Australian
Leadership
Index
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AUSTRALIAN LEADERSHIP INDEX

2020 NATIONAL SURVEY REPORT

Towards Leadership for the Greater Good

SWIN BUR NE

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UNIVERSITY OF
TECHNOLOGY

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CONTENTS

EXECUTIVE SUMMARY

Inspiring leadership for the greater good.

Lack of leadership for the greater good

Growing distrust and cynicism toward Australian institutions has resulted in an interest in leadership for the greater good.

ALI inspires leadership in Australia

The Australian Leadership Index (ALI) was created to inspire, challenge and sustain responsible leadership in Australia.

The largest study on leadership

ALI is the largest ever ongoing research study of leadership in Australia, by Swinburne University of Technology.

Supported by The Graham Foundation

The ALI is made possible by the generous support from The Graham Foundation, since its inception in 2018.
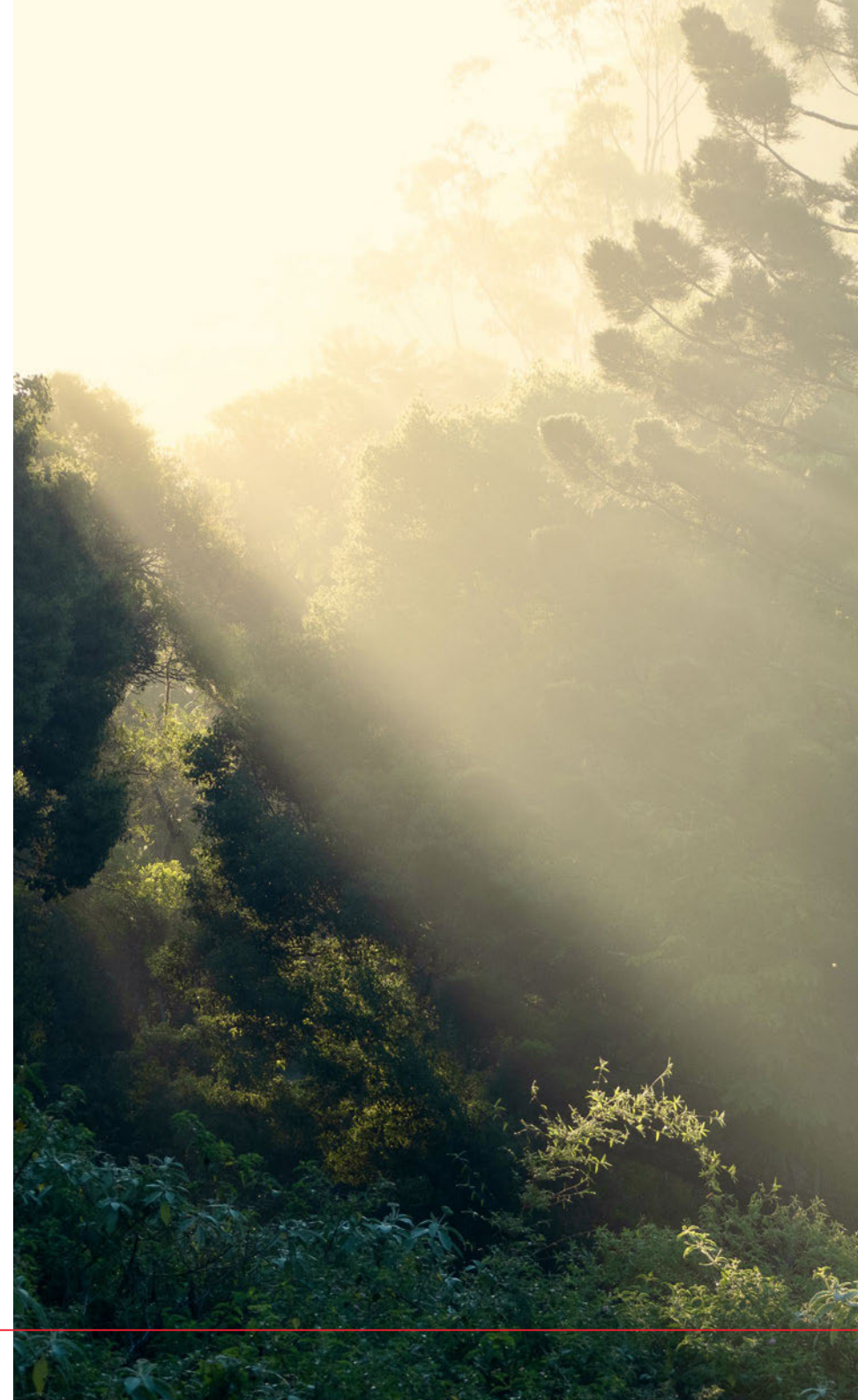
Leadership trending positively

In 2020, COVID-19 created a strong focus on leadership, placing increasing pressure on leaders to make decisions for the public interest, particularly at federal and state government level.

OVERALL, ALI SCORE

-19   -13   3

2018   2019   2020

GOVERNMENT

-29   -20   3

2018   2019   2020

PUBLIC

3   7   18

2018   2019   2020

PRIVATE

-20   -15   -4

2018   2019   2020

NOT FOR PROFIT

-7   -6   2

2018   2019   2020
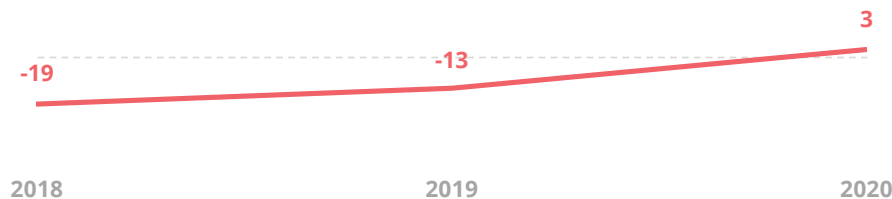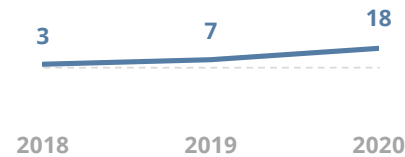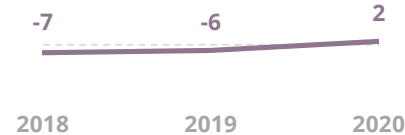
FIGURE I. ALI SCORES 2018–2020

A HISTORY OF IRRESPONSIBLE LEADERSHIP IN AUSTRALIA

Historically, Australians believed institutional leaders in government, private and not for profit sectors were more concerned with vested interests, than the public interest.

LEADERSHIP TRENDING POSITIVELY FOR THE FIRST TIME

COVID-19 was a turning point. In 2020, for the first time, public perceptions of leadership in Australia, the ALI score, began trending positively.

DRIVEN BY GOVERNMENTS SERVING THE PUBLIC INTEREST

Improvements driven by a focus on making decisions for the public interest at federal and state government level, with flow on effects for the private and not for profit sectors. Positive leadership ratings in the public sector increased further.

Leadership gaps still substantial

Large gaps still exist between public expectations and perceptions, particularly on ethicality, responsiveness to society, social outcomes and accountability; the key drivers of leadership.

LARGE GAPS STILL EXIST BETWEEN EXPECTATIONS AND PERCEPTIONS OF LEADERSHIP

Gaps still exist between how the public expects institutions to lead, and how they believe institutions actually lead for the public good.

ETHICALITY, RESPONSIVENESS, SOCIAL OUTCOMES, ACCOUNTABILITY ARE KEY PREDICTORS

Strongest predictors of leadership include ethicality, responsiveness to society, creation of social outcomes and accountability.

EXPECTATIONS ARE HIGH FOR GOVERNMENT, BUT LOWER FOR THE PRIVATE SECTOR

The community expects government to lead for the greater good, with less expectation on the private sector, especially small business.

IMPACT

Statement	Perceptions	Gap	Expectations	Impact
Focuses on creating positive social outcomes	37%	-28%	65%	18%
Focuses on creating positive environmental outcomes	31%	-27%	58%	5%
Focuses on creating positive economic outcomes	39%	-22%	61%	0%
Demonstrates high ethical standards	38%	-35%	73%	20%
Demonstrates accountability	36%	-37%	73%	16%
Demonstrates transparency	34%	-36%	70%	9%
Responsive to the interests of society	38%	-31%	69%	18%
Responsive to the people they serve	40%	-32%	72%	8%
Balances the needs of different groups	36%	-30%	66%	7%

Perceptions · Gap · Expectations

FIGURE II. PREDICTORS OF LEADERSHIP

Institution performance varies

A majority believe institutions demonstrated improved leadership, with charities, health, education, justice, small business, federal and state governments the best performers.

MAJORITY BELIEVE INSTITUTIONS HAVE IMPROVED LEADERSHIP FOR THE GREATER GOOD IN 2020

In a reversal of historical trends during COVID-19, a majority of Australians believe our institutions demonstrated leadership for the greater good throughout 2020.

PRIVATE SECTOR CONTINUES TO UNDERPERFORM, PUBLIC SECTOR LEADERSHIP IMPROVING

The private sector is the worst performer on leadership, followed by not-for-profit, and government sectors. The public sector performed best on leadership overall.

CHARITIES AND HEALTH EXCELLED IN 2020, WITH EDUCATION, JUSTICE AND SMES CLOSE BEHIND

Charity organisations demonstrated leadership for the greater good, while large multinational corporations continue to be the worst performers on leadership.

Institution	Score
Charities	29
Health	28
Education	14
Justice	13
SMEs	8
State governments	7
Federal government	5
Local governments	-2
National businesses	-6
Religious	-11
Trade union	-12
Multinationals	-13

FIGURE III. ALI SCORES BY INSTITUTION

Subgroup differences matter

More knowledge of a sector correlated with higher ratings. Small businesses rated more favourably than large. Males and females rate government and public institutions differently.

BEING INFORMED MATTERS

The more knowledgeable people are about an institution, the more favourable their perceptions of that institution's leadership for the greater good.

LOCAL BUSINESS IS BETTER

Small and medium-sized enterprises are perceived more positively than large national businesses and multinational corporations.

GENDER DIFFERENCES

Males tend to provide more favourable ratings of federal government, whereas females provide more favourable ratings of public education institutions.

ALI SCORE BY KNOWLEDGE OF SECTOR

				45
			24	
		6		
	-8			
-25				
Not at all	Slightly	Moderately	Highly	Extremely

ALI SCORE BY PRIVATE SECTOR

-4	**8**	**-6**	**-13**
Private sector	**SME**	**National**	**Multinational**

ALI SCORE BY GENDER

10	1		10	18
Male	**Female**		**Male**	**Female**
Federal government			Public education	

FIGURE IV. SUBGROUP DIFFERENCES IN ALI SCORES

ABOUT THIS REPORT

This report has five sections:

SECTION 1 introduces the Australian Leadership Index and provides an overview of the design of the study and the survey process.

SECTION 2 introduces the concept of 'leadership for the greater good' and presents the model of institutional leadership for the greater good that underpins the Australian Leadership Index.

SECTION 3 presents the results of the Australian Leadership Index.

> **Part 1** presents the headline results for sectors and institutions and identifies the key predictors of public perceptions of leadership for the greater good at the macro-level.

> **Part 2** presents a detailed breakdown of perceptions and expectations of leadership for the greater good at the sector- and institution-level and identifies the key predictors of perceptions of leadership for the greater good for specific sectors and institutions.

> **Part 3** presents public perceptions and expectations of the extent to which institutional leaders focus on the creation of social, environmental and economic value.

> **Part 4** presents public perceptions and expectations of the extent to which institutional leaders demonstrate accountability, transparency and ethicality.

> **Part 5** presents public perceptions and expectations of the extent to which institutional leaders are responsive to the needs and interests of the people they serve and society as a whole, as well as the extent to which leaders balance the interests of different groups.

SECTION 4 segments the results to examine the effect of demographic factors on public perceptions of leadership for the greater good in different sectors and institutions.

SECTION 5 makes recommendations about what leaders in the government, public, private and not-for-profit sectors can do to improve public perceptions of leadership for the greater good.

The Australian Leadership Index is a national survey that provides a comprehensive picture of leadership for the greater good in Australia. To better understand public beliefs about institutional leadership, as well as the key predictors of public perceptions of leadership, the Australian Leadership Index surveys 1,000 people across Australia on a quarterly basis. This report reflects the views of 4,000 Australians surveyed throughout 2020.

Specifically, this report presents our findings about the Australian public's perceptions and expectations of institutional leadership for the greater good and makes recommendations about what leaders can do to improve the quality of their institutional leadership.

SECTION 1

THE AUSTRALIAN LEADERSHIP INDEX

SECTION 1. THE AUSTRALIAN LEADERSHIP INDEX

OVERVIEW

The Australian Leadership Index (ALI) is a national survey that provides a detailed picture of leadership for the greater good in Australia.

The ALI is the largest ongoing national survey of leadership for the greater good. Each quarter, the ALI surveys 1,000 people across Australia regarding their beliefs about leadership for the greater good across a range of institutions and sectors, generating a nationally representative and ongoing picture of public beliefs about leadership for the greater good in Australia.

The ALI addresses three fundamental aspects of leadership for the greater good in Australia: its perceived state in a variety of institutions across a variety of sectors; beliefs about its expected state; and the factors that predict or drive public perceptions of leadership for the greater good.

The study is funded by the Graham Foundation and designed by researchers from Swinburne University of Technology. The research firm, Dynata, collects the data on behalf of the Swinburne research team.

THE SURVEY PROCESS

The study uses a nationally representative sample of Australian adults, consisting of over 1,000 participants per quarter. Throughout 2020, 4,000 people were surveyed on the topic of their beliefs about leadership for the greater good in Australia. Respondents were recruited via an online panel by Dynata. The recruitment is designed to ensure that the sample is nationally representative in terms of locality (i.e., States and Territories), gender and age.

The ALI comprises general questions about the practice of leadership for the greater good and targeted questions about leadership for the greater good by twelve different institutions across the government, public, private and non-for-profit sectors.

To minimise survey fatigue, respondents are only asked to rate one randomly selected institution per sector, for a total of four institutions overall. For example, one respondent might rate the federal government, public education, multinational corporations and trade unions, whereas another respondent might rate their state government, the justice sector, small and medium enterprises and charities. Respondents who rate state and local governments are asked to rate the governments who govern where they reside.

For each institution, respondents rate their perceptions and expectations of nine indicators of leadership for the greater good. These indicators reflect assessments of the *type* of value that leaders create, *how* leaders create value, and *for whom* leaders create value. A five-point rating scale is used for all items, where 1 = 'not at all', 2 = 'to some extent', 3 = 'to a moderate extent', 4 = 'to a fairly large extent' and 5 = 'to an extremely large extent'.

Once respondents have provided their perceptions and expectations of these nine indicators of leadership for the greater good for each institution they rate, respondents are then asked to provide their overall impressions of that institution's leadership for the greater good.

Finally, respondents are asked to provide their overall impressions of leadership for the greater good by Australian organisations and institutions, in general (*see Figure 1*).

1	**2**	**3**	**4**	**5**
SCREENING	**WARM UP**	**DRIVERS**	**LEADERSHIP**	**PROFILING**
Nationally representative sample of 1,000 Australian residents	Answering warm-up questions about leadership for the greater good	Perceptions and expectations of leadership by four institutions	Overall impressions of leadership for greater good in Australia	Results
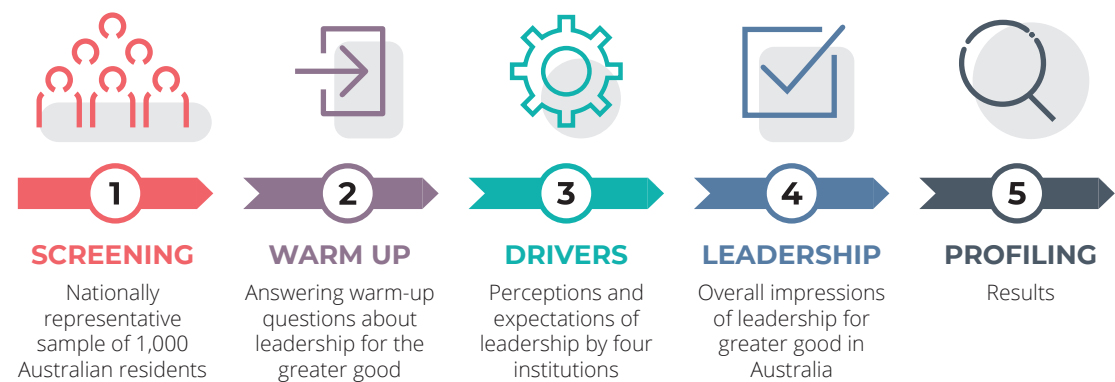
FIGURE 1. OVERVIEW OF THE SURVEY PROCESS

CALCULATION OF THE ALI

The ALI comprises seventeen indices, providing high-level insights into the state of leadership for the greater good within and across sectors over time (*see Figure 2*).

	Australian organisations and institutions, overall			
One national index				

	GOVERNMENT SECTOR	**PUBLIC** SECTOR	**PRIVATE** SECTOR	**NOT-FOR-PROFIT** SECTOR
Four sector-level indices				
Twelve institution-level indices	Federal government	Public education institutions	Multinational corporations	Charitable institutions
	State governments	Public health institutions	National businesses	Religious institutions
	Local governments	Justice institutions	Small-medium enterprises	Trade unions

FIGURE 2. THE INDICES OF THE AUSTRALIAN LEADERSHIP INDEX

Each ALI index score is calculated in a similar way to the Net Promoter Score, which is a well-known and easily understood index ranging from -100 to 100. Each index is calculated as the proportion of people who believe that a given institution shows leadership for the greater good to a 'large extent' or an 'extremely large extent' minus those who believe that the institution shows leadership for the greater good to 'some extent' or 'not at all'.

For example, if 18 percent of respondents believe the federal government shows leadership for the greater good to a 'fairly large extent' or an 'extremely large extent', but 42 percent of people believe the federal government shows leadership for the greater good 'to some extent' or 'not at all', then the federal government is awarded an ALI score of -24 (*see Figure 3*).

Similarly, if 56 percent of respondents believe that charities show leadership for the greater good to a 'fairly large' or an 'extremely large' extent, b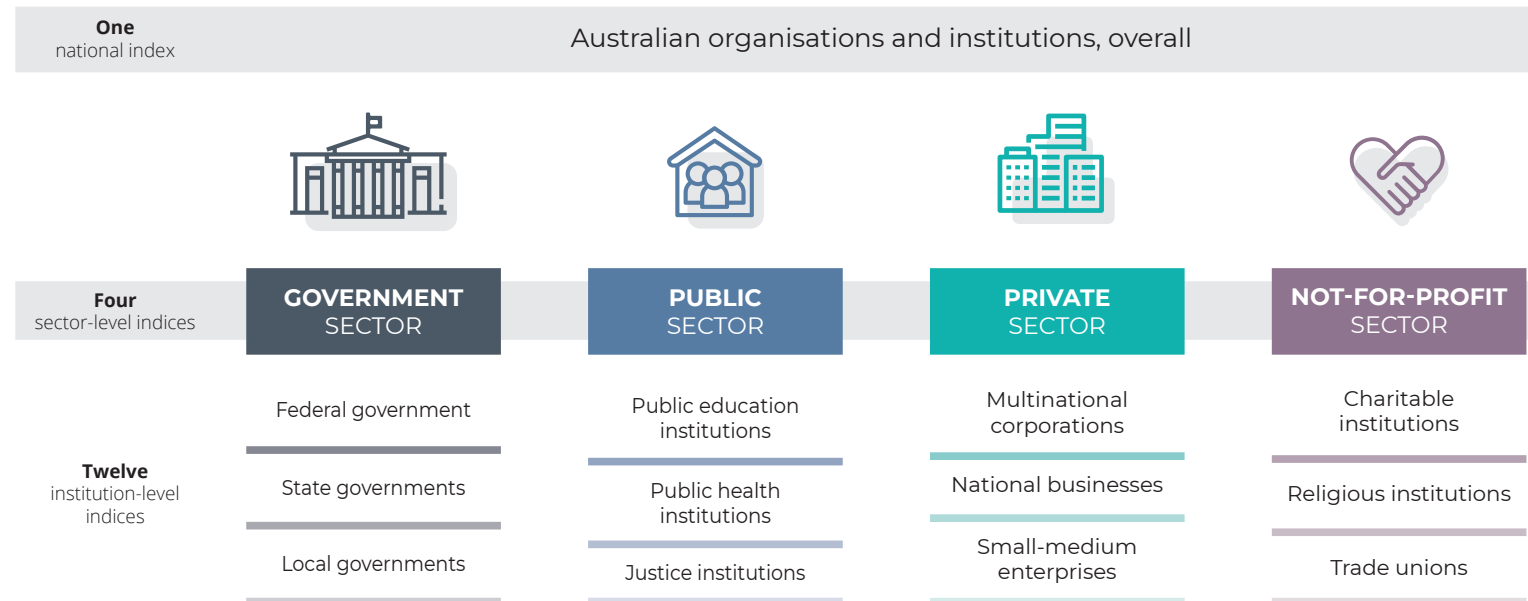ut 25 percent of respondents believe that charities show leadership for the greater good 'to some extent' or 'not at all', then charities are awarded an ALI score of 31.

Interpretation of ALI scores is straightforward: positive scores indicate that an institution is perceived, on balance, as showing leadership for the greater good and negative scores indicate that, on balance, an institution is not perceived as showing leadership for the greater good. An ALI score of zero means that an equal percentage of respondents have positive and negative beliefs about a given institution or sector.

Q: Based on your overall impressions, to what extent do you believe the federal government is showing leadingship for the greater good?

less 42   10%   32%   41%   13%   5%   18

ALI SCORE: -24

- Not at all
- To some extent
- To a moderate extent
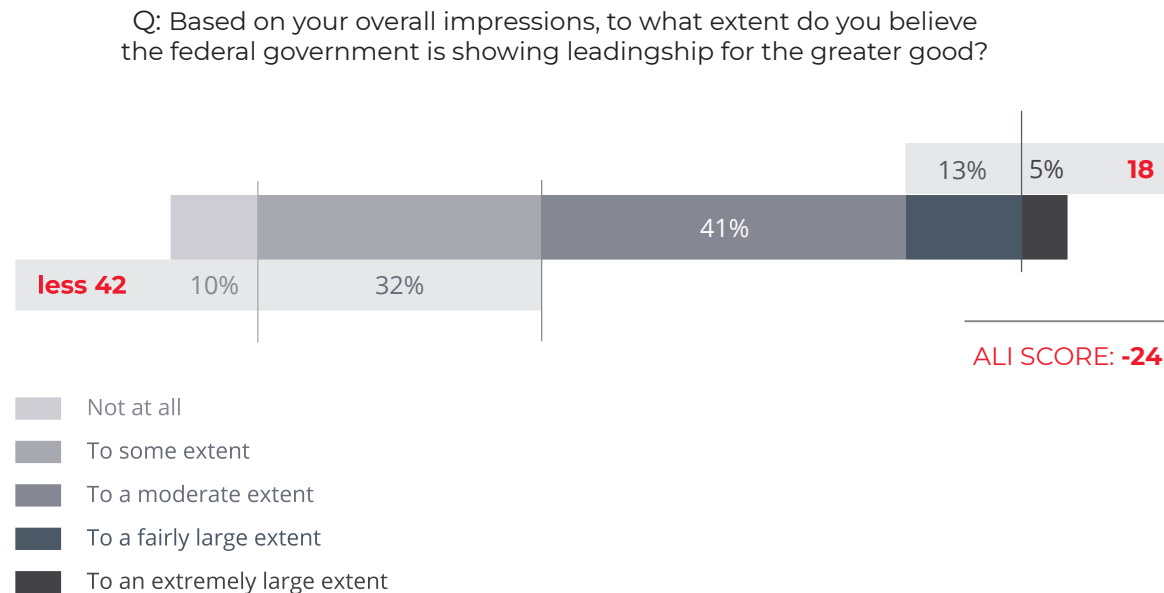- To a fairly large extent
- To an extremely large extent

FIGURE 3. CALCULATING THE AUSTRALIAN LEADERSHIP INDEX

SECTION 2

LEADERSHIP FOR THE GREATER GOOD

SECTION 2. LEADERSHIP FOR THE GREATER GOOD

OVERVIEW

Against a backdrop of unethical conduct, irresponsible leadership and distrust of authorities and institutions, there is a pervasive sense that we are not well served by our leaders.

There is a sense that, too often, leaders and the institutions they lead are disposed to serve a narrow group of interests before the public interest. As a result, there is a yearning for a culture of leadership that values and serves the greater good.

However, a range of key questions persist. What is the greater good? What is leadership for the greater good? What are the collective responsibilities of those who manage, govern and lead the institutions of the public, private, and plural sectors? How should authorities in these sectors behave in order to be perceived by the public as showing leadership for the greater good?

Despite the difficulty of defining the greater good and leadership for the greater good, it is critical to think and talk about these ideas and practices in the public domain as clearly as we possibly can. Only then will institutional leaders and the public be able to imagine, practice and sustain the leadership needed to ensure the long-term welfare and well-being of the general population; the common or greater good.

DEFINING THE GREATER GOOD

The concept of the 'greater good'—and its synonyms, the 'public good' and 'common good'—has the quality of being familiar and commonplace. Yet, these concepts are difficult to define or articulate in a precise or comprehensive way.

Moreover, as recently observed by the philosopher Hans Sluga (2014), the diverse conceptions of the good—such as justice, happiness, security, prosperity—and the variety of local, national or global communities for which the 'good' is sought militates against the identification of a single good. Furthermore, the greater good is as much about process as it about outcome.

However, a promising candidate for the greater good, apt in the context of our complex, pluralistic societies and wicked social, economic and ecological challenges, is the well-being of the whole (Wilson, 2016).

Understood in this way, the greater good is more an umbrella term for several interlocking concepts and conditions that underpin the survival and flourishing of life (Sluga, 2014).

Despite the complexity of the concept of the greater good and many competing scholarly perspectives (e.g., Hayek, 1960; Forsyth & Hoyt, 2011; Rawls, 1971), it is critical that the discussion about the greater good and leadership for the greater good moves into the public domain.

It is also important that the discussion of these ideas, as well as our expectations of leadership for the greater good, are characterised by a degree of compassion in relation to the difficulty of actually practising leadership for the greater good, riven as it is by tensions between values and goals (e.g., between social, economic and environmental goals), as well as uncertainty about what is the just, fair or right thing to do in pluralistic, complex societies (Graham et al., 2013). Leadership for the greater good is essential, but paradoxical (Cronin & Genovese, 2012), and therefore not easy.

Moreover, leadership for the greater good takes many forms. Its meaning and manifestation can vary across contexts. Leadership for the greater good can look quite different in the context of crises than in more peaceful times. Individuals and groups with different values, political orientations, worldviews and experience can differ markedly and reasonably in their appraisal of the greater good and leadership in its service (e.g., Mayer, 2018; Reich, 2018; Sandel, 2020).

DEFINING LEADERSHIP FOR THE GREATER GOOD

To render the concept of the greater good and leadership for the greater good less abstract, it is helpful to frame these ideas in more familiar, concrete terms.

Specifically, it is useful to think about the greater good, and leadership in its service, in terms of 'value' (Faulkner & Kaufman, 2017); namely, the types of value that needs to be created, regenerated and sustained in order to promote the survival and flourishing of life and to sustain the well-being of the whole.

