

## **Development of the Senior Executive Service in Australia**

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The leadership of senior services internationally have undergone major change that reflects the era of public sector reform, environmental trends and new thinking about how public service systems should operate. Senior services have become more open, managerial and generalist and placed greater emphasis on leadership development.

The Australian approach has been to institute a senior executive service, to move to a focus on leadership, and to develop leadership capability. This has occurred in the context of a shift in the Australian public service over the last three decades from a traditional public administration system to various shades of managerialism, new public management, and elements of new public governance.

A basic premise of this paper is that public service leadership is substantially a product of administrative culture and context, which in turn is reflected in some measure by how senior public servants are trained. The extent to which the administrative culture is a decisive factor and how training shapes leadership development needs to be explored against the backdrop of a country's political structure and public management paradigms that contextualise, focus and channel the institutions and programs for developing the capabilities of senior public servants. The development model for a public service system is also subject to internal perspectives about the provision of training and development, and conceptions of the leadership.

The paper examines development in two senses: creating a senior public service and addressing leadership within the service. In combining the two the Australian approach has focused on capability development as the means of cultivating the senior public service. It concludes with a discussion of the impact of these measures.

### **Leadership and the senior service from a comparative perspective**

It is important to recognise both the wide variations between country systems and within senior services. A senior service can be expected to comprise a range of generalists and specialists for policy, management, delivery, regulation and technical work. The traditional senior public servant was more likely to have either ‘generalist institutional knowledge’ or be a specialist in a policy field (OECD 2008: 73). Today, mainstream public servants may co-exist with private sector technocrats and political operatives. Senior officials may have well-defined responsibilities (say policy advice) or combine several elements including administrative/management roles.

Two patterns of senior service have been identified: those that have been modernised within state traditions, and which continue to be relatively closed and less responsive to major change; and systems that have been receptive to management change and leadership concepts, and have become increasingly open. Leadership frameworks have been developed and tested in a number of countries, and many have established a senior executive corps. For other countries senior services remain more aligned with administrative traditions that are less sympathetic to these types of change (Halligan 2012). The standard distinction between *Rechtsstaat* (or rule of law) and public interest systems continues to provide the basis for the two patterns (although there are variations on the two). The differentiation is grounded in distinctive administrative cultures and associated structures, with the legal regulation of administration, judicial review and stronger state traditions of the European systems dominating the first, and the greater flexibilities of the Westminster model and the predisposition to private management of Anglo-Saxon countries underlying the second pattern.

The important questions about the senior service centre on its constitution and the provision for the systemic handling of the higher service. The relationship between the conception and the organisation of the civil service influences the roles (and potential) of the senior service. Three elements that shape and control the capacity for leadership are the relationship between politicians and bureaucrats (which cannot be discussed in this paper), the definition of the senior management role, and the organisation of the service.

Comparisons of the organisation of senior services can be made in terms of several dimensions. First is whether there is a career service or not and the approach to recruitment is closed or open. Second is the level of commitment to public management, and in particular performance. Third, is the location of responsibility for the management of the senior service, and the extent to which it centralised, decentralised or mixed.

Related questions are the level and mode of integration, and the relative importance of structure, culture and ethos, and elite recruitment. The several roles include recruitment, training, system maintenance, and the preservation and enhancement of public service values, and may be divided among one or more central agencies, and between the centre and line agencies. Rule making for the senior service might be expected to be a responsibility of the centre, but agencies may have considerable discretion (Halligan 2012; OECD 2003).

A resurgence of interest in leadership development has been apparent with two propositions about leadership becoming increasingly accepted. First is the recognition that leadership now matters. This largely reflects a substantial shift from traditional administration dominated by the tasks of policy advice to political leaders and process implementation, to acceptance of leadership defined increasingly in management terms and often within a broader governance environment. This includes leaders being expected to manage down through handling and empowering staff more effectively (cf Maor 2000; OECD 2001).

Second is the somewhat more radical position, which reflects the movement from leadership conceived in terms of mandarins' attributes to that of acquired skills, which suggests that everyone can become a leader. One expression of this was the assumption of the former head of the British civil service that leaders could be nurtured and skills learned (Wilson 2000), which implied that leadership could be more inclusive. A related aspect is that leadership applies at several levels. According to OECD, requiring leadership 'at all levels is revolutionary in its potential impact, and is an important driver of the move to redefine public sector leadership' (2001: 15). Leading within public organizations in Anglophone countries now extends to a range of staff with resource management responsibilities.

