RESEARCH NOTE

COURAGE AND FREEDOM TO FAIL: INNOVATION, RISK AND OUTCOMES IN PUBLIC LIFE

Olga Bodrova

Australia needs new institutions and techniques to reduce the risks of courageous decision-making in politics and the public service and encourage progress and reform. Global Access Partners' director of research Olga Bodrova recaps the ideas of one of GAP's most forward-thinking taskforces.

The GAP Taskforce on Courage in Public Life began work in June 2017, almost two years after the GAP Summit on the Future of Jobs[1] called for a more courageous approach to policy, reform and leadership in Australia. Summit speakers agreed that Australian society has become more risk-averse at a time when the nation needs a more dynamic approach from politicians, public servants and the community to make the most of new opportunities and succeed in a fast-changing technological and economic environment.

Using its Second Track process, GAP invited a cross-sectoral group of participants to discuss the nature of courage and find ways to reduce the risk individuals face when promoting radical alternatives to the status quo. Over the course of the following year, the group considered proposals on how to increase the national appetite for courageous decision-making and have greater tolerance for failure when well-intentioned plans go awry. Its proceedings were informed by GAP's 'Freedom to Fail' advisory and earlier work on complex project management.[2]

1.   Global Access Partners, *A Vision for Australia*: GAP 6th Annual Economic Summit on the Future of Jobs, NSW Parliament House, September 2015; http://www.globalaccesspartners.org/national-economic-review-2015-report.pdf
2.   GAP/ICCPM, 'Complex Project Management – Global Perspectives and the Strategic Agenda to 2025', Taskforce Report, 2011, https://www.globalaccesspartners.org/think-tanks/complex-project-management

The Taskforce was co-funded by GAP and the Department of Employment, while meetings were hosted by GAP in Sydney and the Department of Human Services in Canberra.

COURAGE IN PUBLIC LIFE

'Success is never final, failure is never fatal. It's courage that counts.' – John Wooden

Courage, like innovation, is an overused word. Men and women in our armed and emergency services show true hallmarks of courage every day in facing the nation's enemies or rescuing people from imminent harm. Courage is shown by the single mother working to give her children a better life, by the passer-by intervening to defend a stranger, or the victim of circumstance standing and changing their life around. Courage is action in the face of fear, and is found in times of stress, confrontation and turmoil.

Courage usually stands on firm moral and ethical foundations and is a major mark of character. It is manifested in acts as well as resolution; it must be done in the face of adversity or the prospect of loss. Like going to the moon, it is worth doing not because it is easy, but because it is hard.[3] Acting courageously means mastering fear and turning it into positive action, rather than an excuse for inaction or surrender. Courage, in its broadest sense, is doing the 'right' thing, regardless of consequences.

What is courage in public life and why should it be encouraged? Policy reforms can improve the lives of millions of people, and we need our politicians and senior public servants to show courage in the pursuit of visionary policies. Courage is more than a willingness to take risks, but without it nothing will change, and when tempered by a sound sense of purpose, it is perhaps the most important character trait a leader can have.

While the public service is often criticised for its conservative approach, the fear of failure inhibits elected politicians, businesses and other organisations in equal measure. Public and media criticisms of missteps are harsh, and electoral sanctions and career rebuffs can punish politicians and public servants who offer radical but unpopular alternatives to 'business as usual'.

Ways must therefore be found to help policy makers contemplate and implement potentially more effective, but undoubtedly riskier, policy options and encourage a more forgiving public attitude to change. The development of new support systems and a more open national and public service culture would encourage broader debate and decisive action to improve service delivery and tackle 'wicked' problems.[4]

Many senior politicians and public servants recognise the need for change, just as countless public employees have knowledge and ideas which could improve service delivery. Reducing the risk which individuals face to their careers for suggesting alternatives, adopting fresh policies and, on occasion, experiencing failure is the key to encouraging reform. A culture which encourages more imaginative policy-making will reduce the need for individual courage itself and create an environment in which innovation is the norm, rather than the exception.