This approach calls to mind the common, public and private goods that sustain collective well-being, as well as the principles that inform value creation and

distribution. In other words, this approach to thinking about the greater good invites us to think about the *types* of value that we collectively create, *how* we create value, and the people *for whom* we create value.

Framed in terms of leadership, specifically institutional leadership, this approach to thinking about the greater good, and leadership in its service, draws attention to the *types* of value that institutional leaders seek to create, *how* institutional leaders create value, and the stakeholders *for whom* institutional leaders create value (see *Figure 4*).

WHAT
value is created?

SOCIAL OUTCOMES
Preventing discrimination and creating equal opportunities for all

ECONOMIC OUTCOMES
Fostering innovation and providing job opportunities

ENVIRONMENTAL OUTCOMES
Protecting the environment and improving environmental sustainability

HOW
is value created?

TRANSPARENCY
Disclosing information that is relevant to the public interest

ETHICAL STANDARDS
Behaving in accord with relevant moral and ethical standards of professional conduct

ACCOUNTABILITY
Accepting responsibility for the positive and negative consequences of their actions

FOR WHOM
is value created?

RESPONSIVE TO SOCIETY
Responsive to the interests of society-at-large

RESPONSIVE TO PEOPLE'S NEEDS
Responsive to the needs and interests of the people they serve

BALANCES NEEDS OF DIFFERENT GROUPS
Balancing the interests of different stakeholders

FIGURE 4. LEADERSHIP FOR THE GREATER GOOD REFLECTS WHAT VALUE IS CREATED, HOW AND FOR WHOM

MEASURING LEADERSHIP FOR THE GREATER GOOD

Understood in this way, the value-relevant outcomes of institutional behaviour allow inferences to be made about institutional leaders' concern for, and stewardship of, the greater good.

Moreover, because stewardship of the greater good is not the sole responsibility of any single institution, but all institutions whose actions have some bearing on it, leadership for the greater good transcends specific institutions and sectors.

The model of institutional leadership that underpins the Australian Leadership Index delineates these three aspects of leadership for the greater good and measures public beliefs about these aspects across the institutions of the government, public, private and not-for-profit sectors.

Regarding the *type* of value, ALI assesses public perceptions and expectations regarding the extent to which institutional leaders should focus on creating positive social, environmental and economic outcomes. Creating positive social outcomes includes preventing discrimination and creating equal opportunities for all. Creating positive environmental outcomes includes protecting the environment and improving environmental sustainability. Finally, creating positive economic outcomes includes fostering innovation and job opportunities.

Regarding *how* institutional leaders create value, ALI assesses public perceptions of the extent to which institutions are, and should be, accountable, transparent and ethical in their conduct. Accountability refers to the extent to which institutions accept responsibility for the positive and negative consequences of their actions. Transparency refers to the extent to which institutions disclose information that is relevant to the public interest. Ethicality refers to the extent to which institutions behave in accord with relevant moral and ethical standards of professional conduct.

Finally, with regard to the stakeholders *for whom* leaders create value, ALI assesses public perceptions and expectations of the extent to which institutions are alive and responsive to the needs and interests of the people they serve (e.g., internal stakeholders like employees and external stakeholders like customers or constituents) as well as the interests of society-at-large. ALI also assess perceptions and expectations of the degree to which institutions balance the needs and interests of different stakeholders, which may not necessarily be congruent.

In sum, leadership for the greater good occurs when institutional leaders seek to create value for their stakeholders and society at large in a manner that is transparent, accountable and ethical.

SECTION 3
RESULTS

PART 1. OVERVIEW OF FINDINGS

SECTION 3. RESULTS

Part 1. Overview of findings

OVERALL PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Throughout 2020, overall ALI scores ranged from -13 to +15 (*see Figure 5*), producing an average ALI score of 3 for the year. On balance, this means that the public think Australian organisations and institutions show leadership for the greater good.
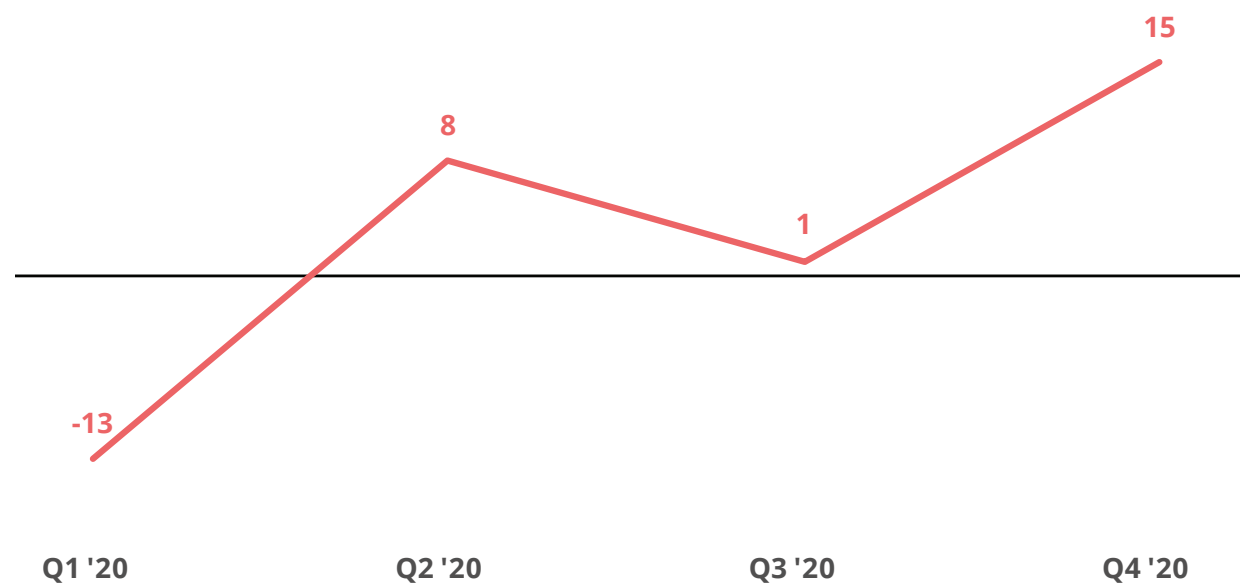

Q1 '20	Q2 '20	Q3 '20	Q4 '20

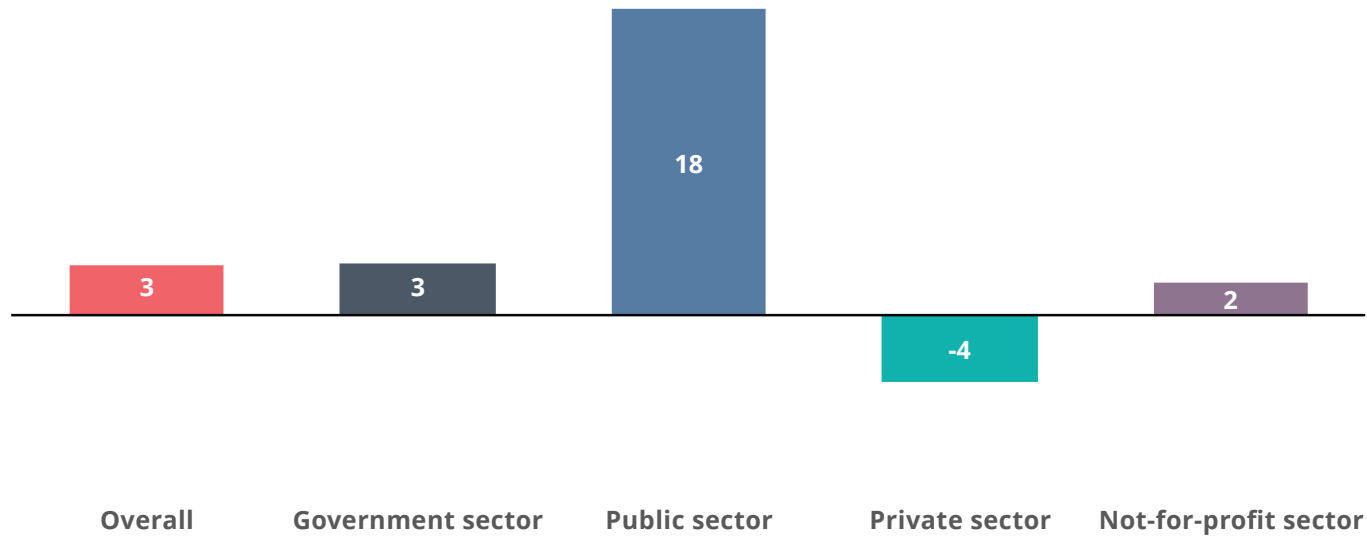FIGURE 5. OVERALL ALI SCORE, MARCH–DECEMBER 2020

FIGURE 6. ALI SCORES OVERALL AND ACROSS SECTORS, 2020

FIGURE 7. QUARTERLY ALI SCORES ACROSS SECTORS

SECTOR-LEVEL LEADERSHIP

Government sector. In stark contrast with previous years, the government sector is perceived as demonstrating leadership for the greater good. Throughout 2020, ALI scores for this sector ranged from -21 to +18 (*see Figure 7*), producing an average ALI score of +3 for the year (*see Figure 6*).

Public sector. The public sector is perceived as the best performer in terms of leadership for the greater good. Throughout 2020, ALI scores for this sector ranged from +3 to +28 (*see Figure 7*), producing an average ALI score of +18 for the year (*see Figure 6*).

Private sector. The private sector is perceived as showing the least leadership for the greater good. Throughout 2020, the ALI scores for this sector ranged from -15 to +8 (*see Figure 7*), producing an average ALI score of -4 for the year (see *Figure 6*). This is the only sector that recorded a negative ALI score in 2020.

Not-for-profit sector. Overall, the not-for-profit sector is seen as a poor performer in terms of leadership for the greater good. Throughout 2020, ALI scores for this sector ranged from -5 to +11 (*see Figure 7*), producing an average ALI score of +2 for the year (see *Figure 6*).

Further details on the performance of each sector can be found in part 2 of the results.

INSTITUTION-LEVEL LEADERSHIP

As depicted in *Figure 8*, charities (+29) are perceived most favourably among all the institutions measured by the ALI. Trade unions (-12) and religious institutions (-11) are not seen as serving the greater good, highlighting the marked differences among not-for-profit institutions.

Public health institutions (+28) are viewed as showing a high degree of leadership for the greater good. Public health is a stronger performer than other public sector institutions, including public education (+14) and justice (+13).

Among government institutions, state (+7) and federal (+5) governments are perceived positively. By contrast, local governments (-2) are not seen as serving the greater good.

In the private sector, and amongst all institutions rated, multinational corporations (-13) are perceived most negatively. Large national businesses (-6) are also perceived negatively. By contrast, small-medium enterprises (+8) are viewed favourably, leading the way among business institutions in terms of perceived leadership for the greater good.

Institution	ALI Score
Charitable organisations	29
Public health institutions	28
Public education institutions	14
Justice institutions	13
Small-medium enterprises	8
State government	7
Federal government	5
Local government	-2
Large national businesses	-6
Religious institutions	-11
Trade unions	-12
Multinational corporations	-13
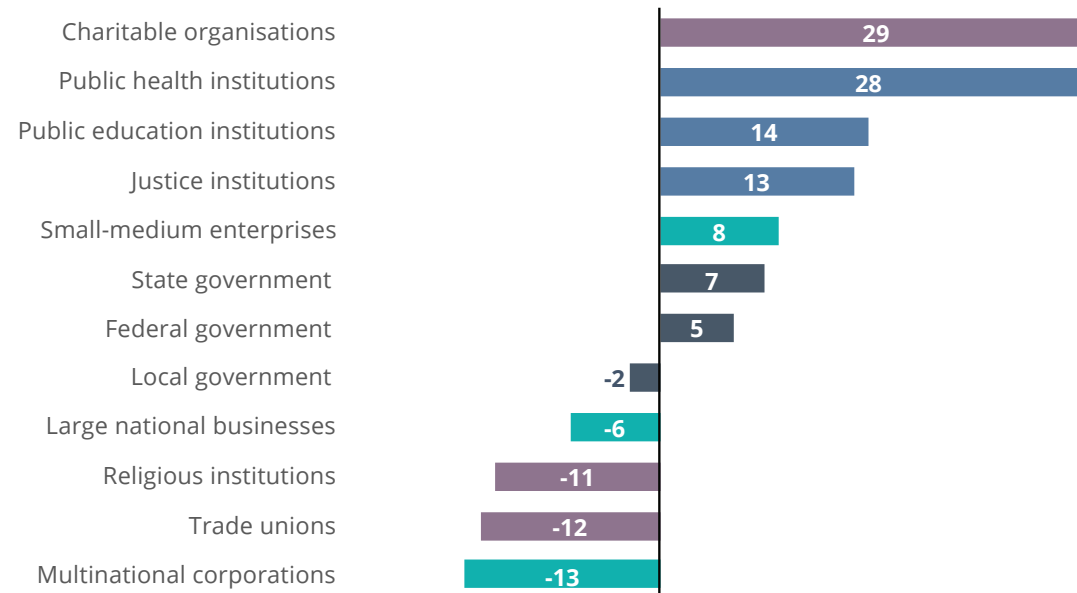
FIGURE 8. ALI SCORES FOR ALL INSTITUTIONS, RANKED FROM HIGHEST TO LOWEST

LEGEND

1   Federal government

2   State governments

3   Local governments

4   Public health institutions

5   Public education institutions

6   Justice institutions

7   Small-medium enterprises

8   National businesses

9   Multinational corporations

10   Charitable organisations

11   Religious institutions

12   Trade unions

FIGURE 9. PERCEIVED PERFORMANCE-EXPECTED PERFORMANCE MATRIX (OVERALL) *

* A five-point scale is used for ratings of perceptions and expectations of the *type* of value that institutions seek to create, *how* institutions create value, and *for whom* institutions create value, where 1 = 'not at all', 2 = 'to some extent', 3 = 'to a moderate extent', 4 = 'to a fairly large extent' and 5 = 'to an extremely large extent'.

THE GAP BETWEEN PERCEPTIONS AND EXPECTATIONS

Although measuring perceptions of leadership is necessary to establish the perceived state of leadership for the greater good in Australian institutions, it is just as important to understand what the general public *expects* of different institutions and sectors.

To visualise the match, or mis-match, between public perceptions and expectations, *Figure 9* displays a *perceived* performance-*expected* performance matrix using the average score for perceptions and expectations across the nine indicators of leadership for the greater good.

Although all sectors failed to meet public expectations of leadership of the greater good, there are important differences between institutions (see *Figure 9*).

Of all institutions measured, charities, public health and public education institutions came the closest to meeting public expectations. By contrast, the institutions of the government and business sectors are most discrepant with community expectations.

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

The next important question to consider is: what are the predictors or drivers of public perceptions of institutional leadership for the greater good? To answer this question, the extent to which the nine indicators of leadership for the greater good predict public perceptions of leadership is analysed.

In this section, the results for the predictors of perceptions of leadership for the greater good are reported, aggregating across the twelve institutions of the government, public, private and not-for-profit sectors. Sector and institution-specific results are presented in Section 3, Part 2.

As depicted in *Figure 10*, the strongest predictor of public perceptions of leadership for the greater good is the degree to which institutional leaders appear to be alive and responsive to interests of society at large. This result means that the more institutional leaders are seen as responsive to the

interests of society, the more they are perceived as demonstrating leadership for the greater good.

Other strong predictors of public perceptions of leadership for the greater good are institutional leaders' focus on the creation of positive social outcomes—that is, social value—as well as their ethicality and accountability. This result suggests that leadership in the service of the public interest is as much about process as it is outcome. Specifically, the more institutional leaders are judged to focus on creating social value, and the more ethical and accountable they are in the process of creating this value, the more they are regarded as showing leadership for the greater good. Notably, at this level of analysis, institutional leaders' focus on creating economic value has no impact on public perceptions of leadership for the greater good.

Focuses on creating positive economic outcomes 0%

Focuses on creating positive environmental outcomes 5%

Balances the needs of different groups 6%

Responsive to the interests of society 20%

Responsive to the people they serve 8%

Demonstrates high ethical standards 18%

Demonstrates transparency 9%

Focuses on creating positive social outcomes 18%

Demonstrates accountability 16%

Predictors of perceptions of leadership for the greater good (all sectors)
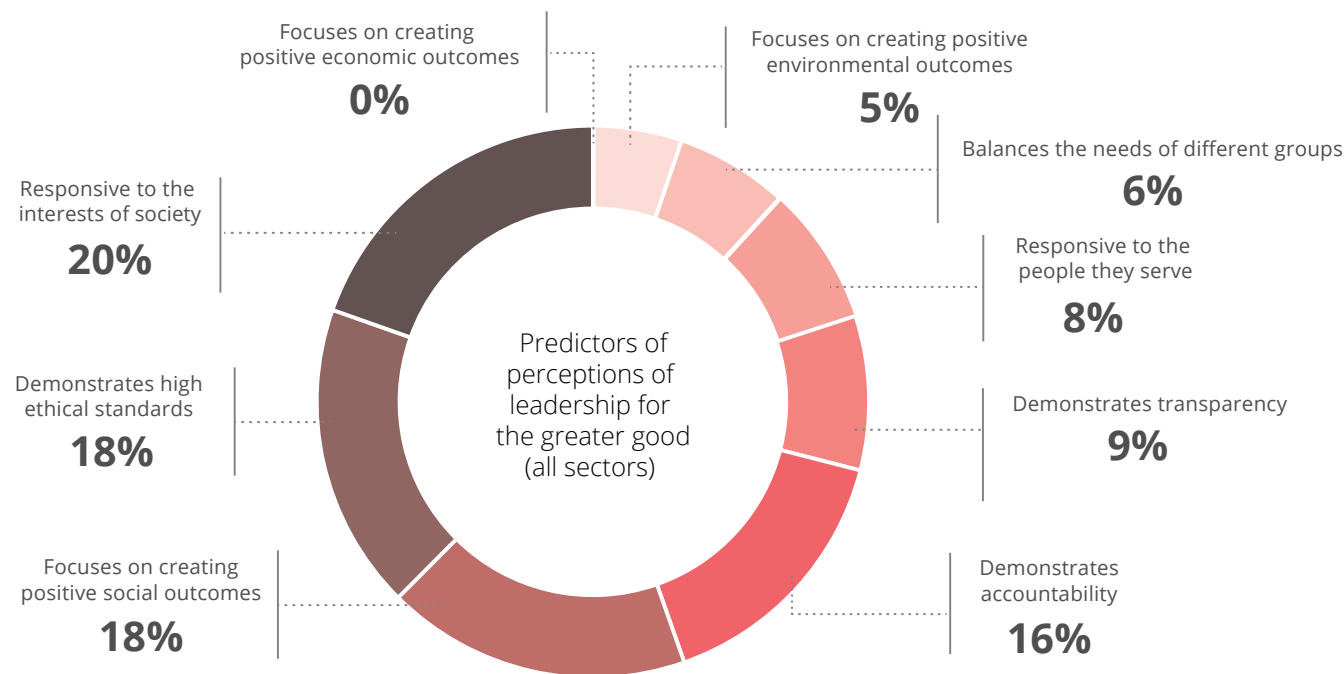
FIGURE 10. DRIVERS OF PUBLIC PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD ACROSS ALL SECTORS

RESULTS

PART 2. SECTOR AND INSTITUTION BREAKDOWN

GOVERNMENT SECTOR

Australian Leadership Index

SCORE 3

OVERVIEW

2020 was an eventful year for the government sector. Key events included:

- In the first part of the year, both federal and state governments were faced with managing the 2019/2020 bushfire crisis.

- From March, all levels of government faced the COVID-19 crisis, with many states enacting lockdowns.

- In March, the National Cabinet between the Federal and State governments was formed.

- On March 20, Australia closed its borders to all non-residents and non-Australian citizens.

- On March 24, Western Australia, South Australia and the Northern Territory closed their interstate borders.

- A criminal investigation into the Ruby Princess release of passengers was launched in April.

- In May, many of Victoria's new cases of COVID-19 were linked to a breach in hotel quarantine arrangements.

- The JobKeeper wage subsidy program was announced by the Federal Government.

- In late June, Victoria enacted a second lockdown; in August, a state of disaster was declared and the entire metropolitan region entered a Stage 4 lockdown.

- In July, the Federal Government announced that the Coronavirus Supplement and JobKeeper subsidy would be extended beyond September.

- The Labor Party secured an election victory in the Queensland state election in October.

- Victoria recorded no new cases of coronavirus on November 27th for 28 days, the benchmark for considering a virus eliminated from the community.

PERCEPTIONS OF THE GOVERNMENT SECTOR

Overall, the government sector is perceived as showing leadership for the greater good (+3), although there are marked differences between government institutions (*see Figure 11*). State governments are viewed most favourably, while local governments are viewed least favourably.
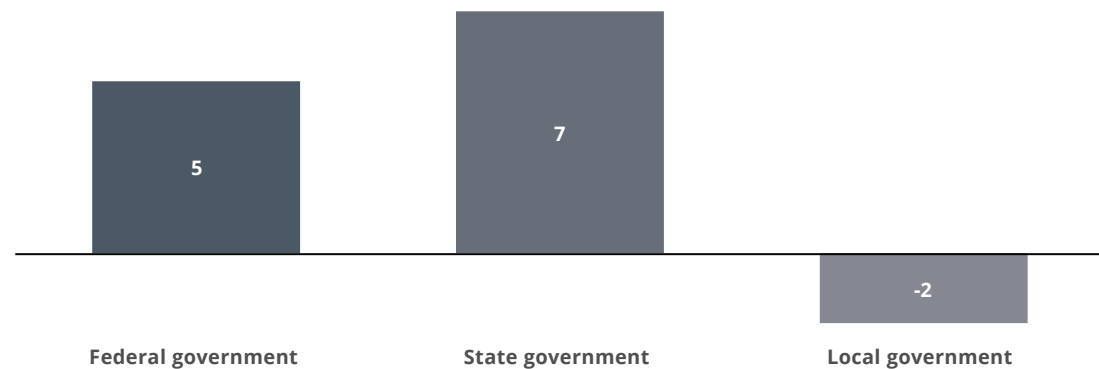

Federal government	State government	Local government
5	7	-2

FIGURE 11. ALI SCORES FOR FEDERAL, STATE AND LOCAL GOVERNMENTS

EXPECTATIONS OF THE GOVERNMENT SECTOR

The public has the highest expectations about *how* the government sector should create value (i.e., accountability, ethicality and transparency), as well as the stakeholders *for whom* it creates value (i.e., people it serves and society-at-large; see *Figure 12*).. Public expectations are lowest with respect to the focus of government on creating positive environmental outcomes (e.g., protecting the environment and improving environmental sustainability).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

Although the gap is substantial, the smallest gap between public perceptions and expectations is found for the government sector's focus on creating positive economic outcomes. The largest gaps are found for accountability, ethicality and transparency, as well as its responsiveness to the people it serves. In general, there is a marked discrepancy between public perceptions and expectations across all indicators of government leadership for the greater good.

	Perceived	Expected	GAP
Focuses on creating positive social outcomes	36%	70%	-34%
Focuses on creating positive economic outcomes	41%	72%	-31%
Focuses on creating positive environmental outcomes	33%	67%	-34%
Demonstrates transparency	31%	73%	-42%
Demonstrates high ethical standards	34%	73%	-39%
Demonstrates accountability	34%	74%	-40%
Responsive to the people they serve	35%	74%	-39%
Responsive to the interests of society	35%	73%	-38%
Balances the needs of different groups	33%	70%	-37%

Perceived performance   Expected performance

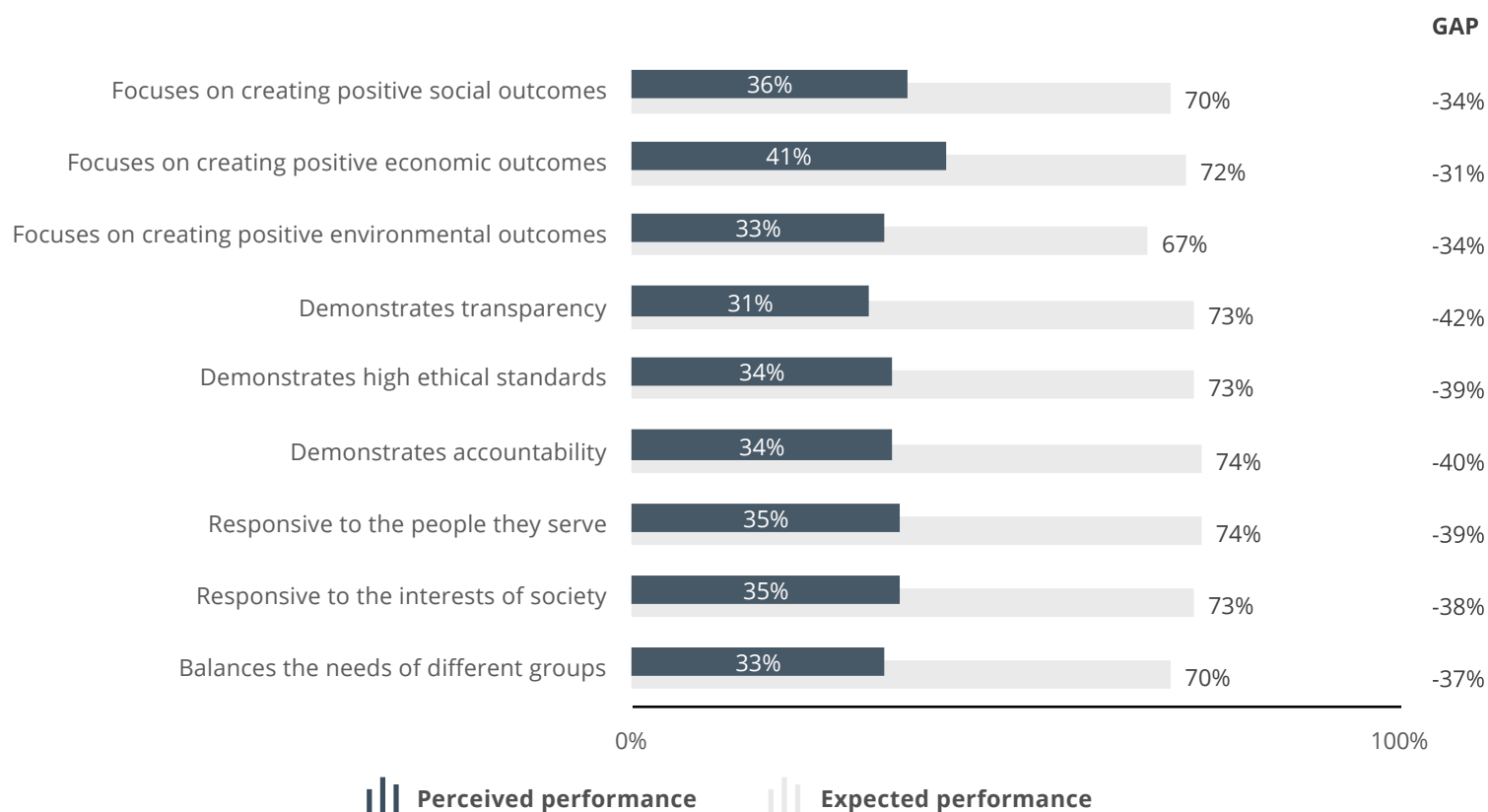**FIGURE 12. PERCEPTIONS, EXPECTATIONS AND THE PERFORMANCE-EXPECTATION GAP IN THE GOVERNMENT SECTOR**

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 13*, the top predictors of public perceptions of leadership for the greater good in the government sector are:

1. responsive to the interests of society;

2. responsive to the people they serve; and

3. demonstrates high ethical standards.

