Public Service Commission

Growing capability

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The world-class public service envisioned by the Premier's Priorities needs a highly capable workforce. This chapter discusses leadership, the importance of good recruitment and employee mobility practices, employee learning and development, and collaboration.

Leadership matters to employees

The impact of leaders on organisational performance cannot be underestimated. Leadership is key in setting direction, executing strategy, shaping culture and capability, inspiring purpose and delivering results. This can be seen in the relationship between employee perceptions of senior leaders and employee engagement (see Figure 5.1). At the agency level, higher engagement is associated with more favourable perceptions of leaders.

Source: People Matter Employee Survey (2019)

Note: Each data point represents an agency, and the dotted line is the trendline. The Senior Leadership Index is an aggregate of answers to four questions about senior managers from the People Matter survey.

The People Matter survey includes nine questions on how employees view their leaders – who are referred to as 'senior managers' in the survey. Between 2018 and 2019, scores for eight of the nine questions improved, while one decreased by a small amount. The largest improvements were in the areas of change

management and leaders modelling values – for which the sector's leaders should be commended.

The small decrease involved a question about leaders communicating the importance of customers and clients. This is slightly concerning given the government's push to put customers at the centre of delivery. However, it may simply reflect a broader awareness of this customer-centric approach among employees and increasing expectations of delivery to customers.

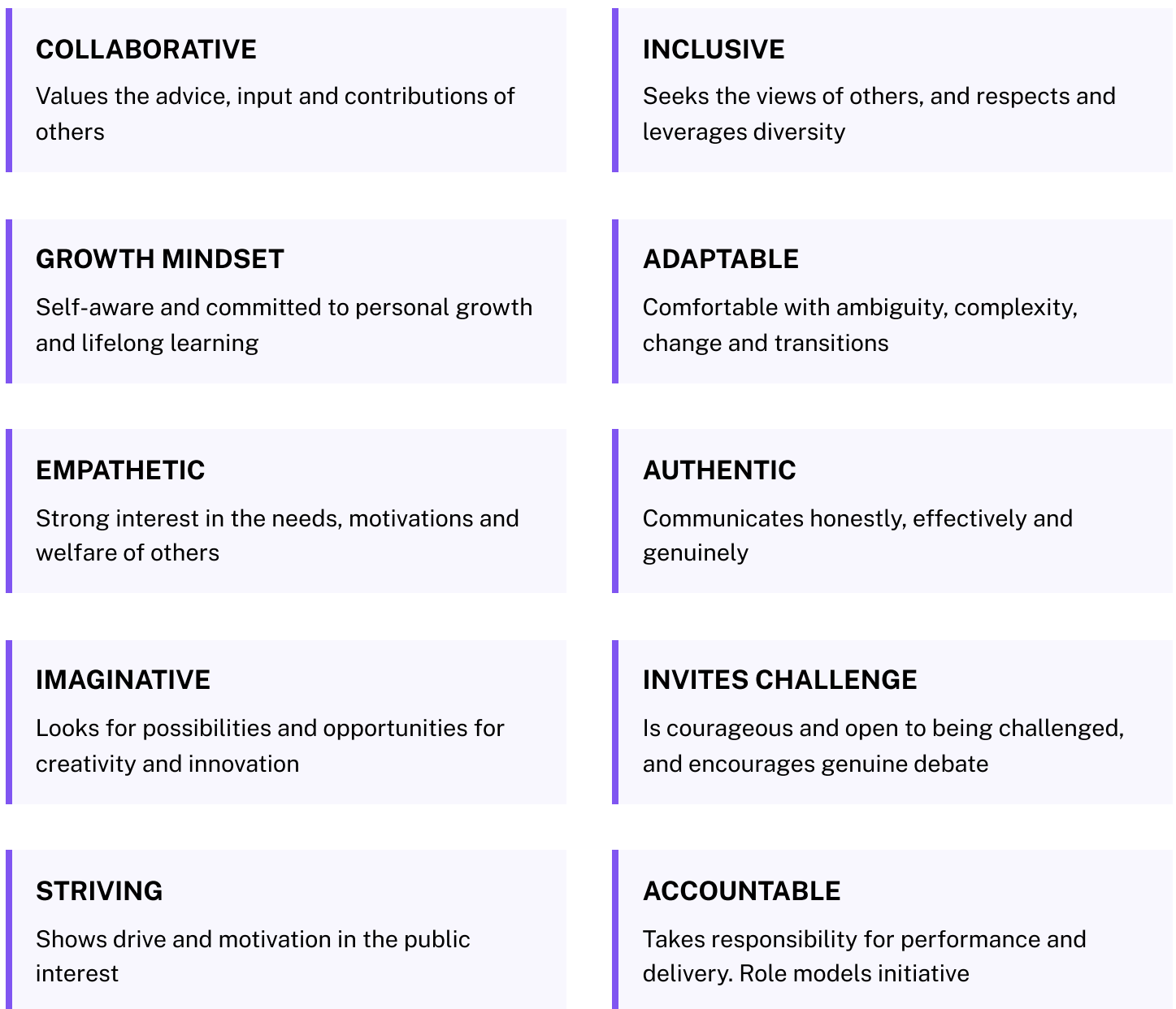| Question	2019 (% positive)	Change from 2018 (pp)
I believe senior managers provide clear direction for the future of the organisation	50.6	1.2
I feel that senior managers effectively lead and manage change	47.3	1.5
I feel that senior managers model the values of my organisation	52.0	2.0
Senior managers encourage innovation by employees	50.9	0.8
Senior managers promote collaboration between my organisation and other organisations we work with	52.8	0.5
Senior managers communicate the importance of customers/clients in achieving our business objectives	61.4	-0.4
I feel that senior managers keep employees informed about what's going on	48.4	1.0
I feel that senior managers listen to employees	44.1	0.8
Senior managers in my organisation support the career advancement of women	61.1	0.8

