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Disclaimer

Please note that this draft report is to be considered as a work in progress and not in final form. Suggested recommendations and actions noted in the report require further discussion and development following broad engagement across the organisation.

Executive Summary

(a) Context

Strategy 2020 was formally launched at a Strategy Start-up event for 270 leaders in September 2015. Amongst this leadership cohort and the CSIRO Board there was a widely held view that a considerable shift in CSIRO's culture was needed to realise the strategy.

In November 2015 the Executive Team (ET) endorsed a program of work [the *Culture Alignment Program* (CAP)] to develop a plan to help make the cultural shift needed to realise the strategy and support CSIRO's ability to respond and adapt to future challenges. The Program team decided to take a high engagement, conversational, non-hierarchical approach involving CSIRO people and leaders. Culture is a social phenomenon, shaped by shared experiences, and in the process of developing the plan for cultural change, the activities themselves were seen as supporting the change desired.

In June 2016, the Executive and the Board, having noted the disruptive influence of elements of *Strategy 2020* implementation, namely the Science Prioritisation and Implementation process (November 2015 – February 2016) and subsequent communication of decisions, requested an all staff survey to provide a comparative measure on staff morale and connection to *Strategy 2020* so that appropriate actions could be taken quickly to address issues. The survey was conducted in the last two weeks of July 2016. The results were generally deflated compared with CSIRO historical data and external benchmarks. The Cultural Alignment team was asked by the ET in September 2016, to include in the action plan (this report), recommendations and actions to build the morale of the organisation as well as shift the culture.

(b) Conceptual Framework

The *Cultural Alignment Program* findings, recommendations, and actions outlined in this report are framed in the context of the Burke-Litwin Model of Organisational Performance and Change (**Figure 2** in the full report). This model, based on theory and extensive practice, was designed to serve as a diagnostic guide for planned and managed organisational change. The model was considered to be useful in contextualising nebulous concepts like *culture* and *morale* (climate) in an organisational functional setting that people would find accessible and understand.

(c) Broad Approach

To build a comprehensive view of CSIRO's current culture and future needs, the *Cultural Alignment Program* took a multi-dimensional approach. Some activities focused on understanding CSIRO's current culture while others more explicitly looked at the future

culture needed and current-future state gaps. These diverse approaches jointly provided a mix of qualitative and semi-quantitative data and sourced input from all levels (individual, group, Business Unit, organisation) as well as both down and across the hierarchy. It is estimated that the Program, through this range of activities, has facilitated several thousand direct people contacts (**Table 1**), some being engaged more than once and some only indirectly or not at all. At a minimum, the all staff survey response confirms that nearly 3,500 people at least were engaged directly.

Table 1. Culture engagement and morale (climate) building activities conducted during 2016.		
Activity	Who & Where	# of Participants
Cultural Alignment: <i>identify key attributes of current/desired future state culture; shared views of priorities for action</i>	<ul style="list-style-type: none"> • ET/CLT (online tool & team discussion) • BU/GM Leadership Teams • Group Leaders & Emerging Leaders • HR, L&D, BU Change Leaders 	36 138 103 37
Schein/Unwritten Rules: <i>develop deep understanding of the basic assumptions that can enable or limit culture change</i>	Workshops held with mixed groups in: - Sydney - Adelaide - Melbourne - Canberra - Brisbane	46
Cultural Story-Telling: <i>build skills in using organisational stories to engage staff in strategy-culture discussions</i>	Workshops held with mixed groups in: - Sydney - Melbourne - Brisbane	32
Webinars with CE and ET: <i>provide an opportunity for people to engage directly with ET, to raise issues and provide a forum for a “whole-of-organisation” response</i>	All staff webinars held: <ul style="list-style-type: none"> • 18 May • 16 June • 15 Sept Manager webinars (RDs, GLs, TLs) held: <ul style="list-style-type: none"> • 20 June • 21 June • 20 July • 14 September • 1 December 	2000 approx. 800 approx. 750 approx.
Round Tables with CE and ET: <i>provide opportunity for mixed groups of staff to engage directly with CE and ET and for senior leaders to listen to staff issues</i>	Face-to-face round tables held: 24 sites (some sites held multiple round tables) Virtual round tables (11 regional and remote sites) – 3 sessions held on 4 August	65 50 125 140 90 604
Site visits and lab tours: <i>ET meet staff in an informal way over morning / afternoon teas</i>	20 site / lab visits held	27 550+
Staff survey: <i>assessment of staff morale and connection to strategy</i>	All staff (excluding affiliates)	3472

In addition to the internal activities described above, the Cultural Alignment team also engaged directly with a number of other organisations (e.g. BHP, Qantas, Telstra) to learn about their approach to culture change and implementation (what worked and didn't work).

(d) Overall Results

From the multiple data sources noted above, what is both striking and reassuring, is the consistency of views about CSIRO's current strategic priorities and culture (including what we

value as an organisation), the shift required to fully realise *Strategy 2020* and the actions that leaders and people need to take to make the shift, as well as the barriers and enablers.

(e) Strategic Priorities

Results from an online Cultural Alignment Tool (CAT) used to assess views about current and future state culture priorities show that, at the macro level, there is a high level of consensus on our current strategic priorities amongst ET, the CSIRO Leadership Team (CLT), Business Unit (BU) Leadership teams and Group Leaders. All leadership cohorts strongly emphasise Brand as the most important current strategic priority, followed by Excellence.

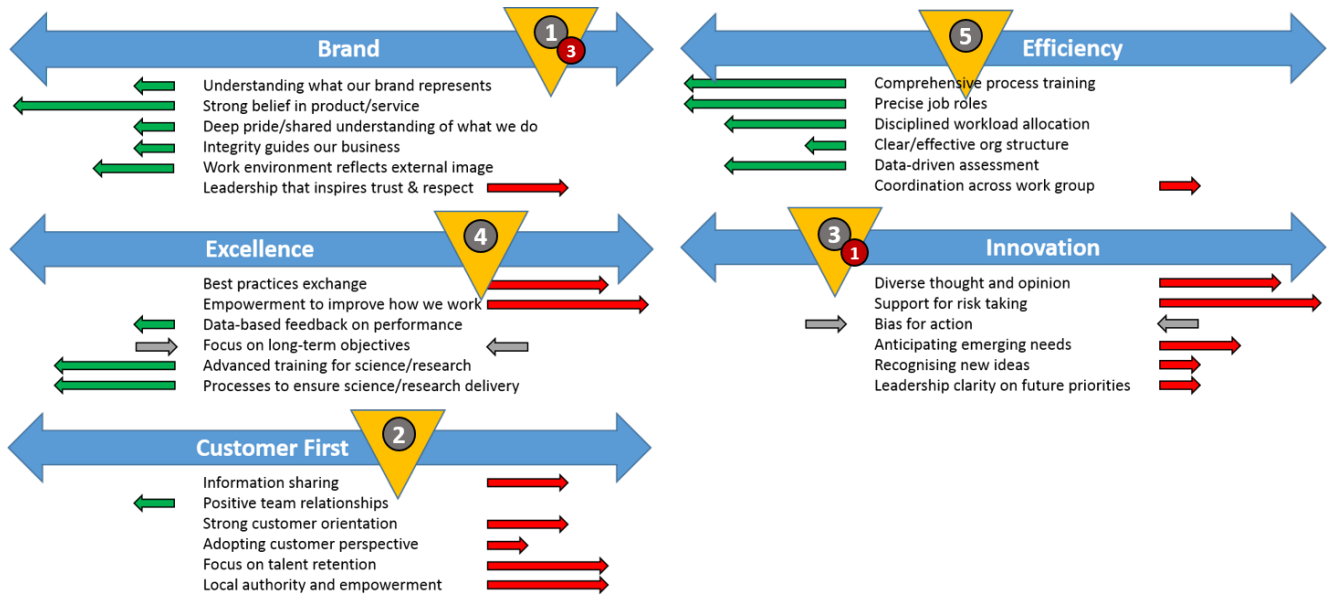


Figure 1. Current and future strategic priorities evaluated by nearly 300 BU leaders in February 2016. Triangles indicate consensus view of current emphasis (e.g. Brand was most emphasised and Innovation least emphasised). Numbers inside of triangles indicate consensus view of future priorities (e.g. Brand and Customer First are first and second in priority respectively). Numbers in red circles indicate where ET/CLT view differed from BU leaders. Red arrows indicate specific cultural attributes identified as needing greater future emphasis and green arrows indicate attributes considered to need less emphasis (maintain strengths). Grey arrows identify attributes for which people felt no shift was required.

For the future, different leadership cohorts are generally well aligned in terms of strategic priorities, although some differences exist. ET/CLT emphasise Innovation more than Brand and BU Leadership teams and Group Leaders see Brand as more important than Innovation (**Figure 1**). Beyond this, the order of strategic prioritisation for the future is very similar between Group Leaders, BU Leadership teams and ET/CLT. This broad consensus is a good and important result, and a necessary first step in achieving cultural alignment to our business strategy.

(f) Priority Cultural Attributes

CAT results, round table engagements, and the 2016 staff survey, all show strong consensus on the priority cultural attributes (needs) for the future, as well as, enduring cultural strengths. This is true across CSIRO as a whole as well as within BUs.

In terms of current culture, CSIRO has a workforce that has deep pride in the organisation and willingness to do what it takes to help CSIRO succeed. Its people strongly support what CSIRO stands for as well as the goals and objectives of the organisation. People gain a tremendous sense of personal accomplishment from the work they do and within their project/work area they actively seek to understand customer requirements and needs. There are also high levels of trust within local teams as shown in past cultural surveys and responses from the e-learning Behavioural Expectations module (first released in April 2015).

Currently the morale of the organisation is low and is comparable to 2014 levels, another disruptive period in our history when we undertook a whole-of-organisation reform program and suffered significant funding cuts. The future culture needed to support *Strategy 2020* and beyond is one where people feel valued, included, trusted, informed, involved and enabled. These are the key findings from extensive engagement and rigorous evaluation through the multiple approaches employed by the *Cultural Alignment Program* (see full report for a complete description). These cultural traits are foundational and are explicitly described in *Australia's Innovation Catalyst: Strategy 2020*.

Considerable research and empirical evidence says that if senior executives want aspirational goals of customer first, breakthrough innovation, global outlook and national benefit (all key elements of *Strategy 2020*), then they need to pay attention to the cultural foundations of inclusion, trust, respect and employee wellbeing (Schneider *et al.* 2013). This clearly validates the importance of actions articulated in the strategy associated with these elements.

The top future cultural and climate priorities identified as aspirational targets [**Figure 1** above; **Table 4** in the full report] include: leadership that inspires confidence and respect; empowerment of people; continued strong customer orientation; leadership clarity on future priorities; and encouragement for risk taking. Other priorities for focus include: more career development opportunities; increased ability to collaborate and network across CSIRO; reduce constraints related to external revenue and high overheads; reduce administrative burden on scientists; leaders to inform and involve people in matters important to them. **Table 2** is a summary of the actions that ET is committed to undertaking as these are viewed as primary transformational levers of change (benefits and desired outcomes are described in **Table 3**). Other actions for discussion are more transactional in nature and focus on building morale in the shorter-term (section **V. Detailed Situation, Broad Recommendations & Actions** in the full report).

(g) Themed Recommendations & Actions

Recommendations and actions highlighted in this report are specifically aimed at building these key cultural attributes for the future and addressing the issues that are negatively impacting staff morale.

As such, the themed recommendations and actions are to:

- Develop our leaders to deliver transformational change (identity, mission, strategy) by better entrusting, engaging, and utilising CSIRO's highly capable, diverse and willing talent;

- Develop our people to deliver CSIRO's vision, mission and strategy, by supporting their participation in purpose built events, forums, programs and initiatives;
- Empower our people to deliver CSIRO's vision, mission and strategy through integrated change management and developing agile systems, processes and management practices;
- Leverage and empower the willingness, dedication and capability of our people and teams, by helping them see their place in CSIRO, their contribution to the organisation and their employability in or outside CSIRO.

Table 2. List of actions abstracted from **V. Detailed Situation, Broad Recommendations & Actions** (see the full report). Actions are assessed in terms of whether impact and difficulty of achieving is high (H), medium (M) or low (L). Grey shaded cells represent audiences for a given action; others noted are involved in implementation (RD = Research Director, GL = Group Leader, TL = Team Leader, EM = Executive Manager, M = Manager). See also **Table 3** below.

		Impact / Difficulty		Measure	Time	Sponsor (TBD) /Support	ET / CLT	Who Is Involved/Audience			
Action								RD	GL/EM	TL/M	Staff
Organisational Identity	Lead round tables: • Identity, mission, vision & strategy conversations • Revised safety contact format.	H	L	ET: 10/yr each (on own or partnering with CLT, also 10/yr)	Ongoing	ET / OD&C, HR	All	[Grey shaded]	[Grey shaded]	[Grey shaded]	[Grey shaded]
	Run webinars to engage RD/GL/TL and ESS equivalent leader cohorts.	H	L	Run quarterly	Ongoing	ET / OD&C	All				
	Run the ON Program for triple bottom line work and ensure that public good research is well integrated and promoted.	M	M	2 programs per year	Beginning in 2017	CLT	SMVI				
Mission & Strategy	Run state-based <i>CSIRO Connect</i> strategy/market vision focused events, initially for GLs and TLs, eventually for all our people.	M	M	1 event run per state before the end of the 2016-17 FY.	March-April 2017	CLT / OD&C, SMVI	CLT	All	[Grey shaded]	[Grey shaded]	[Grey shaded]
	Develop ET/CLT capability in transformational change leadership, including workshops explicitly focused on tools to inspire people to find their place in the strategy, commencing with a dedicated development day for ET	M	M	% participation in development program	First half of 2017	ET / OD&C	CLT				
Leadership	ET and CLT (commencing with ET) undertake a 360 degree feedback program for development	M	M	360 degree assessment done	First half of 2017	ET / OD&C	ET	[Grey shaded]	[Grey shaded]	[Grey shaded]	[Grey shaded]
	ET conducts 2 all-staff webinars per annum, explicitly focused on major events for the organisation (e.g. CSIRO budget), decision points etc.	M	L	Webinars run	Ongoing	ET / OD&C	ET				
Culture	Recruit, promote and keep people and leaders who exhibit and value desired cultural traits (collaborative, transparent, inclusive)	H	H	360 ⁰ ; interviews, surveys, references	Ongoing	ET / CLT, HR	All	[Grey shaded]	[Grey shaded]	[Grey shaded]	[Grey shaded]
	Crowdsource options to help address 'wicked' internal problems (time to think, allocation pressures, overheads etc.)	H	M	Campaign run; staff surveys	Second half of 2017	ET / Finance	All				
	Increase participation of development-ready people in strategy-aligned cultural change development programs (LAIC, On Prime, ELP, LE, Customer Engagement workshops).	M	L	Participation increased by 50% from current levels	Ongoing	ET / CLT	CLT				

	Action	Impact / Difficulty		Measure	Time	Sponsor (TBD) / Support	ET / CLT	RD	GL / EM	TL / M	Staff
Structure	Trial boundary-spanning roles across ESS functions to help solve complex problems (e.g. policy reform, mobility/collaboration, overheads)	M	L	Number of roles established; peer feedback	Ongoing	ET / ESS`	All				
	Realign/integrate ESS functional groups to address recommendations regarding the Science Prioritisation and Investment (SPI) process (EY Report)	M	M	Realignment / integration of ESS functions completed	Before end of 2016	ET / HR	ESS				
	Establish and recognise formal in-business change leader roles (BUCLs to act as conduits for the alignment between local and enterprise change)	M	L	Formal roles established for each BU/ESS group	End of 2016	ET / CLT	All				
	Incorporate assessment of participatory practices and change management into <u>all</u> processes, procedures and decision-making, implication assessment and delivery planning (EY Report). Develop a "How we work" guide, including a set of agreed principles, to clarify decision making at all levels	H	M	% assessments incorporated	Ongoing	ET / OD&C	All				
	Increase participation in career guidance programs (<i>Intensive Development Centre</i> for senior staff and <i>Career Development Centre</i> for mid-level and more junior staff)	M	L	Guide produced and published on intranet	Complete by end of 2017	ET / Governance	CLT				
Tasks/Ind. Skills		M	L	50% increase in participation by end of 2017	Ongoing	ET / OD&C	CLT				

Table 3. Brief description of benefits and desired outcomes for the ET endorsed actions described in **Table 2.**

Action	Description of Benefit/Outcome
Organisational Identity	
<ul style="list-style-type: none"> • Lead round tables: identity, mission, vision & strategy conversations; revised safety contact format. • Run webinars to engage RD/GL/TL and ESS equivalent leader cohorts. • Run the ON Program for triple bottom line work and ensure that public good research is well integrated and promoted. 	<ul style="list-style-type: none"> • Build trust & confidence in leaders and support for strategy; leaders get firsthand understanding of staff concerns • As above; bi-directional understanding of operational issues • Reduce concerns about our mission and purpose; help public good research scientists see their place in the strategy
Mission & Strategy	
<ul style="list-style-type: none"> • Run state-based <i>CSIRO Connect</i> strategy/market vision events, initially for GLs/TLs, eventually for all our people. 	<ul style="list-style-type: none"> • Build strategy buy-in & engagement & cultural shifts needed; cross-stitch organisation via collaboration & networking
Leadership	
<ul style="list-style-type: none"> • Develop ET/CLT capability in transformational change leadership, including workshops explicitly focused on tools to inspire people to find their place in the strategy, commencing with a dedicated development day for ET • ET and CLT (commencing with ET) undertake a 360 degree feedback program for development • ET conducts 2 all-staff webinars per annum, focused on major events for the organisation (e.g. CSIRO budget, decision points) • Recruit, promote and keep people and leaders who exhibit and value desired cultural traits (collaborative, transparent, inclusive) 	<ul style="list-style-type: none"> • Better change outcomes & strategy buy-in; greater organisational agility & adaptability; people feel valued & included • Enhanced performance of leadership team • Our people feel informed about matters that are important to them • Build an adaptive and high performance culture able to tackle current and future challenges
Culture	
<ul style="list-style-type: none"> • Crowdsourcing options to help address ‘wicked’ internal problems (time to think, allocation pressures, overheads etc.) • Increase participation of development-ready people in strategy-aligned cultural change development programs (LAIC, On Prime, ELP, LE, Customer Engagement workshops). 	<ul style="list-style-type: none"> • Our people feel involved, valued & better able to contribute; diversity of thought leveraged to produce better solutions & outcomes • People are better equipped and motivated to deliver on strategy
Structure	
<ul style="list-style-type: none"> • Trial boundary-spanning roles across ESS functions to help solve complex problems (e.g. policy reform, mobility/collaboration, overheads) • Realign/integrate ESS functional groups to address recommendations regarding the Science Prioritisation and Investment (SPI) process (EY Report) • Establish and recognise formal in-business change leader roles (BUCLs to act as conduits for the alignment between local and enterprise change) • Incorporate assessment of participatory practices and change management into <u>all</u> processes, procedures and decision-making, implication assessment and delivery planning (EY Report). • Develop a “How we work” guide, including a set of agreed principles, to clarify decision making at all levels 	<ul style="list-style-type: none"> • More cohesive, collaborative & innovative ESS functions able to tackle problems using adaptive rather than technical approach • Better coordination of effort; improved corporate-business relationships • More effective and better integrated change outcomes • Shared ownership of decisions and better change outcomes; people are included and empowered • Clarity about expectations and how decisions get made
Tasks & Individual Skills	
<ul style="list-style-type: none"> • Increase participation in career guidance programs (<i>Intensive Development Centre</i> for senior staff; <i>Career Development Centre</i> for mid-level, junior staff) 	<ul style="list-style-type: none"> • People see more career options and feel supported to try new things

I. Background

The Board, the Executive Team (ET), the CSIRO Leadership Team (CLT, formerly EMC), and 270 leaders at the Strategy Start-up held in September 2015, all shared the view that a considerable shift in CSIRO's culture (behaviours and attitudes) was needed to realise *Strategy 2020*.

Critically, there was general agreement that the key lever for change was leader behaviour - especially senior leader. The need to change behaviour and mindset of people in influential non-leader roles was noted as another important lever and strong signal for change. Other levers for change such as systems, processes, and resources, were acknowledged as necessary but insufficient on their own to drive the cultural shift and were thus viewed as second order priorities.

The *Cultural Alignment Program* and its planned approach was endorsed by ET in November 2015. The Program was established to support the culture change needed to realise *Strategy 2020*, and to support CSIRO's ability to respond and adapt to future challenges.

While culture change has been part of CSIRO's journey for a long time, the methods that have been deployed have been inconsistent and frequently ineffective in terms of embedding change across the organisation. Partly as a consequence, the *Cultural Alignment Program* made the decision to explicitly adopt a high engagement, conversational, non-hierarchical approach involving representative groups (but 'not the usual suspects') of CSIRO people and leaders. This approach was taken because culture is a social phenomenon, shaped by shared experiences, and in the process of developing the plan for cultural change, the activities themselves support the change desired. Round table engagements is an example of an activity that served to shape the plan and positively impact our culture/morale along the way, as evidenced by survey results. Further support for a non-hierarchical approach can be seen in a recent report from the CEB Corporate Leadership Council (*Open Source Change: making change management work*, 2016; <http://my.csiro.au/Business-Units/Science-Strategy-and-People/Culture-Change/Resources.aspx>) which found that when employees co-create change success is far more likely than when a top-down approach is used.

