



Leadership & Capability Development and Deployment

System design and implementation

Dr Mike Pratt & Dr Murray Horn

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Executive Summary

Government's contribution to improving New Zealanders' relative incomes and delivering on the sorts of social outcomes described by the 10 Better Public Service goals is changing. The big policy settings are now broadly right, so far more hangs on the public sector's ability to innovate and execute change well; to successfully enlist all those whose support is required to deliver outcomes; to realise the opportunities created by new technology; and to deliver more value for money from the core business of the State Services.

Success in these areas requires:

- inspiring leadership that can engage the hearts and minds of talented people across the State Services and call forth the discretionary effort required to deliver superior performance;
- technical mastery in critical areas of capability; and
- the ability to deploy critical capability across the Service to deliver those outcomes that matter most to New Zealand.

While some external hiring is desirable, the State Services needs to grow more of its own so that there are at least two good internal candidates for every critical position.

Meeting these requirements demands a more unified Service that is less reliant on the "spot market" for talent because it has developed much stronger management and leadership bench-strength, and deeper technical mastery in those areas that are critical to delivering superior performance for the long term.

This paper describes a model of leadership and capability development and deployment capable of meeting these demands. The model described here would be typical of those in large, high performing multi-unit organisations.

We have drawn on the literature and the experience of a selection of successful multi-business corporates to co-create this model with senior leaders in the State Services. There is widespread agreement that, while ambitious, the model described in this paper is one that the State Services Commission should be seeking to implement.

The model has 12 components – like "feedback and coaching" or "career and succession planning" – organised around three themes: leadership and capability, development and deployment. Each component is defined; the Service-wide policy described; the respective roles of the corporate centre, agency Chief Executives and leaders explained; and the implementation steps required of the Centre are spelled out.

There is a heavy emphasis on on-the-job development, with different components tailored to meet the demands of each of five "stages" of development: new graduates; emerging leaders; managers of managers; senior executives and chief executives. These "stages" are designed to ensure that investment in development is targeted where the return is greatest (because it is focussed on those individuals with the right combination of influence, potential and aspiration).

Leadership and capability development go together. There is a need to develop a more systematic approach to the identification of the critical capability required for long term success. However, there is also a number of existing skill gaps that can be identified and addressed now.

We identify several areas where technical mastery can be enhanced with an extension of the current approach to functional leadership (e.g., "developing commercial skills and results based contracting" and "improving service design (including continuous improvement and

digital and mobile delivery)"). Of particular importance to leadership development is the need to strengthen functional leadership of "people leadership and management" and we recommend that SSC take on this role.

Our discussions with leaders in the Service suggest that the way this project is implemented will determine its success. They see the need for an approach like the one recommended here and recognise that it will require significant change spanning a number of years. The Centre needs to approach implementation in a way that gradually builds confidence across the Service. People need to be convinced that this model of leadership and capability development and deployment will be implemented in a way that helps create inspiring leadership that is common and enduring, that improves the capability of the Service to make a positive difference to people's lives and that is able to deploy that leadership and capability to where it matters most.

There is widespread concern that not enough recognition will be given to existing components of the model that are working well in some agencies, or across some sectors. The concern is that the Centre lacks the capacity and capability to implement and will try and impose the whole model in a way that is seen as simply adding another layer of process and compliance on agencies. The risk is that change becomes unnecessarily disruptive and costly and, therefore, is not seen through. Leaders are concerned this does not happen because they want the project to succeed.

Our conclusion makes a number of suggestions that help define the desired approach to – and sequencing and prioritisation of – change that will address these implementation concerns. It is important, for example, that leadership and capability development and deployment is integrated with CE performance management, the PIF Reviews and the four year plans, so that there is a single, simplified and unified approach from the Centre.

Implementation is most likely to succeed if the Centre builds on the best practice that already exists in pockets of the Service for some components of the model, like a good graduate program. These need to be identified, modified as necessary to make this practice more widely applicable, and then introduced progressively Service-wide. This "crowd-sourcing" approach will build system capability and foster engagement and support as well as being faster, cheaper and more acceptable than attempting to build each component of the model from scratch.

Why a new approach to Leadership and Capability Development and Deployment?

The challenges and opportunities facing New Zealand are very different from those of the last decade, or the one that preceded it. During the post-84 reform decade, the task was to address a crisis and move to the front of an emerging OECD policy consensus. The changed approach to macro-policy, border protection, taxation, public ownership, regulation and subsidy was well understood and, while not easy, could be largely delivered centrally via policy change. The “burning platform” approach to change was used. The following decade was relatively quiet; with limited appetite for reform as New Zealand rode the wave of a strong global economy.

The wave of prosperity turned into the “perfect storm” of the global financial crisis. While New Zealand has weathered the storm better than many, the desire to improve relative living standards and deliver on the sorts of social objectives set out in the current Government’s 10 Better Public Services goals now needs to be delivered within a far more constrained fiscal environment.

New Zealand’s big policy settings are now broadly consistent with other OECD countries so the government’s contribution to improved outcomes will depend far more on innovative solutions, stronger execution of change from its own agencies, smarter use of private partners and of technology, and improved effectiveness and efficiency in delivering core government functions and public services. Success requires far more collaboration amongst agencies and their private partners because no single agency is able to deliver on these new challenges on its own. Public services also need to be more client-centric rather than provider-centric, and that also implies a more effective cross agency approach to delivering improved outcomes.

These solutions rely far more on discretionary effort from talented people with a broader range of capability distributed across a broader range of agencies and activities than reforms that are largely policy driven from the centre. Developing that capability and calling forth that effort is, in turn, heavily reliant on inspirational leadership and strong people management capability across the system and within agencies. The “burning platform” model of discontinuous change is not appropriate in this context. Instead we need broadly based transformational leadership capable of engaging hearts and minds and building on the best of what already exists.

Getting to Great (G2G) drew lessons from the PIF reviews completed to date (See Appendix 1). Its central findings were that while agencies were good at responding to immediate issues and events important to their portfolio ministers, agencies needed to improve core business efficiency and effectiveness and work more proactively and collectively to deliver outcomes that the whole Government is seeking, and to be able to do the same thing for future governments as stewards of the longer term.

G2G identified the six key characteristics of agencies that can consistently deliver great value from the talent, information, capital and regulatory legitimacy they can command, they:

- a. Are clear about their purpose; know how they can add most value to New Zealand now and in the future; and are clear about their strategy for delivering that value.
- b. Enjoy strong internal leadership that can attract talented people and inspire them to dedicate themselves to working with integrity to deliver the outcomes that the agency has identified as mattering most to New Zealand.

- c. Invest in talent by providing challenging, interesting and important work to do, while also managing poor performers to either improve or to exit.
- d. Enlist the active support of all those outside of the agency who are necessary to the agency delivering the most it can for New Zealand.
- e. Demonstrate they value learning, innovation and continuous improvement.
- f. Engage corporate support areas like finance, information technology (IT), organisational development, strategy, risk and human resources (HR) units as business partners.

It concluded that, once agencies get these six things right “...efficiency and effectiveness will follow.” Each of the six key characteristics identified by G2G depends to a greater or lesser degree on superior leadership. For most agencies – and for the Service as a whole - we are fast approaching the point where simply leaning against growth in operating expenditures and economising on head-office and back-office costs will not yield a lot more value. Instead, innovative solutions that can drive significant and sustained improvements in value are going to have to come from better leadership and management, especially of both people and information.

G2G also concluded that there was significant scope for improvement in this area:

- a. Only 33% of agencies rated strong or well placed on the “purpose, vision and strategy” element of organisational performance: which is about an agency clearly articulating a future direction to staff and stakeholders that is consistent with its purpose and adds the most value to New Zealand;
- b. Only 38% of agencies rated strong or well placed on “leadership and workforce development”, 29% on “management of people performance” and 38% on “engagement with staff”. Indeed, only one agency was rated strong on management of people performance.

The whole internal leadership dimension in (b) above was the weakest of all of the performance dimensions. Building a larger pool of strong internal candidates for senior executive positions is fundamental to addressing this perceived weakness.

While the PIF Reviews are focussed on improving agency performance, G2G argued that the central agencies had an important role to play:

“The Better Public Services Advisory Group found that the public service was too fragmented to deliver effectively across agencies and portfolios and recommended a much stronger and cohesive corporate head office. Our findings suggest that a more cohesive and effective head office is also critical if we are to build strong and enduring public institutions.”

The role of the centre will be fundamental to ensuring that agency, sector and system level initiatives are sufficient to deliver the desired outcomes and that talent and information is developed and – along with money – deployed in a way that improves system-wide performance. The approach to leadership and capability development and deployment needs to become more like that of a large multi-business corporate than of a loose coalition of independent businesses.

For the SSC, this means ensuring that CEs are selected and rewarded on their ability to improve sector and agency level capacity and capability as well as delivering the outcomes desired by Ministers and those agreed in the PIF reviews and reflected in their four year plans. It also means taking a more active role in ensuring leadership and talent development and deployment within agencies and across the sector better to meet the priorities of Government, as well as to develop tomorrow’s inspirational leaders. It is also likely to require

the SSC assuming functional leadership of human resource and organisational development functions, as the GCIO is expected to do for agencies CIOs, and the Treasury has done for agency accountants and finance officers.

SSC already has these responsibilities and the mandate. There are many excellent leadership and people and performance development initiatives and capabilities throughout the State Services – such as PIF, Career Boards, LDC. The intent is to build on these, integrate them and where appropriate to take them system wide. The emphasis will be on synthesis, simplicity and added value rather than compliance and process. For example, the PIF excellence horizon goals, CE performance management and leadership development expectation need to be integrated through the CE performance agreement.

‘Crowd-sourcing’ of leadership and capability development components from across the State Services should elicit the best approaches to each component in a way that is more acceptable, faster, and cheaper than attempting to build each component from scratch. This approach will build system capability and foster engagement and support, as well as helping to ensure relevance to the State Services. The process would involve: inviting submissions from around the State Services; selecting, synthesising and improving as necessary; translating to be applicable system wide; and introducing progressively throughout the system.

The process of transformation and development of the new leadership and capability and deployment services will follow principles of service design - user centred; co-creation with users; appropriate sequencing and an appropriate rhythm of engagement (ie not all at once or sporadic); each step recorded; new technologies will be integrated; review, learn and improve continuously. The anticipated time-line is three years.

