

Michael J. Pratt and Murray Horn

Leadership and Capability Development and Deployment in the New Zealand State Service

This article describes the design during 2013 of a model and implementation principles of a leadership and capability development and deployment (LCDD) model for the state services system. In this process, an initial prototype model was developed to describe a desired future state. It was informed by the best traditions of state services leadership development, together with models used by the world's best

companies, such as Procter & Gamble, for leadership development (Filipkowski and Donlon, 2013). The model was then enhanced based on our research in other jurisdictions, including Australia, Singapore and the United Kingdom, and co-creation with stakeholders. This is further discussed in the article.

Dr Mike Pratt is Professor of Leadership and Sustainability at the University of Waikato, and a professional director and business adviser. Dr Murray Horn is a former Secretary to the Treasury of New Zealand and bank chief executive, and a professional director and business adviser.

The Better Public Services review conducted in 2011 found that improved and more collaborative leadership is a necessary precondition for high-performing public services (Better Public Services Advisory Group, 2011). This conclusion was reinforced by a key finding from the 21 completed State Services Commission Performance Improvement Framework (PIF) reviews that there are significant opportunities for improvement in leadership across the state services.¹ In April 2013 the authors of this article were invited by the state services commissioner to facilitate the

Services Commission and implementation began in September 2013.

One unique feature of the framework is the deliberate integration from an early stage in the project of leadership development and capability development. The reasons and advantages thereof are explained in this article. The most transformational aspect of the framework is the concept of a unified state services approach to leadership and capability development across the state services, as opposed to an agency-specific approach. This is a natural consequence of the corporate centre analogy, and of the need

delivering on the sorts of social outcomes described by the ten Better Public Services goals is changing. The big policy settings are now broadly aligned with OECD norms, 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. The Better Public Services report notes that 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.

Leadership and capability development and deployment must be capable of meeting these demands. There is widespread agreement that, while ambitious, this LCDD model is one that the State Services Commission should be seeking to implement.

The challenges and opportunities facing New Zealand are very different from those of the last or previous decades. Post-1984, 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 of 2007–08. 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 contribution to improved outcomes will depend far more on innovative solutions, stronger execution of change by its own agencies, smarter use of private partners and of technology, and improved effectiveness and efficiency in delivering core government functions and public services.

co-creation of a framework with a broad cross section of state services leaders and stakeholders. This work built on an earlier project for the commissioner conducted by the authors in which we sought to model a 'corporate centre' for the state services using a corporate group analogy: that is, to consider what the state services 'centre' would look like and how it would undertake its activities if it was like a corporate group headquarters. This frame of reference was applied to leadership and capability development.

Mid-range theory (Laughlin, 1995) was employed to develop a skeletal theoretical framework derived from relevant literature. The framework was then expanded by studying leadership and capability development in action, and through discussions with counterpart public sector entities in Australia, Singapore and the UK. It was further developed through iterative co-creation workshops with over 80 state services leaders and stakeholders, and tested through the governance processes of the state services and central agencies. The framework was adopted by the State

for a unified service response to many of the opportunities and challenges facing New Zealand today.

The evolutionary framework was improved iteratively through the co-creation process, but the essential elements were readily accepted. Much of the conversation focused on the extent of transformation required and the key factors required for successful implementation. A number of innovative approaches to organisational development were created through the process and are discussed here. For example, the idea of sourcing leadership and development activities from successful experiences throughout the state services received widespread support.

The article concludes with a consideration of opportunities for further research, and summary lessons that may be applicable beyond the New Zealand state services.

Leadership as a contributor to better public services

Government's contribution to improving New Zealanders' relative incomes and

government's ten Better Public Services goals now needs to be addressed within a far more constrained fiscal environment.

Government's contribution to improved outcomes will depend far more on innovative solutions, stronger execution of change by 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 more collaboration among 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, which also implies a more effective cross-agency approach to delivering 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 on 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. 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.

Analysis of completed Performance Improvement Framework reviews revealed that while agencies were good at responding to immediate issues and events important to their portfolio ministers, they need to improve core business efficiency and effectiveness. Agencies also need to work more proactively and collectively to deliver whole-of-government outcomes, and be able to do the same thing for future governments as stewards of the longer term. The Getting to Great (G2G) analysis² identified the six key characteristics of agencies that can consistently deliver great value from the talent, information, capital and regulatory legitimacy they can command. Agencies should:

- a be clear about their purpose, know how they can add most value to

New Zealand now and in the future, and be 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 leave;
- 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 that they value learning, innovation and continuous improvement;
- f engage corporate support areas like finance, information technology, organisational development, strategy, risk and human resources units as business partners.

