Developing transformational leadership capability in the public service

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Leadership challenges in the Public Service

The first issue of Public Administration Today highlighted the tremendous complexity and diversity of issues public sector leaders must manage today. Are current approaches to leadership development adequate to meet this challenge? Our experience would suggest they are not. In spite of sustained efforts in the 1980s and early 1990s to shift from control of inputs to managing for outputs, there is still much emphasis on cost and efficiency rather than effectiveness of interventions to produce results. More recent attempts to shift the focus of managers from outputs to outcomes are proving even more difficult. We anticipate that a further shift from outcomes to value creation will be needed in the future if the Public Service is to maintain its relevance.

Perhaps the most dramatic contemporary examples of value destruction through inadequate leadership are the continuing disasters in the rail and hospital systems in NSW. Despite repeated public enquiries, recommendations for fundamental systemic changes have not been implemented; suggesting the capacity to lead organisations through the necessary transformations is lacking.

In this article, we first relate our approach to the Integrated Leadership System introduced by the Australian Public Service Commission in 2004. We then briefly describe a developmental theory known as the “Leadership Development Framework” (LDF; Torbert, 2004). Unlike other approaches to development, the LDF is based upon a measurement tool that has been extensively researched and validated over 30 years (Hy & Loevinger, 1996; Manners, 2001). Such a well-validated measure is required to ensure organisational development efforts based on these ideas are appropriate and effective. Throughout the paper, and in the concluding section in particular, we explore the implications of this framework for leadership development in the public sector in Australia.

The Integrated Leadership System: What type of leader is capable of “Shaping Strategic Thinking”? 

The Australian Public Service Commission introduced the Senior Executive Leadership Capability Framework in 1999. In 2004 this framework was expanded to provide detailed descriptions of key capabilities together with behavioural definitions at leadership levels ranging from EL1 to SES Band 3 (APSC, 2004). The Integrated Leadership System (ILS; APSC, 2004) specifies the type and level of capabilities required to lead effectively in our complex and dynamic world. However, while the ILS specifies some of the desirable behaviours of effective leaders, it says little about how leaders make sense of the world and the consequences of this “meaning making” process for behaviour.

The “Leadership Pathway”, as the capability framework is now known, specifies five main leadership capability clusters: Shapes Strategic Thinking, Achieves Results, Cultivates Productive Working Relationships, Exemplifies Personal Drive and Integrity and Communicates with Influence. The first of these, “Shapes Strategic
Thinking” is proposed as the primary capability for leadership, technical and management roles and will be our focus here.

Particularly at the more senior levels, the capacity to “Shape Strategic Thinking” requires an appreciation of the interconnectedness and dynamics of relationships not only within particular organisational units but across units as well. Inspiring a sense of purpose and direction, considering multiple perspectives and stakeholders (including “Whole-of Government” and, indeed, the whole of society), and creating sustainable and effective organization-wide systems become key activities.

Whilst experienced leaders can often identify good leadership capabilities in others, this is usually based on distilled experience and gut-feel rather than an explicit model of the type of thinking required for effective senior leadership in the public service. Because this understanding is tacit, it is difficult to identify those who might have the capability to be developed and who might not, and to develop people in whom these skills are nascent. A theory of leadership development is essential for informing these decisions.

We contend that in order to understand what such key capabilities as “strategic thinking” mean at the more senior levels, there is a need for an understanding of the ways in which people typically evolve through their lifespan in terms of their capacity to “make meaning”. The Leadership Development Framework (Torbert, 2004), described below, has proven to be extremely useful for understanding characteristic growth patterns and their implications for leadership.

The Leadership Development Framework (LDF)

Torbet and Rooke (Rooke & Torbert, in press) have translated the work of developmental psychologists into a practical framework that managers can use. The framework has a long lineage starting with Piaget (1969) and drawing on subsequent theoretical and empirical work of Kohlberg (1981), Loevinger (Loevinger & Wessler, 1970), Kegan (1982, 1994) and Cook-Greuter (2004).