#### *Changing senior services and leadership development*

The changing environment and government responses internationally have been well documented (for example, Pollitt and Bouckaert, 2011; OECD 2011). The drivers of change can be categorized in several ways. The exogenous impacts of global economic and technological change mean that civil services have to respond more rapidly. As the rate of change increases so it is argued leadership becomes more important, and responsibility for change has to be broadened organisationally. The reputation of the civil service has also been under greater scrutiny reflecting *inter alia* declining support for key

public and private institutions in many countries, loss of trust in government and politicians, and the questioning that arises where a system is under constant pressure to reform. Related to this has been the intensifying of pressures on government with greater policy complexity and increasing public expectations for services. These pressures are translated into demands for the public service to deliver.

The roles of the senior service have evolved over time, particularly as the rate of change accelerated. There is greater consciousness of the tasks of leading in systems operating within management cultures. The infusion of private sector values and techniques has meant a greater emphasis on business planning, being entrepreneurial, performance management and the application of corporate governance principles. Managing externally is now routinely conceived of in terms of customers, clients and stakeholders. These relationships have featured contract management and alliances, collaborations and partnerships within broader governance arrangements.

The policy role of the senior public service has experienced progressive attrition from the traditional position. The rise of managerialism in the 1980s was a reaction against both the emphasis on policy work and the lack of management skills. At the same time, a tendency has been for the political executive to rely increasingly on alternative sources of advice and on their private office staff as conduits for extra-government proposals. With contestable advice, there are more competing views than before: the senior service may no longer be the government's dominant source of advice, although it remains the key advisory voice for the public interest. The policy advisory role may be lost to the civil service, shared with the political executive or diffused across a range of internal and external actors that are competing for attention.

Leadership development has been given more attention in rapidly changing environments, but its significance still depends on state traditions, societal factors, institutional structures and the extent of reform. Many countries have long maintained arrangements for recruiting and cultivating a senior elite. In practice, programs contain centralised and decentralised elements (Maor 2000). Approaches include the use of institutions for leadership development and some form of senior executive service. New leadership frameworks have been developed and tested in a number of countries with increasing emphasis on core competencies (Horton 2009; Mau 2009; OECD 2001).

A senior executive corps has been one means for developing leadership, although it is designed to serve other purposes as well. Such systems have been focused with some exceptions on Anglo-American countries, and may either be termed the senior executive

service (SES) or go under another name. The first group of SESs were created in Australia, New Zealand and the United States in the late 1970s and 1980s (as well as some states in the two federal systems).<sup>1</sup>

The SES originated with the United States in 1978 as a scheme to develop executive management, accountability and competences reflecting private sector incentives and practices. Standard concepts that have become identified with an SES have been the generalist elite with an emphasis on performance, capacity for redeployment, appraisal and merit pay. Second-generation experiments with the concept of a senior corps emerged in the United Kingdom and the Netherlands in the mid-1990s. Both emphasised mobility, interdepartmental cooperation and expanding management skills. The rationale for the Dutch model – open, job-oriented and decentralised – included growing policy complexity and internationalisation, and involved integrating officials into a leadership team that shared values and visions for the future of government (OECD 2001: 27; Steen and Van der Meer 2009).

### **Senior executive in Australia**

#### *Australian context*

Australia and other Anglophone countries – UK, Canada and New Zealand – have been regarded as a coherent group by way of a common tradition and historical and continuing close associations and interactions with institutional roots in the British tradition (Halligan 2010). A number of factors have reinforced the identity of the Anglophone group over time. The continuing patterns of interaction – historically formed and culturally supported – have been highly significant.

Administrative traditions reflect values and principles that are influential in shaping structures, behaviours and cultures (cf. Painter and Peters 2010). Four features provide a basis for differentiating different administrative traditions: state and society, management and law, political and administrative roles and variations in law and administration (Peters (2003). This approach defines an administrative tradition, such as the Anglophone, in part by what it is not (e.g., a rule of law system and having a developed concept of the state). For the Anglophone systems, the conception of the state, the role of management and the nature of political and administrative relationships, point to an instrumental interpretation.

The Australian approach to the reform of public sector governance has been distinctive in international terms. The reforms were comprehensive and systemic from an

early stage of the reform era (1980s-). It was one of a small number of countries, mainly Anglophone, which moved at an early stage towards a new public management model. The tradition's distinctiveness was reaffirmed during this reform era. Australia and other Anglophone countries were grouped because they adhered more to precepts of 'new public management' than other OECD countries (Halligan 2012).

