

VICTORIAN LEADERSHIP ACADEMY

JULY 2016

VPSC

Victorian Public Sector Commission

The Victorian Government has vested the Victorian Public Sector Commission with functions designed to enhance the performance of the public sector – fostering the development of an efficient, integrated and responsive public sector which is highly ethical, accountable and professional in the ways it delivers services to the Victorian community.

The key functions of the Commission are to:

- strengthen the efficiency, effectiveness and capability of the public sector in order to meet existing and emerging needs and deliver high quality services; and
- maintain and advocate for public sector professionalism and integrity.

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EXECUTIVE SUMMARY

To meet the challenges facing Victoria, the Victorian public sector needs high performing, agile, diverse and collaborative leaders who can deliver sustainable, high-quality outcomes for Victoria now and into the future. To achieve this vision, the Victorian Secretaries Board (VSB) is establishing a new model for leadership development: the *Victorian Leadership Academy*.

The Academy will use stronger data and analytics to provide VSB with a sector-wide view of leadership development requirements, opportunities and interventions, including:

- a clearer, richer and more comprehensive picture of the public sector and what it needs from its leaders, now and into the future;
- a stronger evidence base for making decisions about leadership, talent and succession; and
- data to drive initiatives that can improve the diversity of the Victorian public sector's leaders.

The Academy will build a pool of credible potential candidates for senior leadership roles, with dedicated streams for Secretary roles, and for Deputy Secretary and equivalent roles. These leaders will be equipped with the requisite skills and capabilities to operate in an increasingly complex and changeable environment and deliver on the Government's priorities for Victoria.

This stronger and more targeted leadership development program moves away from a traditional model where participants are developed across a common curriculum. It will provide an interconnected set of strategic, targeted interventions to lift leadership capability across the Victorian public sector. It will deliver relevant and effective interventions that are specifically tailored to the needs of the sector and the individual, with experiential learning as the central, defining force. The diversity of experiences offered to participants will assist in breaking down institutional silos and deliver public sector leaders with greater breadth and understanding. The Academy will make learning opportunities available to a wider audience, and encourage participants to share what they learn.

THE CASE FOR CHANGE

Why leadership matters

Developing the skills and capability of senior leaders is likely to have cascading benefits for organisations as a whole. Senior leaders are often responsible for the administration of billions of dollars of state assets, management of substantial budgets, oversight of large workforces, delivery of critical policies and services, and the management of considerable risk. As a result, their success has a particularly significant effect on the success of organisations.¹ Additionally, senior leaders often have influence over the appointment of subsequent leaders and impact the culture of organisations through their personal values and leadership decisions.

Changing and increasing demands on leaders

Senior leaders in the Victorian public sector are responsible for implementing the Government’s agenda, providing direction for organisations and stewarding the public sector over the short and long terms. The Government and the community have high expectations of the public sector.

The operating environment for senior leaders is increasingly complex, changeable, interconnected and dynamic. Senior leaders must be highly skilled, innovative, and accountable for their actions. They must also demonstrate the highest degrees of integrity and responsibility in the face of changing demands and expectations. More than ever before, they must collaborate with other leaders and communicate with a wide range of stakeholders.

Leaders face a continually changing work environment; one which calls for new approaches to leadership. Established leadership approaches face an increasing range of challenges, and senior leaders must adapt and use new skills in order to succeed.

Contemporary challenges for leadership in the public sector

Leadership Focus	Contemporary challenges
Leading for results (results-based management)	<ul style="list-style-type: none"> Long-term fiscal stress, need for tough choices Globalisation and the penetration of higher levels of competition and market values
Leading followers (transactional leadership)	<ul style="list-style-type: none"> Increased cynicism of employees Reduced resources to compensate (e.g. reduced benefits packages)
Leading with values (ethical leadership)	<ul style="list-style-type: none"> Lack of trust in political and administrative systems Confusion about which paradigm to follow (e.g. hierarchical, market-based, or collaborative)
Leading organisations (transformational leadership)	<ul style="list-style-type: none"> Technological revolution and the need for virtual management and leadership skills Redesigning organisations and systems to fit dramatically different public demands
Leading systems (horizontal and collaborative leadership)	<ul style="list-style-type: none"> Challenges of team-based organisational structures Unravelling social consensus

Source: Van Wart 2013, adapted by OECD (Gerson & Mendes, 2016).

