



GUARDS & GUIDES

FINDING THE NEXUS BETWEEN
COMPLIANCE & INNOVATION

30 SEPTEMBER 2019

MARK HATWELL



MONASH
University

TODAY'S PRESENTATION...

COMPLIANCE & INNOVATION

1. Compliance
2. Innovation
3. Compliance vs Innovation
4. Compliance + Innovation
- 5. Compliance ↑ Innovation**
- 6. Keys to doing it well**
7. Benchmarking other sectors



RESEARCH METHOD

Observation – IT projects, change programs, organisational reviews and restructures, policy development, compliance work.

Experiences of other institutions – conference papers, benchmarking, external reviews, networking.

Online articles and journal papers.

What sort of compliance? Regulatory, government legislation (Australia and offshore), institutional regulations and policy, professional accreditation requirements.

What sort of innovation? Service innovation, particularly in student service provision.

OTHER PAPERS IN THE SERIES...

INNOVATION & BUREAUCRACY

Tim Smith – Swinburne University of Technology

**Why universities are terrible at innovation
and what can be done about it**

H7 – Tues 1 Oct, 3:55pm

Steve Marsh – Western Sydney University

**Innovation v Bureaucracy: Time for Change/
Centuries the Same**

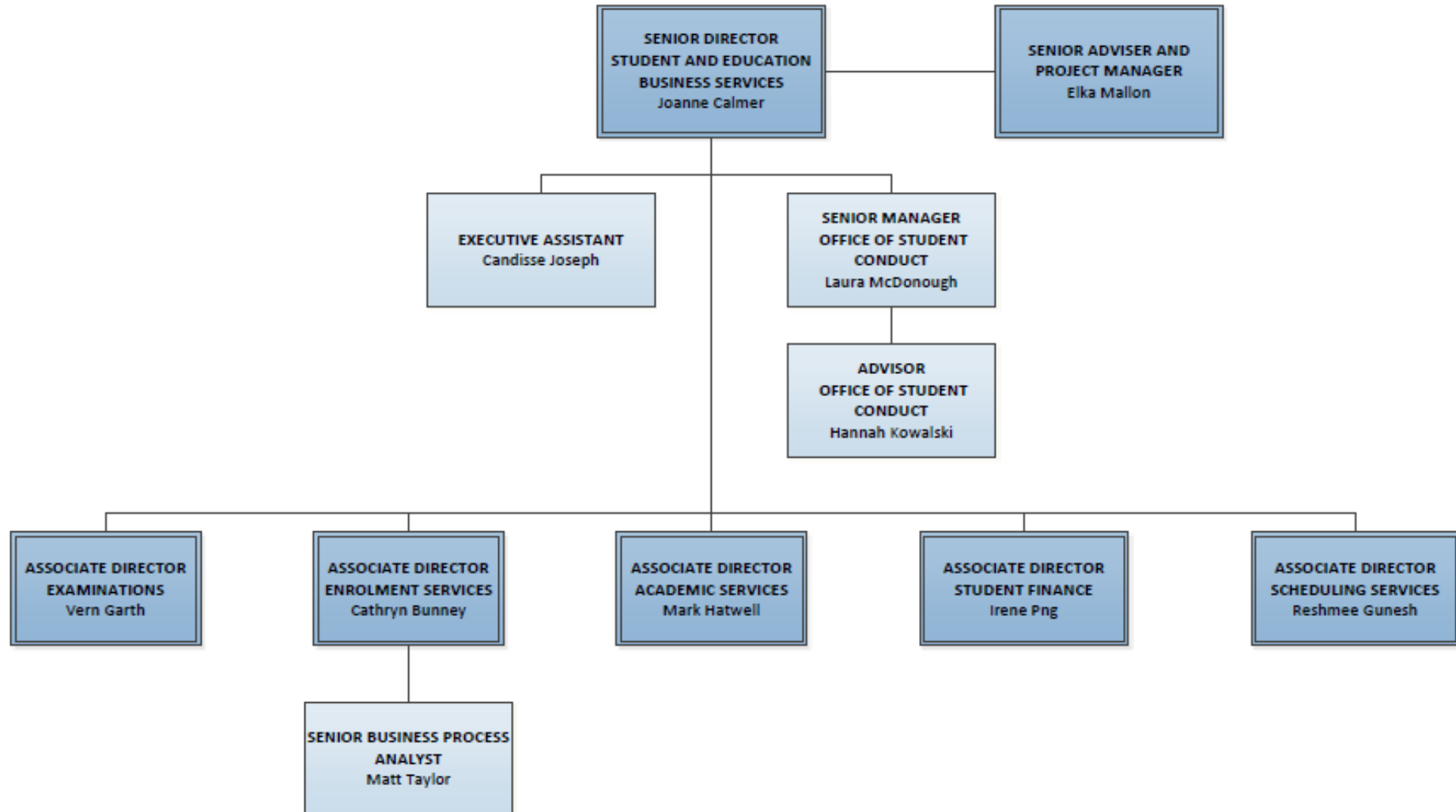
J7 – Wed 2 Oct, 11:55am

INNOVATION
CULTURE

MANAGEMENT
INNOVATION

MONASH UNIVERSITY...