In terms of guiding principles, key to success was ensuring deep penetration into the organisation, more diverse thinking and broader engagement and ownership of initiatives and actions. Basic principles that the *Cultural Alignment Program* also explicitly committed to included:

- Following through – sharing what we hear, how we will use input, and staying in touch to communicate progress openly and honestly;
- Being consultative, inclusive and connected – instead of 'doing things to people', working in partnership.

Key steps outlined in the *Cultural Alignment Program* plan included: 'digging deep' to understand perceptions of current culture; assessing current – future state cultural gaps; crowdsourcing cultural enablers and barriers; surveying leaders and staff to understand engagement with strategy; and socialising widely recommended courses of action to provide our people with opportunities to participate in debate and discussion about our future.

A number of approaches have been taken to engage across the organisation (see also **IV. Data Sources** below). These include various types of staff engagement (senior leader round tables, site visits, all staff webinars and Research Director/Group Leader/Team Leader webinars), Learning & Development programs, connection building activities (Office Professional network, Business Unit Change Leaders network, Schein ‘unwritten rules’ workshops) and participative action (CAT cultural priority tool, BU CAT workshops, crowdsourcing).

In June 2016, the Executive and the Board, having noted the disruptive influence of some elements of *Strategy 2020* implementation, namely the Science Prioritisation and Implementation process (undertaken November 2015 – February 2016) and subsequent communication of decisions, requested an all staff survey to provide a comparative measure on staff morale and connection to *Strategy 2020* (so that appropriate actions could be taken quickly to address any issues).

The survey was conducted in the last two weeks of July 2016. The results are generally deflated compared with CSIRO historical data and external benchmarks. The Cultural Alignment team was asked by the ET in September 2016, to include in the action plan (this report), not only recommendations and actions to support the culture change needed, but also recommendations and actions to build the morale of the organisation.

II. Purpose of this Report

The purpose of this report is to put forward a broad set of recommendations and priority actions for endorsement. These recommendations and actions are designed to help build the morale of the organisation in the short term; and in the medium to longer term, evolve the culture of the organisation to support the realisation of *Strategy 2020* and adapt to future challenges driven by disruptive market forces.

The report provides background and context to the initiation of the *Cultural Alignment Program*, the approach taken in developing the plan and a summary of the results and findings from the various research methods utilised. It concludes with a brief description of our current situation and problems, a set of broad recommendations and a list of priority actions with proposed executive sponsors and responsible CSIRO leadership team members.

III. Introduction to the Conceptual Model

(a) Model Overview and Value

The *Cultural Alignment Program* findings, recommendations, and actions outlined in this report are framed in the context of the Burke-Litwin Model of Organisational Performance and Change (**Figure 2**; Burke & Litwin 1992). The model was developed based on theory and practice and was designed to serve as a diagnostic guide for planned and managed organisational change.

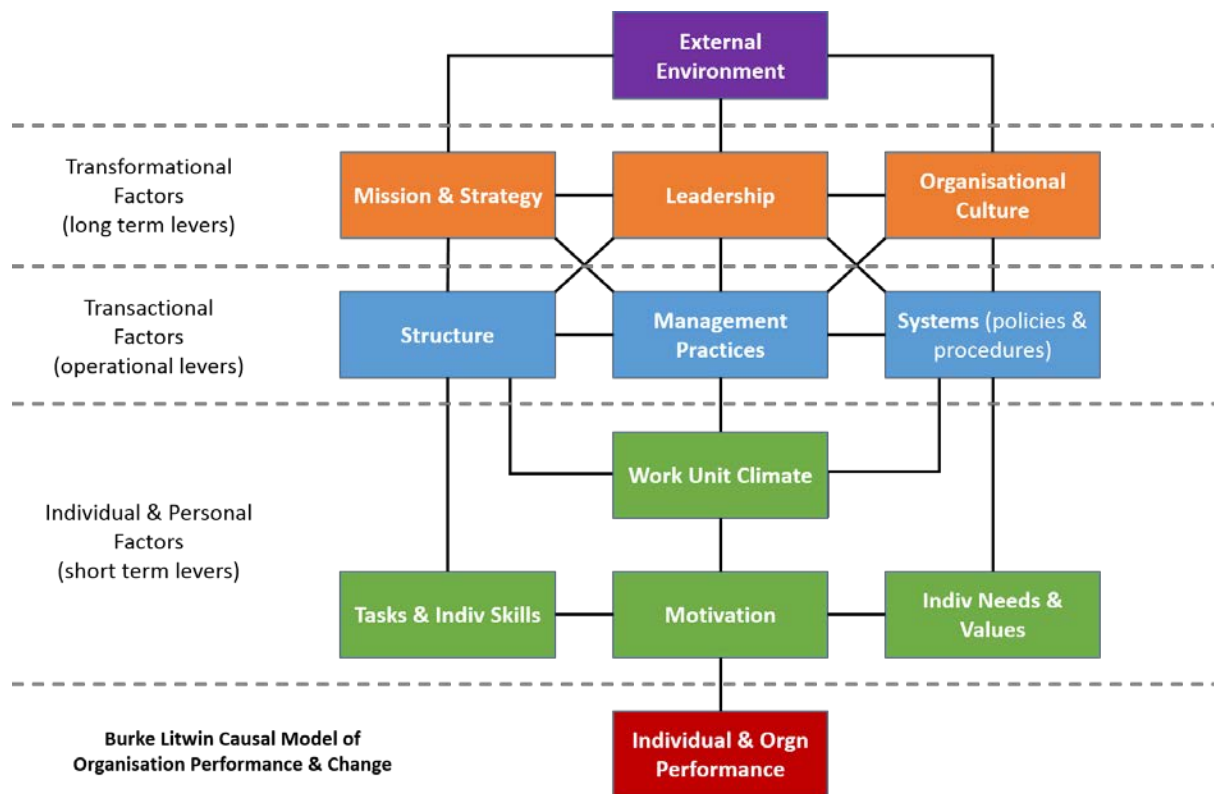


Figure 2. The Burke-Litwin model. Definitions of factors shown in the diagram are as follows: (a) *External Environment* – outside conditions that influence organisational performance (e.g. political circumstances); (b) *Mission & Strategy* – the espoused purpose and direction set by an organisation; (c) *Leadership* – effective communication of strategic direction and inspiring people to take the journey; (d) *Organisational Culture* – shared beliefs about how to operate and what is valued; (e) *Structure* – arrangement of business units and people into areas/levels of decision-making authority; (f) *Management Practices* – how managers implement an organisation’s strategy; (g) *Systems* – standardised policies and practices designed to facilitate work and outcomes (e.g. reward systems, revenue recognition, science prioritisation processes); (h) *Climate (morale)* – mood and sentiment of organisational members; (i) *Tasks & Individual Skills* – specific skills and knowledge required for people to effectively do their work; (j) *Individual Needs & Values* – what is important to people (e.g. career progression, feeling valued and that what they do is valuable).

This model was deemed to be useful to:

- Aid discussion about organisational functioning and change;
- Enhance understanding of the interplay between key factors that influence overall organisational performance and change success (e.g. culture, strategy, leadership);
- Help categorise the extensive data collected as part of the *Cultural Alignment Program*;
- Diagnose where problems and opportunities to leverage exist;
- Aid in data interpretation, intervention and action planning.

While the Burke-Litwin model presented in **Figure 2** does not explicitly include organisational identity, we note here that consideration of this element of organisational performance is important given a number of internal and external stakeholders have suggested that changes arising from *Strategy 2020* implementation, the Science Prioritisation Process in particular, have threatened some people’s sense of CSIRO’s identity and purpose. A review of the

relevant literature positions organisational identity as that which is ‘*central, enduring, distinctive and influenced by external image and reputation*’ (Whetten & Godfrey 1998; Whetten 2006; Hatch 2015) and clearly supports this assessment.

(b) How the Model Works

Organisational change, even that which is planned, is viewed by many as an example of a chaotic system (Gleick 1987), exacerbated by the fact that organisations are open systems with important external connections (Katz & Kahn 1978) and many feedbacks (**Figure 2**). Despite this, “there are consistent patterns that exist – linkages among classes of events that have been demonstrated repeatedly in the research literature and actual organisational case studies” (Burke & Litwin 1992). Moreover, based on the widely held premise that system alignment enhances organisational effectiveness (Kulesa 2008), tackling the challenge of aligning culture and strategy is essential for success. In designing initiatives to address cultural change and build the morale of an organisation, it is crucial to take into account the fact that a change in one variable (e.g. strategic direction) can have far reaching implications for other dimensions (i.e. there are many feedbacks).

The Burke-Litwin model illustrates the direct and indirect relationships between various organisational factors and their potential influence on change, taking into account the effect of the external environment. For example, the initiation of transformational change is viewed as being driven by an organisation’s leaders and others (e.g. market-facing staff) in response to their continual interaction with and monitoring of the external environment and assessment of responses needed to fulfil the organisation’s long term strategic intent. Such change clearly has a direct and strong effect on the organisation’s mission, strategy and culture. In turn, operational or transactional organisational factors are affected [i.e. structure, systems, management practices, and climate (morale)]. These transformational and transactional factors together affect individual motivation, which in turn drives both individual and organisational performance (Burke & Litwin 1992).

IV. Data Sources, Methodology & Results

A major driver for the *Cultural Alignment Program* (CAP) was to understand gaps between CSIRO’s current culture and the culture needed to underpin and support realisation of *Strategy 2020*. Characterisation of gaps for major elements of the strategy was deemed essential to help formulate an action plan (**Figure 3**). Importantly, it was felt that, as an organisation, we needed to develop a common language to ensure that we capture key components of culture that reflect strategic priorities. Moreover, a shared understanding of culture helps to ensure that realistic expectations of cultural evolution are both understood and achievable. Often people consider cultural levers or interventions to be obvious or simplistic. Shared understanding helps people to understand both the adaptive change, inter-dependencies and persistence required to achieve meaningful cultural evolution.

Strategy-Culture Alignment Program – High Level Plan

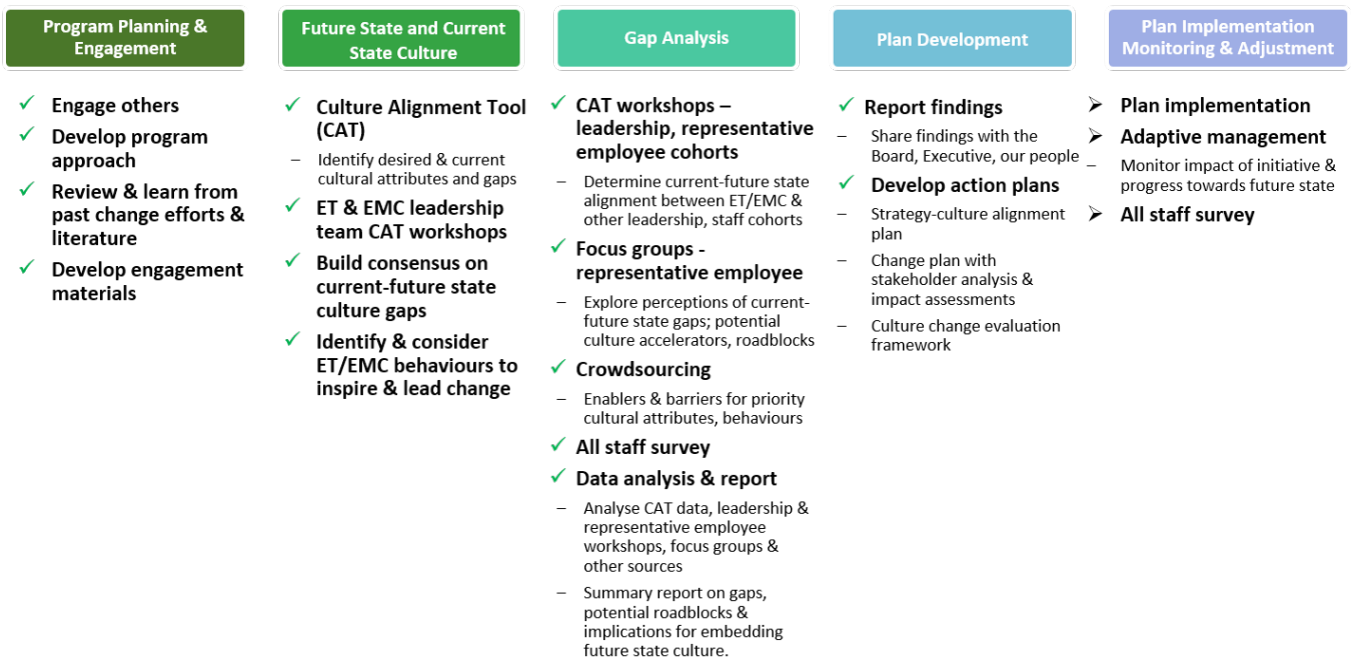


Figure 3. Draft action plan for culture shift in the context of supporting realisation of *Strategy 2020* endorsed by the CSIRO Executive Team in November 2015.

Organisational culture and climate (morale) are nebulous constructs for which there is no agreed definition or even agreement on their component parts. What is widely accepted however, is that both these largely invisible constructs are powerful factors in shaping organisational response to change. This assertion was supported in the Cultural Alignment Tool (CAT) workshops where participants were asked to complete the sentence ‘*Organisational culture is...*’ A range of statements were offered, some shown below, that highlight the lack of agreement as to what culture is, but also its importance.

- ‘Complex, probably not one thing’
- ‘Our shared understanding of how the organisation works’
- ‘The way people think and behave’
- ‘Unique personality of an organisation’
- ‘Unwritten rules’
- ‘Shared values and beliefs that drive behaviour’
- ‘Rules that govern how we behave’
- ‘Interaction towards a common vision’
- ‘Having similar values, sense of purpose, and goals’
- ‘A motivating tool’
- ‘What you do when no one is watching’

To build a comprehensive view of CSIRO’s current culture and future cultural needs, the *Cultural Alignment Program* took a multi-dimensional approach. Some activities focused on current state culture with future culture being addressed more implicitly (e.g. Schein ‘unwritten rules’ workshops; round table discussions; webinars, 2016 Survey); other activities explicitly addressed the gaps between current and future culture states (e.g. the CAT online

assessment and workshops). Together, these different approaches provided a blend of qualitative and semi-quantitative data and sourced input from a broad range of levels (individual, group, BU, organisation) as well as both down and across the hierarchy. In what follows, we first describe each approach and key findings. We then develop a synthetic view which takes all these data sources into account.

(a) CAT Survey, CAT BU Leadership Workshops

To enable our people to discuss and assess CSIRO’s current culture as well as the future culture needed to support *Strategy 2020*, a robust, research based instrument was deemed necessary. Willis Towers Watson’s Culture Alignment Tool (CAT) was assessed by the OD&C team to fulfil these requirements. The CAT is a card sort activity, and is underpinned by research which outlines the cultural differentiators of high performance organisations in pursuit of their business strategy. The fundamental premise on which the instrument is based is that the optimal culture for an organisation is one that aligns with its strategy.

To develop the instrument Willis Towers Watson (WTW) undertook a comprehensive literature review to explore the range of business strategies pursued by organisations. They found that most could be classified into five broad strategies (**Figure 4**). These are: Customer Service (CSIRO re-labelled as Customer First), Quality (CSIRO re-labelled as Excellence), Efficiency, Innovation and Brand.



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Figure 4. Strategic business priorities and correlated cultural traits identified by Willis Towers Watson.

From here WTW conducted a general survey of employee opinion globally and integrated the data and findings from this survey with their existing company specific surveys from high performance organisations. Comparing and contrasting these results, as well as undertaking statistical factor analysis, they isolated the individual cultural attributes that differentiate high performing organisations for each of the five business strategies identified through the literature review. These business strategies and differentiating cultural attributes (slightly

reworded to better reflect CSIRO's language and business context) that make up the CAT are shown in **Figure 4**.

Instrument administration method:

On the 2nd November 2015 the CSIRO Leadership Team (CLT, formerly the Executive Management Council) leaders were invited by Willis Towers Watson to complete the online Cultural Assessment Tool (CAT). The invitation outlined that their views were essential to help develop a shared understanding of CSIRO's current and future state culture; and to learn where there may be cultural gaps or different views about what is needed to realise *Strategy 2020*. The invitation also outlined that a shared understanding was a key step towards evolving CSIRO's organisational culture to align with the new strategy; and that their views would be consolidated with those of their CLT colleagues; and explored in-depth at future sessions as a first step in developing an agreed plan for change.

A follow up email was sent by WTW on the 5th November 2015 advising that assessment completion was required by the 6th of November 2015. All of the Executive Team (5 members) completed the online survey as did 86% of the CLT (25 of 29 members).

The same approach was subsequently used in February 2016 for other leadership levels, including Business Unit Leadership Teams, Group Leaders and in-business Enterprise Support Service managers. A total of 261 individuals completed the CAT (including 99 Group Leaders), representing 75% of the 349 people invited to take part in the online assessment. The survey was open for 10 working days.

Current-future culture assessment methodology: Online CAT completion required each invited person to rank order the 30 cultural attributes displayed into rows on a grid from most to least like CSIRO's current culture and then to repeat the exercise for the future culture to support *Strategy 2020*. The results were aggregated and analysed at both aggregate and individual levels for various groups examined (e.g. ET, CLT, BU Leaders etc.) and compared with data from organisations that are successful at achieving specific strategic priorities. This enabled CSIRO's culture to be compared with the cultures of a diverse range of high-performing organisations.

Broad strategic priorities:

At a high level, the results of the online card sort showed broad agreement across different leadership levels about what CSIRO's strategic business priorities should be in the context of *Strategy 2020* (**Figure 5**). With respect to views about which dimensions need greater emphasis and by default which need less emphasis in our future culture, it is important to note that decreased emphasis does not equate to less importance (e.g. this could relate to the belief that we are already good at something).

Overall, while these different leadership cohorts were generally well aligned in terms of strategic priorities, there were some differences. Thus, with regard to the future, ET/CLT placed emphasis on Innovation more than Brand and BU Leadership teams and Group Leader saw Brand as more important than Innovation. Beyond this difference in emphasis the order of prioritisation for the future was very similar between Group Leaders, BU Leadership Groups and ET/CLT.

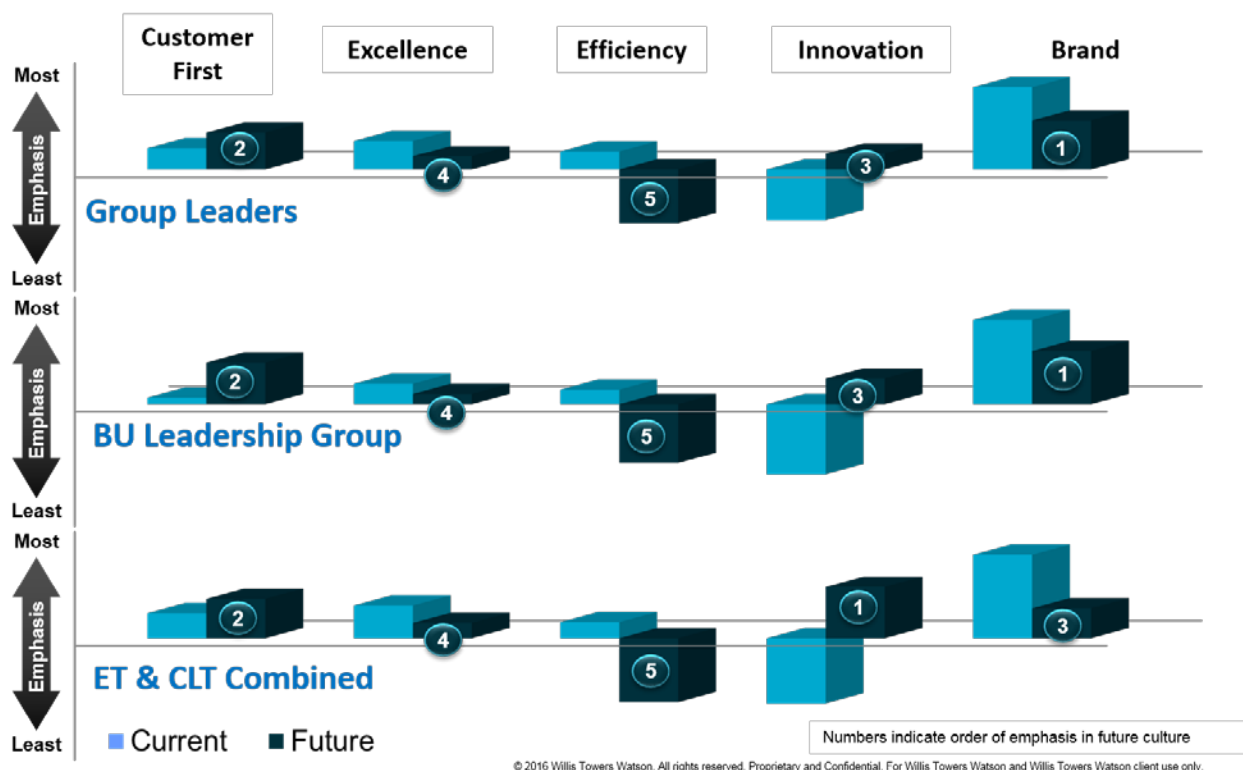


Figure 5. Order of emphasis for our desired future culture (1 = the highest emphasis and 5 = the lowest emphasis) for Group Leaders, BU Leadership teams and ET/CLT combined. These results indicate where the most (or least) emphasis is needed to shape the future culture that will best support *Strategy 2020*. Less emphasis does not mean less importance, just that other aspects need more attention. In other words, it isn't possible to place high emphasis on all strategic dimensions – organisations have to make choices.