Table 5.1: Employee perceptions of the qualities of senior managers, 2019 vs 2018

Source: People Matter Employee Survey (2018, 2019)

Source: https://www.psc.nsw.gov.au/reports-and-data/state-of-the-nsw-public-sector/state-of-the-nsw-public-sector-report-2019/growing-capability
30 Apr 2024, 12:56 pm

A common theme of some of the case studies in this report is the importance of leadership in enabling employees to embrace risk and experiment, adopt new ways of working, and deliver for customers. From these case studies, it is clear that leadership needs to be visible, courageous and empowering at all levels of the organisation.

The Secretaries Board has taken stock of what it means to be a leader, so it can help upcoming leaders to develop the qualities they need for the work of the future. The new stewardship and leadership impact framework summarises the mindset, attributes and key capabilities required of public sector leaders (see Figure 5.2). The framework will be used to guide the evolution of the NSW Leadership Academy and extend its reach across the sector.[28]

Figure 5.2: Stewardship and leadership impact framework

COLLABORATIVE

Values the advice, input and contributions of others

INCLUSIVE

Seeks the views of others, and respects and leverages diversity

GROWTH MINDSET

Self-aware and committed to personal growth and lifelong learning

ADAPTABLE

Comfortable with ambiguity, complexity, change and transitions

EMPATHETIC

Strong interest in the needs, motivations and welfare of others

AUTHENTIC

Communicates honestly, effectively and genuinely

IMAGINATIVE

Looks for possibilities and opportunities for creativity and innovation

INVITES CHALLENGE

Is courageous and open to being challenged, and encourages genuine debate

STRIVING

Shows drive and motivation in the public interest

ACCOUNTABLE

Takes responsibility for performance and delivery. Role models initiative

OUTCOMES-FOCUSED

Thinks in a citizen-centric way and prioritises work for the greatest impact

Leadership Impact

Personal impact

Leading for positive impact on others – people, teams, peers and leaders

Results impact

Achieving agency and citizen outcomes through strategy, management and measuring results

Systems impact

Creating the right environment, processes, systems and ways of working for efficiency, adaptability and collaboration

Public value impact

Increasing trust, engagement and the perception of public value among citizens

Impact on culture

Models and supports positive workplace culture

Leads a high-performance workplace culture

Activates levers for change across systems, boundaries and ways of working

Works with other leaders to steward a world-class public sector for NSW

The 2018 edition of this report discussed the importance of leading through a broad people management team, particularly in larger organisations.[29] One important function of such a team is recruiting and developing people who have the qualities and capabilities to help an organisation meet its current and future objectives.

Recruitment and mobility practices are improving but still need attention

Growing the sector's capabilities means recruiting the right people to deliver a world-class public service. Recruitment is an important, high-volume activity for the sector, which is the largest employer in Australia. In 2019, nearly half a million applications were submitted through the I Work for NSW recruitment system.[30] The system hosted around 22,000 job advertisements and 32,000 job openings in 2019, the highest annual numbers ever (see Figure 5.3).[31] Around 24,000 applicants won a job in the NSW public sector in 2019.

Source: Recruitment data collection (2015–19)

Note: A single job advertisement may advertise one or more openings (or vacancies), which is why there are more openings than advertisements.

The scale of recruitment in the sector prompted the 2018 **Review of NSW Public Service Recruitment Reforms** (the Recruitment Review). Through its programs of work, the PSC is implementing the recommendations made by lead reviewer, Lynelle Briggs AO. The recommendations fall into five categories:

- fostering a workforce for the future

- improving technology and data

- driving more robust recruitment decision making

- enabling mobility

- providing positive experiences for candidates.

