

Submission to the National Commission of Audit

Reform of 'soft' infrastructure in the public sector¹

Context & rationale for this submission

'... the kind of report the commission will actually produce ... will consist in part of ideological boilerplate, unchanged since the 1996 (Commission of Audit) version.

... The rest of the report will consist of recommendations derived from the pre-existing wish-lists of influential stakeholders.' ...

'The idea that there are big savings still to be found after two decades of efficiency dividends, contracting out and corporatisation is an illusion. ...

*Instead of a road map for Australian government in the 21st century, we will see the ideology of the 1990s used to support one last push for the policy agenda of the 1980s.'*²

Such cynicism from the commentariat overlooks the fact that new, fresh perspectives and approaches are now available for improving the efficiency and effectiveness of government.

These new approaches focus on the way governments - people - work internally, psychodynamically and in their relationships; on lifting efficiency and effectiveness by making the public sector workplace more high performing through lifting staff engagement, collaboration, motivation, ownership, drive, innovation; through improved trust, autonomy, empowerment, training; through more freedom and less control. We know a lot more these days than we did when the earlier Commissions of Audit were at work, about how to engage, motivate and get the best out of humans – in everyone's interests. This is the territory that I refer to as 'soft' infrastructure.

As a highly experienced manager and organisational consultant in many settings at all levels of government, I can give assurance that there are significant 'easy pickings' available in terms of performance and productivity improvement from up-grading the 'soft' infrastructure of the public service. It is widely experienced in the organisational change profession that most older, bureaucratic organisations can comfortably get the job done well after reducing headcount by 25%, through adoption of modern approaches to the leadership and management (engagement, motivation) of people.

Recommended initiatives

If you are interested in widening the scope of the traditional Commission of Audit to include some 'soft' or psychosocial initiatives that will 'fire up'³ the existing workforce to much higher levels of engagement, ownership, collaboration and performance (dare I say, 'productivity'!), I

¹ The relevant Terms of Reference are at APPENDIX 1.

² John Quiggin, 'Commission of audit: a crusade of dated ideology and dead ideas'; SMH, 5/11/13 – (John Quiggin is an economics professor at the University of Queensland.)

³ My starting point is that humans yearn to be 'fired up'; to be challenged, test themselves, learn, grow, work together collaboratively, be respected, valued, recognised/rewarded. So this is not about 'doing something' to people; it is about creating a climate where they can pursue their instincts and needs for fulfilment.

have summarised below a number of initiatives you could adopt in your report(s) and recommendations:

1. **Cultural renewal initiative:** Agency heads will be required to rejuvenate their corporate and team (workplace) cultures to ensure traditional, culture-bound ways of doing things and of delivering services; their internal mindsets and approaches are challenged afresh and renewed. Where an agency has been traditionally lead by an inward-looking coterie of 'old hands' (as was the case with the ATO until last year), new leadership from outside must be injected to drive the culture refresh required. (Such an initiative is working well at the ATO and achieving the hoped-for culture change and results in terms of staff commitment and morale.)
2. **Creating a more professionally challenging and fulfilling workplace:** Agency heads will be required to ensure the professional's need to be trusted; to feel heard, valued, recognised, rewarded; to be given responsibility and autonomy, held accountable, are better respected. They will be asked to identify and review their agency's practices and approaches - particularly their hierarchical, 'not-flat' reporting and control structure - that signal to their staff that they are not trusted or valued, so that staff become more encouraged, more autonomous and better supported to bring all of their talents (expertise and experience) to delivering better services and outcomes (including productivity) for the taxpayer and the agency.
3. **Creating a workplace where everyone can give of their best – all day, every day:** Agency heads will be required to ensure their staff feel safe in their relations with their peers and chain of command; feel able to raise in safety – without fear of retaliation – any concerns about any aspect of their working life or any ideas or initiatives they might have without the risk of being laughed at or of damaging their career. Staff will be equipped and supported to raise with their boss and/or with their team colleagues at the earliest possible opportunity any behaviour that causes them concern. This will nip potential bullying situations in the bud – eliminating bullying and any uncivil behaviours from the workplace. Workplaces and individuals will grow their skills and become empowered, through practice, in shaping their workgroup culture and preventing inappropriate behaviour before it is repeated and becomes bullying.
4. **Creating a workplace where withdrawn, disengaged or alienated workers are expected to take advantage of new opportunities to re-engage with their workgroup and bring all of themselves to their work.** A separate paper (see APPENDIX 2) has been prepared on this topic which makes the business case for such workers being given opportunities to re-engage with their leaders and workgroup by their being challenged and supported to find roles where their contributions (experience, expertise, energies) are best placed, for

the good of the organisation as well as that of their colleagues, families and themselves. Out of fairness, such opportunities should be afforded to other staff. (See Ricardo's Semler's book – *'The 7 day weekend'* ; my paper at APPENDIX 2 which was inspired by that book.)

5. **Review the APSC's and the HR profession's roles in maintaining the outmoded, enervating paradigm of not trusting and valuing people sufficiently and persisting with the discredited notion that high performance can be achieved through the exercise of 'control'.** (Elaborated on below at APENDIX 3.) The roles and services of the Australian Public Service Commission should be reviewed. The APSC and the HR professional paradigm is the source and enforcer of the mindset of 'control' and this mindset is what is holding back the APS from becoming high performing.

