Leadership in the Queensland public sector

Profile, perceptions and achievement of priorities in 2013-14

Great state. Great opportunity.

Queensland
Government

Executive Summary

High quality leadership improves agency engagement and performance, and results in more positive outcomes for the people and communities of Queensland.

This report provides an overview of leadership at the executive level in the QPS in 2013-14 by:
- **profiling** our leaders at the Chief Executive Officer (CEO), Senior Executive Service (SES), and Senior Officer (SO) levels using statistical information
- providing **perceptions** of employees regarding QPS leadership quality
- identifying achievement against key **priorities** for leadership development

The following data sources are used in the report:
- workforce statistical data
- data from the 2014 *Working for Queensland employee opinion survey*
- program data from the Executive Capability Assessment and Development (ECAD) initiative and other leadership development programs.

At a glance: key findings

- Survey results show that organisational leadership was the strongest positive driver of agency engagement, but organisational leadership performance was rated as average overall by QPS employees.

- The size of the SO, SES and CEO cohort has increased overall by 7% compared to ten years ago. The level of senior leadership roles has also changed during this period, with a moderate decrease in SES2/SES3 roles and a steady increase, until two years ago, in the SO cohort. At the most senior levels, SES4 roles increased and CEO roles varied over time in line with machinery of government changes.

- There is a 'leaky pipeline' in the progression of women to senior executive ranks. Women represent a larger proportion of the workforce to the AO8 level ($109,881 p.a.) but the trend is reversed for female Senior Officer (SO), SES and CEOs.

- About 30% of SO and SES roles were filled by females in 2013-14, consistent with ten year trends. However, female CEOs have declined from a high of 32% in 2005-06 to 5% in 2013-14.

- The *Workforce Capability Success Profile* was developed to define leadership expectations and behaviours in the QPS for executive, program manager, team leader and individual contributor roles. The profile informs leadership capability assessments and Public Service Commission development offerings.

Priorities for the future

Priorities for future leadership development include:
- implementing deliberate strategies to improve the diversity of the chief and senior executive service across Queensland

- implementing a leadership talent management strategy with development placements for our high performing and high potential leaders

- applying the *Workforce Capability Success Profile* to support executives, program managers and team leaders to identify and act on areas of strength and areas for development via initiatives such as ECAD and Leaders Capability Assessment and Development (LCAD).

- building capability in managing conduct and performance through the Conduct and Performance Excellence (CaPE) service in partnership with agencies continuing to support and collaborate with CEOs to build their organisational leadership to achieve higher levels of employee engagement

- working in partnership with QPS agencies, other sectors and external providers to continue to broker and deliver leadership and management development that meets current and future needs.

1. Profile of our QPS leadership cohort

At a glance: key findings

- Overall, the size of the SO, SES and CEO cohort has increased by 7% compared to ten years ago. The SO cohort has steadily increased, which has been counterbalanced in part by moderate decreases in SES2/SES3 roles filled over the past ten years. SES4 roles have also increased, and CEO roles have varied in response to machinery of government arrangements (see Figure 1).

- Most senior and executive leadership roles are based in Brisbane (86%). The proportion of leadership roles in regional areas has varied over the last decade, ranging from as low as 10% (in 2006-07 and 2007-08) to a high of 17% (in 2011-12).

- About 30% of SO and SES roles were filled by females in 2013-14, consistent with ten year trends. However, female CEOs have declined from a high of 32% in 2005-06 to 5% in 2013-14, reflecting the difficulty of embedding sustained positive change at this level.

- Women represent a higher proportion of the workforce up until the AO8 level ($109,881 p.a.), where the trend is reversed. This reflects the '**leaky pipeline**' phenomenon, where female workforce participation is on par, or higher than male participation at lower levels, but fewer women are promoted to senior and executive leadership roles.

Trends in the profile of the QPS leadership cohort

This section provides a broad overview of:

- the size of the QPS leadership cohort under the Public Service Act 2008, including those appointed to CEO, SES and SO roles (excludes vacancies)
- the geographic location of these roles
- ten-year trends in gender composition and regional location.

Detailed statistical information on the QPS leadership cohort is available in Appendix 1.

QUICK FACTS

SCOPE: Queensland public service, *Public Service Act 2008* employees only, s122 contract figures are presented in Table 2 and Table 3 (Appendix 1).