Employee perceptions of recruitment are poor according to the 2019 People Matter survey. Only 38.9% of survey respondents said they have confidence in their organisation's recruitment decisions, and 54.5% said their organisation selects capable people. Though these scores were improvements on the 2018 scores, they are still too low. Further, more than one in five respondents said they hadn't moved to a new role because the recruitment process was too cumbersome or time-consuming. And this doesn't even include external candidates who anecdotally are less familiar with public sector recruitment processes.

Due to poor perceptions of recruitment processes, the PSC undertook fieldwork to see how the findings and recommendations of the Recruitment Review apply across the NSW public sector. The PSC spoke with a cross-section of hiring managers, HR practitioners and internal candidates to understand their perspectives on recruitment. This included experience as users of the relevant tools, systems and frameworks that drive the recruitment process. The fieldwork provided important insights relating to candidate assessment, selection and care, and interactions between HR and hiring managers. It also showed that the sector needs to be more strategic about recruitment.

There is little awareness of the best types of assessments to use, and how to interpret the results of the assessments. Some hiring managers are confused about how to weigh the relevant factors when making a recruitment decision, particularly if a candidate does not demonstrate all the focus capabilities at the required level. Many believe an assessment of capability to be the sole factor in decision making. However, assessing a candidate's fit for a role requires the hiring party to exercise discretion when considering the candidate's knowledge, experience, capability fulfilment and fit in the organisation's culture.

Time to hire, a measure of efficiency of recruitment processes, has decreased consistently since 2015 (see Figure 5.4). This improvement should be applauded, but fieldwork interviews and anecdotal evidence indicate the need for better candidate care throughout the recruitment process. For example, candidates generally receive infrequent communication from hiring managers and HR about their application. Many candidates need to actively pursue updates.

Source: Recruitment data collection (2015–19)

In addition to clear and regular communication, good candidate care during the recruitment process entails offering reasonable adjustments at any stage of the assessment and selection process. It also includes giving constructive feedback, especially to candidates who do not receive an offer of employment at the end of the process. Just because a candidate was not successful one time, does not mean they shouldn't be allowed to learn from their experience and improve for the next time they apply for a role in the sector. Today's unsuccessful candidate could well be tomorrow's hire.

Ensuring the recruitment process is a positive experience for candidates will help the sector attract the best and brightest people. Research shows that the longer the time to hire, the more likely candidate dropout becomes, especially among high-quality applicants.[32]

Efficiencies in recruitment can be achieved using bulk recruitment and talent pools, especially for common roles. However, only 18% of the 45 agencies that responded to the Recruitment Review survey indicated that they often or always use bulk recruitment and talent pools for common, generalist roles. The NSW Government Graduate Program is an example of how bulk recruitment, coupled with training and curated career development opportunities, can be used efficiently to attract talent to the public sector.

NSW Government Graduate Program update

The NSW Government Graduate Program aims to attract and retain talented graduates – contributing to public sector capability and developing a cohort of future sector leaders. Candidates are assessed using valid and reliable capability-based methods. They are then matched to agencies based on their qualifications and preferences, and agency requirements. The graduates rotate through three different roles across the sector over 18 months. This promotes mobility, helps them develop professional networks and builds their foundational skills and knowledge.

Year	Applications received	Successful placements
2016	1,218	25
2017	2,077	107
2018	2,809	168
2019	3,420	189

Table 5.2: NSW Government Graduate Program growth, 2016–2019

The program continues to expand, with placements increasing from 25 in the 2016 inaugural program to 189 in 2019, including 19 roles in the Central West and Hunter regions. The 2020 program will be expanding its presence to the North Coast (Coffs Harbour and Grafton) and New England (Tamworth and Armidale) regions, raising the total number of regional roles to 30.

Candidates from diverse disciplines and backgrounds have taken part in the program. Through engaging Yarn'n Aboriginal Employment Services to help source candidates, representation of Aboriginal peoples in the program increased from 1.2% in 2018 to 2.6% in 2019.

Group	Applications received (%)	Successful placements (%)
Females	49.4	58.3
Males	47.8	40.7
People with disability	3.3	2.7
Aboriginal peoples	1.0	1.8

Table 5.3: NSW Government Graduate Program diversity outcomes, 2016–2019

Note: Percentages for gender do not add up to 100% because some applicants chose not to disclose their gender.

The mobility of graduates in the 2016 and 2017 intakes has been followed over time. Retention is high. Of those who completed the program, 80% were still employed in the sector two years later.

Program participants have also progressed rapidly in their careers since starting the program at Grade 3/4. Almost half (46%) of the 2016 and 2017 cohorts had moved to a role at least two grades higher one year after completing the program. By the two-year mark, 28% of the 2016 cohort had moved to a role that was at least three grades higher.

The program continues to repay the investment made by participating agencies. More than half (58%) of the continuing graduates from the 2016 and 2017 cohorts returned to their home agency after completing the program. Over three-quarters (77%) are currently employed in an agency where they completed a rotation during the program.

