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# BUILDING AND RETAINING THE PUBLIC SECTOR WORKFORCE

ROUNDTABLE INSIGHTS

**SPECIAL REPORT**

**Why does Australia’s public sector struggle to attract and retain top-quality talent? Yes, the skills shortage makes the job market incredibly tight – especially for in-demand technology roles – and every organisation wants to entice the best and brightest employees, spoilt for choice. But what can the public service do to give itself the best chance to find and hold staff and lift its overall workforce capability?**

To find out more, The [Mandarin](#) and [Synergy](#) partnered to publish a special report entitled [Building and Retaining the Public Sector Workforce](#). We then co-hosted an exclusive breakfast roundtable in Canberra attended by some of the country’s most senior state and federal bureaucrats, L&D and HR experts and academics. Our expert panel consisted of:

- **Jeff Goedecke:** First Assistant Secretary of the ICT Service Delivery and Reform Division at the Department of Defence;
- **Damian West:** Deputy Director-General of Workforce Capability and Governance at Chief Minister, Treasury and Economic Development at the ACT Government;
- **Dr David Schmidtchen:** Synergy Group Partner and co-leader of Synergy’s creativeXpeople practice, which works with government and commercial clients to deliver behavioural and cultural change.

Although Chatham Rules don’t allow *The Mandarin* to attribute quotes during the engaging and wide-ranging 90-minute discussion, what came out will resonate with anyone interested in how the public sector can develop a talented and committed workforce and offer genuine and rewarding career pathways.

Schmidtchen says the first thing we need to do is work out why the public sector feels the need to compete with the private sector. “The ‘war for talent’ - the dominant McKinsey model of the 1990s - is no longer relevant and leading us down the wrong path,” he says. “We’re competing for the minds of individuals. How do we craft an offering, so it’s communicated in a way that appeals to the audience we’re trying to hit?”



# Attracting Talent

“We need to design good jobs for people,” a chief people officer notes. “Jobs people want to come to; jobs with career paths and learning outcomes.” Data shows that while remuneration and other rewards initially attract people, the quality of the work convinces them to stay. “What we're aiming to do is be very overt in the type of work environment we want to create,” says one senior bureaucrat. “It's about understanding what's attracting that group of people to come and stay. If we're not competitive in terms of salary and conditions, then we have problems. While we don't have to be a leader, we must be competitive.”

Those with specific skills, especially in high-demand areas such as ICT, often find better-paid work at a public-sector contractor. This means they end up doing the same job but for higher pay. “That's mercenary behaviour,” says an ICT expert, “and I think we can act more productively to stamp out.”

There is general agreement that departments and agencies often compete for talent. “We just cannibalise each other,” says one HR specialist. “Hiring managers only want to hire federal government employees. We need to shift the risk mindset of our hiring managers.”

Another points out that state and federal bureaucracies are “ecosystems within the ecosystem”. “Our sectors stick together, so people in finance only move within the finance sector – Treasury to Finance to PM&C,” he says. “The health sector is the same ... Services Australia, DSS, Health. Treasury will never accept a finance person from Services Australia is their equal.”

Things aren't made any easier by a recruitment procedure that is typically unwieldy, slow and unwilling to take risks. It involves too many checks, layers of authority, and sign-off requirements. A cumbersome public service process puts people off in a competitive environment where time and the ability to connect and engage with someone is so short.

Schmidtchen says additional bureaucratic layers are often necessary but questions if procedures are as slick as they could be. “Is hidden infrastructure creating friction within your system that doesn't allow you to achieve outcomes? How do you keep an assurance process but with greater speed?”

# Selling the Public Sector

In an uncertain world, people tend to place even more value in the public service. So, this should be an opportunity to recruit those who want to make a difference in the world.

“It's all about the sort of workplace cultures that you build and how people experience feeling like they belong,” says one state-based bureaucrat. “They feel they can bring their whole selves to work, they feel empowered, and they can see the impact of their work.

“That's where the public sector has an edge on the private sector because we can clearly articulate a purpose. Yes, we've got to offer flexibility, but things such as generous parental leave are a given now. Other firms provide that. It's about articulating that purpose – why do you want to come to work with us? “When looking for an employer, they're looking for experiences.”