By taking a developmental perspective the LDF provides a lens into the ways that leaders make meaning of their work and how that meaning-making capability can be used to enhance performance in role. Profiling of thousands of managers has revealed the different “action-logics” that managers use (Table 1).

Before proceeding it is important to clarify two aspects of language. First, we will use the term “action-logic” to refer to the leader’s characteristic way of viewing the world and relationships within it. In this context, the term “action-logic” is practically synonymous with the terms “stage”, “frame” and “worldview” and indeed we use the terms more or less interchangeably in different contexts. Second, the action-logics in Table 1 are described by single-word labels. Although these labels signal a central characteristic of the stage they can sometimes be confusing and the labels should not be interpreted as a complete description of the action-logic: For example, just because one does strategic planning does not mean that one is operating from the Strategist action-logic.
<table>
<thead>
<tr>
<th>Meaning making stage</th>
<th>% of sample of 4310 managers profiling at this stage</th>
<th>Focus of attention &amp; leadership characteristics</th>
<th>Possible contribution to organisation</th>
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| Opportunist          | 5%                                              | *Winning in the moment*  
Self-oriented, manipulative, combative | Capturing short lived sales opportunities  
Responding to emergencies |
| Diplomat             | 12%                                             | *Avoiding overt conflict*  
Obeys norms of immediate group,  
Consensus decision making, desire to belong | Social glue in the immediate team |
| Expert               | 38%                                             | *Efficient Problem Solving*  
Controls through rational logic and expertise,  
Pursues the ‘right process’ and perfection | Individual contributions based on expertise |
| Achiever             | 30%                                             | *Effective performance consistent wit strategic goals*  
Uses teamwork, optimising use of resources | Action, goal oriented manager who delivers |
| Individualist        | 10%                                             | *Interweaving different personal and corporate meaning making systems*  
Encourages public reflection,  
Creates unique systems and structures,  
Thinks outside the box | Able to work on systems that translate strategy into action |
| Strategist           | 4%                                              | *Organisational and personal transformation*  
Builds organisational culture,  
Mutual inquiry,  
Vigilance and vulnerability | Can build a unified whole system of organisation |

Table 1: A brief description of six meaning making frames or “action-logics” through which people develop. The percentages refer to a representative sample of managers at various stages of their career in the US.

Development is a journey that comprises the interplay between the current meaning making stage or action-logic, external stimuli and reflection. Progression over a lifetime is an individual experience that depends on the timing and impact of events.
combined with the individual’s response. People may settle in one action-logic for very long periods of time experiencing great satisfaction from their current mode of meaning making.

At any point in time, an individual will be focussed on building a rich understanding of their current stage or transitioning to the next stage. Transitions require complete re-framing of previous experiences and normally take considerable time and energy. Consolidation within a stage provides a certain level of stability as events are interpreted consistent with the assumptions of that stage. Because each stage is a progression that builds on the previous stage, people retain the ability to choose to operate from an earlier stage when the situation demands it. Systems that operate with the Public Sector can drive the choice to use earlier stages.

The first four stages represent 85% of managers and are therefore most likely to be present and easily recognised in organisations. These may be labelled the conventional stages since they support the achievement-oriented culture that dominates current economic thinking.

**Opportunist**

The opportunist action-logic is aimed at controlling their environment in order to survive. Typically development has been blocked by a legacy of mistrust, egocentrism and manipulativeness. The title for this action-logic denotes a tendency to focus on personal wins and to see relationships as opportunities to be exploited. From the opportunist action-logic, the world is highly competitive. Only the fittest individuals survive and, since the opportunist assumes everybody else is also operating from this frame of reference, competition rather than collaboration is the only viable course of action.

Although the research shows that approximately 5% of managers profile operate from this action-logic, it is likely that this proportion would be lower in the Public Service. Systems that drive integrity make opportunistic behaviour unacceptable to most Public Service organisations.

However, some systems in the Public Service that generate competition for scare resources can engender opportunistic behaviour in people who have developed beyond this worldview. Again a perception that survival (of their organisation) is an imperative may create a genuine felt need to capture people and resources. The presence of systems that drive this kind of behaviour may be symptomatic of the inability of leaders to change the system.

