Freedom of Information Publication Coversheet

The following information is provided pursuant to section 28 of the *Freedom of Information Act 2016*.

FOI Reference: CMTEDDFOI 2022-065

Information to be published	Status
1. Access application	Published
2. Decision notice	Published
3. Documents and schedule	Published
4. Additional information identified	No
5. Fees	N/A
6. Processing time (in working days)	7
7. Decision made by Ombudsman	N/A
8. Additional information identified by Ombudsman	N/A
9. Decision made by ACAT	N/A
10. Additional information identified by ACAT	N/A

From:	
To:	CMTEDD FOI
Cc:	
Subject:	FOI Request	ACTPS Senior Executive Leadership and Leadership Development Review
Date:	Tuesday, 1 March 2022 3:57:05 PM

Good Afternoon,

RE: FOI REQUEST – ACTPS SENIOR EXECUTIVE LEADERSHIP AND LEADERSHIP DEVELOPMENT REVIEW

I write to request under the *Freedom of Information Act 2016* a copy of the ACTPS Senior Executive Leadership and Leadership Development Review undertaken in 2020-2021.

Should you require any further information or clarification about my request, please contact my office on .
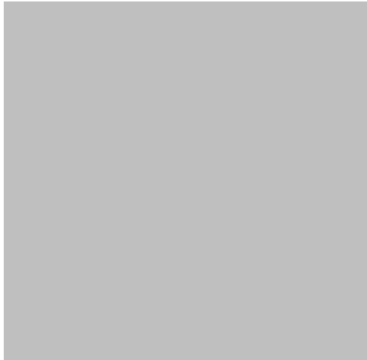
Kind regards,

FREEDOM OF INFORMATION REQUEST

I refer to your application under section 30 of the *Freedom of Information Act 2016* (the Act), received by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) on 1 March 2022, in which you sought access to:

- *A copy of the ACTPS Senior Executive Leadership and Leadership Development Review undertaken in 2020-2021.*

Authority

I am an Information Officer appointed by the Director-General under section 18 of the Act to deal with access applications made under Part 5 of the Act.

Timeframes

In accordance with section 40 of the Act, CMTEDD is required to provide a decision on your access application by 30 March 2022.

Decision on access

Searches were completed for relevant information that falls within the scope of your request and three discussion papers were found.

I have included as **Attachment A** to this decision the schedule of relevant information. This provides a description of the information that falls within the scope of your request and the access decision for that information.

I have decided to grant full access to the relevant information. The information released to you is provided as **Attachment B** to this letter.

Charges

Pursuant to *Freedom of Information (Fees) Determination 2018* processing charges are not applicable for this request because the total number of pages to be released to you does not exceed the charging threshold of 50 pages.

Online publishing – Disclosure Log

Under section 28 of the Act, CMTEDD maintains an online record of access applications called a disclosure log. Your original access application, my decision and documents

released to you in response to your access application will be published on the CMTEDD disclosure log three days after the date of my decision. Your personal contact details will not be published.

You may view CMTEDD disclosure log at https://www.cmtedd.act.gov.au/functions/foi.

Ombudsman Review

My decision on your access request is a reviewable decision as identified in Schedule 3 of the Act. You have the right to seek Ombudsman review of this outcome under section 73 of the Act within 20 working days from the day that my decision is published in CMTEDD disclosure log, or a longer period allowed by the Ombudsman.

We recommend using this form *Applying for an Ombudsman Review* to ensure you provide all of the required information. Alternatively, you may write to the Ombudsman at:

The ACT Ombudsman
GPO Box 442
CANBERRA ACT 2601

Via email: actfoi@ombudsman.gov.au

ACT Civil and Administrative Tribunal (ACAT) Review

Under section 84 of the Act, if a decision is made under section 82(1) on an Ombudsman review, you may apply to the ACAT for review of the Ombudsman decision. Further information may be obtained from the ACAT at:

ACT Civil and Administrative Tribunal
Level 4, 1 Moore St
GPO Box 370
Canberra City ACT 2601
Telephone: (02) 6207 1740
http://www.acat.act.gov.au/

Contact

Should you have any queries in relation to your request please contact me by telephone on 6207 7754 or email CMTEDDFOI@act.gov.au.

Yours sincerely,

Katharine Stuart
Information Officer
Chief Minister, Treasury and Economic Development Directorate

10 March 2022

ACT Government

Chief Minister, Treasury and Economic Development

WHAT ARE THE PARAMETERS OF THE REQUEST	Reference NO.
A copy of the ACTPS Senior Executive Leadership and Leadership Development Review undertaken in 2020-2021.	CMTEDDFOI 2022-065

Ref No	Page number	Description	Date	Status	Reason for Exemption	Online Release Status
1	1-8	Review of SES Leadership and Leadership Development discussion paper 1.	Undated	Full release	N/A	Yes
2	9-20	Review of SES Leadership and Leadership Development discussion paper 2.	Undated	Full release	N/A	Yes
3	21-26	Review of SES Leadership and Leadership Development discussion paper 3.	Undated	Full release	N/A	Yes
Total No of Docs						
3						

REVIEW OF SES LEADERSHIP AND LEADERSHIP DEVELOPMENT

Introduction: What problem are we trying to solve?

The COVID-19 crisis surfaced potential capability and experience gaps in the SES pipeline. Earlier this year, DG's highlighted a range of concerns regarding:
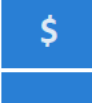
- The potential overuse of key 'go-to' SES individuals throughout the 2019-20 bushfires, January hailstorm and ongoing COVID-19 pandemic, and whether many SES are adequately prepared for the demands of more senior, complex roles or different roles.

- Lack of information about the SES cohort more broadly, such as collective and individual SES strengths, capability gaps, individual and common development needs, critical skill and experience requirements.

- The need for a coherent strategic vision and strategy relating to SES leadership and talent, and their feeder group, to inform investment in targeted and contemporary leadership development.

This review commenced in July aimed at building a better understanding of this cohort and answering the question:

What do we need to do now to position the SES to successfully lead the ACTPS in 5-10 years' time?

Project method: What did we do?

To answer this overarching question, we explored a range of inputs:

20	Meetings with Director-Generals, CEOs, Agency Heads
10	Interviews with current Deputy Director-Generals
9	Meetings with senior HR leaders across the ACTPS
5	Conversations with jurisdictions about their practices and lessons learnt NSW	Vic.	Qld.	APS	NZ
7	Years of work value analysis undertaken by Mercer for ACTPS SES positions
	Analysis of available workforce data from Chris21
	Academic and applied research into the future of work and its implications for leadership
$	Expenditure on key leadership development initiatives
★★★	Discussion of best practice principles from one of Australia's top providers of talent development

Project findings and insights: September, October, November

Over three Strategic Board meetings from October, I will bring the themes arising from this project to this group with the aim of hearing your views and generating strategic discussion about what this means for us as a Service.

A key reason for this series of discussions is **to gain your input, feedback and views about where we as a service need to most focus our attention**, what sits with Directorates, and what sits centrally.

October

In October, we'll focus on what we have heard about **the current state of the SES workforce**, its capability strengths, and what may be opportunities for improvement. As part of this meeting – or in follow up – I'd like to hear your views and reflections so we can incorporate those into the picture we're building.

November

In November, we'll focus more on **the future**, what the research and our consultation told us about what will be required of leaders in the next 5-10 years and what that might mean for capability development, now. Again, I will seek your thoughts and input.

December

In December, we'll focus on pulling together our **collective insights** to answer the question *'what do we need to do now to position the SES to successfully lead the ACTPS in 5-10 years' time'?*

2021

From that point, we'll draw all the analysis, consultation and research together to prepare a **Leadership Strategy for the ACTPS** which I would like this group to not only agree to, but own. It is my view that the success of future leaders of the ACTPS depends to a large part on what we put our effort behind now.

Throughout our interviews and discussions, challenges regarding SES contracts were regularly raised. This included the process of contract renewal, the 'hard' barriers between within-band increments, and whether the overall SES banding and entitlements are an attractive proposition to potential talent.

While some elements raised relate directly to this review, we plan to explore SES structural arrangements including contract processes in a separate project, including aiming to address concerns raised to date where possible.