The APSC should have a key responsibility for ensuring government agencies have the appropriate capabilities (skills and experience) to design, build, implement, support and constantly improve new or changed policies, programs and services. It clearly has been failing to carry out this responsibility or to do so competently:

I think it is fair to observe that the lack of appropriate skills and capabilities have allegedly been responsible for an increasing number of public administration failures in recent years:

- David Chandler ('construction industry heavyweight') is quoted (in *The Australian*, 15/10/13, p.2), as saying *'the NBN delays were a result of a lack of skills within the former Communications Department ...'*
- Programs such as 'pink bats', 'school halls', etc present clear cases where government agencies embarked on major programs of work without the appropriate skills (capabilities, expertise) required.

I know from first-hand experience that the ATO (and probably, therefore, most, if not all, departments and agencies) lack(s) the skills to do organisational and culture change effectively; that the APSC, Safe Work Australia and the HR profession lack the skills to tackle and prevent bullying using the obviously sensible, psycho-social approach and even more broadly and strategically, that the HR profession lacks the skills to give us a highly engaged, high performing, innovative, healthy (and much smaller!) public sector workforce.

Conclusion

What I am offering here is a possibly new, more internal, introspective target when looking at the operations of the bureaucracy, with an eye to identifying savings and efficiency improvements.

This approach is not concerned with identifying potential sources of savings and efficiency improvements in the form of advisory groups, services, functions, administrative overheads, etc and rationalising or eliminating them.

It is instead concerned with looking for savings through adjusting and changing the mindsets, cultures, thinking, structures, behaviours and internal operations that shape how efficiently and effectively our bureaucracies function. This focus is on lifting productivity through applying what science has been telling us in recent decades about how to motivate and get the best out of our people. So it is concerned with driving efficiency and productivity improvements through focussing on the human or 'soft' side of the public service.⁴

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⁴ I wonder if the new Centre for Workplace Leadership at Melbourne University, that the previous government funded to the tune of \$12M, could be charged with the job of driving, supporting and sustaining work throughout the Commonwealth bureaucracy on this source of efficiency and productivity improvement?

Relevant Terms of Reference

'It is ... timely that there should be another full-scale review of the activities of the Commonwealth government to:

- *improve the overall efficiency and effectiveness with which government services and policy advice are delivered.*

The Commission of Audit ('the Commission') has a broad remit to examine the scope for efficiency and productivity improvements across all areas of Commonwealth expenditure, and to make recommendations to achieve savings.'

The Commission is asked to report on efficiencies and savings to improve the effectiveness of, and value-for-money from, all Commonwealth expenditure across the forward estimates and in the medium term, including:

- *adoption of new technologies⁵ in service delivery and within government; ...*
- *flattening organisational structures⁶ and streamlining lines of responsibility and accountability*
- *potential improvements to productivity, service quality, and value for money across the public sector, including better delivery of services to the regions; and*
- *anything that is reasonably necessary or desirable to improve the efficiency and effectiveness of government generally.*
- *other savings or matters that the Commission considers should be brought to the Government's attention.'*

⁵ Much progress has been made in recent decades in understanding how to engage, motivate and reward people in the workforce. These are often regarded as 'soft' technologies. It is widely considered that these fresh insights into how to engage and get the best out of people at work, and in everyone's interests, emerged from recognition that such focusses had been neglected during the IT revolution, (say, from the 1970's), that the human element in organisations had been overlooked and that it is now overdue that we should take every opportunity to overcome that benign neglect of the human in organisational life and activities. The Australian public sector, poorly served by and highly reliant on and trusting of the HR professional paradigm that places a high value on the need for 'control', has been slow to pick up and leverage the extensive performance and productivity benefits that the new thinking potentially delivers.

⁶ Dr Peter Rennie, Leadership Australia, has given us the understanding that the under-performance of people in and other relationship and service dysfunctions inherent in bureaucracies are due to their hierarchical (bureaucratic) structure. In its place, he advocates a collaborative team structure, which I, like others, have demonstrated and know for a fact to be a much superior arrangement. See Appendix 3, Attachment C.

Withdrawn, dis-engaged, alienated APS workers: Doing something about that – A public sector productivity improvement initiative

The problem

One of the things that struck me in APS bureaucracies - particularly at a regional site like Hobart with low turnover, little scope for staff to change jobs and find a new challenge⁷ - is the number of staff who are disengaged, withdrawn, alienated, even hostile; who just go through the motions at the screen sufficiently to keep out of trouble, to keep their jobs and be paid.

It is sad to see. Their working lives have no joy, excitement, challenge or satisfaction. They socially isolate themselves and shun efforts to connect them with their workgroup and other colleagues. So they don't even enjoy their colleagues' company while enduring their days doing relatively routine work, being bored out of their minds. Insofar as a person's behaviour and attitude during their working day inevitably flow across to their private lives, their domestic relationships and lives must inevitably be soured by their workplace demeanour. These people also sour the workplace for their colleagues. I have received numerous complaints about this. It is impossible to enjoy coming to work if there is a snarly, withdrawn presence constantly in your team.