According to another leader, people become attached and invested deeply in making a difference close to home. “There's a real immediacy to what you do when you're involved in something happening in your community.”

One briefing attendee works at an organisation that helps women find purposeful roles. “When we ask members what's important for them to get back into the workforce, they say ‘meaningful work’ and ‘flexibility,’” she says. “It's also about authentic leadership. How do we allow people to bring their whole selves to work? How do we enable a supportive culture, whether that be to stamp out sexual harassment or make space for divergent people?

“If we're creating a supportive culture, |we need to consider things that often go beyond the standard APS values and codes of conduct. We need an authentic leadership approach where people feel comfortable bringing their ‘crazy’ to work. It would help if you had that flexibility piece when you're trying to attract people, particularly women who may feel disenfranchised. You need that supportive culture.”

*“When looking for an employer, they're looking for experiences.”*

# Attracting Younger Staff

Schmidtchen says sustainability is a constant theme when he speaks with people starting their career journey. “If your organisation can't demonstrate its commitment to sustainability and other larger social issues, you're going to have a problem,” he says. “They want an institutional, organisational commitment to purpose and values.”

A leader who has held senior roles at state and federal levels says the government isn't good at reaching young people. “We need to speak to high-school students and to start telling them what we do in government and how we can help them meet that social responsibility element in their brain,” she says. “If they want a good job and do something that matters, the public service is a great opportunity.”

She says the public service only makes an effort to reach people once they have a degree. “We're getting them too late. Quite often, somebody else has already sold them a nice little shiny thing elsewhere, potentially overseas. So we're also losing them to that as well.”

It doesn't help that many public sector roles are only available to those with tertiary qualifications. “Outside of Canberra, not having a degree isn't a restriction,” says one HR specialist. “When I worked in the Victorian public sector, half of the staff didn't have tertiary quals. They were looking for people with real experience, depending on the job. It just opened up a broader group of people applying for roles.”

A capability specialist said she didn't have a degree when she started her career. Now she has three, thanks to the public service. “How can we ‘grow’ public servants? We need to pay for their degrees and get the skills we need. “At the moment, we have so many graduates in our workforce; it's hard to promote people who don't have a degree.”

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# Retaining Talent

What makes someone seek a career in the public service? Is a 'career' just a series of jobs or something that can be managed with stints inside and outside the public sector? What role does culture play in staff retention?

Following the arrival of COVID-19, one state bureaucracy looked at management structures, roles and responsibilities and the resulting work culture.

"We did a ton of work around values-based culture, empowerment, inclusion and belonging, and EQ," says a senior state leader. "We involved not only our senior leadership but also mid-level leadership. That's where most staff have daily contact. If we didn't get them to see themselves as part of the organisation's leadership, we weren't going to crack that culture thing.

"It's worked really well. We've had conversations about team values. We talk about respect and inclusion, but what does that mean in practice? How do you constructively call somebody out if you don't see some alignment? We came up with a set of four leadership commitments, and every single leader signed it. Our people matter employee survey score was the highest in the organisation's history."

She says management can't just be held responsible for team culture. "Everyone owns culture," she says. "Everyone has a sphere of influence they operate in. They can decide whether to contribute positively or not within that sphere of influence."

Leaders must clearly state common cultural values that resonate with staff, even in a large and complex organisation.

"Unifying the culture is very complicated – it can be tribal, and we quite often don't work as an entity," says an organisational designer. "It has to be done in an agile way, where people get it quickly.

"The people we're trying to recruit, and the people we want to retain, won't wait for that day. They will go to another organisation that they think aligns with their values."

Another senior leader in the same organisation says managers often look at changing policies when they should be shifting mindsets. "Do we believe that people and their experiences are central to our success? That's a threshold question. If you don't shift the organisation to think, 'Yes, we do', then you can implement a whole heap of things that might just further frustrate the workforce.