TIMEFRAME: Table 1 (Appendix 1), Figure 2, Figure 4 and Figure 7 reflects data as at 30 June 2014. Figures 1, 3, 5 and 6 contain 10 year trend data.
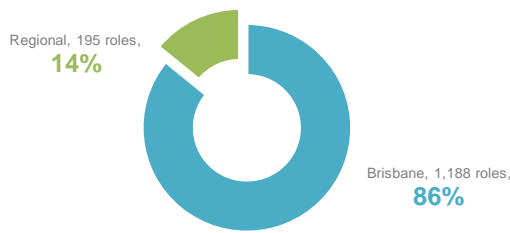
Figure 1: Size of SES and CEO cohorts over ten years
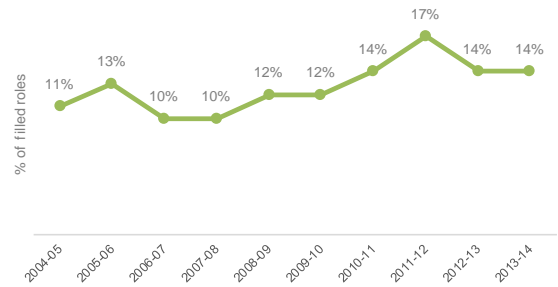
As at 30 June 2014
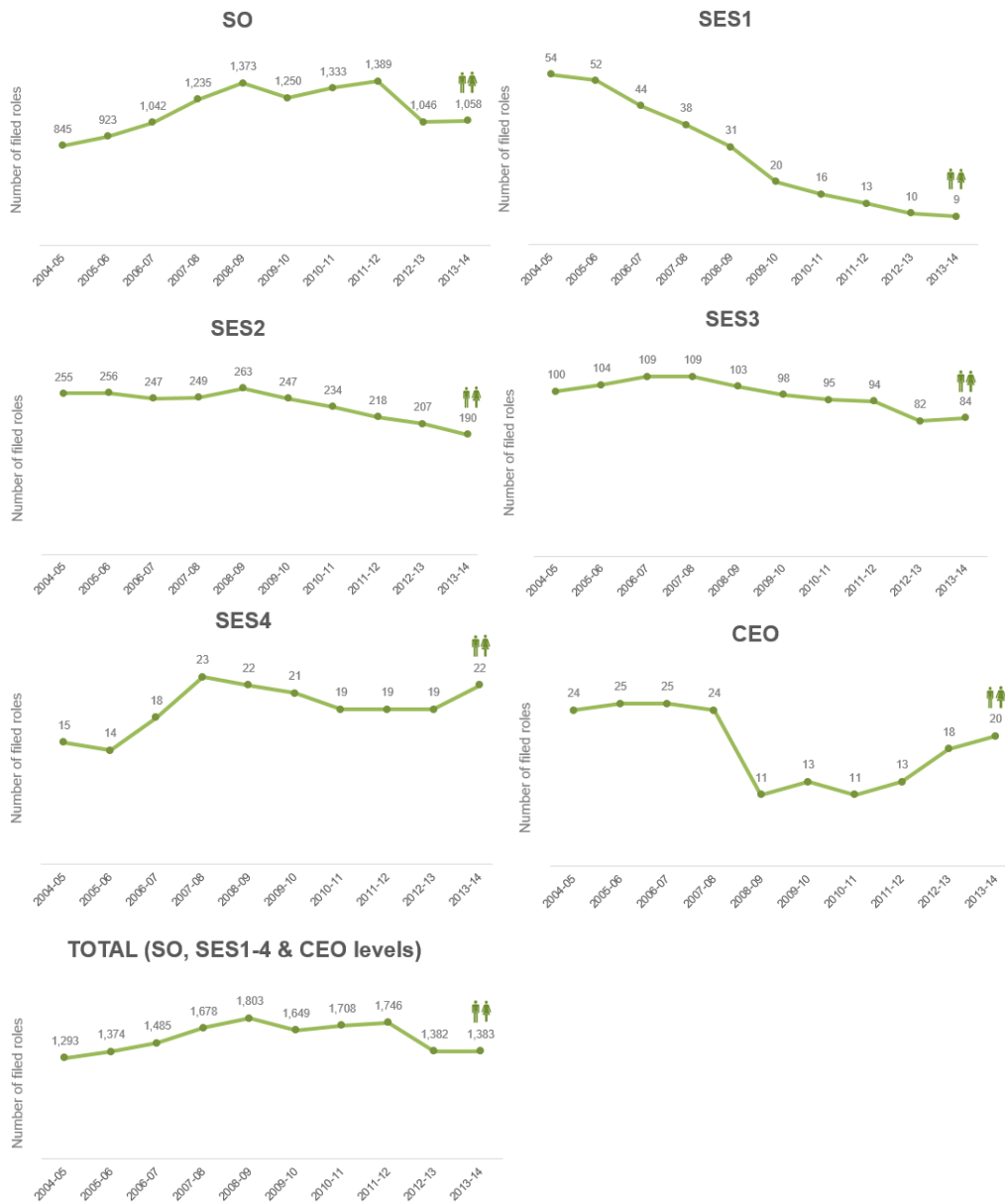
Overall, the size of the SO, SES and CEO cohort has increased by 7% compared to ten years ago. The level of senior leadership roles has also changed over the past decade (see Figure 1):

