



Australian Government
Department of Immigration and Citizenship

Address on
‘Linking leadership with values and outcomes’

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Introduction

It’s a pleasure to be here and I thank John Lee for the invitation.

Leadership is an issue that we need to talk about much more than currently occurs. If we are to establish a strong leadership culture in the public and private sectors in Australia, we need conferences like this and we need seminars, active leaders’ networks, executive coaching and more.

This is because in my view leadership is an area where we are building a capability from quite a low base — at least in the public sector. We have had plenty of strong leaders in our past — people like Robert Garran, the first permanent head of the Attorney-General’s department, Arthur Tange of defence fame and Herbert Cole Coombs, who is probably better remembered as 'Nugget' Coombs — I’m sure others will occur to you. These were generally the big chiefs who almost inevitably had to possess leadership skills or they would not have risen to the top position.

What has changed in the past decade is that we have started to identify that we need people to be leaders at nearly all levels in an organisation — not just the big chief and the deputy chiefs.

I think it would be fair to say that if five years ago, you asked even some quite senior people in the public sector what their role was, they would have replied that they were managers. This is still appropriate but in my view, every person with supervisory or project management responsibilities should also consider themselves to have a leadership role.

There are two key points to reflect on here.

First, we need to have leaders at all levels in an organisation for the organisation to be healthy and successful. We need every employee to be willing to step up to the mark and take responsibility for getting the job done and to be demonstrating strong leadership values and behaviour appropriate to their level — whether they are chairing an Interdepartmental Committee or serving a client on the front counter at Centrelink, the Department of Immigration and Citizenship or any other organisation.

And second, we need to have a training ground for the top positions. I am sure we will all have experienced working for people who were absolutely capable project managers but who lacked the full set of leadership skills. This is not a criticism, as to a large extent in the past, promotion through the ranks could depend on the ability manage projects rather than lead people.

But we need even our junior employees to be thinking of themselves as leaders or modelling themselves so as to undertake a leadership role in their future career. Considering yourself as a leader can be empowering. It gives you an element of ownership of the organisation, ownership of the organisation's reputation, and ownership of how it is run. Someone who considers themselves a leader will be just that bit better prepared to step up a level when the urgent vacancy arises. And when a person is promoted to the senior levels, they will ideally have had a comprehensive grounding in leadership over their career, in both the theory and all importantly, the practice.

The Australian Public Service Commission has done a great deal of work on leadership in the past five years or more, and of particular interest, I think is the Senior Executive Leadership Capability Framework.

This framework seeks to establish a shared understanding of the critical success factors for performance in APS leadership roles. It provides the basis for recruitment in the Senior Executive Service as well as support for training and so on.

Today, I want to explore in a bit of detail the challenges we faced and continue to face in instilling a culture of leadership and a new value set in the Department of Immigration and Citizenship over the past two years. I'll set this in the broader context of the changes we are making as part of the comprehensive business and cultural transformation underway since the Palmer and Comrie reports were released in mid-2005. And of course, I'll tie up how we are linking values and leadership with our outcomes as promised in the title of my address.

The response to the Palmer and Comrie reports

To understand where we are going with building a capability leadership in my department, you need to understand where we have come from.

As you will be aware, there were serious mistakes made in the then Department of Immigration, Multicultural and Indigenous Affairs affecting Cornelia Rau, Vivian Alvarez and other people held unlawfully.

These failures were documented in the Palmer and Comrie reports released in July and September 2005 and subsequent reports by the Ombudsman.¹

As I and my predecessor have done many times, I acknowledge these clear and substantial mistakes, for which we have apologised fully and frankly. The government has made, or will make, other reparations to those affected.

In his report, Mr Palmer noted a 'culture that is overly self-protective and defensive, a culture largely unwilling to challenge organisational norms or to engage in genuine self-criticism or analysis'.

¹ Inquiry into the Circumstances of the Immigration Detention of Cornelia Rau, Mr Mick Palmer AO APM, July 2005.

Inquiry into the Circumstances of the Vivian Alvarez Matter, Report by the Commonwealth Ombudsman, of an inquiry undertaken by Mr Neil Comrie AO APM, September 2005

More broadly, the Palmer and Comrie reports focused on leadership, governance, training, systems support, the relationship between policy development and implementation, client service delivery and records management.