In terms of the current culture, at the time of doing the CAT, at the macro level again there was a high level of consensus on the strategic priorities amongst ET, CLT, BU Leadership Teams and Group Leaders. All leadership cohorts strongly emphasised Brand as the most important current strategic priority, followed by Excellence. Again there were some small differences among groups (e.g. BU Leadership groups deviated from Group Leaders and ET/CLT in emphasising Efficiency over Customer First as a current cultural priority) but the general message is the same – there was broad agreement about the organisation's current priorities.

When individual BUs are examined in terms of their current and future state strategic priorities, more points of difference were seen (see <http://my.csiro.au/Business-Units/Science-Strategy-and-People/Culture-Change/Results.aspx>, which represents detailed CAT results by Sector, BU and Leadership level). In terms of future strategic priorities, Brand and Innovation were predominately the most emphasised for all BUs (CASS and Food & Nutrition were the exceptions). CASS significantly de-emphasised Brand compared to other BUs and their own current state prioritisation. F&N emphasised other priorities, namely Innovation and Excellence over Customer First. In terms of current cultural priorities, Innovation was viewed as the most de-emphasised although CASS saw Excellence as slightly more de-emphasised than Innovation.

Individual cultural attributes:

There was considerably more heterogeneity (e.g. among BUs) at the level of individual cultural attributes, and less consensus about the importance of individual traits as well as the magnitude of change required (**Figure 6** shows the assessment of individual cultural attributes and consensus for ET/CLT combined; see also <http://my.csiro.au/Business-Units/Science-Strategy-and-People/Culture-Change/Results.aspx> for individual BU results). Despite this, when leaders were asked to prioritise cultural traits during CAT workshops (see below), the same subset of traits consistently rose to the top (see **Table 2** below). It is worth noting here that these same messages came up again and again, regardless of approach or data source.

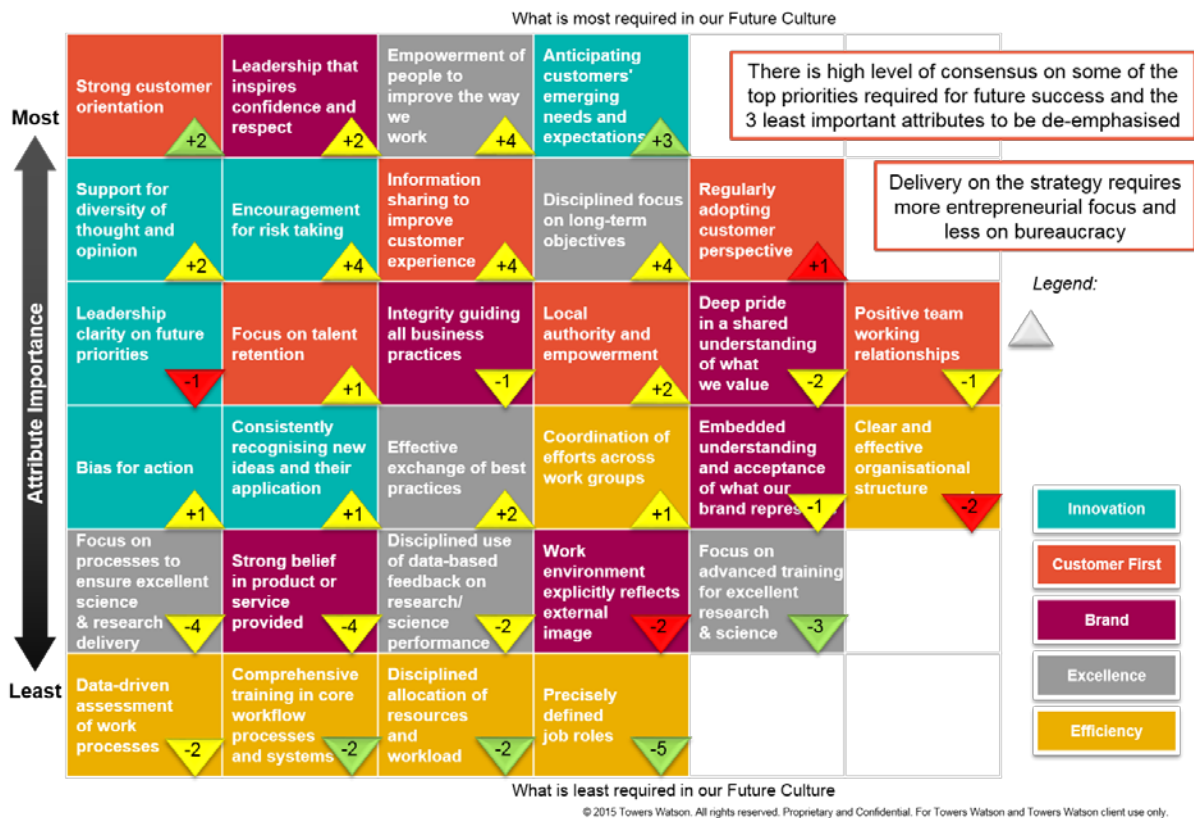


Figure 6. Results of the card sort (online CAT exercise) for ET and CLT combined. Triangles show the direction of shift from current to future culture. Numbers in triangles indicate the number of rows shifted up or down from current culture (gives a sense of the magnitude of the desired shift). Colour of triangle indicates low, medium or high consensus of ratings across the group (based on standard deviations).

Generally, across leadership cohorts individual cultural attributes were not clearly aligned to a particular strategic priority. This was particularly the case for trait-level assessments of current culture. With respect to future state, some BUs appeared to be more strongly pursuing one or two cultural priorities than others. While the results for most BUs suggest they are currently pursuing ‘a culture’ supporting Brand and Customer First, there were differences in emphasis and consensus on related cultural attributes. For example, Oceans & Atmosphere appeared to be focused on cultural attributes relating to Customer First, Innovation and Brand, but only medium levels of consensus on the future culture needed to support *Strategy 2020* were seen. In contrast, high priority attributes for CASS were mostly related to Customer First and Innovation and the level of consensus on the future culture to support *Strategy 2020* was generally high.

For ET and CLT combined the cultural attributes most emphasised in the future with high levels of consensus were *strong customer orientation* (Customer First) and *anticipating customers' emerging needs and expectations* (Innovation). Other cultural attributes assessed of high importance had only medium levels of consensus amongst ET and CLT [i.e. *leadership that inspires confidence and respect* (Brand); *empowerment of people to improve the way we work* (Excellence)].

As an overall summary, results from the online CAT assessment support the view expressed by the Board, the Executive, and 270 leaders at the Strategy Start-up event that Strategy 2020 represents a shift in strategic priorities and therefore requires a considerable shift in organisational culture. Importantly, at the macro level there was a strong level consensus on the strategic priorities for the future amongst ET, CLT, BU and Group Leaders although not surprisingly there was variation among BUs and some differences at the level of individual cultural attributes. An important point here is that, while it is clear that leadership cohorts at all levels are able to articulate a consistent cultural shift, this does not necessarily signify agreement with or willingness to follow the direction established in the strategy. For example, we know from the 2016 Survey that nearly 50% of our people agree with the directions set out in *Strategy 2020* but Survey results and staff written comments also show that a substantial proportion of our staff are 'sitting on the fence' (28%) or in some cases disagree with the strategy and also do not believe we are capable of achieving its aims (11%).

Cultural Alignment Tool (CAT) workshops:

Between February and April of 2016, BU and some ESS Leadership teams (i.e. IM&T, Finance, HR & L&D), met face-to-face to discuss cultural priorities, supporting behaviours and barriers/enablers, using the CAT data as a framework in the context of *Strategy 2020* (these workshops, 22 in total, represented nearly 300 leaders from across the organisation).

At the beginning of each CAT workshop, leaders and other participants were asked two questions. The first was "*In the context of CSIRO Strategy 2020, what are people in your BU/Functional area currently thinking, feeling and doing?*". This was followed by a second question: "*What would you like your people to be thinking, feeling and doing in the future?*". Participant responses are summarised as word clouds in **Figure 7**. Across all parts of the organisation the sentiment and language used was remarkably similar. Major themes included uncertainty, anxiety and feeling disengaged, while a smaller number reported that they could see opportunities and were feeling optimistic and engaged. The results from the 2016 Survey strongly echo these views.

For each workshop, participants were then asked to vote on the cultural attribute priorities for the future, for both CSIRO and their BU or Functional area. Of the top eight priorities identified for CSIRO across all of the workshops, six are the same as those identified for BUs although the order of priority varied (**Table 4**).



Figure 7. Word clouds summarising results from the Think-Feel-Do exercise conducted as part of the CAT workshops across all BUs. With regard to the coding approach used to create the word clouds, an initial set of thematic categories was identified and these were modified (and recoded) based on additional insights and familiarity with an expanding set of data. Thus the process we used was primarily inductive in nature.

Table 4. Priority cultural attributes for CSIRO as a whole and within BUs as determined by a voting exercise conducted during face-to-face CAT workshops with BU Leadership teams (percentages for BU and CSIRO priorities are out of 21 and 22 workshops respectively).

CSIRO Cultural Priorities	Strategy	BU Cultural Priorities	Strategy
Leadership that inspires confidence and respect (95%)	Brand	Empowerment of people to improve the way we work (86%)	Excellence
Empowerment of people to improve the way we work (86%)	Excellence	Anticipating customers' emerging needs and expectations (86%)	Innovation
Leadership clarity on future priorities (73%)	Innovation	Strong customer orientation (76%)	Customer First
Strong customer orientation (73%)	Customer First	Encouragement for risk taking (76%)	Innovation
Encouragement for risk taking (73%)	Innovation	Leadership that inspires confidence and respect (71%)	Brand
Support for diversity of thought and opinion (59%)	Innovation	Positive team working relationships (67%)	Customer First
Anticipating customers' emerging needs and expectations (55%)	Innovation	Support for diversity of thought and opinion (62%)	Innovation
Focus on talent retention (55%)	Customer First	Focus on talent retention (52%)	Customer First

Leadership that inspires confidence and respect, was the top voted cultural attribute for the future for CSIRO and, while also on the list at BU level, was somewhat lower in priority. The only attributes not included in the BU priority list that appeared at CSIRO level were *Positive team working relationships* and *Leadership clarity on future priorities*.

Table 5. Behavioural attributes identified by leaders for achieving priority cultural attributes identified during face-to-face CAT workshops. The question posed was “*What would people and leaders need to do to help achieve the required shift?*”

Attribute	People Need To:	Leaders Need To:
<i>Leadership that inspires confidence and respect</i>	<ul style="list-style-type: none"> • ET need to listen, communicate and articulate strategy/decisions in a genuine and honest fashion • Have consistency and clarity • See the leadership and results • Know our leaders & hold them to account • Hire the right people • Think about BU, project and individual in that order • Understand and engage with teams • Support leadership and challenge constructively • Be realistic and specific about what we want from our leaders • Be courageous in calling out disconnects between “science” and “leadership” in CSIRO • Have respectful & meaningful consultation • Have leadership that asks “What can I do to make your job successful?” • Have leadership that provides clear expectations, strategy and vision 	<ul style="list-style-type: none"> • Have confidence in the Executive • Have confidence that <i>Strategy 2020</i> will serve the best interests of CSIRO • Be visible, confident, transparent, authentic, accountable & consistent in communication • Delegate and empower • Be supportive of each other • Be honest with each other as a team (be part of a team) • Make decisions/stick to them • Listen and listen again • Engage & communicate with influence upward & outward • Welcome feedback • Translate strategy so it makes science sense • Make the commitment to reward/recognise good leadership • Stop rewarding poor leadership • Understand, reward and recognise success at appropriate levels • Understand how strategic vision looks for us in our specific context
<i>Empowerment of people to improve the way we work</i>	<ul style="list-style-type: none"> • Be able to travel to collaborate with international clients • Listen & engage with customer needs and respond • Think outside the box • Willingness to change, be flexible • Have clarity between science & advocacy • Have business development needs embedded within BUs • Stop seeking permission • Believe in decisions • Have permission to fail & learn from mistakes • Cede control and relax process • Improved/streamlined processes • Be allowed to work to the full extent of their delegations 	<ul style="list-style-type: none"> • Streamline approval processes • Empower staff (e.g. training, mentoring) • Provide role clarity and instruction • Identify staff with suitable skill sets • Stop giving permission • Be non-punitive • Encourage experimentation • Offer opportunities more broadly • Collaborate and trust • Encourage suggestions and enable implementation • Increase awareness of extent of delegations • Make sure sign-off occurs at the appropriate level • Push back and ensure decisions are taken by those empowered to do so
<i>Leadership clarity on future priorities</i>	<ul style="list-style-type: none"> • Help refine plan and move to execute • Be consulted on future priorities (internal, external) 	<ul style="list-style-type: none"> • Agree on future priorities • Have a vision that carries hearts & minds • Clear and succinct communication • Direct, personal and regular communication • Seek feedback to clarify plan and execute priorities

<i>Strong customer orientation</i>	<ul style="list-style-type: none"> • Be rewarded and recognised for behaviour (not punished) • Model behaviour • Be cross-selling • Shift focus away from CSIRO • Focus on what is good for customers and understand customer needs 	<ul style="list-style-type: none"> • Model behaviour • Encourage people to reach to customers • Articulate the vision/goal • Reward/recognise behaviours • More customer management • More responsive to customers
<i>Focus on talent retention</i>	<ul style="list-style-type: none"> • Have clearer career paths • Be empowered to manage our own career paths • Be more adaptable, collaborative 	<ul style="list-style-type: none"> • Provide clearer alignment of KPIs to strategy • Provide opportunities to allow short term staff to increase employability • Provide realistic expectations • Increased mentoring, identifying opportunities • Give people room & flexibility to explore new roles, outreach, study • Encourage renewal of capability and adaptability • Recruit less specialised scientists/more collaborative • Select new recruits to suit our strategy and environment • Give people opportunity to network OS, build conference attendance into project proposals
<i>Anticipating customers emerging needs and expectations</i>	<ul style="list-style-type: none"> • Anticipate future requirements (proactive not reactive planning) • Provide easy external interface to customers • Behave collegiately to serve customer need; be prepared to 'step out' if it benefits customer • Compromise and be flexible • Talk to customers; know their strategy; know their leaders • Deliver value for \$ in terms of goals: prestige, science, spinoffs • Develop strategy with time to consult, revise, plan • Facilitate opportunities for meaningful community (& government) feedback • Not assume we know what customers want • Share intelligence • Change state focus from now to future 	<ul style="list-style-type: none"> • Reduce territorialism & increase cooperative behaviours • Communicate impact stories that people can relate to • Develop the ability to listen – like, <u>really</u> listen • Have flexibility • Actively engage with customer leadership; understand their objectives • Fully understand the depths of CSIRO's capability • Demonstrate relevance, returns, competence; manage upwards • Have an outward focus • Be clear on how we measure ROI (dollars, prioritising time, who gets priority) • Get involved in stakeholder conversations
<i>Encouragement for risk taking</i>	<ul style="list-style-type: none"> • Not get into trouble for taking decisions • Improve awareness of risk • Be given time for risky activities • Improve networking and ability to workshop ideas • Preparedness to listen to new ideas • Have localised understanding and evaluation of risk assessment • Be open-minded of others • Accept responsibility for consequences 	<ul style="list-style-type: none"> • Delegation empowerment • Be open to untried ideas • Acceptance of failure • Shift culture to reduce risk aversion • Encourage independent thought • Have greater engagement with other parts of CSIRO • Tolerate failure and reward ambition

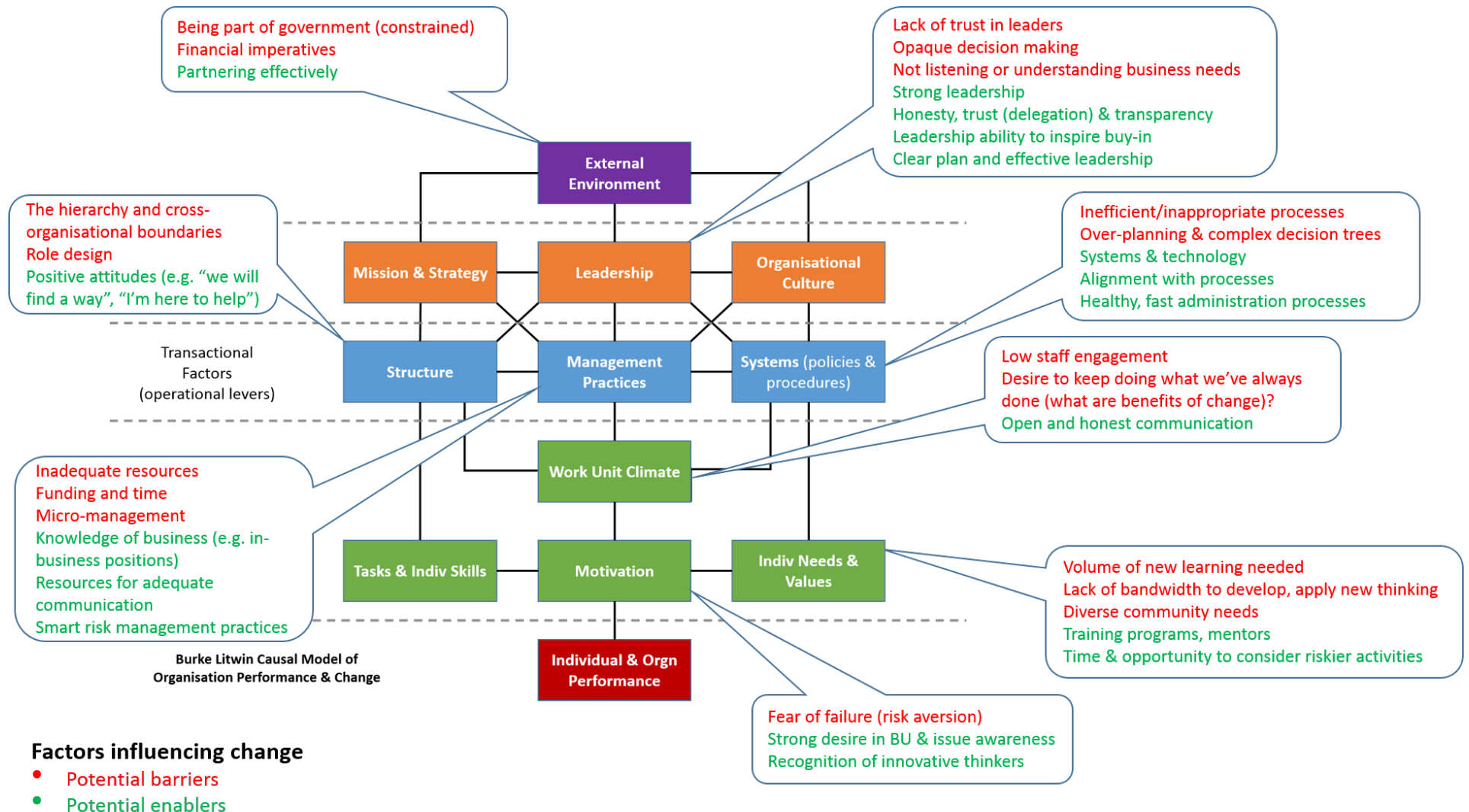
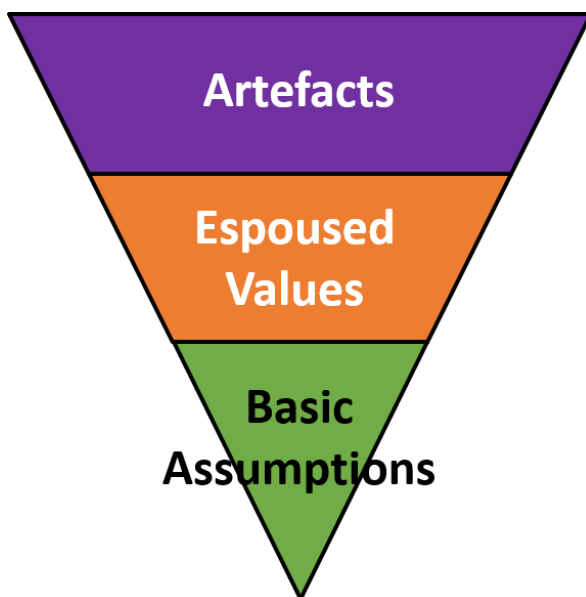


Figure 8. Enablers (green) and barriers (red) identified during CAT workshops mapped onto the Burke-Litwin model.

As part of the CAT workshops, participants were asked to describe behaviours needed by people and leaders to achieve the desired future state for some of the key cultural priorities (**Table 5**). For these priorities, participants were also asked to identify barriers and enablers to achieving or enacting those behaviours. **Figure 8** provides a synopsis of identified enablers and barriers across all the workshops mapped to the Burke-Litwin model.