HONESTY IN POLITICS

It takes courage to tell the truth, and maintaining honesty can be difficult in private as well as public life. Politicians are increasingly unwilling to admit that any policy will affect anyone adversely, less they lose a vote or campaign contribution. The public want greater candour from their politicians but must also be willing to face reality. A higher standard of public debate would not only reveal more common ground, but allow participants to change their minds

---

3.   https://www.youtube.com/watch?v=g25GIM4EXrQ
4.   https://www.wickedproblems.com/1_wicked_problems.php

in the face of new evidence or arguments, rather than cling harder to outdated beliefs.

While small and subtle incentives can 'nudge' the public towards positive behaviour,[5] the electorate's lack of faith in their leaders means that radical options are viewed as a threat and fall flat at the ballot box. Politicians can begin to rebuild trust by acknowledging difficulties, admitting mistakes and accepting good ideas from any quarter. They should also acknowledge that long-term policy goals will inevitably shift during implementation, and so ingrain the ability to evolve in plans from their inception. A more agile process of testing and adjustment[6] would offer greater tactical freedom to achieve strategic goals.

Honest appraisals of policy proposals from the public service should be encouraged, as the early identification of proposals which are flawed or impractical is as important as progressing new approaches. The principles of integrity, honesty, objectivity and political impartiality required of public servants were outlined in the 1854 Northcote-Trevelyan report[7] which led to the establishment of an independent civil service in the UK and remain as pertinent today.

IMPLEMENTATION IS THE ISSUE

There is no shortage of good ideas to improve society, save the environment or boost economic growth in Australia or the wider world. The need is less for new ideas than for the courage from our decision makers to contemplate a wider range of options and adopt them where they can.

The public is wary of the future, not least because they fear for their jobs – and those of their children – in an age of artificial intelligence (AI) and automation. A recent Oxfam report[8] calculates that 82% of the world's wealth accrued to just 1% of its population in 2017, and in an era where some multinationals appear to pay almost no tax, there is little sign of economic growth benefiting the people who need it most.

It will take visionary leaders and effective implementation of new policies to convince the public that reforms are designed to benefit them, rather than reduce still further their slice of the pie, and that technology will remain their servant rather than become their master.

Even when good ideas are adopted, they must be put into practice effectively. Dr Peter Shergold's 2015 review *'Learning from failure'*[9] notes that 'policy is only as good as the manner in which it is implemented'. Implementation should always be integral to policy design,[10] but it is often implementation where large-scale transformational efforts fail.

In May 2018, McKinsey released a report on *Delivering for citizens: How to triple the success rate of government transformations*. The work was based on responses from 2,900 public servants in 18 countries, including Australia, 80 detailed case studies and 30 interviews with senior public sector leaders. The report estimated that 80% of large-scale public service reforms fail at the implementation stage and asserts that $US3.5 trillion could be gained across the OECD[11] if more service delivery projects met

5. https://www.behavioraleconomics.com/nudge/
6. https://qacomplete.com/resources/articles/what-is-agile-testing/
7. https://www.litencyc.com/php/stopics.php?rec=true&UID=5488
8. https://www.oxfam.org/en/pressroom/pressreleases/2018-01-22/richest-1-percent-bagged-82-percent-wealth-created-last-year
9. http://www.apsc.gov.au/publications-and-media/current-publications/learning-from-failure
10. Shergold, P. et al., 'Learning from Failure: Why large government policy initiatives have gone so badly wrong in the past and how the chances of success in the future can be improved', 2015, https://www.apsc.gov.au/learning-failure-why-large-government-policy-initiatives-have-gone-so-badly-wrong-past-and-how
11. Organisation for Economic Cooperation and Development

their targets.[12] McKinsey argued that traditional expertise and skillsets are failing to address emerging challenges, and a more agile, adaptive and creative approach is required.

The intrinsic complexity of large-scale projects is driven, in part, by political, social, technological and environmental issues as well as consumer expectations which may change dramatically over a project's lifecycle. GAP's earlier research found that the implementation of mega projects can be complicated by hierarchical, siloed and unnecessarily competitive organisational arrangements wherein communication and trust can break down. The 2011 International Complex Project Management Taskforce therefore championed the creation of a culture in which employees feel secure enough to voice their concerns at an early stage and management are willing to listen and adopt timely corrective measures. Open, timely and truthful communication is key.