The outcome will be State Services Leadership and Capabilities Development and Deployment that will deliver on the vision of “A trusted, high performing State Services that improve the lives of New Zealanders by delivering outstanding results and value for money”. Leadership will be - inspiring, ambitious, bold, agile, innovative, challenging, collaborative, and trustworthy.¹

¹ From the State Services Corporate Centre vision statement

What would success look like?

Successful implementation of a new approach to leadership development and deployment will result in the following success profile, by 2017:

1. The State Services will be widely perceived as a great place for developing leaders. Leaders will identify with the State Services because of purposeful system wide development and opportunities for deployment to challenging assignments. This will be evidenced by engagement scores that are higher than the average for the private sector.
2. A State Services wide system of management and leadership development, and deployment will be in place such that managers and leaders from diverse backgrounds progressively develop skills and experiences to equip them for increasingly interesting, rewarding and high value roles. Skills and experiences development will take place on a system wide basis. Leadership development will commence early in a State Services career. This will be evidenced by a large pool of talent available for selection for all leadership positions.
3. A system of capability development and deployment will be in place throughout the State Services. State Services wide leadership for 'technical mastery' of chosen technical disciplines [eg digital enablement, lean processes and service design] will be well established. This will be evidenced by well respected functional leadership effectively operating for all areas of technical mastery that are of fundamental importance to delivering successful results.
4. The principles of the State Services leadership and capability models will apply system wide. The application will be fit for purpose to the context of each part of the State Services. This will be evidenced by the enthusiastic support for the system wide approach to leadership and capability by State Services executive leadership.
5. The Corporate Centre will be providing executive and inspirational leadership to the system. This will be evidenced by acknowledgment from State Services leaders that the Corporate Centre has moved from critic and commentator to co-creator, coach and champion.
6. High performance will be embraced throughout the State Services. State Services leadership will ensure excellent value for money and service to customers. This will be evidenced by the existence of a culture of results throughout the State Services; all government key result areas will be on track for achievement.
7. Collaboration through sector leadership and across multiple inter-dependencies will be a way of life. This will be evidenced by customers' seamless experience of State Services.
8. Leadership roles and responsibilities will be clear and the State Services system will be designed for high performance. System wide capability will be modelled and understood, and policies and processes will be in place to deploy talented people to where they can make the greatest contributions. Career development and stretch assignments that are planned to enable leadership learning through experience and related mentoring. This will be evidenced by multiple planned movements of senior executives and emerging leaders to make successful contributions to increasingly valuable roles within the State Services.
9. Appreciative enquiry (learning from what's working well) and action learning (learning by doing) will be primary drivers of leadership and organisational development. This will be evidenced by successful "crowd-sourcing" of leadership and capability development tools, models and systems.
10. The PIF scores for Leadership, Purpose and engagement will be consistently green throughout the State Services. This will be evidenced in the agency PIF scores and system wide "Getting to Great" reviews.

Overview of Leadership & capability development and deployment

The purpose of this project is to design and plan the implementation of a widely accepted model of leadership & capability development and deployment for the State Services system. The leadership and capability development models will apply throughout the State Services.

This report sets out a prototype model and implementation plan for State Services leadership and capability development and deployment. A number of the elements of this model will be extensible to the wider State Sector, but this is not dealt with in this paper.

The model describes a desired future state. Key elements of the desired future state are shown in the previous section. This is consistent with the corporate centre analogy used in the development of the State Services Centre concept. It is informed by the best traditions of State Services leadership development, together with models used by the world's best companies for leadership development, such as Procter & Gamble (See Appendix 2). The model has been developed based on rigorous research and co-creation with stakeholders.

The design and development of the overall prototype model of leadership & capability development and deployment constitutes the body of the report. Leadership and capability development and deployment are defined and descriptions of each of the elements of the leadership & capability prototype model follow. Each description includes a definition, a policy statement, an explanation of the role of the State Services Centre and of the agencies and of leaders, and key elements of implementation. The report concludes with an implementation plan.

The Mandate of the State Services Commission

The mandate for the State Services Commission in Leadership and Capability Development and Deployment derives from 1988 The State Sector Act which describes the principal functions of the Commissioner. These can be grouped into six main areas:

- **System design:** to review the structures and processes of government – including the functions and accountability of agencies – to ensure that the state sector functions as an organic whole, rather than a collection of separate entities. This includes the allocation of functions to and between agencies; the creation, amalgamation or abolition of agencies and the coordination of the activity of agencies. It also includes providing advice on management systems, structures, and organisations in the Public Service and Crown entities.
- **Agency and Chief Executive performance:** to appoint chief executives of departments, to negotiate their conditions of employment and to review the performance of each department, including the chief executive.
- **Leadership development:** to promote and develop senior leadership and management capability.
- **Employment negotiations:** to negotiate conditions of employment of employees in the Public Service.
- **System-wide people management:** to promote and develop personnel policies and standards of personnel administration (including equal employment opportunities and advice on training and career development).
- **Maintaining system trust and integrity:** to provide advice and guidance to employees within the State services (except Crown Research Institutes) on matters, or at times, that affect the integrity and conduct of employees within the State services.

State Services Leadership – Principles

These leadership principles are established by the State Services Corporate Centre and apply system wide

Shared purpose and spirit of service

Leadership within the State Services is based on our shared purpose of improving the lives of New Zealanders and a spirit of service. Integrity and high performance to deliver positive results for New Zealanders are fundamental expected characteristics of State Services leaders. Essential to the State Services are meeting the aspirations of the government of the day and stewardship for the long term.

A Merit-Based State Services

The State Services are founded on the principle that appointment and promotion are based solely on merit. Appointees must be able to command the respect of their professional colleagues. An essential characteristic of State Services leaders is that they work collaboratively across and within agencies, and actively share resources. Team based leadership is expected.

Celebrate diversity

People from diverse backgrounds can provide different perspectives and experiences which facilitate creativity and innovation. They can also offer understanding of different cultural backgrounds and enrich leadership ability to meet the needs of all New Zealanders. Leadership diversity includes people of different ethnicities, gender equity, geographic origin (not just based in Wellington), and experience within the broader State Sector and in the private and social enterprise sectors.

Hire the Best and Build from within

We ensure that we are attractive to those who have the desire and the talent to make the greatest positive difference to the lives of New Zealanders because the State Services are the best place to make this difference. We hire people with the greatest potential to make this difference and then help them develop. We build our leaders from within by systematically developing a talent pipeline that ensures at least two strong internal candidates for every leadership job [for CEs 4]. We develop leaders in every agency and at every level.

A Career Service across the Service

The State Services is a career service that enables people to develop careers across the service, not just do jobs. We attract, retain and develop the talent we need largely by giving people challenging, important, varied and satisfying work that engages their whole personality, and requires that they apply all of their skill, enthusiasm and dedication. We invest in people and potential. The Corporate Centre manages senior talent across the Service, not just within a single agency. Our senior people need to be inspiring leaders across a range of policy and operational activity as well as be the Government's most senior advisors. We identify talent early and develop people through a series of varied and enriching assignments that enable the mastery necessary to prepare them for these future roles. We emphasise self responsibility for leadership development.

Agency and Functional Leaders Actively Recruit, Teach and Coach

Leaders teach leaders. Line managers and agency leaders are accountable and involved at every step of the process. This starts at the top. Our CEs and functional leaders recruit on universities campuses and teach in our executive education programs. These senior executives also act as mentors and coaches for younger managers, helping them develop the skills necessary to lead large businesses. Line managers ensure that individual development plans meet the requirements of both the person and the Service and actively coach and mentor their people.

We Never Stop Learning

In addition to on-the-job experience, we intentionally provide a wealth of technical, functional and leadership skills training. Staff can be expected to have achieved known leadership learning and skills at each significant career stage. We practice adaptive leadership to learn and innovate. Some programs are offered at career milestones, such as when an employee first takes on responsibility for managing others or leading an organisation. We continuously review, evaluate and improve the effectiveness of the Leadership and Capability Development and Deployment model and system.

Leadership and Capability Development and Deployment in the State Services – model



This is the prototype model for the State Services Leadership and Capability Development system. The concepts of leadership development and capability development are explained in the next section. Each of the concepts in the system has four elements. These are defined and the implications explained in the following pages colour coded as above.

State Services Leadership Development – summary

Leadership is one of the most written about subjects, and more than a dozen well researched approaches can be identified over the last 50 years.

Early post World War 2 models of organisation leadership were based on military leadership and a command and control orientation. Aspects of this approach can be seen in some agencies within the State Services to this day with hierarchical structures, multiple layers and lower levels of engagement than would be typical in well run corporate environments.

The bureaucratic leadership approach was first described by Max Weber (1947). This is based on adhering to normative rules, and lines of authority. Weber distinguished between bureaucratic leadership as being a transactional leadership style, based on motivation through systematic reward and punishment.

Transactional leadership contrasts with transformational leadership. James MacGregor Burns (1978) first introduced the concept of transformational leadership. The four main characteristics are: 1. Individualized consideration of followers needs and contributions; 2. Intellectual stimulation through involvement of followers' ideas and creativity; 3. Inspirational leadership through an appealing purpose or cause and exciting goals; 4: Idealized Influence through being a role model for high ethical standards and gaining respect and trust.

More recent research based high performance leadership models (see for example 2005, Good to Great and the Social Sectors by James C. Collins; 2010, Sustainable Peak Performance, Mike Pratt & Helga Pratt) have developed on the theme of transformational leadership. These models emphasise the need for effective leadership to engage both hearts and minds. Emotional engagement with a shared sense of purpose or cause is more likely to lead to a high involvement, innovative, performance culture than incentives and censures alone.

Generic elements of high performance leadership models include: inspiration towards a shared sense of purpose; leadership character; resilience; communication with empathy and engagement, and imagination, ideas and innovation.

The State Services aspire towards high performance leadership.

Weber, Max (1947) The Theory of Social and Economic Organization. Edited by Talcott Parsons. NY: Macmillan Publishing

Burns, James MacGregor (1978) Leadership. NY: Harper & Row, Publishers

James.C.Collins (2005), Good to Great and the Social Sectors, Harper Collins

Mike Pratt & Helga Pratt (2010) Sustainable Peak Performance. Auckland Pearson

State Services Capability Development and Deployment – summary

Capability Management is a high level integrative function that aligns systems, people, policies, information and physical resources towards the strategic intent of an organisation. Originally developed within the context of defence², capability management is comparatively recently being applied to business organisations to align to strategy and accelerate results.