¹ Jing, F. F. & Avery, G. C. (2008) Missing links in understanding the relationship between leadership and organizational performance. *International Business & Economics Research Journal*, 7(5), 67-78. Leroy, H., Palanski, M. E. & Simons, T. (2012); Authentic leadership and behavioral integrity as drivers of follower commitment and performance. *Journal of Business Ethics*, 107, 255-264; and Orazi, D. C. & Turrini, A. (2013) Public sector leadership: new perspectives for research and practice. *International Review of Administrative Sciences*, 79(3), 486-504.

Senior leaders in the public sector must acquire the skills to meet these and future challenges. In positioning their leaders for this new paradigm, public and private sector organisations need to adjust their leadership development practice.

Emergent practices in leadership development

Leadership development is important for motivating leaders, maximising their performance and ensuring that they are equipped to meet the demands of their roles. Public and private sector organisations are responding to the increasingly changeable environment with new approaches to leadership development.

Emergent practices from high performing public and private sector organisations

Theme	Practices
System focus ahead of individual focus	High performing jurisdictions and organisations use data and analytics to paint a clear, rich and comprehensive picture of their current and future needs. In these environments, the era of the 'heroic leader' is over, and a 'systems perspective' drives a focus on the needs of the organisation and the team first.
Assessment and diagnostics	Formal assessment and diagnostic processes provide a strong evidence base for making decisions about leadership, talent and succession. High performing organisations use data and analytics to identify the individual's potential, aspiration and performance and produce a comprehensive picture of the strengths and development needs of the individual. Analytics are also used to recognise and counter the behaviours that inhibit success, and to measure the impact of interventions on the system, organisation and team.
Top talent	Organisations generally manage a top pool of potential leaders tightly and closely at the centre. Research supports the benefits of this approach in increasingly changeable environments. ²
Delve deep	By delving deep into the leadership cadre, potential successors to business critical roles can be identified early and a succession pipeline built for the longer term.
Experiential learning	Leaders are assigned new or expanded roles designed to stretch the individual, disrupt old ways of thinking, and return a benefit to the organisation. These experiences are not 'make work' projects, but genuine challenges facing the organisation or sector. 'Scaffolding' is built around the individual to prevent failure. Through these experiences, talented people are moved around their organisations or sectors to build new ways of thinking, broaden horizons, and promote new ways of doing things.
Shift from passive to active learning	Emerging practice and trends point to the benefits of increased self-direction, stretch and personal responsibility to unlock the learning potential of individuals. High performing organisations reframe the expectations placed on participants to take them out of their comfort zone, and measure the extent to which participants apply what they learn in real time.
Exposure to leading thinkers	Many organisations are exposing their top talent to leading national and international thinkers and practitioners from both the public and private sectors in focussed, intensive environments.
Build once, use many	Where appropriate, learning and development opportunities are made available to a broader audience to maximise the value of investment. Online platforms present opportunities to broaden access to leadership development content, including to those in regional areas.

² Doz, Y. & Kosonen, M. (2014) *Governments of the future: Building the strategic and agile state*. Helsinki: Sitra; Gerson, D. & Mendes, C. (2016) *Charting civil service skills needs in the 21st century: towards a framework for analysis*. The Organisation for Economic Co-operation and Development, Network on Public Employment and Management, Public Governance Committee.

THE ACADEMY

What would success look like?

