



Trailblazing with CorbettPrice Podcast - Episode 2

Transcription

INTRO: Welcome to Trailblazing with CorbettPrice, where we present new and fresh perspectives that challenge how you approach change to solve some of the biggest challenges faced by business and government leaders today.

Here's our host, Andy Corbett, to introduce the 2nd episode in our series on organisational health.

ANDY CORBETT: Hi, I'm Andy Corbett, Managing Director of CorbettPrice. Thanks for joining us for our podcast series on organisational health and the seven dimensions of wellness.

In our first episode, we introduced the concept of organisational health and outlined the seven dimensions of wellness that our series will tackle. We also enjoyed the discussion with our first Trailblazer on the organisational operating environment, exploring the 'how' in which services and products are delivered to customers, explaining an Operating Model approach and how this gives organisations the blueprint of how all the different elements across their value chain depend on each other and work together.

Today, we are excited to continue our series with the 2nd dimension of organisational health: Mental – organisational agility and resilience. The past few years have been tough on organisations with constant uncertainties from COVID, staff shortages, supply chain disruptions, and rising geopolitical tensions, to mention a few!

As the rate of these shocks grows in numbers and complexity, organisations must focus beyond crisis responses to build resilience by anticipating and planning for more frequent crises in the future that could be more disruptive and long-lasting.

Moving beyond crisis response into future readiness takes a new approach. By applying agile enterprise principles, leaders can transform their organisations into more adaptive and responsive ones.

Here to help us discuss this further is the Deputy Secretary of Revenue, New South Wales, Chief Commissioner of State Revenue and Commissioner of Fines Administration, Scott Johnston. Scott is a highly experienced senior leader and internationally recognized statistician with a career spanning the Australian and United Kingdom public sectors. Joining the Public Service Commission first in 2014, and moving into the New South Wales Public Service Commission, Scott has led the New South Wales government's agenda to drive diversity, work of the future and reform across the sector. And since joining Revenue New South Wales in 2020, Scott has focused on providing flexibility and an improved customer experience for revenues customers, focusing on digital transformation and supporting the state's most vulnerable customers. Revenue New South Wales is highly sought after for its automation achievements, collaboration skills, innovation, and customer centered design. Scott, thank you very much for joining today on the podcast.

SCOTT JOHNSTON: Hi Andy, thanks for having me. It's great to have this chat.

ANDY CORBETT: Good. All right, let's get into it then. So, first question I've got for you, Scott. Revenue, New South Wales. Huge customer base. I think the annual customer base now is around three and a half million and that's obviously a lot of customers. How have you used customer centered design principles to provide flexibility, delivering and improving?

SCOTT JOHNSTON: So we do have a lot of customers. The majority of these are people who receive fines across New South Wales. And so they're typically low value payments that people need to make. And then we have a quarter of a million tax customers who have much more complex situations generally, but often ongoing customers with us through land tax or payroll tax. It means we're really diverse in our customer base. It could be businesses or individuals. We also know that particularly in the fines area, a lot of our customers are some of the most vulnerable people in New South Wales. And not everyone can pay or meet the obligations that they have. And so inherent in us doing a good job has to be about being flexible and it secondly has to be critical that we understand the people's circumstances, the people of the business's circumstances, so we can provide a good customer service and help them meet their obligations.

So that's the starting point from a position that our organisation takes to think about actually, how do we engage with such a large group of people. The harder bit is about how do you actually make a difference and be flexible and adaptable? And some of it is about being organised in such a way where. You collect customer experience data, you might have teams specifically focused on thinking around customer centered design and how do projects lift themselves. But that doesn't necessarily work unless you set a culture and an expectation that you have to have a passionate customer focus in all what you do. You have to listen so that people can take feedback to the problems that might be surfacing from customers so that we can make the right adjustments. We'll

start with how we've done. This is really thinking from a strategy perspective of saying, well, our vision is to be the world's most innovative and customer centric revenue agency that contributes to a great New South Wales and also a fair and equitable experience for people. So we put customer centricity in our vision. We leverage the customer commitments that New South Wales government has, which is just simply easy to engage, act with integrity, engage the community, respect my time, explain what to expect, and resolve the situation, resolve people's problems. And so we think about our hundreds of staff who day to day talking to people, having that as part of their ethos to their work, start setting us to a point where customers really come first.