COURAGE AND LEADERSHIP IN THE PUBLIC AND PRIVATE SECTORS

The government sector is often urged to learn from the commercial sphere, but large companies can be as hidebound as public departments. Established companies want to protect their position and minimise risk where possible. Start-ups are more risk-taking because it is in their interest to be so and over time become as conservative and controlling as the companies they replace. Senior executives of large corporations usually come to rely on arbitrage, rather than enterprise, and mitigate risk rather than embrace it.

Public servants and politicians have a wider constituency to satisfy, and the consequences of a poorly thought out or implemented change may adversely affect the public as a whole. Change is usually unpopular with both a public which fears cuts to their services, and professional bodies, unions and industry groups which can feel their power threatened.[13]

While the public sector cannot go bankrupt and lacks the existential threat which can spur innovation in the private sector, vast swathes of once public provision have been privatised in Australia[14] and across the developed world to cut costs and deliver more choice and better services. Those public agencies which have failed to offer good service and value for money have been abolished, sold off or replaced by the private sector since the 1980s.

Public departments can learn more specific organisational approaches from private organisations, not least the need to prioritise and focus on smaller number of achievable goals. The setting of interim targets allows progress to be quantified and activities adjusted as required. But ultimately, while public bodies are often criticised for being 'conservative' and the private sector lauded for vigour and innovation, the problem is more of large organisations of any kind being weighed down by legacy infrastructure and the natural human unwillingness to abandon the tried and true approaches which brought them success in the past.[15]

It could be argued that the public sector has every reason to be risk-averse when one reviews the long list of major reform and technology projects which were supposed to transform them but underperformed at significant expense before they were completely abandoned. The history of new technology in government – and often large enterprises – is one of delay, disappointment and

---

12. Allas T. et al., Delivering for citizens: How to triple the success rate of government transformations, Report, McKinsey Centre for Government, May 2018; https://www.mckinsey.com/industries/public-sector/our-insights/delivering-for-citizens-how-to-triple-the-success-rate-of-government-transformations

13. http://www.afr.com/news/politics/national/capitalist-democracy-has-fallen-on-hard-times-in-the-early-21st-century-20160523-gp1d46

14. https://bitre.gov.au/publications/2017/is_093.aspx

15. https://www.collectivecampus.com.au/blog/10-companies-that-were-too-slow-to-respond-to-change

cost overruns,[16] and so it is little wonder that politicians and public servants are now cautious.

Senior managers in the private and public sector may tend to view their jobs differently, and so have different appetites for risk, given their different rewards and job security. Private sector executives are well rewarded but will also quickly lose their jobs if results are poor and the board decides it needs another direction. Public servants receive modest salaries in comparison, albeit with more generous pension provisions, but can still expect to have a job for life. This security may invite conservatism, rather than independence of mind.

Efforts to track progress and incentivise change are not panaceas, and can have unintended adverse consequences. Governments often provide initial funding for a project but make ongoing support conditional on hitting particular KPIs. While this can encourage effort and weed out underperforming programmes, it can also force projects to focus on arbitrary goals they know are obsolete to secure their continued existence. Such projects become derailed over time, as they succeed in hitting short-term financial targets but become ever more ineffective in reality.

Private sector boards will also set interim targets, but they tend to be more likely to revisit their trajectory. Businesses must provide goods and services to customers, and feedback from sales is immediate and irrefutable. Outcomes in public services can be more nebulous to define and record, although this may change in the future as big data analytics and AI allow real time monitoring of progress.

Major software projects, such as Windows, used to have long planning phases, but programmes are now released online and continually updated and revised. Rather than 'a marathon performance', such projects are now a succession of short 'sprints'. As consumers use both private and public services, Australians may be willing to accept a similar approach from the public sector.

However, an agile process of constant testing and adjustment will have much greater consequences when things go wrong if they are dealing with pension claims or welfare payments, rather than a misfiring phone app. Although many routine administrative services which once required a lengthy wait at a physical office can now be completed at any time online, the government's drive for digital transformation remains more an aspiration than reality.