All this is not good for the humans involved - nor for productivity. Managers at the team leader level do not generally have the skills or experience required to confront and deal with such workers-with-attitude. If they seek help from their chain of command, they are made to feel unworthy of their last promotion and of being a team leader, because they can't cope and are 'rocking the boat'.

Where I'm coming from – Background and context

I have been searching for and experimenting with ways to tackle this problem for several years. (A thread through my career has been my interest in how to motivate staff and I'd prefer to depart the scene having left no stone unturned on this front; without leaving this challenge untouched, in the too hard basket.

The agency management did not care enough, have the mindset and skills or was unable to give any priority to tackling this phenomenon. Despite the 'under new management' banner under which the new, external CEO is leading so well, I doubt he will be able to focus on this sort of intractable, 'wicked' people and productivity problem for a long time yet. (The HR profession isn't capable, I believe, of admitting or going to admit its failures to engage the workforce adequately.) The bureaucratic management soul simply lacks the spirit, awareness and risk-taking culture (each manager has a profound, pre-eminent sense of needing to protect their career prospects by not rocking the boat) to care and address this challenge.

⁷ Although this phenomenon is not restricted to Hobart, it is probably worse in regional centres than in Canberra.

And, of course, the bureaucratic mindset (behaviour, culture), shaped by the need to embrace compliance with 'the rules' and for control, is incapable of reducing the controls over its own staff sufficiently and of trusting people to find where they can add most value to the business. The management in Hobart certainly was unable to support my volunteered efforts⁸ to try some approaches to addressing the problem.

The solution

What I gained from reading and worrying about this human and productivity loss and trying some things (outlined in Footnote 2) are two insights: (1) withdrawn workers obtain a lot of psychic benefits from their behaviour (the dynamics are described in the Attachment) and that is why they persist with that behaviour, despite its costs and (2) the way to overcome their withdrawal is to free them up – unshackle them - to enable them to find where and how they can bring their experience, strengths and passions to bear and so add real value to the organisation. (Source: The highly successful Brazilian entrepreneur Ricardo Semler's books.)

The latter insight - no. (2) - could be tested if the APSC and/or departments and agencies were asked direct⁹ to find ways to loosen up the arrangements (controls) around jobs or roles and to open up and support flexible ways for people to create or discover jobs, roles and opportunities where they believe they can best bring and apply their talents, experience, expertise and passions, to add value for their department or agency and more particularly for the taxpayer.

Managers could be rewarded – with recognition - for actively supporting the adaptation of traditional bureaucratic controls and supporting people to find or create new value-adding roles that excite them.

If any staff member with a withdrawn attitude to the workplace then refused or failed to find a role where they could bring their passion to and/or chose to continue in their unmotivated, organisation-defeating, productivity-depleting demeanour and their 'just-do-enough-to-get-by-and-survive' approach, management would put the focus sharply on insight (1) above, and the

⁸ I facilitated a dialogue among interested staff on the problem and the group agreed it was a significant problem that warranted fixing. We arranged informal group activities designed to capture the interest of our withdrawn, disengaged colleagues and provide opportunities for them to re-connect with others. As the withdrawn workers are largely older males, we arranged talks by leading sports people, bar-b-q's, men's shed type activities and demonstrations of peoples' hobbies. Whatever activities might engage them in some human contact that could then, subsequently, be nurtured over time. I toyed with (i) *tough love* approaches, such as team leaders being required to spell out their expectations for collaborative team behaviours and holding uncooperative intransigents to account and with emerging public policy approaches like (ii) *libertarian paternalism* (that is about trying to influence choices in a way that will make choosers better off, as judged by themselves while concurrently aiming to ensure that people should be free to opt out of specified arrangements, if they choose to do so – so preserving freedom of choice) and (iii) *asymmetric paternalism*, which are policy approaches designed to help people who behave irrationally and so are not advancing their own interests, while interfering only minimally with people who behave rationally. Such approaches should be acceptable both to those who believe that people behave rationally and to those who believe that people often behave irrationally.

⁹, I'm not a fan of looking to a central agency like the APSC to drive change and instead prefer the path of asking individual departmental heads, through their own Minister, to tackle the challenge individually and then ask the APSC to collect the results of various agencies' experiences and cross-fertilise the lessons learned.

withdrawn worker would be (a) invited to talk through with an appropriate professional any deep-seated reason for their withdrawn attitude, (b) helped by such a professional to work through dynamics like those described in the Attachment (c) counselled about the need to put those dynamics and behaviours behind them and about management's expectations of having a motivated, highly engaged, high performing staff, without exceptions and (d) management should redouble efforts and again help them get excited about carving out new opportunities to contribute to the department's or agencies' operations.