STUDENT & EDUCATION BUSINESS SERVICES



STUDENT & EDUCATION BUSINESS SERVICES (SEBS)...

SERVICE VALUES

To students: We provide clear information and timely service so you can easily engage in your education at Monash.

To leadership: We help you achieve the institutional goals and aspirations for Monash by providing exemplary advice and through the successful implementation of initiatives.

To faculties: We provide expert advice and clear processes to help you meet your administrative obligations.

AND ALSO TO GOVERNMENT . . .

IN SEBS...

COMPLIANCE

Key pieces of legislation: **HESA, ESOS, TEQSA.**

Main risks of non-compliance:

- **privacy breaches**
- **financial**
- **reputational**
- **registration as Table A provider**
- **legal challenges to administrative decisions**



IN SEBS... MAINTAINING COMPLIANCE

Policy defends the institution against government scrutiny, by demonstrating that it has rules in place to ensure compliance with government requirements.

[ATEM Institutional Policy Network, 2013]



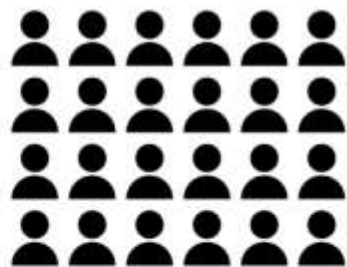
OUR PEOPLE

78,000+

STUDENTS
FROM MORE
THAN

155

COUNTRIES



17,500+
STAFF

4

MAJOR
AUSTRALIAN
CAMPUSES



62%

DOMESTIC STUDENTS

38%

INTERNATIONAL STUDENTS



375,000+

ALUMNI NETWORK
ACROSS THE WORLD

THE UNIVERSITY AS AN INSTITUTION OF TRADITION...