One of our areas of focus in our strategy is having a passionate customer focus. So it really gives priority to our work. So then what that gives you actually is a lot of intelligence about what's happening. It helps us get situation where hopefully our staff feel empowered to think about where issues or opportunities might exist. And then we can step back and think how do we organize ourselves to deliver them. And from an organisation, we've got teams set up to work through human centered design processes where we think about what is the problem that we're trying to solve. Ask people. Ask customers. Then clarify maybe that wasn't the question that we were trying to solve or the problem we're trying to solve and then think about actually what it is and how do we design different outcomes that have a big impact.

If I could use an example to that, Andy, one would be people receive fines for not having car seats correctly fitted. We, in partnership with police, were seeing and it's a big fine. It's over \$350 or so. And it's often in areas where people have less people have not bought a car seat or they're not paid to have it fitted correctly. And so they put their kids and themselves at risk driving without the car seats fitted correctly. And so working with police, we did a pilot where when someone was pulled over for this, they were given a voucher to go and get the car seat fitted. And if they did, the fine would be changed to a caution and they wouldn't have to pay. That was great thinking about actually. Well, that solves the problem for anyone that we might. Ah, in these particular areas where the police are trained to provide this option, this Voucher. But actually how do you take that statewide? Says, well, let's step back and think about what problems are we solving and how do we empower through process and system to have its biggest impact. And really what we're trying, what we know that we can provide support for most people is a chance to correct that problem.

So it may not necessarily be about the voucher, but it's about the opportunity to go and get it fixed because our outcome is that kids are safe in their cars. It's not about the revenue purpose. We want to change behavior in this work. And so then we can start designing a system that we're in the midst of doing. That actually means that anyone in New South Wales that gets pulled over for this offense is going to have the opportunity to absolutely get the car fixed, get the car seat correctly fitted, and people save kids will be little save lives. And we've already talking to people who've had the car seat fixed after getting the voucher. There's one chap had a serious car accident and the kids walked away from it a few weeks after and he put it down. Actually, that wouldn't have happened if they hadn't had it fixed. So you use those stories as bits of gold to really change a culture and drive a sense of, well, let's deeply understand the problem and the opportunity we're trying to solve and you can make a big impact and it's powerful.

And then I just to give it a long answer to your first question, but the last bit would be you got to step into and lean into the problem and be really open to well, feedback so that you can adjust. And that can be uncomfortable as well. But if you really empower people to think and show leadership that we want to keep being better, it can make a big difference. And the design principles and the structure and the strategy then follows it really appropriately.

ANDY CORBETT: Yeah, that's great. And you mentioned around shift in culture, I know the traditional our argument maybe from government regulators might be that you can't do both. You can't be the regulator and also have excellent customer experience. And what do you say to those people?

SCOTT JOHNSTON: I think it's generally a deeply forward principle that anyone can provide good customer service. If you think about what customer service means, is it about having deep understanding of the people you're engaging with? Well if you're a regulator you need to know that so that you can regulate them fairly and effectively. Sure, people may not want to engage with us as an organisation because the nature of paying a fine or paying a tax. But if we can make it simple, if we can understand them, provide options for them so that they can adjust well, they'll have a better customer service and we will absolutely collect more revenue. And I think really back ourselves that by doing this, our performance in terms of purpose of taxes collected, fines collected, and resolved has improved significantly in the past couple of years from really embedding this approach.

ANDY CORBETT: Yeah, sounds good. And you touched on it before around how you mobilize the teams, how you structure, you configure the organisation to act upon these customer centered design principles. Have you also seen a marked improvement in their engagement and productivity as a result of being able to make this connection?

