Leadership in Local Government

Factors Affecting the Appointment of CEOs

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Preface

One of the most important objectives of the Australian Centre of Excellence for Local Government (ACELG) is to inform debate on key policy issues. We recognise that many councils and other local government organisations are not always able to undertake sufficient background research to underpin and develop sound, evidence-based policy. ACELG's Research Papers Series seeks to address this deficit.

This research report, *Leadership in local government: Factors affecting the recruitment of CEOs*, will make an important contribution to the research series. It reports on original research undertaken by respected academics in Western Australia, synthesising key issues in both the literature around leadership recruitment, and the data collected through the research project.

As the report indicates, the issues raised in the research are unique to local government, where, unlike other tiers of governance, the recruitment of leaders is an unregulated arena. This report, and the conceptual framework it presents, is the first step in a broader project of understanding the importance of sound decision making in leadership recruitment in local government. These findings also reinforce the importance of the ACELG/LGMA *National Workforce Strategy 2013-2020* (2013), which provides a comprehensive, consistent national approach to local government workforce planning and development.

ACELG welcomes feedback on this paper as well as advice on examples of analysis of leadership recruitment which have not been documented. Input from elected members, local government practitioners and other stakeholders regarding policy areas that should be researched in the future, and on proposals for research partnerships would also be welcome. Please contact our Research Program Manager Stefanie Pillora at: stefanie.pillora@acelg.org.au.

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1 Introduction

This is a report of the findings of a study into leadership in Western Australian local government undertaken in 2013. The research focussed on two sets of intersecting factors that contribute to the appointment of Chief Executive Officers (CEOs)[1]:

- The ways in which elected members frame leadership and what qualities, experiences and attributes they then look for in a CEO candidate; and
- The formal and informal policies and processes that elected members use to identify and recruit CEOs.

By exploring these factors, the study aimed to provide a conceptual framework for a larger national study into local government leadership, which would also:

- Audit CEO recruitment processes for strengths, weaknesses and consistency between local government within and across jurisdictions.
- Identify different types of leadership required for different local government contexts e.g. geography, age, local constituency, challenges, etc.
- Provide coherent leadership framework for the identification, development and recruitment of CEOs.

This study draws on previous literature both international and Australian that explores a range of issues related to leadership in local government including the changing nature of the sector (Jones 1999; Fox & Leach 1999), roles of, and relationships between CEOs and Mayors (Jones 2011; Martin & Aulich 2011), leadership styles (Martin & Simons 2002; Svara 2001; Svara 2003); leadership capabilities and capacities (Broussine 2000; Mintzberg 1998) diversity (Diamond 2007; Hutchinson & Walker 2011). By drawing together these issues within a framework of CEO recruitment, this study highlights the need for a much more coordinated research agenda into local government leadership which will have direct links to enhanced practice.

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[1] In NSW and Tasmania these positions are called General Managers.

2 Background to the study

This study commenced at a time when the local government sector nationally is faced with a number of new complex challenges that represent a significant reshaping of the sector from its image as 'a rates, roads and rubbish' organisation. Increasingly, local government is responsible for the delivery of a broad range of services to a diverse set of constituents including other tiers of government, residents and business (Dollery et al. 2006). This expansion in activity and accountability has quite naturally led to research interest in efficacy of leadership, governance and decision-making processes to ensure that they are responsive and relevant to the increasingly diversified nature of the sector (Martin 1999).

Whilst being the third tier of government, local government is unique in that it straddles both the public and private spheres. On the one hand, local government is about participation, both in terms of voting and contributing to the community we wish to live in, and on the other it is expected to deliver services efficiently with a shift in operational emphasis to policy and strategic activities that are similar to those of the private sector. This duality provides a complex leadership challenge for local government CEOs and sets their roles apart from other public sector leaders in that they have multiple stakeholders to answer to and be responsible for.

The study also found impetus from issues that have emerged in the Western Australian context, but also have relevance across Australia and in some instances have been the focus of recent research; which include the

- Ageing CEO cohort and lack of diversity in the leadership pool particularly in respect of gender, age and experience (Diamond 2008; Hutchinson & Walker 2011; LGMAWA 2013)
- Regular government inquiries into, and suspensions and dissolution of, local governments (LGMAWA 2013)
- Increased difficulties in attracting and retaining CEOs to regional, rural and remote sectors (Gibbs 2012)
- Perceived lack of career progression within the sector (LGMAWA 2013)
- Often uncertain relationship between executive organisational leadership (CEO) and the political leadership (Mayor/Shire President) (Jones 2011; Martin & Aulich 2012; Sansom 2012; LGMAWA 2013)
- Amalgamation of metropolitan local governments resulting in larger and fewer councils (Martin 1999; DLGWA 2012a; DLGWA 2012b).

These issues have generally been treated as discrete; however, they may also represent intersecting signs of fragility in the leadership processes of local government.

3   WA local government profile

There are currently 140 West Australian councils with the combined operating revenue of $3.4bn, and employing over 15,000 people. In addition there almost 1,250 elected members (WALGA 2013). Whereas each council is tasked with performing the same diverse range of activities and have equal responsibilities to their communities, they can vary greatly from each other in several indices. For example in terms of the number of staff, the smallest council has 11 employees and the largest has 1103 employees (Appendix 1); in terms of annual revenue (Appendix 1) the smallest reported approx. $2,000,000 and the largest reported $189,000,000 (WALGA 2013).