Snapshot of the SES workforce, 2020
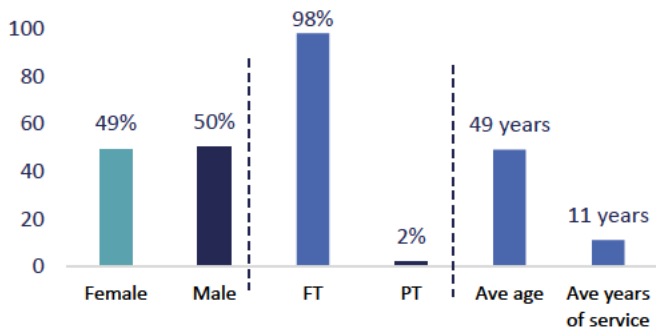
Figure 1. Key SES workforce statistics[1]

Figure 2. Number of SES by Directorate/ Agency, 2020[2]
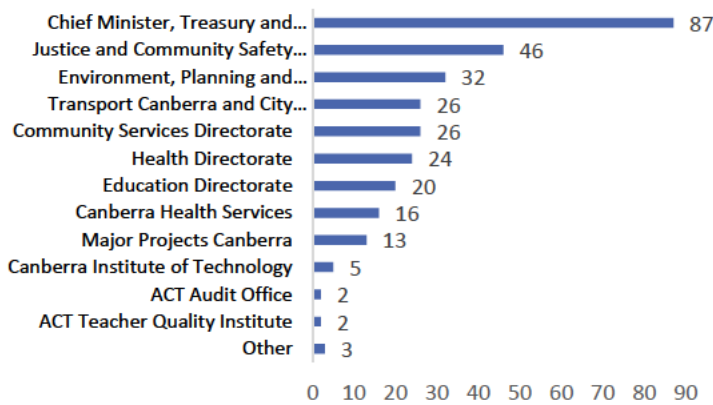

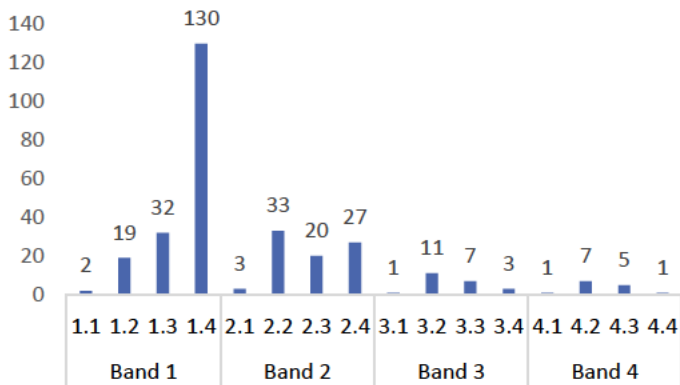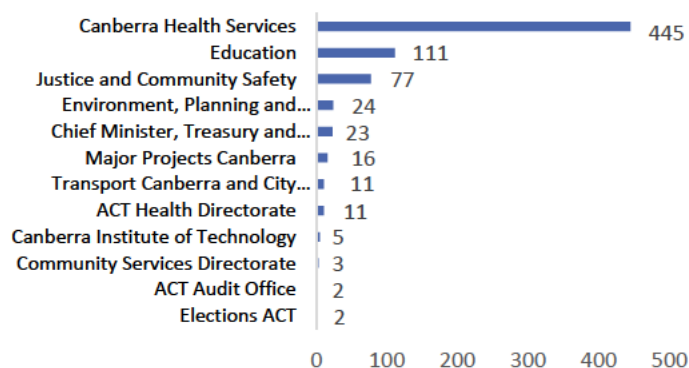**Figure 3**. Number of SES by Band classification, 2020[3]

Figure 4. Non-SES classified staff receiving SES-equivalent salaries, 2020[4]

Current leadership requirements, capability strengths & gaps

To examine whether our SES leadership roles have been evolving over recent years, the trends from 355 Mercer work value assessments undertaken over the last 7 years were analysed. Key findings indicate:

- For the most part, the requirements of SES roles have remained consistent over the 7-year period examined.

- There is a noticeable trend from ACTPS data indicating that the context in which our SES operate is becoming more dynamic, with less clarity and greater ambiguity regarding how to approach situations.

  ⇨ This points to a need for capabilities such as creativity, the ability to see things from multiple perspectives, dealing with ambiguity, and strategic-, organisational-, and learning agility to be effective in these roles.

- There is also a noticeable shift in the requirement for effective people-leadership and strategic thinking skills as one progresses into more senior levels. This contrasts with the technical and delivery-focused skills which remain the cornerstone for success and progression earlier in one's career.

  ⇨ This points to the need for strategic thinking and advanced people skills (such as the ability to understand others, being interpersonally and politically savvy, building and maintaining peer relationships, creating effective teams and self-awareness) to be effective in these roles.

For reference, the current accountabilities, roles and responsibilities for each SES band are set out in *Attachment B*, together with the current executive capabilities at *Attachment C*.

Consultation interviews

During the consultations, the SES were asked about their observations of the capability strengths and gaps across the SES workforce. The themes from these interviews are highlighted below.

Perceived capability <u>strengths</u> of the SES

Collaboration

The SES are collaborative, cooperative and collegiate, an experience heightened during COVID-19.

Drive

The SES are incredibly driven. They are intrinsically motivated by what they do and have a genuine commitment to get the work done and make a difference.

Trust

There is a sense of trust and strength in the relationships across the senior SES group, especially those who have worked together for several years.

Problem solvers

The SES have an excellent ability to analyse problems and generate workable solutions.

Expertise

As a whole, the SES hold a depth of subject matter expertise and technical knowledge which they're happy to share.

Corporate knowledge

There is both depth and breadth of knowledge about ACTPS and Government across the SES, "someone will always know the background".

One service

The SES feel they, together with the DGs, have shifted more into a genuine one-service mindset, and that associated one-service practices and behaviours have become stronger and more consistent across these two groups.*

Increasingly agile

The SES have shown more agility over the past 3-5 years, and especially since COVID-19. The SES noted the pace they were required to work

in could now be measured in hours, no longer weeks or months.

* The point was made by one interviewee that they observed that one-service thinking and behaviour was not as strong across the workforce below the SES Band 3 level, and questioned whether it was a relevant concept for some staff at all such as more junior or specialised staff working within Directorates.

Perceived capability <u>GAPS</u> of the SES

Management practice

There is a gap in 'management 101' skills and practice across both middle management and the SES, and no common view of what good management and leadership looks like. There is a real need to induct people into the SES and the unique operating environment of SES within the ACTPS.

"Being disorganised and undisciplined has become a selling point, as if it's a badge representing how busy, important or fast we are. It creates chaos and an inability to focus on the important things."

"We're often talking different languages to each other which slow us down".

Over-reliance on expertise, not leadership

Technical and subject matter knowledge is valued and rewarded to the detriment of true leadership capability. Some SES observed that many SES seem much more comfortable operating in the technical world, rather than the genuine-leadership world.

"There is a gap in true leadership skills because we place too much value on technical knowledge or knowing the detail, which is also what we reward.".

The work gets done at the wrong level

The SES, even at the most senior levels, are expected to be across too much detail. This means the work gets pushed up so Band 2s and 3s are still the weeds, while senior officers are not getting the experiences needed to adequately prepare them for the demands of more senior roles.

"Its extraordinary what level of detail a Band 3 is expected to know off hand."

Not enough focus on outcomes

The SES don't focus enough on outcomes or the real value-add, instead they try to do everything or the familiar things. Many SES also commented on the inevitable tension between managing the demanding day-to-day and operational requirements of their role and setting aside space for the longer-term strategic requirements.

"what we focus on shouldn't be primarily dictated by the front page of the local rag"

We don't measure

There is a lack of data utilisation (or other information) to adequately measure outcomes, performance or what is delivered. Many SES suggested there should be a stronger focus on setting, monitoring, measuring and reporting against agreed KPIs.

Systems, practices, processes don't enable

The majority of those interviewed were frustrated by what they saw as inconsistent or undisciplined practices across the service which they felt create inefficiencies and impede their ability to be agile and truly collaborative.

"One-service is skin-deep. Our practices persist our silos. When it comes to doing the work, making the change – we stick to our knitting."

"We need more flexible and flatter structures where the right people can be brought together rapidly to share, ideate and create across Directorates.'"

ACTPS culture

In addition to capability strengths and gaps, two other common themes arose during the discussions. These comments spoke to the broader culture of the ACTPS rather specific capability. However, given the leadership of any organisation set the culture norms for the rest of the workforce, these have been included in the current analysis.

A risk-averse culture

Many of the SES interviewed commented on the risk-averse culture of the ACTPS, expressing this in several ways:

"We work within a terribly risk adverse culture. This at times creates a blame culture, stifling trust, innovation and creativity and at the same time creating micro-managing

and an over-valuing of technical knowledge, not leadership. It shows up in how we respond when things go wrong."

"Our way of dealing with risk is to introduce ever-more control and compliance, which is slowing us down and disempowering our people."

"We are teaching people to follow rules and comply, not to think or challenge"

"We focus too much on structures, not cultures, and end up trying to do change in our spare time."

The view that the culture of the ACTPS is risk averse and its impact on trust, innovation and leadership behaviours such as micro-managing is a concerning one. This is particularly the case when held in contrast to Mercer's observation that the ACTPS is operating within an increasingly ambiguous context and which the SES say is increasing in speed. As noted earlier, these conditions require leaders and the workforces they lead to increasingly draw upon capabilities such as the ability to deal with ambiguity, creativity and agility to deliver effective, often innovative outcomes – capabilities which are extremely difficult to cultivate if cultural norms stifle them.