HIERARCHY PROTECTS

Tradition

Standards

Integrity

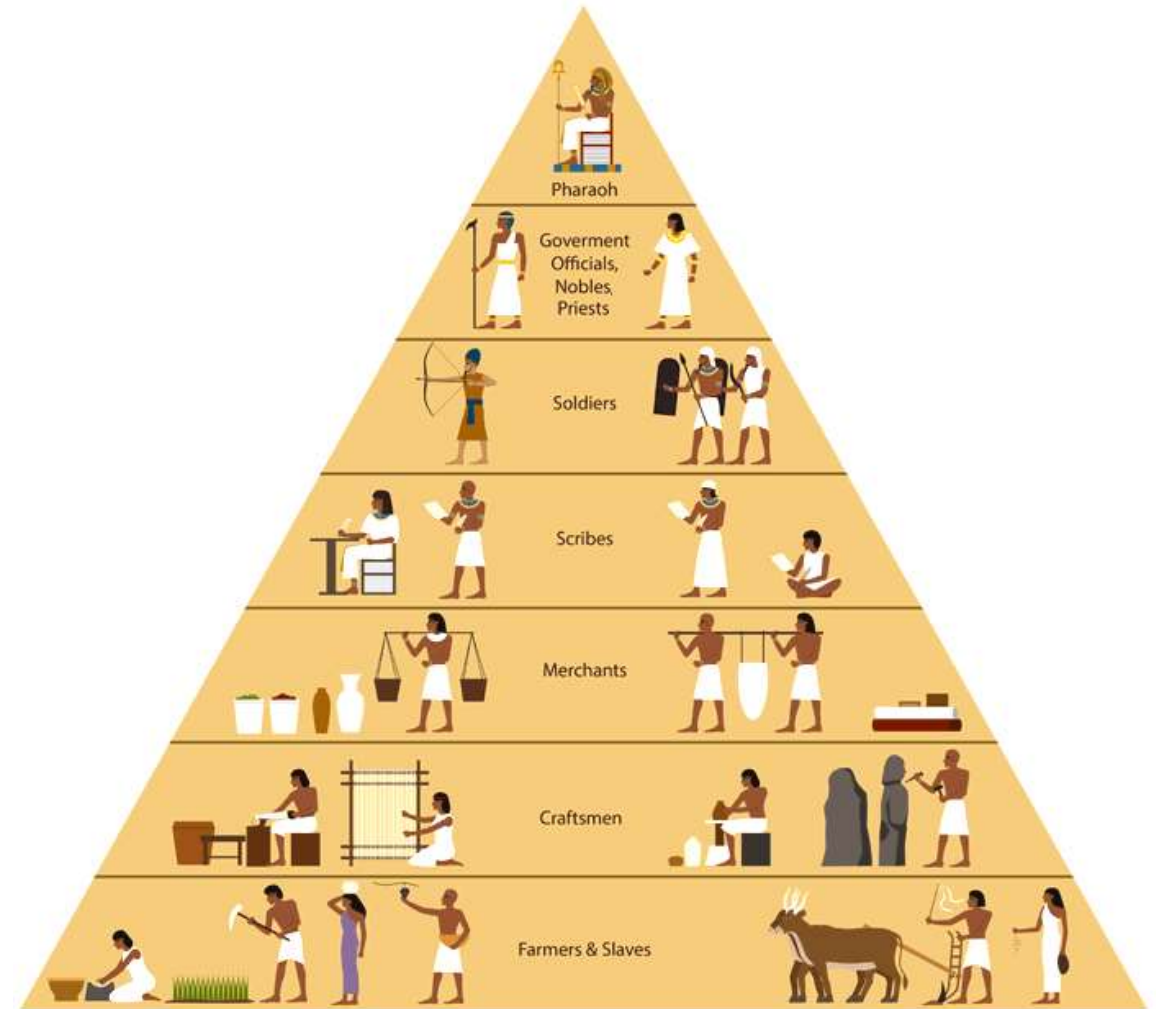
Independence

Academic freedom

Central compliance monitoring

Risk aversion

Complex policy frameworks



www.ancient-egypt-online.com

COMPLIANCE... GETS A BAD RAP

“Historically, student administration has emphasised its role in **enforcing compliance with rules and regulations**, rather than its role in facilitating positive and student-oriented experiences” [Maue, 2015]

“A large number of committees can be indicative of a heavy compliance culture . . . A long period of risk aversion will grow **beasts fed by the culture like policy and compliance**” [anonymous university review comment, 2018]

“Most respondents saw compliance as **something that is imposed on them**, not something they themselves are accountable for” [Yellowlees, 2018]

AWARDS FOR MONASH IN 2019...

INNOVATION

ABA100 Winner for CRM Innovation in the 2019 Australian Business Awards, for our Person 360 and Multi Channel Personalisation strategic initiatives

Winner of the 2019 ATEM/ESAM Best Practice Award for Excellence in Innovation, for eExams implementation

Eric Jiang, 2019 iTnews Benchmark Awards Rising Star for MonPlan student course planning tool



MONASH AND SEBS...