Local government makes a significant contribution to both the economic and social wellbeing of society. There would be few citizens whose lives are unaffected by the decisions and functions of local government. Whereas each council is tasked with performing a set of core functions as proscribed in various legislation (See Figure 1), most local governments offer many more services determined by community needs and available resources. In 2012 the WA Local Government Review Panel identified approximately 140 activities and services that were being undertaken across the sector (Appendix 2). This diverse range of activities is unparalleled in either individual State or Federal public sector departments, while private sector companies tend to establish separate businesses for diversified products.

Figure 1 Local government core functions and responsibilities

- Infrastructure and property services, including roads, bridges, footpaths, drainage, waste disposal
- Provision of recreation facilities, such as parks, sports fields and stadiums, golf courses, swimming pools, sport centres, halls, camping grounds and caravan parks
- Health services such as water and food inspection, immunisation services, toilet facilities, noise control and meat inspection and animal control
- Community services, such as child care, aged care and accommodation, community care and welfare services
- Building services, including inspections, licensing, certification and enforcement
- Planning and development approval
- Administration of facilities, such as airports and aerodromes, ports and marinas, cemeteries, parking facilities and street parking;
- Cultural facilities and services, such as libraries, art galleries and museums
- Water and sewerage services in some states
- Other services, such as abattoirs, sale-yards and group purchasing schemes

3.1 Role of the CEO

The diversity of activities and services currently offered across local government in Western Australia within a context of increased government accountability, diminishing resources and increased public demands, point to the role of CEO as being both dynamic and complex requiring high levels of management competence as well as strong personal capabilities. More than equivalent roles in other tiers of government or business, the local government CEO is also required to operate and interact within active community stakeholder and political systems that are intertwined with the operational demands.

Mintzberg (1998) presents these three aspects of the contemporary CEO's role as a three 'edge' model. The 'operating edge' is where the CEO interacts with managers and employees to bring about action from within the organisation. Second, the CEO needs to interact with the 'stakeholder edge', which is all of the external individuals, groups and organisations that engage with the local government. The third area for the CEO is the 'political edge', which is all of the elected officials and politicians both on the council and in other tiers of government.

A review of the role of the CEO as stipulated in the Western Australian *Local Government Act 1995* (the Act) (Figure 2) ignored this tripartite framework and describes a very functional role, inwardly focussed on administrative tasks in support of council. In line with other Australian states, the Western Australian legislation is built on the principle of 'politicians make policy, and civil servants administer' (Martin & Aulich 2012, p. 8). However, the reality is often less straightforward and the line between the political and management arms of local government, politics and administration, or policy and implementation, is not a simple divide (Howard & Sweeting 2007).

Other aspects of legislation further reinforce this secondary position. In particular, the clear and unrestricted authority of the Mayor/Shire President and the Council being directly and solely responsible for all aspects of CEO employment and role has the potential for the role and power of the CEO to be fettered and appears to challenge the neutrality ethic, whereby public servants are to remain non-partisan in their dealings with elected officials (Heclo 1975; Williamson 1985).

Figure 2 Role and responsibilities of Western Australian CEOs

- Advise the council in relation to the functions of a local government under this Act and other written laws;
- Ensure that advice and information is available to the council so that informed decisions can be made;
- Cause council decisions to be implemented;
- Manage the day to day operations of the local government;
- Liaise with the mayor or president on the local government's affairs and the performance of the local government's functions;
- Speak on behalf of the local government if the mayor or president agrees;
- Be responsible for the employment, management, supervision, direction and dismissal of other employees (subject to section 5.37(2) in relation to senior employees);
- Ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law; and
- Perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO.

3.2 CEO recruitment processes

Despite the local government sector appearing to be heavily regulated, the recruitment of a CEO is remarkably free of prescription. The Western Australian *Local Government Act 1995* (the Act) provides that a local government is not to employ a person to fill the position of CEO unless council believes that the person is suitably qualified for the position. The Act

stipulates that all employees are to be selected in accordance with the principles of merit and equity, although makes no comment on what 'suitably qualified' might mean at this executive level. Unlike the State and Commonwealth senior executive services which have overarching core competencies, capabilities and attributes for all appointments at each level of senior executive including CEO, there is nothing similar in local government. This lack of framework has the potential for inconsistency between the roles and performance of CEOs and local governments, as well as unpredictability in the criteria for appointment.

In terms of the actual recruitment process, the Act requires that a council formally approves a selection process, but does not recommend what that process might be. In terms of the job advertisement, the Act requires the inclusion of remuneration and conditions, details of the place where applications for the position are to be submitted; and the date and time for the closing of applications. Guidelines for CEO recruitment have been developed by the Department of Local Government and Communities (2012); however these are general in nature, underscoring those provisions of the act that need to be satisfied, rather than practical tools for recruitment.

Research has revealed that where there is a lack of formally applied criteria and processes, selection panel members are more likely to rely on personal biases and stereotypes which account for a lack of diversity within CEO and senior leadership ranks (Elliott & Smith 2004; Fitzsimmons 2010; Kanter 1977). Further, Holgersson (2001) likens CEO appointments as a type of co-option, which requires the successful CEO candidate to share similar characteristics as the appointing group. The exclusion of those candidates whose perceived social capital is deficient often reflects narrow ideas and experience in what is required in a CEO role and how to identify it in a CEO candidate. In a recent study into gender diversity in senior management in Western Australian metropolitan local governments Hutchinson and Walker (2011) found that interviewees believed that the competence and power tensions between the elected members and Council management often meant that elected members were more likely to appoint someone with whom they felt 'comfortable' and could 'trust' and would not challenge the status quo.