(b) Schein 'Unwritten Rules' Workshops

There are many different theories about organisational culture – Edgar Schein is widely considered to be one of the leaders in this field (e.g. Schein 1992, 2009; Hogan & Coote 2013; Schneider *et al.* 2013). Schein's basic theory suggests that there are three major levels of organisational culture (**Figure 9**). At the highest level lie what he terms 'artefacts'. Artefacts can be characterised as what people can observe (e.g. visible structures, processes, behaviours). While artefacts may have immediate emotional impact, they are generally difficult to interpret. The second level of culture is 'espoused values and beliefs' (strategies, goals, philosophies, justifications). These comprise the set of statements about what an organisation says is important. Below this level lie 'basic assumptions'. In the words of Schein (2009), basic assumptions are "*unconscious, taken for granted beliefs, perceptions, thoughts, and feelings...*" and are in fact the ultimate source of values and action.



A key point is that, analogous to the 'iceberg' concept, Schein's model says that much of culture is below the surface and not visible (and the part that is visible is hard to interpret as to why certain things may be occurring or observed). Understanding and managing the deeper levels of culture is essential to effective cultural change as it is often at the level of basic underlying assumptions where enablers or limiters of culture change are found. Exploration of these three levels of culture and identifying incongruences between our espoused values, basic assumptions and what we observe on a day-to-day basis at work provide clues for focus. In some sense the critical gap to understand is

the difference between 'the way we say we get things done' and 'the way we really get things done' (which essentially corresponds to Schein's third level (basic underlying assumptions)).

Between March and June of 2016, the *Cultural Alignment Program* facilitated 5 workshops (Brisbane, Sydney, Canberra, Adelaide and Melbourne) to explore these three levels of culture. Each workshop ran for approximately 6 hours and varied in size between 9-15 people (total of 62). Participants at each site were deliberately invited to represent diverse perspectives (role, tenure, gender, ethnic background and BU/ESS affiliation).

Workshops were divided into several components. Participants were first asked to write down as many artefacts as they could think of (a total of 418 were identified across the 5

workshops). Following this, a numbered list of CSIRO's espoused values as an organisation was generated by each group and then linked to these artefacts. During this exercise, participants were asked to note whether a given artefact supported or was contrary to the espoused value. Finally, using major themes emerging from these exercises, an open discussion was facilitated to build a list of what people thought were the underlying basic assumptions related to broad artefacts and values. All of this material was collected and then themed up for further analysis.

While more work is needed to fully explore the data collected during these workshops, some observations can be made. Firstly, across the 5 workshops there was a high degree of consistency with respect to espoused values (i.e. participants were in strong agreement about what they think the organisation says is important) (**Figure 10**).

While there is broad agreement about espoused values, there were differences in the degree to which artefacts (what people observe) were viewed as positively or negatively linked to these values. The themes which attracted the most attention in terms of number of linked artefacts (noting that individual artefacts could be linked to multiple themes) were:

- Work Unit Climate (54% of artefacts);
- Reputation (30%);
- People (29%);
- Leadership & Engagement (29%);
- Efficiency & Structure (27%).

The theme with the lowest percentage of positive connections to what people observe was Efficiency & Structure (73% of artefacts linked to this themed value were perceived to be negatively related to this theme), while the theme with the highest positive value was, perhaps not surprisingly, Purpose (51% of artefacts were regarded as positively linked).

The key points here are that people notice a lot about what happens in an organisation (more than we might expect!). Variation in the extent to which there is congruency between what we observe and what we say as an organisation is important. Strong congruencies are important positively reinforcing levers that need to be maintained and utilised. Strong disconnects (i.e. where there are incongruences between what we say is important and what people observe) are clear signals for attention and action.

Sydney	Brisbane	Melbourne	Canberra	Adelaide
We think process is important	We are "One CSIRO"	Efficiency	Efficiency	Efficiency
Good leadership	We care about our people (management)	Process and structure	Good project management	Hierarchy and structure
Consultative	We value feedback	Consultation	One CSIRO	Critical discussion and debate
We value communication	We are consultative (in & out of CSIRO)	Openness and transparency	Leadership skills	Consultation
Part of the communities we work in	External earnings are important	Financial sustainability	Good change management	Communication
Financial accountability to the public	Sustainability of our operations matters	Diversity	Consultation	External revenue
External revenue	Keeping people safe	Respect and inclusion	Communication	Our place in the NIS
Strong environmental values	Respect and include	Safety and wellbeing	Engagement	Our intellectual property
Flexibility	We care for each other	Trustworthiness	Regional presence	Competitiveness
Trust and respect each other	We value and want diversity	Empowerment	Accountability	Health and wellbeing of our staff
Safety	Flexibility in work practices	Family friendly employer	Environmental sustainability	Respect for each other
Diversity and inclusiveness	We empower our people	Flexibility	Safety	Work should be fun
Our internal community	Providing value to Australia & the world	Team CSIRO	Respect for others	Work-life balance
Positive work environment	Public good research	Impact	Diversity	Diversity (cultural, gender, perspective)
Our impact	We deliver	Mission directed	Non-tolerance of bad behaviour	Trust
We are proud of what we do	We tackle national challenges	Strong strategic focus	Positive work environment	Honesty
What we do is relevant	We are about impact	Provide benefit to Australian community	Enjoy coming to work	Code of conduct
The strategic actions in Strategy 2020	Our reputation is important	Making a difference	Flexibility	Our culture
We make a difference	Science excellence	Science excellence	Deliver to commitments	Application excellence (path to impact)
Delivery for Australia	We are leaders in science & innovation	A world-class science organisation	Benefit for Australia	Public good research
People are proud to work for CSIRO	Trusted advisor	Integrity	We tackle big problems	We do work in the national interest
Excellence in science	Our role is unique	Our (science) capability)	Impact	Ethical science
An independent & trusted advisor	Integrity of our research is important	Risk-taking	Solving the problems of tomorrow	Science excellence
Integrity in what we do	Exciting sexy place to work	Innovation	Outcome focused	We do what we say we will do
Our history	Multi-disciplinary	Creativity	Public good	Scientific impact
Our reputation	Agility	Our people	Partnering with industry	Brand
World-class & globally recognised	We need to evolve	Learning and development	International reputation	Publication of our research
Value the breadth of what we do	Healthy (internal) competition	Opportunities for career progression	Excellence	Rigour in everything we do
Agility and adaptiveness	Innovation	Customer first	Great science	Breadth of our science
Continuous learning and development	Innovation catalyst	Industry connectivity	Data-driven and evidence-based	Our history
We invest in the future workforce	Our people are the most important	International connections	Our reputation/brand	Adaptiveness
We value our people	We say our rewards are merit-based	Commercialisation	Trusted advisor	Agility
We are results focused	Our customers are first	Collaboration	National footprint	Innovation
We are customer focused	Government matters		Global presence	Blue sky research
We value collaboration	We are a globally competitive enterprise		Our history	Education and training
	Entrepreneurship		Social licence to operate	Rewards for achievement
	Collaboration		Innovation	Career development
			Agility	Our people
			Risk-taking	Customer focused
			We value our staff	Entrepreneurship
			Staff development - we are a learning organisation	Relationship to government
			Recognition of achievement	Commercialisation
			Corporate citizenship	Collaboration
			Integrity and ethics	Multi-disciplinary teams
			Customers	Industry engagement
			Collaboration	Teamwork

 Structure	 Purpose	 Collaboration	Key to themes for espoused values
 Leadership	 Reputation		
 Engagement	 Innovation		
 Org Sustainability	 People		
 Work Unit Climate	 Customer		

Figure 10. List of espoused values identified in each of 5 Schein Workshops. Colours indicate similar values within a theme.

(c) Culture Storytelling Workshops

In November of 2015, Sketch Speak (formerly known as Hemsley Fraser) were engaged to help design and run a series of three workshops (Brisbane, Melbourne, Sydney) aimed at sparking conversations to explore different aspects of CSIRO's culture journey through the use of storytelling. The workshops were specifically designed around a set of focus questions to explore different aspects of the cultural journey, develop culture stories from multiple groups to capture points of agreement and divergence and produce visual artefacts (a representative graphic from one session is shown in **Figure 11**) and other materials for broader dissemination. A second goal was to provide a starting point for building a cross-hierarchical culture collaboration network to assist with the *Culture Alignment Program*.

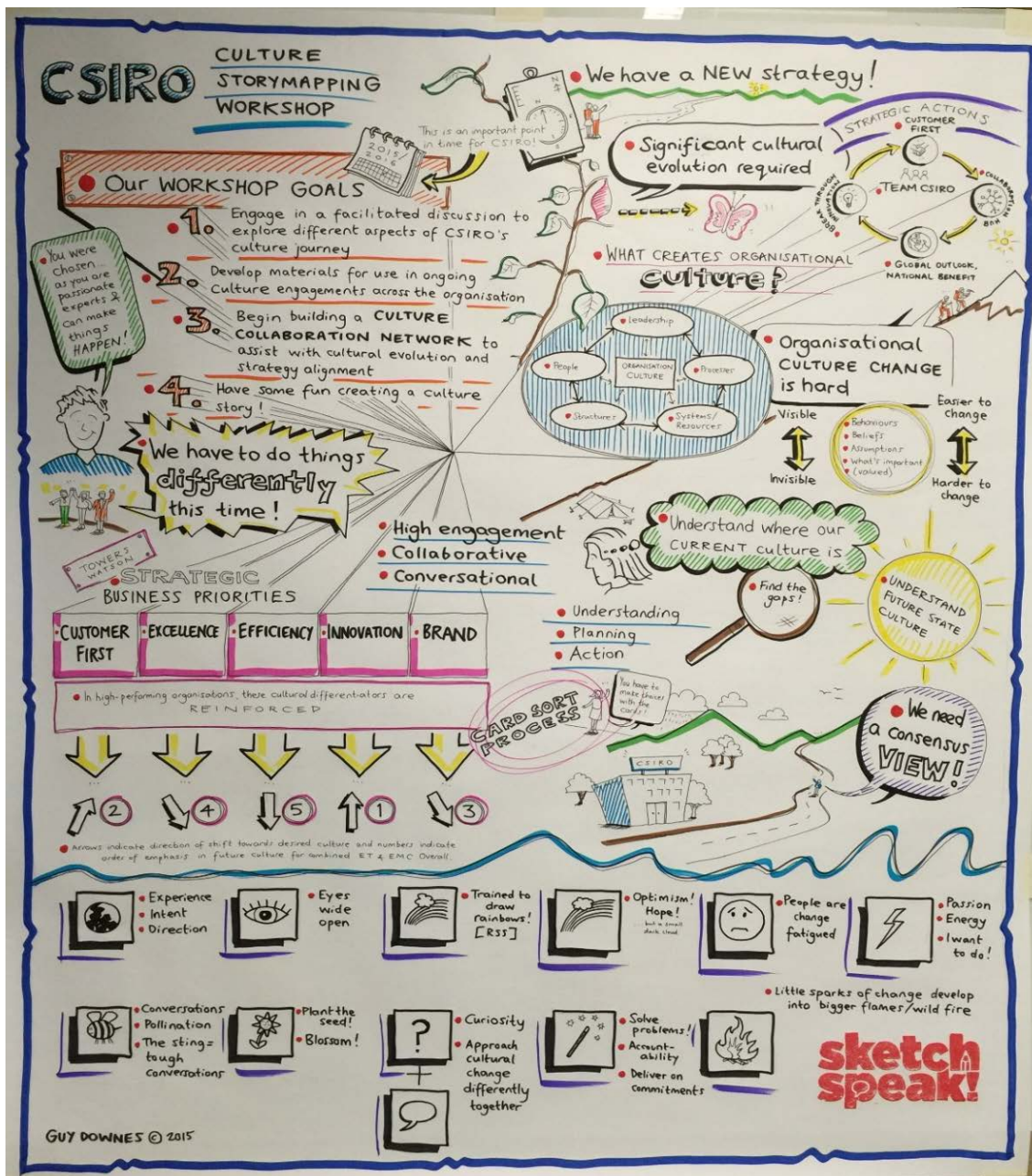


Figure 11. Representative story board from a Cultural Storytelling workshop.

The concept of using workshops to help leaders and influencers find, shape, and share stories that illustrate key ideas around motivating and influencing change to connect culture and strategy for themselves and others has been captured in the recommended actions below.

(d) Staff Engagements (round tables, site visits, morning teas)

Why hold round tables?

At the time round tables were conceptualised and proposed, CSIRO’s existing communication channels (CE all staff emails, Sphere stories and vignettes, MyCSIRO change update postings) were not ‘cutting through’ to staff. Messages and postings were not being widely read, and in some cases were exacerbating morale issues related to ‘deep dive’ decisions implementation. The challenge to be solved was how to keep our people informed about matters important to them and to tell our story versus the story the media wanted to tell. This challenge problem led to conceptualisation and implementation of the round tables.

Purpose of round tables:

In addition to sharing information with staff, the round tables were designed to achieve other objectives as well. Namely, directly understanding staff sentiment, issues, ideas and needs; sharing thoughts, feelings, rationale for decision with staff; asking for help to build trust and involvement; test thinking and providing ‘why’ of strategy explanations; gain feedback and suggestions for improvement (see **Appendices**); gain support of people and build trust and confidence in senior leadership.

Impact of round tables:

Figure 12 shows survey responses for people who participated in a roundtable and/or the ON Program compared with those that did not. It is clear that round table participants responded more favourably than non-participants for most of the survey categories (far right column) and in three of the categories the difference in response was statistically significant.

	CSIRO Overall (3472)	ON Program & ET Roundtable Participant (85)	Not an ON Program nor ET Roundtable Participant (2730)	ON Program ONLY Participant (368)	ET Roundtable Participant ONLY (288)
Sustainable Engagement	68	2	0	0	3
SE Engagement	73	5	-1	3	5
SE Enabled	61	-5	1	-8*	0
SE Energised	67	5	-1	2	3
Retention	54	-5	0	-7*	5
Strategic Direction	47	12*	-2	4	11*
Communication	38	12*	-1	0	6*
Change	35	11*	-2	6*	8*
Customer	91	4	-1	4*	2
Innovation	41	7	0	2	0

Figure 12. Breakdown of results from the 2016 Survey showing category level responses (% favourable scores) for staff who participated in ON and/or ET round tables as well as those who were involved in neither activity. Significant positive differences are indicated by dark green cells with an asterisk. Significant negative differences are indicated by dark red cells with an asterisk. Non-significant

differences are indicated by cells shaded green (positive) and red (negative). Grey cells indicate no differences. Numbers on column headings indicate the sample size for each group.

Moreover, the differences are even larger for people who participated in both round tables and the ON program, compared to those that only participated in ON or round tables (**Figure 12**). Thus, there appears to be a cumulative impact in participation in more than one program for categories relating to Strategic Direction, Communication and Change (identified from the 2016 survey as key improvement areas for the organisation as a whole).

(e) 2016 Staff Survey Results

Organisational culture by definition is that which is shared and enduring. Longitudinal survey data is a recognised means to understand an organisation's culture. CSIRO has 15 years of comprehensive survey data with many questions consistently asked over that period. An all staff survey with longitudinal comparisons was considered an important means to gain valuable insight to CSIRO's culture; and to inform the development and subsequent measurement of the *Cultural Alignment Program*.

Implementation of some elements of *Strategy 2020*, namely the Science Prioritisation and Implementation process undertaken during November 2015-February 2016 (and subsequent communication), had a disruptive influence on the organisation. This known disruption and a desire by the Executive Team and the CSIRO Board to gain a comparative measure on staff morale and connection to *Strategy 2020*, was an additional reason for surveying staff.

Survey administration and design:

The all staff survey was undertaken in the last two weeks of July 2016 and included CSIRO officers but not affiliates. The survey was administered by CSIRO's survey partner for the past fifteen years, Willis Towers Watson. Partnering with WTW not only enabled comparisons to historical data and national/international benchmarks, but was also thought to provide staff with a greater level of confidence in the anonymity of their survey responses.

Thirty one opinion questions were asked. These questions explored several categories: how engaged, enabled and energised our people were to contribute to the purpose and direction of CSIRO and do their jobs; people's intention to stay; how clear our people are on CSIRO's strategic direction and vision for the future; how well we are bringing people along on the journey; how we're performing on a strategic action – customer first; how well we are creating the environment to innovate. One comment question was asked about would most need to change to enable people to more fully contribute to the success of *Strategy 2020*.

Sixty-four (64%) of the organisation (3,472 people) responded to the survey providing a high level of confidence that the results are representative of what our people think. More than 50% of our people (1,866) that completed the survey also answered the comment question, resulting in more than 200 pages of qualitative data.

High level summary of survey results:

Overall, the survey results were as expected given the disruption experienced as a result of recent organisational changes. They were deflated compared to previous years and external benchmarks. Comparatively, the results most closely approximated 2014 which was the year

in which the Integrated Reform Program was undertaken – another disruptive period in our history (**Figure 13**). The quantitative and qualitative (comments) survey data suggests that the 2014 Reform, *Strategy 2020*, and issues with its execution (Science Prioritisation and Investment process) have had a cumulative negative effect on the organisation.

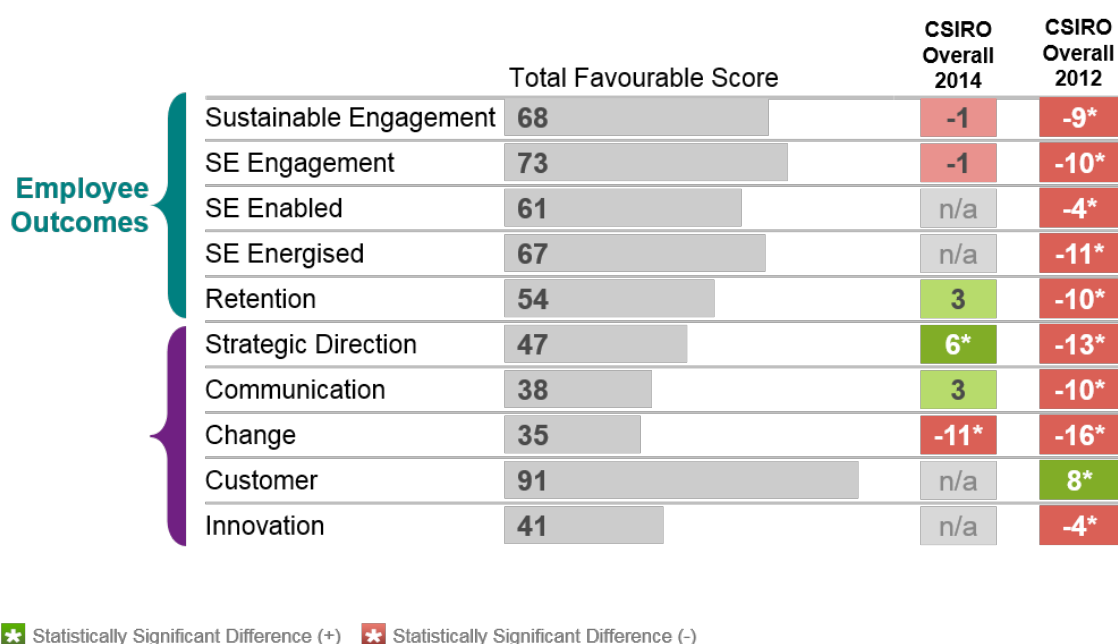


Figure 13. Overall % favourable scores from the 2016 staff survey in relation to survey category results for CSIRO in 2012 and 2014 (also a disruptive period for the organisation, given the extensive restructure undertaken through the IRP).

Engagement and retention:

The survey data for engagement shows that our people get a strong sense of personal accomplishment from their work (this is an enduring cultural strength and is above all benchmarks). At a local level, staff can see how their work contributes to CSIRO’s success. People are willing to work above and beyond what is required to help CSIRO succeed and are proud to be associated with the organisation. While people still believe strongly in CSIRO’s goals and objectives, this has declined somewhat since 2014. This is not really a surprise given that elements of the strategy have had people questioning CSIRO’s purpose and what we stand for. Despite this, people’s intention to stay hasn’t changed from 2014.

Clarity on strategic direction and future:

Our people’s sense of CSIRO having a clear vision and direction for the future is up relative to 2014. Nearly 50% of our staff support the strategic directions outlined in *Strategy 2020*, while 34% are ‘sitting on the fence’. Forty-two percent (42%) believe we are capable of achieving the strategy, and another 43% are reserving judgement. Only 11% of our people don’t support the strategy and also lack belief that CSIRO is capable of achieving it. There is a clear opportunity for senior leaders to shift the ‘fence-sitters’ in a positive direction; and through the survey comments, round tables and other engagements, people have given us a clear sense of what is needed to support this shift.

Bringing people along on the journey:

Since 2014 we have done a better job at seeking people's thoughts and opinions on matters of importance. This however is up from a low base; and it is important to note that people made many comments in the survey regarding a lack of consultation, participation and ability to contribute to discussions on important matters that affect them.

The results (including comments from staff) indicate a lack of confidence in senior leaders which contributes to significantly lower levels of optimism in staff below the CLT with regard to our future. Engaging, inspiring and equipping our people for the future continues to be an area where we absolutely must get better. This centres on strengthening capability and a participatory posture shift in our senior leaders. Our leaders need to devote more time and energy to bringing people along on the journey, more time to inspiring them and more to supporting and equipping them for the continuous changes anticipated in our external environment. It is encouraging that the survey also showed that ET round tables and the ON program are both having a significant positive effect on staff that have participated. The biggest shifts were in engaging people around the strategic direction.

Understanding customers:

Seeking to understand customer needs is not only an enduring strength for us but it is significantly up against previous years and is above all benchmarks (at 91% favourable). Participation in the ON program improves this even further. This is collectively a good result and is clearly in line with our strategic direction.