**Diplomat**

The Diplomat action-logic appears, at least initially, as more benign than the opportunistic action-logic. The focus has shifted from gaining control of the external environment to control of one’s own behaviour in relation to others. The title is not meant to denote a high level of sophisticated diplomacy, rather it refers to the desire to please people and not upset them. Loyalty to a group is valued highly because the focus is on affiliation.
As team members, people who have developed to this action-logic create the social glue that is highly valuable for the organisation. They pay attention to the needs of others and may perform well in customer facing roles. Research shows that 80% of all people who profile at this stage are in junior roles.

It is in leadership roles that problems begin to emerge. Being polite and friendly does not sit well with the need to give honest and direct feedback to team members. Avoidance of conflict leads to consensus decision-making, shelving of difficult issues, avoidance of performance management and ultimately failure in the leadership role.

One example of an Australian CEO operating from this action-logic illustrates the problem. The person was intimately involved in the creation of a new organisation funded by government for a fixed period. The funding required the establishment of multiple supportive commitments from a wide range of organisations. The Diplomat CEO was very successful in securing the support and the funding prior to start-up. Widely liked, he was a “natural” candidate for the CEO role. The problems began to emerge soon after. Inability to confront issues meant that instead of delegating tasks he took on many undesirable tasks himself, working to midnight or later to plough through the detail. Meanwhile the stakeholder relationships that had been fostered in the beginning began to decay. “Sorry” became a much-used word as board requests were not met on time. Attempts to manage through process built a bureaucracy that further bogged the organisation down and unresolved issues began to build up. Eventually the board removed the CEO with much regret to protect the future of the organisation.

**Expert**

This represents the largest category of leader accounting for 38% of leaders profiled in the research. The Expert action-logic is characterised by the pursuit of excellence (and sometimes perfection) in both professional and personal life. Control is exercised through superior knowledge and skill. Secure in their expertise, professionals operating from this frame of reference present hard facts and logic in an attempt to achieve buy-in. Conflict around ideas is acceptable if the leader can win on the facts but conflict arising from ambiguity can not be managed.

People who predominantly make use of this action-logic can be major contributors to their organisation if their knowledge and skills are appropriate. Exercising tight thinking around the detail of processes, continuous improvement, efficiency and perfection, they can apply their discipline to the products and services of their organisation. The Expert action-logic is often prevalent in organisations with technical cultures such as engineering firms. The recent graduate who implicitly relies upon technical or discipline based knowledge to resolve problems is an example of someone operating predominantly from the Expert action-logic.

A Chief Executive of a Public Service Agency in New Zealand illustrates the leadership limitations of this action-logic. The focus from this frame of reference is on being right. Unfortunately, in a complex ambiguous environment, being right is very difficult. Attempting to collect sufficient data to support a logical argument takes time and the risks of being wrong engender an extreme level of caution. The tendency in
this case is to keep things stable, improving incrementally and focussing on the ongoing delivery of the traditional work of the organisation. The result in this case was that the organisation became stuck in its old ways. Changes in the environment steadily built up pressure eroding the relevance of the organisation.

Achiever

Leaders who have developed this action-logic can be both challenging and supportive, creating a positive atmosphere both inside the team and external to the team. They represent approximately 30% of the general managerial population and are tightly focussed on deliverables. People whose developmental focus is on the Achiever action-logic have a more complex and integrated understanding of the world than do managers who display the previous three action logics. They are open to feedback and realise that many of the ambiguities and conflicts of everyday life relate to differences in perspective. They know that creatively transforming or resolving issues requires sensitivity to relationships and ability to influence others in positive ways. Leaders operating from the Achiever action-logic can reliably lead others to implement new strategies over one to three-year time frames, balancing immediate and longer-term objectives.

The tight focus on goals and objectives means that leaders working from the Achiever action-logic can be clear and decisive. They may consequently clash with people who are focussed on the expert frame because they recognise the practical time constraints whereas the expert is more concerned with getting it right. Achievers operate to the 80/20 rule whereas experts want it 100% correct.