Grown-up here v Fly-in/ Fly-out

Throughout the interviews, there was often an underlying commentary about the different ways those SES who have either 'grown up' in the ACTPS or those who have been 'flown in' to the ACTPS perceive and interpret ACTPS culture, behaviours and decisions. This was illustrated by comments such as:

"There is view that 'if only we could find someone from the APS for this role, we'd be ok'".

"There seems to be a view that we should try to put our [ACTPS] people in jobs."

"New recruits into the SES tend to be more siloed and less collaborative"

"A lot of the SES here think they know what great looks like: they think we're there and we're not"

"We have a sense of being poor cousins to the Commonwealth. Ex-APS need to get better at translating their experience to the ACTPS context"

"SES roles here aren't as broad as people say, there are a lot of SES jobs where spans of control are very narrow.

From the interviews to date, it is not clear what the extent and impact of the cultural difference between those SES who have "grown up" in the ACTPS compared with those who have been

"flown in" to the ACTPS from elsewhere is having on the day-to-day experience and ability of senior leaders to achieve outcomes. There are some signs from the interviews that it is not significant, particularly when considering the capability strengths raised: collaboration, one-service and trust (noting this was raised more often from those who had served in the ACTPS for a longer period of time), while other comments underscore concerns (e.g. *"We're often talking different languages to each other", "…when it comes to making the change – we stick to our knitting.").* This finding suggests the need to build a common language for management and leadership and may point to *collective* leadership featuring in a subsequent leadership strategy.

## The current state of leadership development

The ACTPS currently invests in the development of the SES cohort in a variety of ways, including through centrally-coordinated programs and events, Directorate-funded initiatives and other opportunities such as executive coaching.

- Over the past five years, the ACTPS has invested in a range of professional development opportunities for the SES. The most common opportunities on offer over this timeframe include ANZSOG's Executive Masters of Public Administration, Executive Fellows Program, Deputy Forum, Deputy Leadership Program and CEO Forum, Jeff Whalan learning circles, the China Reciprocal Program and IPAA mentoring opportunities.

- Most of the interviewees we spoke to had engaged in at least one of these initiatives and spoke well of the learnings they gained and the value of the program. Without exception, they acknowledged the privilege of receiving such an investment in their professional development.

- However, interviewees did not consider that the current approach to leadership development was meeting the needs of the ACTPS.

- Specifically, interviewees noted that what is offered and who it is offered to appear to them random and ad-hoc rather than aligning with a particular purpose or strategy.

- A small number of interviewees commented that the current approach [regarding who gets selected for a development initiative] appears to be about "everyone has a turn", rather than business need.

- Additionally, most interviewees felt that the ACTPS hadn't invested properly in management training in a consistent, enduring way for a long time, and this was evident in the capability of both managers at the middle level and more senior level. Interviewees indicated some form of foundational management training should be mandatory for all staff who manage people, and staff should be held to account to attend. Many expressed sentiments that *Management training should be a mandatory requirement, not a nice to have.*

- Additionally, several interviewees indicated there was a significant need for a structured SES Induction to support newly promoted or transferred SES get across the requirements of their broader SES role quickly.

The SES were asked what they felt has been most impactful in terms of developing leadership capability during their career.

Interviewees indicated that different experiences helped develop different elements of leadership and a range of approaches were raised:
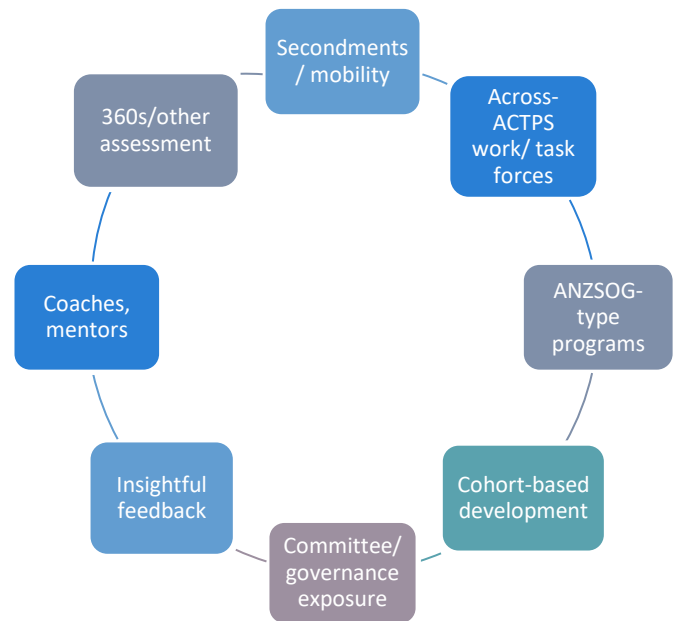
Opportunities to gain broader leadership experience and exposure through mobility opportunities such as secondments or deliberate career choices were the most common development experience proposed by the SES.

Many commented that the SES should gain experience from several different leadership roles and, theoretically, should be able to be moved into any SES roles across the service.

There was an alternative school of thought on this however: Others considered that while there is commonality across many roles within the SES, there are some that draw on relatively unique capability sets and moving people into those roles without adequate preparation or support would only set good people up to fail.

> *"initiatives such as ANZSOG and Jeff Whalan should be part of the mix, but they shouldn't become our default".*
>
> - DDG interviewee

> *"I don't think there is an approach per se. Everyone manages their own career and development and will occasionally get nominated for a program – why? Who knows".*
>
> -DDG interviewee

The Board may wish to note recent research from UNSW[5] into the current state of learning on the job which indicates that effective learning on the job, including opportunities such as mobility-based projects and secondments, requires

considerably more support and structure than is often provided to ensure *desired* learning outcomes occur. It is not a 'set-and-forget' proposition.

During these discussions, many SES noted that they spoke from their own experience and recognised there may be other opportunities that the ACTPS should be taking advantage of that they didn't know about.

In this regard, many interviewees felt there was a significant opportunity for WCAG to take a stronger role in driving a more strategic, contemporary approach to leadership and management development.

within the SES range. This includes a range of specialists such as medical and nursing staff, legal and judicial officers, school leaders and other education leaders and specialists, statutory office holders, infrastructure and technology specialists. Data as at 2 September 2020.

[5] Johnson, Blackman & Buick (2018). 70-20-10: What's the State of Play. Public Sector Research Group, UNSW.

Questions for Strategic Board

1. **What are your reflections on the information provided?**

2. **What other insights would Strategic Board like to ensure are considered as part of this review to answer the question: *What do we need to do now to position the SES to successfully lead the ACTPS in 5-10 years' time*?**

3. **What role should Strategic Board have in the service-wide development of the SES and the leadership pipeline?**

Next Steps

1. WCAG will draw together comments and input from this discussion, and

2. Incorporate key discussion points, consultation and research to date, prepare a second discussion paper focusing on the requirements of leaders in the next 5-10 years.

Footnotes

[1] **Figure 1** includes staff recorded in Chris21 as a Senior Executive Officer 1, 2, 3 or 4 in public service and public sector entities. Includes Higher Duties arrangements. Data as at end June 2020.

[2] **Figure 2** includes staff recorded in Chris21 as a Senior Executive Officer 1, 2, 3 or 4. Includes Higher Duties arrangements. Agencies which fall into 'other' include ACT Integrity Commission, Long Service Leave Authority and Independent Competition and Regulatory Commission. Data as at end June 2020.

[3] **Figure 3** includes staff recorded in Chris21 as a Senior Executive Officer 1, 2, 3 or 4 in public service and public sector entities. Includes Higher Duties arrangements. Data as at end June 2020.