SCOTT JOHNSTON: On average, I would say yes, we have. In the past three years, our engagement scores that we measure annually from a whole of public service survey have increased by 18%. They were well below public service average. Now they're well above it. So from a point of 1700 people being engaged and connected to not just the work that they do, but the organisation they're part of, I think we've seen really strong growth there.

I think the other point that I would and you mentioned in the intro around the use of data and technology, we've had a really strong automation program running for a number of years and traveling around our various offices the past few months. I've just been struck by how many leaders of teams that are doing frontline work and talking about the innovations that they're creating that have. Led to two things a better outcome for the customers that they're engaging with, maybe more efficient. More effective. Or removing a process that was potentially blocking a good outcome and the benefit and the engagement staff, then their teams. Have had with that work that from a ground up, a bottom up level, you can feel that having this deep connection to pairing themselves, to solve problems, to improve that space that they're in, is really deeply powerful. And while productivity is absolutely improving from that, I think the real strength from it is that people's connection to us and the purpose that they're doing because they're not continually doing things that don't make sense.

The worst thing for anyone would be you're doing your day job and most of your day you're doing work that causes problems for others or doesn't make intuitive sense. And if we could give the tools to think about how you can change that. Engagement connection, people seeing opportunity to grow in their career. There's a whole range of things that I think flow on from it that are really powerful and I'm really proud that we've seen lots of changes in that. Not every team's perfect and not every team's embraced it as much as you hope. But you build momentum and you can feel that across your organisation that's really strong.

ANDY CORBETT: Now you've empowered the whole organisation if you like to really innovate. It's not just a specific team that's responsible.

SCOTT JOHNSTON: So now to get in our strategy where we talk about our focus areas, the second one after passionate customer focus is embedding innovation. That's not about technology and use of data, although it is as well. It's about how do we have a sense of continuous improvement, how do we think about innovation in a way that's micro and macro that makes us grow and improve as an organisation. Because I think that's really fundamental for our employee satisfaction with their jobs. We are all leaders in our own way. We just have different function to what that looks like. And the more that we can empower team leaders and people who have a bunch of things to do each day to have they know where the fences are around that work and how they can improve it, it creates a real strong sense of innovation from the bottom up.

ANDY CORBETT: Excellent. That's great. And so that sort of relates as well, I guess, to the next question that I've got around future workforce strategy. So, clearly you're very passionate about shaping the future workforce strategy through evidence based decision making, just from your experience and how applying it to revenue, how do you build agility and resilience into strategy when there's so many unknowns that exist? And in the macro environment, things are evolving on a day to day basis, how do you manage to build agility?

SCOTT JOHNSTON: So it's very hard. I think it's and it's hard for people, particularly after the past three years that we've had with not just the COVID pandemic, but natural disasters, shifting priorities, a whole range of things that put a lot of pressure on us as an organisation that we wouldn't have planned for. And my reflection of my first two years as the head of Revenue New South Wales was we were doing amazing work and being incredibly agile and resilient in shifting to the priority of the day. But we're running ourselves into the ground and we're missing the point about what a long term vision looks like. And so I believe that if we can have a view of what we want to become and the pathway through to achieve that vision can meander and take different routes. And potentially it won't happen as quick as we might want it to, but if we can be really focused on what we want to be and our purpose connected into that, that gives people a lot of comfort about actually how do we take stock? Maybe we pause things. Maybe we shift people to another part.

In in the middle of COVID-19, when the New South Wales Government Job Saver Grants program was being set up, 50% of our workforce stopped. What they were doing to work on assessing those grants. They were people who worked in the fines area. They were people who worked in doing automations. Just whatever we could spare. We put people because that was the priority of the

day. Some people hated it, but generally the passion that people saw that they were doing something for good and it was connected to what we needed to do today was incredibly powerful. They learned new things, but also they felt part of a big team and when you're in it together, that actually helps, I think, about resilience because you feel you're not just on your own. And that's where leadership, in part comes in, where we be very deliberate and strong about what we need to do, when we need to do it, but also not being focused on the crisis that might be next around the corner.

