

**Address by Vice Admiral Tim Barrett, AO, CSC, RAN**  
**Chief of Navy**  
**to the Human Synergistics International**  
**16<sup>th</sup> Annual Conference on Leadership and Culture**  
**18 September 2014**

Good Morning Ladies and Gentlemen. I welcome the opportunity to talk to you today.

The conference theme *If culture is the answer, what is the question?* is certainly intriguing. For the Douglas Adams fans, it does remind me somewhat of the fundamental question in *The Hitchhikers Guide to the Galaxy* – the answer to life the universe and everything is of course 42, but what was the question? I can't promise you anything as profound, but I can talk to you a little bit about leadership and cultural reform in Navy.

There are three messages I'd like to leave you with today.

- First, Navy is very proud of our cultural reform program, New Generation Navy. It has been very successful and of great benefit to Navy.
- Second, Navy will continue its cultural reform journey. Cultural reform takes time to implement – we've been going for almost five years now and there is more work to do.
- Thirdly, Navy's cultural reform journey is necessary for our success as a military organisation. This may seem odd: while our ships and aircraft are our most visible assets, impressive as they are, our edge, our military advantage is achieved through the quality of our people. General Patton once said, you **fight** wars with technology, you **win** wars with people.

I'll start by giving you a bit of background on the Royal Australian Navy, because I think that is necessary to give you a feel for the scale of the task of cultural reform and why we are pleased with what has been achieved.

Since Federation in 1901, the Royal Australian Navy has provided maritime forces to defend Australia and protect its national interests. We are a fighting service – a combat organisation – and our mission is to fight and win at sea.

Navy, like all military organisations, is a complex mix of modern technology and much older traditions. In some ways, Navy can be very conservative and seemingly dogmatic because we value the hard-won experience found in combat operations. We are also very progressive and flexible, because that can bring a decisive edge in combat capability that leads to military success. Knowing how to reconcile these apparently contradictory influences is a constant challenge. But it is one we must do, because both technology and geo-political factors can and do change rapidly, we cannot afford to stand still. We must constantly be looking forward and developing both our people and our organisation to deal with the challenges of today and to be prepared for those of tomorrow. **Innovation is the key; agility is the outcome.**

At the moment, Navy is in the midst of a generational change in terms of modernisation of our capability and the technology to support it. From this year, 2014, through to the end of this decade, Navy will introduce a number of new ships and aircraft.

The scale and type of these new platforms make them quite significant advances to what we currently have in service.

These include two large amphibious ships known as Landing Helicopter Dock (LHD) ships – the size of an aircraft carrier. These are the largest ships Navy has ever operated. The first of these, HMAS *Canberra*, will be commissioned into the Navy later this year. She will be followed by a new class of guided missile destroyer, now building somewhat more slowly than we'd like in Adelaide. These vessels are very advanced and have several new systems in them which will be both great advances and significant challenges to integrate. Concurrently we are bringing a new helicopter back to Australia – the Seahawk Romeo, which have a variety of sensors and weapons which make them a big step up on their predecessors. And there will be more to come in time.

These new ships and aircraft are all about sustaining our capacity to fulfil our mission. Although the headline prices for Navy equipment are very large, they are expected to operate for decades to come. Australia is not alone in being able to afford such expenditure, but our 'market edge' lies in our people – their skills and their abilities. The technology does not operate autonomously. Each capability **must** be operated by highly competent and intelligent people. And while the technology gets better, that does not translate into a less skilled workforce – in fact, quite the opposite. We need to recruit and retain the best from the breadth of Australian society.

Looking back a few years, I assess we weren't ready for this change. In 2008, we did not have a stable workforce and the most likely future projections were not adequate. We faced both recruitment and retention challenges. Our separation rate was in excess of 11%, and we were under-strength in many core work groups and rank levels. Bottlenecks in our training pipeline were preventing us from developing the expertise and skills at the rate required to meet future capability requirements.

In part the high operational tempo for Navy over the previous decade in other important roles – counter-piracy, humanitarian and border protection operations – had degraded our high-end war-fighting skills. Our ships, boats, submarines and airframes had all been driven hard and so had our people. Regrettably through this period, we also suffered some degradation of our safety standards, which had significant consequences in terms of both airworthiness and seaworthiness.

