



**Australian Government**  
**Department of Immigration and Citizenship**

**‘Leading organisational change in a complex environment’**

**Address to the Public Sector Leadership Transitions 2009 Conference**

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**Introduction**

Thank you.

This is a conference where truly, the medium is the message. Leadership in any environment, especially a complex one, is all about **communication** and **engagement**.

When I received the draft brochure for this conference, I was struck by the fact that seven of the 13 featured speakers were female—more than half.

Twenty years ago, when I started my public sector career, the mantra was all about management rather than leadership, and I suggest most of the speakers at those management conferences would have been men.

So when we talk about ‘*public sector leadership transitions*’ as we’re doing today, we need to recognise two critical changes in the past two decades—the paradigm shift from management to leadership, and the trend towards public sector leaders who much better match the organisational and community profile across gender, cultural diversity and other attributes.

I’ll have more to say about these later.

**people** our business

Today, I want to take you through my perspective on the leadership challenges we currently face in the public sector environment, illustrated with some examples from my own experience. I will then outline the successful leadership model in use in the Department of Immigration and Citizenship (DIAC).

### **Some reflections on leadership**

I recently joined DIAC after a career ranging across the public and private sectors in Australia, including a number of overseas postings.

If you want to learn about leadership, I suggest you move around and experience as many leadership styles in different organisations as you can—public and private.

As well as learning in these different environments, it's important to seize any opportunities you can in your current organisation to practise and hone your own leadership capabilities. There are universal leadership capabilities which apply in *any* workplace, particularly in relation to strategic thinking.

A few years ago, Lynelle Briggs, the Australian Public Service Commissioner, noted in the 2005-06 State of the Service report that:

‘there is room for improvement in the capability of the Executive Level group.

A consistent pattern appears to be emerging that EL employees are relatively weak in the area of strategic thinking, a critical leadership characteristic...’

She linked this lack of **strategic leadership capability** to an earlier finding from a Management Advisory Committee report that noted:

‘declining rates of inter-agency mobility among potential APS leaders risked creating a new generation of middle and senior managers who lack breadth and depth of experience...’<sup>1</sup>

Then only last week the Secretary of the Department of Prime Minister and Cabinet, Mr Terry Moran AO, noted in a presentation to the Institute of Public Administration Australia that

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<sup>1</sup> See ‘Managing and Sustaining the APS Workforce’ Management Advisory Committee 2005, , Commonwealth of Australia, Canberra.

there were four fundamental areas on which the APS needed to focus in order to become the best public service in the world:

‘One, the quality of our **policy advice** to government must improve.

Two, we must not only strengthen our focus on **service delivery** but enable public servants who create policy to learn from those who deliver it.

Three, we must work tirelessly to put the **citizen at the centre** of our programmes and policies.

And four, we must strive to attract and retain the **highest quality people** -- because if we do that the right policies and solutions will follow’.

Some of the themes running through Mr Moran’s presentation resonate strongly with my own views. As leaders in the APS overseeing continual change, we need to ensure our people **collaborate** across sections, branches and divisions, as well as across the APS more broadly. We must not forget that we are ‘one APS’ striving to deliver on the Government’s overall policy objectives – we will all fail if we do not work collaboratively and seek to break down any silos and eliminate ‘turf wars’.

We also need to plan for the longer term and not just focus on process and activities for the sake of it. We need to pursue **outcomes, not outputs**. To do this, we need to ensure we have **creative thinkers** -- strategic and innovative people who can plan for the long term and not just focus on the immediate priorities and crises which, if not watched, can bog us down on a day-to-day basis. A **Whole of Government** view and **long-term planning** are absolute essentials for any leader in the APS.

Further, we need to breach the **gap between policy development and actual service delivery** -- there is no point having great policy ideas if you haven’t planned how the policy and its related program will actually be delivered. In this area we can learn a lot from many organisations in the private sector as well as a number of APS agencies.

