentions; the meaning behind the words is right.

What I think could be done differently is how managers think about and talk about changes are reforms. Rather than starting from the wider context and working down, engagement could start from the lived experience of staff, and then link to wider contexts. This could potentially be a framework that says “you staff tell me you take real pride in A, B, C, but that the things that are hard, that cause real pain, are X, Y, and Z. I think we have a way to solve X and Y (though Z could be tricky), and hopefully that should really strengthen A, B, and C. The idea being discussed is to do D and E. I want understand what you think about D and E, what worries you about the ideas, and whether you think there might be a better option F.”

That said, I also hear SES says they believe they are already giving those kinds of speeches. To me, that suggests the words being used aren’t lining up with the understandings staff have of their jobs, which would mean the speech has to start at a simpler, more concrete level, using the words staff use. It may also suggest the message needs a different messenger, at least initially. The research on persuasion is fairly clear that a speaker who seems like the listener is more likely to be effective, and that small groups are easier to persuade. So SES may need to start out with small groups who are already sympathetic, and then have the members of those small groups work with other staff in a genuine spirit of inquiry to find good solutions and new options.[[8]](#footnote-8) A spirit of inquiry may be challenging to demonstrate persuasively if staff in an area have become cynical about consultation and have come to see it (regardless of the reality) as a strategy to manufacture compliance and create acquiescence. The APS Census data suggests that such cynicism has become deeply embedded in many areas.

There would be no guarantee that such an approach to cultural change would work, but it seems intuitively worth trying. It would also marry up with Blair Comley’s comments at the IPAA’s ‘Doing Policy Differently’ forum about the need to get ‘the other’ into the room, or possibly to go into a room filled with ‘the other’.

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In conclusion, I see genuine, well-meant attempts at cultural change, at introducing innovation, and at policy reform, all failing in predictable ways due to what appears to be a failure to engage with certain kinds of public servant. I therefore urge the Panel to give serious consideration to how Departments can identify and work with radically different audiences within their own staff. I support whole-heartedly the goals outlined in the Terms of Reference, to create a flexible, innovative, digitally-adept public service. I believe a more layered engagement approach will be vital to enabling such reforms to succeed.

Finally, to circle back to class and the public service, one of the defining features of socio-economic classes is the different outlooks each class has – how its members approach work, exercise agency, and what they want from life. In social policy, it would be self-evident that what benefits one social group may harm and can be traumatic for another and therefore complex engagement strategies are needed. The same ought to be true in policy-making about the APS.

1. Allas, T., M. Checinski, R. Dillon, R. Dobbs, S. Hieronimus, N. Singh, *Delivering for citizens: How to triple the success rate of government transformations*, McKinsey and Company, 2018, available from: <https://www.mckinsey.com/industries/public-sector/our-insights/delivering-for-citizens-how-to-triple-the-success-rate-of-government-transformations>. [↑](#footnote-ref-1)
2. Australian Public Service Commission, ‘The Australian Experience of Public Sector Reform’, *Occasional Paper Series* no.2 (2003), Commonwealth of Australia, available at: <https://resources.apsc.gov.au/pre2005/exppsreform.pdf>. [↑](#footnote-ref-2)
3. Shergold, P., *Learning from Failure: why large government policy initiatives have gone so badly wrong in the past and how the chances of success in the future can be improved*, Commonwealth of Australia, 2015, available from: <https://www.apsc.gov.au/learning-failure-why-large-government-policy-initiatives-have-gone-so-badly-wrong-past-and-how>. [↑](#footnote-ref-3)
4. There is one exception – the APS has successfully become far more responsive to government following the 1984 Dawkins reforms, including the introduction of the SES, and the final abolition of Permanent Secretaries in the 1990s. [↑](#footnote-ref-4)
5. Wildavsky, A., J. Pressman, *Implementation: How Great Expectations in Washington Are Dash in Oakland; Or, Why It’s Amazing that Federal Programs Work at All, This Being a Saga of the Economic Development Administration as Told by Two Sympathetic Observers Who Seek to Build Morals on a Foundation of Ruined Hopes*, (California, University of California Press: 1973). [↑](#footnote-ref-5)
6. Such recognition is particularly important in light of Innovation and Science Australia’s recent *Australia 2030* report (Innovation and Science Australia, *Australia 2030: Prosperity through Innovation*, Commonwealth of Australia, 2017, Canberra. Available from: <https://www.industry.gov.au/sites/g/files/net3906/f/May%202018/document/pdf/australia-2030-prosperity-through-innovation-full-report.pdf>). That report argues government should try to rebuild the nation’s cultural and basic assumptions about approaches to work from the ground up, and the terms of reference for this Review appear to respond to the cultural change elements of the ISA report. Rewriting cultural norms and behavioural outlooks cannot be done without the acceptance and cooperation of the groups being changed, nor without a genuine understanding of and sympathy for why those groups currently act as they do. For further information on cultural change in disparate groups, see E. Subašić, Reynolds, K., Turner, J., ‘The Political Solidarity Model of Social Change: Dynamics of Self-Categorization in Intergroup Power Relations’, *Personality and Social Psychology Review*, vol. 12, no. 4 (2008): pp.330-352; and M. Hogg, ‘A Social Identity Theory of Leadership’, *Personality and Social Psychology Review*, vol. 5, no. 3 (2001): pp.184-200. [↑](#footnote-ref-6)
7. That a large portion (arguably a majority) of the population do not approach their work this way is tacitly acknowledged in the ISA’s *Australia 2030* report calling for the creation and instilling of ambition to achieve and ambition to innovate across the population as necessary precursors to the kind of cultural change the report advocates. [↑](#footnote-ref-7)
8. The pioneering work on this kind of approach to cultural change through informal discussion was Paulo Freire’s *Pedagogy of the Oppressed*. [↑](#footnote-ref-8)