These findings suggest that the government sector can improve public perceptions of its leadership by improving their apparent responsiveness to the needs and interests of the people they serve and the society-at-large and by demonstrating a stronger adherence to high ethical standards.

Definition

The government sector comprises local and state governments and the federal government. Included within this category are political parties, if they represent the incumbent government, and elected representatives.

Focuses on creating positive economic outcomes
1%

Focuses on creating positive environmental outcomes
3%

Balances the needs of different groups
5%

Responsive to the interests of society
20%

Responsive to the people they serve
17%

Demonstrates transparency
7%

Predictors of perceptions of leadership for the greater good (government)

Demonstrates high ethical standards
17%

Demonstrates accountability
15%

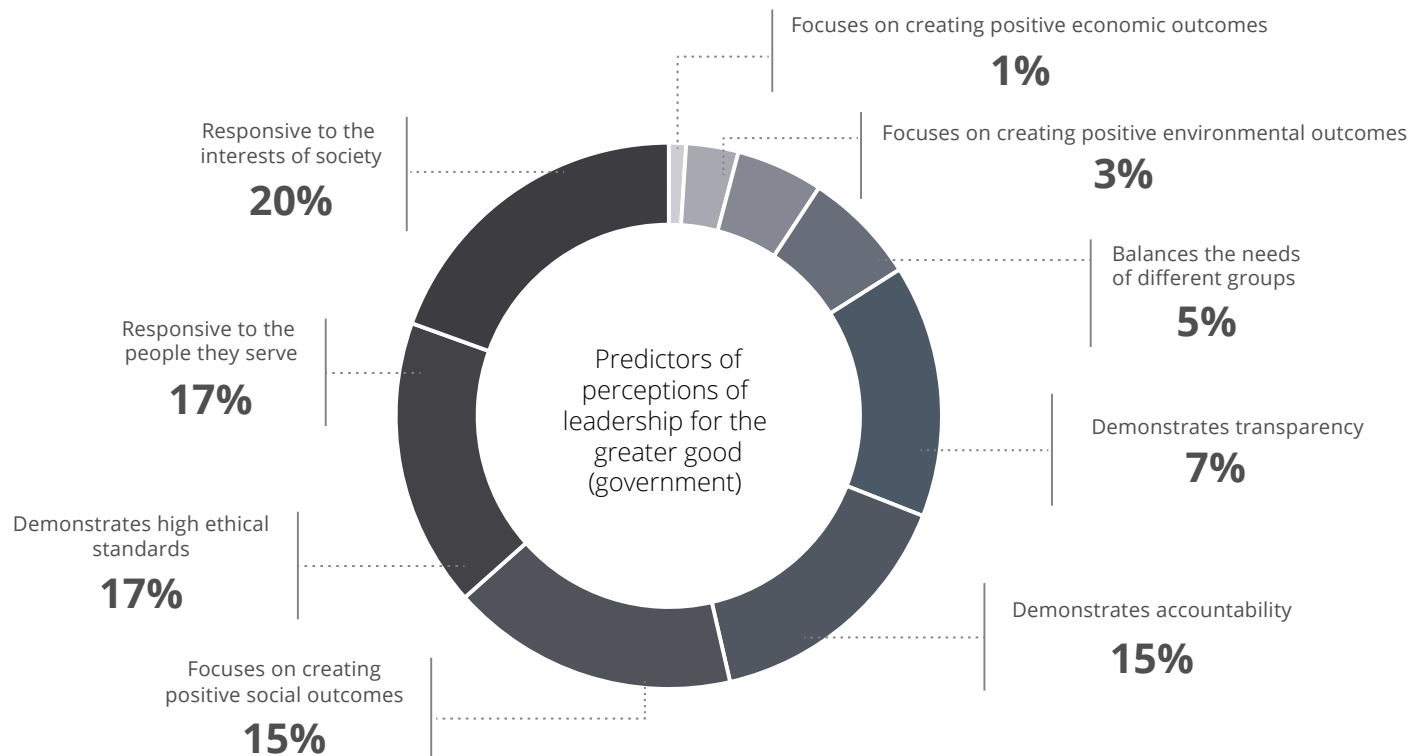Focuses on creating positive social outcomes
15%

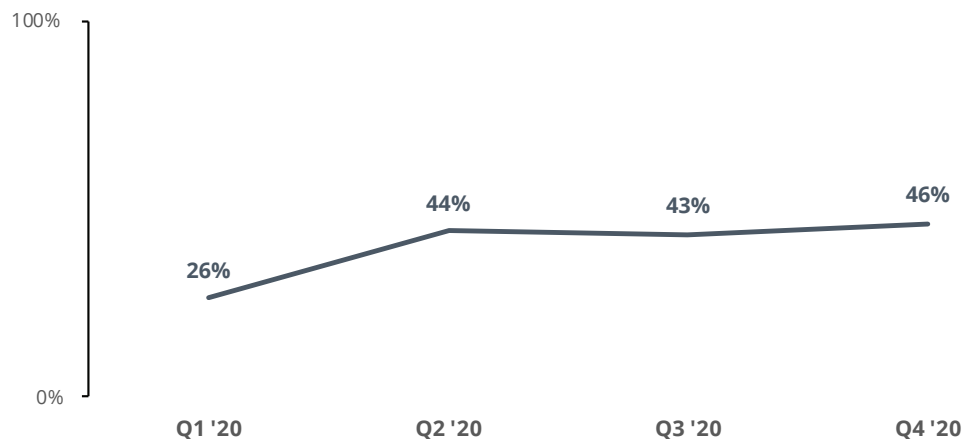**FIGURE 13. PREDICTORS OF PERCEPTIONS OF GOVERNMENT SECTOR LEADERSHIP FOR THE GREATER GOOD**

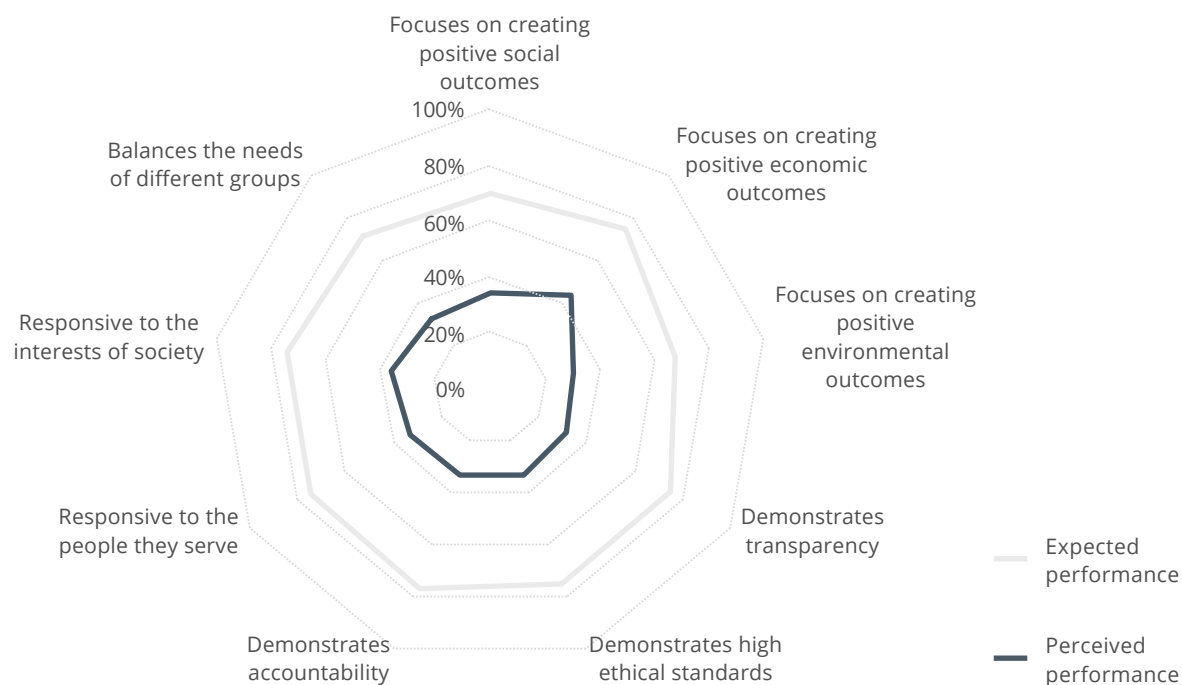**FIGURE 14. PERCEPTIONS OF FEDERAL GOVERNMENT LEADERSHIP FOR THE GREATER GOOD**

FIGURE 15. EXPECTATIONS AND PERCEPTIONS OF THE FEDERAL GOVERNMENT

FEDERAL GOVERNMENT

Australian Leadership Index

SCORE
5

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by the federal government are moderate. On average, 40% of respondents think the federal government shows leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 14*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gap between public perceptions and expectations is found for the federal government's focus on creating positive economic outcomes. The largest gaps are found for accountability, ethicality and transparency, as well as federal government responsiveness to the people it serves (*see Figure 15*).

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 16*, the top predictors of public perceptions of federal government leadership for the greater good are:

1. responsive to the people they serve;
2. demonstrates high ethical standards; and
3. responsive to the interests of society.

These findings suggest that the federal government can improve public perceptions of its leadership for the greater good by improving its apparent responsiveness to the needs and interests of the people they serve and society at large and by demonstrating stronger adherence to high ethical standards.

Demonstrates transparency
1%

Focuses on creating positive economic outcomes
0%

Responsive to the people they serve
26%

Demonstrates high ethical standards
22%

Balances the needs of different groups
5%

Focuses on creating positive social outcomes
6%

Focuses on creating positive environmental outcomes
6%

Demonstrates accountability
13%

Responsive to the interests of society
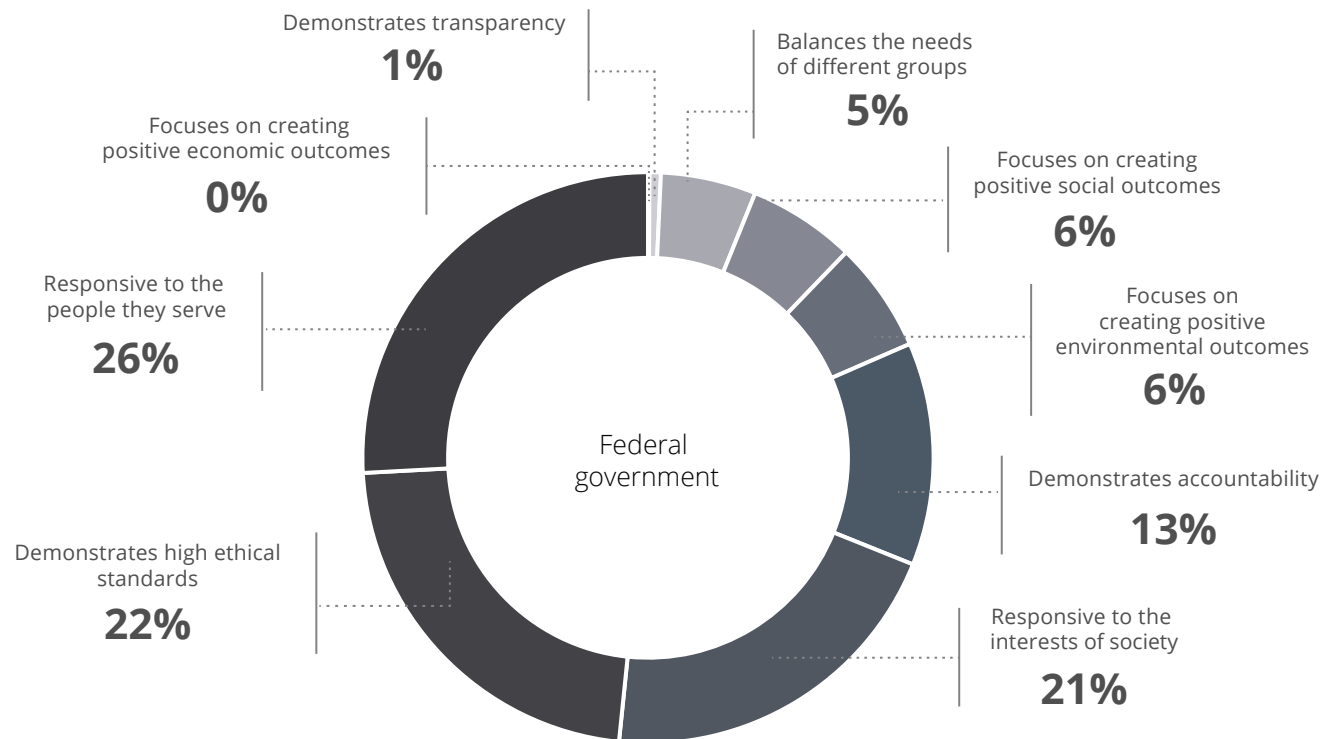**21%**

Federal government

FIGURE 16. PREDICTORS OF PERCEPTIONS OF FEDERAL GOVERNMENT LEADERSHIP FOR THE GREATER GOOD
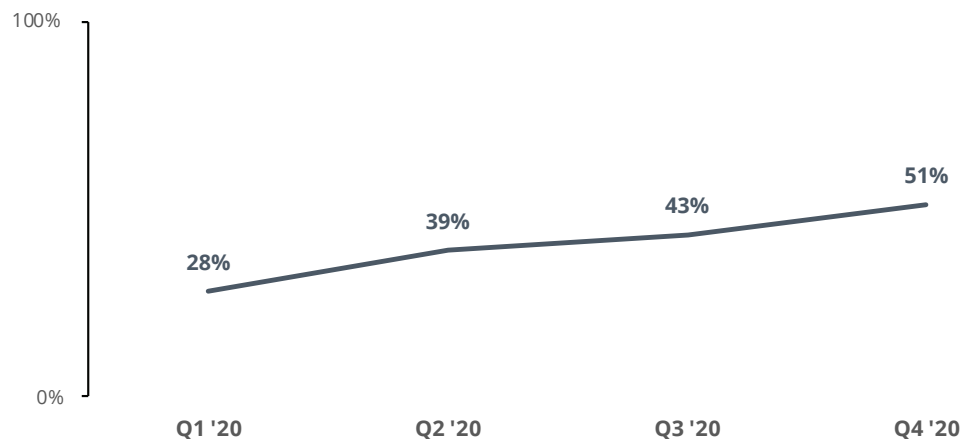
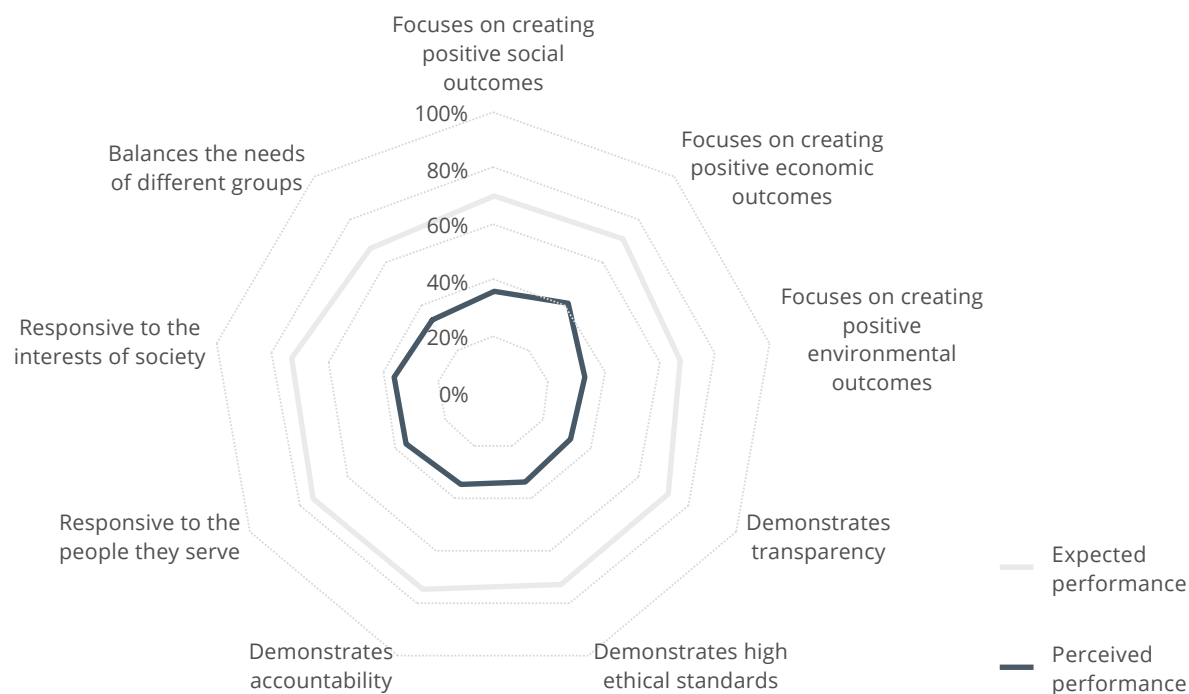**FIGURE 17. PERCEPTIONS OF STATE GOVERNMENTS' LEADERSHIP FOR THE GREATER GOOD**

28%
39%
43%
51%

Q1 '20   Q2 '20   Q3 '20   Q4 '20

STATE GOVERNMENT

Australian Leadership Index

SCORE
7

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by state governments are moderate. On average, 40% of respondents think state governments show leadership for the greater good to a 'fairly large' or 'extremely large' extent (see *Figure 17*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gaps between public perceptions and expectations are found for state governments' focus on creating social, economic and environmental value, as well as the extent to which they balance the needs of different groups of stakeholders. The largest discrepancies between public perceptions and expectations are found for accountability, ethicality and transparency (see *Figure 18*).

FIGURE 18. EXPECTATIONS AND PERCEPTIONS OF STATE GOVERNMENTS

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 19*, the top predictors of public perceptions of state government leadership for the greater good are:

1. responsive to the interests of society;

2. responsive to the people they serve; and

3. focuses on creating positive social outcomes.

These findings suggest that state governments can improve public perceptions of their leadership by improving their apparent responsiveness to the interests of the wider society and the people they serve, as well as by increasing their focus on the creation of social value.

Focuses on creating positive environmental outcomes
0%

Focuses on creating positive economic outcomes
6%

Responsive to the interests of society
18%

Balances the needs of different groups
10%

Demonstrates transparency
11%

State government

Responsive to the people they serve
17%

Demonstrates accountability
11%

Focuses on creating positive social outcomes
15%

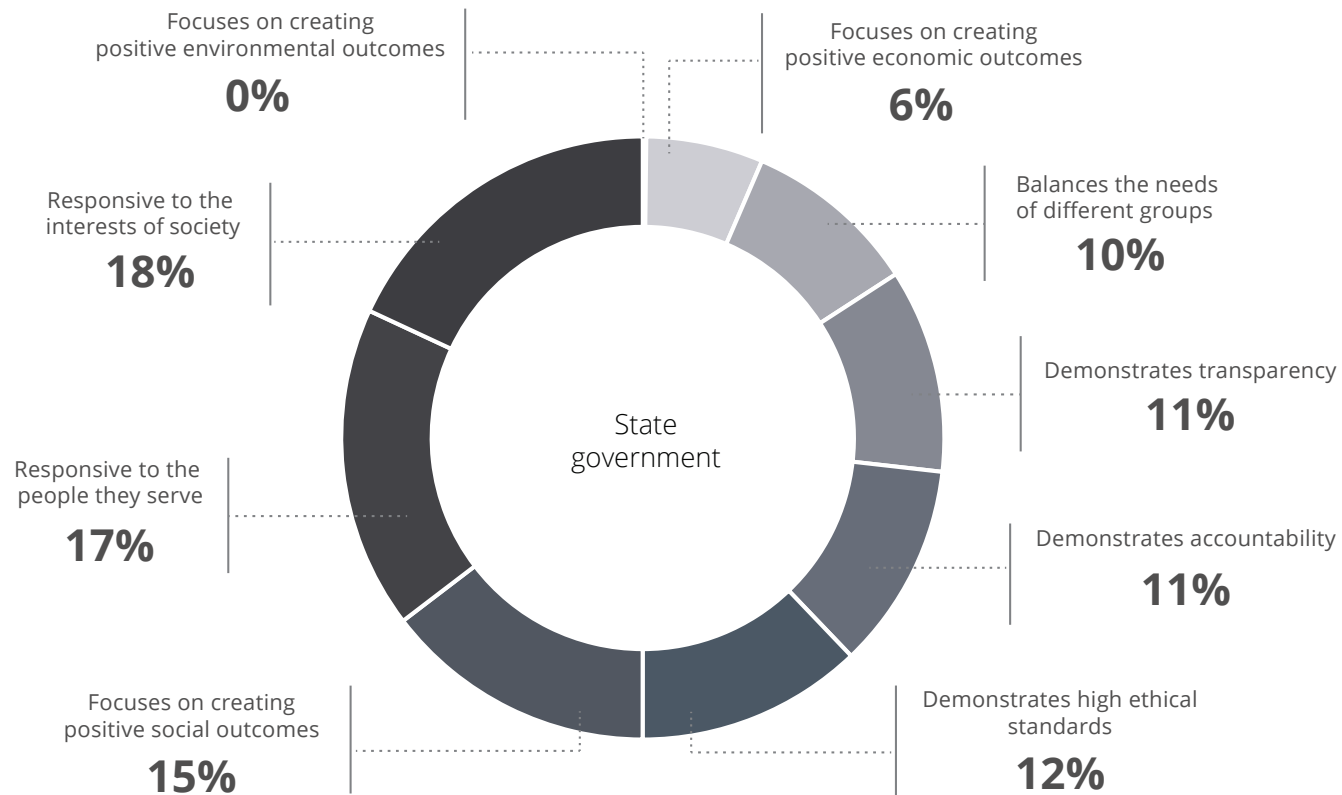Demonstrates high ethical standards
12%

FIGURE 19. PREDICTORS OF PERCEPTIONS OF STATE GOVERNMENT LEADERSHIP FOR THE GREATER GOOD
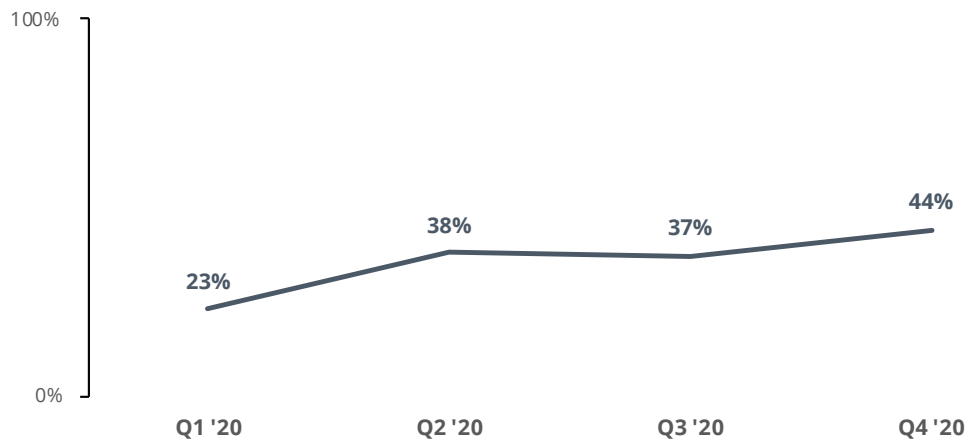
FIGURE 20. PERCEPTIONS OF LOCAL GOVERNMENT LEADERSHIP FOR THE GREATER GOOD

LOCAL GOVERNMENT

Australian
Leadership
Index

SCORE
-2

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by local governments are moderate. On average, 36% of respondents think local governments show leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 20*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gaps between public perceptions and expectations are found for local governments' focus on creating economic, social and environmental value. The largest gaps are found for accountability, ethicality and transparency, as well as local government responsiveness to the people it serves (*see Figure 21*).

FIGURE 21. EXPECTATIONS AND PERCEPTIONS OF LOCAL GOVERNMENT

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 22*, the top predictors of public perceptions of local government leadership for the greater good are:

1. responsive to the interests of society;

2. demonstrates high ethical standards; and

3. responsive to the people they serve.

These findings suggest that local governments can improve public perceptions of their leadership by improving their responsiveness to the needs and interests of the people in their community and demonstrating stronger adherence to high ethical standards of conduct.

Focuses on creating positive economic outcomes
2%

Focuses on creating positive environmental outcomes
1%

Balances the needs of different groups
5%

Responsive to the interests of society
20%

Demonstrates transparency
8%

Local government

Demonstrates high ethical standards
17%

Focuses on creating positive social outcomes
15%

Responsive to the people they serve
16%

Demonstrates accountability
16%

FIGURE 22. PREDICTORS OF PERCEPTIONS OF LOCAL GOVERNMENT LEADERSHIP FOR THE GREATER GOOD

Australian Leadership Index

OVERVIEW

The public sector struggled in its response to COVID-19 in 2020. Key news events included:

- COVID-19 was declared a pandemic by the World Health Organization on 11 March 2020.
- Many schools and universities were affected by closures due to the coronavirus, with the need to convert many educational materials to online formats.

- Universities faced substantial job losses due to the coronavirus and the loss of many international students.
- The health sector was regarded positively, particularly with public hospitals across Australia bracing for a wave of COVID-19 patients.
- Police were faced with the challenging task of dealing with protest groups, including Black Lives Matter (in June) and anti-lockdown protests.

- In December, the University of Queensland and CSL announced the discontinuation of work on their COVID-19 vaccine due to HIV false positives in their testing.
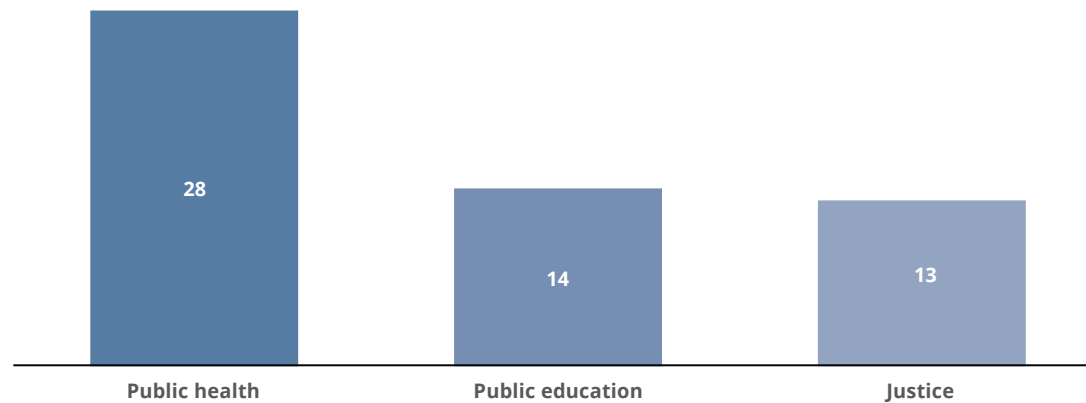
PERCEPTIONS OF THE PUBLIC SECTOR

Public health institutions are viewed most favourably, followed by public education and Justice institutions (*see Figure 23*).

