



Local Governance in the 21stC: Structures and Efficiency

Old Parliament House, Canberra, 15 September, 2017

*Professionals and Professionalism in
Australian Local government: Past, Present
and Future*

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Overview

- Professionals and Professionalism
- How has the senior management role in Australian Local Government changed since the early 1970s? (why from this time?)
- Two research projects:
 - Turnover of CEOs in Qld Local Government 2011-15.
 - Intentions of second and third level managers in SA Local Government to apply for promotion to CEO.

Professionals and Professionalism

- What's the difference?
- Where does it apply?
- Elected and appointed officials
- What are the consequences?



Andrew Walls



Frank Rogan TC Melb CC 1957-80

- ‘Rogan presented an austere countenance in negotiations and at public functions. Well prepared, he could deliver telling points, which did not always endear him to ministerial adversaries in the State government. Councillors of all political hues acknowledged his competence: one often referred to him as ‘the great man’ (Meldrum, pers. comm.), while another noted his ‘masterly control’ of projects and ‘fiscal prudence’ (McDonald 2009, 182). They also recognised his integrity. He detested defalcations and instantly dismissed perpetrators.’

From Town Clerk to CEO

- In the later 1980s through the 1990s Local Government legislation changed such that TCs were no longer permanent employees but contract CEOs.
- The New Public Management with a focus on small government, steering rather rowing, use of market mechanisms, and so on*
- Driven by neoliberalism

**(Osborne and Gaebler, 1992, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector*)*

What has happened to the profession of local government management?

- We have seen more movement/turnover of CEOs/GMS. It is rare to find a long serving CEO (they are there, but fewer in numbers).
- Local government managers in a position to apply for a CEOs position are often reluctant to do so because of they believe the role is fraught with political challenges (refer SA LG research).

The turnover of CEOs in Qld 2011-15

- In late 2014 the Local Government Association of Queensland (LGAQ) commissioned research in response to the continuing separation of CEOs from Queensland Local Government.
- At the time of writing some 56 CEOs (increased to 62 by May 2015) had separated from the 77 councils in that state.
- After the research it reached 73.
- Council elections 19 March, 2016

The brief

- This high level of turnover raised the question of the CEO being able to act, or being seen to act, in a bi-partisan manner when it comes to advising and supporting the mayor and councillors.
- What were the drivers for the high turnover of CEOs in the 2011-15 term?

Queensland Local Government

- LG the responsibility of the State Government.
- Mayors are popularly elected every four years.
- Mayors and councillors are well paid.
- All CEOs and second level managers in most councils employed on 3 to 5 year contracts.
- 2008 amalgamations created 77 'regional' councils.
- Diverse system: large city to rural and remote councils with small populations/large areas.

The research strategy

- Working with the LGAQ we identified up to 8 pairs of ex CEOs and their mayors who we approached to be a part of this research.
- Cross-section of Qld LGs: large urban councils in the SE, rural councils, Aboriginal councils and regional cities.
- Ex CEOs were located, contacted and six agreed to be interviewed.
- Only four mayors agreed to participate by way of an interview.
- One mayor did not respond to any correspondence. The remaining three declined (one stating that there was a confidential agreement between the CEO and the council precluding their participation).
- Another was 'too busy' to be involved in the research.
- Female and male CEOs and female and male mayors interviewed.

Findings

- Identified **two types of separation**.
- Non-conflictual: **normal reasons for CEOs leaving** retirement, appointed to other councils or leave the LG sector for a career elsewhere.
- Conflictual – the focus of this research: **where CEOs ‘separate’ from their council before the end of their contract on terms agreed with the mayor and council.**

Conflictual dimension

- The first dimension is the legacy of the reform process that has occurred in the Queensland Local Government system since 2008.
- The second dimension is the perception of new mayor and councillors of the partisan role played by CEOs with the previous mayor.
- A third dimension is the interpersonal relationship between the CEO and the mayor and councillors.

Findings

- Interviews revealed the direct costs spread across those 55 councils was estimated to be in the order of \$20mill over the four year term.
- This does not take into account the additional costs involved with the recruitment of a new CEO and the lack of managerial direction during the hiatus in each council.
- All up the costs to the 56 communities is most likely to be in the order of \$30mill.

Findings: CEOs

- The CEO initiated the separation process.
- The CEO felt they were perceived as working for the previous mayor in a partisan way.
- The CEOs performance reviews were irrelevant in the council's decision.
- The Queensland Government took a hands-off approach in relation to CEO separations.
- Party politics was most evident in Queensland Local Government during this term.