- There has been a large decrease in SES1 positions, from 54 to 9, owing to the phasing out of this level within the SES.

- The SO cohort steadily increased, peaking at 1,389 roles in 2012, with an overall increase for the decade of 25.2%.

- There were moderate decreases in SES2 roles (from 255 to 190) and SES3 roles (from 100 to 84).

- SES4 roles rose from 15 to 22, an increase of 47%.

- CEO roles varied throughout the decade, and ultimately declined from 24 to 20 in line with departmental machinery of government arrangements.

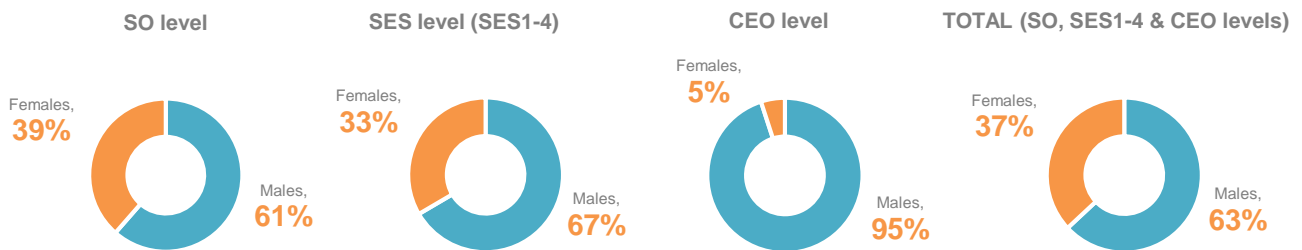## Figure 2: Location of SO, SES and CEO roles
As at 30 June 2014

Regional, 195 roles, **14%**

Brisbane, 1,188 roles, **86%**

Figure 3: Percentage of SO, SES and CEO roles based in regional areas over 10 years

% of filled roles

11% 13% 10% 10% 12% 12% 14% 17% 14% 14%

2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14

Note 1. 'Brisbane' refers to the Brisbane metropolitan area. 'Regional' refers to regions outside of the Brisbane metropolitan area.
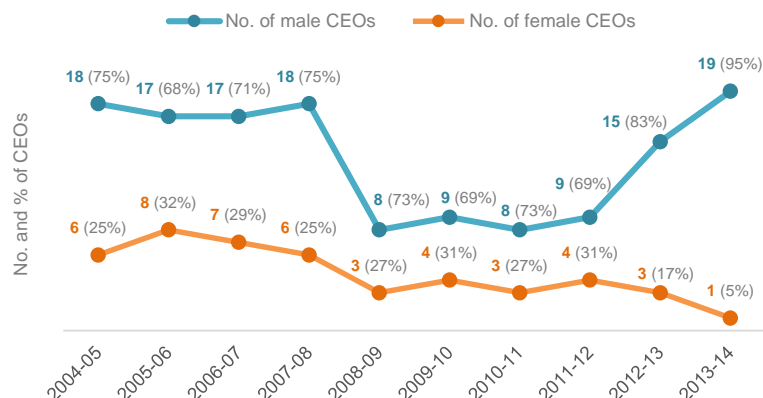
The large majority of all filled and vacant senior and executive leadership roles are based in Brisbane, with 14% of roles based in non-Brisbane metropolitan areas (see Figure 2). This trend has varied throughout the decade. Overall, there has been a slight percentage increase in regional-based roles compared to ten years ago, but a decrease from a ten year high of 17% in 2011-12 (see Figure 3).

Figure 4: SO, SES and CEO Summary by gender
As at 30 June 2014

SO level	SES level (SES1-4)	CEO level	TOTAL (SO, SES1-4 & CEO levels)

SO level — Females, **39%**; Males, **61%**

SES level (SES1-4) — Females, **33%**; Males, **67%**

CEO level — Females, **5%**; Males, **95%**

TOTAL (SO, SES1-4 & CEO levels) — Females, **37%**; Males, **63%**

Around a third of all SO and SES positions are held by females with fewer women in the higher SES levels than in the lower executive levels. This pattern is consistent with figures from the past ten years. However, the proportion of women in CEO positions is about one sixth of those in SO/SES levels, which is the lowest rate in ten years (see Figure 4).