3.3 Management structures

Despite the variations in context and size, the management structures of local governments remain essentially standard, unchanged for some period of time. Below the CEO position, the second tier of management in medium to large local governments usually has four Directors positions. Sometimes called Executive Managers in small councils, these position are each responsible for a discrete portfolio: usually community services, finance/corporate services, planning and infrastructure and strategy and governance. Currently in Western Australia, of 140 local governments, 48 have Directors as their second level of leadership, 21 have Executive Managers but 71 reported no second level of leadership below the CEO, that being either a Director or Executive Manager. It appears that these local governments are generally too small to maintain that two tiered structure, or in some instances, possibly because of geographic remoteness, are unable to attract the necessary expertise.

Although patchy, the demographic data available from a number of sources tells us that the majority of CEOs in West Australian local government are likely to be male, white and with careers in the sector spanning an average of 26 years (LGMAWA 2013). The CEO career path

is more likely to be via technical or financial services by way of a number of non-metropolitan postings. The gender imbalance in the senior management/leadership group is also obvious. Of the 138 councils that had a CEO (two councils had vacancies and did not indicate an acting person), 125 were male (89%) and 13 were female (10%). For the next tier down, at the Director level, there were 140 male Directors compared to only 33 female Directors. Approximately, 44% of current CEOs are over 55 years of age with an average age of 51 years.

4 Research approach and methods

The position of the CEO has been chosen as the focus because of this study because of its impact span and significance in determining organisational direction and performance across sectors and industries (Buyl et al. 2011). By exploring individual local governments and their CEO role, research can reveal both local leadership needs, challenges and strengths, as well as establish commonalties within the sector.

4.1 Previous research

Australian local government attracts a significant amount of public interest and criticism from the general public (Brown 2008; Jones 2009). While it appears that many councils and CEOs perform well, there is a continuous thread of allegations of mismanagement, dissolution of councils and turnover of CEOs (Jones 2009). Yet until recently very little research attention has been paid to leadership in the local government sector. However, in the past few years, a number of studies have been undertaken (many with the support of the Australian Centre for Excellence in Local Government; ACELG) which have focussed on different aspects of the roles of, and relationships between the CEO and the Mayor (Hutchinson & Walker 2011; Jones 2011; Martin & Aulich 2012; Sansom 2011).

4.2 Theoretical framework

The recruitment of local government CEOs is akin to a private sector listed company, with the elected Council, like the Company Board, undertaking the appointment. Therefore, the factors that influence these decisions in both sectors should have mutual relevance. On this basis, the research methodology was informed by a similar project undertaken by Fitzsimmons (2010) to explore, through a qualitative process of semi-structured interviews, the ways in which Australian Chairs of ASX 200 companies identified and recruited leaders. Fitzsimmons drew on a Bourdieusian framework and approach (1994; 1998). Bourdieu's epistemological devices of 'field', 'habitus' and 'capital' provide a lens to examine the links between the objective structures that regulate CEO appointment decisions and the subjective views and experiences of elected members and CEO candidates. This approach provides a systematic framework designed to reveal the relationships between the 'cultural or social capital' (leadership experiences, attributes and practices) valued by 'the field' (the elected council members) and the 'habitus' (presented attributes and experiences) of the individuals (CEO candidates) who exemplify this cultural capital. 'The degree of convergence between the cultural capital' possessed within the habitus and that which is valued by the field determines the likely success (or lack of success) of its possessor in that field (Fitzsimmons 2010).

4.2.1 One to one interviews

The primary data used in this study is drawn from one to one interviews with CEOs and Mayors/Shire Presidents (Appendix 3). Interviews were conducted with subjects from metropolitan, regional and remote areas. The researchers were assisted in identifying interviewees by the two professional organisations that partnered the research, these being the West Australia Local Government Managers Association (LGMA) and the West Australian Local Government Association (WALGA). It is acknowledged that the methodology of convenience sampling is not meant to be a definitive representation of the whole of the

population, but rather the intention was to ensure input from different types of local governments, grouped loosely by observable criteria such as size of constituency, location and resource base. This resulted in a mix of local governments including very large, small, remote and metropolitan research sites. In total 22 interviews were conducted over 11 councils. Both the CEO and the Mayor/Shire President of each participating Council were interviewed individually, and on the same day, which was logistically expedient.

5 Findings

The findings have been organised under the two sets of intersecting factors that focussed this study:

- The ways in which elected members frame leadership and what qualities, experiences and attributes they then look for in a CEO candidate; and
- The formal and informal policies and processes that elected members use to identify and recruit CEOs.

There was a high degree of inconsistency within the data about what were the qualities, experiences and attributes necessary for appointment of a CEO. The source of the inconsistency appeared to be differences in the way interviewees perceived the role of the CEO. This lack of clarity was most evident between the CEO group and the Mayors/Shire Presidents group and within this last group itself. On the one hand, the majority of CEOs and a minority of Mayors/Shire Presidents clearly saw the role of the CEO as a significant leader within local government who not only had to have the managerial skills to maintain efficient and probative services on a day to day basis, but also needed to be strategically future focussed and to understand how to maximise partnerships and opportunities to meet the changing needs of the community. A much stronger view amongst Mayors/Shire Presidents was that the CEO was an operational manager that acted at the behest of council as an operational functionary.