Findings: The Mayors

- The mayors thought it was their prerogative to determine who should be CEO.
- There was a view that leading and managing the council organisation is straightforward and can be done by them (the mayor).
- The State Government did not establish a process which held mayors/councils to account.
- Remote and Indigenous Councils have ongoing staffing challenges, a function of their isolation, economic and social circumstances.

Findings

- All of the CEOs have gone on to continue their careers in local government, several in other states and the Northern Territory.
- All were professional in their responses focusing on the systemic issues related to CEO turnover.
- Thematic redundancy (or getting a consistent view) was apparent as all interviewees, for example, raised perceptions of roles and responsibilities and working relationships between mayors and CEOs.
- Other possible issues, for example, professional competence or corrupt and illegal behaviour were not mentioned.

Discussion

- We argue turnover of CEOs has more significant implications in LG than in the other two spheres of government (most found CEO positions in other councils, in Qld and other states/NT).
- While local government has similar structural characteristics to Westminster systems it is fundamentally different in a number of ways.
- Political party influence typically low, so issues argued out on their merit.

Discussion

- The issue of attraction and recruitment of competent and capable managers a significant by-product of this turnover.
- Anecdotal evidence is that potential candidates for CEO positions are reluctant to apply for positions in Councils where the security of employment is questionable (refer also to research on women and executive careers in SA LG reported below).

Recommendations

- That newly elected members be made aware of the separation of roles and responsibilities such that friendly and courteous working relationships are not seen as personal friendships.
- That newly elected mayors, especially those new to local government, be given the opportunity to meet with LGAQ mentors in the first week of their election to discuss roles and responsibilities, ways of working with their CEO and the council.

Recommendations

- That the CEOs performance review be carried out by a committee of council chaired by the mayor with the support of an independent third party external to the council (as is the recommendation in NSW Local Government).
- That the Department of Local Government conduct information sessions for candidates for election to mayor or councillor on the roles and responsibilities of elected and appointed officials in Queensland Local Government.
- That incumbent councils develop strategic, corporate and operational plans that are valid and well understood and monitored as agenda items in all council meetings.

Recommendations

- That the LGAQ through its various induction and orientation programs for mayors and councillors, and with the support from the LGAQ mayor mentors, discuss with newly elected mayors and councillors the pros and cons of changing CEOs as part of regime change in their council.
- The LGAQ establish the Queensland Rural and Remote Councils Network (QRARCoNet).

In Summary

- There are no right or wrong answers in the establishment of effective working relationships between the CEO, mayor and councillors.
- Reconciling the working relationship between appointed and elected officials requires **experimentation and a preparedness between the parties to work at this relationship.**
- Each council will have to develop its own approach making use of advice and support from, the State Govt, LGAQ and prof associations.

Women, Executive Careers and Local Government

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Funded by the South Australian Local Government Association Research and Development Fund with support from Local Government Professionals, SA

University of Adelaide Ethics Approval H-2015-031

Rationale for the research

- Three of 68 Chief Executive Officers (CEOs) in South Australia local government were women
- The lit reports that women are underrepresented in senior management ranks from 5 to 10%
- In 2010, the year of women in Australia local government, 7% of CEOs were women and approximately 20% of senior managers were women
- The literature on leadership has presented leadership as a gender neutral activity despite the observed lack of women in leadership roles

Five key areas why women are underrepresented in leadership roles

Hutchinson, Walker & McKenzie 2014, p. 181
(Judged Best paper in AJPA 2014).