Capabilities can be distinguished between strategic capabilities that are related to how best to create the future and deliver on results, core capabilities related to delivering on the products and services that the organisation offers, and enabling capabilities relating to support functions. At <http://www.ssc.govt.nz/node/5809> the State Services Commission explains the role of Capability Management at the agency level as “What capability do we need to deliver government outcomes to a high level of performance now and in the future?”

At the system level the Corporate Centre has the responsibility for ensuring that there is dynamic strategic capability, that agencies have in place systems for ensuring agency specific capabilities and that at the functional or support services level (eg Finance, Organisation Development or IT) enabling capabilities are in place to meet now and anticipated future needs.

While the State Service has many committed and talented people, it also has some important skill gaps that need to be filled if it is to deliver better public services into the future.

- The BPS Advisory Group found that the Service was too fragmented and emphasised the need for a more unified Service (with greater collaboration amongst agencies for impact and a stronger corporate centre).
- The PIF reviews have pointed to the need to strengthen capability in areas like people and information management and in operational model design and delivery.
- The increased focus on outcomes – notably via the Government’s 10 BPS goals – has underscored the need to improve commercial commissioning and contracting skills so that the private sector can be effectively enlisted to help deliver outcomes (rather than just capacity or activity).
- The more demanding fiscal environment has increased the demand for commercial procurement and partnering skills to help enlist private providers in helping government deliver greater value for money.
- Advances in digital technology have created the opportunity for more effective delivery of services and more effective use of information to refine interventions and better tailor them to address specific problems and opportunities.

The State Services have responded to these challenges by starting to strengthen central leadership, including by creating functional leaders with the responsibility to strengthen capability and delivery in three areas: information technology, procurement and property. This is a useful model and we are recommending it be extended in a number of ways:

- **Supporting the exercise of functional leadership**
Functional leadership needs the authority to set performance standards and require reporting against those standards. This should include the standards of technical competence that senior managers need in order to ensure that functional areas add the most value to the agency’s operations. Functional leaders need to demonstrate professional

² See for example The British Ministry of Defence Architecture Framework (MODAF)

leadership and have joint responsibility with agencies for the development and deployment of technical mastery in the skills necessary to deliver improved functional performance. Functional leaders also need to have some direct involvement in selection of key personnel and be consulted in setting performance expectations and setting performance standards. The way Treasury uses the budget process and reporting requirements - along with the role it has taken from time to time in developing professional standards and competencies in accounting and finance - is an illustration of what can be done.

- **Strengthening people leadership and management in agencies and across the Service**

This requires the SSC to take functional leadership across the human resource and organisational development function. While its role in CE performance management helps, it does not give the SSC sufficient reach into agencies or understanding of their people or people management practice for it to deliver on its leadership role in improving Leadership and Capability Development and Deployment across the State Services.

- **Clarifying the existing functional leadership roles**

While functional leadership in procurement, information technology and finance has been established, their scope will evolve and thought needs to be given to the definition of these functions:

- The procurement function is already developing as a centre of excellence inside the Service for commercial skills and behaviours and it could be given a more explicit mandate to develop State Services wide capability to develop collaborative partnering and outcome/ results based contracting with private providers and NGOs. (MBIE)
- The GCIO will inevitably become preoccupied with responding to immediate issues and events: like recent elevated concerns over data privacy and security and management of large IT infrastructure projects. While important, there are huge potential gains from more active use and analysis of data and from digital and mobile service delivery that also need to be captured. These latter opportunities need to have dedicated management and resources devoted to them to ensure they are not crowded out.
- The Treasury has a long standing role in improving financial management across the State Services, including setting reporting standards, managing the budget cycle and professional leadership of public sector accounting and finance.

- **Addressing other capability gaps**

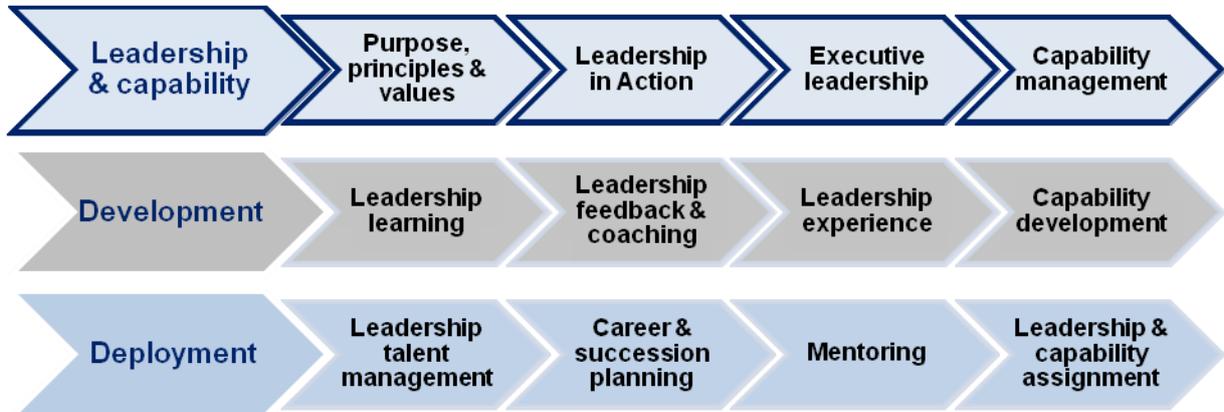
Consideration also needs to be given to addressing some of the other capability gaps not explicitly covered by the above. Improving service design (including continuous improvement and digital delivery) is something that would help achieve one of the BPS goals as well as facilitate the reorientation of the Service to become more client-centred. It is not surprising that this is also one of the four areas highlighted in the recently released UK Capabilities Plan. The other elements of that Plan should be covered by the functional areas already established or discussed above. Leading and managing change is best thought of as a subset of the LCDD initiative that is the subject of this document.

Delivering successful projects and programmes often boils down to a combination of strong procurement and commercial skills supplemented by specialist IT project management skills, which should be covered by collaboration between the existing GCIO and procurement functional leads.

The summary above identifies the most obvious areas of technical mastery that should be considered for the extension of the functional leadership approach. These are the immediate priorities. In addition, there is a need to develop a more systematic approach to the identification, development and deployment of capabilities (a Capability in Capability Management).

Leadership and capability

Leadership and capability development and deployment for the State Services



Each of the concepts in the system has four elements as above. These are defined and the implications explained in the following pages colour coded as above.

Each of the elements includes the following:

- Definition, policy, Role of the Corporate Centre, Role of CEs of State Services agencies, Role of leaders, Centre Implementation

Purpose, vision, principles & values

Definition

- A purpose is an explanation of the reason for an organisation's existence and of the value that it creates
- A vision is a mental image of a desired future state
- Principles are the fundamental beliefs of the organisation; what it stands for
- Values, character attributes or behaviours explain the desired attitudes and behaviours of an organisation.

Policy

- All State Services organisations will have a clearly articulated and widely shared purpose, principles, vision and values (PVPVs)
- Each organisation's PVPVs will have a line of sight towards, contribute to and not be inconsistent with the State Services PVPVs
- Leadership and Leadership development derive from and inform the purpose, vision, principles and values of an organisation, and the results that are intended to be achieved
- State Services Leadership principles will derive from the PVPVs and will apply throughout the State Services.

Role of the Corporate Centre

- To provide a State Services system PVPVs
- To provide State Services leadership principles that will apply throughout the State Services.
- To provide guidelines for the development of PVPVs
- To ensure that PVPVs are aligned with the State Services PVPVs
- To review the existence and appropriateness of and engagement with PVPVs through the PIF process
- To ensure that Leadership and leadership development are aligned to PVPVs and leadership principles.

Role of CEs of State Services agencies

- To develop agency PVPVs in consultation with the Corporate Centre, staff, stakeholders and Ministers aligned towards the State Services PVPVs
- To follow the State Services leadership principles and develop such additional leadership principles as may be appropriate for their agency
- To regularly review and update PVPVs
- To widely communicate and ensure engagement and action in accordance with PVPVs.

Role of leaders

- To inspire people towards living the PVPVs and leadership principles
- Act in a manner that role models the PVPVs and leadership principles.

Centre Implementation

- Develop and promulgate policies in respect of PVPVs
- Factor into Executive Performance management
- Factor into PIF review system.

Leadership in Action

Definition

- Leadership in Action describes and ensures the skills, behaviours and actions that contribute to high performance in the State Services. Leadership in Action will inform all aspects of leadership development and defines essential attributes for high performance leadership in all State services agencies.

Policy

- The State Services will create and develop a dynamic framework of skills, behaviours and actions aligned to the PV
- PVs that ensure the development of senior leaders now and into the future
- Leadership in Action will be used for all senior leaders within the State Services including functional leaders
- It will be used in recruitment, performance management, talent management, succession planning and career planning.
- In addition each organisation should develop its own distinctive set of skills derived from the organisation's purpose and principles.

Role of the Corporate Centre

- Design, publish and promote the generic Leadership in Action skills, behaviours and actions used in the State Services
- Engage with emerging leaders early in their State Services careers
- Continuously keep Leadership in Action up to date
- Ensure Leadership in Action is incorporated throughout recruitment, performance management and development and deployment of leaders.

Role of CEs of State Services agencies

- Incorporate Leadership in Action concepts throughout their organisation's leadership development and deployment activities
- Specific skills may be required for some senior leadership roles that are additional to Leadership in Action. The identification and consistent application of these is the role of individual agencies
- Individual agency leadership development activities must not be inconsistent with the Centre leadership principles and leadership in action model.

Role of leaders

- To take personal responsibility for continuously developing their leadership skills and performance
- To model team based leadership.

Centre Implementation

- Design and develop a people and performance function to support system wide implementation
- Implement policy, process and practice in regard to engaging with potential and emerging leaders early in their careers
- Design and develop a graduate leadership programme
- Develop and promulgate a leadership model aligned to the State Services PVPVs and leadership principles
- Ensure the leadership model and leadership principles are factored into the policies and practices affecting each stage of the employee life-cycle from advertisement and recruitment through to leaving.

Executive Leadership & Performance

Definition

- The primary role of executive leadership in the State services is to drive outstanding results and value for money for New Zealand
- Executive leaders include CEOs and senior leaders tasked with executive functions
- A key role in delivering on the PVPVs and results for New Zealand, is held by executive leaders.