In DIAC our service delivery has improved significantly in recent years due to a dedicated **focus on the client**, tracking performance against client service standards, and quickly addressing negative trends to ensure continued client service improvement. But we still have a way to go. As I work with people in DIAC’s service delivery network to take our recent

progress to the next level, I am unashamedly using some of the lessons I learnt when working in Sensis (a Telstra subsidiary) and other private organisations.

**As I said at the outset, I believe exposure to a range of environments and leadership styles is extremely important for any leader.**

Twenty years ago, I started as a graduate policy officer in the Department of Foreign Affairs and Trade (DFAT), with a BA in languages under my belt, and a horizon-broadening stint as an au-pair in France. I had two overseas postings with DFAT, the first in Hanoi and the second in Jakarta.

Those of you who have been on an overseas posting will know you can learn a lot about what does and does not work for an organisation, in a leadership and management sense, by being in its service delivery network.

There's the different approach needed to manage people from diverse cultures to ensure objectives are met and superior client service delivered. Or the challenge of being remote from headquarters and thinking that people in Canberra have absolutely no idea how things work overseas or, indeed, in another state or territory office in Australia.

I'd like to think that having seen both sides, I'm able to bring a degree of **pragmatism** to the policy and leadership decisions I'm confronted with on a daily basis. DIAC has 80 or so offshore offices dotted around the globe, many of which are the first point of contact for our clients. It's important that I can factor the overseas client service perspective into my strategy-thinking and decision-making.

After my second posting to Jakarta, I joined BHP to take charge of external affairs in Indonesia across its nine different mining, petroleum and steel manufacturing sites. Again, I learnt an enormous amount there, having to manage the complex media, government and other stakeholder relationships for a global resources company in a developing nation.

I then transferred to the BHP corporate headquarters here in Australia where, initially, I was responsible for the tangle of government relationships and government policy changes that had the potential to impact BHP.

This was invaluable in terms of teaching me about the commercial world and the 'bottom line'. It also gave me an appreciation of the challenges private sector organisations face and

how government policy can so dramatically affect them. Early **communication** and **engagement** between both sides is critical.

After four and a half years with BHP, I joined Sensis as a member of its executive leadership team and the head of Corporate Affairs. Later on, my role expanded to include leadership of the online marketing function, and heading up the national sales and client services group responsible for looking after government customers.

At that time, Sensis was largely a print directories company—it published the infamous Yellow Pages and White Pages you all know so well.

It was also a company with some significant challenges—the leadership team had not yet engaged staff effectively and there was an urgent need to improve internal communication. Sometimes the culture reminded me of a small family business in the 1950s; profit levels were far too low; it wasn't changing quickly enough to embrace the new media age; and there was no firm central oversight of the sales and customer service people working in the state and regional offices. I'm afraid consistent national practices were somewhat of an enigma.

On top of all that, the public and the media had almost no idea who Sensis (or Pacific Access as it was then) was. Our few good stories just weren't being promoted. The only media we ever got was negative—such as when we printed the wrong number for a business in one of our directories.

Despite all this, it was a very exciting time because we faced a huge task in turning the company, people and culture around, and then publicising what we did and our future potential as an information-enabled company with a strong people focus.

There was also a huge credibility gap with our customers and our staff as to whether we could do it!

I'll come back to the journey we took to turn things around shortly, but first will sketch out a few points about my personal approach to leadership and offer some practical examples.

Leadership essentials for me include having a **vision**, a **strategy** and a **sense of the future**, and then **engaging people** to seek their input and ensure we're all headed in the same direction.

We can't lead people if we don't know where we are going and where the organisation is going.

**Leadership is all about people**—inspiring, motivating and engaging people to achieve results.

Engaging people is fundamental for me—I can't imagine an effective leader who doesn't have a genuine interest in people and actually like them.

I believe a good leader should know their people, pay close attention to what they are doing, but at the same time not micro-manage them unless things really look like going off track.