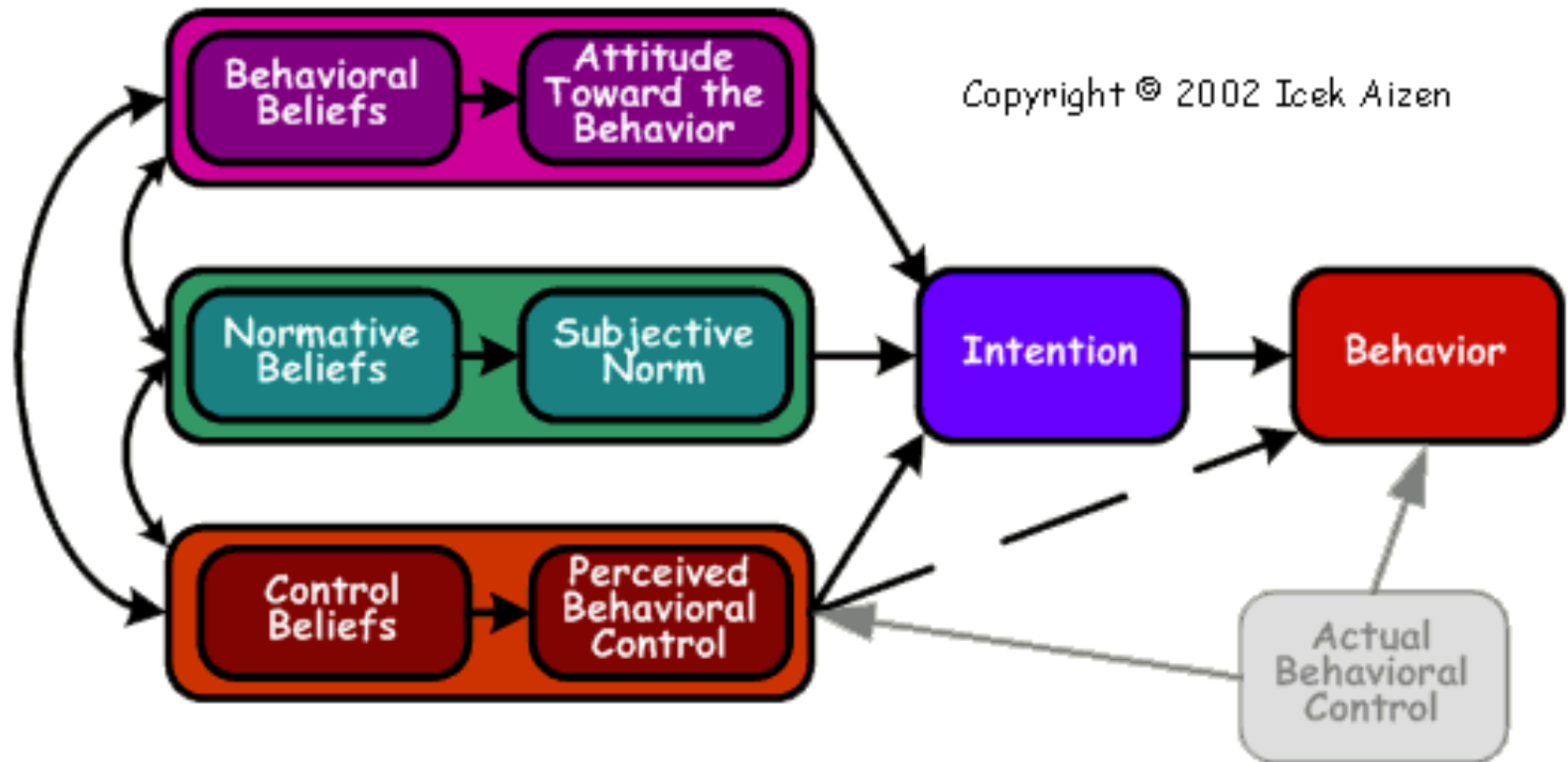
- the gendered nature of leadership;
- gendered leadership styles;
- women in male dominated work cultures;
- women in leadership; and,
- career development and progression

Research on women in leadership in local government also identified

- the predominance of men at senior levels;
- masculinized management styles and discourse;
- unchallenged barriers to women managers' effectiveness; and,
- apparent bias of elected members in the appointment of CEOs.

(Hutchinson, Walker and McKenzie (2014))

The Theory of Planned Behaviour and the Reasoned Action Approach (RAA)



Source: Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50, p. 179-211

Deciding on the behaviour

Who does what, where and when:

'Applying for promotion to an executive position in local government at the next opportunity'

Injunctive Normative Beliefs

- There are two parts to Injunctive Norms:
 - the extent to which an individual believes that expectations of his/her behaviour are held by other individuals and groups who are important to them, and
 - an individual's motivation to comply with the expectations of these important referent individuals and groups.

Descriptive Normative Beliefs

- Descriptive subjective norms comprise two types of beliefs:
 - Identification with the views of certain individuals and groups, and
 - perceptions of what these referents would likely do themselves with respect to making an application.

Control Beliefs

- The RAA supposes two types of control beliefs
 - the extent that an individual has the power to submit an application for promotion and
 - the availability of information, skills and other resources managers might believe are required to apply.