The new Victorian Leadership Academy will build a pool of potential candidates for both Secretary roles and Deputy Secretary and equivalent roles. The candidates in this pool will be equipped with the requisite leadership skills and capabilities to operate in an increasingly complex and changeable environment and deliver on the Government's priorities for Victoria.

The Academy will also produce a pipeline of talented high performers that have the potential and the aspiration to become part of the talent pool over the next three to five years. In addition, while leadership development alone cannot meet the diversity challenge facing the public sector, the Academy will aim for a diverse talent pool.

The Academy will provide VSB with a clear line of sight over the current and future challenges facing the Victorian public sector, the capability of the Victorian public sector's senior leaders, and the measureable impact of investment. It will deliver increased leadership capability and capacity across the senior levels of the public sector to deliver the Government's objectives.

Key principles

To deliver this ambitious agenda, the Academy will demonstrate the following principles in both design and delivery:

- **Focus on system need** – the needs of the Victorian public sector must be paramount.
- **Commitment to evidence** – decision making must be based on objective, rigorous, independent assessment of individuals, the system, and the program.
- **Appropriate governance** – roles and responsibilities must be reframed to emphasise the stewardship and decision-making role of VSB.
- **Emphasis on experiences** – work on the key problems facing government must be the defining development experience for participants.

The Academy

The Academy represents a new model for leadership development in the Victorian public sector, underpinned by a four year strategic vision and annual statements of priorities, both set by VSB.

The Academy will deliver:

- **expert assessment** of all Executive Officers in VSB member agencies against the Victorian Public Sector Leadership Capability Framework (**Attachment A**) to identify high potential candidates for centrally-coordinated development programs;
- **tailored development plans and interventions** for a small group of high potential leaders, including experiential learning opportunities, coaching, and exposure to leading thinkers;
- **regular review** of participants based on measurement of progress;
- endorsement of successful participants by VSB, for placement in one of the **two streams** of the **new Victorian public sector talent pool**; and
- a broader suite of **learning activities** (such as lectures and seminars) provided to a wide range of high potential leaders across government.

Benefits of the Academy

Each leader who undergoes the assessment process will receive a comprehensive report, benchmarking them against the Victorian Leadership Capability Framework, and identifying specific future areas for development. Each participant also receives a face-to-face debrief with the independent assessor, to ensure that they understand their results.

Assessment results will also be available to managers and agency heads to support a range of development and planning processes. Further detail on benefits is set out below.

Academy deliverables and their benefits for the public sector

Group	Deliverables	Benefits
VSB agency heads	<ul style="list-style-type: none"> ▪ Summary report covering all participants from their agency. ▪ Online, interactive dashboard with key metrics from assessments. 	<ul style="list-style-type: none"> ▪ Evidence base to support a range of functions, including: <ul style="list-style-type: none"> – succession planning; – identifying capability gaps; and – determining agency-based development offerings.
Managers	<ul style="list-style-type: none"> ▪ Access to assessment reports from their direct reports. 	<ul style="list-style-type: none"> ▪ Evidence base to inform agency-based executive performance processes and creation of tailored development plans for each individual.
People and Culture business units	<ul style="list-style-type: none"> ▪ Summary report covering all participants from their agency. ▪ Online, interactive dashboard with key metrics from assessments. 	<ul style="list-style-type: none"> ▪ Evidence base on leadership, capability, succession and development matters to support: <ul style="list-style-type: none"> – design and delivery of agency-based development offerings; and – agency-based executive performance and development processes.
Individual leaders	<ul style="list-style-type: none"> ▪ Independent expert assessment of their capability and potential, including: <ul style="list-style-type: none"> – comprehensive personalised report, benchmarked against the Victorian Leadership Capability Framework, identifying specific areas for development; and – face-to-face debrief with the independent assessor. 	<ul style="list-style-type: none"> ▪ Evidence base to inform: <ul style="list-style-type: none"> – agency-based executive performance processes; and – formal and informal professional development goals.
Academy participants	<p>All individual leader deliverables (above), as well as:</p> <ul style="list-style-type: none"> ▪ A tailored development plan based on assessment results. ▪ A customised suite of development interventions. 	<ul style="list-style-type: none"> ▪ Preparation to take on the most senior roles in the Victorian public sector. ▪ Exclusive opportunities to develop as a leader. ▪ Potential to be placed in talent pool and considered for future roles at Secretary, and Deputy Secretary and equivalent level.
The broader public sector	<ul style="list-style-type: none"> ▪ Academy learning activities made available to a wider audience. ▪ Increased focus on strengthening the diversity of the leadership cohort. 	<ul style="list-style-type: none"> ▪ Wider access to content led by eminent Australian and international experts, including in regional Victoria. ▪ Over time, a more diverse public sector leadership cohort which better reflects the diversity of the Victorian community.