We have to treat our people with **dignity** and **respect**, and **value them** and their contribution.

We also need to be **highly visible**—not as easy to do as a deputy secretary I've discovered when you're flat out every day and cocooned in the Executive enclave—but more than worth the effort it takes.

**Innovation, testing assumptions** and **not being complacent** are extremely important too. We should never think we've conquered a problem and become complacent—that's when catastrophes happen or things start to slip backwards.

**Personal drive** is also helpful—not being driven as such, but having energy, enthusiasm and a strong focus on achieving results. This has nothing to do with personal ambition; it's more about wanting to do the absolute best we possibly can all the time.

My strongly held view about leadership is that **there is no end-point** on the journey—there is always more to do and learn as a leader.

It's very important as leaders that we are confident about leading change in the hard times as well as the good times.

Leadership is much less challenging when times are good or when funding is flush, but it is a measure of our success as leaders that we have the personal discipline and the engagement with our teams to keep morale, quality and productivity up in the difficult times such as now when many public sector agencies, including Immigration, have restricted funds.

I expect we all have some sort of **model for leading change** in our heads and I would like to share mine with you.

First, at the appropriate time, **create urgency** by engaging people and clearly explaining the context and reasons for change.

Linked to this, you need to develop a **clear strategy and rationale** for the change—and you need to begin a narrative with your staff that is credible and helpful to further progress.

Third, you need to immerse yourself and your people in the **toolbox** and get the systems, processes, skills and people right.

Last, careful **delivery of the change** and **tracking performance** to make sure it is meeting expectations.

The themes running through all these points are **communication, engagement and tracking performance**.

Something else I would encourage you to do when transferring to a new job or after promotion, is to resist the urge to disappear into your in-tray straight away.

Instead, make sure you take the time to step back and get the strategic view clear in your head right from the start. Ask yourself, are we going in the right direction? Don't assume everything is on track because your new boss or your staff say so—the best time to be a change agent is often before you get drawn into the status quo.

I haven't planned my career in great detail, but two themes underpinning all I've done are **being challenged** and **learning from an appropriate mentor**—not a formal mentor as such, but at different times for me, an exceptionally able manager or leader.

Colin Smith, my former boss and CEO of BHP Indonesia, would challenge me to higher levels and, crucially, showed confidence in my ability to meet these challenges. He threw more and more at me that was well outside the realm of my actual job, and no matter how nervous I was about my capacity to deliver, I embraced the challenge—indeed, I thrived on it.

Andrew Day, the former CEO of Sensis, was one of the most visionary, engaging and charismatic leaders I've personally known. I learnt an enormous amount from him and remain

in contact with him to this day. I would like to think his leadership style has played a big role in defining my own.

**Gender** is also important to consider in leadership. Not positive discrimination as such, since we should always recruit on skills and ability.

But gender is clearly one of the influences on our personal leadership styles.

It's pretty striking to realise that women now comprise 57.6 per cent of the APS workforce—but just 37 per cent of the SES.

On the positive side, clearly there are more women in the SES in the public sector than at equivalent levels in the private sector.

When I arrived at DIAC, the Parliamentary Secretary, Laurie Ferguson, had not long before launched a new program to celebrate Australia's cultural diversity and respond to any associated community tension, the *Diverse Australia Program*.

The catchphrase for this program is 'Everyone belongs'; the point being that our cultural diversity is not the preserve of specific groups of people who might have been born overseas, but something *all* Australians share.

In a similar way, a healthy organisation will be one in which the composition of the staff in terms of age, gender and cultural diversity matches the community at large, and then the leadership in that organisation also matches this profile.

A focus on **diverse and inclusive leadership** is especially important in my current department.

Given our department's purpose, which includes fostering social cohesion and respect for others, we have an important responsibility to be a role model in this area.

So it was disturbing to see the recent report by ANU economists, Professor Alison Booth and Professor Andrew Leigh, that job applicants find it easier to get an interview if they have an Anglo-Saxon name.<sup>2</sup>

They sent over 4,000 made-up CVs to respond to job advertisements on the Eastern seaboard.