Our response clearly had to address the specific reasons why these grave mistakes had occurred. And as Mick Palmer indicated in his report, we also had to institute much broader cultural change in the department, of which our improving our leadership capability was a key element.

A week in the life of DIAC

To clearly understand the ramifications of the Palmer report and other reports, it's also necessary to grasp the scale of the operations of my department.

Over a period of 62 years, the department has managed the visa approvals and settlement of nearly 7 million people. This is equivalent to more than 2000 migrants arriving every week for each of those 62 years. Without this work, Australian society would be very different, given around 25 per cent of us have been born in another country and a further 18 per cent or so are children of people born elsewhere. There is a huge economic, social and cultural contribution from the migrants whose arrival we have facilitated and supported.

The government recently announced that the 2007-2008 migration programme will be set at 152,800 places. The skilled migration component of this will be 102,500 places, 5000 more than this financial year. I note that, in a widely reported speech made yesterday, my colleague, the Secretary of the Treasury, Dr Ken Henry AC said that the effects on the economy of the aging of the Australian population would be significantly offset by immigration levels. Dr Henry said that work force participation is set to fall dramatically as a consequence of population aging. But he went on to say that higher migrant numbers are expected to increase real GDP per person by about 0.75%, and the change in the age composition of the migrant intake will add about 0.5% to real per person GDP.

My department currently has around 7000 staff, dispersed globally across 80 offices.

Recognising that we provide services at the borders and in other areas on a 24-hour a day basis, during a typical week, we will:

- receive more than 30 000 phone calls through our contact centres,
- grant nearly 3000 visas for permanent stay in Australia, and
- grant citizenship to nearly 2000 people.

We also process something in the order of one person per second across Australia's borders.

Earlier this morning, I paid a visit to our office here in the Sydney CBD, the department's busiest service office anywhere in the world. Just yesterday in that office we served around 1800 clients, with no client having to wait more than 20 minutes. Many were seen more quickly than that.

The point I often make about all of this activity in the context of our business and cultural transformation, is that if your car isn't working properly, you turn off the engine while you diagnose and fix the problem.

We don't have that luxury and have continued to deliver high levels of business output and outcomes while implementing our plans for change and improvement.

The building blocks for change

To complete the scene-setting for our discussion of leadership in my department I need to give you a brief run-down on the business and cultural transformation we have underway.

This is very relevant as it was essential to establish strong leadership from the start.

We had to send some very clear messages to staff that there was no going back and the cultural change that was to occur would affect everyone. This was critical as there were people in some areas who felt that as they had not been involved in the mistakes made, they did not therefore need to change.

The leadership task was very much one of motivation. In a time of change, unless a positive perspective is presented, there is the risk that change will be seen in negative terms. Of course this is not about presenting a false message but about providing inspiration and motivation by drawing out the positives and reminding staff of these, such as the proud historical record of the department I've just mentioned. We all need a positive and realistic view of what we are working towards, and I saw it as my role as a leader to provide this.

I want to emphasise that in working hard to set a new and clear leadership direction, this did not mean that everything that had happened in the department prior to my appointment was bad and needed changing.

In fact, there were many areas of administration in which we were performing well and indeed, world leaders in some instances. These included our settlement programmes, including the settlement of humanitarian and refugee entrants, our border technology systems such as the electronic visa and the Advanced Passenger Processing systems, and our broader planned migration and humanitarian programmes.

What was needed though was to draw the line in the sand and begin to build a positive culture in every area of the department.

I was always absolutely clear that we needed a blend of new and enthusiastic people to work with those who knew the business thoroughly, and this was especially important in making some key Senior Executive Service appointments early in my time as secretary.

One of my very first decisions when appointed as secretary in July 2005 was to establish a small, high-level Change Management Taskforce to support the executive team in developing the change agenda.

As I've just outlined, I drew on people from outside the organisation, to bring a fresh perspective, as well as committed staff from inside the department to bring an understanding of the business and the department's culture. We obviously worked very closely with the portfolio minister and central government agencies.

