

MINISTER FOR THE PUBLIC SECTOR

SPEECH NOTES

**Across Government Hr Forum
The Modernisation of HR: HR 2015**

We meet today, at this inaugural Forum for HR practitioners, to consider the future direction of HR in the Public Sector.

The theme for this forum came about as a result of a recent study tour I undertook, where I visited the United Kingdom and France in January of this year.

In the UK and France, reform of the public sector is well underway. Central to these reforms is improvement of performance through assessing organisational capability, not unlike our own High Performance Framework.

In 2005, France created a Department of Modernisation, with the objective to totally reform the French public sector. Their mandate is to:

- streamline administrative functions to improve efficiencies
- improve government services with a better understanding of the specific needs of French citizens
- re-engineer relationships between departments to ensure delivery of government objectives that were multi-agency scope
- improve training and education of French public sector employees
- increase deployment of change management techniques.

Achievements of the Department of Modernisation include:

- the uptake of methodologies like Lean Thinking to drive reform
- positioning of workforce planning as central to agency activity
- a move to performance budgeting, and
- a strong focus on developing change management skills, including a dedicated campus for educating future change agents.

The modernisation process that is underway in both the UK and French public service is underpinned by a greater focus on its people: leadership, improved performance and building capacity. Modernisation, in this context, can not occur without HR. And HR, if

it is to be instrumental in reshaping the public sector, must also modernise.

European nations are not the only countries reshaping their public service. South Australia has a process underway to embed the so-called 'High Performance Framework' in all our agencies. The HPF was borne of the work of the Public Sector Performance Commission which reported to Government in November 2010 on ways in which to improve performance in the public sector. Essentially the HPF seeks to align the activities of government agencies with the objectives of government in a way that maximises outcomes and minimises resources consumed, which is nice shorthand for high performance. The objectives of government

not only include SASP and COAG imperatives but also the seven policy priorities recently announced by the Premier.

The enablers for the seven priorities of government are, firstly a culture of innovation and enterprise, which in a nutshell is what the High Performance Framework seeks to achieve; and taking control of your life, which is central to the notion of citizen-centric co-production of services and policy. The HPF seeks to place the citizen at the centre of all that the public sector does and this can be done most successfully when the citizen is engaged in the development of policy and services.

How does the modernisation of HR help to bring the High Performance Framework alive in agencies? Some time back I worked at an executive level in one of the operating divisions of what was then Australia's largest corporation. The HR Manager sat in the holy trinity of management, alongside the Divisional CE and Chief Financial Officer. This particular HR manager saw himself, and was regarded by the other two as a major enabler of corporate strategy. He wasn't a mid-level manager who sat several floors below and was only consulted when a serious industrial issue arose. This particular individual had done the same MBA as myself and in his tool kit sat a knowledge of organisational behaviour, organisational design, corporate strategy development,

individual job design and employee performance management, to list but a few of the skillsets he brought to this particular position.

Dr Verna Roberts, from whom we have just heard, has a similar toolkit. Her PhD concerned the role of workers in organisational change in a lean manufacturing environment. Verna lists her expertise as being in the areas of organisational change, leadership and change agency, participative processes and the facilitation of these processes.

I had a look at the course structure for a Master of Human Resource Management run

by an Australian university. The Foundation subjects were as follows:

- Labour Market Studies
- Values and Conflicts in Organisations
- Evaluating Human Resources
- Organisational Behaviour
- Developing Organisational Capabilities
- Management Theory and Practice
- Management of Change, and
- Leadership and Business Ethics.

At the other end of the academic spectrum, and no less important for being there is a TAFE Diploma of Human Resource Management which lists its course units as follows:

- Human Resource Services

- Performance Management Systems
- Workforce Planning
- Recruitment, Selection and Induction Processes
- Industrial Relations Procedures, and
- Human Resource Management Information Systems.

The graduates of both institutions bring to their employing organisation a range of skills and understandings that are demonstrably required to establish and maintain high performing organisations. To assist the Chief Executive in implementing the High Performance Framework, HR practitioners have first to understand the Framework in the context of organisational design and behaviour. And to make it operational, these

same practitioners have then to employ all the instruments in their HR toolkits.

By way of example, and to make Erma Ranieri squirm in her seat, I will give a real life example of the highly skilled HR practitioner in action. Several years back I chaired a review of the State's planning and development system which, among other things, delivered the 30 Year Plan for Adelaide. It became apparent early in the review that the far reaching changes we would be recommending could not be delivered by Planning SA as it was then structured. Planning SA at that time was attached to PIRSA and the Review gave over to Erma, the HR Director of PIRSA at that time, the responsibility of reconfiguring the agency so

that it could perform the tasks we would be assigning it.

Erma, with the assistance of the Nous Consulting Group, undertook a mapping exercise to more accurately determine the existing structure of the agency in terms of reporting lines, sectional responsibilities and most importantly, individual capabilities. The next step taken by Erma and Nous was to model what the agency should look like with its new set of responsibilities, as determined by my review of the planning and development system. Where were the areas in Planning SA that could largely remain intact and unchanged, what areas needed to be disbanded and most importantly, where were the skill gaps? In a nutshell what Erma did

was create an agency that was fit for purpose – one that had an organisational structure designed to deliver specific agency objectives, and one that was staffed by professionals with the specific skill sets and clearly defined job descriptions necessary for the agency to deliver on its objectives. The issue of corporate culture was also addressed so as to lift the sights of the agency to that of a facilitator rather than a blocker of change and, as the business community constantly lamented, a significant impediment to economic development. Whereas the agency's planning documents were little more than glorified geography projects, the agency culture was moulded to that of an agency actually planning for the future rather than elegantly describing the here and now.

In closing, what does modernisation of HR for the South Australian public sector entail?

Firstly, a recognition that HR is the enabler of the High Performance Framework and that HR practitioners are duty bound to assist their CE's and agencies in embedding the HPF as "the systemic approach to organisational performance management and continuous improvement" that it is intended to be.

Secondly, modernisation of HR entails practitioners availing themselves of at least a working knowledge of a number of tools we intend to apply across the public sector in conjunction with the High Performance Framework. These are Lean Management which we will employ to lift productivity by

stripping out unnecessary functions in day to day work routines; and the Canadian citizen-centric service model which places the citizen at the centre of policy development, service design and service delivery.

Finally, modernisation of HR in the South Australian public sector will require the utilisation of the many HR tools I outlined earlier. If they are not currently in the tool box, I would encourage HR professionals to undertake the training to acquire them. A recent study by Bersin and Associates, a world-class HR research and consulting firm, concluded after studying 720 global organisations that many HR organisations lack the skills they need to succeed. The report stated, and I quote: “This research

shows that the days of bloated HR organisations focused on administrative tasks are over. Lean, technology-enabled, well trained HR teams are able to take advantage of modern talent practices and partner with leaders to drive impact”. One of the ten top practices for high-impact HR organisations, noted by Bersin and Associates in this report, was that the development of internal HR team members is a priority for high impact HR teams. Hence my call to dust off the tool box and add the additional necessary tools through your own process of personal development and career advancement.

Thank you.