On top of all of this, Navy (and Defence more broadly) was suffering from reputational issues in the Australian community. We had lost some of the trust and confidence traditionally placed in us by Government and by the Australian public. In essence, in late 2008, Navy concluded that it could not simply keep on doing what it was doing. We had identified significant concerns around our People, our Performance and our Professionalism and we needed to address these. We needed to operate more efficiently and more effectively to be able to meet the challenges posed by a future fleet while maintaining our market edge – the quality of our people.

So our question was, how can Navy leaders collectively lead and inspire 14,000 people to better meet current and future challenges? Our answer was: **cultural reform**.

In 2009, Navy established a major program of cultural renewal, to be known as New Generation Navy, or NGN. NGN is founded on a clear statement of cultural intent:

- A Navy that is **Trusted to Defend** Australia and its interests by being ready to fight and win at sea.
- A Navy that is **Proven to Deliver** seaworthy and mission ready forces.
- A Navy that is diverse and **Respectful Always**, where we live our Signature Behaviours and Values every day.

The initial NGN strategy in 2009 was shaped around three pillars: culture, structure and leadership. We aimed to build a culture that supported people during and beyond their service, and empowered them to make a respected contribution; to streamline accountability and focus on the generation and training of Navy's capability; and to create an organisation that develops leaders of integrity, moral courage, and loyalty. Through a process of consultation, we identified a number of discrete projects that needed to be addressed, and we then prioritised these projects. They were focused on leadership, our Signature Behaviours, people-focused work practices, and the training pipeline.

I will dwell for a moment on just two of these, the Signature Behaviours, and the Leadership program. In particular, the signature behaviours were very important to us. In many ways it's easy to come up with sweeping statements of cultural intent – and they look good in a brochure or on a PowerPoint slide. What we wanted to achieve was a practical change across the organisation. How we behaved in all aspects of our business, collectively and individually, was crucial.

The introduction of Navy's Signature Behaviours was a vital part of gaining organisation-wide buy-in to the whole NGN-program. The Signature Behaviours were designed to enable Navy people to truly understand our Navy Values, and what these looked like in terms of everyday behaviour. They were driven through the organisation by a series of facilitated sessions delivered by leaders at the local level. Because of their fundamental importance, we have continued to run additional locally-led programs to embed these, and they now also form part of our initial entry training packages. The message has been strong, and consistent – if you cannot align your own values to those of Navy, through adoption of the Signature Behaviours, then there is simply no place in the organisation for you.

Turning to our leadership program; there are many views held about military leadership, by those in uniform and those outside of it, and both often influenced by Hollywood. What we wanted to do through our leadership program, was to fundamentally challenge people's existing thinking about leadership; perhaps a novel approach for a disciplined force? But in doing so, we decided to approach the subject from a philosophical or conceptual approach, rather than a competency-based one.

The Navy leadership framework is an expression of how the values of individuals contribute to effective group mission accomplishment. While much of our society focuses on the performance of individuals, it is team performance that really counts. Certainly that is the case for the Navy. We wanted to encourage people to reflect on the effectiveness of their own leadership style, and get them to think and make decisions about their own and their team's behaviour. We wanted to empower them.

As a way to more easily understand thinking and behaviour, and to provide a language with which to discuss it, Navy introduced the Human Synergistics Circumplex and started using 360 degree feedback for mid-level and senior leaders. The circumplex is a very useful

graphical representation of some measureable behaviours. We use them during our three-day leadership development workshops, which look at individual and group behaviour; the links between leadership and culture; and the responsibilities of leaders to set or change unit culture. And to further support achievement of personal change, Navy leaders are given the opportunity to engage an executive coach following their Leadership workshop.

Between 2010 and 2014 more than 3,000 Navy leaders engaged in their first 3-day leadership development workshop, including receiving LSI 360 feedback. Shorter versions of the workshops were rolled out to another 4,000 plus people during initial entry and career progression training. In 2013, we commenced running the second iteration of our 3-day leadership development workshop. Whilst the first workshop had been designed around providing Navy leaders an awareness and acceptance of the impact of their own leadership styles, the second workshop focuses more on translating this knowledge into action through targeted skills development.

I expect all Navy leaders will come back to these workshops every three years. Through feedback, reflection and action we expect all Navy leaders to take on the challenge of continual improvement of themselves and their team.

In 2012, three years in to the NGN program, Navy re-considered the future of our cultural reform. The metrics we were seeing were encouraging, but two things were clear: first, not surprisingly, that the program needed to run beyond the initial five years; and second, that it would need to evolve to cater for where Navy was going to be in 2013 – things had changed in our environment, our people had evolved, as had Government's expectations of us. We needed to adapt our strategy accordingly.