Some of the most successful recruiting takes place in agencies where HR provides high-touch recruitment services to hiring managers, typically through a business partner model. These dedicated HR partners are well received by hiring managers, and their help can result in significant cost savings. The Transport cluster has shown how a centralised, high-touch recruitment model can result in better recruitment processes and decision making.

Transport cluster overhauls recruitment

The recent infrastructure boom across Australia has led to high demand for skilled staff across the transportation sector. The Transport cluster makes around 6,000 permanent and fixed-term appointments a year and is constantly competing with the private sector for talent.

Transport recognised that it would need to overhaul its recruitment processes to compete against the private sector for talent. Additionally, a review of costs associated with recruitment showed an over-reliance on external providers for tasks that could be carried out internally.

In December 2017, Transport began an in-depth current-state analysis, with the aim of improving its recruitment process. It researched best-practice models being used across the public and private sectors. As a result, it decided that a high-touch, centralised recruitment service would best suit Transport. This model relies on HR taking the burden off business units, and ensures the best results for candidates, managers and the cluster.

Under this new model, the experience for the hiring manager is vastly improved as they are now only involved in the 'moments that matter' during the recruitment process. These moments include providing a job description briefing to HR, and selecting and welcoming new staff members. The newly created, specialised Talent team handles all other processes, such as advertising, shortlisting and conducting pre-employment checks. The hiring manager only needs to provide input and approvals at key points.

The Talent team has several other recruitment-related functions:

- An employee value proposition and engagement team runs career fairs and advises on advertising best practice and internal and external brand perceptions.
- A strategic sourcing and attraction unit researches the market and develops talent pipelines, and can be used as a head-hunter.
- An analytics and reporting unit provides up-to-date statistics on recruitment.

Hiring manager satisfaction with the recruitment process reached 86% in a survey conducted after the new model was introduced. Additionally, bringing the recruitment function in-house has led to major cost savings by eliminating the need for independent panel members and reducing reliance on external recruitment agencies.

The new model has also reduced the time it takes to hire staff members, which is now consistently less than 40 days.

Transport plans to further evolve and improve its recruitment and talent mobility practices. It will focus on improving the representation of people with disability, Aboriginal peoples and women in senior leadership positions throughout the cluster.

Regional areas of NSW face additional challenges in recruitment and mobility. Agencies in regional NSW often have difficulty attracting and retaining talent, and sometimes struggle to give existing employees promotion opportunities. Agencies in the New England and North West region of NSW are showing how some of these challenges can be overcome by taking a regional, one-sector view of recruitment rather than a siloed, agency-by-agency view.

Regional areas of NSW face additional challenges in recruitment and mobility. Agencies in regional NSW often have difficulty attracting and retaining talent, and sometimes struggle to give existing employees promotion opportunities. Agencies in the New England and North West region of NSW are showing how some of these challenges can be overcome by taking a regional, one-sector view of recruitment rather than a siloed, agency-by-agency view.

New England and North West NSW tackles regional recruitment and mobility

Recruiters in regional areas of NSW face challenges not experienced by counterparts in metropolitan locations. These include difficulties attracting and retaining talent, and a lack of recruitment pools. These challenges are linked to the limited career progression and reduced funds for resourcing and projects that drive capable employees to leave to find work in cities.

However, Regional NSW, a branch of the Department of Premier and Cabinet – now part of the Department of Planning, Industry and Environment – has made progress in solving these challenges in the New England and North West region.

The Department of Premier and Cabinet revived the Regional Leaders Network (RLN), a previously active community that shared information about government priorities and programs, in June 2018. The RLN brought together up to 50 people managers and executives from across local, state and federal governments. The network includes staff members from the NSW departments of Education; Communities and Justice; Health; and Planning, Industry and Environment.

The group identified that recruitment and mobility were shared challenges in the New England and North West region.

All levels of government wanted to:

- increase employee trust in recruitment decisions
- share talent pools and refer capable candidates to others looking for staff
- provide development opportunities to existing staff.

Credibility was vital for achieving these goals. The PSC provided specialist advice on the GSE Act. This meant the network could draw on mechanisms from the Government Sector Employment (General) Rules 2014 to challenge the perception that government departments lacked recruitment options.

The RLN has started exploring the use of bulk recruitment talent pools for administrative, policy and project coordination roles. Analysis of the PSC's region-based recruitment data had shown that these roles were common to all NSW public sector agencies in the region.

The RLN is also working to resolve cultural issues relating to employee trust in hiring decisions. Additionally, it is making talent pools visible, to tackle the problem of losing talent to other public sector agencies. This is a step towards taking a whole-of-sector view of recruiting and retaining talented employees.

As a cross-government effort, members have found the network valuable for identifying, sharing and resolving problems. It has also helped agency staff members in different agencies feel less isolated.