Innovation:

At the enterprise level, for an organisation that aspires to be an innovation catalyst, a lot more needs to be done to create a climate where people feel they can take risks and innovate. Surprisingly, at a local level, the data suggests that the situation has improved since 2012 with people feeling they have more time and energy to think 'outside the box' (55% favourable). Cultural attributes that are strong at the local team level are important for us to leverage in engaging our people more strongly with *Strategy 2020*.

Other points of note from survey comments:

Staff feel that senior leaders do not demonstrate trust and respect for them and they in turn lack trust and confidence in senior leadership. This is supported by survey data which suggests a significant disconnect between senior leadership and the rest of the organisation.

Staff are frustrated by how long the Enterprise Agreement (EA) is taking and have concerns about erosion of their working conditions and competitiveness of our salary scales. The latter also contributes to a belief that our ability to attract talented young people has been reduced. Lack of trust in senior leadership has compounded this problem.

Our scientists feel that increasingly they have less time to devote to what they are passionate about due to decreased support (which means more time devoted to non-science tasks). There are significant concerns regarding the tension between our current focus on external earnings and our ability to undertake early stage exploratory research that doesn't generate short-term commercial returns. This tension also impacts on how we collaborate within the organisation.

Survey summary:

Implementation of key elements of *Strategy 2020* through the Science Prioritisation and Implementation process ('deep dives') had a significant impact on the organisation in terms of morale, optimism for the future, purpose, trust and confidence in the Executive Team. The survey shows that actively seeking to understand customer needs is a strength and that our focus should be on engaging our people on the change journey around our strategic direction (noting an upwards shift since 2014). Key opportunities for improvement include:

- Senior leaders more effectively taking people through change, communicating reasons for important decisions and enabling the culture to support innovation (including establishing a climate where innovative ideas can fail without penalty);
- Keeping staff informed on important matters and effectively consulting and sharing reasons for business decisions;
- Senior leaders communicating and connecting people to a clear vision and direction and helping staff to understand how *Strategy 2020* will be implemented.

(f) *EY Report*

We reviewed this report and explicitly referenced recommendations from it in this report (and recommended actions) that we believe will have medium to long-term impact on culture and immediate impact on staff. These are noted in **V. Detailed Situation, Broad Recommendations & Actions** where relevant.

(g) *Staff and Leader Webinars*

In addition to the round tables, another mechanism developed to enable our story rather than that of the media to be shared directly with our people were all staff and leader webinars. Both types of webinars involved the Executive Team having live conversations with the organisation, allowing people to ask questions about issues that were of concern to them that they wanted ET to respond to.

All staff webinars:

Three all staff webinars have been held to date (May, June and September 2016). Approximately 2,000 people either watched live or viewed a recording of the first webinar in May with approximately 800 people participating in each of the subsequent June and September webinars.

The webinar format allowed people to submit questions and comments for ET ahead of the event on the MyCSIRO crowdsourcing platform, and prioritise through voting which questions they wanted ET to respond to. In addition, during the webinars people could use the 'chat' function on the webinar platform to submit questions live. All questions submitted, either through the MyCSIRO platform or chat function, were recorded with responses published post the webinars for any questions that were not addressed during the live webinars due to time constraints.

We note that the all staff webinars were moderated, the first two by the GM of Communications, the last by a BU leader. The role of the moderator is deliberate and serves the function of sequencing the questions for ET and to ensure that each ET member has the

opportunity to respond to either a question or a comment. It is important for staff to see ET acting collectively and as a unified team. Thus, a key objective for the webinars, in addition to providing a forum for people to ask questions, is to raise ET's profile and help build confidence and respect in our senior leaders through highly visible dialogue with staff.

There is always the risk that the webinar format can have the opposite effect and certainly the feedback following the first webinar was that ET could do more to modify their 'overly' positive tone in response to the sentiment of the organisation. In the spirit of listening, learning and responding, ET in the second and third webinars were perceived by staff to be more 'in tune' with the organisation.

The all staff webinars are an important feature in any comprehensive engagement strategy and are recommended to continue, though with a focus on timing to coincide with significant organisational announcements or events.

Leader webinars:

In addition to the all staff webinars, a series of leader webinars have been held. The objective of these webinars is to provide a forum for the next layers of leaders (Research Program Directors, Group Leaders and Team Leaders) to have the opportunity to have a dialogue with an individual ET member. Three leader webinars have been held to date; June with the CE, July with the DCE and September with the CFO. All three webinars have been well attended, with over 60 participating in the first one with the CE (which was only advertised for RDs and GLs) and over 120 leaders participating in the two most recent ones (when invitations were expanded to include TLs).

These leader webinars have proved highly successful in providing the next layers of leaders with a direct voice to ET as well as providing a cross BU spanning forum for peers to raise issues with senior leaders that they may not otherwise feel able to do in a more public forum.

Similar to the all staff webinars the leader webinars have been moderated (by a member of the OD&C team) and have enabled participants to ask questions either directly or through the webinar platform chat function. The high level of engagement in these leader webinars suggests that these events are also well worth continuing as part of a broader engagement strategy to cross-connect the organisation.

(h) LAIC Program

Participants on CSIRO's premier leadership program, Leading Australia's Innovation Catalyst (LAIC) are engaged in a 'team challenge' as part of their leadership development journey. There are four teams, each supporting an Executive Team (ET) sponsor. The teams have access to the CAP data and have between them interviewed over 80 CSIRO staff members (they are expected to interview 400 as part of the challenge). The teams are working with their ET sponsors to experiment with small scale cultural initiatives to improve short term morale and identify cultural evolution levers that are effective in the CSIRO context.

These initiatives will complement, augment and inform the CAP interventions and create deeper and more collective leadership team response to addressing our cultural challenges.

In December 2016 the teams will present their insights, findings and recommendations to their CSIRO colleagues and the Executive Team.

In September 2016, the four teams were required to pitch for an ET sponsor. In each pitch it was evident that CSIRO has experienced a difficult and disruptive period. The teams reflected their personal experience, and shared insights gleaned from their exploration of the CAP data and more than 20 interviews so far. They shared that many people feel disappointed and frustrated with their experience of working in CSIRO. There is a sense of disconnection particularly between our leaders and staff, between our researchers and our support staff. The teams found that we are not always an inclusive organisation and thus we are not leveraging our diversity; people don't always feel valued and respected. Some people feel that our systems are complex and hard to navigate while others are unsure about *Strategy 2020* and whether we have the right balance between fundamental research, applied research and commercialisation.

What the teams also noted is that in some areas there has been positive change. The teams want to leverage the positive experience gained through programs like the Accelerator and Lean Launch Pad, for example, and to be more inclusive, provide more support and focus to teams and to increase connectivity between customers and teams and leaders and teams. The LAIC teams argued they are well positioned to support their ET sponsors, LAIC team members are well connected, from diverse backgrounds and are committed to working with our executive to support them to be more inclusive and to develop a more adaptive culture, to win the hearts and minds of people across CSIRO.

(i) *Integrated Data Summary*

From the multiple data sources described in this report (obtained through Cultural Alignment workshops, roundtable discussions, leader and all staff webinars, whole of organisation surveying, and other means) what is both striking and reassuring, is the consistency of views about CSIRO's current strategic priorities and culture, the shift required to fully realise *Strategy 2020* and the actions that leaders and people need to take to make the shift, as well as the barriers and enablers.

Strategic priorities:

Results from an online Cultural Alignment Tool (CAT) used to assess views about current and future state culture priorities show that, at the macro level, there is a high level of consensus on our current strategic priorities amongst ET, CLT, BU Leadership Teams and Group Leaders. All leadership cohorts strongly emphasise Brand as the most important current strategic priority, followed by Excellence.

For the future, different leadership cohorts are generally well aligned in terms of strategic priorities, although some differences exist. ET/CLT emphasise Innovation more than Brand and BU Leadership teams and Group Leader see Brand as more important than Innovation. Otherwise, the order of strategic prioritisation for the future is very similar between Group Leaders, BU Leadership Groups and ET/CLT.

Priority cultural attributes:

CAT results, round table engagements, and the 2016 staff survey, all show strong consensus on the priority cultural attributes (needs) for the future, as well as, enduring cultural strengths. This is true across CSIRO as a whole as well as within BUs.

In terms of current culture, CSIRO has a workforce that has deep pride in the organisation and willingness to do what it takes to help CSIRO succeed. Its people strongly support what CSIRO stands for, and the goals and objectives of the organisation. People gain a tremendous sense of personal accomplishment from the work they do and within their project/work area they actively seek to understand customer requirements and needs.

The top future cultural and climate priorities, listed in **Table 6** below, include: leadership that inspires confidence and respect; empowerment of people; continued strong customer orientation; leadership clarity on future priorities; and encouragement for risk taking. Other priorities for focus include: more career development opportunities; increased ability to collaborate and network across CSIRO; reduce constraints related to external revenue and high overheads; reduce administrative burden on scientists; leaders to inform and involve people in matters important to them.

Table 6. Themes (identified needs) emerging from various cultural data sources.

	CAT	Schein Workshops	Round Tables	2016 Survey
Leadership that inspires confidence and respect	X	X	X	X
Empowerment of people to improve the way we work	X	X	X	X
Leadership clarity on future priorities	X	X	X	X
Strong customer orientation	X	X		X
Focus on talent retention	X	X	X	X
Anticipating emerging customer needs and expectations	X	X		X
Encouragement for risk-taking	X	X		X
Positive team working relationships	X	X		X
Career development opportunities		X	X	X
Increased opportunities to collaborate and network across CSIRO		X	X	X
Reduce constraints related to external revenue focus and high overheads		X	X	X
Reduce administrative burden on scientists		X	X	X
Leaders inform and involve our people in matters important to them		X	X	X

V. Detailed Situation, Broad Recommendations & Actions

The broad conclusions and insights in this report (derived from multiple data sources), particularly regarding the need for a supportive environment and leaders that are trusted and respected, are independently supported by a recent comprehensive analysis of several decades of organisational change management across many companies (Oreg *et al.* 2011 and extensive references therein). The collective results from the studies examined by Oreg *et al.* (2011) all indicate that “*a participative and supportive process, with open lines of*

communication, and management that is perceived as competent and fair in its implementation of the change, is effective in producing positive reactions toward the change”.

Key points from the Oreg *et al.* (2011) study include:

- People with high levels of trust in management and who feel respected and supported are much more willing to cooperate with change; in contrast, those who feel unsupported are more negative, have cynical reactions and reject change;
- Social support among colleagues (including opinion leaders) can have a significant positive effect on increasing people’s comfort with change and willingness to support it, and may reduce change fatigue;
- Commitment to an organisation (such as our people have for CSIRO) is critical – if it’s values are accepted, people will work above and beyond on its behalf and will be more likely to want to stay (Mowday *et al.* 1979); such commitment also correlates positively with change readiness;
- Organisational commitment also reduces the negative effects of change-related stress on job satisfaction, retention risk and work-related irritation.

It is in this context that broad recommendations and specific proposed actions for CSIRO have been developed. These are organised by structural element of the Burke-Litwin conceptual model (**Figure 2**). For each section, specific actions have been assessed by the Cultural Alignment team in terms of impact [High (H), Medium (M) and Low (L)] and degree of implementation difficulty [High (H), Medium (M) and Low (L)].

Organisational Identity

Situation: CSIRO’s function and purpose (what the organisation stands for) matter greatly to our people. *Strategy 2020* has challenged some people’s sense of CSIRO’s identity and what the organisation stands for. This is at least partly driven by a lack of clarity around our strategic intent and direction.

Problem: Some people haven’t embraced *Strategy 2020* and are concerned that what they do is no longer valued or relevant to the organisation. More needs to be done to counter misunderstanding about the intent of *Strategy 2020*. Uncertainty about our strategic direction reduces staff buy-in and engagement (e.g. the 2016 Survey shows that 34% of our people are ‘sitting on the fence’ in this regard).

Broad Recommendations: Provide ongoing opportunities for people to make meaning of what they do and how they work in the context of *Strategy 2020*. Through dialogue (e.g. Market Vision work) build broader understanding of the rationale behind *Strategy 2020* (the why), and how we will realise it at local and organisational levels.

New Actions:

1. Facilitate strategy-focused conversations using the round table approach to translate strategy to local leadership levels (e.g. with the new Statement of Expectation and strategy essay as supporting material) [H,L]

Sponsor/Responsible: Larry Marshall/CLT with OD&C, HR support; *Timeframe*: Ongoing;

Measurement: % target completed [10 per year per ET member (on own or in partnership with CLT members (also to participate in 10 per year)].

2. Establish a science excellence KPI [L,L]
Sponsor/Responsible: ET/SM&I; *Timeframe*: First half of 2017; *Measurement*: KPI established.

Extended Actions:

3. Continue strategy-focused ET/CLT webinars with RDs, GLs and TLs [H,L]
Sponsor/Responsible: ET/OD&C; *Timeframe*: Ongoing; *Measurement*: % target completed (run quarterly).
4. Run the *ON Program* to align with triple bottom line challenges and ensure that public good research is well integrated and promoted [M,M]
Sponsor/Responsible: CLT/SMVI, OD&C; *Timeframe*: Initiate in 2017; *Measurement*: 2 programs run per year.

Mission & Strategy

Situation: Some leaders believe they can lead without committing to our mission and strategy. People's belief in *Strategy 2020* is heterogeneous – we lack (but want) a shared sense of purpose. Staff feel positive locally about their teams and projects but need a broader connection to strategy.

Problem: When people can't find their place, they don't fully engage with the strategy (49% of our staff according to the 2016 Survey). The lack of a shared vision for the future and sense of direction is also evidenced by the major disconnect between senior leaders (including CLT) and the rest of the organisation in terms of optimism about the future.

Broad Recommendations: Build consensus and joint ownership of the strategy and better understanding of the rationale behind it amongst all CSIRO leaders and our people. Leveraging the strength and trust within local teams will be a key component of this initiative. Support development of a clear Market Vision which is compelling and mobilises staff toward solving the world's challenging problems.

New Actions:

1. Run regional *CSIRO Connect* strategy/market vision focused events, initially for GLs and TLs, eventually for all our people [M,M]
Sponsor/Responsible: CLT/OD&C, SMVI; *Timeframe*: March-April 2017; *Measurement*: At least one event run per state before the end of the 2016-17 FY.
2. Pilot *CSIRO Business Understanding* workshops and develop resources to increase and broaden understanding of the complex decision matrix and constraints we face as an organisation [M,M]
Sponsor/Responsible: ET/ESS with OD&C support; *Timeframe*: First half of 2017; *Measurement*: Pilot run in first half of 2017 – program ongoing from there.
3. Pilot *CSIRO Science Understanding* workshops and develop resources to increase and broaden understanding of the research challenges and complexities we face as an organisation [M,M]
Sponsor/Responsible: ET/Deputy Science Directors with OD&C support; *Timeframe*: First half of 2017; *Measurement*: Pilot run in the first half of 2017 – program ongoing from there.

Extended Actions:

4. Undertake CLT-led strategy/market vision conversations, using the strategy essay as a basis, and provide an Enterprise perspective on issues, insights and responses [M,L]

Sponsor/Responsible: ET/CLT; *Timeframe:* Ongoing *Measurement:* Number completed against target.

Leadership

Situation: Senior leaders lack visibility. As an organisation, staff perceive that we have a 'command and control' mentality which is autocratic, paternalistic and secretive with regard to information sharing. There is insufficient staff involvement in problem solving and decision making.

Problem: Staff don't feel valued or trusted, and lack confidence and respect for leaders, in part because they don't see the rationale for decisions. This results in leader-created change resistance, staff disempowerment and learned helplessness. Leaders don't consistently consult with deliberate intent to harvest diverse perspectives, and don't conduct early assessments of who we need to get on board (i.e. what is needed for the end in mind).

Broad Recommendations: Build participative leadership at all levels starting with senior leaders sharing challenges early so others can support and contribute to strategy and solutions. Encourage leaders to utilise the full extent of their delegations and to encourage others to do the same so that decision making occurs at the lowest level possible and people feel appropriately empowered.

New Actions:

1. Identify and prioritise sites and BUs for senior leader engagements (e.g. round tables, morning teas, lab tours) as an evolution of existing safety contacts (ET/CLT partnership) [H,L]
Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* Joint target with action (1) under **Organisational Identity**.
2. Senior leaders develop (pilot with ET) and model a collective leadership philosophy that values participation [M,L]
Sponsor/Responsible: ET/OD&C; *Timeframe:* Before the end of 2016; *Measurement:* Pilot undertaken.
3. Develop senior leader (CLT) capability in transformational change leadership, including workshops explicitly focused on tools to inspire people to find their place in the strategy (key themes in 2016 Survey, **EY Report**) [M,M]
Sponsor/Responsible: ET/OD&C; *Timeframe:* First half of 2017; *Measurement:* % participation in development program.
4. ET and CLT (commencing with ET) pilot a 360 degree feedback program for development [M,M]
Sponsor/Responsible: ET/OD&C; *Timeframe:* First half of 2017; *Measurement:* Pilot undertaken.

Extended Actions:

5. ET conducts 2 all-staff webinars per annum, explicitly focused on major events for the organisation (e.g. CSIRO budget), decision points etc. [M,L]
Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* Webinars run.
6. Recruit, promote and keep people and leaders who exhibit and value desired cultural traits (i.e. collaborative, transparent and inclusive) [H,H]

Sponsor/Responsible: ET/CLT supported by HR; *Timeframe:* Ongoing; *Measurement:* 360 degree feedback, All-staff survey results.

Culture

Situation: We don't give our people sufficient time to think, create and do what is needed to collectively build and respond to the strategy. As an organisation, because we are risk-averse, we don't fully leverage the opportunity to learn from failure. We are hugely proud of CSIRO, willing to do what it takes to help the organisation succeed and have a strong sense of identity. It is because of this that ideological differences compel some of us to actively work against the system under the belief that it is our duty to protect CSIRO's mission and purpose.

Problem: We are frequently bureaucratic, hierarchical, rigid and slow. We often seek permission and our leaders are perceived to impose solutions. We don't embrace 'fast-fail' and we are risk-averse. While we say we value diversity of thought, we don't leverage diversity effectively. Perceived subversive reactions are partly a result of not involving frontline leadership levels and staff early in discussion around decisions that significantly impact them. This is a major factor in the development of leader-driven resistance.

Broad Recommendations: Build capability to respond proactively to adaptive challenges and support our people as they experiment with new approaches. 'How do we loosen the screws for our scientists?' is a challenge question which should be put to the organisation to discuss and develop options for consideration.

EY Report – increase awareness and emphasis on CSIRO's code of conduct among our staff (e.g. increase understanding of what constitutes a breach of the code vs. legitimate 'whistle-blowing').

New Actions:

1. Crowdfund options to help address 'wicked' internal problems (e.g. time to think, allocations pressures, revenue recognition, overheads, regional site support etc.) [H,M]
Sponsor/Responsible: ET/Finance; *Timeframe:* Second half of 2017; *Measurement:* Campaign run, All-staff survey results.
2. Prepare and submit an award-winning Diversity & Inclusion SAGE application [M,M]
Sponsor/Responsible: ET/OD&C; *Timeframe:* First quarter 2018; *Measurement:* Application submitted.
3. Undertake a consultative review of our code of conduct; utilise crowdsourcing type approach to build collective engagement and ownership (*EY Report*) [L,L]
Sponsor/Responsible: ET/HR; *Timeframe:* Reference management response to EY Report; *Measurement:* Reference management response to EY Report.
4. Develop a public comment procedure awareness program (*EY Report*), including dialogue between leaders and teams [L,L]
Sponsor/Responsible: ET/Comms, HR; *Timeframe:* Reference management response to EY Report; *Measurement:* Reference management response to EY Report.

Extended Actions:

5. Increase participation of development-ready people in strategy-aligned cultural change development programs (LAIC, On Prime, ELP, LE, Customer Engagement workshops) across the organisation [M,L]
Sponsor/Responsible: ET/CLT; *Timeframe:* Ongoing; *Measurement:* Participation increased by 50% from 2016 levels.

Structure

Situation: The organisation has undergone restructuring and related change over an extended period of time (e.g. the IRP). However, such initiatives have not dealt with the lack of integration across ESS functions. We consistently mount fragmented and often ineffective responses to major change events (or we only come together once we recognise a crisis situation). Our hierarchical structure contributes to poor communication across the organisation.

Problem: Our people are tired of structural change. The lack of stability has major implications for willingness to consider longer-term views or to take risks. Many also hold the view that such restructures are superficial and do not address root problems. The organisation often ends up in crisis situations, in part because of the lack of proactive coordination across ESS functions especially with regard to how we manage change. This is exacerbated by the corporate-research business divide.

Broad Recommendations: Structure is an over-utilised lever to support change. It is recommended that BU structures stabilise for a period of time and instead focus on participatory leadership improvement and collaborative work practices. While OneCSIRO is an important conceptual underpinning element of *Strategy 2020*, flexibility within structure is a key consideration with regard to empowerment, connectivity and the ability to differentiate and evolve locally according to needs. Creation and fostering of effective cross-hierarchical connections is essential.

EY Report - Reassess existing organisational structure and practices (including lines of reporting, distribution of corporate functions) to provide appropriate management and coordination of all phases of the SPI process. Ensure an enterprise-wide approach to change management is undertaken for any change affecting a significant part of the organisation (as determined by, for example, pre-determined thresholds).