[4] **Figure 4** includes staff within Chris21 who are *not* recorded as a Senior Executive Officer 1, 2, 3 or 4, but who receive a full-time equivalent salary

Attachment A. SES Accountabilities, Roles and Responsibilities

Level	Accountabilities, Roles and Responsibilities
SES Band 1	• The leader of a discrete policy, service delivery or enabling function within a broader portfolio in a directorate. • Technical and subject matter expertise of strategic significance to the business. • Operates within a reasonably defined scope. • Responsible for the performance of their unit. • Independence in decision making and the ability to commit resources within allocated funding. • Accountable for the above to a more senior executive, usually a Band 2.
SES Band 2	• Leads a number of policy, service delivery or enabling functions. • Operates with considerable strategic scope. • Responsible for the performance of the units reporting to them. • Significant independence in decision making and able to commit resources within funding allocated to their areas of responsibility. • Accountable for the above to a more senior executive, often a Band 3.
SES Band 3	• Supports the Director-General to lead the directorate and develop and promote the strategic objectives and culture. • Deputises for the Director-General. • Operates with substantial strategic scope and scale, leading and managing a significant proportion of a directorate (policy, service delivery, enabling functions). • Responsible for the performance of those parts of the directorate reporting to them. • Accountable for the above to the relevant Director-General.
SES Band 4	**Director-General** • Leads a directorate, sets the strategic objectives and establishes the directorate's culture. • Collaboratively with other Directors-General, pursues whole of government outcomes. • Responsible for the advice to Ministers and the Head of Service and personally advises on the most complex and sensitive matters. • Responsible for the performance of the entire directorate with complete accountability for business outcomes. • Responsible for the performance of all other Executives in the directorate. • Accountable for the above to the relevant Minister and the Head of Service. **Head of Service** • Leads the ACT Public Service (ACTPS), sets the strategic objectives and establishes the ACTPS culture. • Responsible for whole of government strategic advice to the Chief Minister and the Cabinet and personally advises on the most complex and sensitive matters. • Responsible for providing direction across the Service in relation to critical or potentially critical issues. • Responsible for the performance, structure and integration of entire ACTPS. • Responsible to the Chief Minister for the performance of Directors-General and all Executives in the ACTPS. • Accountable for the above to the Chief Minister.

Attachment B. ACTPS Executive Capabilities

Leads and values people	• Motivates and develops people • Values diversity and respects individuals • Builds a culture of improving practice
Shapes strategic thinking	• Inspires a sense of purpose and direction • Encourages innovation and engages with risk • Thinks broadly and develops solutions
Achieves results with integrity	• Develops organisational capability to deliver results • Manages resources wisely and with probity • Progresses evidence based policies and procedures • Shows sound judgement, is responsive and ethical
Fosters collaboration	• Listens and communicates with influence • Engages effectively across government • Builds and maintains key relationships
Exemplifies citizen, community and service focus	• Understands, anticipates and evaluates client needs • Creates partnerships and co-operation • Works to improve outcomes

REVIEW OF SES LEADERSHIP & DEVELOPMENT (DISCUSSION PAPER 2 of 3)

Introduction

This paper is the second of three discussion papers for Strategic Board, reporting findings and insights from the current review and future of SES Leadership and Development across the ACTPS.

The first of these papers was discussed at the mid-October Strategic Board and summarised the findings from consultation with senior SES across the service, as well as other research inputs.

That paper outlined several foundational strengths across the SES which are currently serving the ACTPS and the community well. The paper also surfaced common capability gaps – in both individuals and the broader ACTPS system – as well as concerns regarding the lack of a coherent strategy guiding ACTPS management and leadership development efforts.

This paper continues the discussion, first re-capping key feedback from the October discussion, then turning our focus towards the future of work and key predictions relating to the requirements of leadership – and public sector leadership in particular – in the next 5-10 years.

We note that much of the available research and analysis was published prior to COVID-19, and deeper analysis about a 'post-COVID' workplace are only now being released. We will continue to review this analysis as it emerges. However, our research so far suggests that the events of 2020 have not so much changed the relevance of research findings from recent years, rather, COVID-19 has dialled-up and accelerated the impact.

Again, this paper concludes with a series of questions for discussion and feedback.

Recap: Current SES leadership capability strengths and gaps

In our first discussion paper, we highlighted the themes arising from around 45 interviews about SES leadership capability strengths, gaps and other challenges impacting the leadership group across ACTPS. The themes arising from those consultations are illustrated at Attachment 1, for reference.

In response to the paper, the key points arising from the mid-October Strategic Board discussion were:

a) Members agreed with the capability strengths and gaps identified during consultation. They recognise the difficulty faced by the SES who are working in an increasingly ambiguous, uncertain, and fast-paced environment coupled with a risk averse culture.

b) Members are supportive of WCAG taking a more strategic, driving role in common-across-ACTPS SES development needs to complement the development activities already underway within Directorates.

c) Members support calls for the introduction of ACTPS SES induction, contemporary management training for those in management roles, and collective leadership development as well as individual development (such as mobility and on-the-job opportunities).

d) Members are keen for WCAG to progress systematic talent management for the SES and its feeder group, developing a clear purpose and desired outcomes statements, clarity in language, and design options based on contemporary, context-sensitive principles, such as those at Figure 1.

Figure 1: Contemporary Talent Management Principles

❶ Do no harm

Talent Management is a development intervention, not an assessment intervention. For every participant, it should feel like a growth experience, not a career-limiting experience.

❷ Inclusive, not exclusive

Every high performer is valued and receives professional development in line with their career aspirations.

❸ ACTPS leaders are the stewards of Talent

Talent Management is owned by the ACTPS senior leadership team (eg. Strategic Board) and facilitated by WCAG.

❹ Not a single event

Talent Management is not a single event. As a development intervention, it aims to support continuous learning and growth for both individuals and organisations.

The board may wish to note that WCAG have been testing the themes raised in the paper with SES Band 1s and 2s, and DDG WCAG had individual conversations with many DG about the topics raised in the first paper.

The SES Band 1s and 2s broadly agree with the capability strengths and gaps highlighted in the paper, largely reinforcing those themes, and providing some nuances. There is clear endorsement for there to be a more structured approach to senior executive mobility and how future initiatives can support the SES broaden their experience and exposure in other roles at level, rather than having to formally apply for new positions on a temporary or permanent basis. Likewise, the following key points have been made (so far) during the DDG WCAG's meetings with DGs:

- Introducing high-quality management development to strengthen essential, core management practice in the SOG and SES groups.
- The importance of ensuring future strategies and initiatives include the SOG-A feeder-group, and a view that we currently do not invest enough in preparing and supporting people through the transition from SOG-A to the SES.
- The challenge of SES management and whether current requirements and practices are creating stagnation and hindering greater flexibility and career development for the SES and its feeder group.
- The introduction of SES Talent to be incorporated into subsequent strategies and plans together with broader leadership development, including to develop a shared purpose and a common language in this area.
- How to fund these initiatives in a way which is sustainable and equitable across the ACTPS.
- The need to consider the broader ACT Public Sector, not just Directorates, when considering mobility of the SES.
- The impact of the "grown-up here" vs "fly-in" culture raised in the first paper warrant further consideration, either as part of this project or separate to it.

Towards 2030: The future of work and leadership

We used to say the world was VUCA[1], and that was before the pandemic showed up (Petrie, 2020)

There has been much speculation relating to the future of work over the next decade. The following section is not designed to be an exhaustive analysis of this research, but instead aims to provide a summary of four key predictions impacting the public sector which set the scene to examine the evolving nature of leadership in that context. The four predictions are:

1. Reduced public spending
2. The Fourth Industrial Revolution (4IR)
3. The supply of critical talent and skills
4. The complexity of problems

01 Reduced public spending

Today's public sector are more stretched than ever. They are asked to deliver more and more with less and less, often in uncertain policy environments.

The aftermath of COVID-19 on the economy will heighten the challenges associated with the already slowing economy. It is expected that – once the immediate Government stimulus effort is exhausted – public spending over the next decade will trend downward. Australia will have the highest debt since WWII which is anticipated to take at least the next decade to begin to climb out. And this depends on whether or when an effective COVID-19 vaccine is in production and if frequent or extended periods of lock-down continue to be the response by Governments.

For the public sector, this means continuing to deliver outcomes for citizens and the government of the day, while also managing costs. Public services will be looking for new ways to delivery productivity gains, achieving savings and/ or sustainability, particularly through innovation in service delivery.

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[1] VUCA refers to Volatile, Uncertain, Complex, Ambiguous and is a term originally coined in the American military, began to be used more frequently from the early 2000s to describe the context and challenges associated with leadership across most sectors and industries.

02 The Fourth Industrial Revolution (4IR)[2]

The coming decade will bring together people and technology in entirely unprecedented ways, changing the way people work and the way organisations deliver services and products across all industries and sectors.

The confluence of design thinking, expansion of data and growth in digital devices and tools will result in an improvement in citizen-government interactions, also raising citizen expectations about what is possible. The 'pandemic pivot' has demonstrated that well-designed digital processes are resilient, agile and transparent, whereas manual processes tend not to be (Slack, 2020). The challenge will be for the public sector to keep up, as it appears it is already falling behind. For example:

- A review by KPMG (2020) found there is a concerning lack of readiness for technological change amongst Australian organisations.
- McKinsey (2019) found that across a range of countries, customers of public services currently rate them on average just 5.5 to six out of a maximum ten points, well behind their private sector counterparts who received an average rating of 8.
- Deloitte (2019) indicated that so far, the public sector is yet to invest at scale in preparing for the 4th Industrial Revolution, prioritising fundamentals such as cybersecurity and online services instead, and
- Thodey (2019) found Australians' expectations are not being met regarding personalised, integrated, and easy-to-use service from Government, and investment in digital capability and transformation needs to be prioritised.