TRANSFORMING PROCESSES

- my.application online admissions and credit assessments
- implementation of eExams (over 38,000 sittings delivered in Sem 1 2019)
- digitisation of graduation documents via My eEquals
- implementation of CourseLoop for curriculum governance and publication
- Scheduling Services Improvement Project: student-centred policy and centralised service model for timetabling
- MonPlan student course planning tool

INNOVATION THAT:

Supports the existing business

Changes the business

Is driven by efficiency imperatives



THE TENSIONS OF...

COMPLIANCE vs INNOVATION

“The current university legislative and regulatory framework **is a barrier** to developing diversity, flexibility and innovation in the sector” [Barry, 2019]

“Bureaucracy can create **innovation inertia**” [Linnell, 2017]

“There is a **disconnect** between the people working with the student experience and those who make policy governing it” [anon, 2018]

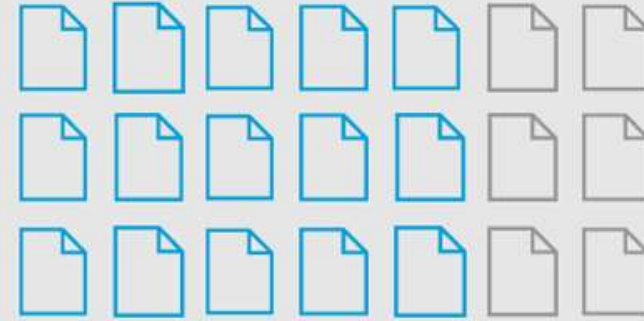
"Compliance can be put at risk whenever a new technology is introduced into the business . . . even when these changes are phased in successfully, there is still a risk that **the wider business may be unaware of the regulatory impact** changes could bring." [Rutherford 2018]

IMPORTANCE OF GOVERNMENT REPORTING

1.2 mil

records reported
to government in
2018

10x



Monash University

Monash College

212

Files submitted to the
government in 2018



x 10,000

87,358

student enrolments
reported in 2018


Different data fields
reported to the
Department of
Education

155

\$539.3 mil

Commonwealth grants
and funding planned for
2020

THE MONASH UNIVERSITY COURSE PLANNING TOOL... MONPLAN



Demo - Enrolment

Status: *Approved*

Course Title:
C3001 - Bachelor of Computer Science Advanced (Honours)

Managing Faculty:
Faculty of Information Technology

Credit Points
102 / 192

Last Updated
1:24PM 11/04/2019

FIT1045

FIT1047

MAT1830

FIT1006

FIT1008

FIT1041

FIT1043

MAT1841

FIT2108

FIT2004

FIT2083

FIT2093

FIT2099

ATS2290

FIT2014

FIT2082


FIT2086

FIT2102

OPEN VERSION HISTORY

HANDBOOK

VIEW PLAN >



Your course plan has been approved. You should now enrol in WEB.

ENROL IN WEB

Demo - Enrolment

C3001 - Bachelor of Computer Science Advanced (Honours)
Managing Faculty: Faculty of Information Technology

102 / 192
Credit Points

COURSE HANDBOOK

Date	Feedback	View Version
1:24PM 11/04/2019	See F used approved course plan	Current
1:23PM 11/04/2019	See F used. "Hello! Thanks for submitting your enquiry. Looks good!"	v2 (created 11/04/2019)