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Internal applicants are more likely to be successful in the recruitment process than external applicants. The number of internal applicants and hires has been relatively stable over the past five years (see Figure 5.5). In 2019, 42.5% of applicants were internal and 65.8% of hires were internal applicants. Some of these internal applicants may have applied for a new role to secure a promotion, while others may have applied for a role at the same level. This raises questions about whether mobility is being done effectively and efficiently, which, at times may mean mobilising people without formal processes.

Source: Recruitment data collection (2015–19)

Having a mobile workforce makes it easier to redeploy resources to match priorities and respond effectively to change and emerging trends. It is one way to get the right person into the right job, and infuse new ideas and practices into a workplace. Employee mobility is also widely regarded as one of the best ways to develop leadership capability, provide enriching careers, and build and retain capability and 'know-how' in an agency and the sector more broadly. This is why exploring new opportunities is part of the I Work for NSW employee value proposition.

Despite the importance of mobility, it is estimated from Workforce Profile collection data that only 1.7% of employees (or 6,000 people) moved between agencies in 2019. Furthermore, more than 40% of respondents to the 2019 People Matter survey said they had been in the same role for five years or more.

While more mobility is clearly needed, putting it into practice is not without its challenges. One challenge is the potential loss of experienced employees. However, research suggests the benefits offset the disadvantages[33], especially with efficient succession planning and handover practices in place.[34]

Results of the People Matter survey show how mobility can help improve employee engagement. Overall, employee engagement declines as organisational tenure increases (shown by the solid line in Figure 5.6). However, the decline in engagement that occurs with increased tenure can be partially offset by moving to a new role within an organisation (shown by the dotted lines in Figure 5.6). This is compelling evidence for the value of mobility.

Source: People Matter Employee Survey (2019)

Learning and development drives engagement and performance

Clear alignment between organisational strategy and employee performance goals is critical to optimising organisational performance. Giving employees access to learning and development programs will help them achieve their performance and career goals. It will also help agencies to develop the right employee capabilities to deliver business outcomes, and ultimately fulfil the needs and aims of the sector.

Learning and development programs should consider an agency's strategies for developing high-potential employees, managing talent, developing leadership and management skills, planning succession for critical roles, and other workforce planning and development programs.

There are many ways to develop an employee's capabilities beyond mobility. Specific development activities could include undertaking stretch project work, shadowing colleagues or managers, attending conferences, joining professional bodies, completing benchmarking exercises, engaging a professional coach, or undertaking on-the-job coaching by a manager. The Education cluster is using on-the-job learning to improve the STEM skills of teachers to improve student learning outcomes.

T4L program helps teachers deliver better STEM education

Today's kids need science, technology, engineering and mathematics (STEM) skills to make the most of opportunities being created by new, emerging and future technologies.

The NSW Department of Education has responded to this need for future-focused learning, including launching the STEM Technology for Learning (T4L) program in 2018. The program aims to raise the level of engagement of students and teachers with STEM topics.

STEM T4L provides primary and secondary schools with kits for robotics, virtual reality, and 3D printing, coding and film making. Students learn through project-based STEM challenges that are mapped to the NSW syllabus. These challenges are designed to unlock creativity and show real-world applications. The kits are loaned to schools, which can choose to buy one or more at the end of the loan period. The kits are also regularly updated to replace obsolete technology with new technology.

STEM T4L projects take learning out of the classroom and into new domains. For example, around 40 schools across Western Sydney entered the 2019 Western Sydney Airport Minecraft Competition. Entrants used Minecraft, a digital building blocks game, to design an airport of the future. They worked on problems relating to passenger experience, sustainability and accessibility.

These exciting and enriching learning opportunities cannot take place without highly skilled teachers who have the right capabilities and knowledge to teach this cutting-edge curriculum. The STEM T4L program has been designed to develop teacher confidence and competence in STEM subjects. The program gives teachers access to:

- digital resources through a purpose-built online learning library
- co-teaching and training opportunities with 12 STEM T4L leaders around NSW, including face-to-face and video conferencing support
- help with selecting appropriate digital learning tools, and training in using those tools (business partners like Microsoft, Google, Adobe, Lego and Apple make this possible by providing support)
- online video tutorials
- an online community of practice for shared best practices
- research and literature on wide-ranging topics relevant to future-focused learning.

So far, STEM T4L has reached around 15,000 teachers in more than 1,200 schools and is already showing promising results. Surveys of teachers who have participated show their confidence in using STEM technologies almost doubled, rising from 40% before taking part in the program to 79% after receiving training. Similarly, their confidence in their ability to teach STEM-based activities improved from 67% before taking part to 89%.

Surveys of primary school students also show promising results. Survey participants said their confidence in their STEM skills had improved and they were more curious about using technology to solve problems.

Understanding how students feel about STEM subjects is central to encouraging all students to take up opportunities in STEM. For instance, the surveys have shown that girls were less likely to say they would choose a career in STEM. So STEM T4L is now looking at innovative ways to introduce and attract girls to STEM subjects from an earlier age. The next stage of STEM T4L will also focus on improving access to technology for rural and remote schools.