For the work of the public sector, the 4th Industrial Revolution will mean an ongoing redesigning of services based on emerging tools and technologies. Almost every policy and policy change will have its implementation supported by technology, so this will become the norm for policy developers, service delivers and regulators, rather than something separate.

However, building the *mindsets required* is anticipated to be the biggest challenge in adopting 4IR technologies (KPMG, 2020).

03 Supply of critical talent and skills

Australia is currently facing skills shortages across a range of key areas critical to the future of work, and likely oversupply of talent in areas which will be most impacted by 4IR.

While it is estimated that less than 5% of occupations will be fully automated, in about 60% of jobs at least one-third of activities can be automated (McKinsey, 2017[3]). Therefore, it is anticipated that the number of people engaged entirely by administrative tasks is predicted to drop substantially, while the number of people focused on tasks which draw on skills and knowledge of 4IR will rise. The loss of administrative jobs to automation will be a relatively gradual process providing the opportunity for organisations to plan for the change, to evolve and redesign administrative roles and functions, and support staff develop their skills as their jobs change. Even so, it will be a challenge for many.

Unsurprisingly, employment is growing in roles that are hardest to automate. More than 80% of the jobs created between now and 2030 will be for knowledge workers, and two-thirds of those jobs will be strongly reliant on innate human qualities and 'soft skills':

creativity	imagination
dealing with ambiguity	
interpersonal skills	collaboration
customer skills	compassion

Furthermore, in times of economic uncertainty critical talent becomes harder to find. This is because during those times people tend to hunker down and stay put rather than look for job opportunities elsewhere (and those with

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[2] Refers to the convergence of the physical, digital and biological worlds enabled by advanced and disruptive technologies such as Artificial Intelligence, the Internet of Things, Blockchain, robotics, 3D printing, nanotechnology, augmented reality, virtual reality, autonomous vehicles, digital twins, cloud computing and 5G.

[3] https://www.mckinsey.com/featured-insights/future-of-work/jobs-lost-jobs-gained-what-the-future-of-work-will-mean-for-jobs-skills-and-wages

highly sought-after skills and experience tend not to be the ones offered redundancies).

Therefore, given the future is likely to experience economic difficulties and skills shortages, employers will need to both attract *and* develop the skills required to keep up with the evolving nature of work amongst a reduced supply of in-demand skills and key talent. Organisations will also need to ensure existing talent are supported to succeed so they are motivated to stay, rather than tempted to accept the head-hunters offer.

In this context, the public sector needs to consider what value proposition it can offer both current and potential talent and take care to invest in those strategies.

Research into millennial preferences shows that many young professionals want to work for organisations that make a positive impact and a difference to peoples' lives.	This should work in the ACTPS favour, but we need to make the most of this advantage in our employment brand, recruitment, selection processes and onboarding experience.
The coming decade will see working patterns become less traditional as the workforce integrates its experience and lessons learnt from COVID-19.	Employees will expect flexibility to be accommodated, and contractors, freelancers, and those with a-typical work arrangements will be used to complement the employee base.
The best employers will strengthen practices to ensure greater diversity is welcomed in the workplace and people are empowered to be their full selves at work, supporting belonging.	As the workforce becomes more diverse & distributed, leaders will have to rethink how they communicate, inspire, and remain visible, all while creating a high-performance culture.

04 Complexity and acceleration

If we had to choose a single theme running underneath all the many changes we're seeing in the world of work since the pandemic started, it would be this: acceleration.[4]

The public sector has become more complex and the pace at which it is required to respond to change has accelerated.

The nature of problems being addressed by public policy are not defined by clean structures, so there will continue to be a shifting and blurring of boundaries within and between public, private and other sectors.

While this is undoubtedly a challenge, early analysis of the Australian workforce following COVID-19 indicates the Australian workforce across the majority of sectors has collectively become more 'change-able' as a result of the pandemic, and the innovation and adaption it necessitated (Australian Human Resource Institute, 2020). The concern for many of these commentators is whether organisations will 'snap back' rather than leveraging lessons learnt.

One lesson from the pandemic which has received attention is the criticality of organisational culture in a world of dramatic change, uncertainty, and distributed work. But creating and maintaining the right organisational culture in a world of remote work is a challenge – which we don't yet know the answer to[5].

Implications for the practice of leadership

Increased budget pressures, digital transformation, workforce progression, the complexity of problems, and acceleration of change will collectively continue to create a challenging and a relentless pace for leaders in the public sector.

In this context, effective leadership will need to draw from an enduring set of capabilities which have been

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[4] Slack (2020). Navigating the Disruption of Work, p4.

[5] With the rise of remote work, many leaders are concerned about preserving and evolving their culture than any other issue. As part of this, most are making efforts to create cultures which cultivate Psychological Safety (Creating an environment where it's safe to share ideas); Experimentation

(Building a culture that finds out by trying; one that's OK with the right kinds of failure and even celebrates mistakes); Autonomy (Pushing decision-making out from the centre and letting culture and values guide decision-making instead of explicit rule books); and Diversity (Discovering the magic that happens when you combine people with different backgrounds, perspectives and experiences).

important for many years as well as a range of capabilities which commentators agree are becoming increasingly critical not only for those in leadership roles, but also the broader workforce.

We caveat this by noting that to avoid creating an endless 'shopping list', the capabilities drawn together below are not exhaustive. We have prioritised:

1. capabilities which respond to the drivers outlined above which are influencing the context of the public sector,
2. reflect the most common themes in future of work research and analysis, and
3. capabilities associated with leadership practices rather than core management practices.
   ⇨ This is not to say management capabilities (those focused on coordinating, administering and ensuring day-to-day tasks are occurring as they should) are not important or will not be included in future initiatives, but for brevity we have focused on those central to the scope of this particular analysis.

The *enduring* leadership capabilities are outlined in Figures 2, below.

Figure 2: **Enduring** Leadership Capabilities

| VISION & PURPOSE | INSPIRING OTHERS | JUDGEMENT | LEADS CHANGE |
| STRATEGIC THINKING | RESOURCES EFFECTIVELY | LEADS TEAMS | RESILIENCE |

Figure 3 outlines the *future* leadership capabilities. Full descriptions of both the enduring and future leadership capabilities are at Attachment 2.

Figure 3: Leadership Capabilities for the Future

COMFORT with AMBIGUITY	ADAPTABLE	DIGITAL	FOCUSED
COLLABORATES			
Understands OTHERS	BUILDS TEAMS	CREATIVITY	Continuous LEARNER
RESILIENT			

The challenges for the ACTPS

As the context we work in become more ambiguous, continuous change and improvement will require leaders who can be creative and flexible in the way they work and think, respond to fresh ideas with curiosity, and cultivate a culture for innovation, experimentation and learning. The flip side of this, is developing a greater tolerance for imperfection, mistakes and failure.

This highlights two things: a gap between our current state of leadership and the future requirements of leadership, as well as a paradox in striving to achieve a culture of innovation in a sector which values order, predictability, and accuracy. Paradoxes such as this will exemplify the work of leadership over the next decade, as leaders will need to navigate both.

Leaders who have traditionally risen through a technical or specialist route, will need a far broader set of skills and rely on a breadth of experiences and exposure to different sorts of problems and stakeholder challenges. For the ACTPS, this may mean considering readiness for senior executive roles for the longer-term rather than immediate, specific positions except in exceptional circumstance. Such an approach would require tolerance for a period where a new incumbent on Day 1 "hits the ground learning" rather than "hits the ground running".

Developing leadership for the future

While funding will be a factor, every organisation will be identifying that this "black swan" event is a game changer and the implications on leadership capability are significant[6]

In times of financial difficulty, it is common for organisations to tighten their belts and reduce expenditure on 'non-essential' items, which often includes development (AHRI, 2020). However, all sectors and industries are desperate for experienced leaders who are agile, resilient, adaptable, and comfortable with uncertainty. For the ACTPS developing the suite of skills outlined in this paper, especially for those in (or aspire to be in) leadership positions, will be vital to the success of not only the ACTPS but the workforce of the future.

Next Paper

The next paper will draw together the discussion to date, proposing a set of actions which will collectively support the ACTPS to ensure it has in place the right actions now to better enable the current SES and ensure and the success of SES into the future.

Discussion Questions

1. **What driver stands out as our greatest risk and/ or opportunity?**
   - What have we missed?
2. **Do you agree/ disagree/ have other views on the leadership capabilities of the future?**
   - Which is most important?
   - Are any less important?
3. **What is the biggest barrier we face in building this leadership for the future?**
   - How do we collectively address that barrier?