Figure 5: CEOs under the *Public Service Act 2008* over 10 years by gender

No. of male CEOs   No. of female CEOs

No. and % of CEOs

18 (75%) **17** (68%) **17** (71%) **18** (75%) **8** (73%) **9** (69%) **8** (73%) **9** (69%) **15** (83%) **19** (95%)

6 (25%) **8** (32%) **7** (29%) **6** (25%) **3** (27%) **4** (31%) **3** (27%) **4** (31%) **3** (17%) **1** (5%)

2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14

Historically, females have represented slightly below a third of all filled CEO positions which is roughly in line with the percentage of female SO/SES roles (see Figure 5). The percentage of female CEOs has significantly declined in the past two years to 17% in 2012-13 and 5% in 2013-14. The percentage of female CEOs has dropped despite an increased number of CEO positions in the past two years (see Figure 6).

Figure 6: Total number of CEOs under the *Public Service Act 2008* over 10 years
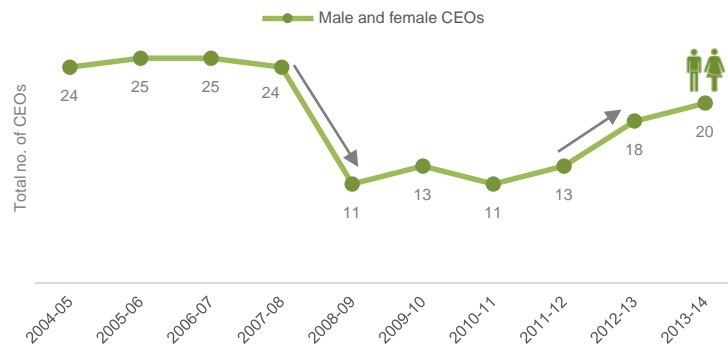

Note 2: In 2008-09, 26 departments amalgamated into 13 departments resulting in fewer CEOs. In 2012-13, 13 departments expanded to 20 departments resulting in a large increase of CEOs. When analysing the gender distribution, the percentages take into account the varying number of CEO positions.

These figures reflect the **'leaky pipeline'** phenomenon – female participation in the workforce is on par, or higher than male participation at lower levels of the organisation, but progressively fewer women are promoted to senior and executive leadership roles[1,2].

The leaky pipeline trend is shown in Figure 7 below. Of employees under the *Public Service Act 2008*, women make up larger proportions of the workforce up until the AO8 level ($109,881 p.a.) at which the trend is reversed.

Figure 7: The Leaky Pipeline – Employees by gender and classification[3]
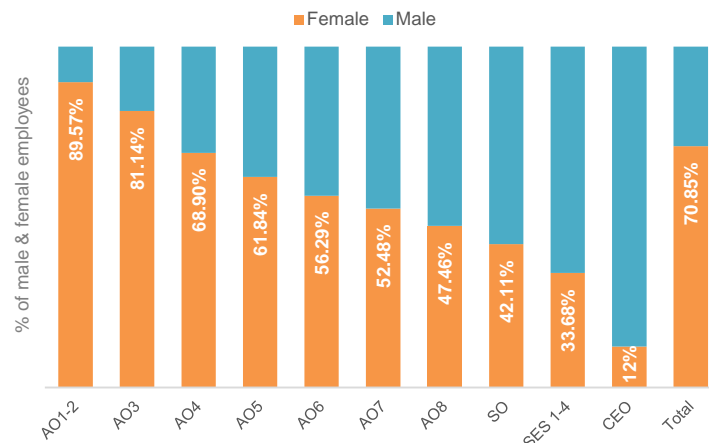
Source: Active/paid employees under the *Public Service Act 2008*, June 2014 MOHRI data. Excludes s122 contracts and salary level equivalents.

The leaky pipeline is a prevalent issue in both the public and private sector. In 2012, 3.5% of CEOs in the top 200 ASX-listed organisations were female, and 2.4% in the top ASX 500 companies were female[4].

Priorities for the future

In 2014, the PSC initiated the development of a Diversity and Inclusion Strategy to set our objective to deliver better services and customer outcomes for the people of Queensland through a diverse and inclusive workforce. The strategy will be released in the first half of 2015 and will highlight ongoing and new key initiatives, such as:

• the Queensland Government Male Champions of Change (QMCC)
• Women in Senior Executive (WISE) Network
• New strategies to improve the representation of women in senior levels of the QPS.