If it then becomes clear to the staff member and the employer that the member doesn't really want to be at work, appropriate steps to separation should be taken. It would be a kindness, in everyone's best interests, to let them go. As Noel Pearson wrote (*The Australian*, 29-30 September 2012, *Inquirer* p. 17) '*... the opportunity society is one in which citizens are expected to exercise personal responsibility for turning opportunity into uplift for themselves and their (family).*'¹⁰¹¹

So my suggestion is: Ask Ministers to ask their Departmental and agency heads¹² to look into the possibility of trialling and evaluating ways of lifting staff engagement by loosening up the arrangements (controls) around jobs or roles and opening up and supporting flexible ways for people to create or discover jobs, roles and opportunities where they believe they can best bring and apply their talents, experience, expertise and passions, to add value for their department or agency and more particularly for the taxpayer. Ask the APSC to support (not drive) the initiative and share the knowledge gained by agencies.

Such a strategy and initiative could sweeten any package of proposals that you anticipate might otherwise agitate public sector unions. You would be able to claim that along with the cuts, etc, your approach is to make a career and work in the public service much more stimulating, satisfying and rewarding. Or words to that effect.

¹⁰ Another quote I found (author unknown) that makes the same point is – '*If passivity is the problem facing fraught communities, exercising personal responsibility is the solution.*'

¹¹ I advise against giving names to initiatives but this one could 'borrow' from Mr Pearson, if a name is needed, and be called 'Opportunities for uplift'!

¹² I would like to think there could well be a cohort of younger HR professionals across the APS who are itching for a chance to show how good they are at re-engaging and exciting their workforce to exceptional levels of productivity; that this initiative might hopefully free this cohort from the long-standing shackles of the bureaucracy and enable them to, in turn, free up the agencies workforce to be passionate about their work. But it will take an initiative and leadership like this from outside the APS to have the traditional APS mindset about the primary need for control, to tap into that pent-up itch. The APS hierarchy will need to be told to place more emphasis on trusting people than controlling them.

Understanding the withdrawn worker syndrome

If you are disappointed that you did not win the promotion you were expecting or by the way you were treated at some point, perhaps feeling personally, professionally or intellectually discounted, demeaned, not valued or respected, and if you do not work through and talk about that disappointment, but instead bury it, your disappointment could fester and become toxic. Your internalised disappointment could lead you to become disengaged, withdrawn, angry, hostile even and alienated from your workplace and your colleagues.

Feeling like that, you can use your dis-engagement -

- like a silent weapon, to frustrate and hurt your boss, your colleagues, your employer, the government and the community;
- as a way of communicating a warning to them that you are – or any contact or relationship with you is - not safe territory
- to communicate your frustrations and that you need to be heard and have the frustrations addressed
- to feel like you are in control, powerful even, because you can control peoples' interactions with you and peoples' attitudes towards you;
- to create the work environment around you that makes other people feel uneasy, uncomfortable and needing to keep their distance from you;
- to control social interactions and how much energy, focus, attention, if any, you need to give to social interactions, connecting with others and relationships;
- to shape how you impact – how you are experienced by – others, thereby determining other peoples' comfort/discomfort level at work and their enjoyment and well-being at work;
- to block intrusions into your private life and leave colleagues uncertain and anxious about who and what is really going on in your life by not sharing with them anything about you and your life; and
- to punish your team, colleagues, employer by deliberately not bringing all of yourself, your skills, experience and potential to your workplace.

And these useful, effective vehicles or strategies for pay-back are what I suspect might be going on in the inner workings of many disengaged, withdrawn staff's minds; even though these dynamics might be largely out of their awareness. Such dynamics serve many a valuable purpose for the withdrawn worker.

It follows from these psychic rewards and benefits that can be derived from practicing withdrawn behaviours, that a disengaged worker will not be easily weaned off them. It will require something special for them to feel fully personally and professionally heard, valued, needed and appreciated again and for them to put such behaviours behind them and re-engage with the workplace.

The problem with HR - and consequently, with our organisations

Ron Barassi's 'command and control' style of leading and coaching AFL teams was highly effective for a period last century. So was the HR paradigm - for a while. Just as Barassi's style would not effectively motivate players today, it has become increasingly clear in recent decades that **HR's continuing embrace of hierarchy and 'command and control' thinking gets in the way of staff feeling engaged and of the creation of a high performing workforce and of high performing organisations.** This is **the problem** with HR.

It is increasingly being appreciated that the hierarchical organisational culture, with this command and control' ('C + C') thinking, has given rise to the problematic organisational climate, challenges and wicked people and performance problems that we now experience in organisations and which are detailed below.

The problem with the HR paradigm is that it;

- is essentially about control, about centralised, top-down processes and approaches;
- does not embrace the value of bottom-up processes because it is uncomfortable with trusting people and relinquishing control
- is authoritarian, manipulative, power-based, highly 'political' and
- is all about looking after the employer and his/her/their interest first and foremost, over the interests of people.

Consequently, the HR paradigm cannot do other than to disempower and disengage people through the exercise of hierarchy and control. Refer to Daniel Pink's work on the climate required to motivate people. That climate is the opposite to what HR creates and sustains. People need to feel respected, valued, trusted, have some autonomy and feel not controlled, if they are to become engaged and high performing.