The deputy secretaries and the taskforce met with me every morning for four months to craft the messages that would go out to staff, cut through any road blocks and calibrate all the different streams of activity underway.

This group was a natural forerunner for our present Executive Management Committee or EMC.

The EMC consists of myself, the three deputy secretaries, the Chief Finance Officer, our Chief Lawyer and two other senior executives.

We meet for at least three hours each week and we cover a great range of activity. We use the committee to set strategic directions and corporate priorities across the organisation, and ensure our senior leaders are aware of key developments.

Right at the start, we had to develop a collective understanding across the organisation of where we were and where we were going.

We developed a very clear statement of what we do, through the motto — **people** our business. ‘**People** our business’ was developed after asking for staff input, so there was ownership and pride taken in this fundamental statement of what our work is about.

We added another level of detail by developing three strategic themes for the organisation to guide every aspect of our work.

These are to:

- be an open and accountable organisation
- have fair and reasonable dealings with clients, and
- ensure well-trained and supported staff.

In my frequent communications with staff, I ensure the three themes are constantly reinforced and linked to whatever issue I am discussing. This is to guide staff so they are in no doubt as to what we are doing — and how and why we are doing it. The themes are at the top of my ‘home’ page on our intranet. I ask my staff to undertake their work with these three themes in mind for everything they do.

It was vital that staff bought into the reforms and as part of our approach, I instituted a feedback mechanism on my home page, so that any staff member can email me at any time and know their comments will be taken seriously.

We developed an overarching Plan for 2006-07 and this has been a critical element of communicating the vision for the future of the organisation. It sets out in a dozen small pages, clear direction on our purpose, what we value, expected leadership behaviours, our strategic themes, expected outcomes, strategic priorities and values.

And finally, in the past twenty or so months, we have delivered major initiatives in key areas, including:

- client service, through our flagship Client Service Improvement Programme and an initiative to establish case management for complex or sensitive cases
- quality training, through the College of Immigration
- values, ethics and high-quality decision making, through a new leadership tool known as IDEAL, and other initiatives such as our Onshore Compliance Strategic Plan
- detention services reforms, including tendering for the Detention Services Contract and the Detention Health Services Contract as separate processes
- stakeholder engagement, through the establishment and staffing at a senior level of our Stakeholder Engagement Taskforce
- planning, through the first overarching departmental plan and the cascading business unit plans that sit underneath it, and
- business transformation using information technology, through the roll-out of a more integrated and accessible IT system under the \$495m *Systems for People* programme, which is already showing results.

We are anchoring the cultural change by institutionalising the new approaches through major initiatives across the organisation, but especially in business planning, resourcing and risk management.

Positive feedback

To complete the story of our cultural transformation up to the present, I would like to record some of the positive feedback we have been receiving from groups and individuals.

Minister Andrews is on the record as saying implementation of the Palmer report is 'well-advanced' and the former minister made similarly positive comments.

The CEO of the Refugee Council of Australia, Paul Power has said recently 'that advocates who are raising issues of concern are now able to get listened to and issues that come to light are being addressed fairly quickly'.

The Commonwealth Ombudsman, John McMillan said late last year that there had been 'significant culture change' in the department.

He has also commented that 'there is a strong framework that has been established for better staff training. A College of Immigration has been established... [and]...agencies such as my own have been actively involved in the development of the curriculum for officers'.

And the Human Rights Commissioner, John Von Doussa has said that '[the department]...has made great strides towards creating a more open and accountable organisation'.

He also said 'I recognise and respect the great strides that DIMA has made towards creating a culture which does respect human rights'.

And in the recent release of a report on detention facilities, Human Rights Commissioner, Graeme Innes said²:

'It is clear to us that the [department] has gone to great lengths to improve the approach and attitude of staff towards detainees in immigration detention centres over the last year.'

These comments are encouraging, but I recognise very clearly that we have much more to do in cementing cultural and business change.

Early leadership initiatives

I have mentioned the need to blend experience senior leaders with some fresh faces when I began as secretary in mid-2005.

In fact, there had been almost no external senior executive appointments for some years. I had to build a leadership team for the organisation we had to become. This needed a blend of past experience and also fresh insights, energy, ideas and perspectives from people coming into the organisation who had broad experience in the Australian Public Service and in some cases, private sector experience.

