

Human Rights Commission  
Independent Review into  
Commonwealth Parliamentary  
Workplaces  
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## **Submission by Dr David White**

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I am making a private submission as a high performance cultural governance specialist with public sector governance reform and executive capability building experience. I have a PhD in the governance of high performing organisations, one of few individuals globally. My expertise is therefore grounded from reliable research into high performing organisations from over 300 studies globally over the last 30 years which shows common characteristics.

### **1. RATIONALE FOR SUBMISSION**

The anecdotal evidence suggests the cultures of governments and parliaments/equivalents may have been problematic globally for years. Country's may struggle with the courage and competence to address issues. What may be needed is a compelling case for change accompanied by a strong vision of a desired future state with leadership to build commitment.

The case for change must be persuasive to overcome vested interests in maintaining the status quo. This submission highlights a diverse range of potential dysfunctional government behaviours which, if left unchecked, may create toxic workplaces, country mediocrity and underperformance.

The submission goes some way to visioning cultures and capabilities for value adding governments and parliaments to professionally govern a country for high performance.

The submission assumes that there may be recommendations in a final report by the Commissioner related to improvements in roles, structures, policy and practices based on a detailed examination of what happened and why. However, the research shows tangible elements such as strategy, roles structures and processes at best may influence only 2-4 percent of organisational performance.

High impact recommendations in any value-added advice should therefore primarily focus on addressing intangibles such as culture and capability which, if effective, will sort out structures, policy and process anyway. The focus of my submission is therefore a more strategic view of prevention and sustainable improvements which can only come about if culture, governance capability, accountability and rewards are addressed in an integrated way.

The current issues may reflect systematic problems with a possible prime root cause being insufficient transparency and accountability for governance including cultures. There is a major opportunity for cultures to be embedded for high performing parliaments and governments as an integral part of governance. Insufficient accountability for cultures may ultimately lead to abuses of power, toxic workplaces and human rights violations.

## 2. VALUE ADDING CULTURES OF GOVERNMENTS AND PARLIAMENTS

Research shows culture and leadership when combined, may influence up to 35 percent of the performance of an organisation. It is by far the biggest single controllable factor. Therefore the accountability for cultures and competency to govern cultures may be the biggest single influence to restore trust in government and parliament that they have the competency to perform professionally. Thinking about culture needs to progress beyond codes of conduct and values statements to the way in which things are done ie how organisations are directed and managed. The focus also needs to shift from just creating an ethical, legal, respectful and safe working environment to what influences and sustains high performance.

The global research into high performing organisations shows common characteristics including that multiple cultures need to be integrated to create critical high performance cultural intangibles including purpose, trust, teamwork, productivity and innovation.

One particular culture is critical. Without it none of the other cultures will be effective. A strong corporate culture of stewardship professionalism must exist and be driven from the top. A stewardship culture must be embedded as a key governance principle of government. The principle is that if governments, parliaments and their advisers/staffers are paid from public monies, then they must be:

- appointed on the basis of merit/competency to meet assigned responsibilities
- managed against clear goals/objectives and development plans
- required to act professionally in the overall public interest
- able to demonstrate public value (benefits relative to costs and risks) in decisions, advice and monies spent in accordance with the values and behaviours of providing public service
- willing to provide high levels of accountability sufficient to maintain public trust.

These elements comprise the fundamentals of a culture of stewardship professionalism. Stewardship meaning always acting in the long term public interest with self interest, political and other interests disclosed and managed in a transparent way. Professionalism meaning going beyond seeing what one does as an occupation for promotion/status but as a profession for self-mastery in complying with relevant evidence-based competency and judgement based professional standards. An example is that the community generally trusts doctors because patient interest is placed above self-interest and there is a commitment to adopt evidence-based standards founded on reliable clinical trials into the human body and treatments.

*If governments desire high levels of community trust and respect, then a similar approach adopted by the medical profession is the only way it will be achieved. An evidence-based approach focussed on the proven cultures and other characteristics of high performing organisations, embedded in professional judgment development may be the most cost effective way of instilling the right head and mindsets. It is surprising how quickly cultures may become toxic and stressful in a paternalistic culture of doing what one is told without the ability to question and when it is clear decisions may not be in the public interest.*

Cultures are not an end in themselves but a means of achieving public value. For example, a key public value proposition of governments is an inspiring and compelling vision of

- *where* a country needs to go and *why* including articulating a high performing country for superior sustainable economic prosperity and community well-being

- *how* it needs to get there including policies and strategies based on factors proven from research evidence that create a high performing internationally competitive country
- *what* is to be achieved in terms of performance indicators and targets for achievement
- *who* is accountable and competent for targets and whether there is alignment of cultures and capabilities to address challenges.

A key public value proposition of parliaments may be to critical review and provide constructive advice on whether government directions are aligned to challenges and support high performance with sufficient resources, culture and capabilities for effective implementation.

Public value propositions supported by appropriate cultures from the foundation for earning community trust that the country is professionally governed in the public interest.

**It is therefore recommended** that the cultures of governments and parliaments are based on reliable research evidence into the cultures of high performing organisations including stewardship professionalism, to support achieving clearly defined public value propositions.