The link below provides a number of additional reasons – understandings as to - why the HR professional paradigm is a key cause of today's most intractable organisational problems – [Putting the H in HR: The opportunity for HR in radical management](http://stevedenning.typepad.com/steve_denning/2010/07/putting-the-h-in-hr-the-opportunity-for-hr-in-radical-management.html) (http://stevedenning.typepad.com/steve_denning/2010/07/putting-the-h-in-hr-the-opportunity-for-hr-in-radical-management.html)

In summary, I believe the problem of low levels of engagement and organisational performance is due to the failure of the HR profession to recognise:

- (i) It's professional paradigm evolved through the 20th century* creating, nurturing and embedding hierarchical organisational cultures dominated by 'command and control' ('C + C') thinking. (*The full history is also at Attachment C.)
- (ii) The adverse but not-understood impacts of hierarchy – of hierarchical, 'C+C' structures, processes and relationships – and to address them constructively.

Understanding the genesis of the problem

The most important cause of this problem is that traditional management and HR are still largely a prisoner of machine-age thinking. As Gary Hamel writes:

'Management was originally invented to solve two problems: the first -- getting semiskilled employees to perform repetitive activities competently, diligently, and efficiently; the second -- coordinating those efforts in ways that enabled complex goods and services to be produced in large quantities. In a nutshell, the problems were efficiency and scale, and the solution was bureaucracy, with its hierarchical structure, cascading goals, precise role definitions, and elaborate rules and procedures.' ("Moon Shots For Management," HBR, February 2009.)

Hierarchical bureaucracy is the means of achieving the goals (of the organisation), through controlling everything and everybody. In this world, it follows that employees are, for the management, simply another set of "things" to be manipulated to achieve the required result.

In this environment, the HR department tends to become a menial accomplice in the management task of manipulating the employees to achieve the lowest cost result and compliance - consistent products and services. The (ideal) ideas of doing work through teams and treating people as people are adopted by HR sporadically as a tactical move to achieve particular short-term results, but are fundamentally at odds with the long-term HR philosophy of 'don't trust' people, of compliance and cost reduction through command-and-control. Regrettably, these ideas are aberrations in mainstream management and HR circles and don't stick. Statements about *"employees being our most important assets"* were seen for the empty words they usually were.

Characteristics and consequences of the HR profession's paradigm

- In our organisations that are shaped by the HR professional paradigm;
 - 'flattery opens doors,
 - people inflate their own contributions,
 - break commitments to those they consider less important and
 - scapegoat others when things go wrong.' (From Peter Rennie (Leadership Australia)'s work on the FIBS ROCK model.)

- 'The organisation wallows in silo-ism and secrecy. It has a "good news" culture which means that the truth only ever come to the surface indirectly and when problems occur.' (ibid) There is a lot of spin; an absence of truth telling. If you make a mistake, don't get caught. Hide, bury, distort, spin, camouflage, deceive, lie to avoid being caught or blamed.

- The organisation rewards appearances over authenticity. Appearance is more important than substance. Authenticity, straight talking and integrity are not valued highly in internal relationships – despite the rhetoric. These organisations have a highly political environment. People behave, are encouraged to behave and are rewarded (promoted) for behaving politically – just like their boss does. There is much talking behind peoples' backs; demeaning and degrading one another and each other's reputations. This 'political' talking

shapes how people will be regarded and be treated by the 'inner circle', without their ever knowing why. Backstabbing and pay-back is rife, but hidden.

- Other characteristics of the hierarchical, 'command and control' culture and characteristic leadership behaviours found in this culture are described at Attachment A.
- The HR mindset prevents a culture of innovation and empowerment growing, prevents open communications, safe, trusting, high engagement work environments and relationships being created and sustained. It is why so many projects fail - people are afraid to speak up and share their concerns - and why bullying is endemic. (People are afraid to speak up and say the behaviour made them feel uncomfortable as soon as it is experienced.)
- It is increasingly widely recognised that the HR paradigm is no longer providing the solutions required by contemporary workplaces and their people. It is being seen as the source of much human misery and dysfunctionality in organisations; as getting in the way of our people being fully engaged, challenged and fulfilled, and our organisations being high performing, learning organisations, continuously improving and sustaining.
- It seems to me that most if not all of the wicked problems facing hierarchically structured organisations - particularly those that are old, monopoly service-providers without external competitors, having a deeply embedded bureaucratic culture that has not been refreshed in many years (such as the ATO) - can be seen to stem from the culture of the HR paradigm.

Science supports this insight

Neuroscientists can explain – by reference to the shift in the balancing that has taken place over time between the hemispheres of the human brain - the brain science underpinning the rise to dominance of 'command and control' thinking and the HR mindset.

Other thought-leaders (like Dr Peter Rennie) can explain, with confirmation from science, why such behaviours (characteristic of the organisation culture that is shaped by the HR culture) are inherently part of hierarchical structures, processes and behaviours and the differential power relationships associated with them. (Rennie's insights are enlightening.)

A closed loop or vicious cycle: Why the HR paradigm has been locked in

These behaviours and this culture are self-reinforcing through the agency of the following dynamics:

- People who behave like this (or whose behaviours are shaped by this culture) climb comfortably in organisations dominated by old paradigm ('command and control') leaders and they flourish when those leaders encourage "good news only" cultures.
- Authentic leaders can have a tough time in cultures characterised by these 'C&C' behaviours (The authentic leader's value system is the antithesis of the values of the HR profession and 'command and control' cultures.)