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<sup>2</sup> Does Racial and Ethnic Discrimination Vary Across Minority Groups? Evidence From Three Experiments—available at: <http://econrsss.anu.edu.au/~aleigh/>, 17 June 2009

To receive the same number of interview offers as an applicant with an Anglo-Saxon name, a Chinese applicant had to submit 68 per cent more applications, a Middle Eastern applicant 64 per cent more applications, and so on.

This is an important finding and underscores the challenge we all face to recruit solely on merit and, at the same time, work to overcome any **conscious or unconscious preconceptions** we may have about a candidate's ability or suitability.

Gender is an important aspect of this approach to diverse and inclusive leadership. In short, we need both male *and* female leaders.

That said, there's absolutely no point in women trying to copy traditional male approaches to leadership, even though I do respect the choices of women who have felt the need in the past to fit in while working in male-dominated environments.

We should recognise we all bring unique characteristics to our own leadership—'**Everyone belongs**'—women have unique characteristics just as men do.

It's my view, backed up by much experience and observation, that **females** are generally (and I know it's perhaps a '*gross*' generalisation) better at engaging with other people than males. There will always be exceptions on both sides, but I think women are generally more attuned to how individual people are feeling, more likely to sense how a work team is going, and then know how to keep them happy, motivated and productive with their work.

At the risk of being even more controversial, there's also evidence that women dominate as the multi-taskers in our society, undertaking the time-consuming and more people-oriented roles in households and parenting.

So as the number of women in senior positions increases, two of the many strengths women are bringing to leadership are **efficiency** and a **strong people focus**.

And following on from this, in one sense, I think the two key trends I mentioned in my introduction are intertwined.

That is, one of the missing ingredients in the past focus on **management as opposed to leadership** was a core focus on people.

I am sure it is not entirely a coincidence that as we have migrated from the management paradigm to the leadership model over the past two decades, the percentage of female staff and leaders has also increased in the public sector.

Overall, I see our first step as being to identify universal leadership capabilities such as **communication, vision, a people focus, inspiration, motivation, engagement** and **visibility**—to name just a few.

Then what's important is that we recruit to those criteria, and also recognise and enjoy each other's **individual strengths and characteristics**—one of which is our gender.

It's good that you'll be hearing tomorrow from Julia Burns, the Executive Director of the Office for Women in the FaHCSIA portfolio about women's leadership in the public sector.

And I encourage you all to continue to think about how gender and other attributes such as cultural background can influence our leadership styles.

### **Practical examples of leadership**

Let me give you some practical leadership examples from my career.

As I said earlier, when I arrived at Sensis the business was tremendously siloed and staff morale was at an all time low. A culture of poor customer service was reflected in our customer feedback.

Just 35 per cent of staff surveyed felt they understood the business and what they had to do.

Less than 50 per cent liked their job or working for Sensis!

You can really only go up from there!

There was tremendous potential to take the traditional telephone book and fashion from it a customer-focussed business able to have a strong footprint beyond the traditional channels into the internet and beyond.

When I left, staff engagement had more than doubled to 92 per cent which was truly heartening.

And 90 per cent of staff liked their job and working at Sensis. Perhaps more importantly, client satisfaction had increased dramatically and, as a result, our profits had tripled.

Sensis ended up being the largest media company in Australia (with products and services published in print, online, voice and electronic media). In 2004, it was rated one of the top ten most successful companies by profit and one with a positive culture too.

I can't take all the credit for this, but shaping the journey of change sat with me in the Corporate Affairs portfolio.

The way we achieved this turnaround was simple, but hard work—a focus on **strategy** and **vision, communication, engagement, staff input** and **tracking results**. And a focus on ensuring we had the right skills, systems and processes in place to actually deliver on the strategy.