FIGURE 23. ALI SCORES FOR PUBLIC HEALTH, PUBLIC EDUCATION AND JUSTICE INSTITUTIONS

EXPECTATIONS OF THE PUBLIC SECTOR

The public has the highest expectations with respect to *how* the public sector creates value (i.e., accountability, ethical standards), as well as about their responsiveness to the people they serve (see *Figure 24*). Expectations are lowest regarding the extent to which the public sector should focus on creating economic and environmental value.

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gaps between public perceptions and expectations are found for the public sector's focus on creating economic and environmental value. The largest gaps are related to the sector's accountability and transparency.

	GAP
Focuses on creating positive social outcomes	42% / 66%	-24%
Focuses on creating positive economic outcomes	36% / 52%	-16%
Focuses on creating positive environmental outcomes	34% / 54%	-20%
Demonstrates transparency	40% / 73%	-33%
Demonstrates high ethical standards	47% / 76%	-29%
Demonstrates accountability	43% / 75%	-32%
Responsive to the people they serve	45% / 74%	-29%
Responsive to the interests of society	43% / 72%	-29%
Balances the needs of different groups	42% / 69%	-27%

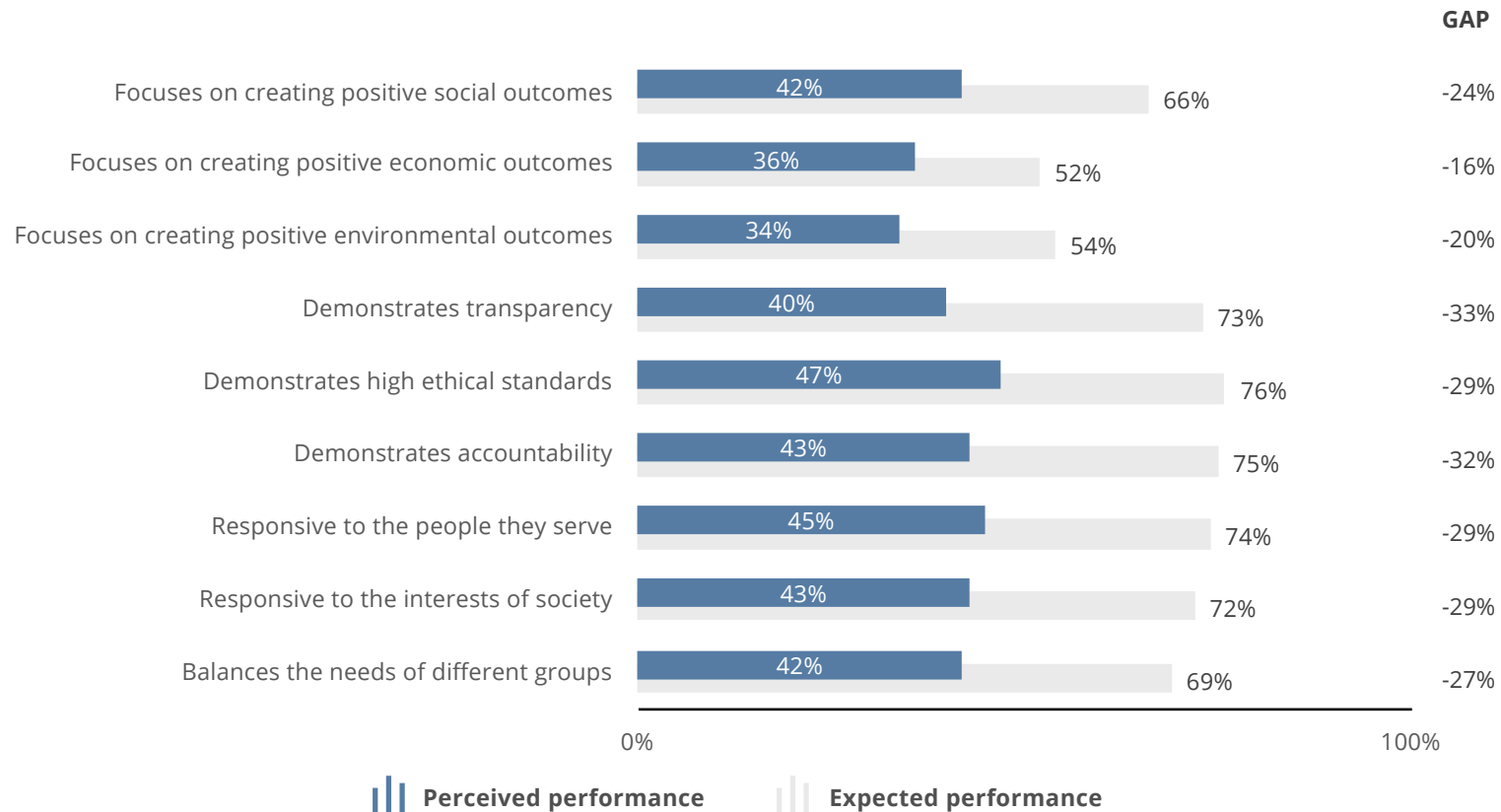Perceived performance   Expected performance

FIGURE 24. PERCEPTIONS, EXPECTATIONS AND THE PERFORMANCE-EXPECTATION GAP IN THE PUBLIC SECTOR

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 25*, the top predictors of public perceptions of public sector leadership for the greater good are:

1. responsive to the interests of society;

2. demonstrates high ethical standards; and

3. responsive to the people they serve.

These findings suggest that the institutional leaders in the public sector can improve public perceptions of their leadership by improving their apparent responsiveness to the needs and interests of the people they serve and society at large, and by demonstrating adherence to high ethical standards.

Definition

The public sector is represented by public health institutions (e.g., public hospitals), public education institutions (e.g., public primary and secondary schools, TAFE, public universities) and justice institutions, which refers to those institutions that deliver legal, judicial and custodial services to the Australian community by managing courts, correctional services and justice services (e.g., the courts, the police).

Focuses on creating positive environmental outcomes
1%

Focuses on creating positive economic outcomes
2%

Balances the needs of different groups
5%

Demonstrates transparency
8%

Responsive to the interests of society
20%

Public sector

Focuses on creating positive social outcomes
15%

Demonstrates high ethical standards
17%

Demonstrates accountability
16%

Responsive to the people they serve
16%

FIGURE 25. PREDICTORS OF PERCEPTIONS OF PUBLIC SECTOR LEADERSHIP FOR THE GREATER GOOD

PUBLIC HEALTH

Australian Leadership Index

SCORE 28

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by public health institutions are strong. On average, 50% of respondents think public health institutions show leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 26*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gaps between public perceptions and expectations are found for public health institutions' focus on creating positive economic, social, and environmental outcomes. The largest gaps are found for public health institutions' transparency and accountability (*see Figure 27*).
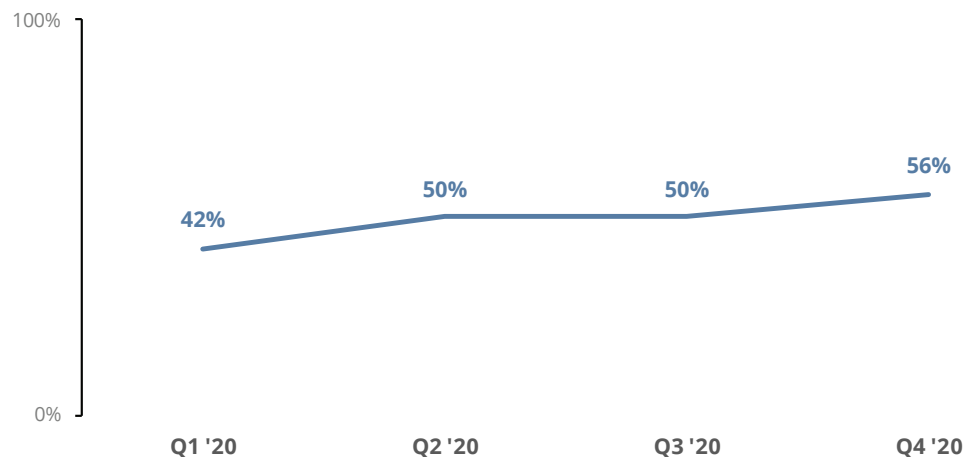
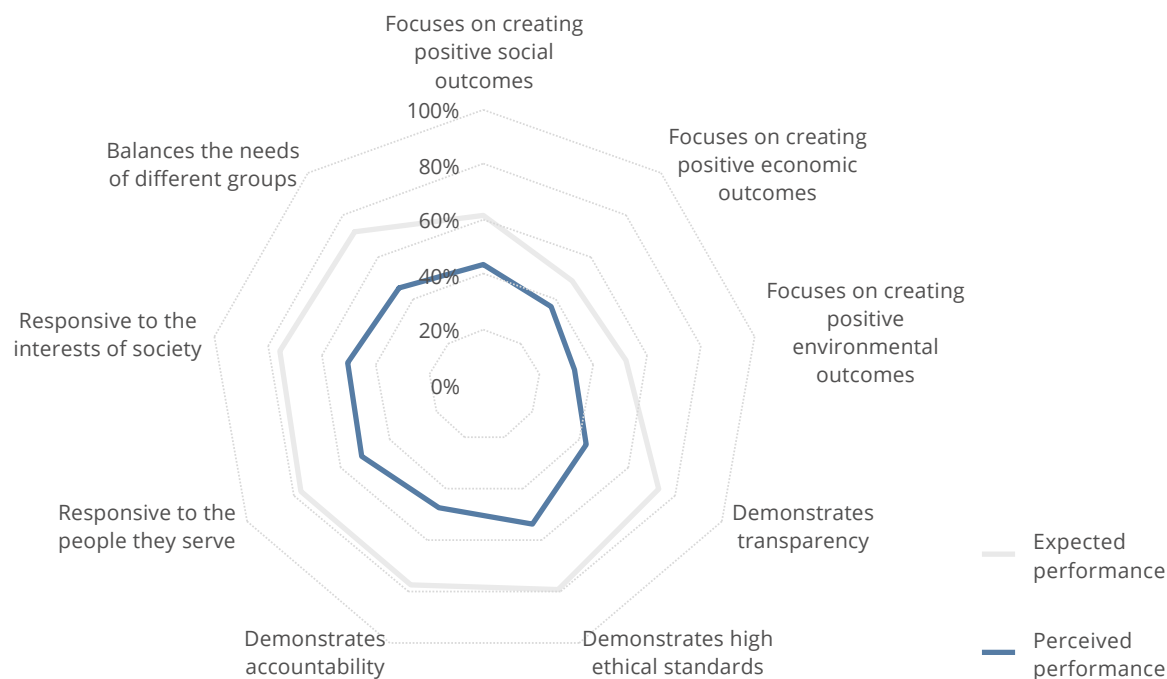**FIGURE 26. PERCEPTIONS OF PUBLIC HEALTH INSTITUTIONS' LEADERSHIP FOR THE GREATER GOOD**

FIGURE 27. EXPECTATIONS AND PERCEPTIONS OF PUBLIC HEALTH INSTITUTIONS

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 28*, the top predictors of perceptions of public health leadership for the greater good are:

1. responsive to the interests of society;

2. demonstrates high ethical standards; and

3. focuses on the creation of positive social outcomes.

These findings suggest that public health institutions can improve public perceptions by improving their responsiveness to the needs and interests of the wider society, demonstrating high ethical standards, and focusing on the creation of social value for their stakeholders.

Focuses on creating positive economic outcomes
0%

Balances the needs of different groups
0%

Demonstrates transparency
4%

Focuses on creating positive environmental outcomes
4%

Responsive to the people they serve
7%

Responsive to the interests of society
35%

Public health

Demonstrates accountability
11%

Demonstrates high ethical standards
22%

Focuses on creating positive social outcomes
17%

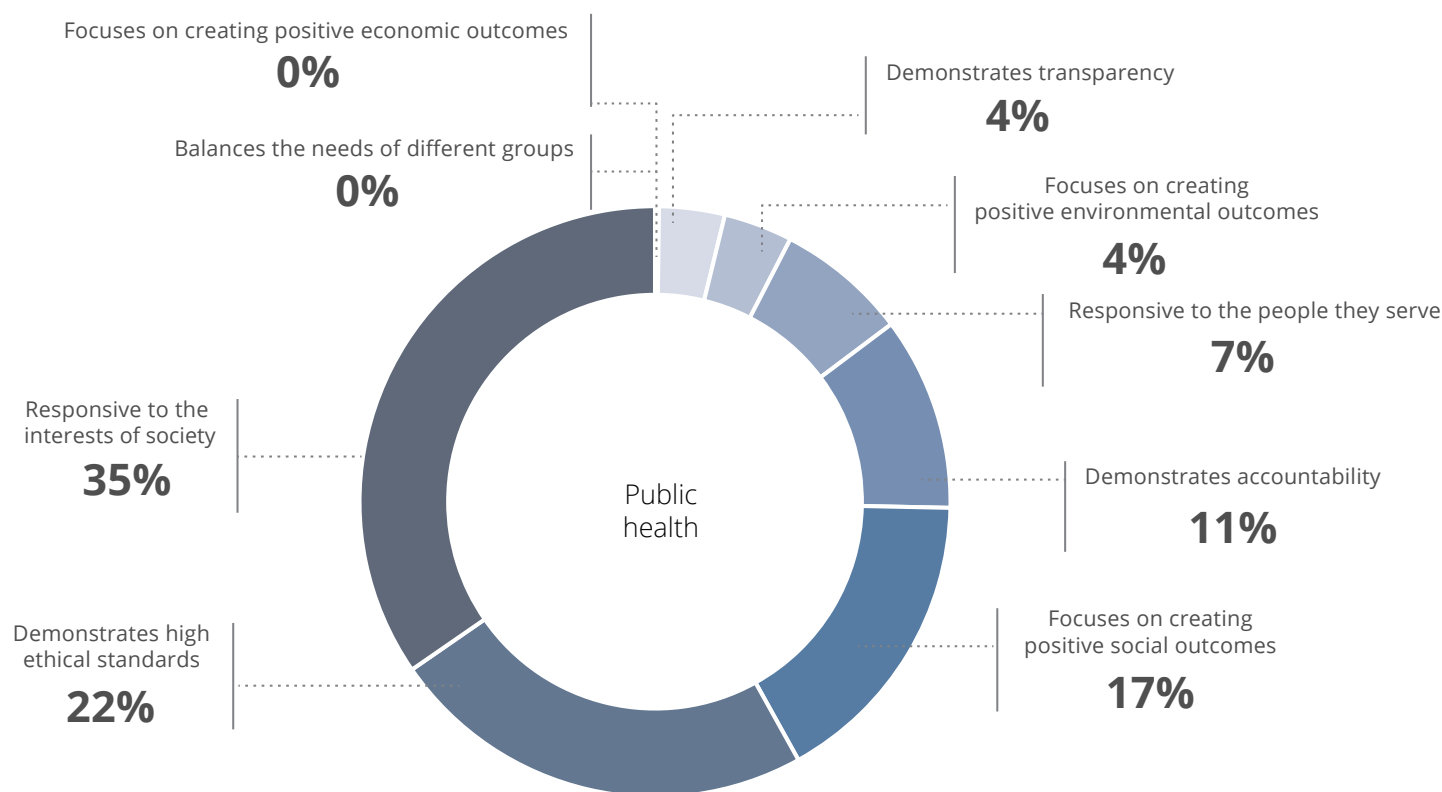**FIGURE 28. PREDICTORS OF PERCEPTIONS OF PUBLIC HEALTH INSTITUTIONS' LEADERSHIP FOR THE GREATER GOOD**

PUBLIC EDUCATION

Australian Leadership Index

SCORE
14

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by public education institutions are moderate. On average, 38% of respondents think public education institutions show leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 29*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gaps between public perceptions and expectations are found for public education institutions' focus on creating positive economic and environmental outcomes. The largest gaps are found for transparency and accountability (*see Figure 30*).
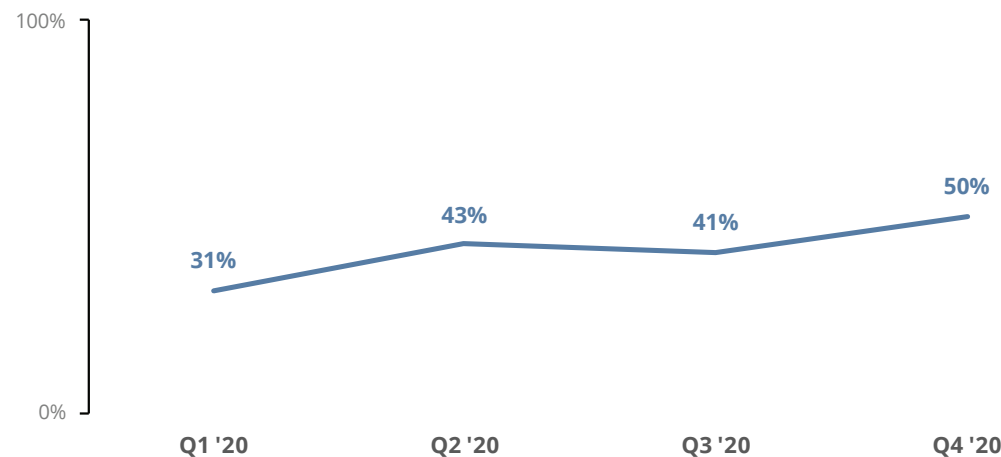

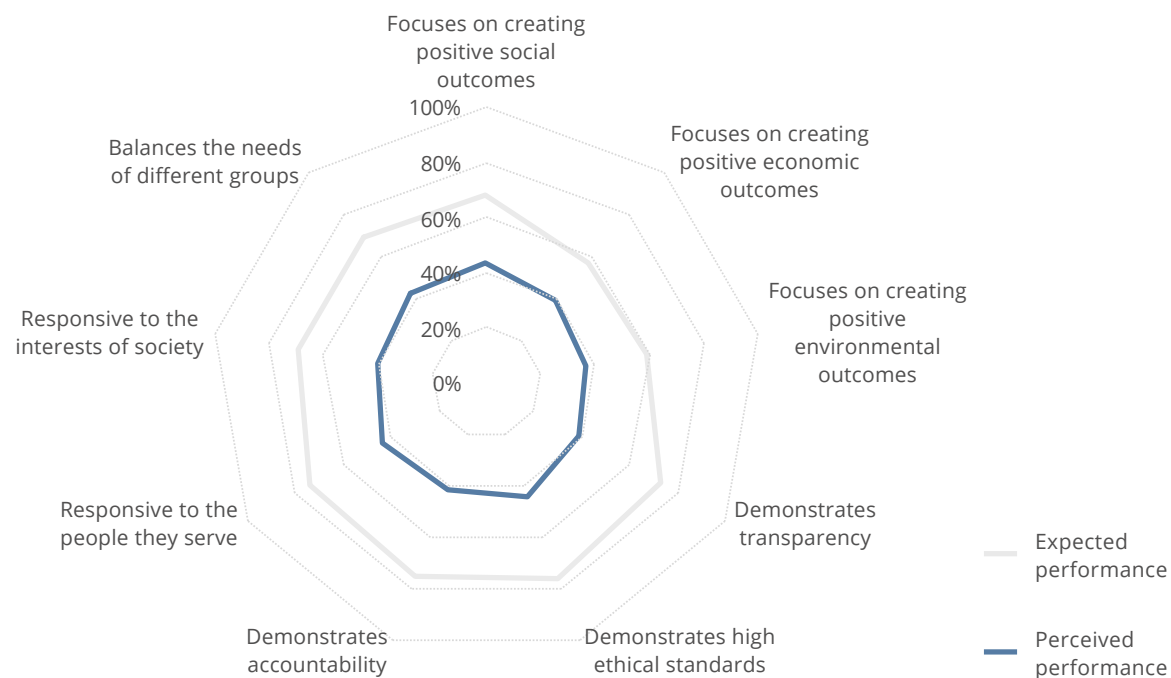**FIGURE 29. PERCEPTIONS OF PUBLIC EDUCATION INSTITUTIONS' LEADERSHIP FOR THE GREATER GOOD**

FIGURE 30. EXPECTATIONS AND PERCEPTIONS OF PUBLIC EDUCATION INSTITUTIONS

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 31*, the top predictors of perceptions of public education leadership for the greater good are:

1. demonstrates accountability;

2. focuses on the creation of positive social outcomes;

3. responsive to the people they serve; and

4. responsive to the interests of society.

These findings suggest that public education institutions can improve public perceptions by demonstrating stronger accountability, focusing on the creation of social value for their stakeholders, and improving their apparent responsiveness to the needs and interests of the people they serve.

Focuses on creating positive environmental outcomes
0%

Focuses on creating positive economic outcomes
3%

Demonstrates transparency
8%

Demonstrates accountability
23%

Balances the needs of different groups
10%

Public education

Demonstrates high ethical standards
12%

Focuses on creating positive social outcomes
18%

Responsive to the interests of society
13%

Responsive to the people they serve
13%

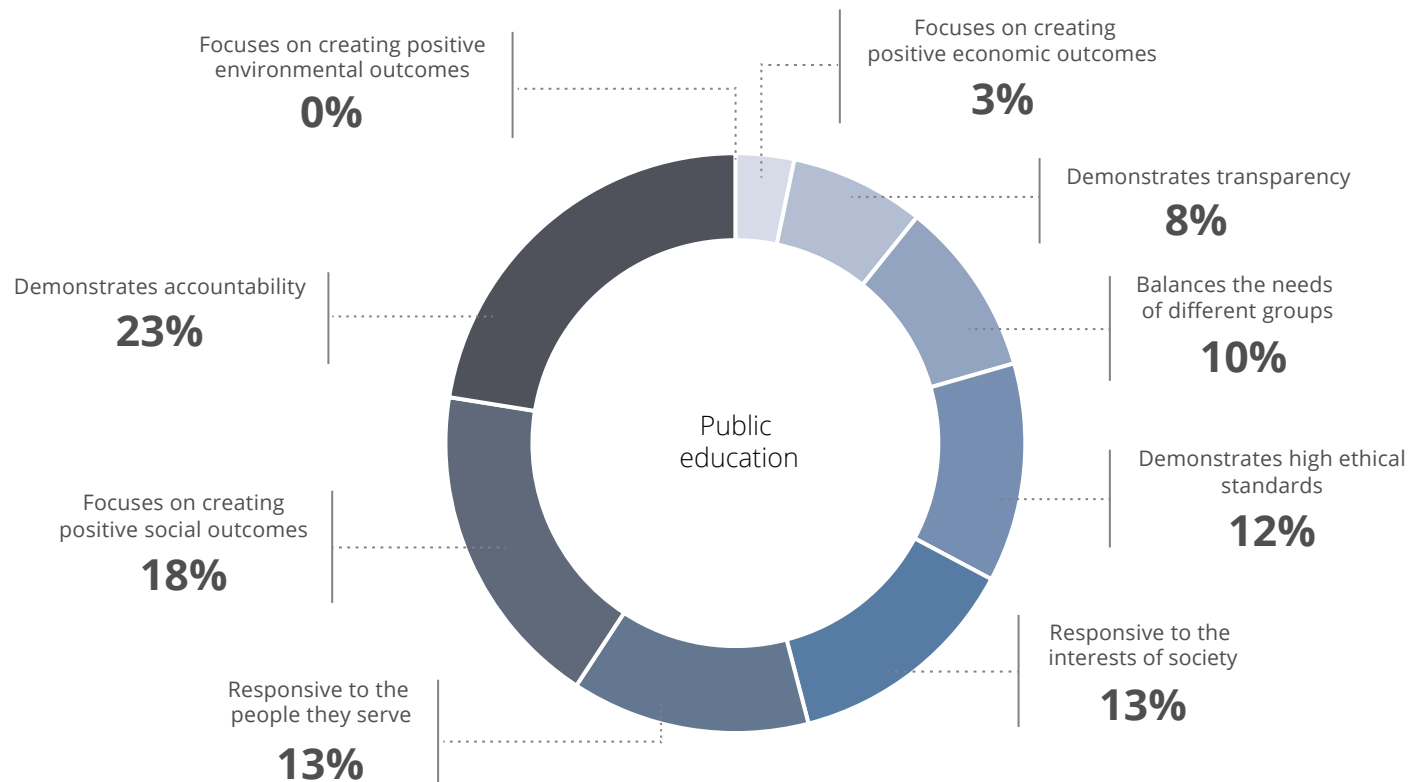**FIGURE 31. PREDICTORS OF PERCEPTIONS OF PUBLIC EDUCATION INSTITUTIONS' LEADERSHIP FOR THE GREATER GOOD**

JUSTICE

Australian Leadership Index

SCORE 13

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by justice institutions are moderate. On average, 43% of respondents think justice institutions show leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 32*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gaps between public perceptions and expectations are found for the justice sector's focus on creating economic and environmental value. The largest gaps are found for accountability and transparency (*see Figure 33*).
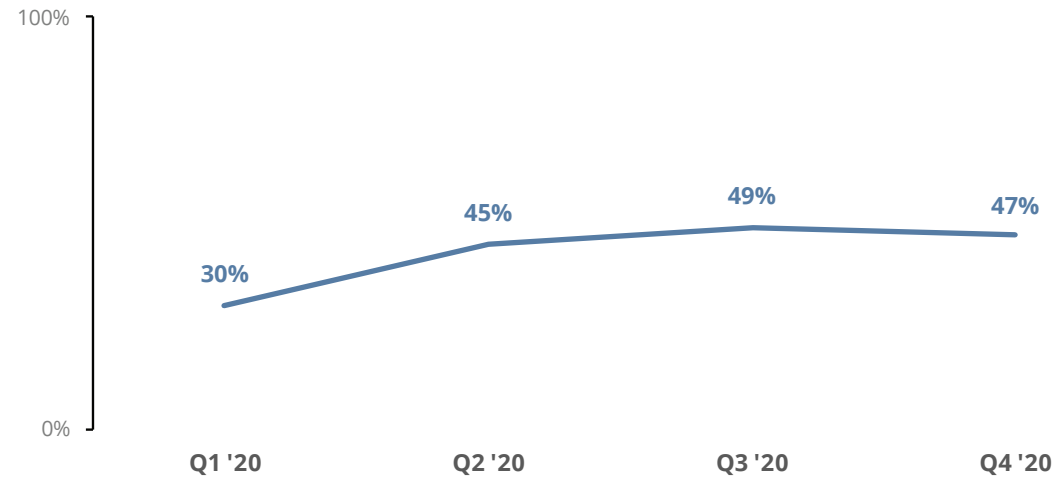

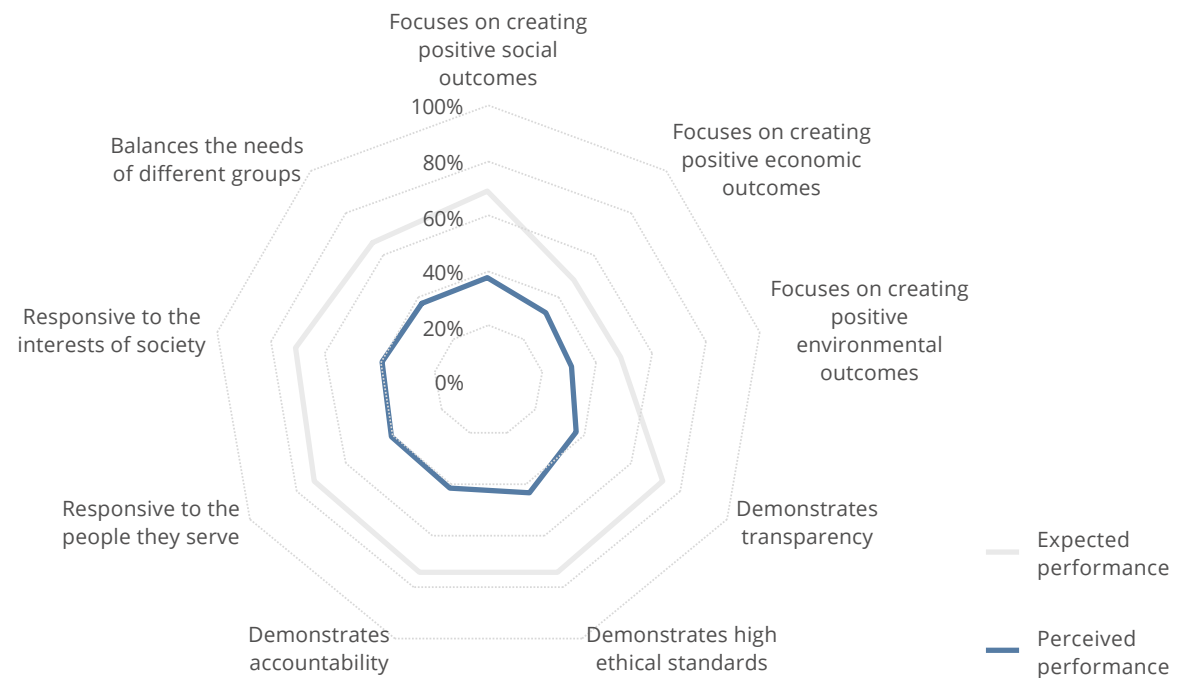**FIGURE 32. PERCEPTIONS OF JUSTICE INSTITUTIONS' LEADERSHIP FOR THE GREATER GOOD**

FIGURE 33. EXPECTATIONS AND PERCEPTIONS OF JUSTICE INSTITUTIONS

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 34*, the top predictors of public perceptions of justice system leadership for the greater good are:

1. responsive to the people they serve;

2. demonstrates transparency; and

3. demonstrates accountability.