For instance, the gender balance in the SES was dominated by males and inappropriate in terms of matching to the norms of our client population, staff profile and indeed the wider community.

This has been redressed with SES appointments made over the time, so we now have one third female SES, and overall our staff profile is now around 60 per cent female.

These senior appointments were made on merit and with the conscious intention to have a wide range of attributes and experience represented in my leadership team.

Other early leadership initiatives included:

² *Summary of Observations following the Inspection of Mainland Immigration Detention Facilities*, Human Rights and Equal Opportunity Commission, released 19 January 2007

- restructuring our National Office to ensure that there were clearer lines of responsibility and accountability
- ensuring that those areas which posed the highest levels of risk to organisational outcomes were restructured to provide more realistic spans of control, and
- establishing the Corporate Leadership Group, which supports the Executive Management Committee through sharing information about business risk and change, discussing the broader strategic environment in which the department operates, and negotiating agreement about joint operational responsibilities

Right at the start, we faced a significant challenge in drawing out the potential of our Senior Executive Service as a unified, high-level leadership team, working across a globally dispersed organisation. In the pre-Palmer environment, many senior managers had significant autonomy over their resources and operations. We are migrating to a very different model where all leaders in the department must share and implement a common view on core issues such as governance, priority-setting and resourcing.

This is a huge cultural change which is exacerbated by the need to continue to run a very large and complex business, and also make major transformations in that business through initiatives such as overhauling our legacy IT systems and business processes.

In September 2005, we established the Change Leader Network across the state and territory offices. The group works at the grass roots level to implement the DIAC reform agenda and built collaborative relationships and useful and effective networks across our National Office and the states and territories.

We have regular senior executive forums where all SES officers come together to discuss and reflect on current issues and undertake strategic planning. I insist that every SES officer spends some time at a client service point each year so they have an insight into the demands on our client service staff. And as much as possible, I ensure that SES officers in the state and territory offices and overseas posts are not isolated in terms of opportunities to interact with other SES and the National Office in Canberra.

We also set out the capabilities and individual behaviours expected of all leaders in DIAC. These are to:

- provide vision and meaningful direction
- operate consistently with our values
- communicate constantly and meaningfully
- create the environment for success
- function as team players
- persist to achieve good outcomes

These capabilities and behaviours now underpin all our work and initiatives on leadership, such as in our leadership training programmes for all SES and Executive Level staff and in the SES Forums. In a video message to all staff on leadership at the beginning of the year, I asked all leaders in the department to test their actions against these behaviours every day, as I do.

I also send a weekly leadership message to SES in which I canvas some of the key leadership issues around communication, resourcing, personal behaviour, values, client service and every aspect of our culture.

And to make this meaningful for leaders and staff, I am currently including a segment in my Friday messages to all-staff where I offer some of the practical ways that leaders in the department have informed me they are working to the leadership model.

This advice ranges from:

- being open about your own strengths and weaknesses, to
- adding local context or value when passing on emails
- giving staff permission to call you on behaviour that does not accord with DIAC values, and
- sending an end-of-year message to staff summarising achievements and a New Year message outlining the priorities and challenges for the year ahead.

While this provides valuable practical insights in leadership for staff throughout the department, it was also a useful exercise in terms of communicating with my senior cohort and encouraging everyone to think about what we can do to display our leadership.

Finally, I should also mention that in tackling this massive transformation, I was attracted to the John Kotter model of change management, which I imagine many of you will be familiar with.³

This sets out the key actions required for successful change in eight steps and while a theory will never replace the intuition and judgement of a good leader, the Kotter model has been extremely useful and is one the best frameworks for managing organisational change in my opinion.

Values

One of our major cultural initiatives, which has implications for how absolutely everyone in the department works, has been around our values.

I need to explain that some of our staff have very difficult jobs, such as sometimes detaining people who are in the country unlawfully, or working at the borders to ensure people are not attempting to enter illegally. This work can be very emotionally and personally demanding, especially where clients exhibit difficult or confronting behaviour. For anyone who has watched the programme 'Border Security' on television recently, this provides a glimpse into the difficulty of this work.