My perspective is and what we've done in Revenue in New South Wales the last twelve months is build a long term vision because we had a sense of what that was but we weren't articulating. And then thinking about what is the pathway? And so we set a ten year objective, which is in some respects, really hard to land on because so much will change. But it's also helpful because you're empowered to know that lots will change. So I think my point to your question would be got to have a long term vision. It's really important playing the long game helps you understand when you have to stop, pause and deal with the unexpected.

I think also being really razor focused on risk, it's really important to me and my leadership team about thinking about risk and understanding risk. Also as an opportunity for us to understand how do we kind of step into new parts of new areas or think about how do we do work. But if we've got good data and information about the environment we're in, we can make informed decision decisions. And I think a lot of conservatism and reluctance to be bold comes because you don't really know what the consequences of that might be. And so if you have a good framework around you that helps you understand the risks really well, it helps you make decisions on what's the consequences if things don't go so great. So for us, it's been about bolstering a risk team within revenue. It's three times the size it was, so we collect \$35 billion a year in revenue for the state. Like, really important that we are strong on this and really bolstering ourselves to be. But also from a strategic perspective, that's really important.

And then maybe the last bit of just to finish my answer to that would be being really mindful that things don't always go in the way you expect. And being open and honest to staff about this is what we need to do because of what's in front of us, acknowledge mistakes, potentially, or even acknowledge where we need to pause on something that's really important to a group of people so that we can do something else that for other reasons where we have to focus. But we haven't forgotten about this because we've got our North Star that we're working to helps us have agility and resilience. And it's not about individuals. It's about the kind of machine and the structure and the organisation we've grown.

ANDY CORBETT: Thank you. Yeah, that's great. And you talk about the long term vision, and obviously it is extremely important. From your experience, what kind of lessons learned have you had around setting that long term vision? How easy or how hard is it to do and what would your recommendations be to the listeners around what kind of steps they can take to set their long term vision for their area of work?

SCOTT JOHNSTON: I think often strategy looks beautiful on the one page summary but sits in a drawer or quickly feels out of date because it's given lip service at the right time at certain times rather than constantly. So I think the two biggest lessons I've had where I've made. Haven't really landed what I hoped from a vision or a perspective.

One with the first was not engaging with the workforce well enough. It can't be Scott's strategy or a leadership team strategy. It's got to be all of us because we're here for a moment in time and we want that to be really embedded in the way that we think. And, so, for instance, this strategy with Revenue, we had feedback from we had a short two year plan when I came in that I created but didn't engage deep enough. And so really, it meant a lot to a small number, but not enough to the majority. So took our time, went slower than you would have notionally. Wanted to get feedback. And I think we're close to 900 or thousand pieces of feedback from staff about was the language right? Did it feel right? Were the things that the areas that we were focusing on connect? Could you see yourself in them? And that helped it grow into something that looks and feels and use the language that looks and feels right for us. And so I think in setting a straight, that's really important and you can't do enough of it, even if it does take time.

Following on to that is how you operationalize a strategy, which is the other area where it's really hard, it's day to day, can take away from the long term pieces of work. And similarly, you might have engaged with your workforce in the first instance, and then it becomes about four big projects that really only affect 100 people, 50 people or something smaller, and all of a sudden it's lost. It's using jargon that doesn't connect to the broader group or to really align with the vision or the DNA of the organisation. So what I would recommend to anyone is to really think hard about how do you keep yourself honest about whether you're doing a good job on real life. In the strategy, we've chunked it down into three horizons and looking quarter by quarter, and sometimes I think we're not strong enough on actually, are we doing too much or are we. Not focusing on the right things and realizing that we need to kind of keep ourselves honest on that.