2. Perceptions of leadership

At a glance: key findings

- The *Workforce Capability Success Profile* (see Appendix 2) defines leadership expectations and behaviours.

- As measured by the 2014 *Working for Queensland employee opinion survey,* organisational leadership was the strongest positive driver of agency engagement, but organisational leadership performance was rated as average overall by QPS employees.

- The strong positive link between organisational leadership and agency engagement is important, as research indicates that high levels of engagement result in improved productivity, reduced absenteeism, greater discretionary effort on the part of employees, and better customer service.

- High level managers with direct interaction with QPS executives have positive perceptions of the capabilities of executives. This finding is consistent with the tendency for employees to rate their immediate leaders more positively (ie high level managers rating executive capabilities), than leaders who are more distanced (ie the key driver analysis of overall survey results).

Perceptions of leadership: 2014 Working for Queensland Employee Opinion Survey

What do Queensland public sector employees think of their organisation's leaders? This question was explored as part of the *2014 Working for Queensland Employee Opinion Survey* completed by a total of **90,159 employees** across the Queensland Government (a 42% response rate).

The survey captured employees' opinions on a range of matters within their workplace. This information was then used to assess three workplace outcomes in the QPS:
- agency engagement
- job engagement and satisfaction
- intention to leave.

Key driver analysis was then undertaken to identify the factors that drive the three **workplace outcomes**.[5]

The analysis found that **organisational leadership**[6] was by far the strongest positive driver of **agency engagement**[7] (see Figure 8) with a Relative Impact Score of 38%. Learning and development was the next biggest driver (14%), while workforce change was the least associated with agency engagement (2%).
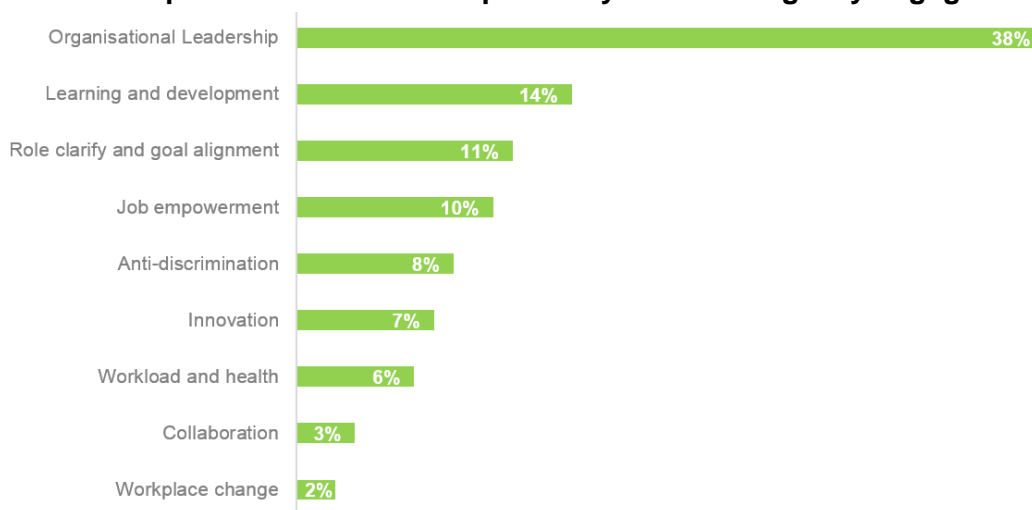
QUICK FACTS

SCOPE: 90,159 employees (42% response) across 52 agencies in the Queensland public sector. Employees were engaged under various legislation.

TIMEFRAME: The survey was conducted between 5 and 30 May 2014.

Figure 8: Relative Impact Scores of factors positively related to agency engagement

Factor	Impact Score
Organisational Leadership	38%
Learning and development	14%
Role clarify and goal alignment	11%
Job empowerment	10%
Anti-discrimination	8%
Innovation	7%
Workload and health	6%
Collaboration	3%
Workplace change	2%

Source: 2014 Working for Queensland Employee Opinion Survey data, analysis by ORC International

The results show that positive perceptions of organisational leadership are important to improve employees' agency engagement. The strong positive link between organisational leadership and agency engagement is important, as research indicates that high levels of engagement result in:

- improved productivity
- reduced absenteeism
- greater discretionary effort on the part of employees
- better customer service.