At the pinnacle of conventional society, people with a focus on Achiever action-logic populate the highest levels of organisations. They get things done. If a board wants a strategy implemented, the Achiever will deliver. They are, however, less likely to ask whether it is the best strategy. The implementation of Public Service systems that drive towards outputs supports the Achiever frame. They challenge and come into conflict with the more traditional process driven (Expert) systems that manage risk through attention to detail. Much of this systemic tension has yet to be resolved in Public Sector Management design.

A head of a NZ Public Service Department with broad responsibilities across government predominantly operates from the “Achiever” action-logic and illustrates how successful this stage can be. He is adept at understanding how performance can be driven through engaging with people in both earlier and later stages. Although he has difficulty seeing how to change the system, he has the wisdom to seek counsel with people who can help. He is also able to work with Experts steering them to collaborate effectively with Achievers to deliver results. His focus on defining the strategic goals of the organisation and aligning people to them has steadily brought the organisation into a more productive space.
Individualist

The individualist action-logic is the point where the subjectivity of earlier action-logics becomes apparent. The unique individuality of people can be appreciated. The understanding that the previous (and later) action-logics are all constructions of oneself and the world enable people at this stage of development to contribute uniquely and practically to their organisations. At this stage, the Individualist becomes aware of the possible conflict between their principles and their actions, or between the organisations espoused values and the implementation of those values. This tension becomes a source of creativity and a desire for further development. For these reasons those operating from the individualist action-logic can engage with design of new systems that change the culture of the organisation and the behaviour of people in it.

On the other hand this creativity can be a challenge for Achievers. Individualists tend to ignore the rules and be high maintenance. They are apt to be wild cards in a situation. At less than 10% of the population, it may be that these “out-of-the-box” thinkers provide as much stimulation as can be tolerated by people in the earlier stages.

One Individualist CEO of an Australian Public Service agency, acting on stakeholder feedback, decided she needed to transform the purpose of the organisation. Using her well-developed political savvy she worked hard with stakeholders to prepare the ground, moving in parallel to change the organisational strategy and structure. Her energy and unconventional ways were curious to many and she delivered results consistently. However, these same unconventional ways started to make some staff members uncomfortable (who were operating out of earlier action-logics). As the pace of change accelerated, tensions rose and she would often take time out, becoming unavailable to people who were trying to keep up with the change. Ultimately, the most conventional staff in the organisation used political interventions to engineer her removal from role. The bizarre outcome was that this was the last chance for the organisation to change and it was ultimately dissolved.

Although the rigid structures and processes of the conventional Public Service are not friendly to the development of Individualists (and therefore later stages as well), the current focus on outcomes is providing increased need for people who are less bound by traditional approaches. Individualist leaders are beginning to emerge and actively experiment with the traditional structures. Some of these experiments may well provide the foundations for a new wave of Public Sector reform.

Strategist

At 4% of leaders, people who have developed to this action-logic are likely to be found in less conventional settings. If they have survived life in the Public service, they are likely to have developed a reputation as transformational leaders. They distinguish themselves from Individualists through their focus on organisational constraints and perceptions, which they treat as discussible and transformable.

When they operate out of the Strategist action-logic, people who have developed to this stage can create shared vision across action-logics, engaging with people in an iterative, developmental process that encourages both personal and organisational transformations. Strategists deal with conflict more comfortably than those with
other action-logics and they are better at handling people’s instinctive resistance to change. As a result they can be highly effective change agents.

The Strategist action-logic has a broader view than earlier action-logics. Strategists tend to take into account social and environmental impacts across a wider range of stakeholders and recognise the importance of collaboration for achieving valuable outcomes in a dynamic, inter-related world. The strategist action-logic operates more from a principled morality than an instrumental morality. For this reason development of Public Sector leaders who can access this action-logic is likely to be important for the future viability of the Public Service, particularly in an environment where “Whole-of-Government” concerns are critical. The ability to weave together idealistic visions with pragmatic, timely initiatives and principled actions is becoming increasingly important in Public Service.