Other things I really love what we've been doing is we've taken this fortnightly meeting that we have on our strategy. It's out in the open at our Parramatta office so anyone can come and listen. Now it doesn't have hundreds of people watching the meeting, but it shows a transparency and an openness where we'll each challenge ourselves, the leadership team on what is that? What's the consequences of doing that? Why is that being delayed? And I think that really sets a muscle that says this is all of us. And that's where really any strategy has to be grounded in the organisation that it's part of slick doesn't work in lots of places realistic and aspirational us and working really hard on that. And probably if you're spending a bit of time on it or you feel like you're spending a lot of time on it, you probably could do more and it's benefit in the long run or pay off.

ANDY CORBETT: Yeah, that's great. Thank you. And you've mentioned the importance of leadership as well. In fact, later in our series, we will discuss purpose and leadership and how important that is in influencing an organisation's culture and retaining staff. But I guess as a leader, how do you unify and empower your teams to become more adaptive and responsive, especially in challenging and uncertain times?

SCOTT JOHNSTON: Particularly in the public service, a lot of our work is complex. Sometimes it's a slow moving ship that needs to be steered at a minor adjustment, and we'll be doing a lot of the same things over a period of time. And then you come a rush where you have to make fundamental change significant at pace. It's really hard for an organisation to shift gears, I think any organisation to shift gears. And so that question about how do you be adaptive and responsive is. I think something I think about a lot, and I think you can probably often learn through some of the things that you wished went better or quicker or showed more a better response.

I think you can have a clear purpose which is absolutely critical, but you've also got to understand why and how you're changing in challenging and uncertain times and for what means and does it stay true to that purpose that you've spoken of and everyone's connected? Because we do a lot on belonging to our organisation. You're using that word which probably a few years ago would have felt uncomfortable. But now for me, having a care and belonging strategy means that anyone at Revenue New South Wales feels connected to our purpose and feels like they can be their best. So it talks to inclusion, it talks to diversity, but it also says, I know what I can do and I can bring all my skills to do it.

Once you change tack for things that don't feel right or feel hard to validate, once you've worked on that purpose, that makes it really hard to be adaptive and responsive. You come back with questions like, well, we don't do that, we do this. Or rather than thinking about what's the actual why? Why do we need to do this? And how does that kind of anchor into our work? So it's hard, I guess is the summary to that, but I think authenticity an overused word, I know, and I hope to not use it in this podcast, but I will. About what the circumstances need, what the impact of it is, and where things are difficult helps, particularly if you're at the top of the organisation, speak in a way that can then translate and empower others to make sense and practical use of that authentic authority.

So it's one thing to say we should do all these things differently, but if you don't be upfront about the consequences or the challenges to that and say, I don't know the answers to all those problems but I think you could, that sets a tone that can resonate great change. I think it's really easy for organisational culture to step out of sync quickly. The amount of times I've heard of Scott said we do this thing, I can't ever remember being asked that question. And maybe a throwaway line has caused a consequence that was really unintended means you have to be really deliberate about the values and as a career public servant.

One of the reasons I've done this is because of the strength, connection to values and purpose and it really helps you navigate tough situations and tough concepts. I think in a way that you can come to the best outcome at the end and using that type of language really builds a culture across the organisation where people can feel they this is a great place to work. I know people have got my back. I know people can show innovation like I talked about earlier, but also challenging and uncertain times are kind of the current and the norm at the moment. If we can make sure that we're well resourced and well organised, you can navigate through that in the best possible way.

Real risk if you are coming out of multiple lockdowns of people being and still are in the impact on mental health of our workforce, the expectation that you're always working, the expectation that

you should be able to provide a response to something in five minutes rather than a thoughtful response that will give a better outcome. Like these things really need a reset and. Ah, all leaders, whatever it is, if you set a tone of saying of not shifting back and kind of trying to change pace so people can make the right calls within their space of leadership, then you can make a lot of missteps. And I think that's where that point around purpose and leadership is really strong.

Leadership is really different, I feel now to or, I mean, I think effective leadership is changing to be something where you're helping push and support people along as opposed to being on top of the hill, telling people to follow you. And so good coaches, good great listeners, these types of skills will really help you understand what you need to do to help pushing the organisation in the right way.