Despite the strong link between positive perceptions of organisational leadership and enhanced agency engagement, organisational leadership itself across the QPS was rated as average. **Only 50% of respondents rated their organisational leadership as positive** (i.e. 'strongly agree' or 'agree').

The *2014 Working for Queensland Employee Opinion Survey* also gathered perceptions of organisational leadership at the **executive level**. Respondents with salaries above $120,000 (as if working full-time) rated their managers on 13 executive capabilities from the *Workforce Capability Success Profile* (see Appendix 2). The aim was to capture perceptions of executive capabilities by people with direct interaction with very high level managers.

Figure 9: Perceptions of 13 Executive Capabilities[8]

Legend: Percentage of positive responses (green) · Percentage of positive responses (yellow) · Percentage of positive responses (red)

Capability	Green	Yellow	Red
Models professional and ethical behaviour	83%	11%	6%
Applies sound corporate governance	80%	13%	6%
Navigates complex, ambiguous and political environments	80%	13%	8%
Operates across boundaries	79%	14%	7%
Manages internal and external relationships	78%	13%	8%
Displays courage in the provision of advice and decision-making	76%	15%	9%
Engages with ideas, innovation and risk	75%	16%	9%
Commits to personal development	74%	19%	7%
Builds organisational capability	73%	19%	9%
Manages organisational performance	73%	17%	11%
Leads strategically with vision	72%	17%	11%
Inspires individual and team commitment in the pursuit of results	70%	18%	12%
Leads change with agility	69%	20%	11%

Source: 2014 Working for Queensland Employee Opinion Survey data, analysis by ORC International

The results show that QPS executive capabilities are highly regarded by their direct reports. 'Models professional and ethical behaviour' (83%) was the most positively rated, while 'Leads change with agility' showed the most need for improvement (69%) (see Figure 9).

These positive results may seem inconsistent with the analysis which showed that only 50% of respondents gave positive ratings for their organisational leadership. However, employees tend to rate their immediate leaders more positively (as is the case with high level managers rating executive capabilities), than leaders who are more distanced (as is the case with overall survey results).
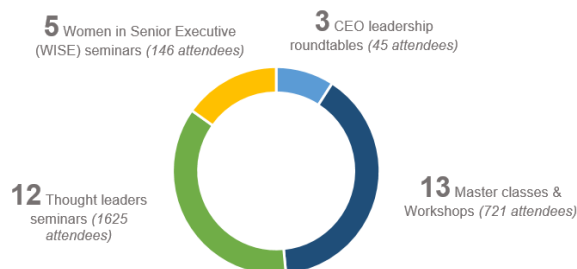
In summary, the survey results highlight the positive impact of leadership on agency engagement, and the room for improvement.

3. Achievement of priorities for leadership development

At a glance: key findings

- ECAD assesses employees against the 13 executive leadership competencies. During 2013-14, 400 executives including chief executives, participated in ECAD.

- Aggregated ECAD data was also provided to agencies to inform their talent management strategies, and to inform PSC decisions in sector wide talent management initiatives.

- The *Leaders Capability Assessment and Development (LCAD) initiative* uses a similar methodology to ECAD to support team leaders and program managers. LCAD was piloted in December 2014, and will be implemented more fully in 2015.

- Queensland public sector leaders have access to various leadership development programs and forums. In 2013-14, a total of 2,149 executive and senior officers engaged in 33 free leadership programs and forums (see Figure 10). A further 718 senior and executive leaders engaged in extended leadership and management programs as shown in Table 4.

Figure 10: Leadership forum attendance in 2013-14

5 Women in Senior Executive (WISE) seminars *(146 attendees)*

3 CEO leadership roundtables *(45 attendees)*

12 Thought leaders seminars *(1625 attendees)*

13 Master classes & Workshops *(721 attendees)*

"The presentation provided practical examples of genuine progress in reducing unnecessary legislation which in turn reduced the impacts on constituents and business."

Participant in the Red Tape Reduction seminar

Table 4: Extended leadership and management programs

Leadership offering	No. of participants
Executive Fellows Program (EFP) & Executive Master of Public Administration (EMPA)	8
Emerging Leaders Program (ELP)	582
Public Sector Management Program (PSMP)	128 completed (67 commenced in 2013-14)
TOTAL	**718**

Role of the Public Service Commission in leadership development

- Under sections 107 and 117 of the *Public Service Act 2008*, the Chief Executive of the PSC has an important responsibility to facilitate the development of senior executives and senior officers. In 2013-14, a number of leadership development initiatives were implemented to support this priority area.