Due to the rapidly changing nature of work – discussed in Chapter 2 of this report – the best way to build individual and team capabilities is to assess work practices and identify development needs throughout the year, either formally or informally.

Consistent with previous years, the 2019 People Matter survey data show that career development is the most substantial driver of employee engagement in the sector. Just over half of employees (50.8%) were satisfied with the career development opportunities in their organisation. A similar number (52.3%) said their organisation is committed to developing its employees. Variation across agencies and little improvement from the previous year (see Figure 5.7) suggests that all parts of the sector have work to do in this space. But this will be challenging if employees do not have performance plans. Only 71.5% of survey respondents said they have a performance and development plan that sets out their individual objectives. Without these plans, agencies will find it harder to understand employees' goals and to plan development opportunities.

Source: People Matter Employee Survey (2018, 2019)

Note: Each column represents an agency.

The sector needs uplifts in digital, people management and HR capabilities

Through its work with the sector, the PSC has identified capability areas where an uplift is required. This uplift can be achieved by developing the capabilities of existing employees and bringing in fresh talent through recruitment. These capability areas are discussed below.

Digital capability

Digital government involves more than using the latest technology and software applications. It means going back to first principles: focusing on user needs and figuring out the best way to meet them. Digital capability requires a shift in mindset, to think about problems creatively and solve them based on the perspectives of customers and users while also harnessing the best tools and technologies.[35]

The PSC is collaborating with the NSW Department of Customer Service to assess the maturity of the sector, and develop and implement a plan to ensure that NSW has a digitally capable, world-class public service. As a starting point, the PSC consulted with a diverse group of digital practitioners from across the

sector, via interviews, design workshops, and drop-in sessions in Sydney and regionally.

This discovery phase found varying levels of digital maturity and a strong demand to improve digital capabilities. There are pockets of excellence in the sector, such as Transport for NSW's Digital Accelerator, which encourages collaboration between the public and private sectors on future transport issues. Another example is the digital learning programs delivered by the Health Education and Training Institute NSW. However, the sector as a whole is not digital by default in all its functions.

> **Video embed:**
>
> **Solving transport issues through human-centered design**

The PSC worked with a group of representatives from the sector to co-design a digital capability set. The capability set, which will form the basis of learning pathways for digital learning in the sector, features six capabilities:

- Customer at the centre: The concept of customers at the centre is about putting people at the heart of processes and outcomes.
- Collaboration and agility: One of the most defining changes in the modern workplace can be captured by the idea of fluid collaboration across boundaries and hierarchies. Intentional collaboration creates many opportunities for team members and stakeholders to ensure clear alignment on outcomes, and change course when needed.
- Data, decisions and ethics: The use of big data represents significant opportunities to optimise service delivery, target operations meaningfully and increase efficiency. Data is also an asset with many layers of complex sensitivities across areas relating to security, privacy and ethics.
- Ideas to impact: This capability set draws on entrepreneurial, 'lean' operating models designed to deliver fast results with minimum waste.
- Enabling technology: Change is constant, and new technologies are ever evolving. While the sector cannot be aware of every new start-up, a digital mindset should put the sector in a position to identify and prioritise current and emerging technologies that will help deliver better outcomes to customers.
- Digital leadership: Digital ways of working and technology have the potential to advance the way government services are delivered. To make this a reality, the sector needs strong digital leadership. Leadership that transforms work, culture and mindsets to ensure the public system operates effectively in a digital way.

Some of these capabilities – such as collaboration, customer-centricity, and values and ethics – are discussed elsewhere in this report, as they are already part of the way the sector works. Connecting and reframing these core capabilities in the digital context underpins the Premier's Priority for a world-class public service.

The PSC plans to refine these capabilities and test learning pathways to develop them with various project teams across the sector. Capability uplift will be evaluated and will form part of an evidence base to support decisions on digital learning at scale. The aim will be to ensure that any digital capability uplift program is feasible, compatible, sustainable and relevant.

Customer Experience Community of Practice encourages collaborative learning

The Customer Experience Community of Practice (CX ComPrac) brings together public sector employees from across NSW. Its aim is to provide a forum where employees can build their customer experience capability to better serve the people of NSW.

The CX ComPrac, coordinated by the Department of Customer Service and the sector-wide CX Capability Committee, holds bimonthly events where guest speakers from industry and across the public sector share their experiences, learnings and results.

Its annual program is designed using feedback from previous events and aligned with Customer Satisfaction Measurement Survey recommendations, which are indicators of the strategic direction required to drive improvement in customer satisfaction with government services. Topics covered at past gatherings include customer segmentation, customer personas, customer engagement, complaints handling, and measurement and metrics.

