Leadership for addressing policy questions in the digital age faces new challenges. Yet while digital disruption abounds, the fundamentals of evidence based policy design are largely unchanged, namely:

<table>
<thead>
<tr>
<th>Coverage/Scope</th>
<th>What is the problem to be addressed and who is affected?</th>
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<tbody>
<tr>
<td>Adequacy/Equity</td>
<td>Are the planned responses and interventions appropriate to achieve the desired outcomes in addressing the problem?</td>
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<tr>
<td>Sustainability/Affordability</td>
<td>Are there sufficient resources (financial, in-kind and state/institutional capacity) to support the desired responses and interventions for the coverage demand?</td>
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</tbody>
</table>

As program responses to policy questions are developed, political, fiscal and social tensions emerge across these factors. In line with rising social and economic progress, expectations are increasing for an equilibrium state where everyone’s needs are addressed, the response delivers the right outcomes, and the response is affordable over the long term\(^1\). The reality is, unfortunately, far from this desired state.

Tension rises as people realise governments and the community at large are not getting it “just right” (i.e. the Goldilocks Zone principle\(^2\)). In the social and health domains, two of the largest areas of government expenditure, many people experience a dynamic mix of change over their life course – social, economic, cultural and environmental – which is exacerbated by digital disruption. For many people this means experiencing multiple social risks in parallel, leading to long term social disadvantage and limited opportunity for upward social mobility.

We are witnessing emerging trends around the world as governments seek to fast-track and/or apply innovation in making their policy development and service delivery operations more agile in addressing this disadvantage. These trends include:

i) Moving beyond a reactive approach to a proactive and preventative model through social investment initiatives\(^3,4,5\).

ii) Empowering people through digital self-service options to address the power imbalance which in turn enables them to interact with agencies on their own terms\(^6\).

iii) Enabling a broad range of government and non-government actors to collaborate in real-time for the purpose of providing seamless experiences for people experiencing multiple factors of social disadvantage\(^7\).

The digital age has the potential to be recorded as the era where significant inroads were made in addressing multiple and long-term disadvantage, including intergenerational issues. For this to happen, leaders in both policy and service delivery need to embrace digitalisation, starting with how it changes their own roles before they consider how those around them will be affected. This short discussion paper seeks to draw out what these changes might be.
What can leaders do?

Confront the paradoxes

As the pace of social, economic and technological change accelerates, leaders are caught between managing the historical (and successful) legacy of their agency and harnessing the full power of digital to deliver better outcomes, in particular for what are considered the “hard” and “complex” cases. Leadership in the digital age must confront several paradoxes.

Digitisation has provided policy makers with an unprecedented amount of data and information to support evidence based policy. A number of factors, including the rise of the 24/7 news cycle, are leading to heightened public scrutiny and regular opinion polling which is creating tension for faster responses to policy and service delivery issues.

For example, the Welfare Expert Advisory Group established by the Ardern Government of New Zealand, made the following statement which lays out the case for reform: “Today we experience pervasive and persistent inequities across a number of areas, and there is growing concern for the marginalisation of different groups throughout our communities, including high rates of children in poverty and increase in homelessness and increase in people with complex needs”.

On the other side of the Tasman, the Australian Government is conducting a detailed Review of the Australian Public Service (APS) and its preparedness for the digital age. The APS (i.e. those responsible for developing the evidence based policy to enable reform) is, however, functioning in an environment of increased turbulence and decreased public trust, now sitting at 35%.

Driving reform to address entrenched disadvantage, while operating in an environment of falling public trust, is truly a leadership challenge.

In our thought leadership series, we aim to address this issue. Ultimately, we seek to answer the question “what can leaders do to achieve better social outcomes in the digital age?”

Achieving better social outcomes by addressing the hard, difficult and complex cases (i.e. long term disadvantage) demands new levels of policy and service delivery agility. To this end, we have framed the discussion around three themes:

i. Ecosystems solve complex issues.
ii. Digital requires a new social contract.
iii. Enduring innovation at the core.