Australia has been strongly influenced by the tradition, but this needs to be considered within its new world context, and the environmental factors that have shaped its identity. A strong strain of egalitarianism has been pervasive in Australian society and this has carried over to how the Australian senior public service has been constituted. Nevertheless, the managerialisation of the national public sector has been the most enduring feature of the last three decades, and approaches to leadership characteristic of Anglophone systems have been prevalent.

#### *Emergence of a Senior Executive Service*

The British administrative class had long served as a model for Australian reformers. Its basis was a group of generalists specifically recruited from universities and displaying certain qualities. At various times official inquiries recommended developing the senior public service along the lines of the administrative class, but it was only once the development of a senior service became pressing that there were moves in this direction. With the vast expansion in the role and size of the federal government during and following the Second World War, new regulatory mechanisms and policy making processes were required. The higher public service expanded as greater specialisation and a larger second division – those senior officials immediately below department heads – became necessary (Scarrow 1957).

An Australian administrative elite emerged as the result of incremental moves towards cultivating a senior public service. The second division – the level under permanent secretaries – acquired explicit recognition as a cadre of top administrators, and it became official policy to develop its corporate identity (Wheeler 1964: 293-4; Crisp 1970). Canberra's variant of an administrative and policy elite became a reality as the power of the senior public service increased (Halligan 1992).

The pressure to expand the influence of the politicians intensified in the 1970s. The bureaucracy was seen as too elitist, too independent, too unrepresentative and insufficiently responsive. The reaction was to challenge the public servants' monopoly over advice to ministers and to question their indispensability to the processes of

government. Alternative sources of advice and assistance were increasingly relied upon by ministers.

The managerial model was crystallized in the early 1980s as a consensus emerged about the deficiencies of the public service under traditional public administration. The management failures in specific agencies influenced attitudes, and a bipartisan view emerged that the management skills of the senior public service were deficient, and had been undervalued relative to policy and administrative skills. There were also growing pressures public servants to have greater freedom from procedural constraints and for departments to be able to manage more independently of central agencies. These sentiments were reflected in public reviews that advocated greater emphasis on mobility, external recruitment, flexibility in deployment, staff appraisal, appointment to levels rather than specific positions and a service-wide approach (JCPA 1982).

#### *Implementing the Senior Executive Service*

The senior executive service was inaugurated in 1984. The scheme reshaped the second division into 'a unified group' entitled the Senior Executive Service (SES). The Australian public service scheme was mandatory: all members of the existing second division were automatically included in the SES. Emphasis was to be placed on the active deployment of senior staff across the public service. At this systemic level the quality of public service management was to be enhanced by greater movement of senior managers within the service and by recruiting lateral entrants. At the departmental level, there was to be greater opportunity for deploying senior staff. Staff development and staff appraisal were to receive greater emphasis.

The basis of the concept was an executive group that was to operate as a service-wide, corporate entity, rather than simply as the sum of departmental and agency members.

The scheme was depicted at the time as combining the best of the Australia and overseas systems and those of the private sector. The title of the new group was acquired from the American SES, and North American principles were followed (although there was already a scheme in the Australian state of Victoria). The basis of the concept was an executive group that was to operate as a service-wide, corporate entity, rather than simply as the sum of departmental and agency members. The major contrast with the US system was the lack of a bonus package as an incentive to performance.

The basic principles were the concept of a service-wide executive group that was internally mobile and invigorated by the recruitment of persons externally, more emphasis on the development of managerial skills and more flexibility for department heads in allocating staff resources (Halligan 1992).

The Public Service Act now referred to the SES as providing: a group of officers who: 'may undertake higher level policy advice, managerial and professional responsibilities' and may be deployed by Secretaries within Departments, and by the Public Service Board (before its closure in 1987) within the Australian public service. The initial implementation of the program can be considered by examining three main objectives: openness and competitiveness and mobility.

A central objective of SES arrangements was that positions in the public service should become more open and more competitive. Greater openness in the service was to be achieved by inviting applicants from within and outside the Australian public service to apply for all vacancies in the SES. A particular goal was to inject persons from the private sector into the public service. To facilitate the entry of outsiders, the opportunity for fixed-term engagements was provided.