These findings suggest that justice institutions can improve public perceptions of their leadership by improving their apparent responsiveness to the needs and interests of the people they serve and by demonstrating greater transparency and accountability.

Focuses on creating positive economic outcomes
4%

Focuses on creating positive environmental outcomes
5%

Balances the needs of different groups
6%

Responsive to the people they serve
29%

Responsive to the interests of society
7%

Justice

Focuses on creating positive social outcomes
9%

Demonstrates transparency
15%

Demonstrates high ethical standards
11%

Demonstrates accountability
14%

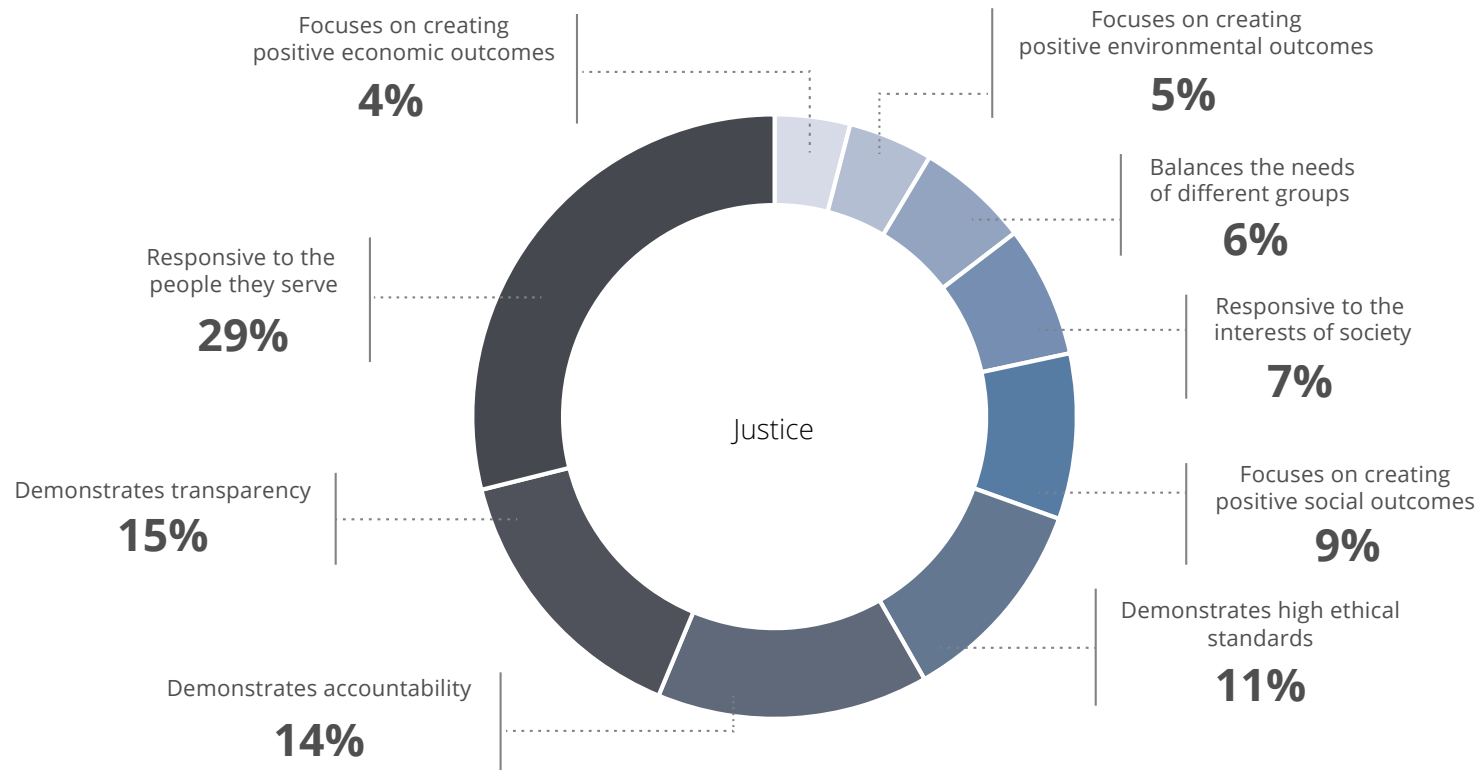**FIGURE 34. PREDICTORS OF PERCEPTIONS OF JUSTICE INSTITUTIONS' LEADERSHIP FOR THE GREATER GOOD**

PRIVATE SECTOR

Australian Leadership Index

SCORE
-4

OVERVIEW

The private sector was subject to a great deal of turbulence in 2020. Key events covered in the news media included:

- There was a great deal of coverage regarding the impact of COVID-19 on business (including SMEs, national businesses and multinationals).

- The JobKeeper program was announced in March, which provided substantial support to businesses faced with COVID-related impacts.

- In August, the ABC announced that a third of Australian businesses were in financial trouble.

- SMEs were particularly highly regarded by Australian Leadership Index respondents as contributing to the economy and maintaining employment levels.

- Banks offer deferred loans for businesses impacted by COVID, as well as guarantees for small businesses.

PUBLIC PERCEPTIONS OF THE PRIVATE SECTOR

Perceptions of private sector institutions are mixed. SMEs are viewed favourably, while national businesses and multinational corporations are viewed unfavourably. Notably, of all institutions measured by the ALI, multinational corporations are viewed most unfavourably. Most Australians do not believe multinational corporations show leadership for the greater good.
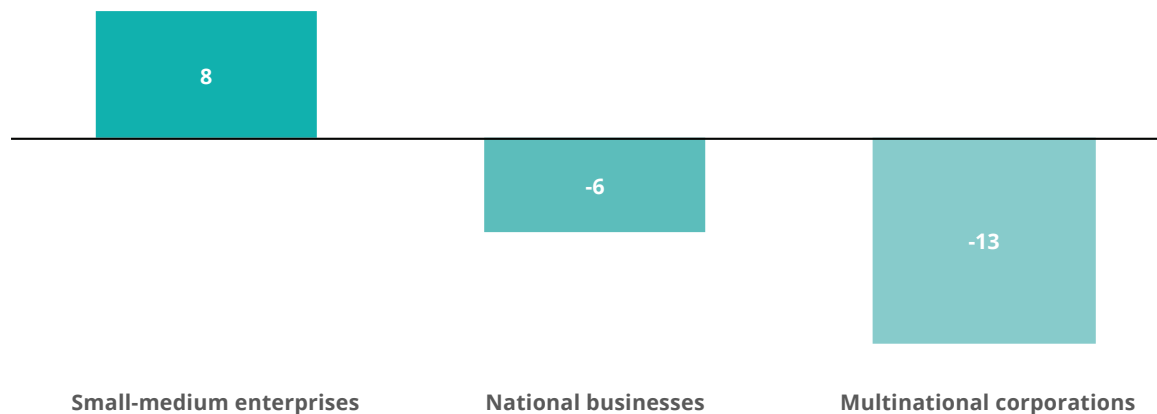
Small-medium enterprises	National businesses	Multinational corporations
8	-6	-13

FIGURE 35. ALI SCORES FOR SMES, LARGE NATIONAL BUSINESSES AND MULTINATIONAL CORPORATIONS

PUBLIC EXPECTATIONS OF THE PRIVATE SECTOR

Public expectations are highest expectations with regard to private sector accountability and ethicality, as well as their responsiveness to the needs and interests of the people they serve. Expectations are lowest with regard to the sector's focus on creating positive social outcomes and balancing the needs of different groups of stakeholders (*see Figure 36*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gap between public perceptions and expectations are found for the private sector's focus on creating positive economic outcomes. The largest gaps are related to the sector's accountability, ethicality and transparency.

	Perceived	Expected	GAP
Focuses on creating positive social outcomes	31%	58%	-27%
Focuses on creating positive economic outcomes	45%	66%	-21%
Focuses on creating positive environmental outcomes	28%	59%	-31%
Demonstrates transparency	30%	66%	-36%
Demonstrates high ethical standards	33%	69%	-36%
Demonstrates accountability	33%	70%	-37%
Responsive to the people they serve	37%	68%	-31%
Responsive to the interests of society	34%	62%	-28%
Balances the needs of different groups	32%	58%	-26%

0%   100%

███ Perceived performance   ░░░ Expected performance
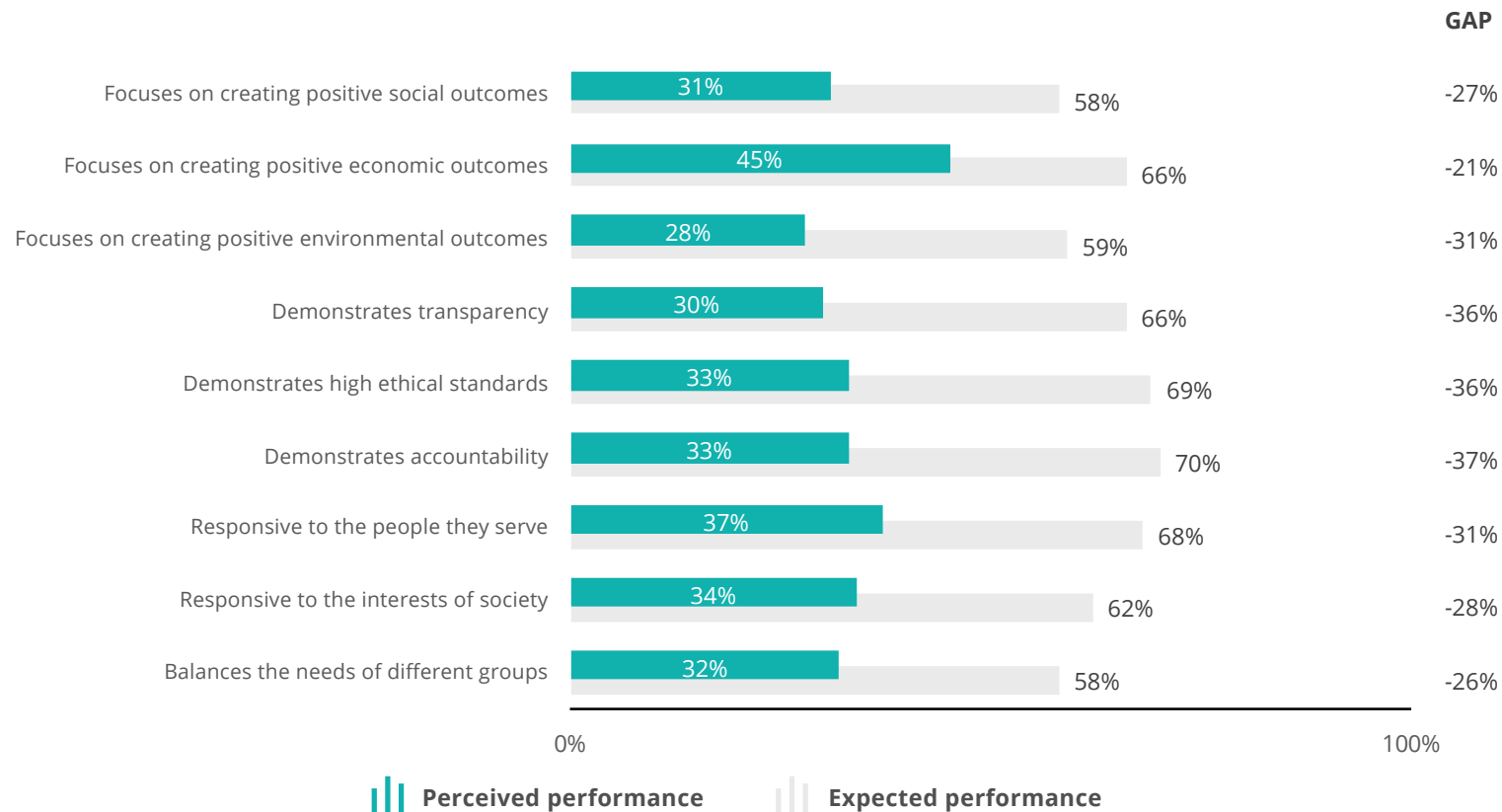
FIGURE 36. PERCEPTIONS, EXPECTATIONS AND THE PERFORMANCE-EXPECTATION GAP IN THE PRIVATE SECTOR

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 37*, the top predictors of public perceptions of private sector leadership for the greater good are:

1. responsiveness to the interests of society;

2. focuses on the creation of positive environmental outcomes; and

3. focuses on the creation of positive social outcomes.

These findings suggest that private sector can improve public perceptions of its leadership by improving their apparent responsiveness to the interests of society at large and by focusing to a greater extent on the creation of social and environmental value.

Focuses on creating positive economic outcomes
0%

Responsive to the people they serve
3%

Balances the needs of different groups
7%

Responsive to the interests of society
18%

Demonstrates high ethical standards
11%

Focuses on creating positive environmental outcomes
17%

Private sector

Demonstrates transparency
12%

Focuses on creating positive social outcomes
17%

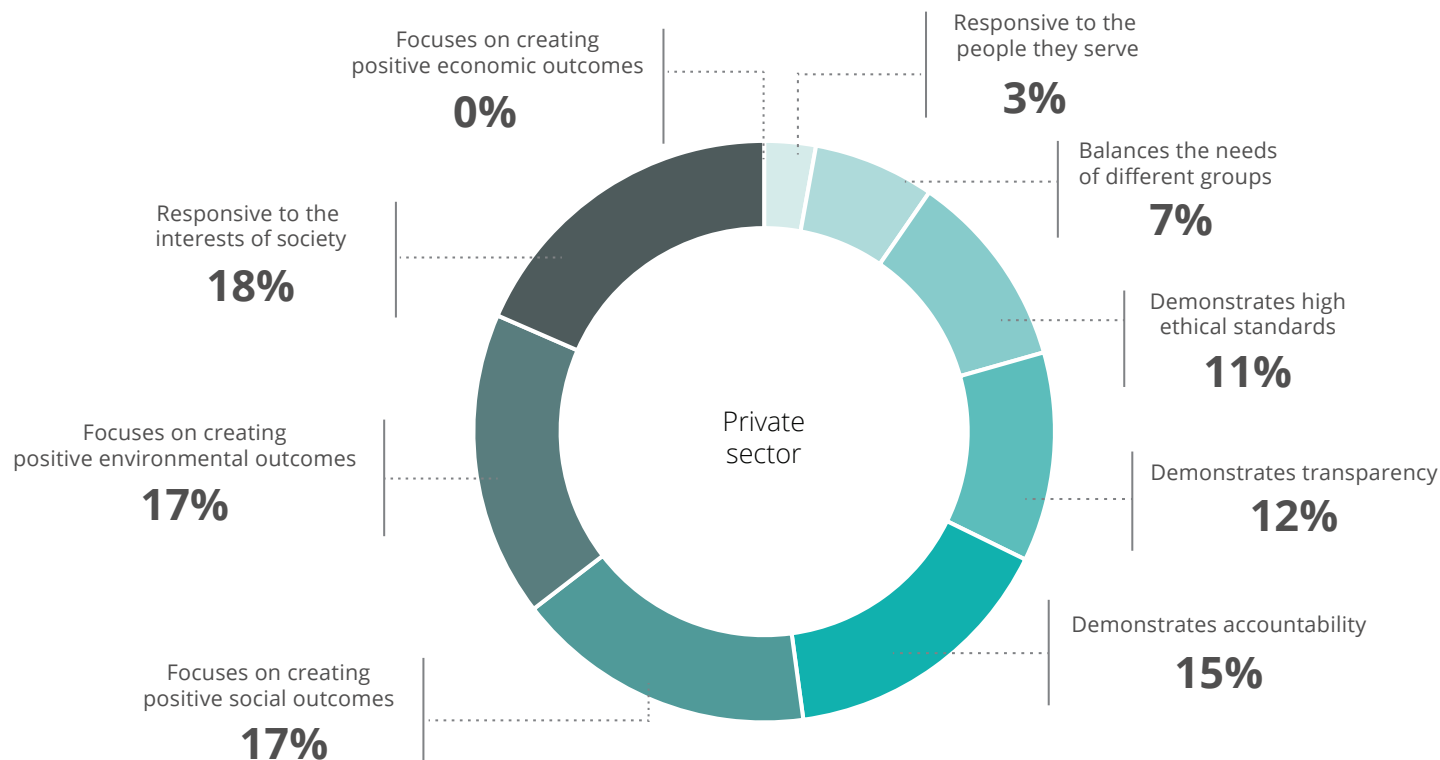Demonstrates accountability
15%

FIGURE 37. PREDICTORS OF PERCEPTIONS OF PRIVATE SECTOR LEADERSHIP FOR THE GREATER GOOD

FIGURE 38. PERCEPTIONS OF SME LEADERSHIP FOR THE GREATER GOOD

SMALL-MEDIUM ENTERPRISES

Australian Leadership Index

SCORE
8

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by small-medium enterprises (SMEs) are moderate. On average, 36% of respondents think SMEs show leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 38*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gap between public perceptions and expectations is found for SME balance of the needs of different groups of stakeholders. The largest expectation-perception gaps are found for accountability, transparency, and ethicality (*see Figure 39*).

FIGURE 39. EXPECTATIONS AND PERCEPTIONS OF SMES

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 40*, the top predictors of public perceptions of SME leadership for the greater good are:

1. responsive to the needs of society;

2. focuses on creating positive environmental outcomes; and

3. focuses on creating positive social outcomes.

These findings suggest that SMEs can improve public perceptions of their leadership by improving their apparent responsiveness to the interests of society and by focusing more on the creation of social and environmental value.

Focuses on creating positive economic outcomes
4%

Demonstrates high ethical standards
4%

Responsive to the people they serve
0%

Balances the needs of different groups
5%

Responsive to the interests of society
25%

Demonstrates accountability
8%

Small-medium enterprises

Demonstrates transparency
15%

Focuses on creating positive environmental outcomes
23%

Focuses on creating positive social outcomes
16%

FIGURE 40. PREDICTORS OF PERCEPTIONS OF SMES' LEADERSHIP FOR THE GREATER GOOD

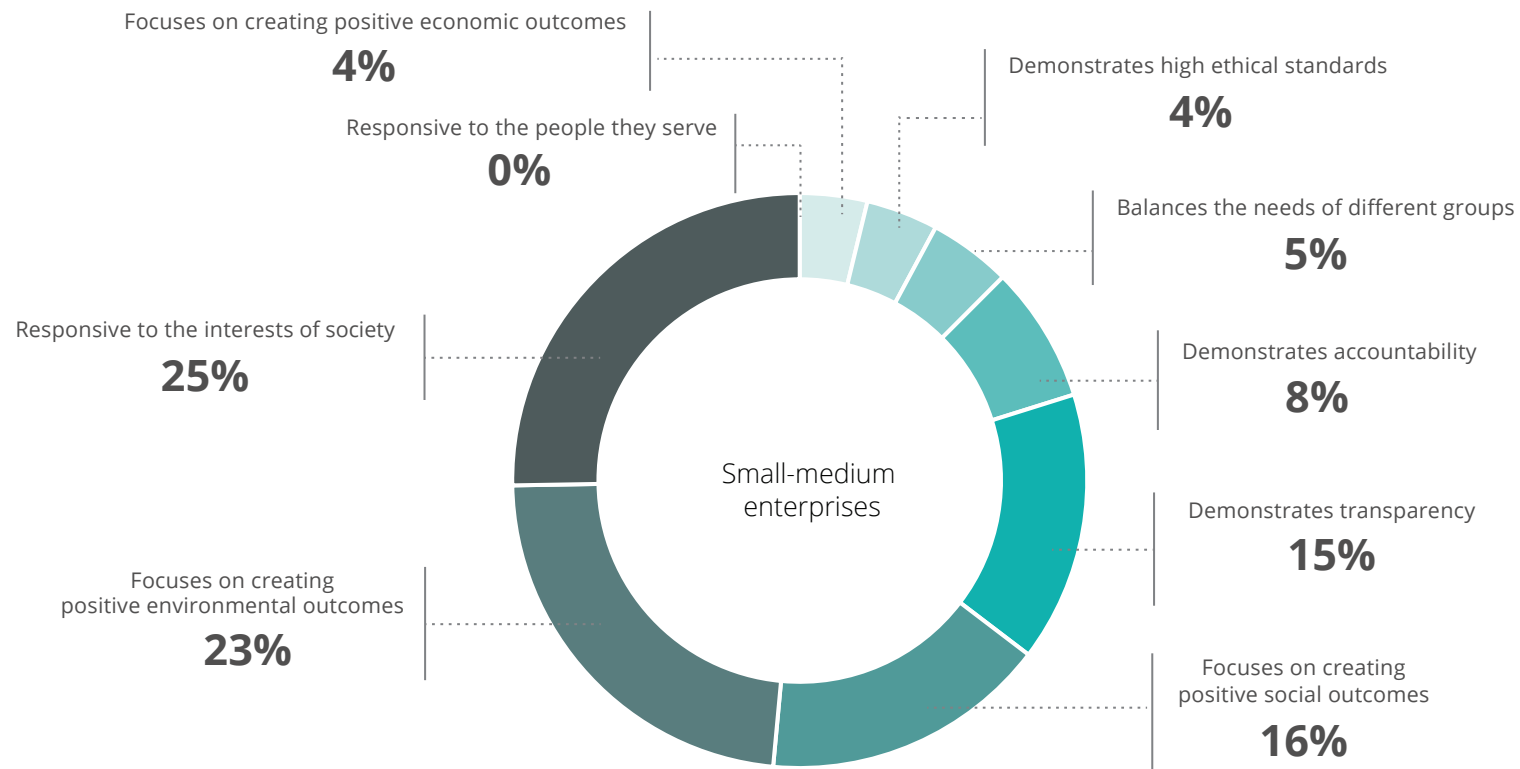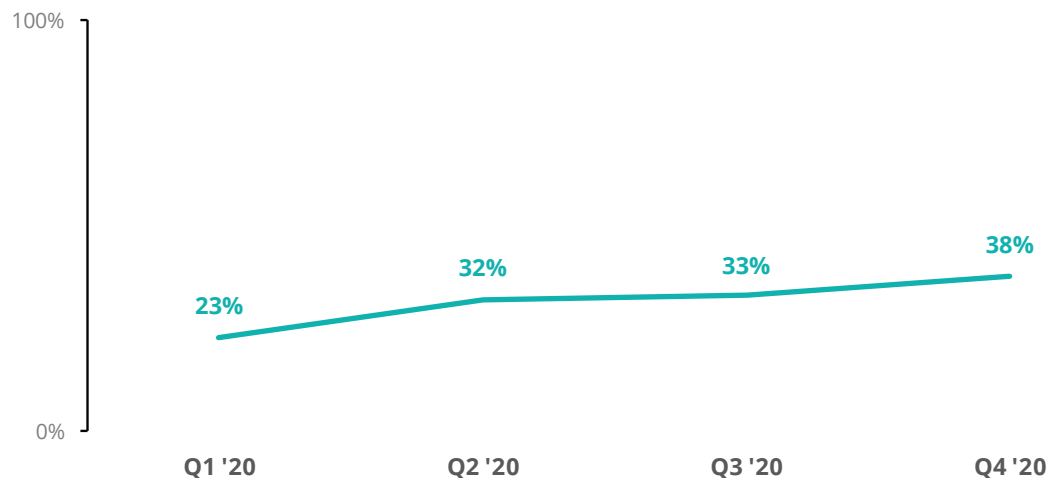FIGURE 41. PERCEPTIONS OF NATIONAL BUSINESSES' LEADERSHIP FOR THE GREATER GOOD
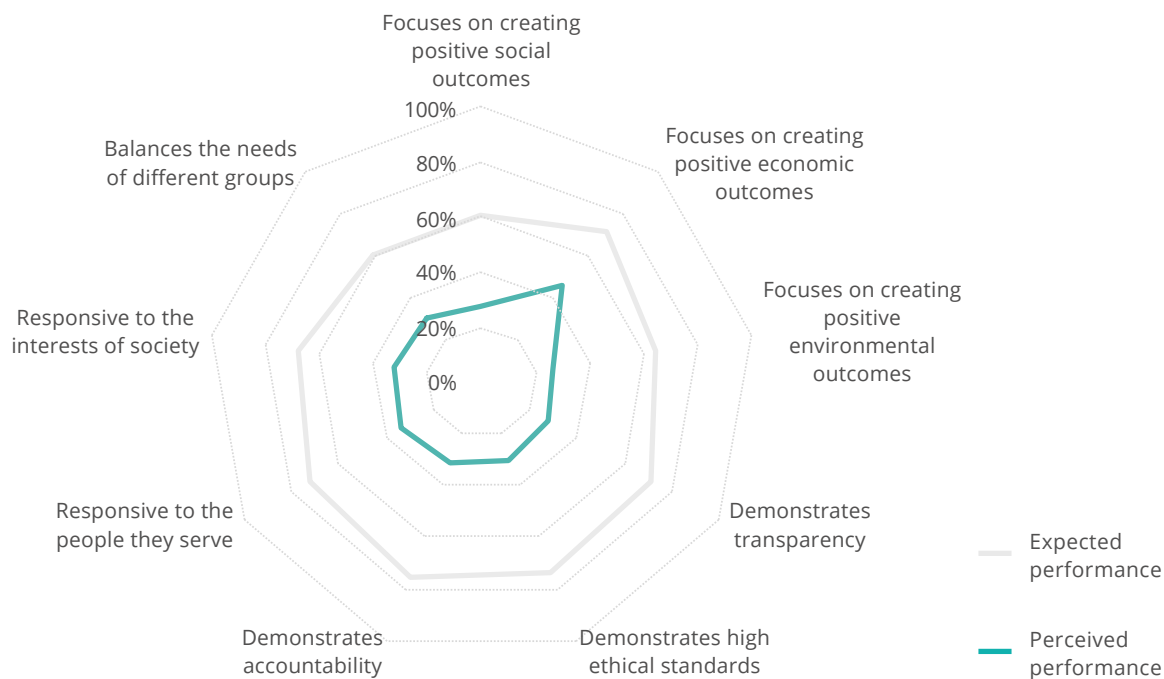
FIGURE 42. EXPECTATIONS AND PERCEPTIONS OF NATIONAL BUSINESSES

NATIONAL BUSINESSES

Australian Leadership Index

SCORE
-6

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by large national businesses are low. On average, 24% of respondents think large national businesses show leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 41*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gap between public perceptions and expectations is found for national business' focus on creating positive economic outcomes. The largest gaps are found for accountability, ethicality and transparency (*see Figure 42*).