5.1 The CEO as a leader

The diversity and intricacy of the CEO as leader role was described by one interviewee this way:

> One minute you can be talking strategically and the next minute you are right down in the detail then from a business perspective you are up here, share price, governance, lobbying, and the next minute someone is telling me about a dog problem. And you have to be able to move and you can't just say, oh, the dog problem, just give it to the rangers because if it is an American pit bull and it has just chomped some kid then you actually have to know how to deal with it and the political implications of it. (CEO)

This complexity was not restricted to large or metropolitan local governments. In many ways, smaller, more isolated and community diverse areas while sharing the same responsibilities and functions, had the added layers of distance, limited resources, smaller rate payer base and limited access to external expertise. Non metropolitan councils are dealing with projects as varied and challenging as establishing wind farms, organising international commemorative events, supporting women's refuges and negotiating increased public and private housing. In regions affected by mining and resource activity some local governments are negotiating with multinational companies and other tiers of government over service delivery, transport infrastructure, FIFO workforce and social and economic impacts on resident communities. Many of the decisions are about immediate matters but increasingly local governments are required to think more strategically for the long term social and financial wellbeing of their community and the viability of the local

government. The challenges for these smaller local governments and the reliance on the CEO was discussed quite extensively particularly by CEOs:

> With the smaller local governments the CEO has to be a jack of all trades and hopefully the master of many of them as well because the depth of poo you can get into… because once it is over your head it is over your head isn't it? (CEO)

The CEOs and Mayor/Shire Presidents who saw the CEO as a leader highlighted strategic and communication skills as paramount for CEOs, as were partnership building, stakeholder management and change management experience. When both Mayors/Shire Presidents and CEOs described the CEO as leader, they also spoke of the relationship between the Mayor/Shire President and the CEO in terms of 'partnership', 'trust', 'problem solving', 'respect', 'mutuality', 'facilitate', transformational' 'brave', 'honest'. One CEO stated,

> So the mayor and I have a very good working relationship based on trust. How important is that? To me it is critically important to the wellbeing of the organisation being able to deliver the right outcomes to the community. Wherever that breaks down I believe the organisation doesn't perform well; too much time is diverted into personal issues as opposed to what are the key strategic, long term issues for our community and that's fundamentally important. (CEO)

When asked about the qualities, experiences and attributes that they would look for in candidates for CEO, the Mayor/Shire President group were less convinced that experience within local government was essential. Instead, they were more interested in evidence of effective change management, ongoing learning, endorsement from a broad range of stakeholders and proven capacity to develop useful partnerships. They were keen that candidates were 'outcomes focussed, not process driven' or as one Mayor/Shire President stated

> I don't want someone who is always going to tell me that the Act won't let me do something... I'd like to think we wouldn't be focussed on what we can't do, rather than what we can. (Mayor/Shire President)

About one third of the interviewees talked about strategic partnerships, and expressed opinions such as 'we have become a very tight team and we have to do it together'. Generally, the CEOs and Mayors/Shire Presidents who subscribed to this type of operational environment, were more likely to provide examples of long term strategic projects that had both leaders moving across what might be considered 'no go zones' in other local governments. These accounts often included improved stakeholder management approaches well in advance of actual projects, and emphasized the importance of building and maintaining relationships and partnerships with community members, industry and other tiers of government:

> It's no good going to the community just when there's a problem. If we've built a genuine ongoing sense of respect and partnership then we can much better deal with challenges. These relationships are much of the work of the CEO and myself [sic] together. (Mayor/Shire President)

5.2 The CEO as a functionary

This view that the CEO was a more functional position, there as the head of administration, bureaucracy and compliance, was also accompanied by descriptions of very deeply etched territory, often assigning the responsibilities for community engagement, strategic goal setting and organisational prioritizing to the elected members, and the implementation of these decisions to the CEO. Many of the interviewee accounts were centred on issues of power and control between CEO and Mayor/Shire President. For example, some CEOs were very confident that

> The mayor has very little power and a lot of people don't understand that; the only power the mayor has is to conduct the council meetings. Beyond that he has just got as much power as every other councillor. It is the CEO that has the power. (CEO)

Not surprisingly this was not a view shared by Mayors/Shire Presidents. One Mayor/Shire President considered it was the responsibility of elected members to 'train' the CEO,

> And so we can now train [them] how we want [them] to be and how they should be and we should know the best type of CEO because we have to work with them. (Mayor/Shire President)

There was also strong acknowledgement that many elected members continued to emphasise the technical infrastructure functions and support roles to council as primary, particularly in respect of compliance As one interviewee stated, a major role for a CEO is to 'keep Council out of the 'shit' '.

This separation of activities and a view of CEO as functionary appears to be frequently part of a larger divide within local government between the elected members and the employees. This created in some local governments very strict, sometimes physical, lines of communication and interaction. Some CEOs recounted stories of other locations where elected members were not permitted physically to enter offices and employee workspaces or directly contact employees without the express permission of the CEO. These measures were often recounted by CEOs who when describing their leadership role used phrases like I need to protect the staff from some councilors or Staff can be frightened by some [elected] members. While these apparent extremes were not currently evident in the local governments engaged in this study, some CEOs and Mayors/Shire Presidents interviewed had either previous experience or knowledge of such cases.

