



Society for Knowledge Economics

Response to the Inquiry into the National Broadband Network
Standing Committee on Infrastructure and Communications

25th February 2011



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The Society for Knowledge Economics is pleased to provide input to the Inquiry into the National Broadband Network.

It is our recommendation that development of the leadership styles, cultural attributes and management systems of Australian workplaces are given attention as part of Government support for the implementation of the National Broadband Network.

In order to better leverage the possibilities of information and communications technology, organisations must invest in developing the right leadership styles, workplace cultures and management systems. Without this focus, the significant change agenda implied by the terms of reference for this inquiry and the benefits expected from the NBN and ICT at large will not be delivered to their full potential.

Government policy must include investment and involvement in the development of Australia's workplace leadership capabilities for innovation and productivity gained through the effective use of ICT and the NBN.

Innovation through the use of ICT at large and the NBN provides the potential to deliver significant economic and social benefit.

As pointed out on Page 33 of the Cutler "venturousaustralia" Green Paper this requires a range of "strategic and leadership competencies".

Interestingly, the Karpin report of 1995, still to date the most significant review of Australian management capability, stated;

"As the business environment changes, so do the skills and characteristics required of those employees who are best positioned to interpret and influence future changes; namely managers"

The role of organisational leaders and managers, their skills and capabilities need to reflect a new environment from that defined in the industrial age context to one that is connected, networked, enabling and encouraging employees at all levels of organisations to maximise their full potential and lead from any level within the organisation. Acquiring knowledge and driving positive change, is no longer the exclusive realm of those at the top of organisational hierarchy.

Failures of existing management approaches and leadership styles are increasingly noticeable, as evidenced in low employee engagement, low levels of innovation in Australia (ref. Australian Bureau of Statistics Innovation Survey, 2006) and our well documented slowing productivity growth.

Effective use of the NBN and information technology across Australia will increasingly rely on;

- Leaders and managers that create the right environment for innovation and workplace performance
- People at all levels collaborating within and between organisations.
- Bridging "silos" inside and between organisations in both public and private sectors.
- Building skills, knowledge and a workplace culture that support innovation at all levels and maximises workplace participation.

These priorities require new approaches to leadership and management as reflected in overseas efforts and policy initiatives such as the Irish National Centre for Partnership and Performance, Finish TYKES, UK Work Foundation, and others.

Attached is a *Society for Knowledge Economics* report commissioned by the Federal Department of Education, Employment and Workplace Relations (DEEWR) "Leading Australia to More Innovative, Productive and Fulfilling Workplaces – The Role of Government".



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Whilst the report does not specifically recommend the institutional structure or approach for Government to adopt, we believe that there is a void that needs to be addressed in the aspects of workplace policy and skills development related to building the capability of management.

A good start could be to establish a strategic “high performance workplace/ workplace of the future” program, which is a collaboration across all sectors and can focus on policy development, review and coordination related to advancing workplace leadership and management effectiveness and practices.

This program could oversee the development of the institutional approach or engine which could be a cross sectoral collaborative “lighthouse” organisation focused on encouraging the development of leadership, culture and management across Australian workplaces.

Summary and Conclusion

It is the SKE’s recommendation that the leadership, culture and management capability aspects of Australian workplaces are given much more attention as part of Government support for the effective use of Information technology at large, and the National Broadband Network.

In order to better leverage the possibilities of information and communications technology we must invest in developing the right leadership styles, workplace cultures and management systems inside Australian organisations. Without having the right leadership styles, workplace cultures and management systems, the NBN and related technologies will not be utilised and leveraged fully.

The Society for Knowledge Economics welcomes the opportunity to discuss these ideas and suggestions further at the appropriate time.



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About the Society for Knowledge Economics

The Society for Knowledge Economics (SKE) is a not-for-profit organisation founded in June 2005. Members and supporters include organisations such as Microsoft, Westpac Banking Corporation, CPA Australia, PricewaterhouseCoopers, Hewlett Packard, the New South Wales Land and Property Management Authority, the University of New South Wales and others.

The SKE believes that Australia needs a collaborative, cross-sectoral organisation, supported by industry, academia, policy makers and others, who work together to help make Australia one of the most innovative, productive and fulfilling places in the world to work.

A leading knowledge economy is one that aims to better understand, develop and leverage the most potent force in creating economic and social value today – its people and collective knowledge and ability to innovate and produce new and improved products, services and business processes.

To this end, the SKE conducts industry-based research projects and prepares policy submissions, research papers, thought leadership pieces and editorials to influence policy directions and management and leadership practices in the Australian economy. Visit www.ske.org.au for more information.

The SKE has conducted research and industry partnering projects with a wide range of Australian and international organisations, including for example the:

- Business Council of Australia
- CPA Australia
- Department of Finance, Canberra
- Department of Innovation, Industry and Regional Development, the Victorian government
- Innovation and Business Skills Australia
- Microsoft Australia
- NSW Land & Property Management Authority
- OECD World Intellectual Capital Initiative
- US Enhanced Business Reporting Consortium (the US Securities Exchange Commission)
- Westpac Banking Corporation

Our Interest in Innovation and Workplace Productivity

The SKE and our members have a vested interest in ensuring that government policy supports the development of Australia as a more prosperous and innovative society and economy.

We believe that innovation will be critical, as a national and organisational priority and every day activity, to sustain economic prosperity and social wellbeing in Australia. We also believe that it is the shared responsibility of government, business, researchers, education providers and others to develop Australia's national innovation system.

Specifically, there is a need to position innovation as a national priority supported by a whole-of-government approach.

Future and current work follows previous reports by the SKE on Australia's innovation capabilities and national innovation system, including:

- Society for Knowledge Economics (2008), *Enabling Innovation: Leadership, Culture and Management at the Workplace Level*, Commissioned by the Department of Innovation, Industry and Regional Development, the Victorian Government, June, 2008.
- Society for Knowledge Economics (2008), *Australia's National Innovation System*, submission to Kim Carr's National Innovation Review Panel, sponsored by the Business Council of Australia, April, 2008.
- Society for Knowledge Economics (2007), *Leadership and Culture – the Missing Pillar of the National Innovation Agenda*, Response to the Victorian Government's proposed National Innovation Agenda, November, 2007.
- Business Council of Australia, in collaboration with the Society for Knowledge Economics (2006), *New Pathways to Prosperity – A National Innovation Framework for Australia*, November, 2006.

The SKE is also conducting a research study on behalf of the Department of Education, Employment and Workplace Relations into managing innovation at the workplace level, focusing on the role of leadership, culture and management in enabling innovation.