CX ComPrac coordinators announce the program of events at the start of each year, so existing and new members can plan their attendance. The location of events alternates between the Sydney CBD and Parramatta, and the sessions are also live streamed so all employees can benefit, even if they cannot attend in person.

The smaller CX Professionals Hang-Outs allow attendees to continue conversations from the main CX ComPrac events and work on solving challenges they are experiencing in their own agencies. A Yammer page also allows CX ComPrac members to engage with one another and share tools and resources online, avoiding unnecessary duplication across the sector.

The CX ComPrac coordinators regularly survey members to ensure that the larger events and smaller hang-outs are meeting members' needs and expectations.

The CX ComPrac is a successful model for how communities of practice can provide employees with valuable informal learning opportunities. Membership has grown strongly from across the sector, reaching more than 850 existing members by late 2019.

Since being launched by the PSC in 2012, the number of communities of practice on the **ComPrac platform** has grown from four to 11. And in the last two years alone, total ComPrac membership has grown by a significant 116%, to more than 6,000 members.

People management capability

People managers have a direct impact on the engagement and performance of their employees. It is somewhat concerning that the People Matter survey results show that first line managers feel less supported to do their best at work than other groups of employees (see Figure 5.8).

Source: People Matter Employee Survey (2019)

The PSC's consultations with the sector have revealed that one reason people managers may not feel they can do their best at work is because they have not been helped to develop key people management capabilities. There appear to be capability gaps in a number of key areas, including having critical and difficult performance management conversations, allocating a team's workload fairly and effectively, monitoring staff wellbeing, navigating requests for flexible working arrangements, building a collaborative and inclusive team culture, and supporting teams in the face of organisational change. These issues play out in the People Matter survey results discussed throughout this report.

The PSC's options for better supporting managers include clarifying the expectations of successful people managers, developing practical resources based on identified capability gaps, and connecting people managers across sector so they can share and learn from their collective knowledge and experience.

Human resources capability

Together with HR leaders from across the sector, the PSC co-designed an approach to assessing the HR capability of the sector. The research, which formally concluded in October 2018, found that the NSW government sector's overall HR capability requires improvement and reorganisation if it is to successfully manage the major workforce transitions predicted to occur as a result of digital transformation.

The report proposes areas and initiatives for enhancing the sector's ability to manage its workforce into the future. It also suggests a sector reform narrative for commencing the sector's journey toward the future of HR.

The PSC has been working with agencies to explore the recommendations and agree on priority areas to focus on to build and strengthen HR capability and meet current and future workforce needs. Though they are still up for discussion, identified areas for improvement include talent management, workforce strategy, workforce analytics, organisational and role design, and employee development – many of which are addressed in this report. Possible solutions are also still being considered. Some include standardising HR processes and data management, piloting a PSC-hosted HR analytics service, and designing a talent management framework.

Collaboration within and outside the sector is necessary for effective delivery

The 14 Premier's Priorities cannot be achieved by a single agency operating in isolation. Delivering for the people of NSW requires agencies to work together and share knowledge internally and with other sectors. Well-executed collaboration enables agencies to share knowledge, ideas, resources, skills, networks and assets, leading to better outcomes for customers.

For example, a collaboration between the Department of Communities and Justice, Revenue NSW, Legal Aid, non-government organisations and other parts of the NSW public sector has helped ease the impact of fines on vulnerable people, allowing them to pay their debts through community service instead. This approach has benefited both the individuals involved and their communities.

Easing the impact of fines on vulnerable people through collaboration

Vulnerable people and those experiencing hardship often get caught up in the fines system, which can have serious social consequences. Failure to pay a fine will result in enforcement action. This means that Revenue NSW can suspend a person's driver's licence, cancel their car registration, seize property and garnishee wages or bank accounts.

Without a driver's licence, it can be difficult to obtain or retain employment. It can lead to social isolation due to a lack of transport, particularly in regional areas. If a person continues to drive on a suspended licence, it can be a direct pathway into the criminal justice system and even imprisonment.

The NSW public sector's world-first response to this problem is the Work and Development Order (WDO) scheme. Under the WDO scheme, vulnerable people with accumulated fines can clear their debts by up to $1,000 per month by undertaking activities that benefit them and the community. Activities include unpaid work (such as volunteering for charities), completing education courses, undertaking financial counselling, taking part in mentoring or treatment programs for drug or alcohol abuse, or undergoing medical or mental health treatment.

WDOs are circuit breakers. In most cases, a licence is restored when a person is approved to undertake a WDO. WDOs also allow participants to gain much-needed skills, knowledge and treatment, and they are connected with services that can help with a range of issues – not just outstanding fines.

> [I] learnt a new trade, learnt computer skills and can now get my licence. I've had issues with fines for 20 years and just couldn't manage to deal with it. And now I finally have it under control.
>
> — WDO participant

The WDO scheme is jointly delivered by the Department of Communities and Justice, Revenue NSW and Legal Aid NSW, with input from the Aboriginal Legal Service (NSW/ACT). These agencies formed a Governance Group to ensure the scheme is administered responsibly and in line with government and community expectations.