The 2013 relaunch of NGN aimed to deliver five essential outcomes:

- Be ready to fight and win at sea
- Deliver Navy's agreed capability to government
- Maintain the confidence of the Government and Australian public
- Become a more capable and diversely integrated Navy workforce
- Successfully reform and continuously improve

This led to the development of the current three NGN pillars of:

- Warfighting and Seaworthiness, encapsulating judgement, risk management and empowerment.
- Improvement and Accountability
- Values-based, People-centred Leadership

Importantly, just as Navy was refreshing NGN, the broader Defence organisation commenced its own cultural reform program – known as Pathway to Change – as a result of the ADFA Skype matter. For Navy this was both a positive and a challenge. The positive aspect was the mutually supporting aims of both programs. The challenge was for Navy to meet its responsibilities to the broader Defence organisation, while not doing damage to the cultural change we already had in place. Essentially we were concerned that if we moved to a new cultural change program, even one that was consistent with the previous one, people might think "Oh, they weren't really serious about the first one" – and so we would risk undoing the good work of NGN and reducing the chances of success for Pathways. In the end

we convinced the Defence Organisation that NGN and Pathways were very similar and that NGN could deliver the cultural change in Navy.

So, how are we doing? Well, we have measured Navy's culture on three occasions: in 2010, 2011 and 2013. While Navy-wide data is useful, the most valuable benefits of the cultural analysis are at what we call the individual unit level – ships, squadrons and so on. It's at this unit level that we can best help our leaders and managers to understand the impact of their decisions and their behaviours. It's here that we can empower them to make changes to effect their own cultural transformation programs. And it's the cumulative impact of change at this level that is most effective in achieving Navy-wide cultural transformation. This is a bottom up approach. So, in 2013 we surveyed around 3,000 people across 65 individual ships/units nationally and debriefed each of these units through individually tailored, facilitated sessions. To further encourage and assist individual units to take action with the data they receive, Navy now has a small number of culture coaches who work alongside unit command teams to assist them in identifying the 'what' and 'how' to create effective local actions.

So with all of this activity and training, what have we actually achieved? – a question which must be kept in mind, because we started out with what we perceived as real problems, we have spent a lot of real time and money addressing them, and so we look for real changes.

In assessing how well Navy has answered the exam question to date, we have a number of measures available to us. One of them is the results we get from our OCI/OEI data. We have achieved an overall change in all 12 OCI styles towards Constructive, with an average shift of 11 percentile points. We see similar and consistent shifts with the Outcomes and Causal Factors data shown in our OEI results. Furthermore, acceptance of the OCI across Navy has been evidenced by individual units now seeking assistance in terms of doing something further with their own data, signalling movement from a reactive to a proactive approach to culture development – this is a generative system.

But there are other measures that confirm what the OCI/OEI is telling us. We have made progress on our recruitment and capability challenges. Our separation rate has decreased dramatically and we have reduced the size of our training force. This means we have more people in their primary roles, ready to meet the needs of the Government. At the same time, over the last five years, we have also had a 21 per cent increase in our operational sea days. There has also been a strong improvement in our operational focus: this is good.

We have also improved our people's understanding of their roles, responsibilities and contributions to our Mission. The Human Synergistics research suggests that the most fundamentally important thing in order for people to be motivated in any organisation, is to understand what is the organisation's purpose and how they personally contribute to it. The feedback we're getting suggests we're doing something right in this regard.

We are also making good progress on the standards of behaviour from people in the Navy – people are using the NGN Behaviours in their workplace. Here I readily acknowledge the narrative from the general media would not seem to be consistent with my statement. So let me explore this subject a little more.

The first thing about it is that NGN was not introduced in Navy as a direct response to a specific incident of poor behaviour. But it is certainly true that a healthy and positive culture is the antithesis of the poor behaviours. And while we hope never to have any sort of

incident, they do make it easier to argue the case for cultural reform. Another example of positive change for us is in our testing programs for alcohol and substance abuse. Since 2009 we have increased our testing, yet the rates for positive tests have decreased significantly. Our reported incidence of unacceptable behaviours has decreased by 23 per cent and our reported incidence of sexual-related offences has decreased by 58 per cent. And while any incidence is unacceptable, it is important to note this significant improvement over a five year period. We have also received accreditation as a White Ribbon workplace and we are the largest organisation in Australia to have done so.