Policy

- Excellence in CEOs and senior leaders is of fundamental importance to The State Services
- SSC proactively manages executive leadership and agency performance through the Sector and Agency Performance Group (SAPG)
- There is alignment between leadership performance expectations, PIF and Leadership Development
- The HOSS will move executive leaders across the system to deploy talented people where they can create the most value.

Role of the Corporate Centre

- Primacy is placed on making excellent Chief Executive appointments
- Actively Manage the development and deployment of a pool of executive leadership talent; this will include CEs, tier 2 leaders and tier 3 leaders in some larger agencies
- Ensure participative goal setting and proactive performance management
- Manage PIF reviews to contribute to executive leadership performance improvement
- Ensure that leadership skills are included when considering executive performance.

Role of CEs of State Services agencies

- Recognise that State Services agencies are part of an interconnected system and operate collaboratively across the system particularly for leadership development and deployment.

Role of leaders

- Executive Leaders regard themselves as public servants, leaders and role models within the overall State Services system
- Willingly engage for agreed development and deployment.

Centre Implementation

- Align leadership development, executive performance management, 4 year plans and the PIF processes
- Embed leadership development and talent management into CE performance agreements
- Determine the nature and extent of the pool of State Services leaders for active management, and the sequence of development
- Ensure participative goal setting and proactive performance management throughout the State Services
- Develop and implement a model/process for agile deployment of executive leaders for development.

Capability Management

Definition

- Capability management is a high level integrative function that aligns systems, people, policies, information and physical resources towards the strategic intent of an organisation
- Technical mastery relates to the mastery of technical skills deemed to be strategic capabilities
- Technical mastery applies both to functional leadership and to agency leadership roles
- Functional Leadership relates to the organisation design feature that will provide leadership on strategic technical capabilities (for example Information technology) to the State Services as a whole.

Policy

- Ministers advised by the Corporate Centre will determine from time to time those areas of technical mastery that are deemed strategic to the State Services as a whole, and determine whether the establishment of a functional leadership role is appropriate
- Functional Leaders will be members of the Corporate Centre along with the Central Agencies.

Role of the Corporate Centre

- HOSS is responsible for ensuring that appropriate capabilities are present in the system and continuously developed
- Promulgate best practice in dynamic capability management
- Determine strategic areas of technical mastery and the extent to which these should be supported by functional leadership roles. Immediate areas of need are – Service design including continuous improvement, digital and mobile delivery (new role); ICT (GCIO); collaborative partnering and outcome/ results based contracting (MBIE); people and performance (SSC); financial management (Treasury)
- Determine in consultation, the generic areas of technical mastery that all State Services executive leaders should have or acquire. This might include for example: IT, Innovation & Knowledge Management; value for money and Service Design
- SSC is responsible for technical mastery in people and performance, leadership development and organisational development throughout the system.

Role of CEs of State Services agencies

- Agency Leaders will be expected to develop an excellent understanding of Capability Management applicable to their roles and agencies.

Role of leaders

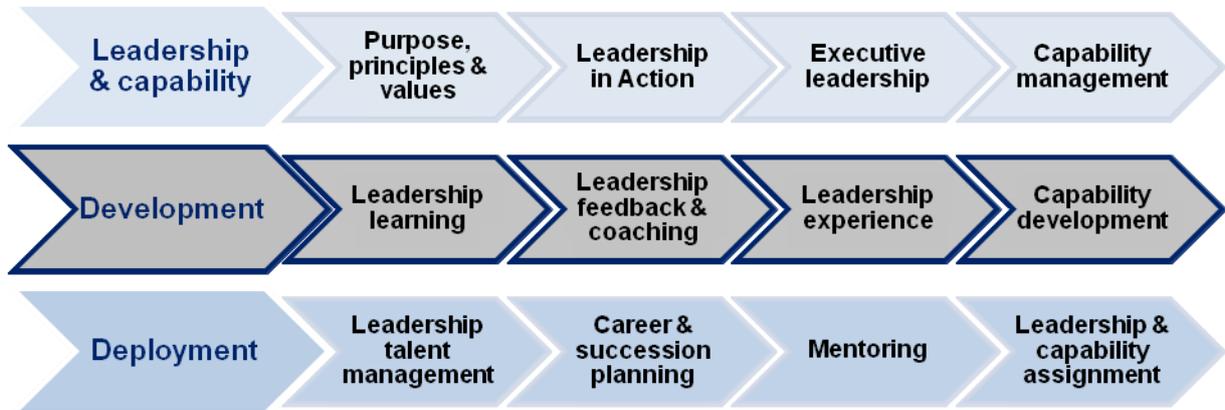
- The strategic aspects of capability management are an essential aspect of leadership.

Centre Implementation

- Confirm immediate system critical capabilities recommended above
- Assemble an inventory of the existing capabilities of the State Services in Capability Management
- Build a system wide approach to Capabilities Management involving functional leaders and existing SSC capabilities capacity
- Develop and promulgate a system of dynamic capability management
- Develop the policies and practices to implement the system
- Determine in consultation, the generic areas of technical mastery that all State Services executive leaders should have or acquire
- Implement Centre HR functional leadership.

Development

Leadership and capability development and deployment for the State Services



Leadership learning

Definition

- Leadership learning focuses on a variety of learning opportunities for existing and potential leaders in the art and skills of leadership. These will include formal classroom learning, action learning, books and articles, new media, on the job training, and self reflection. Case studies and stories of leadership experiences especially those from the State Services are valuable learning tools. The focus is on the learners both as individuals and as teams.

Policy

- Leadership learning experiences are made available to all senior leaders about the State Services leadership philosophy, leadership model, leadership ethics and Leadership in Action
- It is a requirement that all State Services senior leaders undertake progressively the leadership learning experiences indicated above
- State Services leaders are involved in the delivery and facilitation of the learning programmes
- Assistance in time and funding may be offered to high potential staff on a selective basis to obtain formal qualifications that are judged to be valuable for both the State Services and the individual.

Role of the Corporate Centre

- Design the sequential Leadership Learning programmes
- Develop learning experiences that attract and create value for people from diverse backgrounds
- Ensure that appropriate learning content is available
- Identify appropriate senior leaders to contribute to the learning programmes
- Ensure that all senior leaders undertake the programmes
- Enable learning from best practice across the State Services.

Role of CEs of State Services agencies

- Agencies will embrace and promulgate the State Services system of leadership learning.

Role of leaders

- Leaders have personal responsibility to continuously enhance their own leadership skills and to coach, mentor and support their colleagues in so doing
- Leaders should learn how best to best work in diverse teams to use everyone's capabilities to the best value.

Centre Implementation

- Develop the policy and practices framework for system wide leadership learning
- Design the sequential Leadership Learning programmes

- Develop a system of incentives and expectations that ensures State Services Leaders are contributing to leadership learning
- Implement a system to record the leadership learning experiences of senior leaders
- Determine to what extent leadership learning responsibilities should be outsourced
- Develop, implement and monitor a policy for the circumstances in which leaders may be supported to undertake formal qualifications.

Leadership feedback & coaching

Definition

- The best way to develop leadership skills is through enhanced self-awareness. Leadership Feedback is a process a leader uses to reflect on and enhance self awareness of their skills, attributes or outcomes of leadership. Traditionally leadership feedback was provided through assessment undertaken subjectively by an assessor, often the person's manager or the Human Resources Department. While subjective leadership assessment based on observation and results remains useful, metrics, usually web based, are now available that can provide consistent and comparable feedback based on proven leadership principles. These metrics may be used for individual self-reflection and development, or for independent assessment
- The Leadership Practices Inventory (LPI) is a best-selling and popular tool developed by Jim Kouzes and Barry Posner, well known researchers and authors on leadership. The Centre for Creative leadership offers a range of leadership tools. Leadership tools are often associated with approaches to high performance leadership
- Coaching is a required part of the work of all managers. It is designed to improve the performance of employees within their existing roles. It involves providing real time feedback on how to enhance job performance.

Policy

- All senior leaders are responsible for seeking feedback on their development at least once every two years. Feedback tools will be made available, and will cover both learning agility and leadership behaviours. Feedback should be leader-led
- Tools to enable leadership self-reflection will be identified and made available to leaders throughout the State Services
- The tools will be psychometrically valid and reliable
- Coaching plays an important role in developing leadership capability
- Every leader is a coach; every leader needs a coach.

Role of the Corporate Centre

- The Corporate Centre will identify preferred leadership feedback tools and a preferred provider
- Ensure that feedback is provided to leaders in regard to the assessment and assist them to develop an appropriate action plan
- Completion rates will be monitored. Results will be factored into the Corporate Centre's succession planning and talent management programmes
- Ensure all agencies have an effective coaching system and competencies operating.

Role of CEs of State Services agencies

- State Services CEs are responsible for ensuring effective leadership feedback and coaching within their agencies following this system approach.

Role of leaders

- Leaders have the responsibility to regularly seek feedback in appropriate ways on their leadership performance, and to coach members of their teams in leadership development.

Centre Implementation

- Develop and promulgate policy in respect of coaching and feedback
- Identify preferred leadership feedback tools and preferred providers
- Require leadership feedback assessments in preparation for all career board reviews
- Develop a system and incentives for ensuring State Services leaders coach the learning of others
- Develop a system of leadership feedback and coaching training and determine appropriate providers
- Maintain longitudinal and comparative data for all senior leaders in the system
- Factor leadership coaching and feedback into performance and PIF reviews.

Leadership experience

Definition

- The term leadership experience can be applied to the amount of time in service, with the implication being the more time the greater experience. However, more time doing the same thing does not necessarily add to the value of that experience. The diversity, richness and relevance of leadership experiences will contribute to the value of the knowledge, skills and behaviours derived from those experiences. Effective leadership development requires the opportunity for leaders to obtain a variety of experiences in preparation for more senior leadership roles. Experiences provide the basis for leadership stories which can provide one of the most powerful modes of leadership learning.

Policy

- Experiential, on the job development is the preferred method for developing leaders. To be effective, experiential learning needs to be complemented by relevant theoretical models and supported by appropriate coaching and review
- High potential leaders will be offered varied and progressively more challenging leadership assignments to build competency and experience, including in a variety of team settings.

Role of the Corporate Centre

- The Centre will agree with agencies to identify a range of leadership development opportunities for Leaders
- The Centre will facilitate senior leaders into appropriate development roles
- The Centre will develop and implement a policy to determine how people are moved and appointed to challenging assignments through the talent management system
- The Centre will ensure that leaders are moved into roles where they can create the most value and develop their future potential.