Whilst these themes are not new, actioning and embedding them is proving to be difficult. Together they represent a leadership mindset towards digitalisation by placing the creation of public value ahead of technology adoption and deployment.

Changing leadership styles and the culture of an agency is never easy, and is becoming more challenging as the business and social environment adjusts to digital disruption. This thought leadership series recognises that leaders need space and time to focus on their own development prior to taking on the significant challenges ahead in guiding their people to success in the digital age.
Better social outcomes come from deep collaboration across the ecosystem...

Yet the division into thematic silos with rigid lines of accountability and responsibility are a barrier.

Ecosystems solve complex issues

In Australia and New Zealand, we have, in general, addressed the mainstream social risks faced by citizens through effective programs such as unemployment benefits and universal access to education and healthcare. However, despite sound economic conditions, wicked and complex social issues persist. These challenges cannot be resolved within the competency of a single agency. Addressing complex issues requires a whole of government and community wide approach i.e. the ecosystem. Although leaders don’t need to be told about collaboration, it simply isn’t easy to do effectively. A prime reason is collaboration disrupts entrenched lines of accountability and responsibility.

Making collaboration effective and rewarding

Accenture global research identified that 65% of the most innovative human services agencies are taking steps to improve collaboration across agencies and 58% work with at least one private partner to get knowledge, guidance or information that feeds into their innovation activities. Below are four actions for consideration when looking to collaborate with the ecosystem.

01 Put yourself in peoples’ shoes and develop empathy for their experience

It sounds so obvious but it goes against the grain of the traditional ways agencies manage their business. Once you begin to look at issues from the experience of people who are navigating their way around different agencies to address their social needs, the gaps and hand-offs begin to stand-out. Developing empathy with the people you are trying to help through a people centric service design approach can provide the inspiration needed for new ideas and solutions.

02 Identify and encourage the right level/s of engagement across the ecosystem

Understand the nature of the social outcome being sought and consider which type/s of collaboration will achieve the most impact. This must be evaluated against how feasible it will be to establish and implement the collaboration. Collaboration is not to be confused with case management, which is an element of collaboration. Collaboration is reaching agreement on rules of engagement – who leads, who follows, who gives up control, who takes control, who is the custodian of information, and who is the trusted source of truth. When collaboration is successful, people will experience a well orchestrated set of service offerings.

03 Challenge traditional power structures

The lines of accountability and responsibility which underpin government program management can be barriers to effective collaboration. Collaboration, especially digitally enabled collaboration, disrupts traditional lines of reporting and can leave people feeling exposed and disempowered. It blurs line of sight accountability and can ask members of collaboration teams to wear multiple hats with multiple reporting lines. While digital disruption is an additional challenge to power structures, digital technology also offers counter levels of transparency to support more collaboration and sharing, and devolution of accountability and responsibility.

04 Identify and track mutual benefit

When establishing collaboration opportunities, identify both the intended social outcome and also the costs and benefits to each party involved. The cost to value equation can be a significant barrier to change and leaders need to produce the evidence to support the effort required by each actor to deliver the social benefit at an individual and societal level. When the value remains high for all, the collaboration is more likely to endure and deliver the intended outcome/s. Some actors may need financial support so they can reach the desired efficiency and effectiveness levels expected within the ecosystem.
Digital requires a new social contract

The use of personal digital data calls for a new class of mutual obligations within a revised social contract for the digital age. This comes at a time of a widening trust deficit with the public in how personal information is collected, shared and stored by governments and commercial entities. Addressing long term disadvantage is dependent upon leveraging digital data and associated new technology to transform the way agencies shape policy, service citizens and ultimately deliver social outcomes. Leaders need to work at creating an environment of confidence in the capability and intent of the state in fulfilling its obligations when people give up their personal data.