Absent from the accounts of interviewees who saw a functionary role for the CEO, were examples of interesting or exciting projects. Instead, there was emphasis placed on the primacy of council and the secondary role of the CEO. These interviewees tended to highlight examples of poor relationships between CEO and Councils, and were concerned that Council needs to keep a tight rein. This was particularly true when interviewees spoke a lot about councils that had been suspended, terminated or investigated by State governments. Not surprisingly this group talked about recruiting CEOs who were not too gung ho, but rather had a safe pair of hands. Explanations for these terms revealed that extensive experience in local government, technical background in planning or engineering were essential criteria for a CEO.

5.3 The processes for recruiting the CEO

It is with the recruitment of a CEO that many elements of local government leadership are laid bare. Overall interviewees' comments, while being shaped by whether they were a CEO or Mayor/Shire President, point to some concerns with recruitment processes and outcomes. What was articulated by all CEOs was the inconsistency of appointment within the sector and the lack of clear and transparent processes.

Both CEOs and Mayors/Shire Presidents raised concerns about the skills, knowledge and experience of many people who stood for election. These competence gaps extended not just to technical matters related to infrastructure or employment, but perhaps more importantly to the institution of local government itself – its purpose, its brief and revenue base.

> There are some great people who get elected to Council, but even the really positive ones are often just not aware of the size of the job...the amount of reading, time and learning that you need to devote ...that's even if you have a background in some of these issues. (Mayor/Shire President)

A number of interviewees observed that while a limited knowledge base deterred many elected members from commenting about issues such as finance or engineering, they appeared to have no qualms about speaking about CEO leadership and questioning candidates. As one CEO observed 'everybody thinks they are an expert about people'. Several other CEOs stated that councillors on selection panels who were not experienced or trained in leadership recruitment tended to emphasise the importance of knowledge of the *Local Government Act*, financial accounting and compliance as essential criteria for CEOs.

This narrow view of the CEO role coupled with less than rigorous recruitment processes meant that many elected members assigned attributes such as age, gender and local government experiences as essential criteria for appointment. Without their views being challenged or their recruitment decisions interrogated, there appears to be no impetus for change. Currently, there is no requirement for elected members to undertake any form of training or development to prepare them for their elected role. While almost all of the Mayors/Shire Presidents had been through WALGA recruitment training, they acknowledged that few ordinary elected members availed themselves of the opportunity. Interestingly neither did they say that they actively encouraged their fellow elected members to do the training, which obviously left the Mayor/Shire President as the 'expert' on recruitment on council.

Other than requiring Council endorsement of a process, State legislation does not stipulate the processes for recruiting a CEO. A majority of CEOs and some Mayors/Shire presidents saw this as a weakness and a key contributor to potentially poor outcomes. A number of CEOs recounted experiences of CEO recruitment processes that ranged from being interviewed by a panel of two, the Mayor/Shire President and one other, to having meetings with each Councillor individually and then being interviewed by the whole Council. Stories were recounted that suggest that some potential candidates are encouraged not to apply while others are sometimes quite publicly and also privately endorsed for appointment.

This potential for very idiosyncratic processes for CEO recruitment and the power that the Mayor/Shire President and Council have over all aspects of CEO employment was forefront in the views of CEOs interviewed for this study. Over half were mindful that their fate is bound to the fortunes and good graces of the politicians they serve (Martin & Aulich 2012; Jones 2011; Fox & Leach 1999). In Western Australia, over the past 10 years there has been a steady series of breakdowns in the relationships between the elected members and the CEO which have resulted in CEO terminations and/or the suspension or sacking of elected members. However, this is also clearly problematic for the recruitment of CEOs who may not be appointed on merit and ability, but rather on the extent to which they are perceived to be prepared to 'not rock the boat' (CEO). Two CEOs suggested that the entire recruitment process should be handled by the State government to ensure 'oversight, independence and merit'.

The competency of elected members to make informed decisions about a range of local government matters is a recurring theme in the local government literature (Friend & Jessop 2013; Jones 2011). Of all the data collected in this study about the CEO recruitment process, the question of Mayor/Shire Presidents expertise and experience generated a lot of discussion from both groups and highlighted some very different ideas about the role of CEO, their relationship with the elected members and the type of candidate who was worthy of consideration. For example, one CEO who has had extensive national experience observed:

> I don't mean this in a derogatory sense but your council could be comprised of tuck shop ladies, used car salesmen or unemployed people. At the CEO level for a council of this size and larger, typically the person that's applying has considerable wealth of experience and knowledge and you have a panel who in a lot of cases are less well educated, have significantly less experience and exposure and perhaps may be recruiting more on what they perceive to be characteristics and personalities. And when you do that the problem that you can have is that you can recruit someone that's all fluff; that wear the Armani suit; that can talk the language but has no substance. (CEO)

The lack of skills and experience in employment issues generally and leadership recruitment in particular amongst Mayors/Shire Presidents and elected members often lead to decisions being made on a 'gut reaction' to candidates. There were many examples cited across the sector and more directly experiences of the Mayors/Shire Presidents where poor recruitment decisions resulted because of unclear role descriptions, limited skills in candidate assessing or poor reference checking. 'We only had to go to the internet to get the real story' was a somewhat chilling comment by a Mayor/Shire President.