There was no pronounced increase in external appointments following the introduction of the SES.<sup>2</sup> The majority of SES appointments continued to come from intra-departmental promotion. Most disheartening for the advocates of increased external recruitment was the failure to attract more than a few persons from the private sector. The most compelling reason for failure was the poor salaries offered relative to the private sector (or the Victorian Senior Executive Service). The government had recognised the difficulty, but could not resolve the conflict between higher salaries for senior executives and its general industrial policy of wage restraint.

A second objective of the new system was to increase staff mobility, which was to apply between departments, central agencies and departments, and policy and managerial work. The arguments were that people favoured promotions rather than transfers, and that departments were concerned with filling positions but not necessarily with service-wide needs. These problems were to be overcome by loosening the relationship between people and positions (abolishing tenure for positions), placing more emphasis on general skills (management and policy) relative to specialised knowledge, and by a staff mobility program. However, for the initial years of the scheme only about one-fifth of movements were inter-departmental.



The problems with mobility were two-fold. First there were strong pressures within the system to counter its full implementation. Departmental secretaries were reluctant to lose senior staff who had acquired specialised knowledge of an operational sphere. Secondly, the tension between system needs and specialised requirements of components was not properly taken into account in the design of the SES program. Many positions required specialists despite being designated as part of the SES. As governments learnt in the United States, there was a need to strike a balance between the two (Sherwood, 1986).<sup>3</sup>

In the initial years the changes to APS at the senior executive level were limited. It was unclear how the SES could be clearly differentiated from the old second division. The view of members of the SES was that the changes had had little effect on them personally. The government experienced relatively little success in developing generalist, government-wide perspectives on the part of its senior executives. Executive development was limited, voluntary mobility between agencies did not increase, lateral recruitment remained modest, and performance appraisal was not adopted (Halligan 1992).

#### *SES and the evolving context*

The organisational culture has evolved significantly since the 1970s as approaches to public administration changed rapidly. This can be summarised with reference to phases of reform. Managerialism best reflects the first phase in which management became the central concept and reshaped thinking as part of a paradigm change. This was succeeded by a phase that for a time came close to the mainstream depiction of new public management (NPM) (Hood 1991), in which the market element was favoured and features such as disaggregation, privatisation and a private sector focus were at the forefront. In turn, NPM was followed, although not displaced, in the 2000s by integration of governance (Halligan 2007; Edwards et al 2012), and incipient new public governance.

The initial period of reform in the 1980s displaced traditional public administration with a package of reforms based on management. Over about a decade, a new management philosophy was developed and implemented, which replaced the emphasis on inputs and processes with results (Halligan and Power 1992). The main elements of the reform program focused on the core public service, including commercialisation, corporatisation, decentralisation, the senior public service (ie the creation of the SES),

and improving financial management. The focus on results, outcomes and performance-oriented management dates from this time. The first core capabilities for the SES were produced in 1987, and the six SES classifications were reduced to three bands in 1990 to allow for greater flexibility and effectiveness in managing the senior service.

The first reform phase displayed incipient NPM in several respects, but the dominant theme was management improvement. The high commitment to neo-liberal economic reforms in the 1990s led to the public service becoming highly decentralised, marketised, contractualised and privatised. The agenda also covered a deregulated personnel system; regulation and oversight of service delivery; and contestability of the delivery of services with greater use of the private sector. A new financial management framework was introduced with budgeting on a full accrual basis in the late 1990s, implementation of outputs and outcomes reporting, and agency devolution in budget estimates and financial management. The devolution of responsibilities from central agencies to line departments and agencies was highly significant in the late 1990s with a diminished role for central agencies being one consequence (Halligan 2006). The Public Service Act 1999 outlined the responsibilities of the SES, the capability framework and selection criteria.

A new phase appeared in the 2000s, integrated governance, which had an impact on relationships within and the coherence of the public service, delivery and implementation, and performance and responsiveness to government policy. Four dimensions were designed to draw together fundamental aspects of governance: resurrection of the central agency as a major actor with more direct influence over departments; whole-of-government as the new expression of a range of forms of coordination; central monitoring of agency implementation and delivery; and departmentalisation through rationalising the non-departmental sector (Halligan 2006). For the SES, the statement, One APS-One SES, reaffirmed the commitment to 'a single SES across a single devolved APS' in which all SES were expected 'to exhibit common capabilities, share common values, common ethical standards and a common commitment to development and collaboration' (MAC 2005).