Creating an environment of trust in digital

An Accenture global citizen survey found that 78% of citizens want governments to do more to keep personal data private and secure. At the same time, 62% of citizens expect public service organisations to use innovative technologies and solutions to improve service delivery while driving down cost. Accenture’s local and global experience provides ideas that leaders can consider when looking to unlock the opportunities provided by digital technology and data to release a new wave of innovation, improving citizen experience and outcomes while managing a new class of risk such as data privacy and ethics.

01 Recognise trust as your currency
People’s trust in government is the necessary foundation for digital engagement, voluntary compliance and data sharing. Building trust in digital needs to develop around a revised social contract, fit for purpose in the digital era:
• Keeping my personal information secure
• Using my data for my benefit
• Allowing my data to be used for public good and to create public value (research, policy development) – subject to reasonable and informed consent
• Keeping me informed of how my data is used
• Not using my data for coercive purposes
• Addressing the potential for embedded historical bias and/or reinforcing new bias
• Curating data to ensure accuracy and relevance

02 Leverage the data ecosystem
Investigate options for data sharing to drive social outcomes. Establish ongoing data relationships to proactively share across ecosystem players to build a comprehensive data set. This has significant potential for positive social insights and impact in the health and human services space.

03 Embrace the challenges
Acknowledge the necessary complexity relating to legislative, process, cultural and confidentiality issues in using data, and establish approaches for dealing with these in the most pragmatic and effective manner. For every positive action, there is an equal and opposite reaction. Understanding and managing these opposite reactions is essential for making progress. Examples include: the ethical use of data, consent to use data, the social license and cyber security. While these may look like hurdles, they are not an excuse for inaction. When managed well, they represent transparency and in turn contribute to the trust dividend.

04 Give your staff superpowers
Leverage new technology to make sense of large quantities of data and assist with complex decision making. Rather than replacing humans, use the technology to provide staff with ‘super powers’ when making decisions, by providing insight into what works and what doesn’t work. It’s important that leaders and staff have an understanding of how technology is used to make decisions, and are able to explain them. The capability to explain how data is used to make automated decisions affecting people’s entitlements from the state is an important element of a revised social contract.
Enduring innovation at the core

Innovation has many variants, from new products and services generating immediate value, to transformative change producing long term value. Long term value from a transformed public service can be a product of concurrent policy and service delivery reform, which is structural rather than parametric. Structural reform is usually complex in terms of time, risk and cost. Addressing long term disadvantage is likely to require structural reforms and this appears at odds to contemporary innovation thinking of rapid ideation, agile delivery and ‘fail fast, fail often’. Embracing the agile and service design methods of contemporary innovation to address structural reform has the potential to create long term or enduring value. This will require a managed approach to innovation where failure may not be an option. What can leaders do in the digital age to encourage enduring innovation at the core?

Enduring innovation means addressing the hard issues

Government agencies, understandably, exist in a risk averse world where political change and public scrutiny collide and discourage risk taking. Accenture research, combined with our local and global experience, provides insights into what leaders can do to foster enduring innovation in such an environment, even when they don’t have strong innovation capabilities themselves.

01 Create the environment for success

Removing the barriers staff face when working to innovate is a key role of leaders. This includes building internal capability with appropriate external support (i.e. coaches), addressing data sharing or protection issues, or supporting business and technical infrastructure, including a sound framework and methodology for innovation. Where appropriate, actively encourage staff to innovate around the hard issues faced by the agency which are likely both policy and service delivery related, rather than looking for efficiency gains or to be an adopter of the latest technology.

02 Build a culture based around ethics

Embedding the ethical use of digital data within the culture of the agency, is one of the senior leadership team’s most important responsibilities. This aspect alone is crucial to creating and maintaining citizen trust which is essential for setting up for success the initiatives that flow from innovation activity. This is more than setting in place the ethics framework to guide leadership decision making for projects; it is making the cultural adjustments across the agency to ensure ethical considerations are foremost in every day-to-day action of the agency which involves personal data.