Where perhaps we had gone wrong in the past, was not to realise that unless we define and constantly reinforce appropriate behaviour and values for our staff, there is the possibility that staff will develop their own value set based around the very difficult work they do.

Every Australian Government public servant is expected to apply the Australian Public Service Values and the APS Code of Conduct in their work.

We decided that in addition to these, we also needed some DIAC-specific values to reflect the nature of our work and where we are at in our cultural transition.

The values we operate to and the supporting statements are as follows:

- teamwork

In DIAC we work collaboratively with each other to achieve our business outcomes.
We value diversity, actively seek contributions and commit to open discussions.

³ 'Leading Change', John Kotter, Harvard Business School Press, 1996

- service excellence
We strive for excellence in the delivery of services.
We listen to our stakeholders and customers and develop service solutions that meet their needs.
We commit to being responsive and accessible and deliver services to prescribed and publicly available standards.
- respect
We show respect for our clients, stakeholders and each other.
We are approachable and listen to ensure we understand the individual's needs.
- openness
We are an open organisation, providing visibility and transparency of our processes.
We listen and change how we do business based on feedback from clients and stakeholders.
- commitment.
We are committed to delivering government policy in a fair and reasonable way and constantly strive to improve policy and programme performance.
We are committed to each other and support each other in times of crisis - we always go the extra mile.
We are also committed to a balanced work and personal life, respecting the needs of our staff.

These clearly stated values are not negotiable. There has to be a fundamental set of standards and principles to guide our work. We communicate and provide training across the organisation in these values to ensure we are working ethically, appropriately and in line with public sector and community expectations.

And lastly on values, I must note that instilling a new culture of behaviour and values has to come from the top. The leaders in an organisation are closely scrutinised and we have to be seen to be living the values we espouse for others to follow.

Linking leadership with values and outcomes

The final question — is how do we link leadership with values and outcomes?

My department works to two key outcomes.

Outcome 1:

Contributing to Australia's society and its economic advancement through the lawful and orderly entry and stay of people.

Outcome 2:

A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably.

One of the key links between these is that the DIAC Plan includes the leadership model, DIAC values and our outcomes. This provides high visibility to all staff of these issues and reinforces that they are central to our work.

We have also rolled out a management and leadership decision-making tool called IDEAL, which workplace teams use to explore a variety of ethical, leadership and values-based dilemmas.

IDEAL stands for — Immigration Dilemmas: Ethics, APS values and Leadership. The package guides leaders and their teams through complex and layered scenarios which are based on situations that can arise in any of the overseas, state and territory or National offices.

Each scenario is also supported by a range of reference material to guide teams through a structured dialogue around the ethical issues posed by the scenarios.

The IDEAL package has been strongly endorsed by the Australian Public Service Commissioner, Lynelle Briggs, who said:

‘IDEAL is an excellent package of tailored materials to guide DIMA staff in decision making and workplace discussion of the APS Values and the Code of Conduct.’

I mentioned some of the positive feedback we have been receiving earlier, and while there is always more to do, this is probably the best example of how our work on values and leadership is feeding into improved outcomes.

Having said that, this week we are conducting a comprehensive staff survey following the survey we conducted at the end of 2005, which was the first survey for a decade. As the responses are confidential, we should gain a very clear idea of whether there have been changes in our culture and whether there is acceptance for our work on values and leadership. We will apply that feedback in deciding our next steps.

Conclusion

Strengthening the leadership capability in a large organisation takes time, and as I indicated at the beginning, I don't believe we are alone in the public or private sectors in recognising that there is much more we can do to build a strong culture of leadership.

One of the most important actions we have taken in my department, is simply to put people on notice, that if they have supervisory or programme management responsibilities, they need to consider themselves as leaders and act accordingly.

We have then backed this up with support: with the leadership model, training, the IDEAL package, frequent communication on leadership matters and other support to assist everyone with leadership responsibilities to adopt these behaviours.

On a more general note, the Palmer and Comrie reports had lessons for every public sector organisation, and I hope my presentation today has furthered your understanding of these issues and how we are responding to them in DIAC.

I wish you all the best as you consider the importance issue of leadership during the rest of the conference.

Thank you.