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[6]https://www.ahri.com.au/media/4651/ahri_howtosuccessfullyworkthroughcovid-19_web.pdf

Attachment 1. Consultation findings – perceived capability <u>strengths</u> and <u>gaps</u> of the SES

Perceived SES capability strengths

	Collaboration The SES are collaborative, cooperative and collegiate, an experience heightened during COVID-19.
	Drive The SES are incredibly driven. They are intrinsically motivated by what they do and have a genuine commitment to get the work done and make a difference.
	Trust There is a sense of trust and strength in the relationships across the senior SES group, especially those who have worked together for several years.
	Problem solvers The SES have an excellent ability to analyse problems and generate workable solutions.
	Expertise As a whole, the SES hold a depth of subject matter expertise and technical knowledge which they're happy to share.
	Corporate knowledge There is both depth and breadth of knowledge about ACTPS and Government across the SES, "someone will always know the background".
	One service The SES feel they, together with the DGs, have shifted more into a genuine one-service mindset, and that associated one-service practices and behaviours have become stronger and more consistent across these two groups.
	Increasingly agile The SES have shown more agility over the past 3-5 years, and especially since COVID-19. The SES noted the pace they were required to work in could now be measured in hours, no longer weeks or months.

Perceived SES capability gaps

Management practice

There is a gap in 'management 101' skills and practice across both middle management and the SES, and no common view of what good management and leadership looks like. There is a real need to induct people into the SES and the unique operating environment of SES within the ACTPS.

"Being disorganised and undisciplined has become a selling point, as if it's a badge representing how busy, important or fast we are. It creates chaos and an inability to focus on the important things."

"We're often talking different languages to each other which slow us down".

Over-reliance on expertise, not leadership

Technical and subject matter knowledge is valued and rewarded to the detriment of true leadership capability. Some SES observed that many SES seem much more comfortable operating in the technical world, rather than the genuine-leadership world.

"There is a gap in true leadership skills because we place too much value on technical knowledge or knowing the detail, which is also what we reward.".

The work gets done at the wrong level

The SES, even at the most senior levels, are expected to be across too much detail. This means the work gets pushed up so Band 2s and 3s are still the weeds, while senior officers are not getting the experiences needed to adequately prepare them for the demands of more senior roles.

"Its extraordinary what level of detail a Band 3 is expected to know off hand."

Not enough focus on outcomes

The SES don't focus enough on outcomes or the real value-add, instead they try to do everything or the familiar things. Many SES also commented on the inevitable tension between managing the demanding day-to-day and operational requirements of their role and setting aside space for the longer-term strategic requirements.

"what we focus on shouldn't be primarily dictated by the front page of the local rag"

We don't measure

There is a lack of data utilisation (or other information) to adequately measure outcomes, performance or what is delivered. Many SES suggested there should be a stronger focus on setting, monitoring, measuring and reporting against agreed KPIs.

Systems, practices, processes don't enable

The majority of those interviewed were frustrated by what they saw as inconsistent or undisciplined practices across the service which they felt create inefficiencies and impede their ability to be agile and truly collaborative.

"One-service is skin-deep. Our practices persist our silos. When it comes to doing the work, making the change – we stick to our knitting."

"We need more flexible and flatter structures where the right people can be brought together rapidly to share, ideate and create across Directorates.'"

Attachment 2. ENDURING LEADERSHIP CAPABILITIES

Adapted from Korn-Ferry Lominger Competency Descriptions

VISION & PURPOSE	Communicates a compelling and inspired vision and purpose; talks beyond today; is optimistic; rallies support for and shared ownership for the vision; can inspire and motivate entire units/ organisations.
INSPIRING OTHERS	Creates a climate in which people want to do their best; can motivate many kinds of direct reports and team or project members; can assess each persons key drivers and use these to get the best out of people; empowers others and pushes tasks and decisions down; invites input from each person and shares ownership and visibility; makes each individual feel their work is important; is someone people like working for and with.
JUDGEMENT	Can manoeuvre through complex (small-p) political situations effectively and quietly; is sensitive to how people and organizations function; anticipates where the land mines are and plans his/her approach accordingly; views corporate politics as a necessary part of organizational life and works to adjust to that reality. Is knowledgeable about how organizations work; knows how to get things done both through formal channels and the informal network; understands the origin and reasoning behind key policies, practices, and procedures; understands the cultures of organizations. Uses rigorous logic and methods to solve difficult problems with effective solutions; probes all fruitful sources for answers; can see hidden problems; is excellent at honest analysis; looks beyond the obvious and doesn't stop at the first answer.
LEADING CHANGE	Takes the lead or supports the setting of new business direction; Helps people to develop a clear understanding of what they will need to do differently; supports various change management activities by communicating, educating, developing teams, coaching; Establishes structures and processes to plan and manage the orderly implementation of change; Helps people manage the anxiety associated with significant change; Facilitates groups through the problem solving and creative processes to develop and implement new approaches, systems, structures and methods.
STRATEGIC THINKING	Sees ahead clearly; can anticipate future consequences and trends accurately; has broad knowledge and perspective; is future oriented; can articulately paint credible pictures and visions of possibilities and likelihoods; can create competitive and breakthrough strategies and plans.
RESOURCING	Can marshal resources (people, funding, material, support) to get things done; can orchestrate multiple activities at once to accomplish a goal; uses resources effectively and efficiently arranges information and files in a useful manner.
LEADING TEAMS	Creates strong morale and spirit in his/her team; shares wins and successes; fosters open dialogue; lets people finish and be responsible for their work; defines success in terms of the whole team; creates a feeling of belonging in the team. Clearly assigns responsibility for tasks and decisions; sets clear objectives and measures; monitors process, progress, and results; designs feedback loops into work. Practices attentive and active listening; has the patience to hear people out; can accurately restate the opinions of others even when he/she disagrees.
RESILIENCE	Copes with stress and challenges and bounces back from an adversity. Has the self-awareness to identify their own thoughts, emotions and behaviours. Is able to self-regulate their thoughts action and emotions; Is optimistic and able to remain realistic and maintain a hopeful outlook; recognises others' strengths and how to use them effectively; can thinking flexibly and understand the world from others' viewpoints.

Attachment 3. LEADERSHIP CAPABILITIES FOR 2030

CREATIVITY	Doing more and more with less and less will become doing more with less and doing different with new. Leaders will need to create the environment which supports those who come up with new and unique ideas and ways of doing things. They will need to support improvising, experimenting, and learning from setbacks and successes. The best leaders will be able to facilitate effective brainstorming, bring the creative ideas of others to fruition, have good judgment about which creative ideas and suggestions will work.
COMFORT with AMBIGUITY (ADAPTABLE, AGILE)	Effective leaders in 2030 are likely to be those who thrive in constant change, can comfortably handle risk and uncertainty, shifts gears comfortably between big picture and detail, and is flexible in the way their think and work, will be able to decide and act without having the total picture, is not upset when things are up in the air, and doesn't feel the need to finish things before moving on. They will be able to respond to new situations with fresh ideas and innovative approaches, stay focused on goals while adjusting how to achieve them, and keep an open mind, engaging in continuous learning, integrating new information into their broadening understanding of the world.
DIGITAL	Digital will increasingly become a shared capability amongst leaders, rather than just through the CDO or CTO. They will need to proactively embrace and encourage digital initiatives within their organisation, learn best practice design and delivery, look for new ways to innovate and continuously improve service delivery using the latest technology, be curious and open about new ideas and approaches, especially those relating to technology's application to solving problems and delivering services. Leaders will also need to be able to effectively utilise technology to manage, motivate and measure the outcomes of dispersed teams.
FOCUS	Public sector leaders need to be masters of prioritising and focusing on the things that matter most. They will need to ensure they values time and spend their own and others on what's important, quickly zeroing in on the *'critical few'* and put the *'trivial many'* aside, gain a sense what will help or hinder accomplishing a goal, create focus amongst a team by being outcomes focused, and support the success of teams by eliminate roadblocks.
LEARN CONTINUOUSLY	People who are continuous learners pick things up quickly when faced with new problems, are open to change; reflect on both successes and failures for clues to improvement, experiments and will try a range of ideas to find solutions, and enjoy the challenge of unfamiliar tasks. They also pick up on the need to modify their personal, interpersonal, and managerial behaviour quickly, observe others for their reactions to their attempts to influence and perform, and adjust their approach if need be. They seek feedback.
BUILDS TEAMS	The work of the future will continue to be knowledge-based work. But with more distributed teams, a less homogenous workforce composition, more flexible and fluid working arrangements and a shortage of skills in some key areas, leaders will need to identify the right blend of skills they need in their teams how to attract and develop those people accordingly, and create an environment where creativity, collaboration and innovation are encouraged. They will need to be open to a broader range of perspectives and become proficient at facilitating the expertise and perspectives of others. Permanent teams will become less and less the norm, and the forming and dismantling of specific project teams will become more common.