G2G concluded that, once agencies get these six things right, 'efficiency and effectiveness will follow'. Each of the six key characteristics identified depends to a greater or lesser degree on superior leadership. Most agencies – and the state service as a whole – 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 will 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:

- 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

There are many excellent leadership, people and performance development initiatives and capabilities throughout the state services, such as the PIF, career boards and the Leadership Development Centre.

strong on management of people performance.

While the PIF reviews are focused on improving agency performance, the G2G report 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. (p.37)

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.

The State Services Commission already has leadership and capability development responsibilities and the mandate.³ There are many excellent leadership, people and performance development initiatives and capabilities throughout the state services, such as the PIF, career boards and the Leadership Development

services are meeting the aspirations of the government of the day and stewardship for the long term.

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 service leaders is that they work collaboratively across and within agencies, and actively share resources. Team-based leadership is expected.

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.

Centre. The intent of the LCDD project is to build on these, integrate them and, where appropriate, take them system-wide. The emphasis will be on synthesis, simplicity and added value rather than compliance and process. The intended outcome is to develop state services leadership and capabilities development and deployment that will deliver on the vision of '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.⁴

State services leadership: principles

The following leadership principles were co-created by members of the state services Corporate Centre with facilitation by the authors. They will inform all aspects of leadership development and deployment.

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 service leaders. Essential to the state

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. 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 chief executives and functional leaders recruit on universities campuses and teach in our executive education programmes. 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 practise adaptive leadership to learn and innovate. Some programmes 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.

Model development

The LCDD project commenced in early 2013, with a focus on leadership development. A subsequent and parallel project was added in regard to capability development, following a visit to the United Kingdom by state services commissioner Iain Rennie. In April 2013 the UK Cabinet Office published its Capabilities Plan⁵ as a new strategy for improving skills and performance across the civil service, and this work informed the capabilities aspect of the LCDD model. Running the leadership and capability reviews in parallel made it clear how they were intertwined. Accordingly, unlike approaches to organisation transformation employed in other jurisdictions, the decision was made to develop and test a prototype model that combined leadership and capability.

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 Two 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. Leadership in bureaucracies (Weber, 1947) is based on adhering to normative rules and lines of authority. In the 20th century the idea of transactional leadership emerged. Later, the contrasting notion of transformational leadership came to the fore, introduced by James MacGregor Burns (1978). Its four main characteristics are:

1. individualised 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. idealised influence through being a role model for high ethical standards and gaining respect and trust.

More recent research-based high-performance leadership models (for

example, Collins, 2005; Pratt and Pratt, 2010) 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. Our workshops with state services senior leaders confirmed that both the state services Centre and senior agency leaders aspire towards high-performance leadership.

Capability management is a high-level integrative function that aligns systems, people, policies, and information and physical resources towards the strategic intent of an organisation. Originally developed in the context of defence,⁶ 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. The State Services Commission explains the role of capability management at the agency level with the question: 'What capability do we need to deliver government outcomes to a high level of performance now and in the future?'⁷

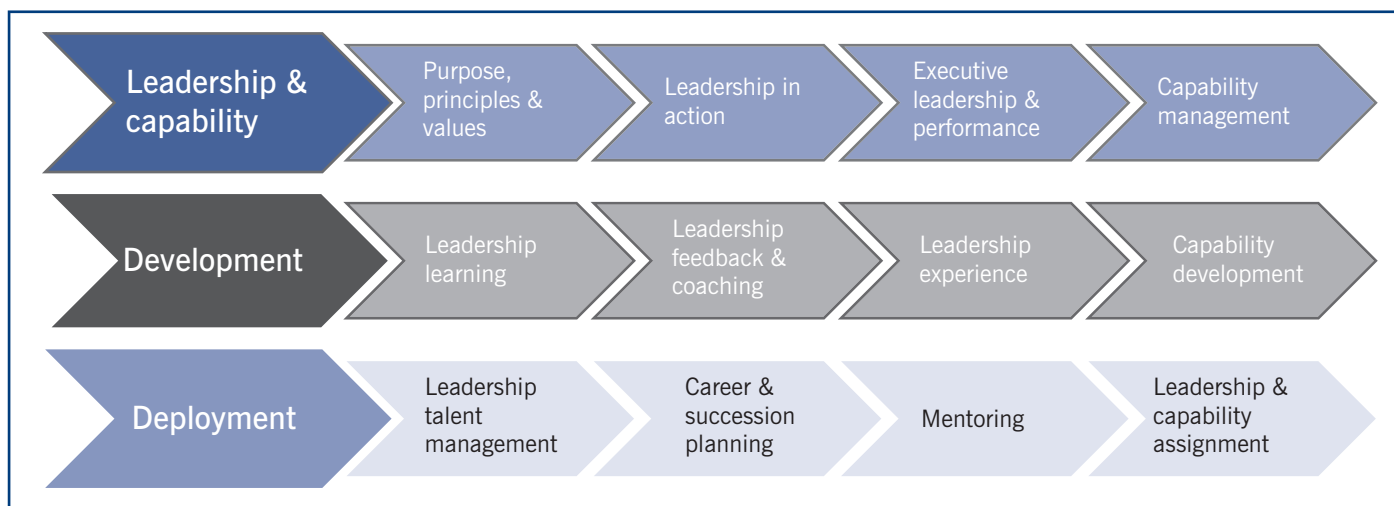
The LCDD model provides that at the system level the Corporate Centre has the responsibility for ensuring that there is dynamic strategic capability, that agencies have in place systems for ensuring agency-specific capabilities and that at the functional or support services level (e.g. finance, organisation development or IT) enabling capabilities are in place to meet current and anticipated future needs.