An agile approach cannot save every project, but governments are often reluctant to admit that flagship policies have failed and that a fresh approach is now required. Framing policies in terms of aspirations and outcomes rather than means would offer more freedom of action.

RAISING THE QUALITY OF PUBLIC DEBATE

There is a case for bringing together traditional media and universities to find synergies and reframe public dialogue. As traditional bastions of evidence-based debate, universities could play a vital role as facilitators of public discourse, but the isolation of academia's 'ivory towers' limits their influence. Academic research, published in specialist journals, tends to be either ignored or misrepresented by the popular press when removed from its original context, while the best thought-provoking debates occur in classrooms and hallways, away from the public.

Ways must be found to improve media reporting of complex policies and scientific research and public discussion of complex facts and ideas. Media involvement should be sought, perhaps through the Second Track process, in developing potential solutions, rather than only being a critical external voice.

---

16. https://yourprojectmanager.com.au/4-massive-australian-project-failures-failed/

SOLUTIONS

Having discussed the issues at length, the GAP Taskforce on Courage in Public Life suggested that a more courageous and action-oriented approach to policy, reform and leadership in Australia would require:

- **Public support** to allow government to innovate and occasionally risk failure;
- **Political support** for courage across all three functions of the public service – provision of advice, implementation of decisions, and on occasion, the taking of decisions; and
- **Employee support** through incentives and training to encourage courageous decision-making.

Whatever solutions are tried, they should encourage learning by doing, courage to act as well as debate, a mandate to solve both short- and long-term problems as well as emerging issues, sponsorship from the top level of government, i.e., Prime Minister's Office, bi-partisan political support, and implementation of design thinking and agile methodology and approach.

The Taskforce identified a number of specific challenges and offered a range of potential solutions.

....

CHALLENGE:

The public service lacks mechanisms to encourage risk-taking and new ideas in safer ways

RECOMMENDATIONS:

- Promote an action-oriented approach to policy, reform and leadership
- Embed an appetite for courageous thinking in the whole-of-government culture – courage should be seen as a positive, rather than negative, trait
- Encourage employees to challenge traditional approaches and seek fresh alternatives through both new reward systems and normal performance management

- Adopt new individual staff performance measures which emphasise a 'growth' rather than a 'fixed mindset', backed by new reward and recognition systems
- Continually assess each department and agency's purpose and the innovation required to achieve it

....

CHALLENGE:

The lack of system/infrastructure to support innovative policy-making

RECOMMENDATIONS:

- Develop processes and structures that reduce the need for individual courage to achieve radical outcomes
- Encourage new ways of thinking used in other spheres
- Facilitate greater engagement throughout the public service and more partnerships with private stakeholders
- Use the Second Track model to promote stakeholder engagement in policy development

....

CHALLENGE:

Goals inevitably shift over time, but polices are not designed to evolve to keep pace

RECOMMENDATIONS:

- Frame policies in terms of desired outcomes, rather than inputs and outputs, to allow a range of flexible approaches to achieve agreed goals
- Recognise the need for an agile process of ongoing testing and adjustment
- Revisit the trajectory of long-term goals and interim targets on an ongoing basis
- Adopt agile design and delivery methods and borrow lessons from IT and private enterprise where appropriate

CHALLENGE:

Reducing the risk of failure in the pursuit of change

RECOMMENDATIONS:

- View individual 'failures' as learning opportunities and steps towards collective success
- Adopt a portfolio of '*low risk, low reward*' and '*high risk, high return*' policies across government to spread potential risks and rewards, acknowledging that the quest for the quest for improved outcomes does not imply the abandonment of prudence
- Provide better risk assessment and training on how to handle risk for politicians, their advisors and public servants

....

CHALLENGE:

Governments need more freedom to use a variety of tactics to achieve their overall strategy

RECOMMENDATIONS:

- Facilitate open and ongoing conversations about courage in public life with stakeholders and the community, particularly with younger generations
- Begin a broader debate with the public about their expectations of leaders in public life
- Create better platforms for open policy design and public feedback on polices in early stages of development
- Frame public expectations in more flexible ways.
- Employ insights from behavioural economics to encourage public adoption of policy reforms

....