### 3. GOVERNANCE CAPABILITY

Culture must be embedded into the system of governance adopted by governments and parliaments. Culture is not an 'add on' but a built into the way things are done. Not surprisingly a key common characteristic of high performing organisations is that they are disciplined and capable to work to systems in anticipation of foreseeable operating environments. An example of a systems approach to governing culture is provided in the following.

Plan (where going)

- a cultural governance framework agreed and documented which provides broad direction on cultures and their effectiveness, leadership, governance, management and other roles, structures, responsibilities and accountabilities. The framework be based on what is proven from reliable research evidence to create high performing workplaces and aligned to national challenges for improving economic prosperity and community well-being
- annual transparency and reporting against cultural plans and budgets of parliament, cabinet and ministerial workplaces using cultural effectiveness assessments that rate cultures critical for high performance. Assessments should use attainment scales such as highly effective, mostly effective, reasonably effective, require some or major improvement. Gaps should be addressed via strategies, actions, KPIs and progress/achievements

Do (how getting there)

- the soundness of judgments of those that report on cultures assessed using attainment scales such as making highly sound, mostly sound, reasonably sound, requires some or major proficiency improvement
- Key individuals including ministers able to make reasonably sound judgments on their cultures and associated leadership styles. This means possessing generalist proficiency for less complex situations and challenges. Judgment gaps should be identified with appropriate personal development plans, professional development programs, KPI's and summarised in cultural plans

Check/Act (what's achieved/needs improvement)

- rewards and recognition for achievement of high performing workplaces as well as objective independent red flag risk assessments of potentially low performance/dysfunctional workplaces and investigations of issues when they arise

- periodic review of the governance system including benchmarking against leading practice and relevant legal due diligence principles

Ultimately what matters is decisions by governments, parliaments and their staff making sound professional judgments based on structured professional development of capability.

For example, I have developed professional judgment standards for directors, managers and advisers based on:

- value - doing the right things
- quality - getting it right the first time,
- integrity - right values/behaviours and
- reliability - doing things consistently over time in a variety of situations.

Judgment soundness on cultures are critical. Those that provide specialist advice on cultures should be able to demonstrate meeting capability criteria for making highly sound judgments if they are to be relied upon by governments and ministers. Sound judgments against relevant legal principles may enable due diligence to be exercised. For example business judgments that are 'honest' (best interest belief), 'rational' (for business purpose) and 'informed' (benefit, cost-risk options) may afford company director protection and due diligence under Section 180(2) of the *Corporations Act 2001*.

**It is therefore recommended** that there should be a structured and disciplined approach to professionally governing culture using a plan-do-check-act system that builds capability to make sound professional judgments.

#### **4. ACCOUNTABILITY, DYSFUNCTIONAL RISKS AND REWARDS**

Governments and parliaments must lead by example by adopting relevant governance standards for professional directorship at least equivalent to the accountability type regime imposed nationally for Australian stock exchange listed company boards. The company accountability regime includes comply or explain in annual reports if relevant governance principles and practices have not been adopted. For governments and parliaments this may include acting ethically, legally, fairly, respectfully and compassionately in embedding a top down culture of stewardship professionalism in providing public service.

**It is therefore recommended** that parliament and governments provide in their annual reports or equivalent documents a comply or explain accountability regime on the governance of cultures against relevant standards and practices.

Observations, research and experiences suggest governments may be inherently at risk of engaging in a wide range of diverse dysfunctional behaviours. Dysfunctional behaviours grouped under a think/decide, fund/appoint and communicate governance approach include:

##### **Think/Decide**

- problem reactive 'muddling through' governance – insufficient anticipation of opportunities/risks and/or country ability to address them, leading to reacting to problems and issues as they arise. Time and resources devoted to problem solving may mean a further round of not anticipating opportunities/risks and ability leading to an ongoing reactive 'muddling through' cycle. Root cause may be an ineffective governance system by governments not trained to professional directorship. Reactive problem solving may also be accompanied by costly centralised decision-making and autocratic directive issuing, a typical default position of those not trained in professional directorship

- paradigm paralysis -stuck in particular ways of thinking and unable or unwilling to see other perspectives. Strong ideologies may lead to a cult like following
- paybacks/conflicts of interest – providing significant political donors or marginal seats with favourable policy decisions which may conflict with acting in the public interest
- anti-intellectualism – unwillingness to search for the truth about what is proven to work and or develop the expertise to make things work. May believe that only a bit of nous and common sense is required to solve problems and manage things. Susceptible to fads, quick fixes, populist/consensus driven perspectives, unproven theories and solutions
- inconvenient truth avoidance – avoiding evidence-based policy in which facts and evidence may conflict with preferences/ideologies and make decision-making more complicated and difficult
- information bias – seeking only information that confirms or reinforces preconceived views and automatically discounting alternative information/views
- passive indifference – not interested in country governance or issues until it has impacts on them/others close to them or has the potential to damage personal reputation if ignored
- ‘she’ll be right’ complacency - a belief that we can just solve problems as they occur or discounting long term thinking
- status quo inertia – a reluctance or lack of courage to challenge current ways even when it is apparent they are not working