**Transition between stages**

Before considering the question of how to develop leaders, it is important to understanding how people transition between stages. Although development can’t be forced, it can be supported. Research shows that development from one meaning making perspective to the next depends on two internal and two external processes becoming mutually engaged with each other. These are:

- Loss of faith in the adequacy of one’s current meaning making system
- Attraction towards the positive potential of the next developmental perspective
- Entering a new work, family or community role that demands a wider range of capabilities
- A change in the overall organisational system or context the person experiences

Obviously the most powerful developmental challenge occurs when all four of these interact at the same time to cause the individual to experience a gap between the current way of making meaning and its effectiveness in the new context. It is also obvious that without these forces at play there is no need to explore a different worldview, the current one may well be providing considerable happiness and satisfaction and need not be disturbed.

**Implications for the Public Service: Developing leaders in the Public Service**

In summary, the LDF describes how our meaning making evolves through the life span. The framework describes the development of a broad group of characteristics and perspectives that inform how senior leaders make sense of the world and their consequent behaviours.

Meaning making is not the only capacity that is important for leadership but, when combined with other aspects of leadership capability such as cognitive power, emotional intelligence, valuing the work of role and skills and knowledge, it can be seen that “meaning making” fills a critical niche in describing what is meant by ‘strategic’ or ‘systems’ thinking as discussed in the Integrated Leadership System. Difficulties experienced in the past and those that are predictable in the future can be explained in terms of the “action-logic” used by managers when they exercise
leadership. Relatively few leaders examine their own action logic, let alone explore the possibility of changing it. Research in the USA and UK shows that leaders who undertake a voyage of personal understanding and development can transform their own capabilities and those of their organisations (Laske, 1999; Rooke, 1998; Torbert, 2004). Application of this research offers much, not only to the organisations themselves, but for the positive impact that better Public Service could have on society more broadly.

The formal education system of western society provides many people with the opportunity to develop their expertise. Universities and research institutions nurture the ongoing perfection of disciplines, even symbolising the identification of ego with discipline through declarations that “I am an engineer, or scientist, or lawyer”.

Most leadership development is concerned with helping people transform themselves from the Expert action-logic to the Achiever action-logic and to consolidate within that action-logic. The focus on the social processes of leadership extends the technical focus of the Expert into new territory. Performance management systems, planning systems and so on, embed the Achiever logic in the fabric of the organisation. Coaching programmes that focus on helping people to achieve their goals reinforce the importance of setting and achieving targets. Nonetheless, the transition remains problematic for many leaders. It is hard to leave the security of well-developed expertise and, instead, rely on the social process of interaction to achieve results in a specified time.

Some of the more sophisticated programmes start to provide a taste of later stages as inquiry is used to encourage exploration of meaning and the question about whether the goals are principled. However, the “soft” side of these explorations is often of little interest to those operating from Achiever or Expert action-logics.

At this time, it is rare for organisations to intentionally provide opportunities to develop leaders beyond the conventional action-logics of Expert and Achiever. This is not surprising because, in a society that focuses on highly tangible and sometimes short-term outcomes, the Achiever stage provides all of the drive and focus on the end game that delivers results. Why would organisations want to move away from a sharp focus on the bottom line? In the Public Sector, the demonstrated performance of top Private Sector organisations is often respected. For instance, the Public Sector reforms of the 1980s attempted to emulate this success through systems that saw Ministers as customers.

Of course, the best organisations do encourage the development of post-conventional leaders because it is these leaders who create the adaptive capability needed to survive the next external shock. This is not an easy task because it is very different to the developmental processes needed for conventional leaders. The focus now shifts to the development of growing self-awareness about how the person is making meaning and how other players in the current situation understand their world. Speaking and listening come to be experienced as powerful creative mechanisms for action and inquiry. Yet few boards and Chief Executives recognise the value of this longer timeframe focus.
When people demand thinking “outside the box” they are demanding the Individualist and Strategist action-logics. Yet most organisations have yet to design leadership development programmes that develop this meaning making capability.

As the environment for organisations becomes more complex and rapidly changing, the Public Service will need leaders who make meaning through the more inclusive later stages. In particular, the development of people operating from the “Strategist” action-logic will determine the longer term viability of the Public Service as a force in society.
References