03 Risk is good, use it for good

The innovation mantra of ‘fail fast’ and ‘don’t penalise risk takers’ is not absolute. It is the role of leaders to set the boundaries for risk appetite and risk tolerance. There are instances where innovation is required to address an issue or solve a problem, and failure may not be an option. Some risks if they materialise can be catastrophic for individuals and the agency concerned. Understanding risks and how to mitigate them, in additional to cultivating the right risk appetite, may well inspire innovation.

04 Categorise the innovation

Innovation requires a degree of structure. Accenture research found that agencies which consistently used business case analysis to assess each innovation project and return on investment (ROI) analysis to evaluate implementation were more successful[3]. Having governance structures and processes to monitor performance and to discontinue non-performing programs should be a key component of the framework.
What type of leader will you be?

Keeping up with the latest technology trends and innovation speak, or addressing social disadvantage and the things that matter to create enduring public value – what type of leader do you want to be in the digital era?

There is potential for making deep inroads into social disadvantage if a digitalisation mindset is mastered. This has skills and capability implications for leaders and the teams they lead. While there is always room for doing things faster, cheaper and more conveniently, it comes with the added risk of leaving further behind those already experiencing significant disadvantage. This risk can be mitigated with a parallel focus on realising the potential of the digital age towards addressing the unique and difficult issues.

The sustained investment in digital technology and innovation over the past 20+ years has primarily benefited those who already have an advantage (i.e. good education, digitally literate, socially included, city dwellers, English as a first language). There is value in continuing this investment strategy provided the value created is in turn re-invested in those experiencing multiple and/or long term disadvantage.

In Australia and New Zealand, there continues to be persistent levels of long term unemployment, rising levels of reported child and elder abuse, entrenched disadvantage amongst First Nations people and a lack of employment opportunity and supports for people with disabilities, immigrants and women, in particular those with children and/or living alone. The evidence appears strong that things are not working for all people.

Leadership in mastering the potential of new technology through a digitalisation mindset creates opportunity for innovative approaches to addressing these wicked problems. There is rising potential to gain deep insight into the root cases of social disadvantage at the individual, family and community level, combined with evidence of the likely impact of tailored intervention strategies.

For every opportunity digital data offers, there is a new risk or challenge to be addressed. The potential consequences are a clear and present danger to a civil, just and equitable society. Building and maintaining sound processes and supporting IT systems for collecting, storing and sharing people’s personal data is an imperative. Doing this in an ethical manner has to be a given. Securing the information against internal and external threats is non-negotiable.

It is the role of leaders to ensure data management processes are embedded within a sound administrative law and human rights frameworks. These frameworks are an essential components of a platform for building trust and confidence.
The digital age is a journey

This paper is part of an ongoing series of discussion papers and more detailed points of view relating to leadership in the digital age and impact of digitalisation on policy development and service delivery. These will be progressively released throughout 2019, exploring topics such as:

- Seamless, responsive and personalised customer experience when addressing long term disadvantage while maintaining clear lines of sight to those in accountable and responsible roles.
- Enduring innovation through agile approaches to policy development and service delivery operations.
- Agency competency (including staff capability) within the collaborative ecosystem and the trust framework amongst the actors.

The intent of executive roundtables and discussion papers is to provoke self-reflection and collective exploration of what it means to be a leader in the digital age.

Technology led change is a moving feast and leaders are under constant pressure to join in with the early adopters. While speed to market is important, the fundamental principles of leadership within the public sector through sound administrative practices remain largely intact and relevant.

The digital age is a journey of discovery, disruption, opportunity, risks and challenges. These elements require extensive investigation, reflection, discussion and debate in the context of transforming public policy and service delivery. This paper and the roundtable series represent a small but valuable contribution to this ongoing journey.
Endnote references:


13. Innovation with Purpose Accelerating Outcomes in Human Services, unleashing the Era of Empowerment, Accenture, September 2018, page 8
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