### **Fund/Appoint**

- monument/legacy syndrome – wanting to leave a high profile reminder of their time in power regardless of cost, benefits, risks and contribution to prosperity/well-being relative to other projects, infrastructure, programs or services
- arbitrary budget/staff cutting – which may penalise those who operate effectively/efficiently and encourage budget padding. Can be the equivalent of chopping people off at the knees and then asking them to run. A root cause can be inadequate skills in assessing the value of public services/programs and ineffective leadership for highly productive, innovative and engaged workforces. Cutting may also be disguised as ‘efficiency dividends’
- hollowing out - underfunding organisations, programs and services so that they eventually experience problems and issues. Root cause may be hidden agendas and paybacks
- capability pliability – hiring those who will say and do what governments may want to hear and implement which may compromise frank and fearless advice in the public interest
- adoring followership – encouraging automatic agreement and cheerleading of what superiors and/or those with power and influence want to do regardless of the benefits, risks and costs. Supported by removing/discrediting those who disagree or voice concerns
- low competency hierarchy – B class individuals hiring C class individuals with lower competence because they are not a threat, who then hire D class individuals for similar reasons. Highly talented world class A individuals are not attracted or leave because they do not want to work with those of a lower competence. A hierarchy of lower competency may ultimately mean a mediocrity cycle of underperformance.

### **Communicate**

- announcement pipelines - media releases and meetings to maintain an ongoing positive media profile. Helped by taking credit for good news and getting others to communicate bad news
- mantra/spin - carefully crafted and scripted communication for emotional persuasion, point scoring, reinforcing information bias and/or image making
- personality politics/leadership saviour syndrome – focusing on individuals, personalities and new leaders (‘saviours’) rather than on policy substance and performance

- smoke screening/camouflaging – saying one thing but doing another. For example, saying one is committed and supportive but cutting their budget. Includes making announcements to divert or disguise attention on bad news

These behaviours may create toxic workplaces, country mediocrity and underperformance.

It is therefore critical that accountability mechanisms and rewards/penalties prevent, detect and correct these practices and behaviours. What gets measured, reported and rewarded gets done. Remuneration is an important lever in encouraging appropriate behaviours and leadership styles. The community only gets government professionalism that it rewards.

Remuneration regardless of performance and professionalism is a key issue in governments and will do little to incentivise change. It's time for parliaments and governments to act in the public interest and not their own self interest to make this change. Public pressure may be required to overcome status quo inertia.

**It is therefore recommended** that a cultural and remuneration body independent from government objectively review government and parliamentary cultures periodically and provide advice on remuneration aligned to cultures and capability to address challenges.

## 5. SUMMARY

In summary public trust in government may be achieved when parliaments, governments and ministers demonstrate leadership and judgment proficiency to embed proven cultures proven to influence high performance with transparency and accountability in cultural frameworks, plans and budgets. The capability to work to systems and make sound judgments also assists in demonstrating due diligence against relevant legal principles.

The bottom line is that Australia needs high performing, safe and healthy workplaces to achieve sustainable superior economic prosperity and community well-being. The mindset shift in culture is significant. Government and parliament needs to be viewed not as a political occupation for promotion but as a profession for stewardship self-mastery. The public value of governments are ultimately reflected in their cultures and capabilities to address challenges. Their rewards and remuneration should be commensurate with their public value.

### Summary of Recommendations

- Cultures of governments and parliaments based on reliable research evidence into the cultures of high performing organisations including stewardship professionalism to support achieving clearly defined public value propositions
- A structured and disciplined approach to professionally governing culture using a plan-do-check-act system that builds capability to make sound professional judgments
- Parliament and governments provide in their annual reports or equivalent documents a comply or explain accountability regime on the governance of cultures
- a cultural and remuneration body independent from government objectively review government and parliamentary cultures periodically and provide advice on remuneration aligned to cultures and capability to address challenges.

### Public Value (benefits, costs and risks) of Recommendations

Public value may be classified as low, medium and high value. High value may mean there is a high certainty of enhanced economic prosperity and community well-being.

Alternatively, not implementing the directions may adversely impact country performance, competitiveness and reputation.

There is enhanced certainty of achieving high public value because directions are objectively based on proven research into the cultures of high performing organisations. There is a cost effective focus on root causes of workplace issues and proven performance enablers including culture, governance, accountability and rewards. There are significant short term risks of status quo inertia and self interest in avoiding the truth about directions needed. However the longer term major risk of not effectively implementing the recommendations include governments prone to dysfunctional behaviours that may create toxic workplaces, country mediocrity and underperformance.

Perhaps the final benefit may be the most important. To offer hope to the up and coming generation particularly those who have experienced bullying and assault that there is a better way of governing a country.

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A high-performance governance specialist, Dr David White has five university qualifications including a PhD in the governance of high-performing organisations, company director's diploma and an MBA. He has over 35 years experience including in company and public sector governance, corporate management, executive development and internal/external audit roles.