SHOW ALL FEEDBACK

SHOW GRADES

Semester	Unit	Unit Name	Credit Points	
Semester 1, 2017	FIT1045	Algorithms and programming fundamentals	4	
	FIT1047	Introduction to computer systems, network...	4	
	MAT1830	Discrete mathematics for computer science...	4	
	FIT1006	Business information systems	4	
Semester 2, 2017	FIT1008	Introduction to computer science	4	
	FIT1041	Research project 1	4	
	FIT1043	Introduction to data science	4	
	MAT1841	Continuous mathematics for computer science	4	
Semester 1, 2018	FIT2108	Industry based learning semina...	4	
	FIT2004	Algorithms and data structures	4	
	FIT2083	Innovation and research in comp...	4	
	FIT2093	Introduction to cyber security	4	
Winter semester, 2018	ATS2290	Digital leadership and advanced research...	4	
Semester 2, 2018	FIT2014	Theory of computation	4	
	FIT2082	Computer science research project	4	
	FIT2086	Modelling for data analysis	4	
	FIT2102	Programming paradigms	4	
Semester 1, 2019	Intermission Intermission information page			
Semester 2, 2019				

Course Progression Guide
Bachelor of Computer Science Advanced (Honours)
Required Units (12/22)
FIT1008
FIT1041
FIT1043
FIT1047
FIT1049
FIT1053
FIT1054
FIT2004
FIT2018
FIT2082
FIT2083
FIT2099
FIT2102
FIT3145
FIT3155
FIT3171
FIT4441
FIT4442
FIT4443
FIT4444
MAT1830
MAT1841

COMPLIANCE AND INNOVATION...

SEPARATE FORCES

Comply	Innovate
Eliminate/manage risk	
Pessimistic – sees the past: what happened?	
Control	
Concrete concepts & facts – what is and what has been	
Don't lose	
Sees complexity, sees problems	
Hierarchical structure	
Serve the Master	

COMPLIANCE AND INNOVATION...

SEPARATE FORCES

Comply	Innovate
Eliminate/manage risk	Take risk
Pessimistic – sees the past: what happened?	Optimistic – sees the future: what can happen?
Control	Surrender to possibilities
Concrete concepts & facts – what is and what has been	Ideas – what could be
Don't lose	Win
Sees complexity, sees problems	Sees/seize opportunities
Hierarchical structure	Flat 'agile' structure
Serve the Master	Serve the People

COMPLIANCE AND INNOVATION...

SEPARATE FORCES

Comply	Innovate
Guard current state with policy – red tape centric	
Protect the system	
Anticipate all outcomes	
Breach = bad, failure can be fatal	
Protect the business	
Reactive	
Protect the world	

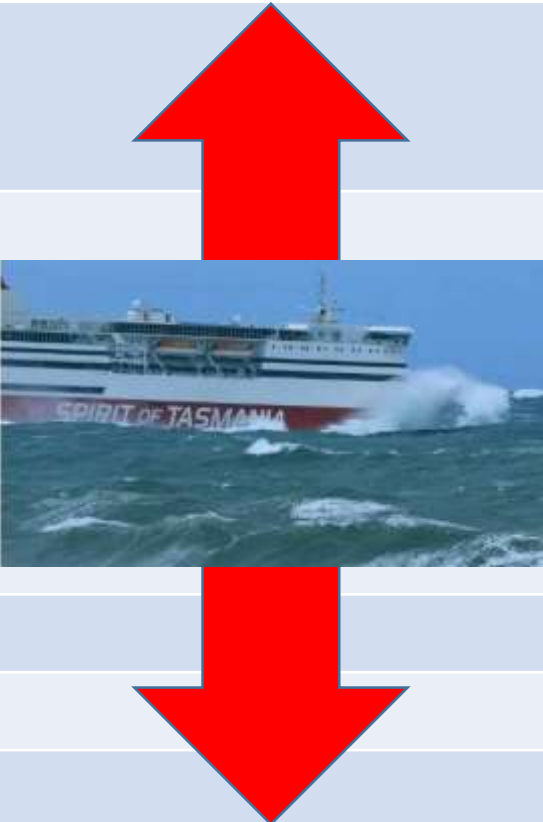
COMPLIANCE AND INNOVATION...