- As the HR profession is in a position to control what gets discussed and is expert at exerting control, it prevents the adverse impacts of their paradigm being discussed and understood, being challenged and worked on.
- The compliance mindset that goes arm-in-arm with hierarchical 'command and control' thinking, of course even more embedded in agencies like the ATO as it coincides with - and I'd suggest is probably further reinforced in its hegemony - by the fact that the ATO has a deeply-embedded compliance mindset in order to perform its revenue-gathering business effectively.

Consequences

The consequences for organisational effectiveness of the HR professional paradigm and the culture it creates and sustains, include:

- Poor engagement & ownership
- Lost opportunities & communication blocks
- Flawed decisions and band-aid solutions
- Lack of learning & repetition of mistakes
- Sabotage, theft, corruption, breaches of integrity
- Lack of initiative; Low morale, high absenteeism, health/compo concerns, high staff turnover.
- Reduced output, duplication, wasted effort, dysfunctionality, re-inventing solutions and approaches; these are NOT high performing organisations
- Poor customer service.

This article provides a good feel for what it is like dealing with HR –

<http://undercoverlawyer.hubpages.com/hub/Hostile-Work-Environment----Why-HR-Doesnt-Care-About-You> (<http://undercoverlawyer.hubpages.com/hub/Hostile-Work-Environment----Why-HR-Doesnt-Care-About-You>)

Conclusion

The underlying value system and paradigm that shapes the approaches, thinking and role of the HR profession towards people in organisations, is a real concern. The HR profession's paradigm, which largely shapes the APS and agency culture, is based on the assumption that people need to be controlled.

I believe that the HR profession's paradigm is the underlying problem facing our organisations' improvement and change efforts and renders its practitioners generally incapable, as things stand, of working effectively to create and sustain an organisational culture that only ever sends signals that it values and respects

- each and every one of its people,
- a culture of high collaboration,
- staff engagement and
- that is committed to building a highly performing organisation.

What can we do about this bedrock problem, this toxic paradigm and its appalling consequences for individuals, for the widespread inability of people to fulfil their potential, for national productivity and the standard of living, quality of life?

We need to be courageous, to encourage and help each organisation, its people and their professions to look at the culture and its shapers with a view to embracing a healthier, more people-centred culture and creating the environment where people can give their best to their organisations and fully achieve their potential. (Which, from my reading, is the very consensus in contemporary leadership literature on what leadership is about. This new style of leadership - transformational leadership - goes hand-in-hand with the proposed changed, people-centred culture that we envisage.)

Next step 1: What can be done to support HR professionals to partner in a change to make each organisation with such a toxic culture a more people-centred & high performing organisation?

One option for moving forwards to work through this dilemma is to partner with and help the HR profession, through genuine dialogue, to be able to reflect on its values, behaviours and impacts, so it can adapt, adjust and grow its mindset (it's culture, paradigm, behaviours) to be able to create and sustain empowered, innovative, open, safe, trust-based workgroups & relationships.

I believe, the HR profession is stuck in a political, legalistic, adversarial, power-authority-fear-based, metrics-focussed, non-human centred paradigm that many of its practitioners are unable, are frightened to or are not permitted to see. Some may need to grow in their self-awareness, in their capacity for reflection (emotional maturity generally) so that they are able to shape their value-systems, their relationships and behaviours to be more collaborative and less based on power (authority, structure) differentials. Through that growth they will learn to let go of their need to control and learn to trust and develop collaborative relationships. So this is the work ahead for them.

We also need to find a way to seed and facilitate conversation between people holding differing world views around the issues, values, trade-offs and perspectives canvassed here, where judgement is suspended and all parties felt safe to explore, discuss and try to understand other paradigms, their roots, values, assumptions. Expert academic thought leaders and practitioner facilitators are available to facilitate such conversations, using appreciative enquiry and dialogue, where people will be create a safe environment and be able to explore their anxieties and fears.

Hopefully through such dialogue activities, the hegemony of the HR paradigm can be breached sufficiently to enable an alternative paradigm to take root and shape the culture and behaviours to create more human-centred, high performing organisations.

Next step 2:

The APSC could be replaced by a Public Sector Consultancy, comprising largely and/or lead by non-HR professionals who are aware of the damage done to national productivity, to the APS productivity; to public sector culture, performance, engagement, innovation, workforce well-being and to the national interest by the HR profession's paradigm featuring out-dated concepts; hierarchical structures, processes and behaviours; closed-minded ignorance and strong control.

Graham Gourlay

22 September 2013

Other characteristics of the hierarchical, 'command and control' culture

- The pathway to promotion and having your work accepted is via building influence and credibility around an idea through the sponsorship of 'significant' power brokers.
- Information is shared on a need to know basis. Such behaviours generate distrust - groups don't function well.
- There is a real sense of "following orders" - compared to "working with".
- Hierarchical culture where status and control are paramount values. Peoples' focus is oriented upwards. People wait to be told what to do. People don't initiate, innovate.
- There is a mismatch between espoused values and values in action. People don't walk the talk.
- People feel like cogs in a machine.
- Hierarchy, authority, fear and power are used to control people.
- Outcomes and process are often proscribed.
- Ends are more important than means.
- HR always acts so that the interests of the organisation prevail over those of the individual.