Role of CEs of State Services agencies

- Agencies will ensure a varied and appropriately sequenced leadership pathway of leadership development experiences in conjunction with the Centre taking a whole of system perspective.

Role of leaders

- Leaders will seek out developmental leadership experiences with a view to enhancing their skills and will ensure that members of their teams have these opportunities.

Centre Implementation

- Formulate clear policy in regard to leadership experience, development and progression
- Ensure the leadership experience policy is implemented
- Ensure that Leadership Experience policy is enacted by Career Boards

- Build on Talent Scope to develop and make available to career boards a comprehensive set of information about leadership learning, experience and assessments available for everyone in the talent pool.

Capability Development

Definition

- Capability Development is the identification and development of the areas of technical mastery needed to deliver outstanding results and value for money for New Zealanders
- Capability Development applies throughout the State Services.

Policy

- Capability Development is a specific responsibility of the Centre and of all State Sectors leaders
- Functional Leaders carry responsibility for system wide technical mastery and capability development in their functions
- SSC carries system wide responsibility for people capability – leadership, organisational development, talent management and executive performance
- Treasury carries system wide responsibility for technical mastery in financial management.

Role of the Corporate Centre

- Implement foresight and scenario planning systems, and citizen and customer engagement to determine areas of necessary system wide capability development to anticipate complex and rapidly changing strategic requirements
- Promulgate best practice Capability Development tools – see <http://www.ssc.govt.nz/capability-toolkit>
- Implement dynamic capability development systems
- Determine strategic areas of technical mastery and build and implement capability development plans.
- Implement and manage the performance of Functional Leadership roles as required – in the first instance: service design including continuous improvement digital and mobile delivery (new role); ICT (GCIO); Collaborative partnering and outcome/ results based contracting (MBIE); people and performance (SSC); financial management (Treasury)
- Ensure that agencies have in place agency specific capability development systems.

Role of CEs of State Services agencies

- Work with Functional Leaders to enhance capability development for their agencies
- Contribute towards the development of system wide capability by role modelling and assisting other agencies with areas of technical mastery where they are well advanced.

Role of leaders

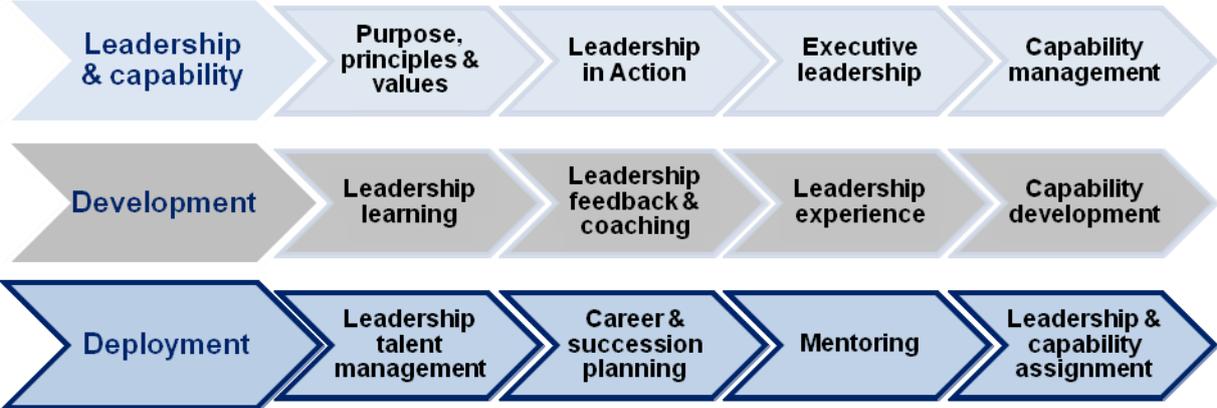
- Leaders will ensure an appropriate system of capability management is in place in their agency and contribute towards system wide capability development.

Centre Implementation

- Develop the existing capabilities team to lead this area ensuring alignment with the Corporate Centre work on functional leadership
- Develop and implement a Capabilities Management Plan
- Implement the proposed priority functional leadership areas; clarify the roles and appoint the leaders
- Ensure that agencies have in place agency specific capability development systems as part of CE performance agreements.

Deployment

Leadership and capability development and deployment for the State Services



Leadership talent management

Definition

- Talent management relates to anticipating the needs for people resources and planning to meet those needs. It involves a systematic and strategic approach to attracting, selecting, developing, retaining, and promoting people. Practice varies in organisations as to whether talent management is associated only with high potential talent or whether it is based on the assumption that all people have talent and the organisation's role is to help everyone to develop their suite of talents to their full potential. In this latter mode talent management becomes a more personalised and potential orientated approach to human resources management.

Policy

- The Centre has a shared responsibility for leadership development and Talent Management of all the existing and potential senior leaders of the State Services
- SSC are the functional leaders of the talent management community
- Everyone has talents, and individual agencies are required to implement a talent management programme within their agencies based on the LCDD principles
- Talent Management applies to general and functional leadership and pathways will be in place to transition between.

Role of the Corporate Centre

- To design, build, run and continually improve the Talent Management system for the State Services
- To manage the Talent Management system and ensure individual development and deployment for agreed high potential senior leaders
- To build a State Services wide emerging leaders programme and a graduate programme.

Role of CEs of State Services agencies

- Talent Management is the responsibility of the chief executives and agencies for people not included within the Corporate Centre's programmes
- To contribute effectively to Career Boards and State Services wide succession planning.

Role of leaders

- Leaders are expected to nurture and develop their own talents and the talents of their teams.

Centre Implementation

- Develop and implement a comprehensive policy framework and practice for Talent Management based on the above principles, closely linked to executive performance and career and succession planning
- Implement a people and performance function in SSC that will provide functional leadership to the HR / OD community

- Put in place a standardised Talent Management information system throughout the State Services based on performance and potential. In the first instance this will build on the existing Talent Scope
- Implement a system of emerging leaders' talent development and deployment.

Career & succession planning

Definition

- Career planning is the process and practice of identifying career goals and selecting relevant learning experiences, assignments and development programmes to develop the skills and experience necessary to achieve those goals. Organisations assist their people with career planning to maximise their potential and contribution to the organisation
- Succession planning is a system and process for identifying and developing people from within an organisation to fill key roles within an organisation. Succession planning goes hand in hand with talent management and career planning. Succession planning helps to ensure that the right people are available for key roles. It can contribute to employee engagement and retention as well as reduce costs of recruitment. It is at its best when there is engagement by the CE and top leadership team and is a characteristic of high performing organisations.

Policy

- Career planning is the joint responsibility between the individual, the agency and the Centre
- Career planning is designed to link individual aspirations with the strategic needs of the public service
- Succession plans will be in place for all key general and functional leadership positions.

Role of the Corporate Centre

- The Centre is responsible for succession planning for Chief Executives
- We aspire to be “four deep” in terms of successors for Chief Executive across the system
- The SSC will operate comprehensive succession plan for all senior leadership roles and jointly with CEs for system critical roles
- As a minimum there should be 2 identified potential successors for each tier 2 role in the Public Service
- The Centre will offer Career Planning advice to senior leaders in regards to opportunities within the State Services
- The Centre will design and implement, in conjunction with partner agencies, an early career identification programme.

Role of CEs of State Services agencies

- Succession planning is the responsibility of the chief executives for roles not covered above
- Chief Executives and the Centre are jointly responsible for planning for successors for system critical roles.

Role of leaders

- Leaders carry personal responsibility for the development of their own careers
- Leaders are encouraged to share their aspirations with those to whom they report and the Centre Talent Management team in order that the agency and Centre can develop an understanding of how best to develop and deploy leaders where they can create the maximum value.

Implementation

- Develop and promulgate policies and an information system in regard to career and succession planning. Career boards will be the primary basis through which these policies are implemented in the first instance
- Implement a system of Career Planning advice to senior leaders in regards to opportunities within the State Services
- Design and implement, in conjunction with agencies, an early career identification programme
- Implement a comprehensive succession planning system for all senior leadership and system critical roles. Incorporate into CE performance agreements.

Mentoring

Definition

- A mentor provides longer term career support and advice. Mentoring operates with mutual consent outside the manager / staff member relationship and can be provided by an experienced leader from outside a staff member's team or indeed from outside the organisation. Mentoring can operate on a planned organisation wide basis or may be more informal. Successful mentoring enhances career planning, performance and staff wellbeing. Successful mentoring depends on personal 'chemistry' as well as the mentor's competence and the mentee's willingness to engage.

Policy

- Mentor opportunities will be identified for all high potential senior leaders
- Mentors will be senior leaders themselves from outside the agency and possibly outside the State Services
- Mentoring and Coaching will be linked to Leadership Feedback.
- Senior executives are expected to have experience in mentoring.

Role of the Corporate Centre

- Design, promote, and continually improve the mentor system.

Role of CEs of State Services agencies

- State Services CEs will promote mentoring and support their teams to obtain mentor relationships.

Role of leaders

- Leaders may choose to develop mentor relationships, and are encouraged to mentor other leaders from outside their agency.

Implementation

- Develop and promulgate a system wide policy for mentoring
- Implement training in mentoring
- Put in place a panel of accredited mentors for senior leaders.

Leadership and capability assignment

Definition

- Leadership and capability assignment is the process of assigning people to positions of authority or critical capability need with the State Services to enrich personal development and/or to allocate skills and experience against our toughest problems/issues.

Policy

- The Centre takes care in assignments in order to ensure appropriate skills, experience and motivation for the role, that the role is the best use of capabilities and that the assignment will contribute appropriately to the learning and growth
- It is the policy of the Centre to provide 'stretch' assignments. "You gain strength, courage and confidence by every experience in which you really stop to look fear in the face. You must do the thing you think you cannot do." – Eleanor Roosevelt. Stretch assignments challenge current skills, and necessitate the learning of new ones
- This policy applies to general management, executive leadership and functional leadership
- The concept of the "just right challenge" is employed – sufficient stretch to engender learning, growth and motivation, but not so excessive as to provoke overwhelming feelings of anxiety or incompetence
- Capability will be assigned to areas of highest priority across the system.

Role of the Corporate Centre

- It is the role of the SSC to assign people to appropriate senior roles (in the first instance CEs, functional leaders, and system critical roles) throughout the system – for either personal development, organisational development and/ or major system problem solving
- Leadership and capability assignment is viewed in the context of system wide leadership and capability development, beyond filling positions.