- Agencies across the Qld public sector are working in partnership with the PSC and also taking their own actions to further develop their leaders.

Appendix 1

Table 1: Chief and Senior Executive Service summary by agency (including vacancies)
As at 30 June 2014

Department / Agency	SES1	SES2	SES3	SES4	CEO	TOTAL
Aboriginal and Torres Strait Islander and Multicultural Affairs	-	5	1	-	1	7
Agriculture, Fisheries and Forestry	-	11	6	2	1	20
Commission for Children & Young People and Child Guardian	-	1	-	-	-	1
Communities, Child Safety and Disability Services	-	25	12	1	1	39
Education, Training and Employment	1	29	18	4	1	53
Electoral Commission Queensland	-	1	-	-	-	1
Energy and Water Supply	-	5	2	-	1	8
Environment and Heritage Protection	-	15	3	1	1	20
Housing and Public Works	1	16	6	2	1	26
Justice and Attorney-General	4	20	7	4	1	36
Local Government, Community Recovery and Resilience	-	-	1	-	1	2
National Parks, Recreation, Sport and Racing	1	7	1	1	1	11
Natural Resources and Mines	-	22	3	2	1	28
Office of the Health Ombudsman	-	3	-	-	-	3
Office of the Public Guardian	-	1	-	-	-	1
Office of the Queensland Parliamentary Counsel	-	5	2	-	-	7
Premier and Cabinet	-	5	6	2	1	14
Public Safety Business Agency	-	5	-	1	1	7
Public Service Commission	-	5	1	2	1	9
Public Trust Office	-	4	1	-	-	5
QLeave	-	1	-	-	-	1
Queensland Audit Office	-	4	1	-	-	5
Queensland College of Teachers	-	1	-	-	-	1
Queensland Fire and Emergency Services	-	1	-	1	1	3
Queensland Health	-	6	4	3	1	14
Queensland Mental Health Commission	-	1	-	-	-	1
Queensland Police Service	-	9	-	1	-	10
Queensland Studies Authority	-	3	-	-	-	3
Queensland Treasury and Trade	2	21	10	2	1	36
Science, Information Technology, Innovation and the Arts	-	10	9	3	1	23
State Development, Infrastructure and Planning	-	14	11	6	1	32
Tourism, Major Events, Small Business and the Commonwealth Games	-	6	2	-	1	9
Transport and Main Roads	-	26	17	3	1	47
TOTAL	**9**	**288**	**124**	**41**	**21**	**483**

Note 3: The *Public Service Act 2008* (the Act) provides for the phasing out of the SES1 level within the Senior Executive Service. No further roles will be established and no further appointments will be made to the SES1 level. However, the Act provides for those officers who are currently employed at the SES1 level to remain within the Senior Executive Service.

Table 2: Section 122 summary by agency
As at 30 June 2014

Department / Agency	Sub SO Equiv	SO Equiv	SES2 Equiv	SES3 Equiv	SES4 Equiv	CEO Equiv	TOTAL
Aboriginal and Torres Strait Islander and Multicultural Affairs	-	-	1	-	-	1	2
Agriculture, Fisheries and Forestry	-	-	1	1	-	-	2
Communities, Child Safety and Disability Services	-	-	1	1	-	1	3
Education, Training and Employment	86	32	59	10	1	-	188
Energy and Water Supply	-	-	2	2	1	1	6
Housing and Public Works	1	9	17	4	1	2	34
Justice and Attorney-General	18	60	26	3	1	1	109
Local Government, Community Recovery and Resilience	-	-	-	-	1	-	1
National Parks, Recreation, Sport and Recreation	1	-	3	1	-	-	5
Natural Resources and Mines	4	2	31	11	4	2	54
Office of the Queensland Parliamentary Counsel	1	-	2	3	2	-	8
Premier and Cabinet	-	-	5	6	3	2	16
Public Safety Business Agency	1	11	3	3	-	-	18
Public Service Commission	-	-	2	-	-	-	2
Public Trust Office	-	-	-	1	-	-	1
Queensland Audit Office	-	-	1	-	1	-	2
Queensland Fire and Emergency Services	-	-	-	-	-	1	1
Queensland Health	-	-	1	1	1	1	4
Queensland Police Service	-	-	-	-	-	-	0
Queensland Treasury and Trade	-	-	4	-	-	5	9
Science, Information Technology, Innovation and the Arts	0	30	13	2	1	2	48
State Development, Infrastructure and Planning	-	19	19	4	3	3	48
Transport and Main Roads	-	33	41	19	4	-	97
TOTAL	**112**	**196**	**232**	**72**	**24**	**22**	**658**