"Do we need to compete with other sectors, or should we partner with them? We're entering a zone where the mutual benefit of the partnership, which might include sharing a workforce rather than competing for it, sparks a different way of getting outcomes as opposed to just getting people."

# Career Management

Allowing people to gain experience away from the public sector is another issue that frustrates those who work in recruitment and retention. “We’re talking about career management,” says an experienced educator. “Yes, it’s about getting into people early. But there is an assumption that we are trying to keep them, but actually, we’re not. So how do we support them to go away and come back? “In the US, you can go from the public sector to the private sector to education ... in fact, you’re expected to. Here, it means we have failed.”

It’s also about designing public-sector careers that take promising staff “from foundation to mastery”. This means supporting them to grow their craft over many years while allowing them to try different things – inter-departmental moves or possibly industry placements or academia – that advance their experiential learning. “If you grow your people with your organisation,” says a capability specialist, “they’re more committed to staying.”

She says this must be matched with more meaningful performance and development conversations. “There are ways you can grow people, but the organisation has limits, including its groupthink, its narrowness. Again, it’s about shifting a mindset to: ‘We can’t develop this person for what we need; let’s work ways to push them out and allow them back in later’. We need to get better at being OK with people moving out into industry, knowing there’s the possibility they’ll circle back.”

Many agree the public service has a problem accepting that allowing people to leave and return later benefits the individual and the organisation. “Part of career management is about mobility – building careers with diverse experiences,” one says. “It’s about creating a value proposition where we can bring them back into the workforce after time away and support them with their mobility, but also take a different approach to their development. Job stability might be a thing of the past, but we can support them with career stability.”

Offering trusted staff greater autonomy also brings benefits. “The more you can empower them, the more they will do amazing things without you having to ask,” says a workforce capability leader. “It’s about pointing people in the right direction and making sure they know where the boundaries are and what it might mean if they’re crossed. It’s being prepared to dance with risk, and risk is a good thing.”

*“Part of career management is about mobility – building careers with diverse experiences”*

# Capability development

Another factor that harms staff retention is the confusion over who is responsible for capability development. While staff believe managers should take care of capability building within their organisation, the responsibility often falls on individuals.

Then there's the paranoia that follows external capability experts offering targeted education and training. One specialist at the roundtable says she was accused of trying to "steal" staff when all she wanted to do was equip them with better tools and alternative perspectives.

According to an educator, what makes this situation worse is that organisations do a lot of leadership and management education but don't teach the right things. "I would love to see a sea change in what we actually do when it comes to developing leaders and managers. We need to teach them what it means to be a leader."

There was broad agreement that public-sector L&D should be used as a primary retention tool. "The No.1 reason people come to us is we offer a competitive value proposition when it comes to their learning and development," says a senior director. "It's the reason people are coming to our workforce. But we still struggle with retention."

Schmidtchen says we too often assume what people value when it comes to L&D. Many teaching concepts are outdated or should be tested. "Learning should be more consumable and accessible," he says. "I think the public service could be leaders in this; you could fundamentally change the game. That would be an enormous attractor and retainer of talent."

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## Flexible Working

The advent of COVID melted every possible argument against flexible working. Hybrid working arrangements have been shown to improve productivity and employee wellbeing. “If we don't offer it, we're not going to attract and retain staff,” says one leader. “That needs to be given now.”

More flexible working arrangements have certainly helped retain more experienced workers. “One of the things that saved us [during COVID] was staying connected with that group whom we thought was going to leave. We can offer that group different work patterns and arrangements.”

Even within the public service, the employment focus has shifted from showing up to getting work done. “I'm firmly of the view that we've been in a period of transition in how work is done over the past 10 years or so,” says Schmidtchen. “COVID, just put fire straight beneath it.”

*“If we don't offer it, we're not going to attract and retain staff”*

## Next Steps

[Sally Dorsett](#) and [Dr. David Schmidtchen](#) from Synergy's [creativeXpeople](#) practice have created a 'Yes, and...' forum where we can carry this conversation forward, stay on top of trends, share what's worked and what hasn't, and explore practical ways to build and retain public sector talent. If you would like to participate, please reach out directly to [Sally](#) or [David](#).