Role of CEs of State Services agencies

- CEs assign leadership roles within their agencies in consultation with the Centre
- To provide stretch challenges for leaders within their agencies
- To support/release their staff to contribute and achieve new learning and growth through assignment to roles in the broader system.

Role of leaders

- Leaders are expected to seek out, embrace and prepare for stretch assignments.

Implementation

- Develop and promulgate policy and practice in regard to stretch assignments and the opportunities for developmental assignments throughout the system
- Put in place an holistic system of support to enable people to perform at their peak
- Make early re-allocation(s) within the system based on these principles

- Develop policy and practice around secondment, especially in regard to maximising the value of the assignment post secondment.

Leadership & Capability Development and Deployment - Implementation Plan

Principles

The implementation process will be undertaken with a whole of model perspective

This means that we will use a dynamic system approach to implementation, ensuring that critical dependencies across the whole model are identified and scheduled accordingly. No one element of the model will be implemented in isolation. We will work to an integrated model.

Achieving a given result will drive all implementation decisions

There will be a clear understanding of what the Corporate Centre is aiming to give effect to with this implementation and this will be translated into a result with performance metrics that can be reported on over time. The result will articulate how this approach to leadership will benefit the State Services.

Intervention Logic

The value created through the implementation of the State Services wide leadership and capability development and deployment system will be significantly additional to the cost of taxpayer funds. The additionality will be demonstrated in terms of each model element.

We will bring people along on the journey

All stages of implementation will be supported by thorough stakeholder analysis, co-creation and communications planning and implementation. The significance of what we are aiming to achieve will be explained to all stakeholders in its entirety and in a common language. Key stakeholders will be involved in the design and implementation process and will be a 'touchstone' for feedback along the way.

We will be ambitious

We will aim to create an atmosphere of excitement and potential throughout the implementation process. Having an authentic ambition for what we are aiming to achieve will lead us to create the best outcome possible.

Centralised information is critical to success

Collating information about the talent and opportunities in the system is central to the success of the State Services leadership approach. There will be a professional and systematic approach to the collation and storage of that information in a central hub. Information about individuals will be seen as precious and will be managed by the Centre.

Transparency is of primary importance

The leadership approach will be dependent on understanding where there is talent in the system and where there are opportunities to nurture that talent. The Corporate Centre and stakeholders will be encouraged to act in a transparent and system focussed way at all times.

Organisation Structure

There will be organisational structural implications of the leadership and capability development and deployment strategies developed through this process. The likely structural implications will be noted wherever relevant. There are two specific implications. A function of Leadership and capability development and deployment will be established within SSC to lead the implementation of the strategy. The nature and extent of the role of the Leadership Development Centre is likely to change.

Prioritisation

Implementation will be over three years. The prioritisation is based on six months periods from 1 July 2013 to 31 Dec 2014. So we envisage an 18 month period of policy and practices development, with implementation in parallel. The following 18 months will be implementation and embedding. The constraint is likely to be the capacity of the system to absorb change rather than the time necessary to create the necessary policies and practices.

Concept	Implement
	A = 1 st 3 mths B = 2 nd 3 mths C = 3 rd 3 mths D = 4 th 3 mths E = 5 th 6 mths
Leadership and capability	
Purpose, principles and values	
1. Develop and promulgate policies in respect of PVPVs	A
2. Factor into Executive Performance management	A
3. Factor into PIF review system.	A
Leadership in action	
1. Design and develop and people and performance function to support system wide implementation	B
2. Implement policy, process and practice in regard to engaging with potential and emerging leaders early in their careers	B
3. Design and develop a graduate leadership programme	B
4. Develop and promulgate a leadership model aligned to the State Services PVPVs and leadership principles	A
5. Ensure the leadership model and leadership principles are factored into the policies and practices affecting each stage of the employee life-cycle from advertisement and recruitment through to leaving.	B
Executive leadership and performance	
1. Align leadership development, executive performance management, 4 Yr Plans and the PIF processes	A
2. Embed leadership development and talent management into CE performance agreements	A
3. Determine the nature and extent of the pool of State Services leaders for active management, and the sequence of development	B
4. Ensure participative goal setting and proactive performance management throughout the State Services	B
5. Develop and implement a model/process for agile deployment of executive leaders for development.	A
Capability management	
1. Confirm immediate system critical capabilities	A
2. Assemble an inventory of the existing capabilities of the State Services in Capability Management	A
3. Build a system wide approach to Capabilities Management involving functional leaders and existing SSC capabilities & capacity	B
4. Develop and promulgate a system of dynamic capability management	B
5. Develop the policies and practices to implement the system	C
6. Determine in consultation, the generic areas of technical mastery that all State Services executive leaders should have or acquire	A
7. Implement Centre HR functional leadership within SSC.	B

Concept	Implement
	A = 1st 3 mths B = 2nd 3mths C = 3rd 3 mths D = 4th 3 mths E = 5th 6 mths
Development	
Leadership learning	
1. Develop the policy and practices framework for system wide leadership learning	A
2. Design the sequential Leadership Learning programmes	C
3. Develop a system of incentives and expectations that ensures State Services Leaders are contributing to leadership learning	C
4. Implement a system to record the leadership learning experiences of senior leaders	C
5. Determine to what extent leadership learning responsibilities should be outsourced	C
6. Develop, implement and monitor a policy for the circumstances in which leaders may be supported to undertake formal qualifications	D
Leadership feedback & coaching	
1. Develop and promulgate a policy in respect of coaching and feedback	C
2. Identify preferred leadership feedback tools and a preferred providers	C
3. Require leadership feedback assessments in preparation for all career board reviews	C
4. Develop a system and incentives for ensuring State Services leaders coach the learning of others	D
5. Develop a system of leadership feedback and coaching training and determine appropriate providers	E
6. Maintain longitudinal and comparative data for all senior leaders in the system	D
7. Factor leadership coaching and feedback into performance and PIF reviews.	E
Leadership experience	
1. Formulate clear policy in regard to leadership experience, development and progression	A
2. Ensure the leadership experience policy is implemented	C
3. Ensure that Leadership Experience policy is enacted by Career Boards	C
4. Build on Talent Scope to develop and make available to Career Boards a comprehensive set of information about leadership learning, experience and assessments available for everyone in the talent pool.	B
Capability development	
1. Develop the existing capabilities team to lead this area ensuring alignment with the Corporate Centre work on functional leadership	D
2. Develop and implement a Capabilities Management Plan along the lines of the recently released UK government plan	E
3. Implement the proposed priority functional leadership areas; clarify the roles and appoint the leaders	E
4. Ensure that agencies have in place agency specific capability development systems as part of CE performance agreements.	D

Concept	Implement
A = 1st 3 mths B = 2nd 3 mths C = 3rd 3 mths D = 4th 3 mths E = 5th 6 mths	
Deployment	
Leadership and talent management	
1. Develop and implement a comprehensive policy framework and practice for Talent Management based on the above principles, closely linked to executive performance and career and succession planning	E
2. There will be a people and performance function in SSC that will provide functional leadership to the HR / OD community	E
3. A standardised Talent Management information system will be put in place throughout the State Services based on performance and potential; in the first instance this will build on the existing Talent Scope	A
4. Implement a system of emerging leaders' talent development and deployment.	E
Career & succession planning	
1. Develop and promulgate policies and an information system in regard to career and succession planning; Career Boards will be the primary basis through which these policies are implemented in the first instance	A
2. Implement a system of Career Planning advice to emerging and senior leaders and people in the graduate programme in regards to opportunities within the State Services	C
3. Design and implement, in conjunction with partner agencies, an early career identification programme	E
4. Implement a comprehensive succession planning system for all senior leadership roles; incorporate into CE performance agreements.	A
Leadership experience	
1. Develop and promulgate a system wide policy for mentoring	C
2. Implement training in mentoring	E
3. Put in place a panel of accredited mentors for senior leaders.	E
Leadership and capability assignment	
1. Develop and promulgate policy and practice in regard to stretch assignments and the opportunities for developmental assignments throughout the system	A
2. Put in place an holistic system of support to enable leaders to perform at their peak	A
3. Make early re-allocation(s) within the system based on these principles	A
4. Develop policy and practice around secondment, especially in regard to maximising the value of the assignment post secondment.	C

State Services Leadership Stages of Development

In order to develop an operating model of leadership and capability development and deployment (LCDD) within the State Services it is necessary to develop a simple framework of career stages. Although the concept of tiers is in widespread use for senior leader identification, we are of the view that it is not helpful for leadership development modelling because:

- Targeting investment in LCDD based on tiers alone is unlikely to give the best return (the return on investment will increase with both unrealised potential as well as current management scope/influence); and
- Tiers are not a reliable indicator of current management scope/influence because of, for example, the variation of roles and responsibilities across different sized organisations within the State Services.

We propose that investment in leadership development and deployment be targeted on a combination of leadership scope/influence and candidate potential (which would also extend the target group to those with longer potential length of future service).

For the purpose of LCDD leadership scope/influence can be better identified by targeting people who:

1. are managers of others who are themselves managers or supervisors; in other words managers of managers and/ or
2. are members of the leadership team of an agency that is responsible for the determination of strategy, direction and performance for the agency, and with oversight of strategy and performance for other agencies and/or
3. have responsibility for influencing others through leadership of key areas of policy, technical or functional mastery, for example leading strategy development or service design within an agency or across agencies.

High potential candidates will need to include those who are likely to join the above grouping in a couple of years: i.e., emerging leaders with strong potential and performance at an earlier stage in their careers, such as when in manager roles. Consideration will need to be given to how best to identify such emerging talent. A high potential leader identification system should be in place extending from manager level.

A 3*3 performances and potential review system should be universally established, complemented by judgements about levels of aspiration. People assessed as 3/3 on performance and potential and with high levels of aspiration would be identified as high potential leaders and participate in the high potential programme. Some 3/2 (potential /performance) people may also be included if it is determined that the performance was inhibited by being in a role less suited to their skills. High potential people could be identified at any stage in their career but the greatest value for the system will come from early identification and development of emerging leaders.

The above categorisation presumes use of sound organisational design principles with appropriate spans of control of between 5 and 9 people. So for example, on this basis with an average of 7 reports per manager a 57 person organisation would have 3 tiers of which tier 1 would be deemed as leaders on the basis of criterion 1 and perhaps tier 2 on the basis of criterion 2. A 400 person organisation would require 4 tiers, of which tiers 1 and 2 would be deemed as leaders. Up to 2500 people could be managed with 5 tiers (tiers 1, 2 & 3 would be deemed as leaders) and only very large organisations would require 6 tiers.