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 43*, the top predictors of public perceptions of national business leadership for the greater good are:

1. responsive to the interests of society;

2. demonstrates accountability;

3. focuses on creating positive social outcomes; and

4. balances the needs of different groups.

These findings suggest that large national businesses can improve public perceptions of their leadership by improving their apparent responsiveness to the interests of society at large, demonstrating greater accountability, focusing to a greater extent on the creation of social value, and striking a better balance between the needs of different groups of stakeholders.

Focuses on creating
positive economic outcomes
0%

Responsive to the people they serve
4%

Demonstrates transparency
7%

Responsive to the
interests of society
26%

Demonstrates high
ethical standards
9%

National
businesses

Demonstrates accountability
15%

Focuses on creating positive
environmental outcomes
13%

Balances the needs
of different groups
13%

Focuses on creating
positive social outcomes
13%

FIGURE 43. PREDICTORS OF PERCEPTIONS OF NATIONAL BUSINESSES' LEADERSHIP FOR THE GREATER GOOD

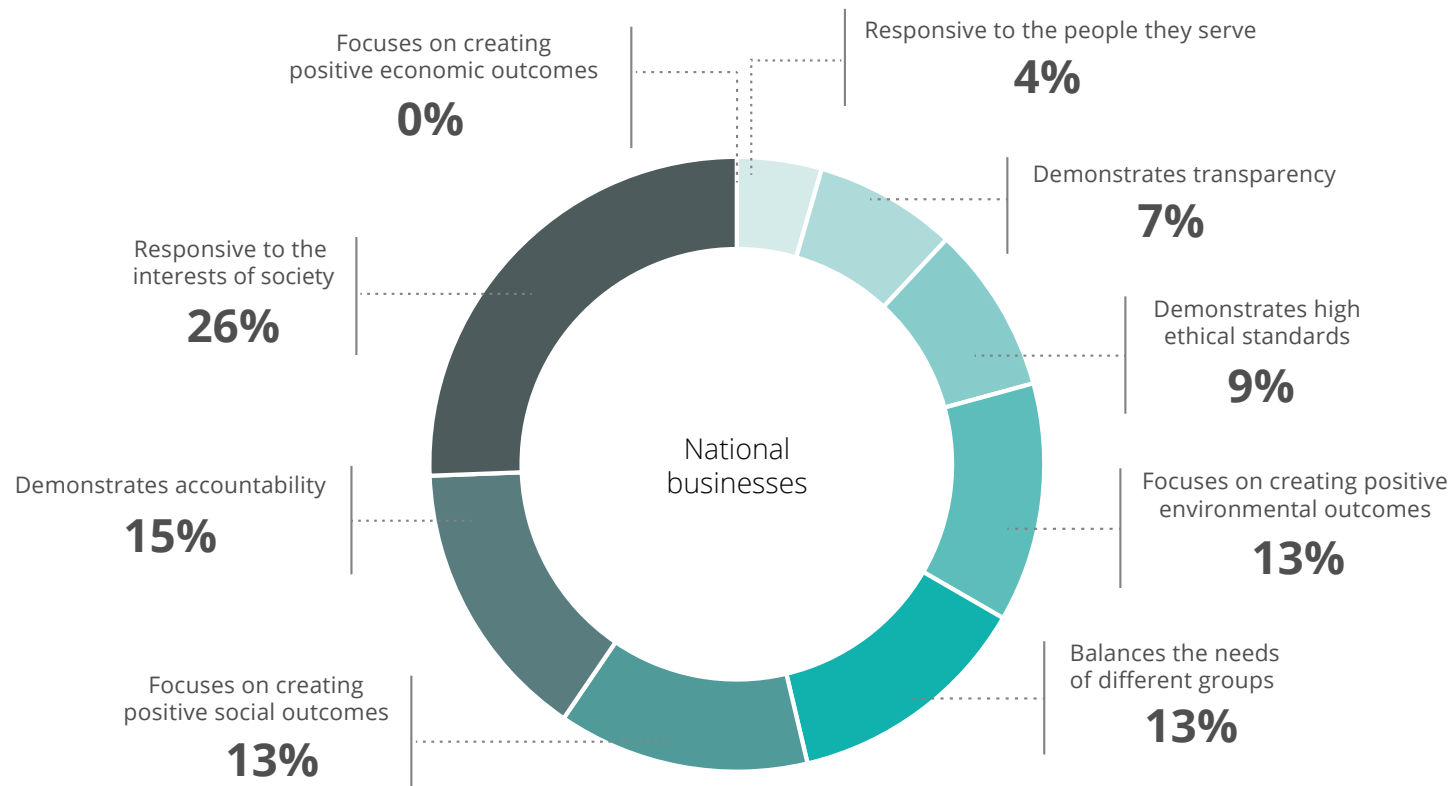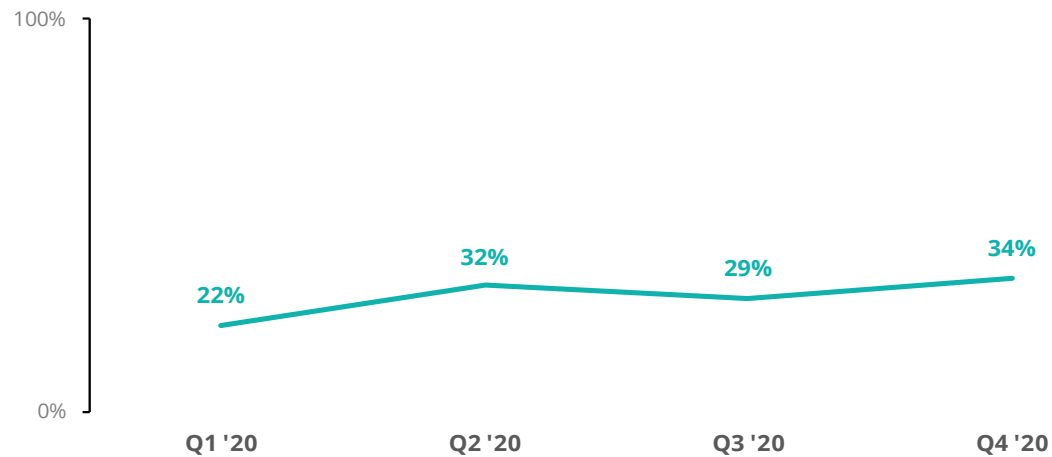FIGURE 44. PERCEPTIONS OF MULTINATIONAL CORPORATIONS' LEADERSHIP FOR THE GREATER GOOD

MULTINATIONAL CORPORATIONS

Australian Leadership Index

SCORE -13

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by multinational corporations are low. On average, 29% of respondents think multinational corporations show leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 44*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gap between public perceptions and expectations is found for multinational corporations' focus on creating positive economic outcomes. The largest gaps are found for accountability, ethicality and transparency (*see Figure 45*).

FIGURE 45. EXPECTATIONS AND PERCEPTIONS OF MULTINATIONAL CORPORATIONS

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 46*, the top predictors of public perceptions of multinational corporation leadership for the greater good are:

1. focuses on the creation of positive social outcomes;

2. demonstrates accountability; and

3. demonstrates high ethical standards.

These findings suggest that multinational corporations can improve public perceptions of their leadership by focusing to a greater extent on the creation of social value and by demonstrating greater accountability and stronger adherence to high ethical standards.

Focuses on creating positive economic outcomes
0%

Responsive to the people they serve
3%

Balances the needs of different groups
3%

Focuses on creating positive social outcomes
22%

Responsive to the interests of society
8%

Demonstrates accountability
20%

Demonstrates transparency
12%

Multinational corporations

Demonstrates high ethical standards
17%

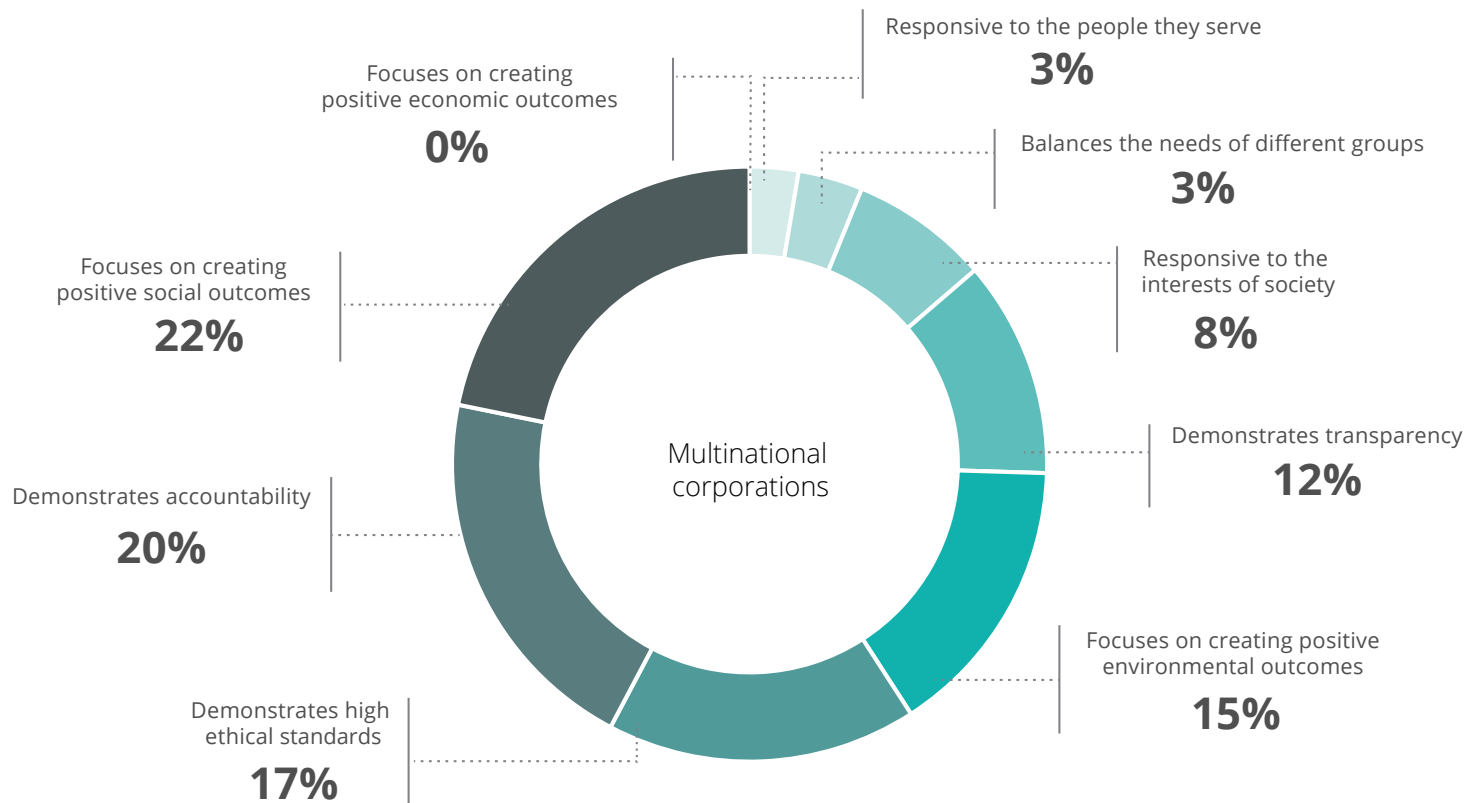Focuses on creating positive environmental outcomes
15%

FIGURE 46. PREDICTORS OF PERCEPTIONS OF MULTINATIONAL CORPORATIONS' LEADERSHIP FOR THE GREATER GOOD
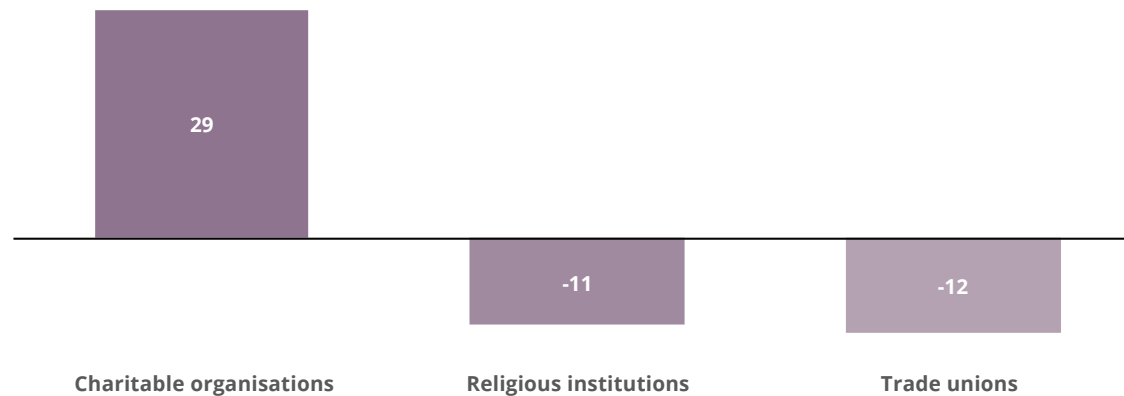
NOT-FOR-PROFIT SECTOR

OVERVIEW

Much of the work of not-for-profit organisations is not reported on in the mainstream media. However, there were several major news stories related to each institution.

- Charities played a major role in helping bushfire affected Australians deal with the fallout of the disaster.

- Controversy surrounded the bushfire fundraising appeal by Celeste Barber, as the funds were unable to be distributed to other charities (other than the NSW Rural Fire Service).

- George Pell was found not guilty, as the High Court quashes the sexual abuse charges against him.

- A second draft of the Federal Government's Religious Discrimination Bill was released in January 2020.

- Trade unions push for greater worker support during the pandemic, including wage subsidies, less casualisation of workers, and extensions to the JobKeeper program.

FIGURE 47. ALI SCORES FOR CHARITABLE ORGANISATIONS, RELIGIOUS INSTITUTIONS AND TRADE UNIONS

PUBLIC PERCEPTIONS OF THE NOT-FOR-PROFIT SECTOR

Charitable organisations are viewed most favourably among the institutions of the not-for-profit sector (*see Figure 47*). Notably, charities are viewed most favourably of all institutions measured by the ALI. By contrast, trade unions and religious institutions are viewed quite differently, receiving strong negative evaluations of their leadership. The negative ALI score for the entire not-for-profit sector is driven by unfavourable perceptions of these two institutions.

PUBLIC EXPECTATIONS OF THE NOT-FOR-PROFIT SECTOR

The public has the highest expectations with respect to *how* not-for-profit institutions create value (i.e., accountability, ethical standards and transparency), as well as their responsiveness to the people they serve (see *Figure 48*). Expectations are lowest with respect to the sector's focus on creating environmental and economic value.

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest expectation-perception gaps for the not-for-profit sector are related to its focus on creating positive economic and environment outcomes. The largest gaps are related to the sector's transparency, accountability and ethicality.

GAP

		GAP
Focuses on creating positive social outcomes	40% / 67%	-27%
Focuses on creating positive economic outcomes	35% / 53%	-18%
Focuses on creating positive environmental outcomes	30% / 52%	-22%
Demonstrates transparency	33% / 70%	-37%
Demonstrates high ethical standards	39% / 72%	-33%
Demonstrates accountability	36% / 71%	-35%
Responsive to the people they serve	43% / 72%	-29%
Responsive to the interests of society	40% / 68%	-28%
Balances the needs of different groups	38% / 65%	-27%

0%   100%

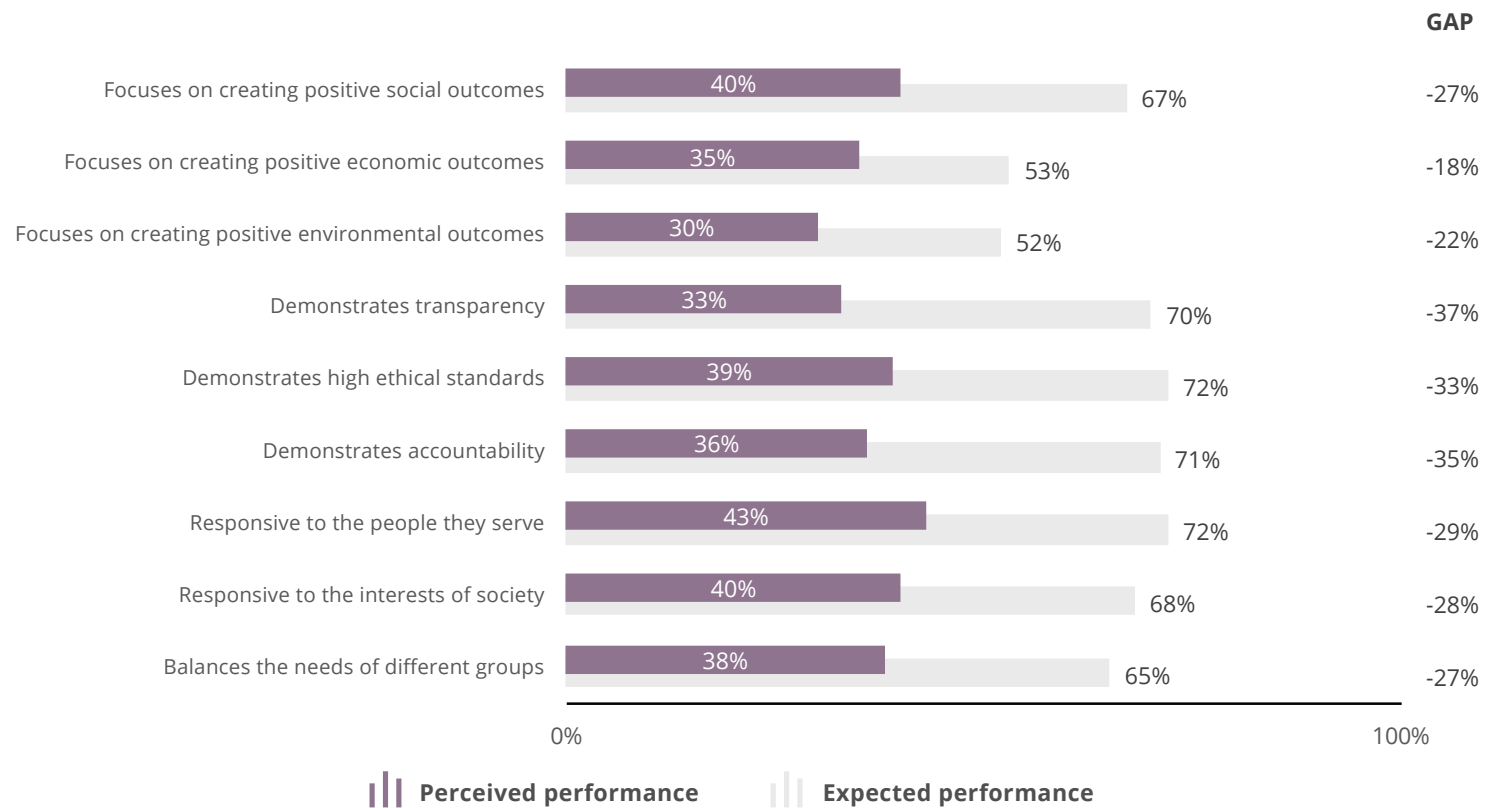**|||** Perceived performance   **|||** Expected performance

FIGURE 48. PERCEPTIONS, EXPECTATIONS AND THE PERFORMANCE-EXPECTATION GAP IN THE NOT-FOR-PROFIT SECTOR

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 49*, the top predictors of public perceptions of not-for-profit sector leadership for the greater good are:

1. responsive to the interests of society;

2. demonstrates high ethical standards; and

3. focuses on creating positive social outcomes.

These findings suggest that the not-for-profit sector can improve public perceptions by improving their apparent responsiveness to the interests of society, demonstrating stronger adherence to high ethical standards, as well as focusing more on the creation of social value.

Definition

The not-for-profit sector is represented by charitable organisations (i.e., organisations with a mission dedicated to creating a social or public good), trade unions (i.e., organisations of workers in a trade, or group of trades, formed to protect and further their rights and interests) and religious institutions, by which we mean organisations whose purpose is to advance religion, which may also provide services to religious communities (e.g., places of worship).

Focuses on creating positive economic outcomes
1%

Responsive to the people they serve
4%

Focuses on creating positive environmental outcomes
5%

Responsive to the interests of society
22%

Balances the needs of different groups
7%

Demonstrates high ethical standards
19%

Not-for-profit

Demonstrates transparency
8%

Demonstrates accountability
16%

Focuses on creating positive social outcomes
18%

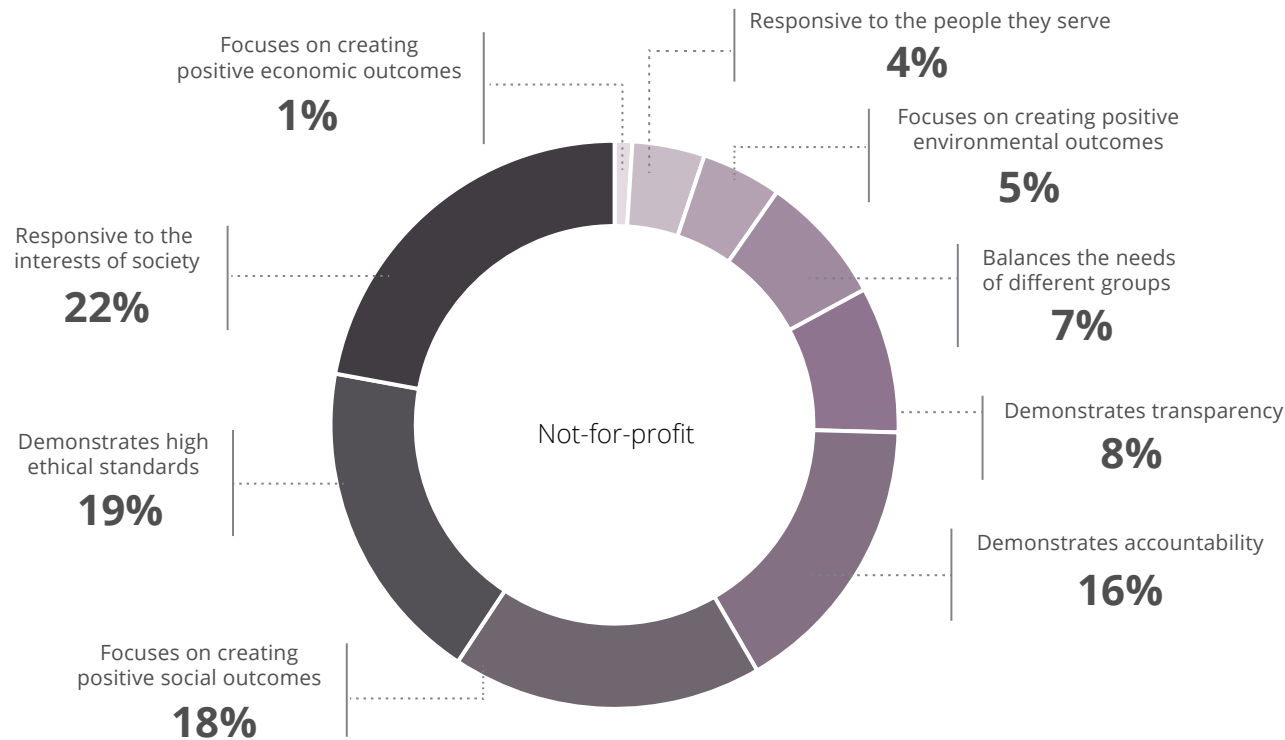**FIGURE 49. PREDICTORS OF PERCEPTIONS OF NOT-FOR-PROFIT SECTOR LEADERSHIP FOR THE GREATER GOOD**

CHARITABLE ORGANISATIONS

Australian
Leadership
Index

SCORE
29

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by charitable organisations is strong. On average, 51% of respondents think charities to show leadership for the greater good to a 'fairly large' or 'extremely large' extent (*see Figure 50*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gaps between public perceptions and expectations are found for charitable organisations' focus on creating positive economic and environmental outcomes. The largest gaps are found for transparency, accountability and ethicality (*see Figure 51*).
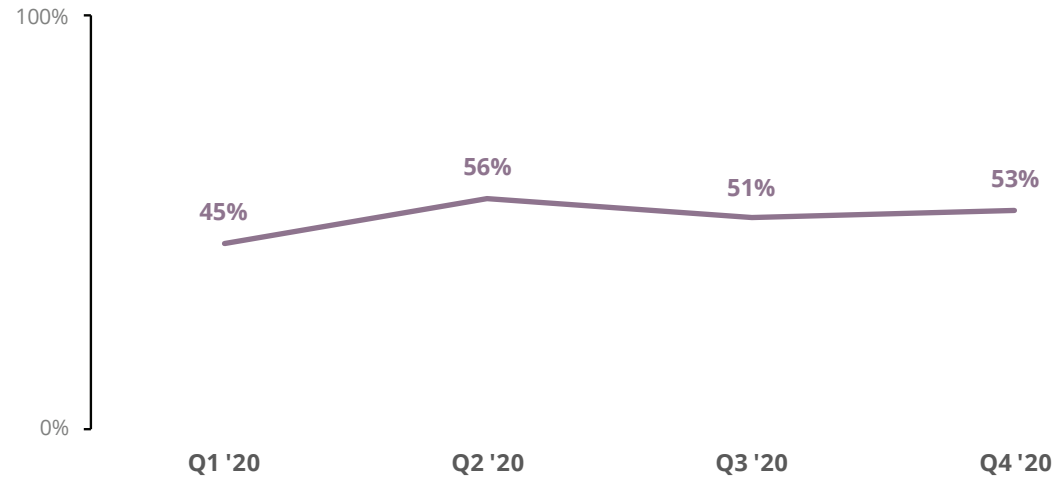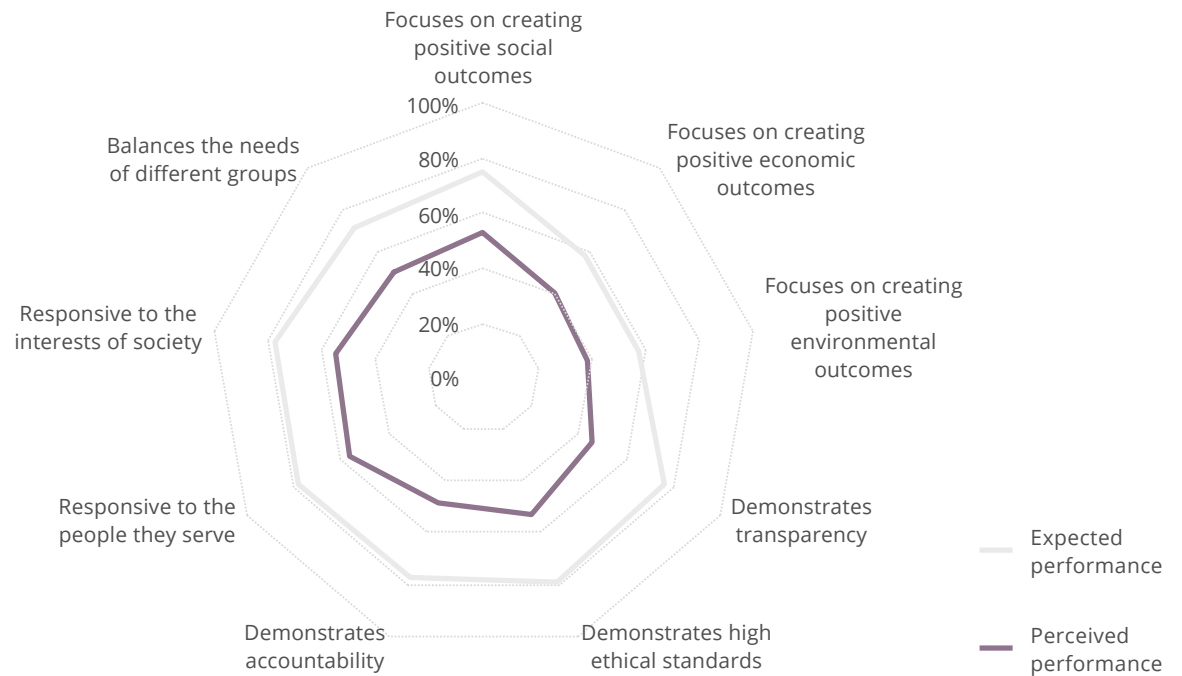

FIGURE 51. EXPECTATIONS AND PERCEPTIONS OF CHARITIES

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 52*, the top predictors of public perceptions of charity leadership for the greater good are:

1. responsive to the interests of society;

2. demonstrates high ethical standards;

3. demonstrates accountability; and

4. focuses on creating positive social outcomes.