New Actions:

1. Trial boundary-spanning roles across ESS functions to help solve complex problems (e.g. policy reform, mobility/collaboration, overheads) [M,L]
Sponsor/Responsible: ET/ESS; *Timeframe:* Ongoing; *Measurement:* Number of roles established; peer feedback.
2. Establish and recognise formal in-business change leader roles (BUCLs) to act as conduits for the alignment between local and enterprise change [M,L]
Sponsor/Responsible: ET/CLT; *Timeframe:* End of 2016; *Measurement:* Formal roles established for each BU/ESS group.
3. Realign/integrate ESS functional groups to address recommendations regarding the Science Prioritisation & Investment (SPI) process (*EY Report*) [M,M]

Sponsor/Responsible: ET/HR; *Timeframe:* Before the end of 2016; *Measurement:* Realignment/integration of ESS functions completed.

4. Develop framework for guiding application of change management including risk-based thresholds to trigger business unit or enterprise wide change response (*EY Report*) [M,L]
Sponsor/Responsible: ET/OD&C; *Timeframe:* Reference management response to EY Report
Measurement: Reference management response to EY Report.

Extended Actions:

5. Acquire additional capability and resources to support delivery of the Cultural Alignment and Morale Building action plan [H,L]
Sponsor/Responsible: ET/OD&C; *Timeframe:* As soon as possible post Board/ET endorsement of plan; *Measurement:* Needed capability and resources acquired.
6. Incorporate assessment of participatory practices and change management into all processes, procedures and decision-making, implication assessment and delivery planning (*EY Report*) [H,M]
Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* % assessments incorporated.

Management Practices

Situation: Implementation of corporate-led initiatives is too top-down and frequently not well coordinated. Interactions among ESS functions tend to be competitive, territorial and embody a play-to-win mentality. There is insufficient effort to keep the end in mind or to work with a shared sense of purpose.

Problem: BUs get too many uncoordinated requests from ESS functions, often with the view that their request (or change) is the most important. We miss opportunities to capitalise on synergies between different initiatives that may be tackling similar problems from different perspectives. This lack of integration is particularly problematic given finite resources and airtime.

Broad Recommendations: Increase opportunities for collaboration and mobility between Business Units (including ESS) to provide opportunities to learn about the roles of others, build empathy, broader capability and networks. Leaders ensure on-the-job development is a core leadership responsibility (researcher in business).

EY Report – Establish protocols and guidance principles for development of all staff messaging, informed by approaches that have proven effective in the past. Protocols and guidance should be in relation to topics such as communicating drivers of change, preliminary and final decisions.

New Actions:

1. Develop a proposal to mobilise and cross-stitch the organisation (e.g. via cross-organisation secondments; boundary spanning roles; cultural super-spreaders) [H,H]
Sponsor/Responsible: ET/CLT; *Timeframe:* First half of 2017; *Measurement:* Proposal developed through targeted participation.
2. Run a collaboration boot camp for ESS leaders using LLP principles to propel discussions about how to effectively tackle organisational issues [M,L]

Sponsor/Responsible: ET/SMVI and OD&C; *Timeframe:* First half of 2017; *Measurement:* Boot camp run.

3. Develop and integrate relevant communication protocols and guidance for all organisational change initiatives (*EY Report*) [M,L]

Sponsor/Responsible: ET/Comms, OD&C; *Timeframe:* Reference management response to EY Report; *Measurement:* Reference management response to EY Report.

4. Develop a scheme to incentivise and encourage leaders to create the time for people to be more mobile e.g. via secondment, shadowing, stretch opportunities, lab tours [M,M]

Sponsor/Responsible: ET/HR; *Timeframe:* First half of 2017; *Measurement:* % improvement on baseline mobility.

5. Regularly and collectively assess the collaborative 'health' of ESS-ESS relationships and opportunities for enhancement as part of the ESS review process [M,M]

Sponsor/Responsible: ET/ESS; *Timeframe:* Ongoing – initiate in November 2016; *Measurement:* Peer-reviewed assessment by ESS leaders.

6. Create an integrated opportunity market place with supporting systems and knowledge base to enable one-stop visibility (our capability, availability, projects etc.) to facilitate collaboration [M,H]

Sponsor/Responsible: ET/SMVI, IM&T; *Timeframe:* By end of 2017; *Measurement:* Initial version of market place deployed and in use across the organisation.

Extended Actions:

7. CLT collectively find ways to better enable GLs and TLs to build social capital (networks of relationships among people) locally [H,M]

Sponsor/Responsible: ET/CLT with support from Finance; *Timeframe:* Ongoing; *Measurement:* GL and TL feedback assessment.

8. Promote and support Lean Launch Pad for ESS teams [M,L]

Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* % participation by ESS teams in program.

Systems, Policies & Procedures

Situation: We are over-burdened with policies that don't provide value to the users. We rarely start from first principles – we usually iterate and build (e.g. systems) by accretion. Our systems, policies and processes discourage learning and are often designed for the few who deliberately break the rules, rather than to support and empower our people.

Problem: People often ignore or under-utilise systems. Inefficient or poorly designed systems, complex policies and procedures lead to frustration, loss of productivity, project delays and stress. This is exacerbated by the fact that increasingly people are being asked to take on roles or to manage processes viewed as falling outside of their area or expertise. This is especially true for scientists who are frustrated by what they view as cost-shifting exercises that limit their ability to focus on research and to be creative.

Broad Recommendations: Our business systems and processes should be built for trust and transparency (O2D principles). Strong customer orientation (i.e. including for our staff) is absolutely central. Share the challenge to problem solve how best to support people in different roles and how to 'loosen the screws' for scientists: crowdsource via targeted

forums; pilot programs to do cost-benefit analysis and see if the perceived 'false economy'/cost-shifting holds up; if not, delegate to BUs to manage locally as part of empowerment and continuous improvement.

New Actions:

1. All BUs and functional areas identify a minimum of 3 processes (local for BUs, Enterprise for ESS functions) that don't add value and remove [H,L]
Sponsor/Responsible: ET/ ROMs; *Timeframe:* Completed by the end of 2017; *Measurement:* Minimum of 3 systems, processes and/or procedures removed.
2. From round tables, identify a priority list of 'quick wins' and action (see **Appendix**) [H,L]
Sponsor/Responsible: ET/OD&C; *Timeframe:* As soon as possible; *Measurement:* Round table and staff survey feedback.
3. Review all systems, policies and procedures against O2D principles, identify the most impactful opportunities and address (e.g. revenue recognition across BUs; credit card limits; allocation issues) [H,H]
Sponsor/Responsible: ET/Governance; *Timeframe:* Ongoing; *Measurement:* Review completed and recommendations addressed.
4. Develop a "How we work" guide, including a set of agreed principles, to clarify decision making at all levels [M,L]
Sponsor/Responsible: ET/Governance; *Timeframe:* Completed by the end of 2017;
Measurement: Guide produced and published on intranet.

Extended Actions:

5. Promote participation in *It Takes A Team* to improve clarity on individual/team roles and expectations (e.g. with respect to business development, communication, administrative tasks, project management) [M,L]
Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* % participation increased above current (2016) levels.

Work Unit Climate

Situation: Within teams, work climate is generally good. Locally, people feel trusted and valued, and are positive about their immediate leadership (GLs, TLs). More broadly, our paternalistic approach to leadership (protect people locally, don't share) contributes to increasingly tenuous connections moving up the hierarchy (inverse to the decline in optimism below senior leadership). Isolation and reduced connection, especially in terms of shared sense of purpose, and having voices heard, makes people more vulnerable and stressed.

Problem: People 'bunker down' and don't collaborate as effectively as they could (particularly across some BUs/ESS functions). There is increased competition for limited funds (thinking of self and local situation) and reduced productivity. Stress and short-term focus reduce mental space and ability to think creatively and respond adaptively in a truly collaborative way.

Broad Recommendations: As an organisation, we need to encourage the 'right amount' of connectivity and collaboration (look for synergies) while also facilitating local empowerment. This will require integration of both bottom-up and top-down approaches.

Climate (morale) is important but we need to focus on lead indicators (e.g. major themes emerging from the 2016 Survey around strategic clarity, leadership trust and respect, change management). Engage deeply with TLs, GLs and project leaders to leverage strengths and connections to build local solutions; empower these people to lead engagements.

New Actions:

1. Run a challenge webinar to identify ways to give time back to our scientists to be scientists and try new approaches to better deliver on *Strategy 2020* (see also crowdsourcing action under **Culture**) [H,H]
Sponsor/Responsible: ET/RDs, GLs, TLs with OD&C support; *Timeframe:* First half of 2017; *Measurement:* Feedback from round tables and staff surveys.
2. Utilise the Business Model Canvas/boot camp approach to support more equitable and transparent funding prioritisation within BUs [M,L]
Sponsor/Responsible: ET/SMVI, BUDs with OD&C support; *Timeframe:* Initiate in 2017-18 FY; *Measurement:* Method utilised within BUs.
3. Use a participatory approach to build and use linked science-market roadmaps to explicitly support priorities and decisions [M,M]
Sponsor/Responsible: ET/SMVI; *Timeframe:* Ongoing; *Measurement:* Roadmaps built and utilised to support investment decisions at Enterprise level.

Extended Actions:

4. Provide opportunities for people to better understand how they fit in the strategy and what it means for them (see actions under **Organisational Identity** and **Mission & Strategy**) [H,M]
Sponsor/Responsible: ET/CLT; *Timeframe:* Ongoing; *Measurement:* Feedback from round tables and staff surveys.

Tasks & Individual Skills

Situation: There is a tension between maintaining science credibility and the perception that people need to do things differently to succeed (but are unsure about what more is needed). This tension creates cognitive dissonance, and contributes to uncertainty and lack of confidence about the future. Reductions in support roles (e.g. the IRP) means that more people are being asked to do things they aren't confident to do (ill-equipped), don't have the time or feel that "it isn't their job" (including those in or considering leadership roles).

Problem: People are focused on external revenue at the expense of science quality. Fears about job security drive decisions on where to focus or invest time etc. People also lack confidence to do their job and feel under constant pressure (e.g. some research scientists thinking they need an MBA to do what is required to support *Strategy 2020*). Many leaders don't have time or energy to support teams with development and coaching (and sometimes lack the skills). This contributes to concerns about our capacity to provide mentoring for the next generation.

Broad Recommendations: Expand support to improve capability around customer engagement, market understanding and evaluation, value creation and capture (building a skillset that aligns to strategy); support local leaders to provide help at the individual level with what *Strategy 2020* is asking (people are willing to change, just need help and support);

many simply don't know what to do). Over the longer-term, as we capture more value through increasingly focusing on 'good revenue', ensure that resources are redirected to local leadership to support and empower these crucial roles.

New Actions:

1. See crowdsourcing actions under **Culture** and **Work Unit Climate** [H,H]

Sponsor/Responsible: ET/RDs, GLs, TLs with OD&C support; *Timeframe:* Ongoing, beginning in 2017; *Measurement:* Feedback from round tables and staff surveys.

Extended Actions:

2. Increase participation in career guidance programs (*Intensive Development Centre* for senior staff and *Career Development Centre* for mid-level and more junior staff) [M,L]

Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* 50% increase in participation by end of 2017.

3. Increase participation in L&D and ON programs (e.g. *Accelerator*, *On Prime*, Customer Engagement workshops, *Working With People; It Takes A Team*) to build skills and confidence in ability to deliver on the strategy [M,L]

Sponsor/Responsible: ET/OD&C, SMVI; *Timeframe:* Ongoing; *Measurement:* 50% increase in participation by end of 2017.

Motivations

Situation: People are highly motivated to work beyond what is required to help CSIRO succeed. While views about CSIRO's purpose and mission vary, we all want the organisation to be successful. We have a strong sense of personal accomplishment and pride in CSIRO. *Strategy 2020* represents long-term planning but individuals plan for the short to medium-term with respect to career decisions (part of the barrier to adapting).

Problem: Where there is a perception that change is imposed or threatens our identity, we become resistant. People disconnect or in some cases ignore decisions or actively work against the organisation publicly. There is some resentment due to the perception that decisions are not made strategically but for other unstated reasons. This contributes to a lack of trust and confidence in leaders.

Broad Recommendations: Explore the concept of self-directed teams (allow local leaders, e.g. GLs and TLs to more fully exercise their delegations). Senior leaders can help people to better understand the importance of adaptiveness by being clear about the constraints we face, the rationale behind *Strategy 2020* and the direction that the organisation is taking.

New Actions:

1. Create opportunities to invite opinion and discussion on important issues facing the organisation [see action (1) under **Culture**; action (1) under **Work Unit Climate**] [H,L]

Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* Feedback from round tables and staff surveys.

2. Invite senior staff to act as mentors (support with training where there is enthusiasm) [M,L]

Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* Number of senior staff involved in mentoring.

Extended Actions:

3. See action (2) relating to career guidance (**Tasks & Individual Skills**) [M,L]

Sponsor/Responsible: ET/HR, OD&C; *Timeframe:* Ongoing; *Measurement:* 50% increase in participation by end of 2017.

Individual Needs & Values

Situation: People think the organisation is in survival mode, following year on year redundancies. Staff are focused on the short-term, chasing revenue, annual allocations, and worry about securing the future, leading to generally low optimism and morale. Individuals feel the need to make themselves as employable as possible (due to a perceived lack of security).

Problem: Worries about job security makes people risk averse and less likely to try new approaches or to take on new skill sets (e.g. project managing, innovation, customer focus). High overheads and external earnings targets contribute to significant fragmentation across multiple projects (especially senior researchers), under-allocation to projects and lack of freeboard to be creative.

Broad Recommendations: Leaders at all levels need to provide greater clarity about the short to medium term future wherever possible (including how they fit and where the risks are). This will enable staff to make more informed choices about their own futures. Involve people in decision making and give them time to think about issues; be transparent about how decisions are made. If we can't give assurance then at least be honest about it – share what is known and what is still uncertain.

New Actions:

1. Crowdsource the linked challenge of how, as an organisation we tackle high overheads, annual allocations, and external earnings pressures (see action (1) under **Culture**) [H,H]
Sponsor/Responsible: ET/Finance with OD&C support; *Timeframe:* First half of 2017;
Measurement: Feedback from round tables and staff surveys.

Extended Actions:

2. Develop and support non-hierarchical cross-organisational forums to help solve problems [see action (1) under **Culture**; action (1) under **Work Unit Climate**] [H,L]
Sponsor/Responsible: ET/OD&C; *Timeframe:* Ongoing; *Measurement:* Number of active forums utilised to help with solving Enterprise problems.

VI. Key Issues, Risks & Overall Recommendation for Endorsement

There is now extensive evidence that organisational culture can be a source of competitive advantage (or disadvantage) (Barney 1986; Bezrukova *et al.* 2012). Leaders need to stay the course and consistently reinforce what is important through:

- The signals they send through their words and actions;
- Engaging people so they understand what they're doing is important and valued;
- Providing inspiring and clear examples and illustrations of what is viewed as exemplary;
- Rewarding, recognising and honouring people appropriately.

Organisational culture change takes a long time and many leaders fail because they don't stay the course. Current research is beginning to focus on the importance of building adaptability by encouraging initiative, risk taking, people trying new things and being agile (consistent with our innovation aspirations). While we are encouraging these cultural elements because it is important in the short-term (e.g. for realisation of *Strategy 2020*), it will also help us to build a more future proof culture (Chatman *et al.* 2014).

Key risks associated with the likelihood of success for the *Cultural Alignment Program* include the Executive Team:

- Not appreciating the importance and value of socialising recommendations;
- Underestimating the time, resources and sustained focused effort needed for enduring culture change;
- Not being visible and active culture change champions on an on-going basis;
- Not demonstrating or inspiring behavioural and attitudinal changes required to realise *Strategy 2020*.

The recommendation is for the Executive Team to endorse the socialisation of the cultural program recommendations across the organisation for the purpose of gathering staff input and refining these actions, and to agree on their individual and collective actions to shape CSIRO's culture to support *Strategy 2020*. This is particularly important given that there has already been some staff feedback regarding what CSIRO will do (e.g. in response to the 2016 survey results) and how the action plan will be communicated and shared.

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VIII. Appendices

(a) *Round Table and Survey Comment Themes: issues and potential opportunities (see also comprehensive list of detailed issues from round tables below).*

Round Table and Survey Comment Themes	Potential Opportunities
<p>Trust in leaders</p> <ul style="list-style-type: none"> • Concern that actions and outcomes won't emerge from engagements (nothing seems to change); • Perception that leaders are more outwardly focussed and 'staff come a poor second'; • Delays around the EBA and people still not convinced that: a) we are competitive with universities re salaries; or b) CSIRO is as constrained by Government as our senior leaders indicate. 	<ul style="list-style-type: none"> • Institute a more open policy of regularly inviting staff into problem-solving leadership forums; • Strategy and action plans at all levels published on MyCSIRO; • When recruiting, look for opportunities to locate senior leadership at regional sites so there is greater representation; • Through activities like lab tours and site visits, create opportunities for ET to develop in-depth knowledge of Business areas; • Re the EBA, publish a single clear referenced statement regarding: <ul style="list-style-type: none"> ○ Exactly what restrictions the government has placed on us, where we have latitude and our choices within this; ○ The 'one truth' about salary pay scales for CSIRO vs universities.
<p>Reputation/mission...</p> <ul style="list-style-type: none"> • Concerns about our reputation and its impact on how clients perceive us (Can we still deliver? Do we still have the capability?); • Concerns about whether we still value public good, given there is no obvious output/commercial opportunity; • Negative media attention. 	<ul style="list-style-type: none"> • Target and hold a specific ON program for public good and service oriented business areas to highlight the general relevance of the approach for all of what we do; • Establish a Corporate Affairs function to promote through media and marketing CSIRO's narrative in the broader political, economic and social environment.
<p>Empowerment</p> <ul style="list-style-type: none"> • Feeling of helplessness and being powerless; what can we do to improve things? 	<ul style="list-style-type: none"> • Crowdsource ideas for processes we could eliminate that aren't adding value...and then eliminate them!; • Develop and highlight case studies that affirm performance that is aligned with strategy.
<p>Career trajectories</p> <ul style="list-style-type: none"> • Career development opportunities (especially for PDFs and early career scientists) How do we attract and retain talent? • Resources and support for PhD Students; • Succession planning in the face of staff reductions; • Tension between pursuing science career and responding to delivery/external revenue requirements; • Lack of resources/time to upskill our people; • APA system is not really effective or actively used to manage performance. 	<ul style="list-style-type: none"> • Evaluate the use of a more agile performance management system (e.g. including 360 degree feedback and real-time measurement of performance); • Provide budget transparency and visible management support for people to take up L&D opportunities; • Review the current reward structure, and provide broader incentives (e.g. royalty sharing).

<p>Support</p> <ul style="list-style-type: none"> • Shrinking and centralised admin support (leading to increased frustration among scientists with regard to having to take on more admin work, less time for science); • Perception that cost-saving exercises are just cost-shifting. 	<ul style="list-style-type: none"> • ESS functions to apply the Lean Launchpad method during their reviews (e.g. focus on who their customers are, needs etc.); • Conduct review to analyse self-service and in-business support model; adjust either by making systems easier to use or by changing the support model to reduce admin burden on scientists (noting there will be trade-offs).
<p>Engagement & communication (including about the strategy)</p> <ul style="list-style-type: none"> • Lack of leader engagement (but positive about round tables so keep going!) • Information flow around decisions and honesty/transparency etc.; • How we deal with redundancies and impacted groups) –strong feedback that people are looking to hear about decisions that impact them first rather than through the media; • Strategic clarity –apparent lack of direction (not just ET), misinterpretation or confusion about what the strategy says (e.g. “we no longer do science, just commercialisation”, we only care about widgets etc.); • Communication channels (hierarchical) are ineffective (they stall at different levels) or not really open; • Our internal website is hard to navigate, useful information is buried too deeply. 	<ul style="list-style-type: none"> • Commit to and publish round tables with ET (forward view of next 12mo) so people can see when their site/BU will have an opportunity to engage with ET in this type of forum; • Extend the round table concept in two ways: CLT to commit to using round tables to engage their BU or equivalent, and to participate in cross-BU round tables; • Better integrate and provide a user friendly single portal to access SAP, ePublish, Fastrack, O2D etc.; • Promote a culture of plain speaking through ‘spin free’ communication.
<p>Finance</p> <ul style="list-style-type: none"> • Complexities around projects and contracts –we still have too much red tape; • Convolved and difficult processes (delays in getting things done e.g. capex and procurement related); • Business rules and processes that don’t seem to add value or demonstrate a lack of trust; • Still working through new Finance model, fear that project support isn’t at same level or may disappear with the expectation that scientists bear the load; • New systems and processes like O2D give transparency but people unsure how the data is being used for decision making, fear that it is ‘used against them’; • Overheads (many issues connected to this); • Pressure from annual external earnings targets that keep rising – hard to think long-term; • Annual allocation and budget cycles (many projects don’t fit this model). 	<ul style="list-style-type: none"> • Increase expenditure threshold (credit card) to enable researchers to purchase equipment more easily; • Provide clarity about what overheads do and should pay for –many examples where scientists pay for basic costs from project funds (e.g. training, HS&E, chairs, cars, repairs on general infrastructure), at least some of which seem inappropriate.
<p>How we connect</p> <ul style="list-style-type: none"> • Cross-BU activities (resource planning, revenue recognition etc.); • Difficulty of connecting across different parts of the organisation (and to regional sites); • The corporate-research divide; 	<ul style="list-style-type: none"> • Endorse and support an enduring cross-cutting leadership cohort at RD/GL/TL level; at least 2x per year bring CLT together with this group to jointly work on organisational issues; • Work with BU Leaders to find ways to free up small amounts of discretionary funds for GLs and TLs to build social capital in

<ul style="list-style-type: none"> • Opportunities to network, rely too much on individuals reaching out to each other, looking for organisation support (e.g. creating cross cutting cohorts like GL forums etc.). 	<p>their teams (e.g. training, team-building activities, site networking);</p> <ul style="list-style-type: none"> • Build a fully functional Customer Relationship Management tool; • On-line portal for all webinars (training and info); online list of contacts for org (e.g. help desk for CSIRO); • Online portal for grants (links to website and dates, e.g. Calendar).
<p>Job security and stability</p> <ul style="list-style-type: none"> • Job security and concerns about whether CSIRO still offers good career options; • We need a sense of stability –structure and leadership seems to be constantly changing in some areas; • constant disruption leading to loss of control and motivation (increased short-term focus); • Loss of corporate knowledge. 	<ul style="list-style-type: none"> • Provide clarity and a timeline regarding the future of regional and remote sites; • Review the term contract process to provide clarity and assurance for sign-off.