The efficacy of recruitment agencies (head hunters) to assist the search for a CEO was a topic that resulted in a high degree of conflicting opinions. On the one hand, a number of CEOs and Mayor/Shire Presidents believed that these companies were valuable because they were able to source a varied range of candidates, including women, people from a non-European background and leaders from outside the sector. Perhaps, not surprisingly, those CEOs and Mayor/Shire Presidents who subscribed to the view of the CEO as leader, were

much more comfortable and eager about considering CEO candidates external to the local government sector:

> I think it can be a bit incestuous; a little bit clubby if it is just a rotation of the chairs and it is not about bringing in people who are better. (Mayor/Shire President)

The value proposition of agencies also encompassed administrative efficiency and an independent third party role.

An alternative and far less flattering view of recruitment agencies was presented on the basis that they were perceived as either incompetent or compromised.

> We had to fire them; they were dreadful; they recommended a CEO to us who had been convicted of using his credit card for prostitution services. And this was the recommendation that they came up with and it took me about 30 seconds to Google this bloke that they had recommended and all of a sudden there was this list of stuff so we fired them (the agency) on the spot. (Mayor/Shire President)

A number of interviewees considered that some recruitment agencies were less than independent and rather too closely involved with senior local government personnel so that their recommendations were less than independent. When one Mayor/Shire President became aware of who had applied and who had not been shortlisted the Council agreed to terminate the agency's services. A recurring case in point was the shortlisting of women candidates:

> Even the recruitment agencies look after the men....the audacity to say to me you should not be choosing Ms X; she is not qualified for this job; she has never been a CEO and she has no idea what's in store for her...then what happens they recommend a man who had never been a CEO. (Mayor/Shire President)

It is also important to note however that a number of interviewees believed that a professional recruitment agency was more likely to identify a more diverse group of candidates. This view particularly in respect of women has some support in recent Australian research.

However, few interviewees raised a lack of diversity as a major issue within the CEO and leadership ranks. Unlike the very powerful business case discourse about the need for more women in leadership roles, the majority of interviewees, except for the women, argued that the sector was overlooking a ready and proven source of talent. While nearly all interviewees raised concerns about what they saw as a declining CEO candidate pool and the need to develop a sustainable 'leadership pipeline', the majority of views focussed on the pipeline transporting men.

One male Mayor/Shire President did observe that women appeared to be more likely to be appointed as CEOs in non-metropolitan locations

> Now there are quite a few women CEOs around Western Australia and in fact I was talking to one only last week out in X. She does a great job out there but it is a small place and she is getting her start just as many men have to do. I think the

opportunities are probably not as good for women because of the perceived issue of having to look after families. (Mayor/Shire President)

This observation is interesting as it points to some of the known barriers to and features of women's careers more generally. First, the perception that there are 'quite a few more women CEOs highlights the novelty of a woman in that job for in reality there are 10 out of 140 (at the time of the writing of this report). Further, the assumption that women will be unable to undertake a leadership role because of family obligations has figured strongly in local government research (Diamond 2007; Hutchinson & Walker 2011) and more broadly in the leadership literature (Bracken et al. 2006).

The other area that tends to exclude women from local government in achieving CEO status is that traditionally they have not worked in the disciplines favoured by elected members for their CEOs such as financial services, technical and planning. Instead, women are traditionally clustered in the community and human resources services.

Again the effectiveness of CEO recruitment process involving a recruitment agency was dependent on the knowledge and skills of the Mayor/Shire President and Council members in understanding the CEO role and the qualities, experiences and attributes that were required for appointment.

6 Observations and implications

This study was undertaken to investigate leadership in local government by focussing on two sets of intersecting factors that affect CEO recruitment:

▪ The ways in which elected members frame leadership and what qualities, experiences and attributes they then look for in a CEO candidate; and

▪ The formal and informal policies and processes that elected members use to identify and recruit CEOs.

From the data a number of observations can be drawn that highlight implications and some of the key challenges for leadership within the sector generally and for CEOs specifically. While a number of other Australian researchers have raised similar issues such as the relationships between CEOs and Mayors, leadership styles and diversity, this study brings these factors together to begin to examine their effect on how leadership is performed and who are the leadership actors.

Observation: The sector has failed to keep pace with contemporary leadership policy and practice, in particular, the lack of a coherent and consistently applied framework of leadership capabilities.

Implication: Organisational leadership, and the role of the CEO, is often reduced to a set of functional, administrative tasks, rather than as a role of influence and agency.

Observation: Unlike other tiers of government and middle to large businesses that are required to undertake recruitment activities in line with professional standards, and who employ sophisticated evaluation tools and processes that are designed to identify quality candidates reveal merit and minimise bias, Councils do not appear to have the same obligations. Neither do they appear to avail themselves of contemporary recruitment practices and mores.

Implication: The lack of diversity amongst the top two tiers of organisational leadership point to weaknesses in either the candidate pool, or the processes being used to recruit at these levels. Given the growing complexity of local government, attraction and retention of aspiring and established leaders from a broad range of backgrounds, should be a priority.

Observation: Whereas once extensive experience in local government was considered an essential criterion for appointment to large local governments, the changing role of local government is now requiring a more sophisticated set of leadership capabilities.

Implication: Without the traditional CEO career path that required someone to start in small and often remote locations and over time move to larger councils, it may be difficult to ensure that smaller local governments can attract suitable CEO candidates.

Observation: While the Westminster system of government is built on principles of arm's length between the politicians and public sector bureaucracy, Councils appear to have unconstrained power over all aspects of CEO employment which is unparalleled in any other tier of Australian government.

Implication: There is a danger of undermining public confidence in the independence of local government CEOs when their employment is so dependent on the political arm. Further, the insecurity of CEO employment, demonstrated by very public terminations at the change of Councils, may be a deterrent to potential CEO candidates.