Leadership under the hierarchical, 'command and control' culture

The leadership style created and sustained by the HR culture is characterised by leaders who:

- Are guided by the values/ethos of status and control. Followers are dependent; unempowered, looking to the leader to set the vision and fix the problem.
- Promote the impression that they are in control in the face of contrary evidence.
- Discount inconvenient truths.
- Create a vision that they believe will motivate people.
- Make use of the hierarchical (pyramidal) organisational/power structure to clarify roles and responsibilities.
- Utilise processes that support the organisation's values, eg. individual performance reviews.
- Think - when making important decisions - I am conscious of my position in the hierarchy.
- Followers are valued for their skills only.
- Appointments are often based on patronage.
- Leaders are listened to and followers just listen.
- Do not value genuine, authentic relationships.
- Leaders are full of themselves; it is all about them. They have not gotten over themselves.

Other insights & perspectives on the ‘command and control’, hierarchy-based, top-down culture

Chris Argyris wrote extensively on the immaturity that he observed in ‘command and control’ organisations.

Such organisations fostered: Passivity NOT Active involvement, Dependence NOT Independence, Limited repertoire of behaviour NOT Flexibility, Erratic and shallow interests NOT Deep and strong interests, Short term perspective NOT Long term, Subordinate position NOT Equal or superordinate position, Lack of awareness or self NOT Awareness and control of self. (Argyris 1957)

In the Leader of the Future, Sally Helgsen wrote; ‘... an organization cannot be truly responsive to the needs it is configured to serve unless its frontline people are given autonomy and support. This is the true reason that the top down, hierarchical style of leadership is widely perceived as doomed to failure, even by those who aren’t sure precisely why this should be so. Top-down leaders ... withhold power from those’ below...depriving them of the opportunity to learn, practice, take risks, grow and ultimately give better service.

Other related perspectives on HR

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The use-by date for 'hierarchy' has arrived: It is time for our bureaucracies to recognise and embrace that reality

(From Craig Thomler's blog)

Collective protests highlight a 21st Century (challenge) for traditional government

What do the the Arab Spring, Anonymous, the Occupy movement, Iranian election protests, Anti-Putin protests, the #VileKyle push and the #Qantasluxury incident all have in common?

Each of them was a demonstration of collective action by groups of people without a clear hierarchy of leadership against traditional hierarchical organisations. In each case the traditional organisations threatened found it difficult to respond in an effective and proportionate manner, with responses often slow and creating greater hostility to the organisations involved.

The traditional organisations around today draw from the US railway corporations of the 18th and 19th century, which were some of the first commercial organisations to develop a 'modern' management model involving strict hierarchical structures and the division of resources into specific responsibilities to be managed (siloing if you prefer).

These organisations, which any manager today would clearly recognize, were designed to coordinate the information, resources and effort required to deliver enormous infrastructure projects - continent spanning railway networks.

Given the modes of communication and management available at the time, with most information moving at the speed of a horse and most previous organisations limited in size to a few locations, family-based ties and people who could turn their hands to any of a more limited set of skill, the railway corporations were an innovative and effective tool for delivering the outcomes desired. They coordinated the efforts of tens of thousands of workers, hundreds of experts, and led to some of the first large companies that a modern observer would recognize.

Two hundred years on, most organisations still use very similar methods of organising resources - hierarchical constructs with coordinators at the top, managers in the middle, worker bees at the bottom and an assortment of specialists and experts who slot in their skills as required, with appropriate compensation.

Governments were particularly enthusiastic adopters of hierarchical models due to their massive scale and increasing responsibilities. They rapidly organised their machinery to take advantage of divisions of responsibility and labour.

As more and more non-family organisations began arranging themselves into the hierarchical model, governments and corporations began to discover it was easier and more efficient for them, with their strict structures, to engage similar organisations. Corporations created trade 'treaties' or merged their resources into even larger management constructs, governments created legislation that could more effectively regulate trade through dealing with significant corporations and redeveloped its own internal procurement processes to favour hierarchical suppliers.

These steps, together with the fact that hierarchies were a more efficient organisation model for the time, led to our modern society, where the hierarchical model of resource management is dominant, well-understood and still considered the most efficient and effective way of arranging resources. After all, most other models would no longer suit our state and national legal systems or our international trade relationships and ownership structures.

This approach to hierarchy has become a self-fulfilling and propagating approach. The legal and economic environment of today, or at least up to very recently, put strictures on non-hierarchical organisations, limiting their size and complexity. This, in turn, ensured that the main hierarchies, governments and large companies, could compete and cooperate in a congenial environment.

These hierarchies had clear leadership structures - a President, Prime Minister or General Secretary, a Chief Executive Officer, Managing Director or Chairman - and they interacted with each other through clearly defined 'channels' of communication. Level to level, officer to officer. This made it easy for deals to be made between them. CEOs met Prime Ministers, Presidents met General Secretaries and the minions met their counterparts to do deals all the way down.