ANDY CORBETT: Yeah, that's right. Leadership is extremely important and especially in this context of organisational health. And we mentioned before around the customers changing priorities, these are changing all the time and it's important to really sort of keep up and adapt to those and sort of be as preventative in a way as you possibly can. What are the kind of top tips for leaders across the organisation who may need help to respond faster to customers changing priorities? But they've got teams that might be disengaged or they might be really dissatisfied.

SCOTT JOHNSTON: So I think the first thing would be how do you understand the customers changing priority and are they really. What you are you are you adjusting by anecdotes or deeper data that would tell us that there's a service you're providing that's different to what's needed, be it for a cohort or a broader group and really thinking about what is known. And so when I talked about risk earlier, this is really important to that. What is the information you have and what don't you have so that you can make sensible decisions? That if you talk about current structure, you don't want to change an organisational structure based on anecdote. You want good detail and good information that's current and understands where things have changed from so that you can organize yourselves well.

I think really taking that time to not react unlimited information is important as much as you can. Particularly this where we're thinking about if our focus is customer service or customer and understanding customers, testing that with customers have we got the right sensor is really important. So that would be my first tip. Understanding genuinely from the customers what is right. Is there complaints data? One of the great things that we get is a lot of letters to MPs that come to revenue to respond to. Maybe it's a request for review of a fine or an unhappiness of a decision in some part that you can quickly get a clear sense of what are the bubbling issues that maybe we're not managing collectively in the right way.

And so then from that, the second most important thing would be really stepping into it and feeling what you can justify problems away really easily. But looking there might be things that you're uncomfortable with about the nature of the feedback, where people just give excuse or explanation to why it is, why it's so automatically takes a step away from what the customer is telling us. It might be, well, this is how we do it. Because our legislation said ourselves like this, or our processes or our systems are designed in such a way, really waters down the feedback that we've already had and so being uncomfortable about but they're telling us this thing and does that fundamentally challenge our purpose or are we comfortable with ourselves? Helps you get into a

point where you might think about what processes need to change or legislation needs to change or structure needs to change. And often it could be about where accountability and responsibility falls, where you seeing changing priorities. But no one's owning that problem. And so it began as a process, a structure or another problem. It's actually who's taking ownership for that and driving that through. And I think getting to the point about where does that accountability set then helps you step back through? Are we best organised to drive ourselves to success in resolving it? It and be open to changing things that maybe have been done for the same way for a long time if they're not working.

ANDY CORBETT: That's great. Excellent. Good stuff. Just before we go, have you got anything else you'd like to add to what we've said so far about that you could provide with any kind of recommendations or hints and tips to others around improving the organisational health especially in the area of organisation?

SCOTT JOHNSTON: I think, and I've really enjoyed this chat too, Andy. I think if really simply people under understand their organisation deeply so that is within and that's outside understanding what customers and your staff think and feel about the things that you're doing and how does that align to your strategy and your vision to what you want to become and is the most fundamental thing any leader organisation should do and should continually do to check that you're on the right path and be brave enough to not take detours to get there. Rather than saying, well, I've set a tone and I've set a set of road that we're driving along till we get to our objective. Actually, maybe wasn't the right way. And agility and thinking differently about problems is really embedded in that. And there's so many frameworks and structures that can support you to do that well that you should embrace them and fail quickly and learn and iterate and you can really improve the organisational health, the satisfaction people get in their job, but also the outcomes you're trying to drive.

ANDY CORBETT: Yeah, that's great. Well, thank you very much, Scott. As always, it's great to talk to you. I really appreciate you coming on the podcast and providing your advice and perspectives on organisational agility and resilience. So, yeah, once again, Scott, thank you very much.

SCOTT JOHNSTON: Thanks Andy.

ANDY CORBETT: We hope you've enjoyed listening to Scott today and found his insights and approaches valuable. The transcript of this episode is available to download from our website: www.corbettprice.com.au/podcast, that's www.corbettprice.com.au/podcast

Please tune in next week as we talk to the Futurist, Dave Wild, on our 3rd dimension of organisational health, financial and performance health.