We established **staff discussion groups** to understand just how bad things were—leaders in the organisation would talk with groups of no more than 30 people at a time (and we did this for all staff so it took several months) in an informal facilitated session to hear about their work, and the challenges and issues they faced—the results were not pretty.

In fact, so bad were they that I and others persuaded the senior leadership team that we should delay the rebranding of Pacific Access to Sensis, and the launch of the new direction of the company, so that we could build our commitment to staff, customers and shareholders first—fortunately we were able to achieve this.

We also placed enormous focus on the **integrated customer experience** across products and services, and a fairly ambitious Customer Charter—with fairly ambitious metrics, which we deliberately published externally.

And we launch the Sensis People Commitment—our unique commitment to staff in turn for their commitment to our customers and business.

I also established a new channel of operation at Sensis when I realised we were not differentiating the market segment for one of our largest customers, the government, and they were getting poor service.

By recognising the separate accountabilities that government has to parliament and the taxpayers, and by building and investing in a dedicated government channel, we were able to double this stream of revenue in two years and increase government customer satisfaction.

My most recent position was again in the foreign affairs portfolio.

For many years, there had been a strong focus in the agency on policy and operations, but a lack of understanding that corporate functions could be **active business enablers** rather than offering passive support or being seen as a costly overhead.

Again, it was a case of using **vision, engagement, evidence** and **communication** to get the senior leadership team and the staff on board in the different ways required. It was also about putting **the right people in the right jobs**, and building **a depth and breadth of expertise** on each specialist corporate area.

In the end, my division was one people wanted to work in, rather than being the poor cousin of policy.

## **Leadership in DIAC**

A few months ago, I started as Deputy Secretary in charge of Corporate and Client Services Group at the Department of Immigration and Citizenship.

It is a terrific opportunity to use all my leadership and other experience to take charge of a critical area of a **nation-building portfolio** that operates at a high operational tempo in a demanding and changing global environment. And on top of this, an organisation that is responsible for **policy development, program delivery** and **client service operations** across the whole migration value chain in more than 80 countries worldwide and all states and territories in Australia. This includes applications for temporary visas to visit Australia briefly right through to permanent migration, citizenship and settlement services. We are the only immigration department in the world to operate across such a broad spectrum which gives us unique advantages, but which also makes our business extremely complex.

Right away, I had to **restructure my group** to ensure we had a sustainable long-term structure that would allow us to do deliver the most effective and efficient client service for the foreseeable future, in addition to allowing us to meet significant budget reductions flowing from the global economic crisis.

I approached the task with enthusiasm—not because I enjoy creating uncertainty and moving people around for the sake of it; quite the contrary. The restructure was consistent with my firmly held view that we have to be ready to lead in the tough times as well as when there is less pressure.

I could already see opportunities to simplify and streamline the work of my group in order to create an even better, more focussed, efficient and productive team.

And I could see we needed to develop a **longer term client services strategy** that would define our service offer across the integrated suite of the department's products and services; the standards and metrics we would use to measure our performance; and the values and behaviours everyone would adopt - all the time ensuring input from our people and clients to ensure we were all heading in the same direction. Acknowledging the achievements and efforts of the past during this process was, and still remains, extremely important.

When I arrived in DIAC, it was very clear that a substantial effort had been made by Andrew Metcalfe in the previous four years to build a strong leadership capability.

I was very impressed by my colleagues' professionalism and ability to **lead individually and collectively**, especially those who had kept with the department after having some very difficult experiences in earlier years.

I wasn't there then of course, but my colleagues talk of a fragmented leadership culture in which devolution had encouraged many individual leadership styles and approaches and there was not the sense of a **positive and unified, forward-looking team** that is in place now.

If you are interested in the details of this journey and how the turn around was managed, there's a range of speeches by Andrew Metcalfe available on the website at [www.immi.gov.au](http://www.immi.gov.au) including a recent address to a Public Service Commission conference in New South Wales.

Let me sketch out the details of our approach to leadership.