(b) Comprehensive List of Issues Raised in Round Table Engagements

These were conducted with senior leaders conducted between June and October 2016 (a total of 61 round tables, including physical sessions at 24 sites and virtual sessions including a number of regional sites). This themed summary was constructed from notes taken by several members of the OD&C team and while it likely doesn't capture every concern that people may have expressed we are confident that the vast majority of significant issues raised are reflected below. It is noted that while low morale was a common theme across these engagements, general comments about morale were not included here as this view was strongly supported by the 2016 survey results. Furthermore, recording such issues was only one of several key objectives for round tables – a primary objective was to build trust and confidence in the Executive Team.

Broad Theme	Specific Issue
Capability	<ul style="list-style-type: none">• <i>Not everyone has commercialisation skills or is motivated to develop them. Not only have we lost such capability in recent times but it would be great if we had BD people with science backgrounds who could more directly help with external relationships.</i>• <i>It is difficult to find out what people do across the organisation (e.g. research/technical skills) or to access such capability. It is hard to be innovative when you don't have easy access to all the needed skills and disciplines.</i>• <i>Many teams are below critical mass which leads to a loss of diversity, vibrancy (e.g. social/professional interactions) and viability. This is particularly an issue for regional sites. This can make it hard to take advantage of opportunities (e.g. competition with universities) or to deliver on projects especially if needed skills are in short supply.</i>• <i>How do we rebuild science areas that were most impacted by decisions coming out of the 'deep dives'? What is the scope for growing capability to support new opportunities?</i>• <i>We are losing many CSIRO people to universities or to industry (e.g. digital skills are in high demand there).</i>• <i>One reason why we need to keep critical mass is that we have very little flexibility when we are mostly on external \$ (sometimes there is only one person left with a given skillset).</i>• <i>Succession planning is a big challenge (many redundancies on the tech side so lots of pressure); transfer of skills and knowledge issue.</i>• <i>At small regional sites, everyone has to help with everything (e.g. scientists have to take on non-science roles). Often, there is not enough long-term experience (some very small sites are mostly represented by casuals and technical staff with few scientists).</i>• <i>We should use the expertise that longer-term staff have about how to do deals (i.e. not just relying on ON/LLP for that - maybe the senior scientists are willing to tutor).</i>• <i>We used to have larger capability investment funds in Divisions to better upskill our staff. These funds are now much smaller or maybe non-existent in some areas.</i>• <i>Regarding the location of HQ for Climate centre in Hobart, what is the long-term goal to centralise and co-locate capability? What is the long-term plan for the BoM?</i>

Career	<ul style="list-style-type: none"> • <i>We need more mentoring resources, especially for early career scientists. Senior scientists, including HRFs could be used a lot more and would have the experience to help younger colleagues build industry and other external networks. Changes are particularly difficult for early career scientists (how to know if your research is going the 'right' way).</i> • <i>Job security is a major concern, particularly among term staff who see the contract renewal process as inefficient and causing a lot of stress because renewals only happen at the last minute (even if the budget is there). People need to be informed in a more timely fashion about what is happening.</i> • <i>The framework has not moved for the APA process. Once you reach CSOF6, you have to get rid of the research aspects of your roles.</i> • <i>One message from Strategy 2020 is that we will grow through IP and royalty streams. How will this provide opportunities for young scientists to build a career (university sector is our competitor)? Becoming more entrepreneurial isn't bad, but science excellence requires the ability to stay the course and build up an area. If we lose this we are in serious trouble.</i> • <i>Leadership opportunities should not just be about formal roles (e.g. project leaders, Team Leaders, Group Leaders); we need to find ways to create other types of opportunities.</i> • <i>How do we train and keep indigenous trainees (will there be positions at the end of the training)?</i> • <i>Succession planning does not happen consistently across CSIRO and we aren't good at upskilling people (i.e. giving them opportunities to shift trajectories or learn new skills). How do we develop PDFs into the next level of scientists (there seem to be less people moving into CSOF5/6 roles)?</i>
Change	<ul style="list-style-type: none"> • <i>People are concerned when they see their leaders and colleagues leave CSIRO.</i> • <i>People are sceptical about management's timing of some decisions (e.g. to leave cutting staff until after the election). This undermines confidence.</i> • <i>People feel that there have been missed opportunities; conspiracy theories are flourishing; and hard to regroup and move forward as well as worried about being consumed following mergers (e.g. NICTA, F&N).</i> • <i>People are fatigued with change; job losses, name changes, strong impact on morale and productivity.</i> • <i>People understand that CSIRO is a hierarchical organisation but suggest engaging earlier can help with change.</i> • <i>People need stability and are concerned about change fatigue. Change is front of mind for many of us and anxiety is contagious – need to provide clarity around future stability. People need some real stability (and are not getting a sense of this from senior leadership). Science doesn't happen in a 2 year block - will there be another set of redundancies in the next 12-18 months?</i>
Collaboration	<ul style="list-style-type: none"> • <i>CSIRO is a collection of research programs, rather than a whole organisation – when things are tight it is competitive rather than collaborative (and the reduction in support services contributes to this). What happened to formal cross-BU collaboration agreements? Current program structures emphasise and add to our silo mentality - it is difficult to find out what people in other Business Units are doing which increases the sense of isolation. Collaborations depend on personal relationships – we need to do more to actively promote collaboration (e.g. tools) and concretely provide support to generate new ideas that enable collaborations.</i>

- *One group doesn't want to give up their advantage to another group - we need to be rewarded for doing it rather than getting punished for not doing it (and currently management of these interactions is too soft - viewed as 'someone else's problem').*
- *Cross business unit programs collaborate in spite of the structure. Some projects give while others take - we shouldn't be in a position where people feel like they are doing favours (across CSIRO, we have varied levels of openness). We should consider starting an internal collaboration fund to overcome the possibility that silos will re-emerge and to stimulate collaborative efforts between BUs.*
- *We compete for the same \$ in CSIRO and it is often easier to work with people outside the building (people inside have similar skillsets). This happens because there is a limited pool of \$ and we are shrinking in real terms. Even within sites, there are examples of research groups that don't talk to each other.*
- *We are missing big collaboration opportunities between groups which could also generate revenue (e.g. because every few years we come up with a big science project which gets all the attention, rather than aggregating the small projects we already have).*
- *If we going to transform industries, we need to better integrate researchers and engineers (the separation between these groups seems to be increasing and some feel that engineers aren't valued as highly as researchers in the CSIRO culture.).*
- *It is frustrating that you need to collaborate with other research areas when trying to arrange overseas travel. Conferences should be development opportunities but there is now approval pushback because of delegation rules. It would be good to have some general clarity around this.*
- *We need a different business model for engaging SMEs and to incentivise collaboration.*
- *With regard to cross-BU collaboration, how do we embed ourselves early, contribute and gain acknowledgement for the contribution (e.g. revenue recognition and other metrics that could support collaboration). How do we recognise teams/collaboration success (the assists as well as the goals)? How can we incentivise people to share their networks?*
- *With regard to working environment, co-working spaces are not really taking off. Internal collaboration also needs work (e.g. tea rooms are important!). We need clarity about what we mean by 'collaboration hub'.*
- *Increase flexibility so we can collaborate better (need to reduce administration burden that is a barrier to collaborating differently).*
- *We have shifted from collaborating with CRCs to being a contractor (although we have deep skills and infrastructure we aren't generating our own IP. Work is shifting more towards service and away from R&D.*
- *We need to start changing how we collaborate with universities but how do we make it work?*
- *How will the Climate Centre do a better job of bringing together climate science (e.g. coordinating O&A with Data61 activities)? What about an advisory board for the climate centre option? How can we contribute to the CSIRO submission (climate change)?*
- *Support areas also need to be cleverer and innovative (need a cross-function approach but difficult to make happen. There is not as much collaboration between support functions as there should be.*
- *With regard to cross-area collaboration, it can be difficult to get people interested in helping (even if the capability exists) if there is a lack of revenue for that BU. Sometimes we end up hiring an external consultant. It's frustrating that the organisation can't use their own resources.*

- *We aren't effectively leveraging the bioinformatics capability across the organisation since the science platform closed – is there a gap in our ability to analyse and understand big data and are BUs attempting to replicate this capability in silos?*
- *Some of our external collaborators have told us that CSIRO's key differentiator in health research has been its ability to invest in long term visionary projects. It would be helpful if our internal drivers didn't detract from this key asset. To embed new industry resources (researcher in business) requires mechanisms for industry to come in. How do we leverage and embed new industry resources to support their work to overcome funding shrinkage (no \$ for students etc.)? Develop the concept of landing pads (e.g. Singapore as a possibility for future agriculture and other initiatives).*

Communication

- *Our website is appalling (we have a dismal web presence). Comms is being pushed back onto researchers (e.g. setting up our own websites). Where do people go to find information? We haven't got a brilliant way of pushing what we do well and are too quiet about our achievements. Is CSIRO going to improve our externally facing web pages? Can it be more comprehensive? How about more Twitter feeds for the 'out of the ordinary' science we do? The current priority of Comms seems to be about gimmicks and spin, not science back stories. How do we tell the smaller stories/case studies (sometimes these are the most important)?*
- *It would be useful to have D&I information available from across the organisation available on the web and easily accessible (including updates on what is happening with the D&I initiative).*
- *While we understand the challenge of managing our relationship with government, when was the last time a CEO or Chair of our Board actually stood up and protested in favour of protecting CSIRO's interests (the lack of visibility in this respect, science policy churn, unpopular and constant mergers, EBA delays, significant executive bonuses etc. all contribute to the alienation of grass-roots staff. Some attempt MUST be made to win people's hearts and minds. Cannot over-emphasise the importance of direct, honest communication. And when we stuff things up – own it and move on!*
- *What is ET doing to address negative publicity about the organisation? People would like to speak positively about the organisation but feel prevented by the communications policy which they are obeying despite the fact that others aren't obeying and being negative. They don't like CSIRO's reputation brought down in this way and want to do something about it. How are we going to improve CSIRO's reputation / staff morale? We need good PR – we are still open for business. We aren't even getting applicants for new jobs because of the bad PR (our brand name has decreased). Can people still trust CSIRO to be able to follow through? Dinner party conversations: "How are things in CSIRO?" External people are asking "are you ok?" We need a positive campaign to assure our clients that CSIRO is still alive, well and kicking – collaborators and clients are asking a lot of questions.*
- *Why don't we have a science lobby with the government? What is ET doing to help us get \$ from government? Why doesn't CSIRO have a bigger voice (externally)? We (CSIRO) must start to have a greater influence on the understanding of how science works and how it can be best exploited by our politicians, the Australian community and our funding agencies (e.g. a lot of work in L&W, A&F has economic value but is harder to show government). CSIRO should be taking a national lead in this, but it rarely seems to do so. We hide our light under a bushel far too much; we are so risk-averse – we NEED to be proactively in the conversation. Would like to see a group of us work together with an external consultant to demonstrate value and build a business case.*

- *Better communication down through RD, GL, TL Layers and levels (feeling detached and remote from larger program information and connection to broader issues) to give certainty for longer-term view. Staff consultative committees in old Divisions were a good way to share two-way information – need to get these happening more. RDs should share monthly info on how programs are doing. Hierarchical communication in CSIRO does not work – information does not flow effectively.*
- *How will the round table information shape Larry's activities and approach (e.g. using a better understanding of differences and similarities between us and universities to work out how we might collaborate better)? It would be good to conclude each round table with some specific actions that arose from the meeting. We need to communicate outcomes of surveys (and what BUs are doing about it) and round table themes.*
- *Webinars – support the idea of having them, need more frequently to build trust (e.g. monthly but if more frequent, mix of ET panel responding is good but not all the time). ET webinars should be issues based and future focused from now on, not Q&A.*
- *There is much agreement that changing CSIRO's culture to one with more agility and entrepreneurship is good policy but many staff are concerned that elements of government may use this to further aims of privatising CSIRO. A common opinion is that hitting 50% external revenue, increased focus on money-producing projects and structuring the organisation into a smaller set of BUs looks a lot like grooming for splitting up/sale. It would be worth allaying these fears as it is creating a fatalist and cynical mindset amongst staff.*

**Corporate-
Research Divide**

- *The corporate-research divide (created by RSS which built adversarial relationships) needs to be fixed, including increasing the level of interaction between corporate staff and researchers.*
- *ET has no appreciation for the admin load that we have (suggest that ET do the training e.g. O2D).*
- *Staff in corporate function are enablers and want to help - how do we help get this message across to the researchers?*
- *We worry a lot about the divide between ET and BU leaders but there seems also to be a divide between BU leaders and the senior scientists (lack of transparency).*
- *Corporate needs to be better at demonstrating it's 'value add' to the business (e.g. helping with market identification and alignment, delivery on strategy etc.). ESS is seen as an overhead.*

Customer

- *We need to be flexible to cater for the size of the customer CSIRO is dealing with. Is it possible to offer reduced rates? How do we help small businesses?*
 - *We need to sell CSIRO's value to government (e.g. concerns that government takes our patent \$ - WiFi rather than investing it back into us) and also market ourselves more to industry.*
 - *We need more listening then adapt and respond; need to be less disjointed; need to cater for specific customer needs eg. BoM, BHP, Defence.*
 - *Our culture doesn't have good internal customer service and people aren't accountable for this; customer service isn't just about people – need the right systems and processes.*
 - *Communication between contractors and people in the business (CBIS) isn't always smooth.*
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Data61	<ul style="list-style-type: none"> • <i>How do we get Data61 and IM&T to collaborate effectively (there are a number of grey areas between these parts of the business - e.g. scientific computing)?</i> • <i>What is Data61? Is it just another BU or something else? The fact that it has its own website and email addresses says that it is treated like a separate organisation and there is a perception that Data61 is being treated as special (making others feel less so). One specific concern was that our Communications function are prioritising Data61 work over the work of other areas in CSIRO.</i> • <i>Data61 has become siloed - creating a collaboration barrier. Is this a teething issue or a broader cultural problem with Data61?</i> • <i>Integration-related communications very focused on NICTA people and not on DPAS – we don't feel part of Data61.</i> • <i>NICTA and CSIRO are an 'us and them' situation. The NICTA-DPAS merger has been an ongoing concern. One problem (from the CSIRO side) is that trust in what is going on has been lost. We have been through continual change (ICT to CCI to DPAS to Data61...); we need to rebuild this trust. From the NICTA side, people coming across feel more of the constraints of CSIRO (we feel complex and bureaucratic to them).</i> • <i>It is not clear how we operate in Data61. What is the 'sandbox' approach and how should it work?</i>
Empowerment / Accountability	<ul style="list-style-type: none"> • <i>Need to have some control over (finance - opex, science prioritisation etc); need to be clear about the bounds within which we can operate; need opportunities to influence.</i> • <i>Our culture does not support the accountability needed for performance.</i> • <i>We have a lot of conversations and write a lot of reports. What comes of this?</i>
External Revenue	<ul style="list-style-type: none"> • <i>We have been told we need long-term financial stability but it takes time to do (yet are being pressured to focus on 2016-17 revenue targets).</i> • <i>Projected revenue targets keep going up but our capacity (staff) keeps getting reduced. How will we manage this?</i> • <i>We don't do business in a business like way. A lot of small contracts don't add value and not worth the effort. Short-term contracts are challenging - our staff are keen but it is hard when you have to focus on getting \$ in the door.</i> • <i>We are being driven more and more towards being externally focused. We thought that cuts (and the previous restructure) were meant to reduce pressure on external revenue so why are earnings targets still going up? An increased focus on external earnings targets is at the expense of basic and applied science. Is there an external earnings ratio we are aiming for?</i> • <i>External income recognition is a major concern. External revenue, probably more than impact, is the key currency in Business Units. Our new structures (as opposed to strategy) linked to this need for externals, which seems in some cases to be used as a surrogate marker for science quality and impact in internal assessments, leads to uncooperative behaviour. With the lead BU recognised in the system as the recipient of externals, a supporting BU bringing valuable additional skills is unable to book income matching the work that it does towards the project to its program. This leads programs to discourage their scientists from engaging in such support roles, preferring them to look for contracts where that program can be the lead. A way to share external income recognition that doesn't double register income would help promote cross-BU commercial projects and interdisciplinary research.</i>

Finance

- *Need sustained operating funding to bring stability and give people security to explore new things. Discretionary \$ is very limited (e.g. because of infrastructure fixed costs).*
- *Budget restrictions/timing of finding out what funding you will have during annual allocation process is stressful and challenging.*
- *It would be great to have budgets to allow pilot projects (no access to internal budget to innovate). It is "like being in a research hotel where the equipment is in the minibar".*
- *Will new grants be created to be able to access the Innovation Funds?*
- *Can we get more support with regard to funding sources that might be happening in the future (and how to get them)?*
- *There is gate-keeping by BU/BD (need to seek permission to talk to government agencies).*
- *Reduce the focus on annual funding and allocation cycle (need to super-impose a wider understanding of longer-term horizon). The annual strategic cycle is not good (many important projects have much longer life cycles). We still have annual allocation issues!*
- *Costs are up and revenue is down. How do we bridge that?*
- *In the old days we use to build on the investment; currently our resources are using up the investment.*
- *Government policy is that we can't carry money across from year to year. What's stopping us? This is a roadblock.*
- *My BUL has provided a \$\$ figure to Research Programs from above and Programs provide information from the bottom up – the numbers don't match!*
- *There is the issue of never-ending 'overhead creep' (more and more services have to be paid out of projects - CBIS is a big offender). It is too easy for our 'service-provider' people to simply palm off an expense back to projects because they can't meet it in their own budgets. Financial problems at the top continually get passed down the line until they stop at project level. This appears to be a simple solution but it puts ever more strain on projects (and means less money for actual science). A particular problem is when overheads have already been accounted for in the first place. The more that get passed down means our actual overheads are even higher than the high amount already nominated. This applies to many things now (e.g. training, HSE, IMT, cars, desks, chairs etc.). Another point is the application of 'additive' overheads. To light and heat a room costs the same whether there are 1, 2, 3 or 4 in a room and yet under our model the room will be charged x the number of bodies. There are many cases where O/Hs might be adjusted to meet a cause/purpose (offer a discount?) rather than being a straight-out multiplier which is a fairly rigid and inflexible way of accounting.*
- *Overheads seem to continually rise. WHAT are we going to do about them? It really limits us (we are very expensive, more so than other organisations). This drives up project costs and makes us uncompetitive (not even remotely commercial - we can only compete on price).*
- *How do we work with developing nations (e.g. CSIRO research being 'out of reach' for Chile)? Are more creative business models possible that could support win-win outcomes?*

Infrastructure

- *Funding concerns; review advocating for additional funding (300 days a year); long term for telescope; trying to find \$ to build another outside facility.*
- *CSIRO cars are prohibitive to hire. CBIS is taking more on and costing more. Equipment is not being maintained.*

- *There is concern about AAHL as a facility. It is perceived to be owned by the DSR group (tenant vs. landlord dynamic). The facility should be managed with people on equal footing; think about ownership of AAHL vs users of facility - different structures doesn't engender a sense of trust.*
- *Concern about new buildings e.g. Discovery - a) not well set up for people to work (need to look more deeply at work spaces); b) not the right equipment (e.g. phones); c) quiet rooms not well utilised (ad hoc); Frustration with CSIRO's open plan policy; more information needed about the purpose, benefits and costs of infrastructure; CSIRO going more towards being an agile business (open plan working spaces part of this – really makes people unhappy). Collaborators are saying they won't come to CSIRO if open plan.*
- *What about child-care centres on sites (if we want to be employer of choice)?*