A review of the Australian government administration produced a new Blueprint (AGRAGA 2010). The report covered 28 recommendations in nine reform areas that were organised under four themes, two of which are relevant: leadership and strategic direction and public sector workforce capability. The nine areas included a new Australian Public Service Commission (APSC) for driving change, strategic planning and expectations for agencies (agility, capability, effectiveness, and efficiency). Specific

recommendations addressed the roles and responsibilities of secretaries, strengthening leadership, assessing the senior executive service, and cross-portfolio and sector relationships. They also reflected the emerging governance importance of collaborative relations internally and with other levels of government and non-governmental actors.

Of particular significance were those associated with a reconstituted APSC as the lead agency for reform. The commission's new approach was to collaborate with departments and agencies in pursuit of common outcomes (Sedgwick 2011). The Public Service Amendment Act 2013 provided a legislative basis for the revised roles of a number of actors foreshadowed in *Ahead of the Game*, including formalising a range of secretary roles, a secretaries' board, the senior executive service and the public service commissioner. Reformulated public service values were also enacted.

## **Leadership development**

### *Content and structure of training*

The centrepiece of training and development for the public service has been the Australian Public Service Commission,<sup>4</sup> although the extent of its role has varied over time, and has depended on the willingness of departments to make use of its frameworks and programs. The Commission succeeded the former Public Service Board in 1987, a centralised and all pervasive central institution of the traditional system with control over personnel transactions. The Commission as originally formulated was essentially a neutered variant of the Board that coasted until a revival began with the new Public Service Act 1999. It has since expanded its role.

The Commission has had some responsibilities for the senior executive service since its establishment and therefore considerable leverage over leadership development. However, the environment increasingly emphasised devolution to departments (in particular their secretaries), which became more significant after 1999. The Public Service Commissioner acquired a statutory responsibility for promoting leadership in the public service, which came to be viewed as applying to all staff regardless of formal status. The Commission developed a model that identified capabilities expected of senior executives (APSC 2003).

The enhanced role of departments was reflected in the considerable discretion they had over lower-level training and management and senior leadership development. Departments could either opt for a Commission program if it existed or organise their own. The distinction was represented as follows: departments would, 'typically contract

external providers to deliver programs specifically linked to their particular business, while the Commission's development programs tend to focus on developing common leadership capabilities that support the strategic focus of the Service' (APSC 2003: 81).

The Commission has run leadership development programs particularly for the SES on a user pays basis (with cost recovery of around 95 per cent). The Commission's core programs included an orientation program for new SES appointees, and a more substantial and intensive Senior Executive Leadership Program involving officials with several years in the SES (APSC 2003).<sup>5</sup> In a more recent formulation the different roles were represented through a 'model' depicted a concentric circles moving from the core of APS values, integrity with the APS Commission and the APS leadership group assigned responsibility, sustainability based on whole of government and agency/APSC collaboration, and innovation as a matter of agency business outcomes (ref).<sup>6</sup>

It should be noted that the Department of the Prime Minister and Cabinet has a current role in 'developing the future leadership capability of the APS through the Secretary's role as head of the APS and Chair of the secretaries board' (APSC 2012a: 7).

The reform report *Ahead of the Game* report identified a need to enhance leadership, talent management, and learning and development across the Australian Public Service (AGRAGA 2010: recommendations 4.4, 4.5 and 7.3). More generally, 'Leadership behaviour trickles down to influence an agency's culture and APS employees rely on their leaders to model by example. Leaders must clearly articulate and demonstrate organisational values to ensure they become part of the culture' AGRAGA 2010: 21)

The responsibilities of the Commission in the reform process were strengthened. It was to be repositioned to take a leadership role for the APS and, as a central agency engage in the provision of 'expertise, guidance, performance monitoring and some centralized services to agencies.' It would develop options for a common approach that included leadership and learning and development, with responsibilities also covering 'classifications, work level standards, pay and employment conditions, ensuring greater consistency for a united APS.' (AGRAGA 2010: x).

The augmentation of the Australian Public Service Commission's powers occurred with the then government's endorsement of the report, and it was made the lead agency for around half the recommendations with \$39 million being allocated under the 2010 budget. This sum was heavily cut by a new prime minister when projecting fiscal rectitude during the election campaign, and the funding was reduced for a succession of budgets (Sedgwick 2011). Nevertheless, agendas derived from *Ahead of the Game* were

pursued, particularly those associated with the reconstituted APSC, which continued to be the lead agency for reform. The Commission's new approach was to engage collaboratively with departments and agencies in pursuit of common outcomes. It negotiated a partnership with departments, the emergent arrangements now being more systemic and holistic. The agencies funded the Commission to provide a range of services covering leadership and skills, talent management, workplace planning and standards, and a range of staffing matters affecting public service capacity (Sedgwick 2011).