**Recruitment** has probably been the most important tool in building a strong leadership capability with a blend of people with good corporate knowledge and history, and outside recruits offering innovative ideas and fresh thinking in how we can work more effectively.

We have an **Executive Committee** of senior leaders which brings all major resourcing and other strategic decisions into a single accountable forum. The Executive Committee gives the senior leadership team of the department the tool to know what is going on, and to offer broad guidance and direction that can empower leaders in our client service network to respond effectively to local circumstances.

To assist the Executive Committee in its work, the **Corporate Leadership Group** meets monthly to share information about business risk and change, as well as discussing the broader strategic environment in which the department operates, and negotiating agreement about joint operational responsibilities.

The Secretary also convenes regular **two-day SES forums** where we discuss and plan for the department's future. He also writes to senior leaders once a week about current issues and their own leadership, and he meets with each SES officer individually at least once per year. As one of three deputy secretaries, I work intensively with the others and the secretary to ensure we are offering unified and effective leadership.

To give concrete focus to our leadership activities, a **leadership model** was developed a few years ago<sup>3</sup> and these points help people to understand how they can learn and improve their own leadership capabilities.

These capabilities can be tailored to be useful for all staff as the secretary has introduced the concept that all our staff need to show leadership behaviour appropriate to their level, irrespective of their role or location.

Underpinning all the work of the department are our **three strategic themes** of having fair and reasonable dealings with clients, being an open and accountable organisation, and having well-trained and supported staff. These themes dovetail together with our values and leadership behaviours to form a consistent and practical framework for every staff member.

Further, the **IDEAL project**<sup>4</sup> was developed which encourages staff to discuss and seriously consider ethical and other dilemmas that may arise in their work. The discussions build on the

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<sup>3</sup> Leadership capabilities

- Provide vision and meaningful direction
- Operate consistently within our values
- Communicate constantly and meaningfully
- Create the environment for success
- Function as team players
- Persist to achieve good outcomes.

<sup>4</sup> Immigration Dilemmas: Ethics, APS Values and Leadership

Australian Public Service values and the Code of Conduct with our own DIAC-specific values of teamwork, service excellence, respect, openness and commitment. We place great emphasis on everyone working to these values, all of the time.

We also run **residential leadership programs** for SES and Executive Level staff. And the performance agreements for our SES officers are carefully calibrated in terms of their leadership responsibilities.

**Staff survey results** since 2005 have shown significant improvements across all areas with the exception of some scores on leadership. A particular concern raised by staff in the past two surveys has been the capability of the leadership group to manage and communicate major change as it occurs.

This is especially relevant in the current economic climate as we work through a reduction in staffing levels flowing on from the global economic downturn.

Looking forward, we are considering a range of other mechanisms to further embed leadership excellence in DIAC. These include:

- Reviewing the department's **governance model** to ensure it is still relevant and efficient for our changing organisation, and to ensure that the senior executive is focused on key strategy, policy and risk matters, rather than day-to-day operations as can so often happen in organisations;
- Holding **discussion groups** around the country and overseas to take the temperature on staff satisfaction and morale, and receive feedback about any issues hindering our people from offering great service – to our internal and our external clients;
- Running formal and informal **leadership engagement programs**, including having members of the executive committee travel to onshore and offshore sites on a regular basis;
- Finding ways to breach any real or perceived **gaps between EL officers and the SES**, including holding regular sessions for the two groups to come together;
- Developing pro-active **values and culture programs** to ensure all leaders and their staff understand, and are living, the DIAC values, so that we can further embed a culture of positive reinforcement in DIAC; and

- Developing a range of other initiatives to show our **commitment to DIAC's people**, which is intimately linked to their own commitment to our clients and to the DIAC business as a whole.

Clearly, there is more work to do on our leadership capability in DIAC, but I have to say that coming in as an outsider, I am very impressed at what is already in place and I have no doubt we will continue to build positively in this area.

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