Leaders

- *We are too conservative in the corporate area.*
- *We value honesty – ET is much more respected even if not delivering good news; we want channels to also provide positive feedback on what works (good news). Transparency around ET objectives is needed (if your objective was to shrink the organisation then you have done a good job).*
- *No one has formally informed staff about why, in some cases, former BU Leaders were let go.*
- *Huge gap between ET and rank and file – easy to address (the latter also have good ideas!); BU leaders and RDs have to be part of this (rarely see either so lose contact – need to see in person). It feels much more like it is exec level down where we used to be more bottom up.*
- *It feels like everything that happens, happens from above (and we don't understand the rationale behind decisions) which speaks to the lack of trust that staff have for ET. We need more confidence that 'up-and-down' we are thinking the same - this increases our value proposition.*
- *There is a need to rebuild trust in O&A leadership because no explanations were given as to how decisions were made.*
- *We still have a culture of sweeping things under the carpet which has negative impacts. CSIRO is terrible at providing information. Are leaders masking the truth? Are they trying to protect us because they assume we can't cope? It is much better to be told.*
- *There is a sense that leaders are not open to feedback about how they could lead better. With regard to CSIRO's leadership programs, why are these optional?*
- *RDs need to be more proactive and visionary across the science.*
- *People want leaders (not just ET but also BULs, RDs etc.) to do morning teas and engage more (e.g. local round tables, finding out what work we are doing). If the only time we hear from them is about news of change, we disengage – it's not good. There is definitely a need to open up access to ET for staff to ask questions about current difficulties and get direct answers.*
- *There is a lack of visibility of leaders at WA sites, often when they visit they don't interact with the staff on the ground; it would be good if they could informally walk around and speak with staff (this should not look forced or staged).*
- *The Executive were too absent during F&Ns last days - they should be more visible in times of change. While in the past people felt more control to respond appropriately, they felt powerless this time in a takeover situation.*

- *We would love to hear more about what ET member's jobs entail. Perhaps this could be an article in Sphere, "A week in the life of..."? It would also be fantastic if when an ET member is visiting our site they could spend 20 minutes talking to the group.*
- *Staff don't trust ET or their decisions. This is the biggest problem in getting people behind the strategy. People don't speak up because they are scared.*
- *ET getting bonuses when staff are losing their jobs is an issue (and insulting).*

ON/LLP

- *How do we access ON/LLP? Our external commitments prevent us from participating - ON participation requires a lot of work but we still have day jobs. Management of perceptions of ON/LLP and expectations (massive time commitment). Teams would like to be part of ON Program but it is hard to release people when teams are small – how can we participate?*
- *Concern about support post ON/LLP; not much support after finishing ON program (and back in BU); After LLP/ON, how do we get back to our work? The most valuable thing from LLP is a different way of thinking, but it needs focus – who will take and run with it? My team went through LLP; was really fantastic but no traction since (and no support for building business case); ON/LLP represent substantial costs to BUs (who therefore only want to invest if absolutely sure-fire which isn't in the spirit of these programs); still a big pullback from risk at middle management levels.*
- *Concern about ON/LLP objectives; about innovation and entrepreneurship and how we do it, we're not trained, it's not intuitive. Is there an opportunity within the ON program for some training on how you integrate with industry? Are we expecting people to spin out/leave CSIRO?*

Post Docs & Students

- *Is there still a career path for young scientists in CSIRO? Students wonder what the future opportunities in CSIRO are. There needs to be communication about this. Many PDFs are thinking about other options. If you are really good and bright, why would you choose CSIRO? A clear statement from ET regarding the role of PDFs in the strategy would help. Post docs are mission critical but uncertainty about CSIRO's future means that sometimes people decide not to apply for positions.*
- *Our salaries are not competitive with universities anymore which makes it to attract PDFs and hard to convince talented people to stay. Succession planning is an issue (very few new CSOF5-6 people over a number of years).*
- *Using post docs as a filler goes against a lack of retention for postdocs: (a) first priority - stabilise the funding for the people we do have; (b) post docs 'stealing people's jobs'; (c) demographics is currently skewed (inverted pyramid is a looming crisis).*
- *What happens after someone's fixed term (as a PDF) is over? There is no pathway/room to transition to research scientist; we need more flexibility to keep good people. Many PDFs don't want to go back to a university environment (application and commercially driven). What opportunities are there for them?*
- *Lack of access to development for PDFs particularly in recent times where supervisors may have left due to deep dive outcomes and left postdocs direction-less; PDFs need experience in industry, mentoring and support to access development funding and leaders don't have the bandwidth to support them.*
- *Overseas students are easier to get. Universities don't provide support so we must (but need operating \$ for this). It would be great to have summer internships back. It is difficult to get interns - there are process blocks. There are inconsistencies around undergraduate stipends.*

- *How can we facilitate getting more students? We are falling behind universities in engaging with students and it is getting more competitive (harder to get them)? What can we do to attract more PhD students (facilities, knowledge are the attracting elements for students; students become part of the team, aligned to the strategy and projects)?*
- *Universities benefit from our training of students (we train them, we can't keep them, they go back to universities and become competitors). Sponsor students to go to university and offer a 5 year contract after completion.*
- *Working with industry (e.g. Bayer) means that students/PDFs can't publish (IP barriers) which impacts on their ability to progress their research careers (this is more of a concern in some areas of CSIRO than others).*
- *Can we put into place an incentive program (e.g. top-up grants) to attract top PhD students (good for us and them) – happens to some extent but needs reinvigoration. We need to maintain a pipeline of new scientists (PDFs) as our future depends on this (provides flexibility). In the current environment (limited resources) we are not sending the right message to attract bright young scientists – can't let opex constraints impinge on this pipeline!*
- *Students are another area of concern. "Would an MIT graduate choose to come to CSIRO or would they prefer Google or Amazon?"; critical mass of students is important – will students be supported under Strategy 2020 (50% of all research is done by students - we need more students)?*
- *Workload is a key area of concern, particularly when trying to secure new business as well as deliver on existing contracts and mentor younger staff (more mentoring is required and renewal through students and post docs is critical to the quality of science).*

Science

- *Shouldn't we be science units instead of business units?*
- *We need time to invest, time to explore and time to think creatively. HS&E previously allowed us access on weekends. This gave us the ability to do more and free up time to think. The best people miss out - too busy just keeping the lights on! There isn't enough focus on having researchers working in the labs.*
- *People that utilise National Facilities are the customers – all of our time is taken up servicing these; no time left for anything else. The split between BUs and National Facilities isn't working.*
- *Less time for science – more administration! Some cost-savings are actually cost-shifting. It takes scientists longer to do a job and they are not able to do it as well (don't do some admin jobs often enough or not properly trained). This means reduced productivity.*
- *People come to CSIRO to do research but if you are so commercially focused then you are not doing research science (many feel they are on a 'commercial project treadmill' and don't feel like scientists). Why don't we share some of the commercial work around because we all have similar skills? Morale would improve if we got to be scientists instead of consultants (internal tensions between commercial and fully-funded appropriation people).*
- *Some groups get full appropriation to do strategic work but others do a lot of commercial work and aren't rewarded for it. When you do commercial work for clients, they don't want you to write papers (so disadvantaged in CSIRO promotions).*
- *We are a very applied area but it is still important that fundamental research is maintained; we now have to pay to use machines in our own department (\$500/day) so we don't use the equipment unless it is a commercial project.*

- *How can we manage to retain science excellence when we are asked to generate more revenue? There is a tension between the need to earn income and generating scientific output. We need to do science and validate it properly – reputational risk if we fast track before validation.*
- *Awards and incentives currently don't line up with science careers. We need science versus impact metrics to cascade down to all levels. We look only at short-term success metrics (need to look longer-term). Make science excellence a KPI but also consider new KPIs, and new rewards/incentives. Spin off companies - IP revenue - researchers don't get rewarded.*
- *It is unclear what expectations are around publications (do they still matter or not?). At the same time, we need to find other ways to recognise impact (promotions assessed on publications but redundancies seem to focus on how much money you bring in); need to be explicit re value people bring.*
- *Will there be strategic funding available to continue our research on the Investigator? We are more project driven rather than being science focussed on challenges. If there is not good science underpinning our work we are in the wrong place.*
- *There is an overwhelming push by CSIRO to get young scientists into management (lose creativity but they may see such roles as more secure). To remain a good scientist you stay at CSOF5. Once you get to CSOF6 you are bombarded with people management issues and revenue requirements. A lot of staff are faced with this dilemma.*
- *We need to better value outputs (e.g. agronomic knowledge) we can't directly sell (and how do we put a value on good basic research).*
- *In the past we had the ability to do blue sky research (and more appropriation) – not any more. OCE seen as the only way to get science (fundamental core science is seen to be shrinking in CSIRO). How do you get internal funding (95% industry funded)?*
- *We need a local champion for the science in Adelaide (with domain knowledge) and help open doors (fairly well integrated with SA government at science level – disconnect is higher up). What about an FSP with a strong base in SA; new ideas for growth; regional site language doesn't help – opportunities for more recognition of what we do here.*
- *This is the lowest morale has been in 10 years (e.g. with regard to the number of labs that are unoccupied, the amount of equipment that is not being used). Why are we not in the labs, producing and doing what we know how to do?*

Sites

- *With regard to regional/small sites, there is a dark cloud over northern sites in terms of the future and a lack of clarity about the future. What is the long-term viability of regional sites (CSIRO should be represented regionally)? For example, L&W is looking at consolidation (e.g. Atherton, Cairns) – what is the ET vs BU perspective?*
- *Concern about the lack of collaboration/integration of staff from different BUs on sites; Too little collaboration (problem for regional sites when labour deployed elsewhere); Need more opportunity for better integration; Isolation and a preference to move so they can have more informal interaction with CSIRO customers.*
- *Staff in Perth feel CSIRO is very eastern states centric; don't feel they get same level support; or consideration for the time differences.*
- *People at some regional or remote sites feel distant from the mainstream of the organisation because they don't have senior CSIRO leaders who are based at those sites (how to incentivise?). Could we consider staff rotation programs to regional sites?*

- *We need to build capacity to communicate the value of regional locations for engaging and linking to industry and key partners/collaborators.*
- *Many in Publishing were disappointed in their recent site move where they were promised cheaper accommodation, co-located with the rest of CSIRO. Instead, they are spending more \$ for a site that is no longer close to their industry partners and peers in the city; Current mood isn't good; staff feel frustrated that they are missing out on training opportunities because of where they are located.*

Social

- *We need to provide for social/community aspects. A sense of community (sports, social clubs) is very important – we need to see that leaders value this too. Other organisations have a community day/family day to support organisational social interaction. The culture of Divisions was binding for people – we have lost this and need to redevelop this social cohesion. Divisional chiefs had strong science backgrounds and were across the work in their Divisions.*

Strategy

- *Publishing in CSIRO is increasingly business/profit focused and not communications focused (only what brings us income) – has been a very painful transition and we are shrinking.*
- *What are we now? Brand loss - a lot of name changing. Business Units replaced Flagships. What is unsettling is the uncertainty (justification?). For example, why has food moved away from nutrition and why is agriculture now grouped under the DCE office? Should the wireless lab be part of Data61 or would it better align to either CASS or Manufacturing? Should Education be an ESS function? Clarity about structural decisions would be helpful!*
- *Those of us moving to H&B are pleased to be part of a BU with health in its title but the health research of H&B is a limited proportion of CSIRO's health research and a limited proportion of the research of the H&B BU. Is it possible to put more of our health research together in the H&B BU? The split between health and nutrition work means that some synergies and opportunities for collaboration will be lost. This needs to be addressed. What is the plan regarding injecting biosecurity people in the north (e.g. Townsville)?*
- *Not sure what to do about the strategy. Managers don't have answers – strategy cascade isn't working. Is there something that sits behind the strategy (data to support direction)? How do we align with the strategy (we don't get it)? How does my job contribute? Need to do more to get more people engaged and engaging others (e.g. embedding strategy in APAs). There is confusion about how we fit into the strategy. What does the strategy mean to me? How much is open to interpretation? What will CSIRO look like in 3 years' time?*
- *There are currently strategy based webinars for leaders but nothing is in the works for the research staff, it would be beneficial to have some strategy webinars or topic based webinars for level 5/6 research staff and postdocs.*
- *We need to explicitly deal with the perception that only working on widgets is valued (which leads to a strong risk of alienation); kind of equivalent to only “working on the sausage and not the sizzle...”. There is also a strong sense of 'spin out or perish'. Strategy 2020 seems to be turning CSIRO into a cash business (moving away from research for the public).*
- *BU leadership is meant to interpret Strategy 2020 and make it meaningful; to make it a living document it needs more active engagement. Challenge for leadership is to communicate effectively that it isn't just about widgets and provide assurance that other work is also valued. Stories about the deficit are really helpful with the why of the strategy (need more of this context).*

- *Re getting on-board for the strategy – many of us are reassessing our roles and don't see how we can walk the tightrope between science and engagement as entrepreneurs; we are ALL stretched! We are keen to see CASS technology commercialised but don't know how. This stops us from doing what we have been told we have to do.*
- *So now we are into marketing and innovation, not science – what happens when we get rid of stuff that is on the shelves? Not all tech is hard tech (not everything ends up as a widget or is easily packaged) – how do we continue with that sort of work?*
- *Climate science is a hot topic – the 'why' has been missed and the change plan is important. Deep dive outcomes were not expected and felt like we were going back on what was promised. With respect to commercial impact – external clients should have been assured. How will the Climate Centre be different to what we had before (and what is the timeline)?*
- *A disconnect is that the high level strategy doesn't provide guidance to group level staff; this results in uncertainty to commit to change. At the local level Strategy 2020 is being interpreted as “earn more \$ by selling widgets and disregard long-term research”. This is a really big step from how we have operated (but don't know if people really understand the strategy).*
- *At the moment, with regard to applied vs public good work, there is an inadequate focus on public good. We would like to have a more meaningful conversation about public good research. What about prizes to highlight CSIRO's efforts in this area?*
- *Do we really still want to work with SMEs? In the context of strategy messages (entrepreneurial vs. commercial) it seems like a tectonic shift – so confusing about public good/SMEs.*
- *Do we need all the management levels we have? Following IRP we lost output managers but not input managers. These managers have little responsibility in terms of tough people management jobs (career counselling, APAs, expenses, general administration) and are supposed to direct science but little or no evidence of this.*
- *The deep dive seemed to focus on economics – there is no perceived national research agenda anymore. How can we promote a national discussion to address this? How do we determine what we invest in - argument is that appropriation should be used to fund 'public good' research. How do we change in a way that enables us to sell the future that doesn't sell us out today? How do we manage the mix between pure and applied research? We have always done both but our focus should be mission-directed.*
- *How do we maximise serendipity more effectively in CSIRO (we need a Connect.CSIRO)? CSIRO would be even more awesome if we were better connected, aware and integrated! Would also like to see a StrategicON – an agile, focused strategy for maximising strategic allocation (inspired by CSIRO's AcceleratiON program).*
- *Why do we have to get external earnings to keep capability – why weren't we part of the strategic decisions? Get rid of long tail focus on business with big business. Stop chasing dollars.*
- *Regarding the strategy, what are ways to get \$\$ in more sustainably? This takes time! We have yearly revenue targets – we need support to have time to shift and do things differently. And we can't predict how much we will get.*
- *With regard to path to impact, we need consistency of understanding and better co-ordination? What is the path to impact for adoption of new solutions that create benefit for the nation? One challenge between now and where we want to be in the future is the time lag between delivery and big outcomes. We need to improve how we gather information on impact.*

- *People not feeling that great in the environmental area (feeling their science has been eviscerated to make room for prioritisation towards innovation). What will CSIRO and the nation gain? What is the role of CSIRO in national benefit/public good when there is no obvious output or commercialisation opportunity (need real clarity)?*
- *The message is to 'not worry about the science', just focus on the revenue (cash is king); Science quality excellence – too brushed over/taken for granted. The messaging filtering from the top is "Go get us the cash ", "Where does the money go to? Or "What do I cost this to?"*
- *We need to update the O&A strategic plan but with GL and TL involvement. The future science platform proposed by O&A 'got more likes' but didn't get up and there was no feedback as to why.*
- *When successful research gets to a first product, first contract, first license or some other measure of the start of commercial reality, then often two things happen: (1) The spin-out or partner is trying to turn the minimal viable product into dollars, and has little to invest back into improvements (further R&D) needed to maximise the opportunity; (2) CSIRO historically at that point tends to withdraw internal support and expects the team to be moving onto the next thing. Despite 1 and 2, the spin-out or partner may have high hopes and expectations of ongoing support from CSIRO and the impact and return-on investment will be severely constrained without improvements that the CSIRO team is able to produce. The success of the entire innovation may be put at risk.*

Support

- *Scientists are being asked to take on more administration, taking time away from their ability to give time to science. More and more is coming back onto scientists – people are putting in massive hours or it just wouldn't work; Closure of stores (perceived false economy, lots of cost shifting); now doing all this ourselves – we are wasting our time doing stuff we never used to have to do; We are so over-maxed as scientists. We need support (doesn't seem like a smart business decision to ask CSOF7/8 staff to do the work of a CSOF3). There is more and more non-science stuff we have to do!*
- *There is a need to assess support to achieve right fit for size of the business (e.g. A&F is massive) – the IRP approach to support ('cookie cutter') doesn't seem like a sound approach to managing different BUs. There is only one research operations manager for each BU regardless of size.*
- *While there is some support from BD it is still us that have to go out and speak to clients. Trying to get bigger projects is more of a challenge for smaller sites. The lack of BD support takes us away from everyday work. We are thinly spread, constantly under stress and pressure (so staff go on sick leave). The problem with BD is that what we do is diverse and it is hard for them to represent us.*

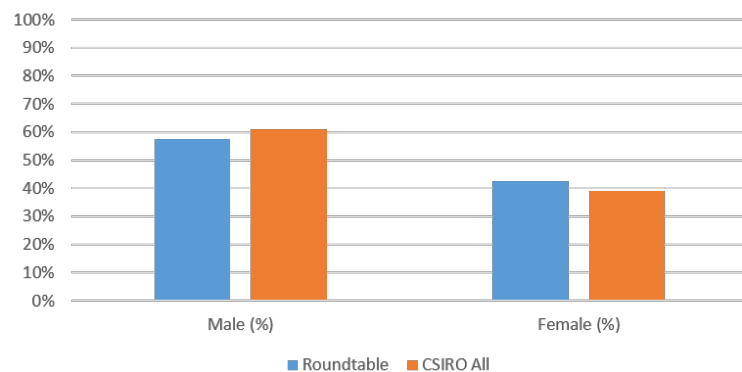
Systems & Processes

- *Issues with redundancy process; people just want to know the plan, when they are leaving, entitlements etc. (it is a long drawn out process); process of redundancy is too long and it affects morale.*
- *Concern about lack of flexibility, complexity and necessity of some processes; Finance - Capex process is very rigid; Over-complication of processes in HS&E space (and resistance to new ideas) is very frustrating. Are our processes adding more than minimal value? Are our processes true to their original intent (often not)? We need to simplify and let scientists get on with their jobs!; Recruitment – difficult to get people on (e.g. harvest time) when you need them; need fluidity in starting dates; issue with HR in getting contracts in a timely manner;*

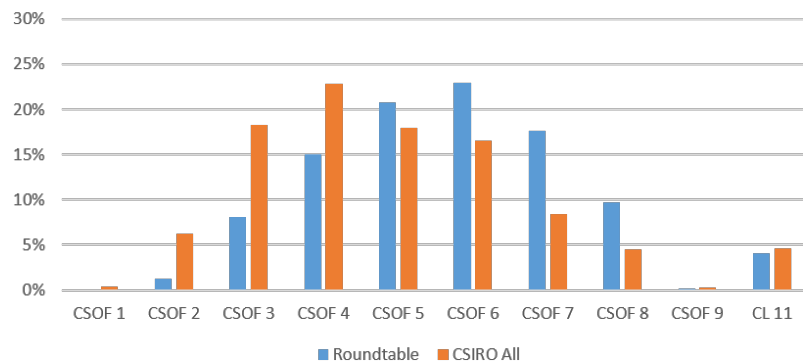
- *Role and value of program/project management; Project / program management lens (superficial need for change); a lack of process and poor cultural outcomes. A lot more is expected re project management.*
 - *Activities in O2D are not recognised at the same level as Projects and therefore less likely to be supported in BUs; project tracking as an 'activity', not as a project is seen as of low value. O2D is actually putting more work onto researchers and it is complex and there is pain around getting project leaders to enter data into O2D.*
 - *The IM&T help desk is too basic for NICTA (e.g. no support for Linux).*
 - *It is important to ensure that CSIRO is capable of supporting a 'bring your own device' environment for the future which also allows people to collaborate from anywhere on the network.*
 - *Need to address the issue of funding and supporting specific software (licences) that is used by others (across BU/projects) but not widely enough to be enterprise systems (who pays?).*
 - *We should have data management plans for all projects (and be able to provide secure unlimited cloud collaboration storage and backup).*
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(c) Summary Statistics from Round Table Engagements

Roundtable Table Participation by Gender



Round Table Participation by CSOF Level



'So far there have been **58** physical round tables at **24** sites touching **607** people. An additional **3** virtual round tables involved **24** people at regional sites in NSW, QLD and the NT. More to come...'

Age	Participants	%
22-35 Years	96	15%
36-50 Years	289	46%
50 + Years	246	39%

Years service	Participants	%
0-5 years	167	26%
6-15 years	269	43%
16 + years	195	31%

State	Sites visited	# RTs	# People
NSW	Eveleigh, Lucas Heights, Marsfield, Lindfield, North Ryde	8	80
VIC	Clayton, Geelong, Werribee, Aspendale, Parkville	16	182
QLD	Herston, Pullenvale, Dutton Park, Townsville	6	64
SA	Waite, Adelaide K Ave	3	39
TAS	Hobart, Sandy Bay	3	30
ACT	Acton, Black Mountain, Yarralumla	12	113
WA	Floreat, Kensington, Waterford	10	99