The Strategic Centre for Leadership, Learning and Development was established in 2010 within the Australian Public Service Commission to give effect to the Blueprint recommendations. Its initial focus was strengthening leadership development. The Centre has developed a Leadership Development Strategy using a human capital strategic approach, which involves identifying capability gaps through analysis of drivers in the external environment and the business needs of the public service. The strategy has the imprimatur of the secretaries' board, the high-level steering and coordinating unit. (<http://www.apsc.gov.au/learn/links/strategic-centre/leadership-development-strategy>) The Centre is perceived to have strengthened the Commission's contribution.

#### *Content and method of training*

The central model of management training and development generally reflects the paradigms of the day, and within that the evolving features of public management and management improvement. The interpretations and definitions of requirements are generally determined in conjunction with departments. The APSC has also added its own conceptions of leadership and epistemology with new nuances and interpretations that reflect thinking within the central agency.

The main elements of the initial (1980s) managerial model were the infusion of managerial skills and private sector values and techniques. The need for senior executives to conform accelerated after the 1987 reorganization of departments as the pressures to manage intensified and as managerial objectives developed (the notion of risk management, for example, rapidly became a hallmark of managerialism). What was distinctive about those who successfully adapted to the new paradigm was that they had to justify their candidature in terms of SES competencies consisting of general managerial skills. The most successful were public servants with training in economics, because they adjusted more easily to the rigors of an 'economic rationalist' environment

and the requirements of resource management. There was also a greater attachment to instrumentalism among senior executives, reflecting both the instrumental emphasis of managerialism and the pragmatics of survival under governments emphasising ministerial activism.

In the 1980s, the Public Service Act referred to the SES as providing a group of officers who: 'undertake higher level policy advice, managerial and professional responsibilities' and may be deployed by secretaries within departments, and by the Public Service Board (before its closure in 1987) within the public service.<sup>7</sup>

As new public management came to the fore in the 1990s this was reflected in the programs. Over time the management focus shifted to leadership development (see the early advocacy by Baker 1989). The following decade there was more emphasis on working across agencies and recently, a more collaborative dimension. The relational basis of leadership is now emphasised (APSC 2011b: 6).

The increasing prominence given to leadership can be interpreted in terms of institutionalisation. According to this argument, 'the public service appropriated the leadership discourse not only because it was "safe" but also because it found that the management jargon was not enough' (Althaus and Wanna 2008: 126). The political executive didn't initiate this agenda, but the relegation of the public service under managerialist reforms was partly countered through leadership programs (Althaus and Wanna 2008: 127).

The content of executive training ranges from the narrow and technical to the broad and generic. The content also changes across the three bands of the senior executive service, a prime example of this being the Band three (deputies secretaries) program *Leading Australia's future in Asia*—a strategic management program in the 1990s that was conducted by a university over a number of years.

There has been a heavy reliance on outsourced delivery of different types of leadership program, although this varies over time, and was possibly at its peak when governments were emphasising devolution and/or outsourcing.

### *Leadership frameworks*

According to the APSC, 'leadership has been singled out as a key issue for attention in every review of the APS since the Coombs report in the mid-70s' [because] 'the external environment continuously evolves (a reality, indeed, that the White Paper starkly

confirms) and that APS leaders need to develop its skills and understanding of their role against the demands of the external environment.’ (APSC 2012d: 5).

The notion of leadership has progressed through several stages. Five core capabilities for the SES were first formulated in 1987. The top management program was established to address the development needs of public servants with the potential to succeed at the top levels, The program sought ‘to help top managers play an effective role in developing corporate vision and strategy, adopt a management style which builds commitment and morale within the organisation and deal with the challenges of managing for results and managing with less.’ (PSMPC 1990: 44). From the 1980s, and following the establishment of the SES, the focus was on its development, but under a central agency with much diminished responsibilities.

From the late 1990s, following the Public Service Act 1999, when devolution to line departments assumed much greater significance, leadership came into play as a primary concept, and one that in practice required development. A leadership capability framework was developed (SELC) in the late 1990s, and later refined. With the augmentation of the APSC’s responsibilities in 2010, and the reaffirmation of whole-of-government approaches (a notion that had assumed greater significance following devolution in the late 1990s: MAC 2004), the swing was towards the centre under a holistic collaboration between the Commission and departments.