However with the rise of the Internet the environment has changed. Suddenly information can be distributed rapidly, frictionlessly and with great accuracy. Organisations can coordinate resources and manpower without enormous corporate hierarchies and infrastructure. Small teams can create global products, overturning the business models of large corporations and entire global industries.

Strict hierarchies are no longer clearly the best form of organizational structure, no longer clearly the most efficient or effective approach to marshalling resources or coordinating human activity.

This is posing an enormous global challenge for what are now traditional organisations. When customers are no longer limited to geographic competitors, when small and nimble organisations can adopt novel non-hierarchical structures to better marshal resources from any time-zone, the dinosaurs begin to stumble.

However commercial 'entities' (traditional hierarchical structures) are not the only ones affected. Governments are also under enormous stress, with their strict hierarchies struggling to develop the systems and approaches needed to rapidly, proportionately and effectively engage, service or contend with non-hierarchical groups challenging their policies, structures and legitimacy.

With traditional lobbyists and companies it was easy for governments to engage. There were clear hierarchies for both state and non-state players and effective protocols could be put in place for meetings at level, systems for complaints, reviews and agreements. However when faced with a collective movement, fuelled by a common feeling of rage, disempowerment, hope or other emotion and coordinated and concentrated effectively through online tools into outpourings of dissatisfaction, authoritarian, communist and democratic governments alike have failed to effectively engage or respond in a proportionate or effective way.

Whether a mayor seeks to meet the local leader of the Occupy their town movement (or just calls them a leaderless rabble) or a Prime Minister seeks to meet the national leader of their civil uprising (or just calls it an unsupported riot led by drug dealers and foreign terrorists), the pattern is the same.

The hierarchical government fails to effectively engage as they cannot identify a structure they recognise, another hierarchy. They apply tolerance, then security constraint and then force and they then lose or face diminished legitimacy.

In some cases the loss of legitimacy causes their fall and the fall of their government structure. In other cases the organisation continues limping along, but begins to slowly fade, waiting for the next encounter and the next, until it finally fails as a state or manages to adapt itself to cope with the changed conditions.

The question that remains open, in our hierarchy dominated world, is what will this adaptation look like. Governments remain an important tool for coordinating national and international relationships, resources and activities. They reinforce each other, no populated area of the globe can survive in today's hierarchical world with no government, although many different flavours are 'allowed' to exist.

How will government hierarchies adapt to collective activity – (communications? – *uncertain what word author intended*) by leaderless, hierarchy free, adaptive groups with superb intelligence sharing and resource-coordination capabilities? Will they force movements to nominate 'leaders' or 'representatives' who speak for their movements and can make binding deals? Or will governments find methods to adapt themselves to engage and, where necessary, fight and win, against 'faceless' foes and frenemies?

The jury is still out on this verdict and the evidence is still being presented. However thus far governments in most parts of the world have failed to develop effective, nonviolent approaches to contend with amorphous, leaderless collective movements.

While the internet exists in its current form, an international system for frictionless information sharing, coordination and amplification, governments will have to continue to work hard to adapt themselves, or change the rules, to contend with continuing leaderless protests and movements.

It will be a fascinating - and bloody - war between traditional hierarchies and amorphous, adaptive 'organisations'. However the policies and approaches used to engage, and the method of resolution of this war, will shape the next stages for human societies for many years to come.

About the author - Graham Gourlay¹³

Graham has Masters' degrees in Public Sector Management and also in Business – in psychodynamic-based, authentic consulting.

Both his Masters' degrees were focussed on how to improve the quality of organisational life for humans; how to empower and engage them to create and change organisational culture so that everyone - and the organisation itself - is giving of their best and is high performing.

His latest Master's thesis was about the importance of and ways to speak up in safety; in how to speak up – to speak your truth – in such a way that your relationship with the person you are challenging or confronting (because they made you feel uncomfortable) gets warmer, not colder. He is experienced in supporting (equipping, skilling, coaching) people to avoid, end and deal with bullying situations and in creating safe workplace environments and cultures

He has worked in the public, private and not-for-profit sectors, holding office as Chief of Staff to a number of political leaders, as the chief management or operational executive of agencies and whole-of-government functions (including at SES Band 2) and as the GM, Business Development for an international software development company.

Many years' experience as an organisation consultant, leader of change programs (particularly involving culture change, developing new more professional capabilities) and in coaching executives, staff and teams at all levels.

For over a decade, Graham has drawn on his training in psychodynamics to (i) understand what is going on for all parties, particularly at the level of internal psychodynamic processes and the way the organisation's culture shapes and influences those processes and (ii) support people experiencing bullying. He has therefore had considerable opportunities to gain insights into the causes of bullying and how it can be reduced and eliminated. He believes, based on his extensive experience working with individuals hurt by bullying and in psychodynamic group processes with teams that with a properly resourced multi-pronged strategy, bullying can be eliminated from the workplace. And, moreover, at any level you choose, nationally, at the level of the organisation or at the workgroup or team level. Graham has validated the effectiveness of the strategies outlined above in large and small workgroups in a range of workplace settings and environments.

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