New Generation Navy has given us not only a common goal, it has given us a common language to discuss leadership and behaviour. Navy people are now ready to be involved in more honest conversations about leadership and ethical behaviour. Collectively, these changes have improved the way we operate. NGN’s success is widely recognised. However we have more work to do

Below you can see our NGN Journey Map, which is another tool to describe what we’re about. If you look carefully around the Map you will find all of the things that make up our Journey. We use it to start discussions and it never fails at that. We must raise our standards further to deliver fully on our seaworthiness obligations and war fighting responsibilities. We need to work harder to improve accountability for our behaviour and performance.

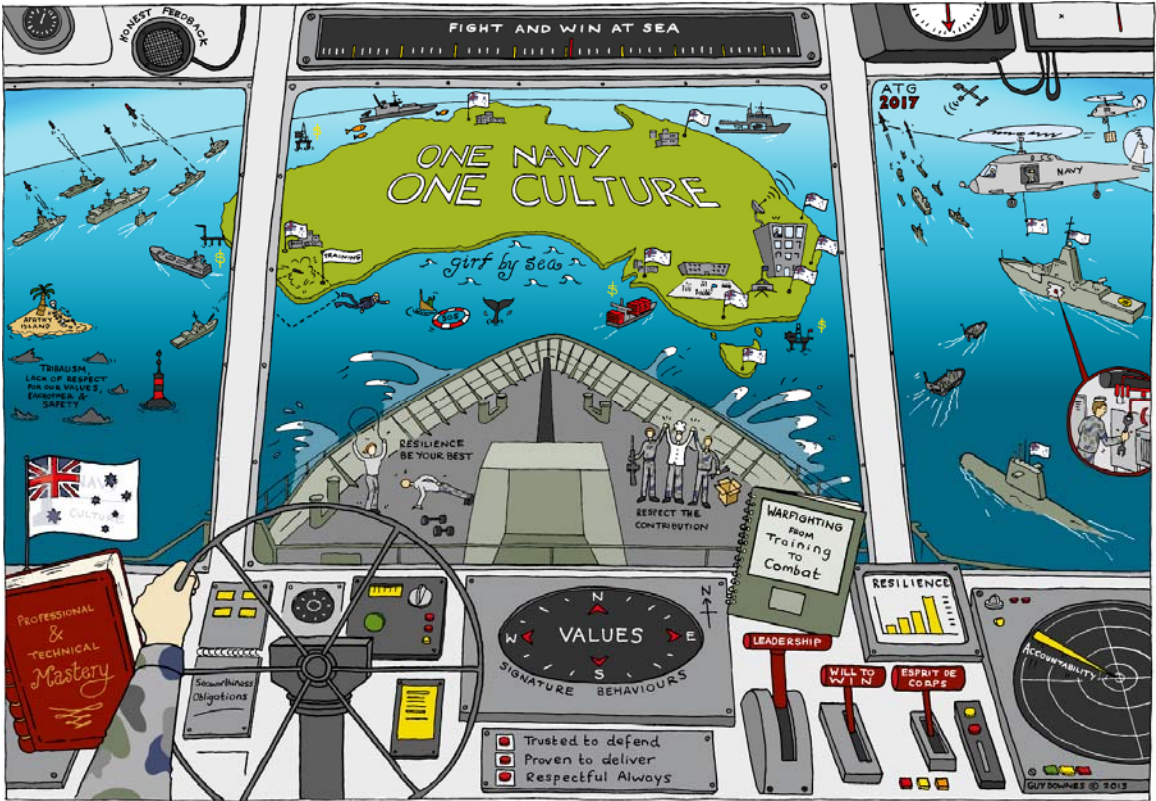


Figure 1: New Generation Navy 2.0 Journey Map

In the end, cultural reform is an enduring activity. Our society is always changing and Navy must evolve with it. We are a national institution and we must live up to the best standards from across the breadth of Australian society. Competition is fierce for the best people. Australia is a diverse nation and we want to be able to attract the very best

Australians, whatever their background. For this, we need to be an organisation where they know they can be successful and comfortable in the environment. We continue to work on this.

In closing, let me say cultural reform is not about political correctness; it is about having an organisation where people are treated decently and are respected. To achieve our mission, to Fight and Win at sea, we must fight as a team. And to do that we must have respect for everyone in that team. We must have a culture that includes not excludes.

A positive, productive culture, aligned with the best of the breadth of Australian society, does not just happen by itself – it takes positive, conscious, sustained effort: that is something to which Navy is committed and NGN has been our method.

Thank you.