THE ACADEMY – ON A PAGE



The case for change

- The success of leaders can have a particularly **significant effect** on the success of organisations.
- The Government and the community have **high expectations of public sector leaders**, who must operate in an increasingly complex, changeable, interconnected and dynamic environment.
- The public sector must **invest where it will make the greatest difference**, to produce leaders who are highly skilled, innovative, collaborative, accountable, and demonstrate integrity.



Emergent practices in leadership development

Leadership development programs in top public and private sector organisations:

- **focus on the system** ahead of the individual;
- use **assessment and analytics** to identify high potential people;
- manage their **top talent** centrally;
- **delve deep** into their organisation to identify high potential people early;
- develop leaders through **experiential learning** in new or expanded roles;
- **shift from passive to active learning** and stress personal responsibility;
- expose top talent to **leading thinkers**; and
- make development opportunities **more widely available** to maximise return on investment.



Design principles for success

The Academy must demonstrate the principles of:

- focus on **system need**;
- commitment to **evidence**;
- **appropriate governance**; and
- emphasis on **experiences**.



The Academy

The Academy is driven by a four year **strategic cycle**, comprising:

- a four year **strategic vision** and annual **statement of priorities**, both set by VSB; and
- a **Victorian public sector talent pool**, managed by VSB, containing **credible candidates** for senior roles in **two streams**:
 - Secretary roles; and
 - Deputy Secretary and equivalent roles.

The Academy will deliver on the vision and priorities through a two year **participant cycle** comprising:

- regular **assessment** of all public service and selected public sector leaders over a three-year cycle to identify high potential candidates;
- **comprehensive reporting** on assessment results for leaders and agencies, benchmarked against the Victorian Leadership Capability Framework and identifying specific areas for future development;
- **selection** by VSB based on the strategic needs of the sector and evidence from assessments;
- tailored **development plans** and **interventions** for a small group of high potential leaders, including **experiential learning** opportunities, **coaching**, and exposure to **leading Australian and international thinkers**;
- **learning activities** available to a wide audience of high potential leaders across the public sector;
- **regular review** of participants based on measurement of progress; and
- **endorsement** of successful participants by VSB, for placement in one of the **two streams** of the **talent pool**.



Implementation

The new Academy will commence late 2016.

³Icons sourced from The Noun Project [online] available at <http://www.thenounproject.com>. 'Magnifying Glass' by Hafizh; 'Growth Chart' by Creative Stall; 'Column' by iconsmind.com; 'Light' by Gregor Črešnar; 'Tools' by Creative Stall.

ATTACHMENT A: VICTORIAN PUBLIC SECTOR LEADERSHIP CAPABILITY FRAMEWORK

The Victorian Public Sector Leadership Capability Framework presents the desired senior leadership capabilities for the Victorian public sector. The Framework articulates capabilities required for success in an increasingly changeable and complex environment.

The Framework is the foundation for the assessment of Victorian public sector leaders and the development of leadership capabilities at different levels of leadership complexity.

