

GRADUATION DAY ADDRESS
UNIVERSITY OF WESTERN SYDNEY
21 SEPTEMBER 2010

Chancellor,
Vice-Chancellor,
Academic and general staff of the University of Western Sydney,
Graduands of the School of Humanities and Languages
Distinguished guests,
Ladies and gentlemen

First of all, congratulations to the graduating class of 2010! You're the heroes of the day. Congratulations because you've done the hard work to get to this point, and now you're entitled to enjoy the reward and to celebrate the achievement.

And to all the parents and partners, families and friends – thank you for your support and no doubt your sacrifices, that have helped bring these graduands to today's milestone.

This is a transition day, as you leave the campus behind and embark on the next phase of your life. Transitions are important: they allow you to look backwards on the familiar landscape you're leaving, and to put all the experiences and lessons and achievements of the past into a meaningful perspective – and at the same time transitions encourage you to gaze ahead, into the unfamiliar future, to see what challenges and what opportunities might lie ahead.

My role now is to help you to do that, and I thank the University of Western Sydney for the privilege of inviting me to do so. I will do my best. This is your last lecture – ever! – so I will be brief.

I'd start by saying that I think it's a great time to be you. Now in 2010, and here in Sydney: what a great time and place to be equipped as you are with a university qualification, and to start out on – or to resume - your life's project in the workforce, in the community, in the nation.

Opportunity and excitement abound - though it will help if you're prepared to work hard, and if you're not intimidated by change and challenge.

There are big social and economic challenges to meet in Australia no less than other countries, vast chasms of inequality in the world to bridge, deep expressions of human emotion to give voice through creative art – and you are among the privileged few who can really make a difference.

Your new qualifications will give you entree to the professional careers, access to the organisational resources and responsibilities, influence in the policy debates - all of which will shape the emerging world. You in fact are among the leaders of the future.

So as I say it's a great time to be you.

But let me ask: where will you lead and what kind of future will you create? More specifically, what kind of workplace will you work in and what kind of skills will you need to work there?

The questions are deliberately challenging – and not purely speculative. One of our research interests at the Australian Business Foundation is to make reasonable predictions about the future, based on extrapolating past trends and playing out different scenarios.

Whether you work in private enterprise, the public sector, or the all-important non-profit sector, your workplace of the future is likely to be is likely to be highly competitive, cost conscious, with tight margins – just like today, only more so.

Efficiency and profitability in this workplace of the future will be defined not just in financial terms but in terms of environmental sustainability too – it will have to be.

The workplace of the future will be diverse in its cultural make-up, and its organisational structure will tend to be less large and hierarchical and more small and dispersed.

You may have seen the news last week that for the first time ever, US universities are producing more female PhD graduates than male. So the workplace of the future will have a boss of the future and a staff of the future who are more gender balanced than at present.

And of course everything in the workplace of the future will be constantly destabilised – especially, by waves of technological change that will upset how things are made, what things are made, where things are made and of course who makes them. New means of production and distribution will be generated, new technologies of communication and information management, will stretch supply chains, create new distribution networks, and render old jobs and old skills obsolete.

There's a couple of points from this.

First, the qualification you're formally receiving today stands you in good stead – for now. But one thing is certain, this is not the only qualification you will need in the decades ahead. So keep learning.

Second, I think we need to be alert to the actual impact of technology.

We have this word, “smart”, as in smart systems, smart buildings, smart workplace. It refers to the way in which systems and structures that are inert or purely mechanical can be transformed by embedded micro-processors to interact with external circumstances responsively or even adaptively.

The word worries me because it implies that smart systems are setting the pace and that the people using those systems are perhaps not so smart, or can afford to be complacent.

What is actually needed in the workplace of the future – in great supply - is smart people.

Smart people cope with uncertainty and change – smart systems cannot.

Smart systems deal only with the immediate environment whereas smart people keep their eyes on what is happening over the horizon – they anticipate change and not just wait for it to hit.

Smart people foster creativity and ingenuity in teams, building collaborative networks and encouraging experimentation.

Smart people provide governance that is transparent and accountable in organisations where multiple stakeholders impose complex requirements far beyond the relatively simple demand of ‘shareholder value’.

Smart people can foster and mentor others to create new smart people for the future.

Smart people can innovate.

By innovate I don’t mean invent. Innovation is not the discovery process of developing new gadgets in the R and D labs. Innovation is the adaptation process: taking the latest inventions and absorbing and applying them to existing organisations, work process and business models and thus transforming them.

The transformation of innovation is what deliver enduring productivity dividends for the firm and for the broader economy. Research we commissioned at the Australian Business Foundation shows that from 1980 to 2004, the sectors contributing most to Australian productivity gains were not the high-tech producers but the high-tech users. These sectors transformed themselves through innovation: through the application of enabling technologies, leveraging the benefits of regulatory reform, and through smart management by smart people.

Innovation is ultimately driven by end-users. Critical end-users will have ever more say in shaping the products and services that they require – whether they are customers shaping the specifications of a new product, citizens demanding public services, or audiences shaping the art forms as they are produced.

So the workplace of the future is likely to be creating its value more through a bottom-up process, not top down – demand-driven not supply-driven.

In all this, then, smart people will be providing smart leadership. It is going to be a puzzling challenge for you – but an empowering experience if you get it right.

It is a fabulous opportunity ahead of you and as I look out onto, literally, a roomful of smart people, I am envious of you.

And I wish you every success.