	Can quickly find common ground and solve problems towards shared outcomes; can represent their own interests and yet be fair to others, can solve problems with peers with a minimum of noise and is seen as a team player, cooperative and collaborative. Easily gains the trust and support of peers and is candid with peers when required.
UNDERSTANDS OTHERS	
	Personal resilience has long been a 'must have' for leadership, but it should not be mistaken for invincibility. Resilience is underscored by the need for leaders to have good self-awareness, to understand their own limits and know when and how to take time out to disconnect and re-energise. Support for those in leadership roles will be increasingly important, however the public sector will have limited financial resources. Many leaders could benefit from greater peer-to-peer connections, however, personal networks for leaders are typically under-developed.
~~INVINCIBLE~~ RESILIENCE[7] (ANTI-FRAGILE)	

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[7] **Anti-fragility** is a term which is increasingly used in preference to resilience, and refers to complex systems which increase in their capability to thrive as a result of stressors, and which is distinct from the concepts of resilience (the ability to recover from set backs) and robustness (the ability to resist failure).

Introduction

This paper is the final of three discussion papers for Strategic Board, reporting findings and insights from the current review of SES Leadership and Development across the ACTPS, which aimed to find out:

What do we need to do now to position the SES to successfully lead the ACTPS in 5-10 years' time?

The first of these papers summarised the findings from consultation with senior SES across the service about the *current state* of leadership practice and leadership development across the ACTPS. The second paper focused on the *future* of work, and the subsequent requirements of leaders and their leadership capability in that context.

Together, these papers highlighted several strengths that the SES (and ACTPS more broadly) have leveraged to deliver quality outcomes to citizens and Government, to date. However, our analysis also highlighted areas of weakness which are becoming increasingly important for successful leadership practice – and these gaps are being experienced now. Consequently, we shifted our question slightly:

What do we need to do now to position the SES to successfully lead the ACTPS now and in the future?

We note that, according to those we consulted with, the recent pandemic appears to have advanced some capabilities which were once perceived as weaker across the service (agility, collaboration, one service mindset). The challenge now is to support current and future leaders develop and demonstrate these capabilities under business-as-usual as well as crisis conditions.

This paper draws this review to conclusion:

a) summarising the key messages from our consultation, research, and feedback from Strategic Board,
b) outlining a (draft) program of work to deliver a coherent, systematic, and strategic approach to common leadership and talent development across the ACTPS, and
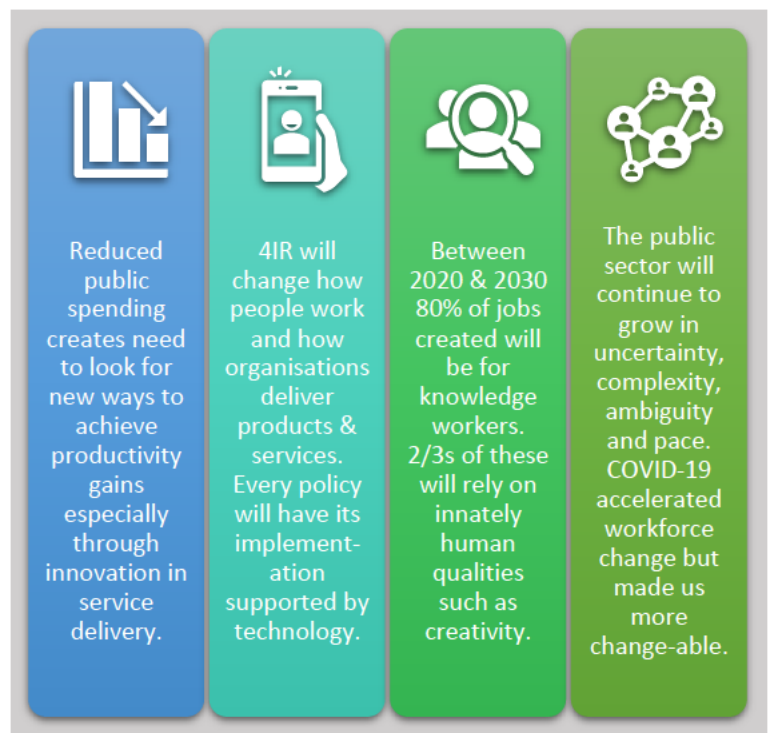c) proposing recommendations for endorsement.

Key findings

There are around 320 senior leaders across the ACT public sector workforce today. Collectively, this group are responsible for leading over 25, 000 ACT public sector employees deliver evolving services to the community and increasingly complex advice to Government. According to our 7 years of Mercer SES job evaluations, our context has become more ambiguous and uncertain – and in 2020, these conditions were more evident than ever.

Looking to 2030, increased budget pressures, digital transformation, workforce progression, the complexity of problems, and acceleration of change will collectively continue to create a challenging and relentless pace for our leaders (refer Figure 1). Leaders will need the capability to navigate those conditions while still delivering outcomes.

Our analysis highlighted a range of *enduring* leadership capabilities, as well as a set of *emerging* capabilities which those in leadership positions will need to be able to call on. These are noted in Attachment A., for reference.

Figure 1. Key drivers predicted to change the nature of work in the public sector

| Reduced public spending creates need to look for new ways to achieve productivity gains especially through innovation in service delivery. | 4IR will change how people work and how organisations deliver products & services. Every policy will have its implement-ation supported by technology. | Between 2020 & 2030 80% of jobs created will be for knowledge workers. 2/3s of these will rely on innately human qualities such as creativity. | The public sector will continue to grow in uncertainty, complexity, ambiguity and pace. COVID-19 accelerated workforce change but made us more change-able. |

Our consultation suggests there are gaps in key capability areas which are critical for the success of the ACTPS now, as well as those critical to our transformation and success in the future, such as:

What we need	What we heard
Comfort with Ambiguity	We are perceived as risk-averse; We add layers of rules and process in the face of uncertainty or ambiguity, which slows us down and disempowers our people.
Collaboration, Agility and Adaptability	The pandemic crystalised our focus, collaborative efforts, and willingness to try new things, quickly. We enabled our systems, people, and processes to be more agile, zeroing in on outcomes. But we need to learn to do this as BAU, not only as a crisis response.
Focus on what is important	We focus on the *trivial many* to the detriment of the *important few*; We have inconsistent, undisciplined, outdated, or non-existent practice which create (at its best) inefficiencies and (at its worst) impede the ability to effectively deliver outcomes.
Genuine leadership	We have an over-reliance on SES "doing the work"; We reward technical expertise (knowing the right answer) rather than leadership (asking the right question).
Management foundations	Fundamental management and public sector administration skills are perceived as lacking in significant segments of the workforce, from more junior ASO staff through to SES. We need comprehensive development in these areas, including SES Induction.

Our consultation also revealed that the ACTPS' current approach to developing capabilities is not meeting the needs of either individual SES or the ACTPS. The most common term used by the SES to describe current practice was "*ad hoc*".

Without exception, those we consulted supported the concept of there being a more strategic, coherent, and continuous approach to the development of leadership and management capability for the SES and its feeder group, as well as more active management of these groups. There was also general agreement that WCAG should take the lead in driving this work.

Alongside this, however, there was also doubt expressed about:

- The ACTPS' ability and willingness to persistently invest in this work to the degree required,
- WCAG's capability and capacity to strategically deliver against this important agenda,
- Whether other people-decisions (such as contracts, recruitment, promotion, performance management) will persist current practice, and
- The degree to which elements of this work apply across the entire ACT public service and sector.

What do we need to do now to position the SES to successfully lead the ACTPS now and in the future?

This review sparked significant interest and engagement, as well as enthusiastic discussion by senior people from across the ACTPS. As with any consultation, however, it also prompted expectations regarding the prospect of what comes next.

We believe the review points to the criticality of developing a strategic, coherent and continuous approach to whole of ACT public sector SES leadership and talent development, and ensuring associated practices are "joined up", contributing to the achievement of strategic outcomes.

There is also a need to ensure future endeavours are set up for success in the shorter and longer term, withstanding single-point-of-failures such as staffing changes.

Why do leadership development efforts fail?

The need for leadership development has never been more urgent. Companies of all sorts realize that to survive in today's volatile, uncertain, complex, and ambiguous (VUCA) environment, they need leadership skills and capabilities that are different from those that helped them succeed in the past.

Yet despite organisations collectively spending billions of dollars annually to develop current and future executives, several large-scale studies indicate that more than half of senior leaders believe that their leadership development efforts don't adequately build the critical skills and capabilities required.

Traditional leadership development is simply too episodic, exclusive, expensive, and disjointed to achieve goals. Successful programs take a strategic approach, are clear about desired outcomes, draw on a range of initiatives (formal, work-based, relational, online, in-person, group, individual, self-paced, etc), have the senior leadership teams' backing and attention, and measure progress against outcomes.

The APS' approach to developing SES leadership and implementing SES talent management were highlighted in the 2019 APSC Capability Review as two of their three most valued initiatives (by the APS Secretaries Board; together with the APS Employee Census). However, this work has taken a full decade to mature from its initial conception (in 2010) through to their current iteration. Their approach continues to evolve today alongside the APS, its leaders and their lessons learned.