METHODOLOGY

Incorporated strategies for research involving the Reasoned Action Approach (RAA)

- Eliciting the Beliefs:
 - 15 LG managers (2nd and 3rd level) interviewed by phone (each of 3 researchers x 5) to redundancy
- Measuring the Components of the Reasoned Action Model:
 - 172 such managers responded to complete online survey

DESCRIPTION OF PARTICIPANTS

- 55.6%) of respondents were aged 46 years or more
- female (59.4%) males (40.6%)
- employed in LG for an average of 14.7 years and current positions for 5.4 years on average
- 35.9% of the sample were Level 2 managers and 64.1% held Level 3 positions

Socio-demographic Differences

- The analysis of gender differences across the RAA variables resulted in only one significant effect: **females had more positive attitudes toward applying for promotion than did men** ($t(146) = -2.34, p < .05$).
- The mean scores were equal to 4.69 (females) and 6.04 (males) with lower scores indicating more positive attitudes. When Level 2 and 3 managers were compared on the RAA variables there were no significant differences in the mean scores.

Predicting Behavioural Intentions

- Individuals influenced by important referents such as peers, superior and friends and family are more willing to apply.
- Likewise, identifying with the behaviour of important referents such as individuals who value their work-life balance proved to be significant driver of managers' promotion intentions.
- Moreover, individuals who do not regard external barriers as impediments to applying for promotion are more likely to want to apply for promotion.

Predicting Behavioural Intentions

- Personal attributes were also important in understanding intentions with individuals having stronger self-confidence in their abilities, experience and peer support reporting a greater willingness to apply.
- Also, believing that more job stress was unlikely to accompany promotion to an executive level was associated with stronger intentions to apply.

Discussion

- Most managers in the sample rightly or wrongly **believed that their personal ability and experience would not be a barrier to seeking promotion.**
- The second control factor offers much more scope for increasing applications for promotion because it was one of the strongest predictors of intentions and one upon which managers hold a range of positions.
- This factor described barriers external to the individual (e.g., **the fairness of the recruitment process, council reputation, and the location of the advertised position**).

Discussion

- Finally, the sorts of **drivers of intentions discussed above were found not to be affected by gender.**
- That is, both male and female managers' intentions were influenced by the RAA variables in the same manner, thereby **negating any requirement to adopt different kinds of approaches to increasing women's applications for promotion.**

Strategies

- If managers believed that they were very likely to experience a great deal of job stress their intentions to apply for promotion were weaker .
- Attitudes reflecting positive outcomes from obtaining an executive position were not strong predictors of intentions because they were widely recognised among managers as following from promotion (money, status etc).
- Efforts to promote the financial and career benefits associated with executive promotion are not likely to motivate (money doesn't matter).

Strategies

- Putting in place strategies that give managers confidence that working at an executive level will not subject them to significant stress would likely contribute to shaping positive intentions to apply for promotion.
- Applying for promotion was perceived by managers to be imbued with strong social expectations .

Applying for promotion at the next opportunity is likely to be supported by:

- Demonstrating that any increased job stress can be effectively managed in a way that negates it as a source of negative experience.
- Clearly articulating and defending any expectations (where they exist) about what managers should do regarding applying for promotion.
- Promoting opportunities for managers to learn about their options by understanding how other individuals have approached their own career progression.

Applying for promotion at the next opportunity is likely to be supported by

- Enhancing managers' control over the behaviour by providing opportunities to build relevant capacities through training and acting in higher positions.

CONCLUSION/RECOMMENDATIONS

- This project set out to understand the intentions of women working in SA Local Government in ‘applying for promotion to an executive position the next time a suitable vacancy becomes available.’
- **women and men in South Australian local government occupying second and third level management positions hold similar beliefs about intentions to apply for promotion at the next available opportunity.**

CONCLUSION/RECOMMENDATIONS

- the only significant difference found in this survey was that **women have more positive attitudes towards applying for promotion than men** notwithstanding the current situation where less than 5% of CEOs in South Australian local government are women
- Given the persistent underrepresentation of women as CEOs in South Australian local government when they have similar beliefs to their male counterparts about applying for promotion we are recommending strategies that address attraction, retention and recruitment especially as it relates to gender and the beliefs of those involved in the selection process

CONCLUSION/RECOMMENDATIONS

- Five groups can take action to address gender inequity in CEO ranks in South Australian local government:
 - Elected members
 - Senior local government managers
 - The South Australian Local Government Association (SA LGA)
 - Local Government Professionals SA
 - The South Australian Government

The future for Local Government Professionals

- No movement away from the contract state.
- Increasing size of local governments, and
- Subsequent politicisation and CEO turnover.
- Continuing 'unconscious bias' towards men in the recruitment of CEOs/GMs.
- Unless, individual councillors, senior managers, professional and council associations address this issue.

Thank you,
and for more information....

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