SEPARATE FORCES

Comply	Innovate
Guard current state with policy – red tape centric	Guide creation of future state, flexibility – customer-centric
Protect the system	Challenge the system (and enhance)
Anticipate all outcomes	Experiment – open to the unknown and disruption
Breach = bad, failure can be fatal	Fail fast, learn, failure = feedback
Protect the business	Grow the business
Reactive	Proactive
Protect the world	Build a better world

COMPLIANCE AND INNOVATION...

SEPARATE FORCES

Comply	???	Innovate
Guard current state with policy – red tape centric		Guide creation of future state, flexibility – customer-centric
Protect the system		Challenge the system (and enhance)
Anticipate all outcomes		Experiment – open to the unknown and disruption
Breach = bad, failure can be fatal		Fail fast, learn, failure = feedback
Protect the business		Grow the business
Reactive		Proactive
Protect the world		Build a better world

FINDING THE NEXUS...

THE OCEAN BETWEEN



BEST PRACTICE...? SOLUTIONS

People



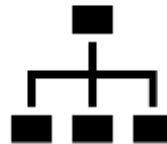
Collaboration



Policy



Structures



SOLUTIONS...

PEOPLE

Bernice McCarthy Learning Style model (1980):

- Analytical **‘What’?** learner + Innovative **‘Why?’** learner: a good mix

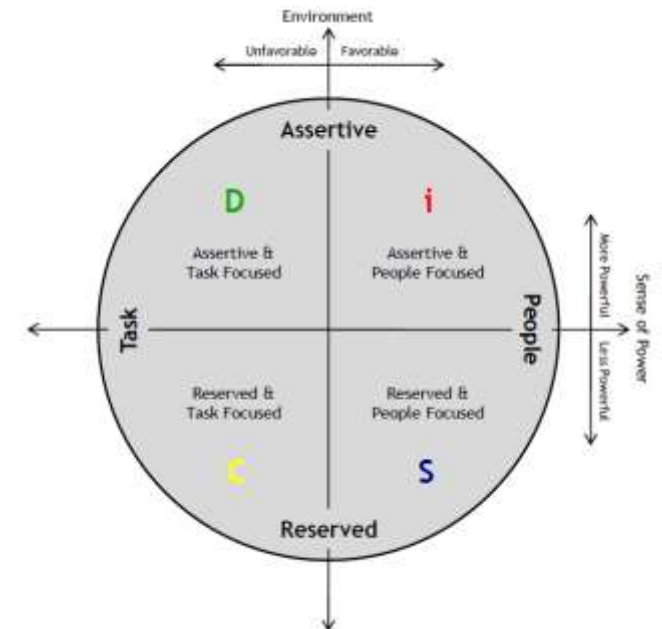


SOLUTIONS...

PEOPLE

DISC behavioural profile tool

- “**High I** types are more likely to be **innovative** while **High C**’s tend to be more **compliance-focused**. I’s are more spontaneous and less detail-oriented than C’s, which can predispose them more to creativity and bigger-picture thinking. The more methodical, structured and detail-oriented behaviour of the C style does predispose them well to work where compliance, accuracy and attention to detail are important.”
[Adele Gaylard – Principal Consultant, Consultrain; qualified DISC trainer]



SOLUTIONS... PEOPLE

"The issue often lies with those in compliance not being technical enough in their understanding of a new system, which ultimately needs to change. While compliance officials do not need to understand the technology in detail, they must know its core principles in order to better balance regulatory requirements and outcomes for the business." [Rutherford 2018]



SOLUTIONS...

COLLABORATION

Good compliance management:

- Sharing interpretations/understandings of requirements within networks (including across institutions)
- Sharing evidence of breaches and actions taken to repair and prevent recurrence
- Staying in touch with ‘the real world’

“Compliance should be approached in a spirit of collegial support rather than one of policing”
[ATEM Institutional Policy Network 2013]

SOLUTIONS...

COLLABORATION

Innovation is collaborative:

- Establish collaborative business partnerships and communities in early stages of developments – from creation of the idea through to execution
- Flat, agile structures for partnering and sharing ideas
- Trial and error – UAT: getting different groups to ‘break’ things
- Pilot projects appeal to compliance people because of lower risk

“Regulators should also jump at opportunities ... to provide expert knowledge in collaboration with industry in order to aid the innovation process.” [Stewart 2010]

SOLUTIONS...