However, the collaboration does not stop with the Governance Group.

The scheme's true strength lies in the cooperation between the government, the community and the health sector to design an effective response that considered both provider and participant needs. WDOs are supervised by 'sponsors' in the community, including government agencies, non-government organisations (such as charities) and health practitioners (including doctors, psychologists and nurses). The sponsors deliver the scheme within their existing resources, recognising the value for vulnerable people who are connected to services and treatment programs while they clear debt.

The Governance Group delegates tasks and assigns accountability to an agency representative or working group. This clear governance is one reason for the success of the collaboration. Here are some others:

- A preliminary trial with a small pool of sponsors and participants allowed the Governance Group to co-design the program, learn from experience and adapt the scheme before rolling it out more broadly.
- Feedback from the community and participants has helped the scheme to evolve – for example, making WDOs accessible to people aged under 18 and victims of family violence.
- Regular communications with sponsors, through a biannual newsletter, forums, webinars, YouTube videos and podcasts, ensure they are up to date with the latest news about the scheme and how it works.
- Providing clear guidelines to sponsors and participants helps them understand what is required of them, and when.

The WDO scheme has been so successful that other Australian jurisdictions have introduced similar schemes. In NSW, as at 30 June 2019:

- 2,114 sponsors were delivering WDOs
- 51% of sponsors were located in regional areas
- more than 135,000 WDOs were completed or ongoing
- more than $167 million in fines debt had been resolved
- 55% of WDO activities involved much-needed treatment programs
- 21% of WDOs were undertaken by Aboriginal or Torres Strait Islander peoples
- 25% of WDOs involved people aged under 25, breaking the cycle of fines early.

The scheme contributes directly to tackling longstanding social issues stemming from the fines system, as well as providing participants with skills, knowledge and treatment. In short, WDOs improve social outcomes for some of the most disadvantaged people in NSW.

The NSW public sector is only one piece of the puzzle when it comes to delivering for the people of NSW. Sometimes organisations in the private or not-for-profit sectors are better placed to serve customers on the ground because of their community links or expertise. In this instance, agencies can take on a system stewardship role.

System stewardship involves agency teams strategically building collaboration between internal and external stakeholders, engaging them for specialist advice, and delegating service and policy delivery if needed. As a system steward, an agency continues to steer a system towards outcomes and has a crucial role in ensuring quality services are delivered to citizens.[36]

Despite the importance of collaboration, both internal and external collaboration remain a challenge for the sector according to employees. While just under 80% of 2019 People Matter survey respondents believed that their workgroup works collaboratively to achieve objectives, only 50% felt there is good cooperation between teams across their agency. Further, only 53% felt that their senior manager encourages collaboration with other organisations.

Perhaps not surprisingly, the 2019 survey results reveal a strong relationship between collaboration inside and outside agencies. The employees from agencies where there was better perceived cooperation between teams also reported better promotion of external collaboration from senior managers (see Figure 5.9). This may be because internal collaboration helps disseminate knowledge gained from external collaboration, or because internal collaboration functions as a coordination mechanism for external collaboration.[37] In any case, agencies need to encourage and enable internal collaboration, and then extend any learnings to external collaboration.

Source: People Matter Employee Survey (2019)

Note: Each data point represents an agency, and the dotted line is the trendline.

Enabling better collaboration with internal and external stakeholders, and better system stewardship, are becoming important aspects of policy making and service delivery for many agencies. These capabilities will help to achieve the goal that unites the NSW public sector – making NSW a great place to live, work and visit by delivering world-class customer service and effective policies. This report provides more than just information about the sector's workforce – it is a call to action. To achieve its goals, the sector will not only need to improve its capabilities in the key areas outlined in this report, but also see itself as a collaborative part of a much wider community of people and organisations dedicated to delivering great outcomes for NSW and its people.

Notes

[28] The Leadership Academy, established in 2015 and led by the PSC, promotes excellence in leadership by enhancing the skills and capabilities of existing and emerging leaders through a unique suite of development programs.

[29] Jensen, Moynihan and Salomonsen (2018)

[30] Recruitment data figures are currently limited to agencies that use the I Work for NSW recruitment system (exceptions include agencies in the Health cluster and Planning, Industry and Environment cluster).

[31] A single job advertisement may advertise one or more openings (or vacancies), which is why there are more openings than advertisements.

[32] Rynes, Bretz and Gerhart (1991)

[33] Bidwell (2011); Grant (1991); Somaya, Williamson and Lorinkova (2008)

[34] Sasse and Norris (2019)

[35] Digital NSW (2019)

[36] Hallsworth (2011)

[37] Hillebrand and Biemans (2003)