The Public Service Commission developed a framework as part of its leadership role in public service and quality assurance role in SES appointments, which identified factors significant for performance. The Senior Executive Leadership Capability Framework (SELC), (from 1999) recorded leadership requirements for an integrated approach to development, performance assessment, succession planning, and the basis for revised criteria for SES selections (PSMPC 1999: 12). The core criteria identified for leaders covered five interlinked criteria each with underlying capabilities: achieves results; cultivates productive working relationships; communicates with influence; exemplifies personal drive and integrity; and shapes strategic thinking. For example, ‘achieves results’ (e.g. builds organisational capability and responsiveness, marshal's professional expertise, steers and implements change and deals with uncertainty, and ensures closure and delivers intended results). A second criterion covers: ‘cultivates productive working relationships’; nurturing internal and external relationships; facilitating cooperation and partnerships; guiding, mentoring and developing people.

‘Shapes strategic thinking’ includes inspiring a sense of purpose and direction, focusing strategically, and harnessing information and opportunities (APSC 2004).

The framework reflected the changing administrative culture in that it was designed to complement the new APS Values through ‘promoting behaviours and relationship management in line with modern requirements that emphasise inspiring and motivating, rather than commanding and enforcing’ (APSC 2003: 79).

The Integrated Leadership System (ILS) (from 2004) expanded on the SELC Framework and incorporated an APS Leadership Model. ILS was regarded as ‘a leading-edge system based on APS values’ that articulated the desired leadership capabilities at different levels for the whole APS. ILS provided guidance for individual and organisations about appropriate mixes of leadership, management and technical skills.

A ‘leadership model’ shows the relationship between complexity and classification (APSC AR 2004: 43). The mix roles (technical, management and leadership) changes between APS, EL and SES classifications, eg leadership increases, management also to some extent, while technical declines. It assumes that all public servants have a leadership role. Agencies have ‘the flexibility to incorporate their own unique leadership programs and adapt it (sic) to their business requirements, while building on valuable APS-wide initiatives’ (APSC 2004: 55). The elements were depicted through the concentric circles mentioned earlier starting with the core of APS values, and followed by integrity, sustainability and innovation.

The *APS leadership Development Framework* (APSC 2011) incorporated SELC or its later iteration, ILS. There were two new elements. First it was based on the ‘Knowing | Doing | Being’ framework. Leaders must have respectively a strong knowledge base, behaviours and skills for execution, and a strong self-concept and highly developed emotional intelligence. Secondly, it was underpinned by the 70-20-10 principle of program design (APSC 2011: 5) that apportions 10 per cent to training, 20 per cent to relationship-based learning and 70 per cent to supported on-the-job learning. The argument is that leadership development ‘is most effective when learning takes place over time and using a range of learning methods’ APSC 2012b: 35-6). There is also an implication that on-the-job learning equates in particular with most senior levels, training with APS levels 1-6, and relationship-based learning applies more to middle-level executives. The 70–20–10 principle is widely used in the APS. Training, however, is the most extensively used method for leadership development and technical and job specific



development (both over 90%), followed by supported on-the-job learning (APSC 2012b: 36).

The framework incorporates the Integrated Leadership System (ILS) in the *doing* component, specifically the ILS focuses on five leadership ‘behaviours’ mentioned earlier. The continuity was noted as follows: ‘Our well-established integrated leadership system has been in place for more than 10 years and remains a good reflection of the behaviours we expect of our leaders’ (Sedgwick 2012: 6). The Commission’s view is that by ‘expanding the focus of leadership development to include the *knowing* and *being* components, the Knowing | Doing | Being framework builds on and expands the ILS’ (APSC 2012b).

The extent to which departments fully apply these principles in practice, and the mixes of general APS and agency-specific programs, remain unclear. Much may depend on the department’s (and its secretary’s) inclinations. For example, one major department has a centralising (ie secretary-led) focus and is inclined towards formal training.

There continue to be gaps between expectations of leaders and their current competencies. In making judgement about leaders and their competencies, considerable reliance is placed on the results of employee surveys (e.g. AGRAGA 2010; Sedgwick 2013). The most significant three capability and performance gaps for the SES and the SES feeder group were ‘people management skills, the capacity to steer and implement change and the capacity to think strategically’ (AGRAGA 2010: 53). As well, surveys of employees have indicated low satisfaction with senior leaders as a continuing trend (JCPAA 2012: 14-15).