These findings suggest that charitable organisations can improve public perceptions by improving their apparent responsiveness to the interests of society, demonstrating greater accountability and stronger adherence to high ethical standards, and improving their focus on the creation of social value.

Focuses on creating positive economic outcomes
0%

Responsive to the interests of society
25%

Demonstrates high ethical standards
17%

Demonstrates accountability
15%

Balances the needs of different groups
3%

Focuses on creating positive environmental outcomes
4%

Demonstrates transparency
10%

Responsive to the people they serve
11%

Focuses on creating positive social outcomes
15%
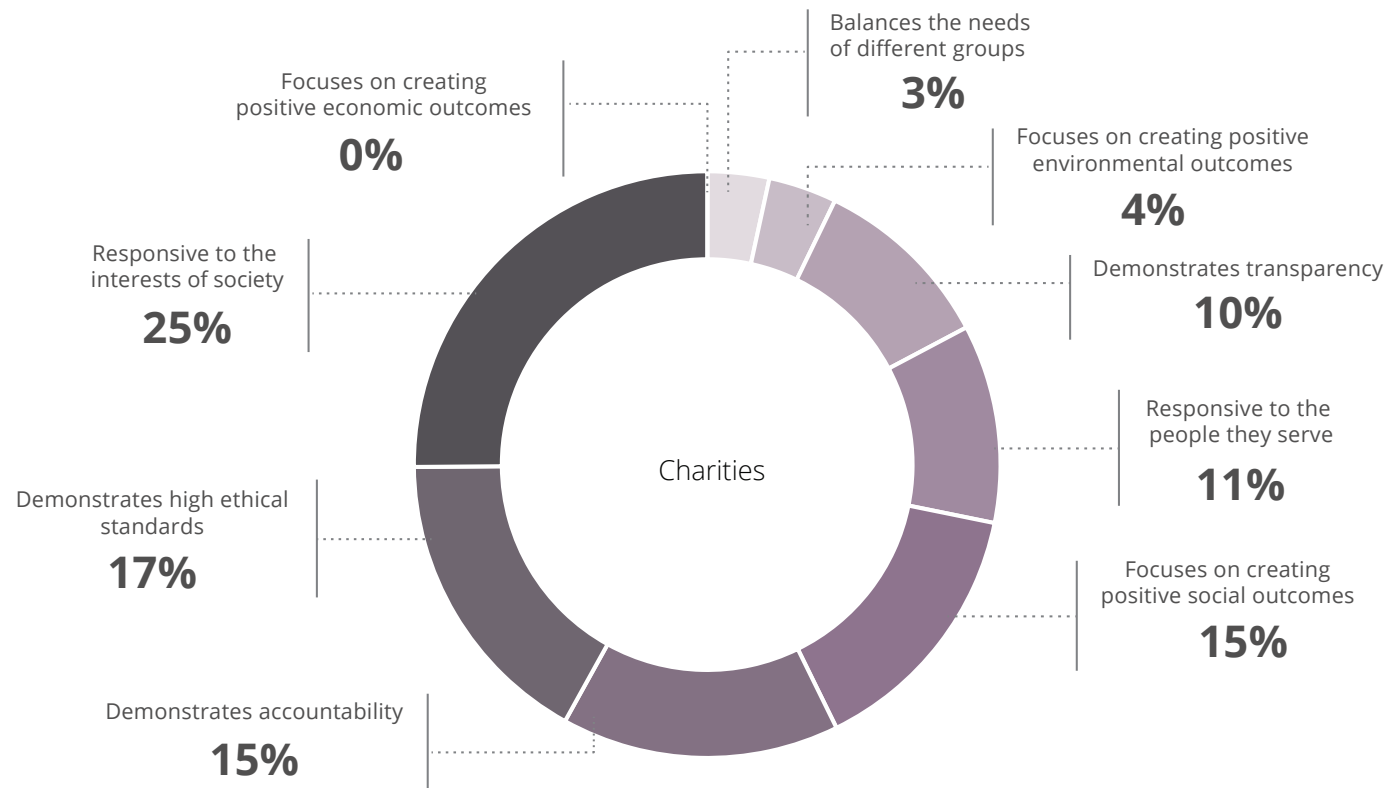
Charities

FIGURE 52. PREDICTORS OF PERCEPTIONS OF CHARITIES' LEADERSHIP FOR THE GREATER GOOD

TRADE UNIONS

Australian Leadership Index

SCORE
-12

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by trade unions are low. On average, 31% of respondents think trade unions to show leadership for the greater good to a 'fairly large' or an 'extremely large' extent (*see Figure 53*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gaps between public perceptions and expectations are found for trade unions' focus on creating positive environmental and economic outcomes (*see Figure 54*). The largest gaps are found for accountability, transparency and ethicality.
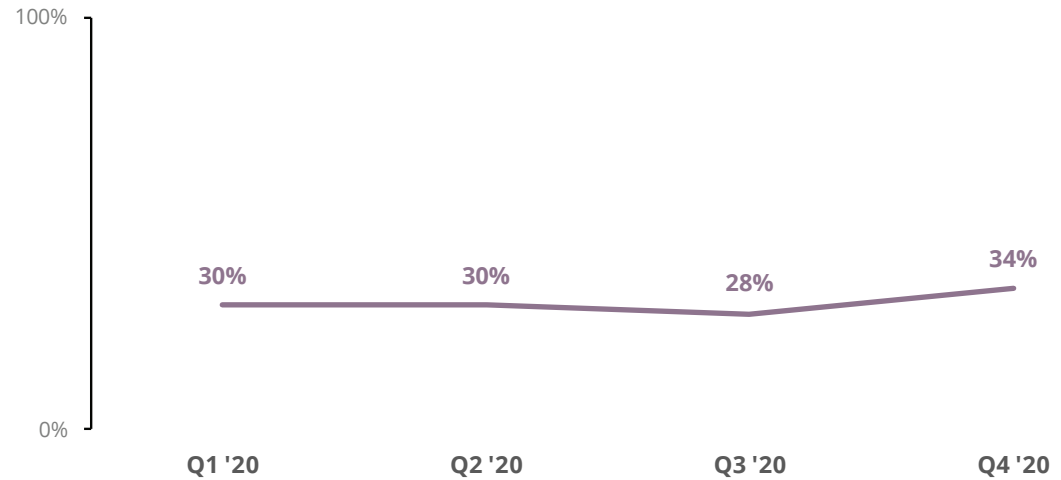

FIGURE 53. PERCEPTIONS OF TRADE UNIONS' LEADERSHIP FOR THE GREATER GOOD

FIGURE 54. EXPECTATIONS AND PERCEPTIONS OF TRADE UNIONS

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 55*, the top predictors of public perceptions of trade union leadership for the greater good are:

1. demonstrates high ethical standards;

2. demonstrates accountability; and

3. focuses on creating positive social outcomes.

These findings suggest that trade unions can improve public perceptions of their leadership by demonstrating accountability, stronger adherence to ethical standards and by focusing more on the creation of social value.

Focuses on creating positive economic outcomes
4%

Responsive to the people they serve
1%

Demonstrates high ethical standards
25%

Demonstrates accountability
25%

Trade unions

Focuses on creating positive environmental outcomes
4%

Demonstrates transparency
6%

Balances the needs of different groups
7%

Responsive to the interests of society
8%

Focuses on creating positive social outcomes
19%

FIGURE 55. PREDICTORS OF PERCEPTIONS OF TRADE UNIONS' LEADERSHIP FOR THE GREATER GOOD

RELIGIOUS INSTITUTIONS

Australian
Leadership
Index

SCORE
-11

PERCEPTIONS OF LEADERSHIP FOR THE GREATER GOOD

Public perceptions of leadership for the greater good by religious institutions are low. On average, 31% of respondents think religious institutions show leadership for the greater good to a 'fairly large' or 'extremely large' extent' (*see Figure 56*).

GAPS BETWEEN EXPECTATIONS AND PERCEPTIONS

The smallest gap between public perceptions and expectations is found for religious institutions' focus on creating positive economic outcomes (*see Figure 57*). The largest gaps are found for transparency, accountability and ethicality.

FIGURE 56. PERCEPTIONS OF RELIGIOUS INSTITUTIONS' LEADERSHIP FOR THE GREATER GOOD
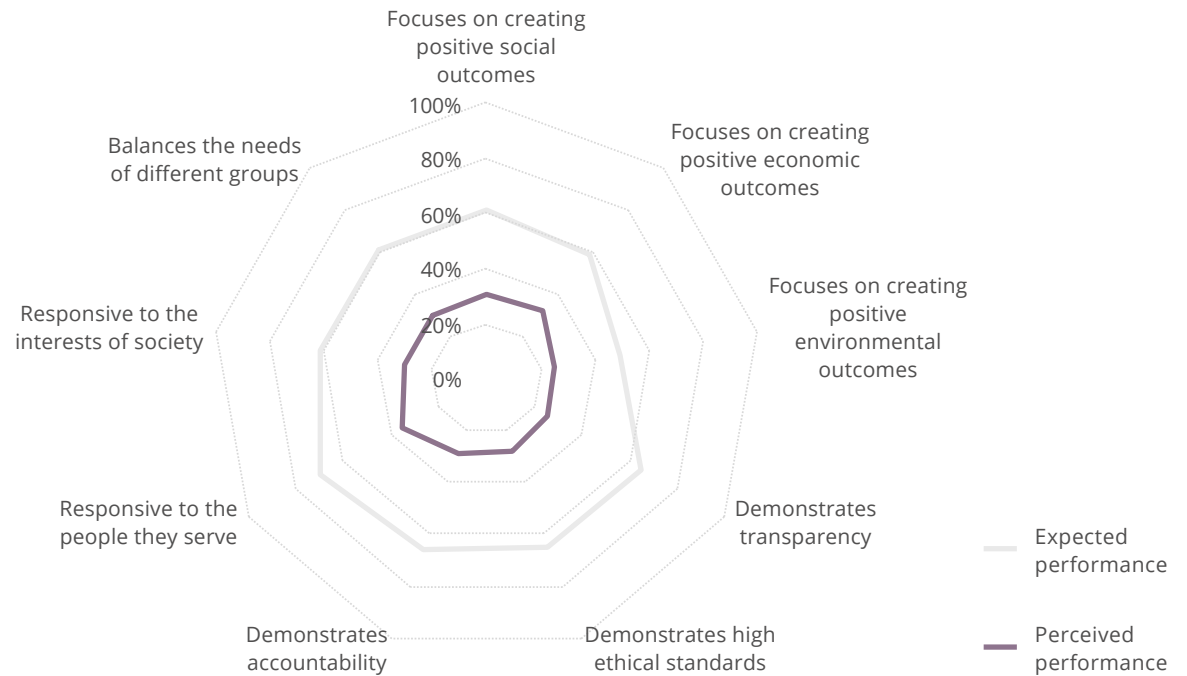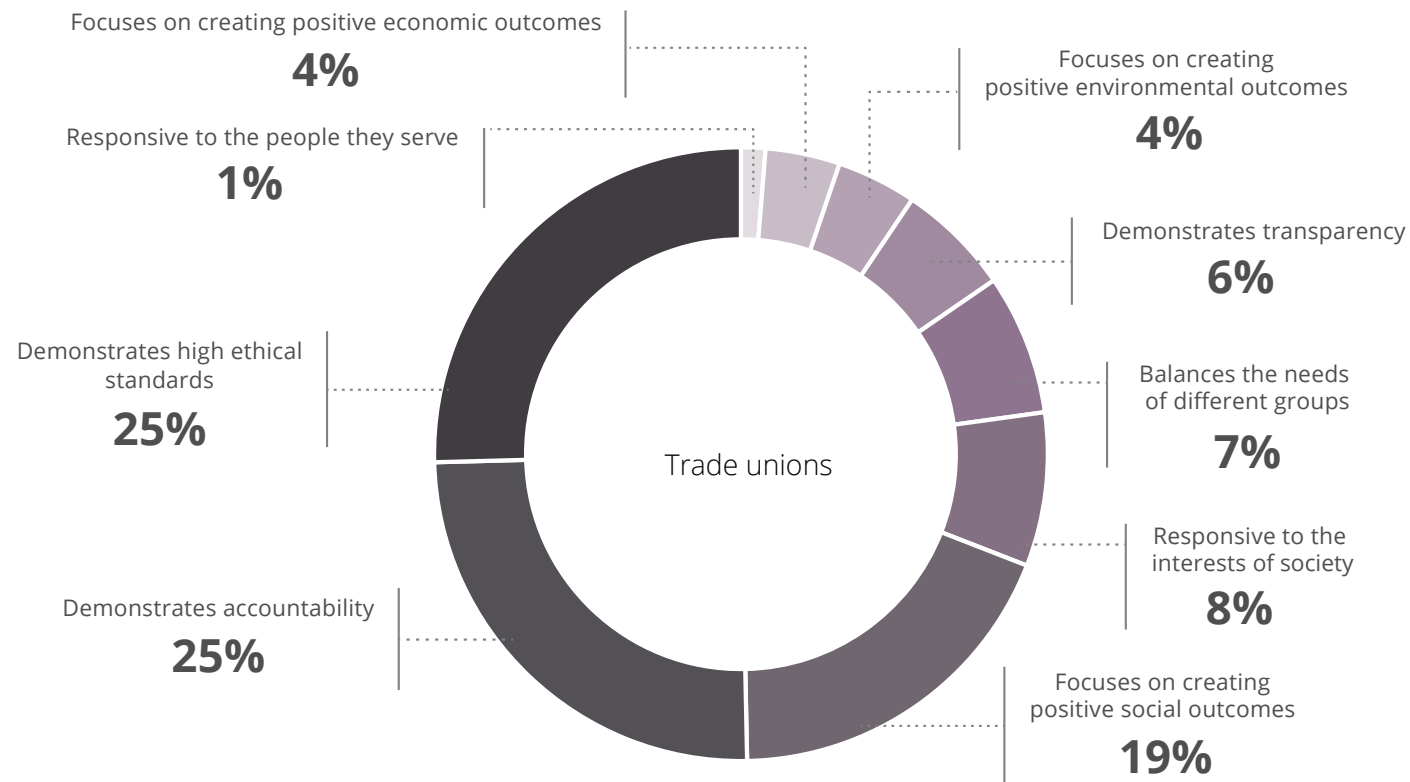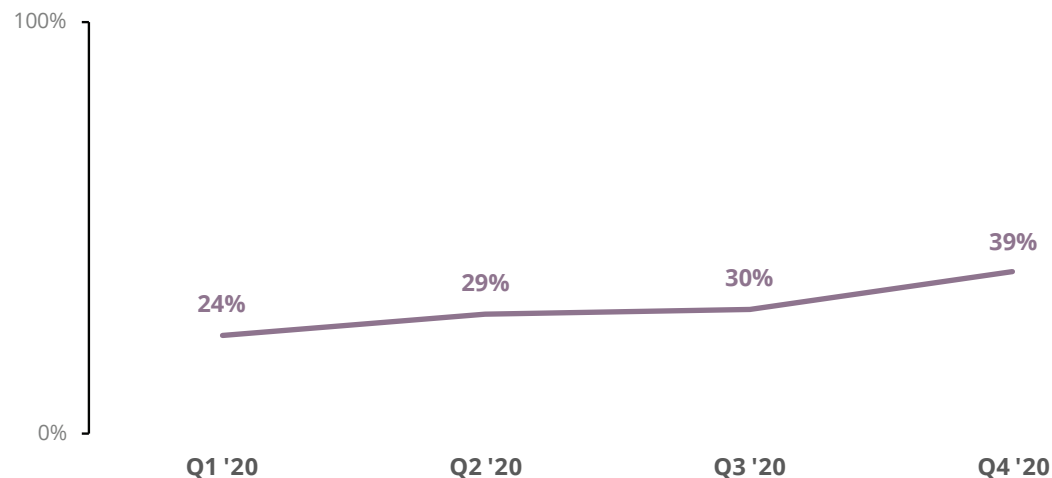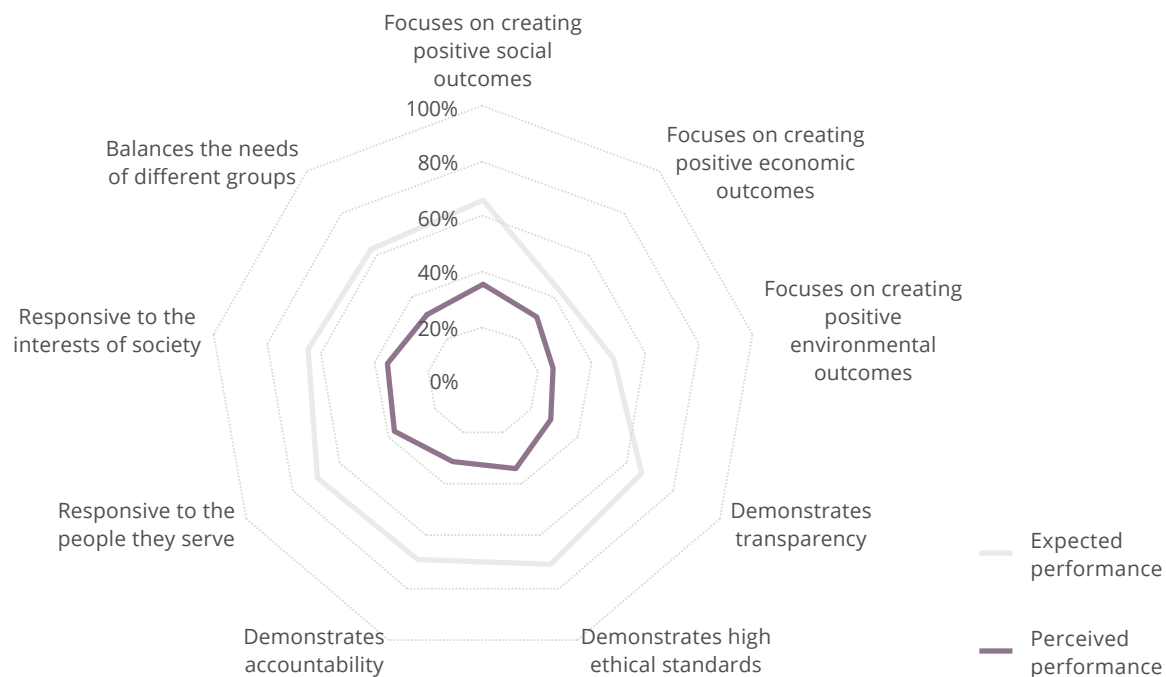

FIGURE 57. EXPECTATIONS AND PERCEPTIONS OF RELIGIOUS INSTITUTIONS

PREDICTORS OF LEADERSHIP FOR THE GREATER GOOD

As depicted in *Figure 58*, the top predictors of public perceptions of religious institution leadership for the greater good are:

1. responsive to the interests of society;

2. focuses on creating positive social outcomes;

3. demonstrates high ethical standards; and

4. demonstrates accountability.

These findings suggest that religious institutions can improve public perceptions of their leadership by improving their apparent responsiveness to interests of society, as well as improving their focus on the creation of social value, demonstrating greater accountability and stronger adherence to ethical standards.

Focuses on creating positive economic outcomes
3%

Focuses on creating positive environmental outcomes
7%

Demonstrates transparency
7%

Balances the needs of different groups
10%

Demonstrates accountability
11%

Responsive to the people they serve
2%

Responsive to the interests of society
30%

Focuses on creating positive social outcomes
19%

Demonstrates high ethical standards
11%

Religious institutions
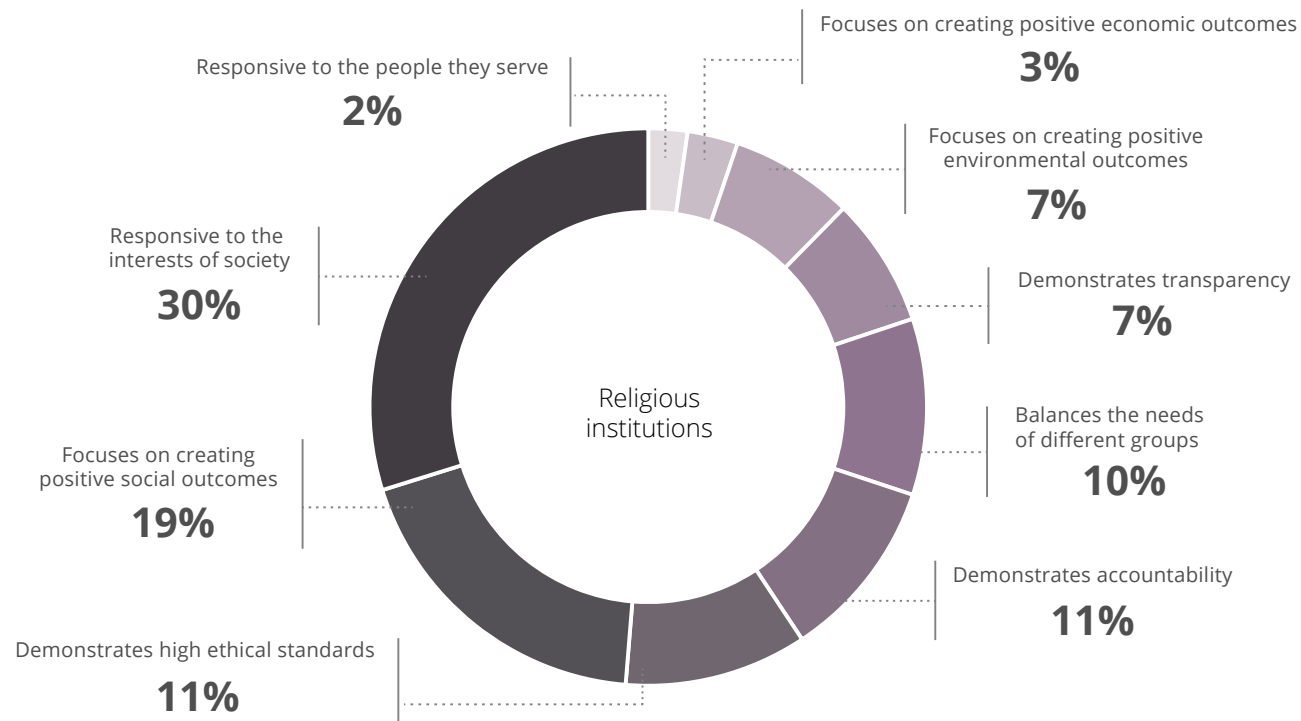
FIGURE 58. PREDICTORS OF PERCEPTIONS OF RELIGIOUS INSTITUTIONS' LEADERSHIP FOR THE GREATER GOOD

RESULTS

PART 3. WHAT TYPE OF VALUE DO INSTITUTIONAL LEADERS CREATE?

Figure axis labels and quadrant annotations:

- **LOW** Expectations **HIGH** Perceptions
- **HIGH** Expectations **HIGH** Perceptions
- **LOW** Expectations **LOW** Perceptions
- **HIGH** Expectations **LOW** Perceptions

Y-axis: Perceptions (1 to 5)
X-axis: Expectations (1 to 5)

LEGEND

1 Federal government

2 State governments

3 Local governments

4 Public health institutions

5 Public education institutions

6 Justice institutions

7 Small-medium enterprises

8 National businesses

9 Multinational corporations

10 Charitable organisations
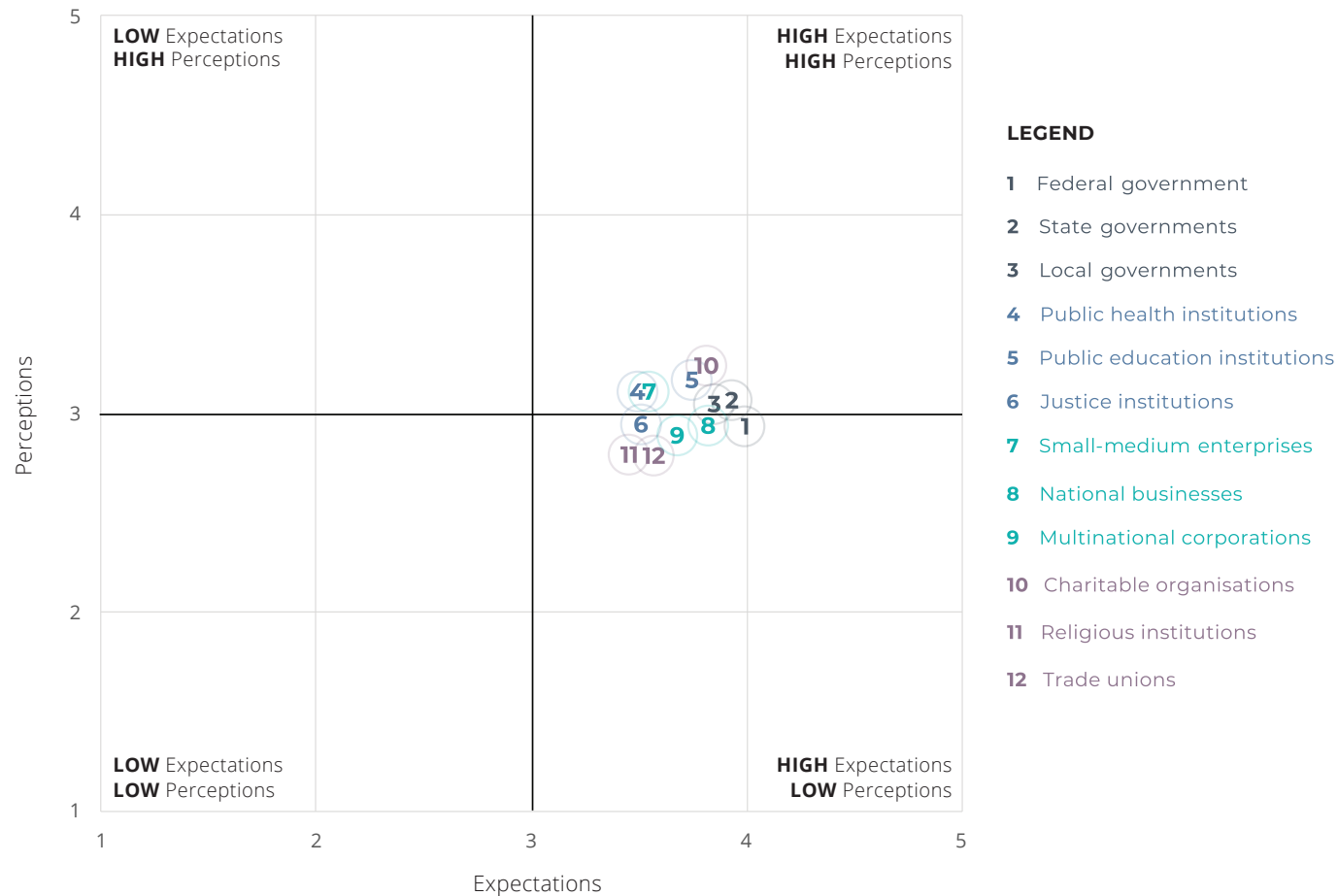
11 Religious institutions

12 Trade unions

FIGURE 59. PERCEIVED PERFORMANCE-EXPECTED PERFORMANCE MATRIX (TYPE OF VALUE CREATED) *

* A five-point scale is used for ratings of perceptions and expectations of the *type* of value that institutions seek to create, where 1 = 'not at all', 2 = 'to some extent', 3 = 'to a moderate extent', 4 = 'to a fairly large extent' and 5 = 'to an extremely large extent'.