While the state services have many committed and talented people, there are also some important skill gaps that need to be filled if they are to deliver better public services into the future.

While the state services have many committed and talented people, there are also some important skill gaps that need to be filled if they are to deliver better public services into the future.

- The Better Public Services Advisory Group found that the service was too fragmented and emphasised the need for a more unified service (with greater collaboration among agencies for impact and a stronger corporate centre).
- The PIF reviews have pointed to the need to strengthen capability in areas such as people and information management and in operational model design and delivery.
- The increased focus on outcomes – notably via the government's ten Better Public Services 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

Figure 1: Summary of the elements



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 the areas of information technology, procurement and property.

Reference to the UK Capabilities Plan suggested that consideration also needs to be given to addressing other capability gaps. For example, improving service design (including continuous improvement and digital delivery) is something that would help facilitate the reorientation of the state services to become more client-centred. Leading and managing change is also referred to in the UK plan. We see this as an essential aspect of leadership, and it is in this area that the interface between leadership and capability development and deployment is most evident.

As well as the specific capabilities referred to above, perhaps most importantly it became evident from the LCDD workshops, and from case studies of leading multi-business corporations, that there is a need to develop a more systematic and dynamic approach to the identification, development and deployment of capabilities – in other words, a capability in capability management.

Model concepts and elements

The following model presents the concepts and elements of leadership and capability development and deployment in the state services. For the purpose of the model, we define development as making positive progress towards shared goals using best practice based on evidence and judgement. We define deployment as organising and allocating people and assets to be used for a particular purpose.

Each of the concepts in the system – leadership and capability, development, deployment – has four elements, each including definition, policy, role of the corporate centre, role of chief executives of state service agencies, role of leaders and centre implementation.

Leadership and capability

Purpose, vision, principles and values

The G2G analysis of PIF reviews revealed that the majority of state services agencies lacked a shared understanding of purpose, a vision for the future, underlying business principles or beliefs and a set of values to guide behaviour. These are included in the model as the primary departure point for leadership and capability development and deployment.

Leadership in action

Leadership in action describes 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.

Executive leadership and performance

The role of executive leadership in the state services is to drive outstanding results and value for money for New Zealand. Executive leaders include chief executive officers and senior leaders tasked with executive functions. Although it is expected that leadership will come from everywhere throughout the state services, a key role is held by executive leaders.

Capability management

As discussed above, capability management is a high-level integrative function that aligns systems, people, policies, and information and physical resources towards the strategic intent of the state services. Technical mastery relates to the mastery of technical skills deemed to be strategic capabilities. Functional leadership relates to the organisation design features that will provide leadership on strategic technical capabilities (for example, information technology) for the state services as a whole. Technical mastery applies both to functional leadership and to agency leadership roles. As such, leadership and capability development are inextricably interlinked.

Development

Leadership learning

Leadership learning involves 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.

Leadership feedback and coaching

Emphasis is placed on the development of leadership skills through enhanced self-awareness. The leadership feedback element addresses the 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. Coaching is a required part of the work of all managers. It is designed to improve the performance of employees within their existing roles and involves providing real-time feedback on how to enhance job performance.

Leadership experience

The term 'leadership experience' can refer to the amount of time in service, with the implication being that 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 be one of the most powerful modes of leadership learning.

Capability development

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. Technical mastery at the system-wide level relates to generic capabilities such as information technology, financial management, procurement, outcome-based contracting, change management and service design. Technical mastery at the agency level applies to the specific capabilities necessary for the effective delivery of the purpose and vision of the agency.

Deployment

Leadership talent management

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

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 the organisation. Succession planning goes hand in hand with talent management and career planning, and 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 chief executive and top leadership team, and is a characteristic of high-performing organisations.

Mentoring

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 depends on personal 'chemistry' as well as the mentor's competence and the mentee's willingness to engage.

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. All state services agencies will be expected to develop talent management systems, and the Corporate Centre will implement a system-wide approach that will integrate with the systems at the agency level.