CHALLENGE:

Many employees have 'bottled-up' knowledge but do not realise they can improve organisational operations

RECOMMENDATIONS:

- Encourage a free flow of new ideas regardless of hierarchical boundaries

- Give more flexibility to public servants to share knowledge where appropriate
- Establish a 'safe place to innovate' for young people with aspirations to become ministerial advisors or politicians

....

CHALLENGE:

Understanding the different risks faced by the public and private sector

RECOMMENDATIONS:

- Draw on the similarities between public and private organisations – such as the need to prioritise and focus on smaller number of achievable goals – rather than adopt private sector approaches wholesale

OPPORTUNITIES AND PROJECTS

In January 2018, Innovation and Science Australia released a comprehensive vision for innovative public and private sector reform. *The Australia 2030 Prosperity Through Innovation*[17] called for a review of the Australian Public Service to encourage innovation in policy development, implementation and service delivery.

The GAP Taskforce welcomed these proposals and offered several concrete projects to achieve these aims. These included **a new training institute** for young political advisors and prospective politicians, **a national lab** within and perhaps beyond government to test radical options and train public officials in new approaches to design, and the appointment of **an independent board** to select secretaries and statutory officials in the Australian Public Service, based on the New Zealand model.

These reforms and institutions could facilitate the safe discussion of new options and inculcate tomorrow's leaders and officials in a more open-minded and free-thinking approach. They would encourage the free flow of new ideas within and between public and private organisations, and

---

17. https://industry.gov.au/Innovation-and-Science-Australia/Documents/Australia-2030-Prosperity-through-Innovation-Full-Report.pdf

reduce hierarchical, jurisdictional and stakeholder boundaries. They would afford more flexibility to public servants to share knowledge, create better platforms for open policy design, and encourage wider adoption of the Second Track.

The Taskforce also called for greater engagement by the public sector with non-government initiatives and entities, such as The Australian National University's Public Policy and Societal Impact Hub, to encourage evidence-based approaches. It acknowledged that embedding more courageous thinking in public life and the public sector requires broad cultural change which is less easy to legislate. However, enablers such as the proposed national lab need to be backed by a wider culture of support and leadership to succeed.

IN CONCLUSION

Australia must innovate to maintain its prosperity in a fast-changing world. Some new projects will cost more, take longer or achieve less than planned, but they should be seen in the context of other projects which over-perform.

Understanding how people's minds work, how they think and make decisions is as important as better training and institutional support. Efforts to educate the public should be accompanied by the acceptance by all parties that inaction is not an option and that change will produce some losers in the pursuit of national gain.

To be truly effective, society as a whole must rediscover its courageous side. The qualities demanded of public servants must be shared by Australians in every walk of life, if the nation as a whole is to accept change in national policy and personal lives. We all face a lifetime of constant learning and shifting work in the future.

There must be more room for politicians and public servants to learn from failure and come back stronger. At the same time, more open disclosure of failure and acceptance of fault is required to help regain public trust and understanding, if second chances are to be allowed.

CASE STUDIES IN COURAGE AND 'SPEAKING TRUTH TO POWER'

Ken Henry's White Paper on 'Australia in the Asian Century'[18]

This white paper, published in 2012, argued that fundamental shifts in Australian policy and attitudes were required for Australia to make the most of rapid Asian economic growth. It called for investments in national capability, closer business, social and cultural relationships with Asian partners and support for regional security.

Martin Parkinson examines gender equity[19]

Balancing the Future: the Australian Public Service Gender Equality Strategy for 2016-19 offers a programme for boosting productivity in the Australian Public Service by harnessing the best talent regardless of gender or background, changing cultures, and challenging negative assumptions.

---

18. http://www.defence.gov.au/whitepaper/2013/docs/australia_in_the_asian_century_white_paper.pdf

19. http://www.apsc.gov.au/publications-and-media/current-publications/gender-equality-strategy

Australia's Future Tax System Review [20]

This 2009 review took a 'root and branch' approach to examine Australian and State Government taxes and made a suite of recommendations to help Australia to deal with ongoing demographic, social, economic and environmental challenges.