This approach would signal a shift in ACTPS approach (and possibly learning-culture), explicitly and evidently supporting individual and system-wide learning and change.

As such, we recommend that Strategic Board, as stewards of the ACTPS, oversee this program on behalf of the ACTPS.

2. Establish Strategic Board as the *stewards* of ACTPS SES leadership and talent development

While the stewardship role and remit would need to be defined for this context, the role of Strategic Board may include:

- Endorsing and committing Strategic Board attention and effort to the actions arising from a ACTPS Leadership and Talent Strategy
- Ensuring SES Leadership Development and Talent Management is discussed at regular intervals at Strategic Board meetings
- Overseeing and participating in key programs arising from the Strategy, such as SES talent conversations, supporting SES mobility, or other events and initiatives
- Monitoring progress against agreed commitments and desired outcomes
- Periodically contributing to the evaluation and continual improvement of this program of work.

1. Prepare the ACTPS system for strategic development

During our consultations, we spoke to Australian State public service commissions (NSW, Vic, Qld), the Australian Public Service Commission, and the NZ Public Service Commission about their approach to and lessons learnt from building SES leadership and talent capability for the future. The clear messages arising from these conversations were:

- Invest in a coherent approach for the long term. Small gains and individual benefits will be seen early but change across the broader system may not to be seen for some time. Keep steady.

- The system matures alongside individuals and initiatives themselves. Be clear about outcomes and *adapt* the approach over time – let go of things that no longer serve and experiment with ideas with are uncomfortable. That's where the learning occurs.

3. Develop and communicate a shared, strategic intent

To focus, guide and communicate this work, WCAG proposes the development of a ACTPS Leadership and Talent Strategy, based on the review and feedback to date, including clearly articulated and Strategic Board endorsed:

- Purpose, vision, and outcomes,
- Scope – time-period, target groups, common development requirements,
- Key principles, language (leadership/ management),
- Streams of focus and intent (eg. leadership, talent, induction, mobility),
- Governance, Funding, Evaluation, Priorities

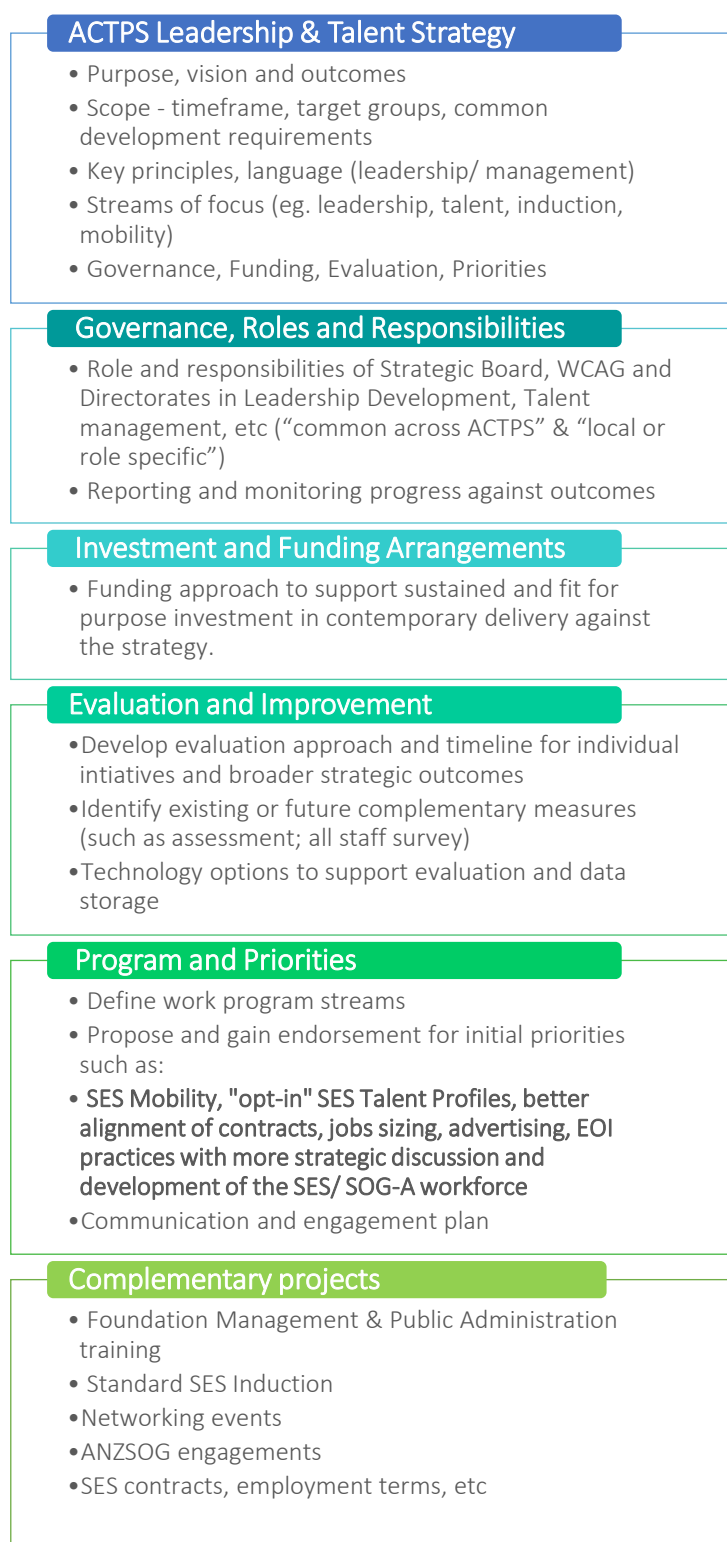## 4. Create a coherent work program

Together with an overarching, guiding Strategy, there are several connected work program streams to support a shift from this current review to design and implementation. Figure 2 outlines a proposed (but not finalised) program of work which would – should Strategic Board agree – commence from WCAG immediately.

5. Confirm sustainable funding

Currently, WCAG receives around $210,000 annually from Directorates for SES development and associated initiatives (eg. ANZSOG membership), complementing initiatives undertaken and funded by Directorates directly for their senior executives and staff.

Should Strategic Board agree to a greater emphasis on coherent SES Leadership and Talent development, current funding and the funding model will need to be revisited. This would form an initial component of the WCAG work program in this area.

Figure 2. (draft) work program

ACTPS Leadership & Talent Strategy
- Purpose, vision and outcomes
- Scope - timeframe, target groups, common development requirements
- Key principles, language (leadership/ management)
- Streams of focus (eg. leadership, talent, induction, mobility)
- Governance, Funding, Evaluation, Priorities

Governance, Roles and Responsibilities
- Role and responsibilities of Strategic Board, WCAG and Directorates in Leadership Development, Talent management, etc ("common across ACTPS" & "local or role specific")
- Reporting and monitoring progress against outcomes

Investment and Funding Arrangements
- Funding approach to support sustained and fit for purpose investment in contemporary delivery against the strategy.

Evaluation and Improvement
- Develop evaluation approach and timeline for individual intiatives and broader strategic outcomes
- Identify existing or future complementary measures (such as assessment; all staff survey)
- Technology options to support evaluation and data storage

Program and Priorities
- Define work program streams
- Propose and gain endorsement for initial priorities such as:
- SES Mobility, "opt-in" SES Talent Profiles, better alignment of contracts, jobs sizing, advertising, EOI practices with more strategic discussion and development of the SES/ SOG-A workforce
- Communication and engagement plan

Complementary projects
- Foundation Management & Public Administration training
- Standard SES Induction
- Networking events
- ANZSOG engagements
- SES contracts, employment terms, etc

Recommendations

It is recommended that Strategic Board **endorse**:

1. ACTPS introducing a systematic, coherent and strategic approach to whole of ACT public sector Leadership and Talent, driven by WCAG.
2. Their role as stewards of ACT public sector Leadership and Talent, noting that precise responsibilities are yet to be defined.
3. The need to review and determine a sustainable funding model for this work program, early in the New Year.

It is recommended Strategic Board **note** and **provide comment** on:

4. The proposed draft work program, including development of a ACTPS Leadership and Talent Strategy.

REVIEW OF SES LEADERSHIP & DEVELOPMENT (DISCUSSION PAPER 3 of 3)

Attachment A.

Enduring and Future Leadership Capabilities

Enduring Leadership Capabilities

VISION & PURPOSE	INSPIRING OTHERS	JUDGEMENT	LEADS CHANGE
STRATEGIC THINKING	RESOURCES EFFECTIVELY	LEADS TEAMS	RESILIENCE

Leadership Capabilities for the **Future**

COMFORT with AMBIGUITY	ADAPTABLE	DIGITAL	FOCUSED
COLLABORATES			
Understands OTHERS	BUILDS TEAMS	CREATIVITY	Continuous LEARNER
RESILIENT			