Whereas the 'manager of managers' criterion is objectively determinable, the other criteria require more subjective judgement. Typically CEs, GMs and Directors with Managers reporting to them would be included within the leader group. In circumstances where the number of direct reports does not justify inclusion, the influential nature of the role for example in policy agencies or lead agencies may make the case for inclusion. We believe for the most part the identification will be obvious from the nature of the roles, based on these criteria.

Leadership development will be open to people included within the above categories: i.e., existing and emerging leaders. The extent to which such promotion may be anticipated well in advance or accelerated through inclusion in leadership development for high potential people will be a matter of judgement in each case. Decisions will be informed by the State Services Leadership principles.

There is wide support for the introduction of a system wide graduate programme as a foundation for future leaders. Participants would gain experience through assignments across multiple agencies.

Based on the above analysis the following stages are identified as a basis for an operating model:

- Graduate programme
- Emerging leaders
- Managers of managers
- Senior executives
- Chief executives.

Leadership and Capability Development and Deployment – summary operating model

	Graduate Programme	Emerging leaders	Managers of managers	Senior Execs	CEs of major agencies
PVPVs	Everyone will receive training in PVPVs during induction and leadership development			Lead co-creation of PVPVs	
Leadership in action	A standard set of leadership principles and leadership competencies are in place throughout the State Services. Everyone is trained in them. Performance is measured towards them.				
Executive leadership	x	x	x	Leadership development expectation embedded in performance contracts and incentives	
				x	PIF excellence horizon goals embedded in Performance agreement
Capability management	Leadership development applies to general management and functional leadership				
	x	x	x		
Leadership learning	Stage appropriate formal leadership learning experiences will be designed and delivered under the auspices of the Centre Web based leadership learning tools will be available to all members of the State Services Leadership learning experiences and achievements are recorded for use in development and promotion activities				
	x	x	x	Senior execs will be actively engaged in providing leadership learning experiences	
Feedback	Regular real time feedback is provided by the individual's manager on leadership performance On line Leadership feedback tools are available to all members of the State Services				
	x	x	Feedback assessments are available for all participants in career boards		
Coaching	Managers provide their staff with active real time on the job coaching towards agreed performance goals				

Experience	All staff will be assisted in and must be proactive in gaining varied and progressively more challenging leadership experiences				
Capability development	Areas of technical mastery required of senior leaders are identified, tested and trained for				
	x	x	x	x	Agency specific capability development plans incorporated in CE performance agreements
Leadership talent management	x	Standard system wide performance/ potential/ aspiration grid and measurement and review in place and operating			
Career planning	Career planning supported by the Graduate Programme	Career planning supported at agency level	Career planning advice and Career boards managed by the Centre		
Succession planning	x	x	x	Succession planning in place for all senior execs and CEs	
Mentoring	Mentoring supported by the Graduate Programme	The mentor scheme is available		Senior execs are expected to develop a mentor relationship, and to act as mentors for others	
Leadership assignment	Leadership assignment agreed by the Graduate Programme	Can expect stretch assignments with appropriate support through which to learn and grow			
		x	May be invited to undertake secondments with full support before during and after through which to gain varied experience and contribute to the system		
		x	x	May be moved to where they can create the most value in the system	

Conclusion – making it happen

Our interviews with more than 80 senior leaders revealed widespread agreement that system wide leadership and capability development and deployment are required to deliver better public services. There is also general agreement that this LCDD model is appropriate and represents normal good practice.

There is a belief that the extent of change required is extremely ambitious, and therefore the model will need to be implemented progressively in a way that builds confidence over a number of years.

There is uncertainty whether SSC has sufficient capacity or capability to deliver. Moreover, there is concern that the project will fail if it becomes too compliance/ control/ process focused. There is a vital need to take people along on the journey and to recognise the good things that are already happening. How the project is implemented will be as important as what is implemented.

The Centres approach to – and sequencing of – this implementation needs to build confidence across the State Services that this new style of leadership and capability development and deployment will produce better results.

With respect to the approach, we recommend that:

1. HOSS and Centre CEs should proactively engage and inspire rather than rely on the legislative mandate and economic incentives. This will involve clearly promulgating the purpose, rationale and benefits for LCDD and sharing stories of success
2. To address concerns about compliance and over layering processes PIF, 4 year plans, LCDD and CE performance management should be integrated into a single story of what is necessary to deliver outstanding results
3. The power of placement should be used to provide an early demonstration of the new approach to leadership and capability development and deployment
4. SSC should define and explain its role as functional leaders of people & performance (HR/OD), and how this role will be executed.

With respect to sequencing and priorities, we recommend the following:

1. implement succession planning for every management/ system critical role
2. implement a State Services wide talent management information system
3. make career boards, talent scope and leadership assessment apply State Services wide
4. implement a State Services wide graduate trainee programme
5. Implement an emerging leaders' programme.

How do we make this significant transformation happen without the existing capacity and capability at the Centre and with limited additional resources? The answer is “crowd-sourcing”! This will involve inviting submissions for each of the key components of the new model from around the State Services; selecting synthesising and improving as necessary; translating to be applicable system wide; and introducing progressively throughout the system. This approach will build system capability and foster engagement and support, as well as helping to ensure relevance to the State Services. It should be faster, cheaper and more acceptable than attempting to build each component from scratch.

Appendix 1: Lessons from the PIF Reviews: we need to put more – and more systematic – effort into leadership development and deployment

The Performance Improvement Framework (PIF) Reviews provide an assessment of the capacity and capability of each agency to meet the performance challenges they face over the next four years. The common lessons from these Reviews has been summarised in “Getting to Great” (G2G): i.e., the need to build capability to be more proactive, with greater attention to developing great institutions “whose purpose and roles are clear and whose core business effectiveness and efficiency are as strong as their ability to manage issues and events”.

G2G identified the six key characteristics of agencies that can consistently deliver great value from the talent, information, capital and regulatory legitimacy they can command. What does it take to build institutions capable of sustained superior performance? Our reading of the PIF reviews suggests that the best institutions:

- a. Are clear about their purpose; know how they can add most value to New Zealand now and in the future; and are clear about their strategy for delivering that value.
- b. Enjoy strong internal leadership that can attract talented people and inspire them to dedicate themselves to working with integrity to deliver the outcomes that the agency has identified as mattering most to New Zealand.
- c. Invest in talent by providing challenging, interesting and important work to do, while also managing poor performers to either improve or to exit.
- d. Enlist the active support of all those outside of the agency who are necessary to the agency delivering the most it can for New Zealand.
- e. Demonstrate they value learning, innovation and continuous improvement.
- f. Engage corporate support areas like finance, information technology (IT), organisational development, strategy, risk and human resources (HR) units as business partners.

It concluded that, once agencies get these six things right “...efficiency and effectiveness will follow. Efforts to improve value for money should be focussed here, rather than focussing on expenditure reviews that leave many agencies doing the same things in the same way and to less effect, which often means initial savings are not sustained.”

Each of the six key characteristics identified by G2G depends to a greater or lesser degree on superior leadership. For most agencies – and for the Service as a whole - we are fast approaching the point where simply leaning against growth in operating expenditures and economising on head-office and back-office costs will not yield a lot more value. Instead, significant and sustained improvements in value for money are going to have to come from better leadership and management, especially of both people and information.

G2G identifies the sort of leadership that will make the greatest difference:

- a. Leadership that can articulate a motivating, unifying, and discriminating purpose, one that aligns the motivation of the people who are attracted to public service – and the partners they must enlist for success - with the purpose of the organisation and, indeed, the service as a whole. G2G suggested that a lack of alignment was an important reason why the intrinsic attraction of the public service to many staff is not reflected in a similarly strong

engagement with their organisations. Clear purpose and goals also makes it easier to discriminate between what does and does not matter (e.g., reducing reoffending by 25%, for example, gives Corrections staff a clear steer on what matters and what does not).

- b. Leadership that can attract, develop and utilise talent by providing interesting and challenging work that will make the most difference to the community the Service exists to serve. The Service must do more than simply provide jobs. It needs to provide careers that are managed to generate a mix of experiences that engage and develop leaders on-the-job. While individuals must help manage their own careers, they need to know what skills and experiences will make them more effective and help them get ahead. They also need the job opportunities, coaching, mentoring and training to help them succeed and these need to be provided to the right individuals at the right time. All this must be provided by the organisation they work for. Successful organisations “... focus effort where it matters most...” and “... invest in developing skills the agency needs, rather than simply responding to what staff may want.”
- c. Leadership that ensures that managers manage for high performance: successful leaders “... set high standards, delegate authority and then help people achieve the agency’s goals.” This is particularly important when it comes to addressing poor performance quickly, by helping poor performers to improve, to find a better role or to exit.

While this list is generic, it highlights areas where the PIF Reviews identified some of the biggest gaps between current leadership and the leadership agencies will need in order to deliver the outcomes they seek:

- Only 33% of agencies rated strong or well placed on the “purpose, vision and strategy” element of organisational performance: which is about an agency clearly articulating a future direction to staff and stakeholders that is consistent with its purpose and adds the most value to New Zealand;
- Only 38% of agencies rated strong or well placed on “leadership and workforce development”, 29% on “management of people performance” and 38% on “engagement with staff”. Indeed, only one agency was rated strong on management of people performance.

The whole internal leadership dimension in (b) above was the weakest of all of the performance dimensions, and only the “improving efficiency and effectiveness” sub-set of the “improving delivery” dimension had fewer strong or well placed ratings. The scope for improvement in the internal leadership dimension is graphically described in G2G:

“Leadership by agency executive teams is often seen as lacking, staff engagement is lower than desirable in all but three agencies, internal culture is generally not being actively managed and, while there are some examples of good practice in talent management, overall workforce strategy is lacking and the management of poor performers is generally not happening. Performance management regimes tend to be unaligned to purpose and strategy and viewed as compliance tools rather than mechanisms for implementing strategy.”

While G2G did not explore causality in much detail, it is not hard to see why the degree of weaknesses identified in (a) and (b) above would undermine efforts to improve efficiency and effectiveness.