7   Where to from here?

The proposed aims of this study were to provide a conceptual framework for a larger national study into local government leadership which would also:

- Audit current CEO recruitment processes for strengths, weaknesses and consistency between local government within and across jurisdictions.
- Identify different types of leadership required for different local government contexts e.g. geography, age, local constituency, challenges, etc.
- Provide coherent leadership framework for the identification, development and recruitment of CEOs.

The study's findings informed by other research makes a case for the need for a comprehensive approach to local government CEO leadership. In particular, the development of a coordinated national research agenda that is closely linked with practice. While this is an ongoing project, there are opportunities for meaningful activity to be implemented in a shorter space of time.

The conceptual framework (Figure 3) is aimed at providing a template or map for a national research and practice agenda. The project would be guided by five key principles:

- Full stakeholder participation (legislators, local government, community, professional associations, researchers)
- Evidence based
- Action-orientated
- Drawing on existing best practice
- Coordination role

Figure 3 Conceptual framework

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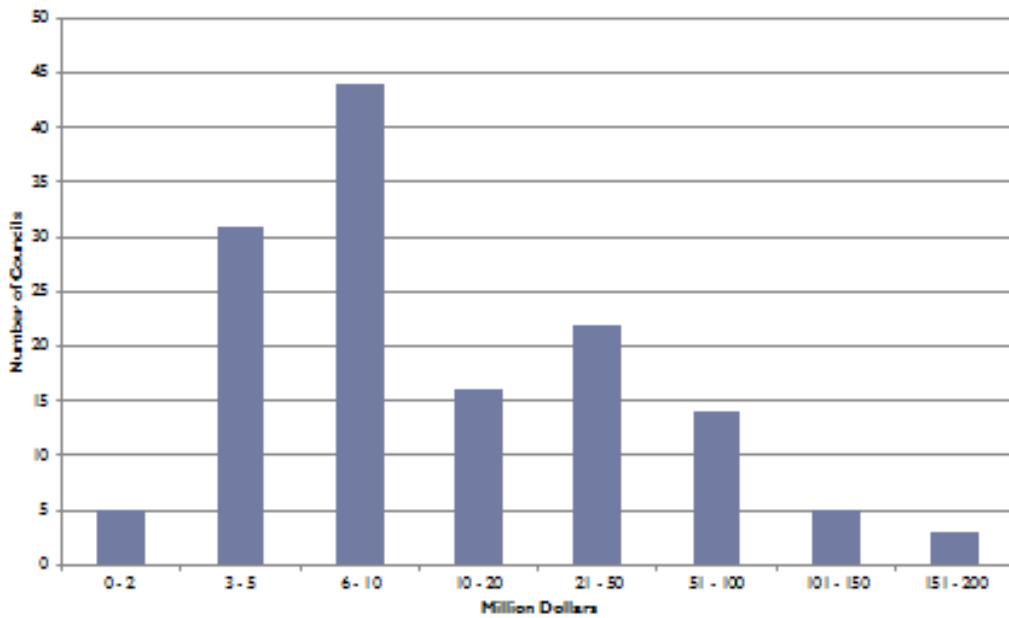
Appendix 1

Source: WALGA 2013.

Number of staff
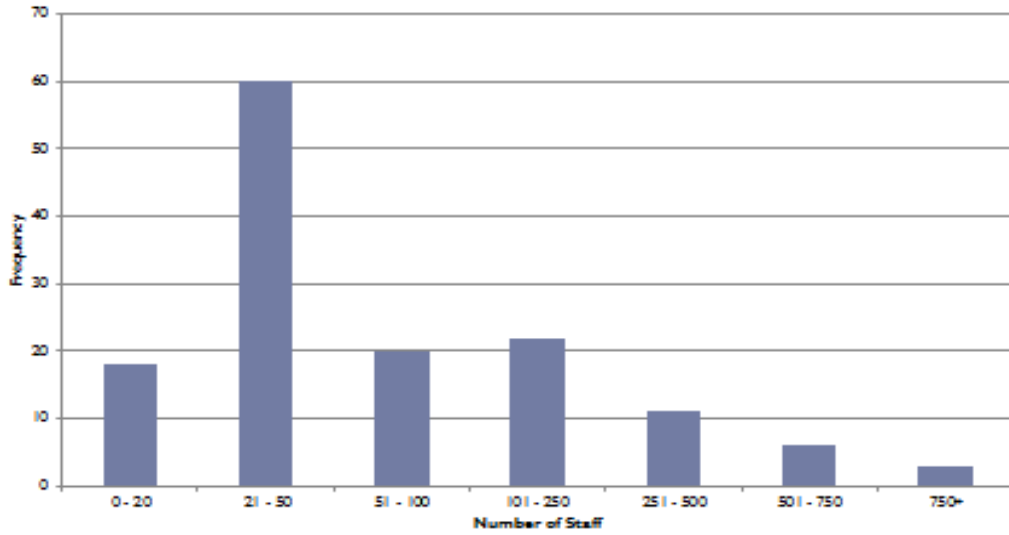
Revenue

Appendix 2

LIST OF LOCAL GOVERNMENT SERVICES AND FUNCTIONS

(Includes services internal to organisation and external to community)