POLICY

- Develop effective and nimble policies and procedures (keep them up to date) that enable and guide innovation
- Innovators need to understand the difference between hard rules and more flexible guidance ('guardlines' vs guidelines)
- Policy should leave some room for discretion in interpretation
- Allow innovation to drive policy change, but don't pause to let the policy catch up

"Artificial Intelligence (AI), automation and Big Data. As with previous innovations, once these technologies reach critical mass and consolidation takes place, regulation is sure to follow." [Rutherford, 2018]

SOLUTIONS...

STRUCTURES & CULTURE

Silos can be separate – but they must be **connected**

Linnell, 2017:

An innovative culture requires **guidance and support** from the management level

A **culture of trust** should be built in which innovation is seen as the norm

Policies and behaviours matter: tout innovation in every message



NEXT STEPS...

BENCHMARKING OTHER SECTORS

Medicine

Construction

Manufacturing

Law enforcement

Finance

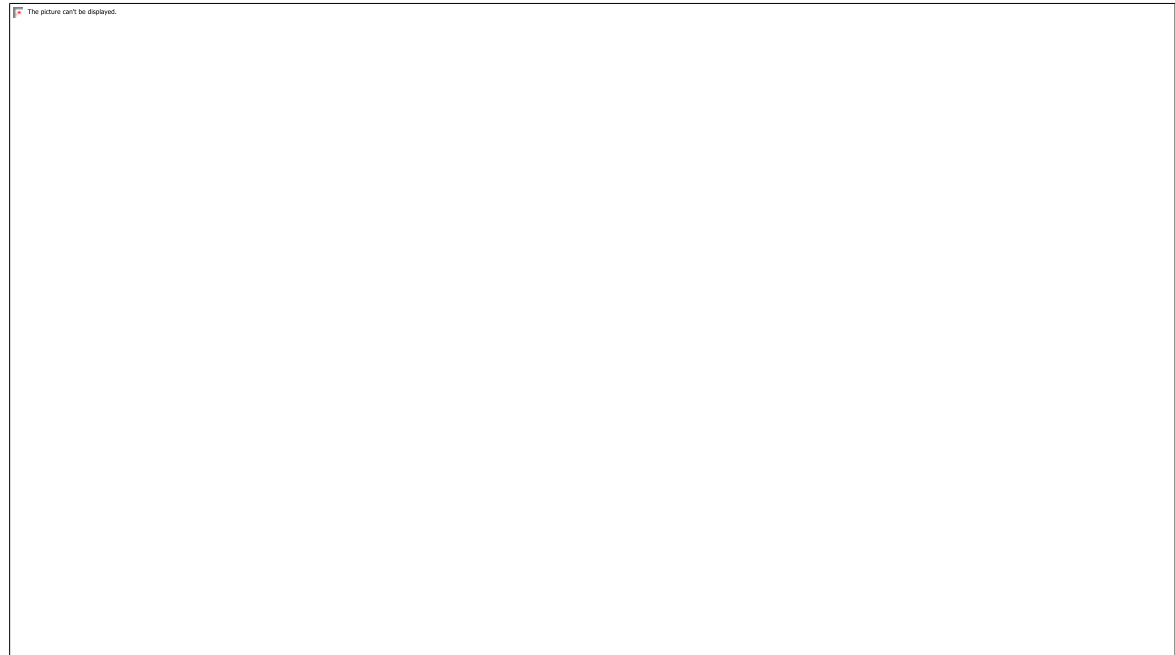
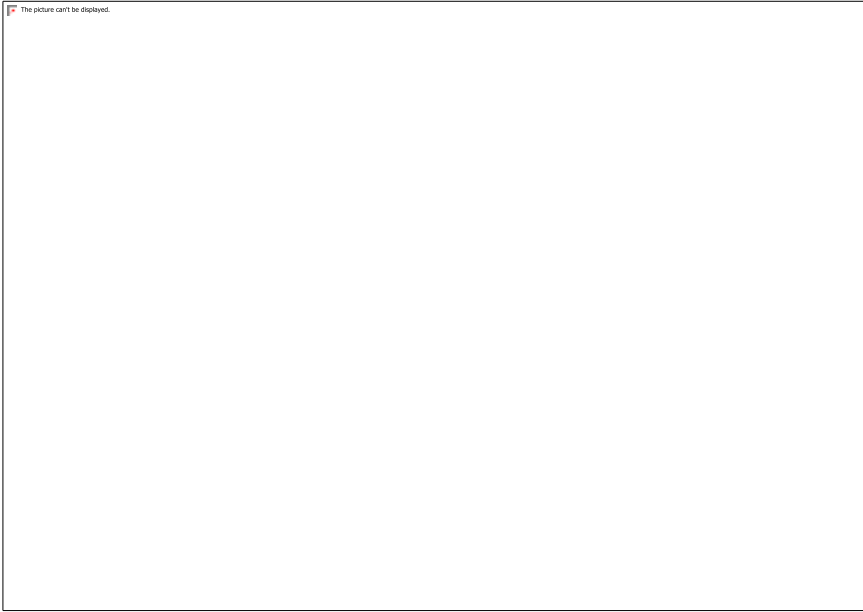
Transport