Research on the SES has indicated weak ‘links between leadership training and career progression. Senior executives themselves do not see a direct correlation between the undertaking of leadership training and promotion to executive positions.’ According to one senior executive ‘you can teach content, but not leadership’ (Althaus and Wanna 2008: 126).

### **Senior executive service after three decades**

The size of the Australian public service (APS) has fluctuated over the last three decades according to fiscal stringency and other agendas. Over the last fifteen years the numbers have risen by 30 per cent, but the increase for the SES has been 78 per cent (for the reasons see Beale 2011). In 2012, 2786 (1.8 per cent) were in the senior executive service. Compare the 1984 figure of 1.2 per cent and the 2009 proportion of 1.9 per cent

(APSC 2009). The ‘higher’ components of Anglo-American civil services have ranged from 0.13 per cent to 2.1 per cent, with 1 per cent being suggested as an ideal size (Hede 1991), but less than 1 per cent has since been reported plus an international trend favouring smaller senior services (World Bank 2005, 5).

The devolution of responsibilities to line departments after 1999 had the effect of ‘balkanising’ the APS as different conditions of service became prevalent and the identity of the individual department were more important than then that of the public service. The Blueprint reported that ‘less than 40 per cent of nearly 3,000 SES members “definitely see themselves as part of an APS-wide leadership cadre” rather than as leaders only of their agency’. This informed the recommendation that ‘A unified APS-wide leadership group is required to support Secretaries.’ (AGRAGA 2010: 22).

Moreover the internal mobility of senior executives has declined over time. A comparison of agency experience for 1998 and 2012 indicates that those with experience of a single agency has increased (36.5% compared to 30.4%), while those with experience of two to three agencies had declined somewhat (40.7 compared to 43.1) as had those who had worked in four or more agencies (22.8 compared to 26.5). For 2012 the mobility rate for the SES was 5.6%, down slightly from 6.3% for the previous year (APSC 2012d: 251, 254).

In terms of mobility between APS and the external labour market 24.1% SES positions were filled by engagement in 2012, an increase from the previous year (19.3%) (APSC 2012d: 257). External recruitment has particular implications for both central expectations and values and agency-specific training.

A comparison of these latest figures with the earliest (see above) indicates that external appointments are substantially higher now. However, internal mobility rates are much lower.

## **Conclusion**

Australia has had a distinctive type of approach to the senior public service that is reflected both through the SES and how leadership development is handled.

The early SES was seen to be relative successful compared to its counterparts in the United State and New Zealand (Halligan 1992). Since then the original objectives for a unified and mobile service have been unevenly realised over time. While some mobility, lateral recruitment and common values can usually be identified there have been fluctuations as other imperatives (or possibly neglect) come into play.

Leadership development has been a constant but one that is susceptible to environment change and internal adaptation. There have been corresponding changes in the organisation and content of senior public service training and development. There has been both evolution and continuity in the approach over three decades. The evolution of greater responsibilities for the Public Service Commission accelerated in the second half of the reform era, and was expressed through its formulation of leadership capabilities and development frameworks, and forging new relationships with line departments. There has also been substantial continuity in its overall programs, which have tended to reflect the paradigm of the day as well as interpretations of leadership that have issued from the Commission. The current approach fits within APS thinking about whole-of-government approaches.

From this preliminary consideration, a number of questions warrant further attention, in particular the interplay between leadership conception and practice, the role of agencies in applying leadership frameworks, and shortfalls in aspects of leadership performance.

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<sup>1</sup> Canada's 'management category' also qualified, although somewhat differently conceived (Hede 1991).

<sup>2</sup> Initially, the proportion of such appointments was 15 per cent in 1984-85, 10 per cent the following year, 8 per cent in 1987 and 5 per cent in 1988.

<sup>3</sup> A third component of the original SES concept - performance appraisal - was developed at a leisurely pace.

<sup>4</sup> The APSC was known as the Public Service and Merit Protection Commission from 1987 until 2002.

<sup>5</sup> Other short programs included SES breakfasts and updates and lunchtime seminars.

<sup>6</sup> The Australia and New Zealand School of Government has also made a contribution to professional development from the 2002 through its Executive Master of Public Administration,

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Executive Fellows Programme and a Towards Strategic Leadership Programme (Pollitt and de Beeck 2010).

<sup>7</sup> A preliminary consideration of progress focused on three main objectives: openness and competitiveness, mobility and performance evaluation: Halligan 1992.