Corporate Services

Accommodation and Central Services

Administration

Asset management

Audit Services

Civic Functions

Community Information

Council Governance and compliance

Delegations

Financial Services, planning and budgeting and payroll processing

Fleet management

Freedom of Information

Human Resources

Information Technology services/support

Insurance

Internal audit

Legal Services

Locality Marketing

Occupational, Health and Safety

Performance Management

Public Relations and media

Purchasing and Supply

Records Management

Risk management

Strategic planning

Telecommunications

Training and education

Development

Architectural Design

Building Surveying and Inspection

Community Housing

Development Control

Economic Development

Heritage and Conservation Services

Landscape Design

Plumbing Approval and Inspection

Policy Planning

Property Management

Staff Housing

Tourism Development

Urban Design

Town Planning

Health and Environmental Services

Animal Control

Bush Fire Control and brigade support

Emergency Services Management

Environmental Monitoring

Flora and Fauna Conservation

Food Monitoring and inspection

Food Premises Licensing

Foreshore Protection and Restoration

Health Education

Health Regulation

Immunisations

Litter Act enforcement

Medical centres

Noise Control

Parking control

Pest Control (eg. Mosquitoes)

Pollution Control

Public Conveniences

Recycling Service

Refuse Collection (inc. verge collections)

Refuse Disposal

Sanitary Services

Sewage Treatment

Storm Water Drainage

Street Bins

Street Cleaning

Supporting Local Doctors and other Health Professionals

Waste disposal and landfill management

Water Quality Control

Weed control

Wetland management

Parks and Community

Aged Services - HACC programs

Seniors centres and services

Meals on wheels

Beaches and Foreshore Enhancement

Caravan Parks and Camping Grounds

Children's Services - playgroups

Child health centres

Childcare facilities

After school care

Citizenship services

Community Arts

Community Development Planning

Community Grants and Assistance

Community Legal Advisory Services

Cultural planning

Customer Services

Depot Operations

Disability and access inclusion plans

Festivals and events

Fire Hazards Management

Graffiti control

Halls and civic centres

Library and Information Services

Local Laws, e.g. Signs

Neighbourhood Centres

Neighbourhood Watch support

Nurseries

Parking Control

Parks and Gardens

Playgrounds

Ranger Services

Recreation Areas

Recreation Programmes

Road Reserve Maintenance

Security Patrol Service

Social services – counselling and support
Sporting Facilities

Streetscape Beautification and Furniture

Surf Life Saving and Beach Patrols

Swimming Pool Inspections

Swimming Pools

Community Resource Centre Support

Tourist Information

Tree Maintenance

Volunteer support

Women's Services

Youth Services – drop in centres

Holiday programs

Transportation and infrastructure

Airport Management

Bridge Construction and Maintenance

Building and facility management

Bus Shelters

Cemeteries

Crossover Construction

Depot Operations (Technical Services)

Extractive Management and Maintenance

Footpaths, Kerbs and Guttering

Jetties, Groynes, Boat Ramps

Off-Street Parking

On-Street Parking

Parking Research and Planning

Road Construction and Reconstruction

Road Maintenance

Sewerage systems

Signage

Street Lighting

Traffic Management

Transport Planning and Design

Workshops (Road Plant).

Appendix 3

INTERVIEW GUIDE

- Can you tell me a little about your experience in local government and how you came to be involved in local government?
- What do you see as the role of the CEO in local government?
- Are there circumstances or challenges that make your current council different to others?
- What do you believe are the prime characteristics of a good CEO?
- How does the Council go about recruiting a CEO? Do you use a recruiting agency? Is there experience in employing at this level on the Council?
- Is local government experience essential for appointment to CEO?
- How would you characterize the relationship between a CEO and Mayor? Is that an important factor in recruitment? How do you assess whether you'll get on or not?
- How important were the educational and professional credentials of the candidate?
- What sorts of professional job experiences do you think are important?
- Have you found it difficult to attract strong CEO candidate fields?
- Is experience in local government essential? Is there 'some government experience more important than others?
- How important were the networks that the CEO could access, to your considerations regarding their appointment?
- How important were reference checks?
- If you were offering advice to other mayors generally, what would you say are key factors that need to come out during the CEO selection process?
- Why do you think that women occupy so few CEO roles in local government?

INTERVIEW GUIDE: CEO

- Could you briefly outline your career between leaving high school until the point at which you were appointed to your first CEO role?
- What do you see as the role of the CEO in local government?
- How does it differ from say government or business counterparts?
- Are there circumstances or challenges that make your council different to others?
- What do you believe are the prime characteristics of a good CEO?
- Is local government experience essential for appointment to CEO?
- How did you decide to apply for a CEO position? Were you invited? Head-hunted?
- How important have mentors or sponsors been in your career?
- Looking back at the selection process for your appointment as CEO, what seemed to be the information that the Council/Mayor were most interested in obtaining? How did you convey to the board the qualities which, you would bring to the position?
- What made you feel that you were the right person for the job?
- How prepared do you think elected members/mayors are in the CEO recruitment process?
- How would you characterize the relationship between a CEO and Mayor? Is that an important factor in recruitment? How is it assessed?

- What role, if any, has having a spouse, children, family or other domestic responsibilities had upon your career? Can you recall and describe a typical example?
- Have strategically important career opportunities or promotions made available to you at key stages during the development of your career? If not, how did you go about obtaining this experience?
- What role has networking (both internal and external to your organisation) played in your career? When and where has most of the internal networking, you have observed, taken place? What sorts of difficulties have you faced in accessing networks that could enhance your career opportunities?
- What advice would you give to those starting a career who may wish one day to hold a peak leadership position in local government?

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