Technology



“Exploring how these industries achieve customer-centricity while upholding their compliance responsibilities would complement this research”
[Gillespie 2018]

BENCHMARKING... TO THE EXTREME



AND FINALLY...

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ATEM Institutional Policy Network

Policy Without (Much) Pain - A guide to better practice in policy development and policy management in Australasian tertiary education institutions

2nd edition (2013)

Damian Barry

Time to rethink Australia's higher education governance: Our current approach to governing higher education needs re-engineering

Campus Morning Mail (28 July 2019)

<https://campusmorningmail.com.au/news/time-to-rethink-australias-higher-education-governance>

Matt Gasior

Regulatory Compliance Best Practices: 10 ways to improve compliance in your organization

Power DMS blog (May 2019)

www.powerdms.com/blog/regulatory-compliance-best-practices

Michelle Gillespie – Swinburne University of Technology

The motivations, attitudes, perceptions and skills of customer service staff working in Australian university student administration

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Volume 40, October 2018

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Nik Linnell – Australian Catholic University

The importance of incremental innovation - Nurturing innovation inside bureaucratic organisations

Presentation to Tertiary Education Management Conference (2017), Melbourne

Deborah Maue

Customer Service Is Not A Four-Letter Word

Inside Higher Ed (Sept 2015)

www.insidehighered.com/blogs/call-action-marketing-and-communications-higher-education/customer-service-not-four-letter

Bernice McCarthy

4Mat System: Teaching to Learning Styles With Right-Left Mode Techniques

2nd edition, About Learning Inc (1980)

Robert Rutherford – CEO, QuoStar

Balancing innovation and compliance for business success

Technative (Aug 2018)

www.technative.io/balancing-innovation-and-compliance-for-business-success

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The Impact of Regulation on Innovation in the United States: A Cross-Industry Literature Review

Information Technology & Innovation Foundation (June 2010)

www.itif.org/files/2011-impact-regulation-innovation.pdf

Dave Upton - Associate Director, Xantus Consulting

Seven critical elements to maintaining a balance between regulation and innovation

ComputerWeekly.com (June 2011)

www.computerweekly.com/opinion/Seven-critical-elements-to-maintaining-a-balance-between-regulation-and-innovation

Naomi Yellowlees – Director Compliance Services, Curtin University

What is compliance? What we can learn from staff and student drawings about what a successful policy might be

ATEM Policy Development Forum XIV (2018), Perth

THANK YOU

QUESTIONS? ASK NOW OR EMAIL . . .

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