Table 3: Section 122 summary over 5 financial years

Contracts as at 30 June of each year	Sub SO Equiv	SO Equiv	SES2 Equiv	SES3 Equiv	SES4 Equiv	CEO Equiv	TOTAL
2009-2010	188	215	280	55	15	26	779
2010-2011	119	253	290	70	14	29	775
2011-2012	138	262	330	84	17	21	852
2012-2013	72	279	249	57	17	26	700
2013-2014	112	196	232	72	24	22	658

Appendix 2

Defining 'leadership': Workforce Capability Success Profile[9]

Executive

1. Leads strategically with vision
2. Navigates complex, ambiguous and political environments
3. Leads change with agility
4. Operates across boundaries
5. Engages with ideas, innovation and risk

6. Manages organisational performance
7. Manages internal and external relationships
8. Builds organisational capability
9. Inspires individual and team commitment in the pursuit of results

10. Models professional and ethical behaviour
11. Displays courage in the provision of advice and decision making
12. Applies sound corporate governance
13. Commits to personal development

The *Workforce Capability Success Profile* was developed by the PSC in 2014 to address a major challenge in evaluating and developing quality leadership: a lack of clarity over the expectations and behaviours of leaders.

The *Workforce Capability Success Profile* creates a shared framework of leadership expectations which can be used across the service.

It outlines the expected leadership behaviours of all public sector employees:

- an **individual contributor** (manages self)
- a **team leader** (manages teams)
- a **program manager** (manages outcomes)
- an **executive** (manages managers).

Leadership expectations are outlined in relation to three performance dimensions (*vision*, *results*, and *accountability*).

The *Workforce Capability Success Profile* provides a common language around leadership expectations. This shared understanding of leadership promotes a shared responsibility for professional and capability development, transferable leadership and management capabilities across career stages, and greater mobility of employees across the sector.

The **13 executive leadership behaviours** (see left) were used to assess perceptions of executive leadership in the *2014 Working for Queensland Employee Opinion Survey*, and to assess strengths and development priorities in the *Executive Capability Assessment and Development (ECAD)* initiative.

End notes

[1] McKinsey&Company (2013). *Women Matter 2013 – Gender diversity in top management: Moving corporate culture, moving boundaries.* Retrieved from http://www.mckinsey.com/features/women_matter

[2] Committee for Economic Development of Australia (CEDA) (2013). *Women in Leadership: Understanding the gender gap.* Retrieved from http://www.ceda.com.au/research-and-policy/other-research/women-in-leadership

[3] Figure 7 is based on Minimum Obligatory Human Resource Information (MOHRI) data provided by individual agencies to the PSC on a quarterly basis. The slight difference in numbers between Figure 7 and the other figures are due to differences in the scope of the data collection.

[4] Workplace Gender Equality Agency (2012). *2012 Australian Census of Women in Leadership.* Retrieved from https://www.wgea.gov.au/sites/default/files/2012_CENSUS%20REPORT.pdf

[5] The key driver analysis produced 'Relative Impact Scores' for work factors (i.e. key drivers) that have a significant impact on the key workplace outcomes. Relative Impact Scores sum up to a total of 100%. A higher Relative Impact Score means that the key driver made a stronger positive contribution to the particular workplace outcome, compared to key drivers with lower Relative Impact Scores.

[6] The organisational leadership factor consisted of four items:

(1) In my organisation, the leadership operates with a high level of integrity
(2) In my organisation, the leadership is of high quality
(3) My organisation is well managed
(4) Management model the behaviours expected of all employees.

Employees' perceptions of their manager and senior manager were separate to perceptions of organisational leadership which was pitched at the top level of organisation.

[7] The agency engagement measure consisted of five items:

(1) I feel strong personal attachment to my organisation
(2) I am proud to tell others I work for my organisation
(3) My organisation motivates me to help it achieve its objectives
(4) My organisation inspires me to do the best in my job
(5) I would recommend my organisation as a great place to work

[8] Positive responses refer to the percentage of respondents who responded 'strongly agree' and 'agree'. Neutral responses refer to the percentage of respondents who responded 'neither agree nor disagree'. Negative responses refer to the percentage of respondents who responded 'strongly disagree' or 'disagree'.

[9] Qld Public Service Commission (2014). *Queensland Public Service Workforce Capability Success Profile.* Retrieved from http://www.psc.qld.gov.au/includes/assets/PSC_Workforce_Capability_Success_Profile.pdf