

MOTION ON CSIRO STAFF ASSOCIATION POSITION ON CSIRO'S MANAGEMENT STRUCTURE, PERFORMANCE AND ACCOUNTABILITY

Moved: Secretary

Seconded: President

CARRIED

There is a preponderance of information and evidence now demonstrating a lack of trust and confidence in CSIRO's Executive management.

There is a need for an immediate independent external review of CSIRO's corporate structure and management.

The reasons are:

- 1) The last independent external review of CSIRO's corporate structure and management was almost 30 years ago (in 1987) by McKinsey & Co. Since then there have been many changes in CSIRO's structure and culture, but unlike the science which is regularly externally peer reviewed (at least every 5 years or so) by international experts, the corporate structure has not had this scrutiny or the benefits of such reviews.
- 2) Indeed, the terms of reference for science reviews of Flagships and Divisions have for at least the last decade explicitly excluded review of corporate or management structures. This reached the height of absurdity when CSIRO's matrix management structure was in place. The science reviews were of either the input (capability) side of the matrix or the output side (projects, deliverables), but not both together. Staff were routinely instructed "not to mention the matrix" even though this complex structure was often seen as a serious impediment to the science. This missed an opportunity for high calibre international scientists to properly review and provide valuable recommendations to the organisation on how to manage its science better.
- 3) The inadequacies of CSIRO's current corporate structure are explicitly demonstrated by the damage to the CSIRO brand being caused by the way the proposed 350 job cuts has been mismanaged. There has been widespread national and international criticism from the science community and damage to CSIRO's reputation among many of its clients. There are no discernible management strategies to address this.
- 4) Part of the reason for this is that the corporate culture appears to have lost touch with the science culture of the organisation, evidenced for example by the lack of on-the-ground science leaders at the Executive decision-making level. Most Executive managers are preoccupied with managing upwards and sideways.
- 5) The IRP (Integrated Reform Program) changes in mid-2014 finally removed any remaining real power from the Flagship (business unit) Directors. They were also left with insufficient resources to provide science leadership and properly manage Flagships of ~500 staff. The IRP was the culmination of a continuous erosion of authority at the Flagship Director level over more than twenty years. This level was formerly occupied by Divisional Chiefs, who were CSIRO's top science leaders. Many ex-Chiefs or ex-Flagship Directors would be able to provide evidence about the burn-out caused by the impossible demands and lack of authority to make decisions.
- 6) It was more difficult to change the direction of the organisation when there was more power at Chief/Director level but they did at least have responsibility for their Divisions/Flagships delivering science results and staff welfare/development, and much of CSIRO's reputation was built with these structures and powers in place. In contrast, change is easier when the corporate-focussed executives have most of the power, but their imperative is on delivering corporate results notably budgets, not the science. Their method to address budgets appears simple – mass redundancies – but it comes with enormous costs and risks to the organisation.

7) A corporate-focussed structure with powerful individuals seems to lead to autocratic-type behaviours including the presumed ability to select winners and losers, even down to specific project level. Instead, an adaptable, diverse, and innovative scientific research organisation like CSIRO needs its model changed to recognise the central role of science in the organisation's prosperity – the science is driven through its many science leaders and relies on a continuous stream of ideas and effort from the shop floor. CSIRO needs to successfully marry the science and corporate cultures, not have the later push aside the former.

8) Many of the senior management of the corporate support groups in CSIRO appear to have been encouraged to develop a silo mentality with their key focus being on exercising/ increasing their own power rather than understanding/supporting the science done in CSIRO. This senior management don't treat or view staff doing day-to-day science as their customers, rather they seem to view them as the worker bees. Despite this, it is important to point out that the staff deployed in corporate business units and service centres are extremely helpful and productive, although it's not unusual to hear them say "I'm not supposed to help you with that".

9) There is now overwhelming evidence that there has been a comprehensive lack of proper planning for the current restructure (350 job cuts). This is despite the fact that CSIRO has a wide range of processes for project planning and risk assessment, which staff are trained to and obliged to follow. Scientists need to answer questions such as:

- Is the project area politically sensitive?
- Have the risks been identified – HS&E, staff, partners, intellectual property, commercial, financial, reputation?
- What are the staff well-being and work/life balance issues?
- How will you maintain your relationship with customers and stakeholders?
- What type of governance, i.e. effective and efficient processes and behaviours that support accountable, transparent, inclusive and informed decision making is required to support a successful outcome?

The current restructure is a change project effectively with a budget of \$50-100 million but there is little or no evidence that questions such as those above have been considered in planning this project. If a scientist ran one of their projects as badly as this one has been run, they'd be held accountable and required to redress each and every issue.

10) Over the last 30 years, there have not been any transparent or comprehensive reviews of the success/failure of the various corporate structures and behaviours in CSIRO including the divisional mergers, flagships, the matrix, etc. Thus there is no corporate learning from the mistakes nor the evidence to build on successes. It sometimes feels like the corporate managers regard CSIRO as their laboratory for management experiments. But they never write up their experiments, get them peer reviewed, or publish them.

This evidence demonstrates the need for an immediate independent external review of CSIRO corporate structure and management. Any such review should at least seek the views of staff as well as international world-leading scientists such as those who undertake our science reviews.