Sally Yates defies Donald Trump [21]

Sally Yates, the acting US Attorney General, refused to defend an executive order by Donald Trump banning travellers from seven Muslim-majority countries, saying that she was not convinced that it was lawful.

Julia Gillard condemns political sexism [22]

Former Australian Prime Minister, Julia Gillard's attack on sexism in politics was seen by many women as a defining moment for feminism in the country.

Peter Fox questions police inaction on child abuse [23]

Detective Chief Inspector Peter Fox criticised police inaction over allegations of widespread, long-term child sex abuse in the Catholic Church in a 2012 TV interview. His public stance prompted a Royal Commission, but also threatened his 36-year career.

Sergei Magnitsky is murdered by Russian authorities [24]

Sergei Magnitsky was a Russian lawyer who specialised in anti-corruption activities. His arrest in 2008 and 'mysterious' death after eleven months in police custody in abject conditions generated international media attention and triggered both official and unofficial inquiries into fraud, theft, and human rights violations in Russia.

Malala Yousafzai stands up for female education [25]

As a young girl, Malala Yousafzai defied the Pakistan Taliban to demand that girls receive an education. She was shot in the head by a Taliban gunman in 2012, but survived and went on to win the Nobel Peace Prize.

Boris Yeltsin defies a communist coup [26]

Boris Yeltsin defied a hard-line communist coup against Mikhail Gorbachev's reforms in 1991, leading a three-day armed protest to protect Moscow's 'White House' Parliament building until the coup – and communism itself – collapsed.

Zhou Zixi dares to remember Tiananmen Square [27]

This Chinese artist urges remembrance of the Tiananmen Square massacre in the face of blanket government censorship and brutal intimidation.

Dmitry Shostakovich survives Stalin's terror [28]

The great composer walked a fine line between remaining true to his art and remaining alive during Joseph Stalin's murderous terror of the 1930s.

20. http://taxreview.treasury.gov.au/content/downloads/final_report_part_1/00_afts_final_report_consolidated.pdf
21. http://www.newyorker.com/magazine/2017/05/29/why-sally-yates-stood-up-to-trump
22. https://www.theguardian.com/world/2012/oct/12/julia-gillard-sexism-australian-women
23. http://www.theherald.com.au/story/2708686/peter-fox-quits-the-force/
24. http://russian-untouchables.com/eng/
25. https://www.biography.com/people/malala-yousafzai-21362253
26. http://www.nytimes.com/2011/08/21/opinion/sunday/the-soviet-coup-that-failed.html
27. http://www.whiterabbitcollection.org/artists/zhou-zixi-%E5%91%A8%E5%AD%90%E6%9B%A6/
28. http://www.pbs.org/keepingscore/shostakovich-symphony-5.html; http://www.imdb.com/title/tt0218711/

REFERENCES

Allas T. et al. (2018), *Delivering for citizens: How to triple the success rate of government transformations*, Report, McKinsey Centre for Government, May 2018

Australian Public Service Commission, Balancing the future: The Australian Public Service gender equality strategy 2016-19

Commonwealth of Australia (2010), *Australia's future tax system*, Report to the Treasurer, December 2009

Commonwealth of Australia (2012), *Australia in the Asian Century*, White Paper, October 2012

Global Access Partners (2015), *A Vision for Australia*: GAP 6th Annual Economic Summit on the Future of Jobs, Final Report, September 2015

Global Access Partners /International Centre for Complex Project Management (2011), *Complex Project Management – Global Perspectives and the Strategic Agenda to 2025*, Taskforce Report

Innovation and Science Australia (2017), *Australia 2030: Prosperity through Innovation*, Australian Government, Canberra

Shergold, P. et al. (2015), *Learning from Failure: Why large government policy initiatives have gone so badly wrong in the past and how the chances of success in the future can be improved*, Report

JOURNAL OF BEHAVIOURAL ECONOMICS AND SOCIAL SYSTEMS

gap❶ | **TCG**