The follow-up PIF Reviews are also starting to illustrate just how important getting these things right can be to improving efficiency and effectiveness. For example, NZTE is being successfully transformed by its new leadership and lead indicators are encouraging: more of

NZTE's customers 'strongly agree' it adds value and its people are significantly more engaged with the organisation, at the same time as it has reduced its operating costs by about 11.4% (actual 2009/10 to budget 2013/14).

While the PIF Reviews are focussed on improving agency performance, G2G argued that the central agencies had an important role to play:

“While success will require a very different focus from individual agencies, the task cannot be left to them alone. Success will also require a much more unified and effective corporate head office capable of building the public sector as a strong and cohesive ‘institution’ in its own right: one that is driven by the spirit of service and the determination to make a real difference for New Zealand. The Better Public Services Advisory Group found that the public service was too fragmented to deliver effectively across agencies and portfolios and recommended a much stronger and cohesive corporate head office. Our findings suggest that a more cohesive and effective office is also critical if we are to build strong and enduring public institutions.”

The role of the centre will be critical. The central agencies have primary accountability for overseeing the stewardship of the Service and the development of its capacity and capability. The weaknesses identified by G2G suggest that the centre will need to play a different role in future. This does not mean abandoning the central role of the agency Chief Executives. Quite the reverse: much more effective leadership and management of the performance of the CE's will be required (including greater focus on the stewardship dimension of their role).

However, this is unlikely to be sufficient. It will need to be supplemented by a centre that takes a more active role in managing talent across the Service: including by ensuring that talent is deployed across agencies to both better meet the priorities of Government as well as to better develop tomorrow's leaders. It is also likely to require the SSC assuming functional leadership of human resource and organisational development functions, as the GCIO is expected to do for agencies CIOs and the Treasury has done from time to time for agency accountants and finance officers.

Appendix 2 - Procter & Gamble – a global multinational case study on Leadership Development

The purpose of this brief summary of leadership development at Procter & Gamble (P&G) is to enable insights that may enhance leadership development within the New Zealand State Services, by reference to a global corporate analogy.

The Procter & Gambleⁱ company is the world's largest fast moving consumer goods company based in Cincinnati, Ohio. Now 175 years old, it has been consistently regarded as a world leader in leadership development over many years, and in 2012 and again in 2013 was ranked first in Chief Executive journal's ranking of best companies for leaders. The company emphasises "the power of purpose" and leadership as fundamental drivers of performance.

P&G's former (until May 2013) CEO Bob McDonald, explains that "To tap the full potential of our employees, we have developed a rigorous and disciplined approach to leadership development at every level of the company....We systemically build multiple generations of leaders by developing them throughout their careers with varying experiences across businesses and geographies. This has created a very strong pipeline of globally capable and mobile leaders."ⁱⁱ

The Chief Executive journal uses the following ranking system for its annual ranking which saw P&G, GE and IBM in its top 3 spots for 2013:

1. Having a formal leadership process in place;
2. The commitment level of the CEO to the leadership development program, as measured by the percent of personal time spent in these activities;
3. The depth of the leadership funnel as measured by the percentage of senior management positions filled by internal candidates, as well as the percentage of middle management positions filled by internal candidates;
4. The number of other companies that report recruiting from the company being evaluated;
5. A shareholder value performance metric based on 10-year growth or decline in market capitalization.

P&G senior executives take a personal hands-on approach to leadership development, for example by personally teaching leadership on their various courses, through mentoring and coaching and involvement in career development and succession planning. Leadership development takes place from early career and formal training is expected at multiple levels – early career graduate training, general manager college shortly before a first GM position, and executive leadership in preparation for executive positions.

Current CEO AG Lafleyⁱⁱⁱ was personally involved in selecting senior leaders for the Inspirational Leadership^{iv} programme delivered over a period of a decade from 2000 by the author of this paper. He attended the introduction to the workshops and at the closing to receive feedback. These workshops involved the top 500 leaders in the company as well as identified early career high potential future leaders.

P&G CEs and senior executives are personally involved in leadership decisions for top P&G leaders. They work closely with business leaders and function leaders on strategy reviews, as well as next generation leaders to help them grow and develop. They are involved in recruiting, teaching and coaching.

P&G is widely regarded as a great source of leadership talent and more Fortune 500 CEOs have received their leadership training from P&G than from any other company. The company builds this talent base on a set of enduring principles^V:

- **We Share P&G's Purpose and Values.**

Our Purpose, Values and Principles are the foundation on which we develop leaders at P&G. Our shared Purpose—improving the lives of the world's consumers—in addition to our Values—trust, integrity, ownership, leadership and passion for winning—unify us as we collaborate as a team internally and compete to win externally.

- **We Hire the Best.**

Nearly a half-million people apply for P&G jobs every year. We hire less than 1%. We attract top talent because of P&G's reputation as a great company for leaders, and we identify the best applicants by using a proven recruiting process that measures intelligence, assesses character and leadership, and predicts success at P&G.

- **We Challenge P&G People from Day One.**

We believe there's no substitute for hands-on experience when it comes to leadership development. That's why we create early, meaningful responsibilities for every employee. Typical assignments demand collaboration inside and outside the Company, disciplined project management and the need to be in touch with consumers, retail customers and other external stakeholders.

- **Business and Functional Leaders Actively Recruit, Teach and Coach.**

Line business leaders are accountable and involved at every step of the process. This starts at the top. Our Chief Executive Officer, Vice Chairs, Presidents and Functional Officers recruit on college campuses and teach in our executive education programs. These senior executives also act as mentors and coaches for younger managers, helping them develop the skills necessary to lead large businesses and organizations.

- **We Plan Careers.**

We create opportunities for careers at P&G, not just jobs. One way we do this is by managing P&G talent globally—starting at mid-levels of management and higher—to enable career development and growth across businesses and geographies. We identify talent early and groom people through a series of varied and enriching assignments that will prepare them for future roles. The CEO and Vice Chairs meet monthly to plan senior management assignments. Business presidents meet as a talent-development team once per quarter. And the Board of Directors reviews P&G's talent pipeline once a year.

- **We Never Stop Learning.**

In addition to on-the-job experience, we provide a wealth of technical, functional and leadership skills training. Some programs are offered at career milestones, such as when an employee first takes on responsibility for managing others or leading an organization. Other programs take managers out of the classroom and into retail stores or even into consumers' homes. This process not only helps P&G people develop business skills but also deepens their commitment to touching and improving consumers' lives—P&G's enduring Purpose.

When they say we hire the best, they mean it! P&G screens about half million candidates globally each year, and they report hiring less than 1%. Its reputedly ten times harder to get into P&G than into Harvard Business School. A core leadership development strategy is to challenge people with stretch assignments from day one with opportunities for meaningful work, learning, growth and new leadership experiences. Leadership development is a responsibility of all managers and leaders, and not something that is just assigned to the HR department. Role modelling of leadership development starts at the top with active

engagement by the CEO and other senior leaders in recruitment and in all aspects of leadership development.

Leadership development and talent management is a global activity. For example, attendees at inspirational leadership workshops came from throughout the P&G system and were a mixture of business and functional leaders. Talent management starts at mid levels of management and there are systems in place to identify and nurture talent from early career. There is a deliberate planning of leadership assignments that give varied experience across geographies, business units and types of leadership challenge – start-up, turnaround, new markets, mature markets etc.. This develops a rich and deep pool of leadership talent available for succession and for innovative business growth and development. The CEO and Vice Chairs place a major emphasis on assignment management with regular planning meetings and close communication with business unit and functional leaders. The board is also actively involved.

Leadership at P&G does not exist for its own sake. It is driven through the “Power of Purpose” to achieve outstanding results. P&G employs about 150,000 people around the world and uses this scale to create opportunities for people to learn, grow and enhance their skills and experiences. This applies across functional skills, business units, general management and different geographies and markets. Chief Executive journal explains that “They focus on sustained results and the continuous improvement of leaders over time, with their most significant development occurring through on-the-job experience, feedback and coaching.” Clarity of purpose, leadership, performance and results are considered as being inexorably intertwined.

Scholars and practitioners of leadership development will recognise the above principles as being good practice, rather than being unusual or pioneering. What does distinguish leadership development at P&G is their excellence in execution and the systematic way in which these principles are implemented throughout all parts of the organisation. Leadership practice is emphasised and role modelled from the most senior levels and reinforced through the regular business performance meetings between senior leaders and their direct reports, and in turn through the hierarchy. Leadership is inexorably linked to performance and results.

Leader led leadership development is complemented and supported by a comprehensive, standardised information system of leader performance and potential, succession and career planning led by a robust global HR function. HR professionals play a strong leadership role at P&G. In partnership with business leaders, they help create and sustain business growth and competitive advantage with people, organizations and systems and nurture a value-driven, principle-based culture. They help transform organizations to deliver business strategies, lead change and develop individual and organizational capability. The transactional aspects of HR are run on a shared services model with HR professionals focused on talent management and strategic HR.

Global corporate functions ensure ongoing functional innovation and capability development throughout the company. These relate to areas considered crucial and strategic to the future of the company; for example, innovation, design, brand, consumer understanding and marketing. Global corporate functions encourage technical mastery throughout the company through research and development, standards and professional practice, shared systems and information and training and development. Corporate Functions and Global Business Services (shared services) support the business units in the delivery of outstanding results. Excellence in functional leadership is prized in the same way as excellence in business unit leadership and there are pathways for transition between these pillars of the structure.

Summary

P&G provides a global exemplar of an excellent leadership development model. The reason for consistently high ranking as a developer of leaders lies as much in consistent execution excellence as it does in the model itself.

Highlights of the P&G approach include: purpose and principles based leadership; deep involvement of senior leaders in leadership development; leadership and performance directly interlinked; purposeful career and succession planning based on a whole of system approach; an information rich talent management environment; functional leadership used to energise system wide capability development.

i One of the LCDD project facilitators has first hand experience at P&G through running an inspirational leadership development programme for senior leaders during 2000 to 2010, working directly with the global CE AG Lafley.

ii 2013 best companies for leaders, Dr. Jenna Filipkowski and J.P. Donlon, CHIEFEXECUTIVE.NET, January/February 2013

iii AG Lafley is Chairman of the Board, President and CEO of P&G; He is, widely regarded as one of the world's leading CEOs. He led the company from 2000 to 2010, and rejoined in May 2013

iv Based on Peak Performance: business lessons from the world's leading sports organisations, Gilson, Pratt, Roberts and Weymes, Harper Collins, London 2000

v http://www.pg.com/en_US/company/purpose_people/leadership_development.shtml