Career and succession planning

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

Successful mentoring enhances career planning, performance and staff well-being. Successful mentoring depends on personal 'chemistry' as well as the mentor's competence and the mentee's willingness to engage.

Leadership and capability assignment

Leadership and capability assignment is the process of moving people to positions of authority or critical capability need within the state services to enrich personal development and/or to allocate skills and experience where the most value can be created for the state services while at the same time enabling positive experience, learning and growth for individuals.

Leadership and capability development and deployment: implementation principles
Workshops with senior leaders highlighted

the paramount importance of effective implementation. The following principles were developed through a co-creation process in successive workshops, with the outputs of a prior session being inputs to the following one. This iterative process of improvement led to greater clarity and shared understanding.

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.

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 nature and extent of the role of the Leadership Development Centre is likely to change.

Conclusion: making it happen

Our interviews with more than 80 senior leaders during 2013 revealed widespread agreement that system-wide leadership and capability development and deployment are required to deliver better public services. There was also general agreement that this LCDD model is appropriate and represents normal good practice.

There was 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 several years. 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 model has been adopted and is in the process of being implemented. The State Services Commission has set the following priorities for the next two years:

- Introduce a graduate recruitment and development programme for the state services that provides experience through assignments in a number of different agencies. We want to attract high achievers leaving university and encourage them to build an exciting career here.
- Develop an emerging leaders' programme for people with high leadership potential who are in their first management role or ready to step into one. We will identify our brightest young professionals and invest in their development as a tight unit, putting them on an accelerated leadership track.
- Continue to drive a talent management system for senior leaders, focusing on those in tier 2 and larger tier 3 roles. We will work in collaboration with chief executives through the career boards process to actively develop our best people.

Alignment to individual needs and career stages is likely to be a significant area for further consideration.

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

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-focused way at all times.

Organisation structure

There will be organisational structure 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 the State Services Commission to lead the implementation of the strategy.

- Create a succession planning system for all senior leadership and system-critical roles, supported by a management information system that captures the experience, skills and competencies of high-potential leaders consistently across agencies.
- Grow the capability of the state services, focusing on increasing functional skills and areas of expertise that are fundamental to delivering results.

How do we make this significant transformation happen within the existing capacity and capability at the Corporate Centre and with limited additional resources? Our interviews revealed pockets of excellent work on almost every aspect of the model, throughout the state services. We concluded that the best approach to leadership and

capability development and deployment will be to: seek out the great work that is already happening; select, synthesise and improve as necessary; translate to be applicable system-wide; and introduce 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.

The LCDD project provides opportunities for continuous learning at both the agency and system-wide levels about which combination of leadership and capability interventions are most effective, and what sequence is the most appropriate. Alignment to individual needs and career stages is likely to be a significant area for further consideration. The implementation of LCDD will provide valuable opportunities for research into the effectiveness and value for money of

system-wide leadership and capability development. This should provide the momentum for continuous innovation and performance improvement both within the state services and organisations more generally both within New Zealand and beyond.

-
- 1 <http://www.ssc.govt.nz/pif>.
 - 2 <http://www.ssc.govt.nz/pif-core-guide-3>.
 - 3 The mandate for the State Services Commission in leadership and capability development and deployment derives from the State Sector Act 1988, which describes the principal functions of the commissioner. These include 'develop senior leadership and management capability'.
 - 4 State services Corporate Centre vision statement. The state sector Corporate Centre consists of the State Services Commission, Treasury and the Department of the Prime Minister and Cabinet.
 - 5 <http://engage.cabinetoffice.gov.uk/capabilities-plan/>.
 - 6 See, for example, the British Ministry of Defence Architecture Framework (MODAF).
 - 7 <http://www.ssc.govt.nz/node/5809>.

References

- Better Public Services Advisory Group (2011) *Better Public Services Advisory Group Report*, Wellington: Department of the Prime Minister and Cabinet, <http://www.ssc.govt.nz/better-public-services>
- Collins, J.C. (2005) *Good to Great and the Social Sectors*, New York: Harper Collins
- Filipkowski, J. and J.P. Donlon (2013) 'Best companies for leaders', *ChiefExecutive.net*, Jan/Feb
- Laughlin, R. (1995) 'Empirical research in accounting: alternative approaches and a case for 'middle-range' thinking', *Accounting, Auditing and Accountability Journal*, 8 (1), pp.63-87
- MacGregor Burns, J. (1978) *Leadership*, New York: Harper & Row
- Pratt, M. and H. Pratt (2010) *Sustainable Peak Performance*, Auckland: Pearson
- Weber, M. (1947) *The Theory of Social and Economic Organization* (ed. T. Parsons), New York: Macmillan Publishing