OVERVIEW

The ALI model of institutional leadership for the greater good delineates three sets of indicators of leadership that pertain to the *type* of value that institutional leaders seek to create, *how* institutional leaders create value, and *for whom* institutional leaders create value.

The focus of this section is on public beliefs about the extent to which institutions appear to focus and ought to focus on the creation of social, environmental, and economic value. To create these insights, the results display the proportion of respondents who answered 'to a fairly large extent' or 'to an extremely large extent' on questions about to the types of value that institutional leaders appear to and ought to create. This illuminates key aspects of public perceptions and expectations and reveals the strongest and weakest performers on this aspect of leadership for the greater good.

PERCEIVED VERSUS EXPECTED PERFORMANCE

Charities came closest to meeting public expectations about the types of value they ought to create. However, in general, all institutions failed to meet public expectations.

FOCUS ON SOCIAL VALUE CREATION

The public sector is the strongest performer in terms of focus on the creation of positive social outcomes. The private sector is seen the weakest performer, although this sector also has the lowest community expectations of social value creation. The government sector is also perceived as a weak performer on this leadership indicator and is associated with the largest gap between perceived and expected focus on the creation of social value.

In terms of specific institutions, charities are regarded as the strongest performer in terms of focus on social value creation, while large national businesses and multinational corporations are the weakest performers. However, these businesses, along with SMEs and trade unions, are also associated with low public expectations of social value creation. The federal government and state governments are also perceived as a weak performers on this metric and are associated with the biggest gap between perceived and expected focus on the creation of social value.

GAP

Sector	Perceived	Expected	Gap
Government sector	36%	70%	-34%
Public sector	42%	66%	-24%
Private sector	31%	58%	-26%
Not-for-profit sector	40%	67%	-27%

Perceived performance   Expected performance
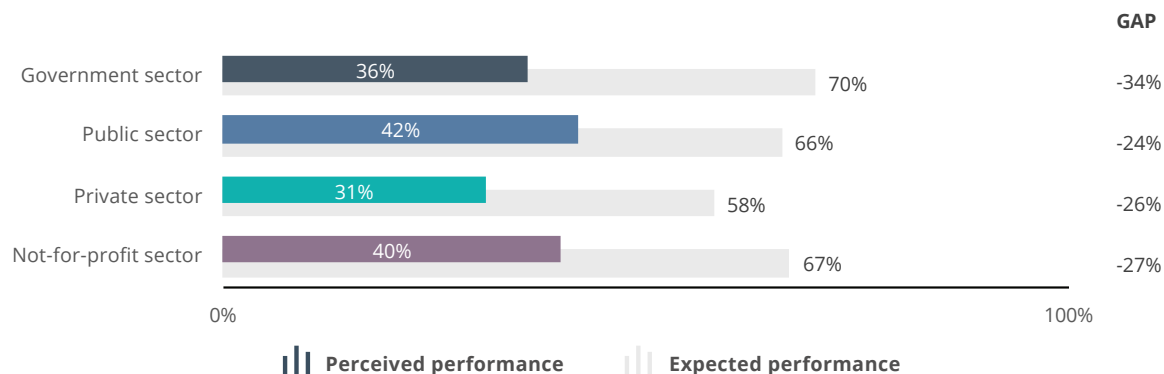
FIGURE 60. FOCUS ON CREATING SOCIAL VALUE (SECTORS)

GAP

Institution	Perceived	Expected	Gap
Federal government	34%	70%	-36%
State governments	37%	71%	-34%
Local governments	36%	69%	-33%
Public health institutions	44%	62%	-18%
Public education institutions	44%	68%	-24%
Justice institutions	38%	69%	-30%
Small-medium enterprises	36%	53%	-17%
National businesses	28%	61%	-33%
Multinational corporations	29%	58%	-29%
Charitable organisations	53%	75%	-22%
Religious institutions	35%	66%	-30%
Trade unions	31%	61%	-30%

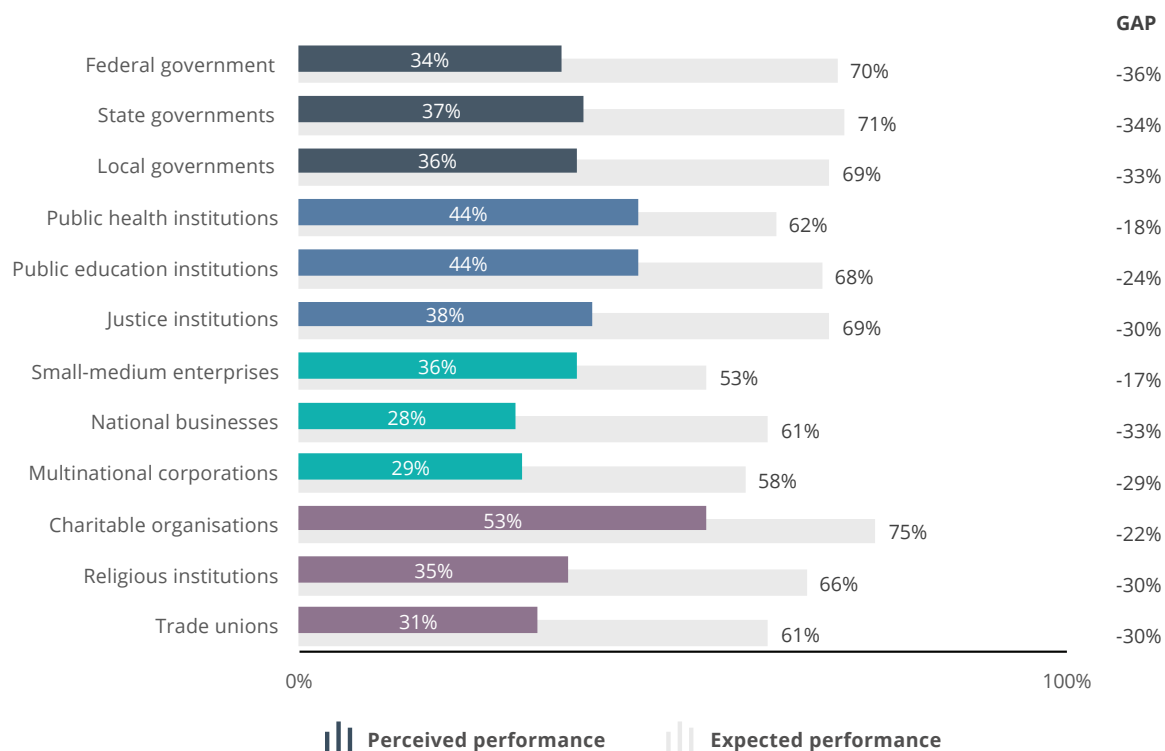Perceived performance   Expected performance

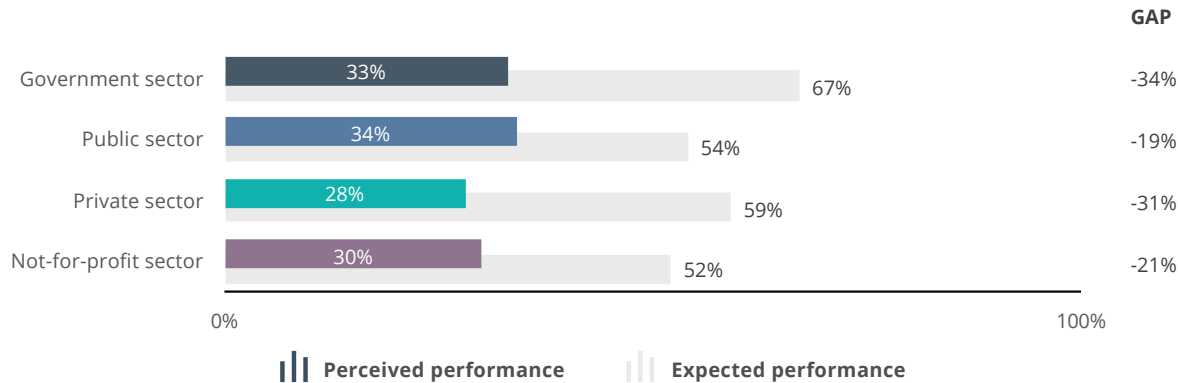**FIGURE 61. FOCUS ON CREATING SOCIAL VALUE (INSTITUTIONS)**

FIGURE 62. FOCUS ON CREATING ENVIRONMENTAL VALUE (SECTORS)
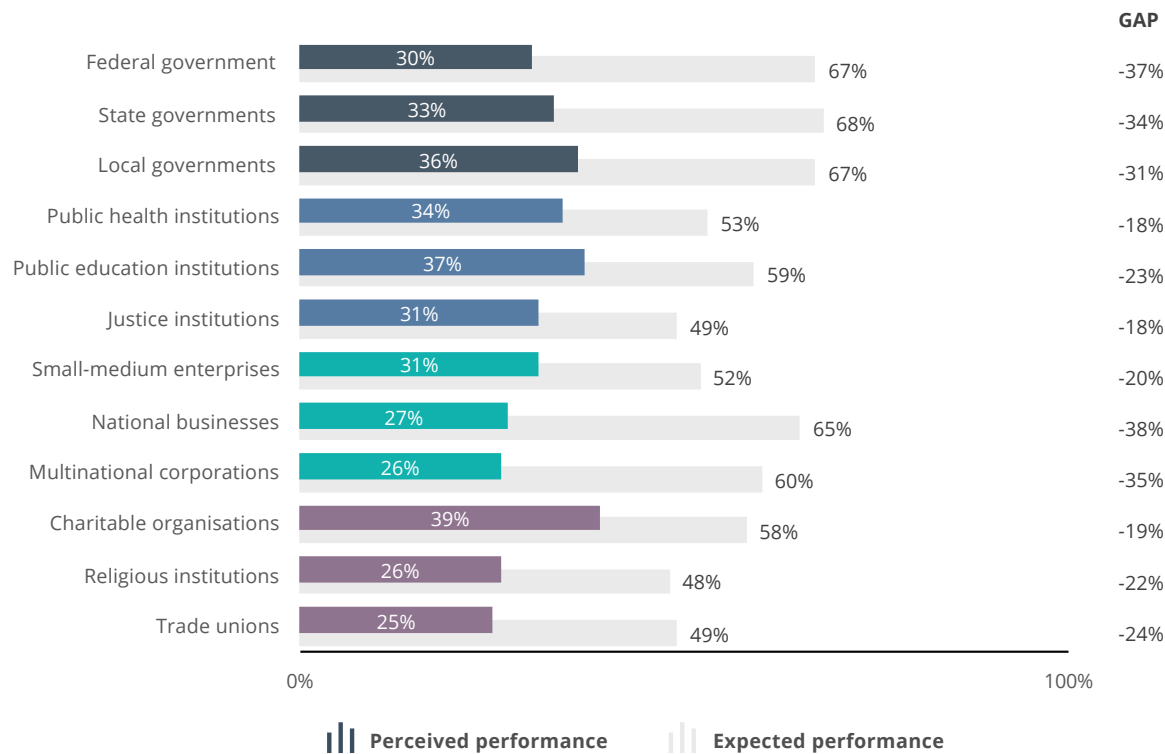
FIGURE 63. FOCUS ON CREATING ENVIRONMENTAL VALUE (INSTITUTIONS)

FOCUS ON ENVIRONMENTAL VALUE CREATION

The public sector is regarded as the strongest performer in terms of focus on environmental value creation and is also associated with the smallest gap between public perceptions and expectations, owing to moderate community expectations about the extent to which the public sector should focus on the creation of environmental value. The government sector is perceived as a weak performer on this metric and is associated with the biggest gap between perceptions and expectations owing to moderate-high community expectations about the extent to which governments should focus on creating environmental value.

Charitable institutions are regarded as the strongest performer in terms of focus on environmental value creation and trade unions are seen as the weakest performer. Justice and public health institutions are associated with the smallest expectation-performance gap, while national businesses and the federal government are associated with the largest gap (see Figure 63).

FOCUS ON ECONOMIC VALUE CREATION

The private sector is regarded as the strongest performer in terms of focus on economic value creation and the not-for-profit sector is seen the weakest performer. The government sector is also perceived as a strong performer on this metric. However, the government sectors fails to meet the high expectations of the public and is thus associated with the largest gap between expectations and perceptions. The narrowest gap between expectations and perceptions is observed for the public sector (*see Figure 64*).

At the institutional level, large national businesses are strongest performer in terms of perceived focus on economic value creation. Religious institutions and trade unions are the weakest performers. The narrowest expectation-perception gaps are observed among religious and public health institutions and the biggest gaps are associated with government institutions.

	GAP
Government sector	41% / 72%	-31%
Public sector	36% / 52%	-15%
Private sector	45% / 66%	-22%
Not-for-profit sector	35% / 53%	-19%

Perceived performance   Expected performance
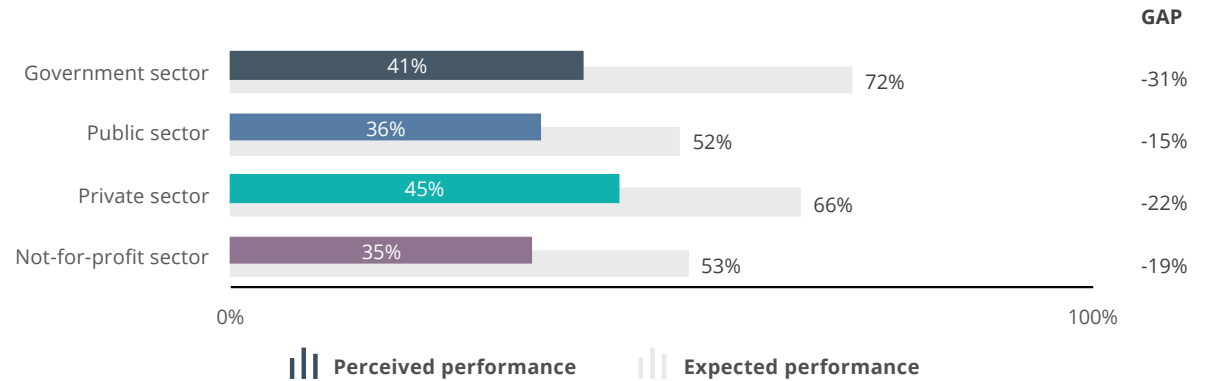
FIGURE 64. FOCUS ON CREATING ECONOMIC VALUE (SECTORS)

	GAP
Federal government	44% / 75%	-31%
State governments	42% / 72%	-30%
Local governments	37% / 69%	-32%
Public health institutions	38% / 50%	-12%
Public education institutions	39% / 57%	-18%
Justice institutions	32% / 48%	-16%
Small-medium enterprises	44% / 60%	-16%
National businesses	46% / 72%	-26%
Multinational corporations	44% / 67%	-23%
Charitable organisations	41% / 58%	-17%
Religious institutions	31% / 43%	-12%
Trade unions	32% / 59%	-27%

Perceived performance   Expected performance
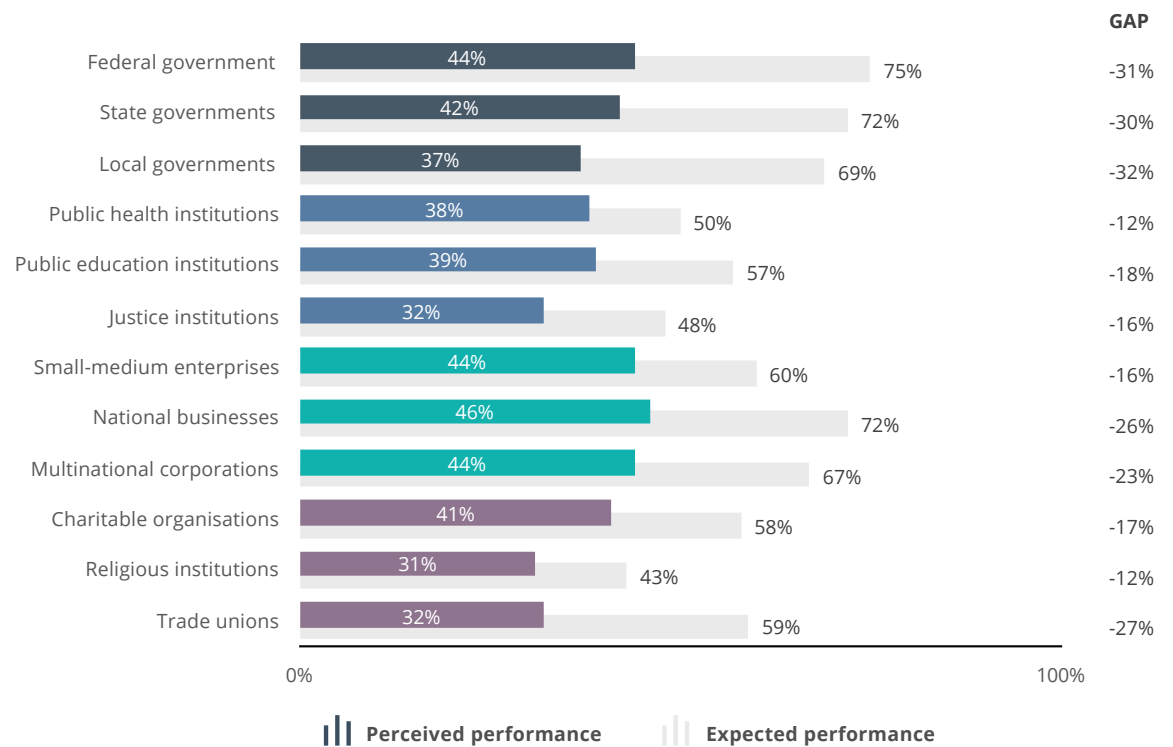
FIGURE 65. FOCUS ON CREATING ECONOMIC VALUE (INSTITUTIONS)

RESULTS

PART 4. HOW DO INSTITUTIONAL LEADERS CREATE VALUE?

OVERVIEW

The ALI model of institutional leadership for the greater good delineates three sets of indicators of leadership for the greater good that pertain to the *type* of value that institutional leaders seek to create, *how* institutional leaders create value, and *for whom* institutional leaders create value.

The focus of this section is on public beliefs about the extent to which institutions are, and ought to be, accountable, transparent and ethical. To create these insights, the results compare the proportion of respondents who answered 'to a fairly large extent' or 'to an extremely large extent' on questions about how institutions create value. This illuminates key aspects of public perceptions and expectations and reveals the strongest and weakest performers on this aspect of leadership for the greater good.

PERCEIVED VERSUS EXPECTED PERFORMANCE

Charities and public health institutions come closest to meeting public expectations about accountability, transparency and ethicality. SMEs also performed moderately well in terms of meeting community standards. However, in general, all institutions failed to meet public expectations in of accountability, transparency and ethicality.

LEGEND

1 Federal government
2 State governments
3 Local governments
4 Public health institutions
5 Public education institutions
6 Justice institutions
7 Small-medium enterprises
8 National businesses
9 Multinational corporations
10 Charitable organisations
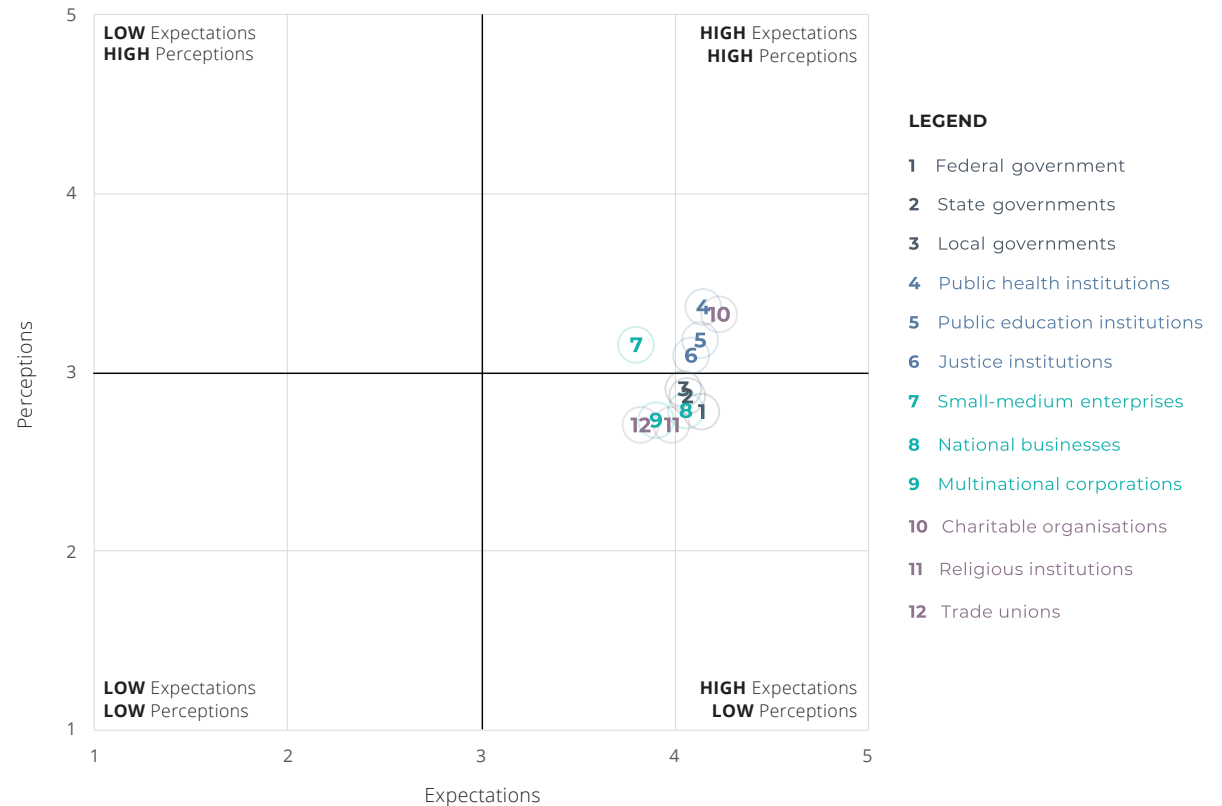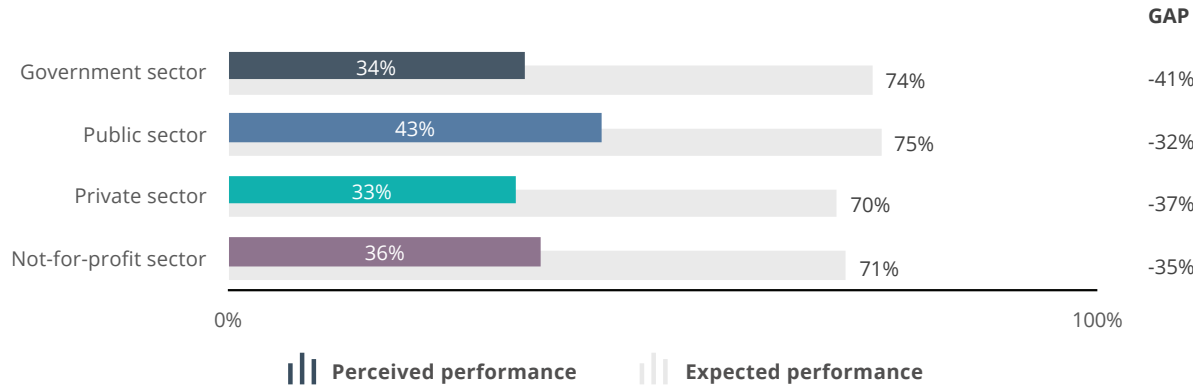11 Religious institutions
12 Trade unions

FIGURE 66. PERCEIVED PERFORMANCE-EXPECTED PERFORMANCE MATRIX (HOW VALUE IS CREATED) *

* A five-point scale is used for ratings of perceptions and expectations of *how* institutions create value, where 1 = 'not at all', 2 = 'to some extent', 3 = 'to a moderate extent', 4 = 'to a fairly large extent' and 5 = 'to an extremely large extent'.

FIGURE 67. ACCOUNTABILITY (SECTORS)

GAP

Government sector	34% / 74%	-41%
Public sector	43% / 75%	-32%
Private sector	33% / 70%	-37%
Not-for-profit sector	36% / 71%	-35%

0%   100%

▌▐▌ Perceived performance   ▐ ▎▏ Expected performance

FIGURE 68. ACCOUNTABILITY (INSTITUTIONS)

GAP

Federal government	33% / 76%	-43%
State governments	34% / 74%	-40%
Local governments	34% / 74%	-39%
Public health institutions	47% / 77%	-29%
Public education institutions	41% / 75%	-34%
Justice institutions	41% / 74%	-33%
Small-medium enterprises	39% / 66%	-27%
National businesses	31% / 75%	-44%
Multinational corporations	29% / 70%	-41%
Charitable organisations	48% / 77%	-29%
Religious institutions	31% / 69%	-39%
Trade unions	29% / 66%	-38%

0%   100%

▌▐▌ Perceived performance   ▐ ▎▏ Expected performance

ACCOUNTABILITY

The public sector is regarded as the strongest performer in terms of accountability, while the government and private sectors are seen the weakest performers. The government sector is associated with the biggest gap between perceived and expected accountability.

Charities are regarded as the strongest performer in terms of accountability, followed by public health institutions. Trade unions and multinational corporations are perceived as the weakest performers in terms of perceived accountability. The largest gaps between public expectations and perceptions are observed for large national businesses and the federal government.
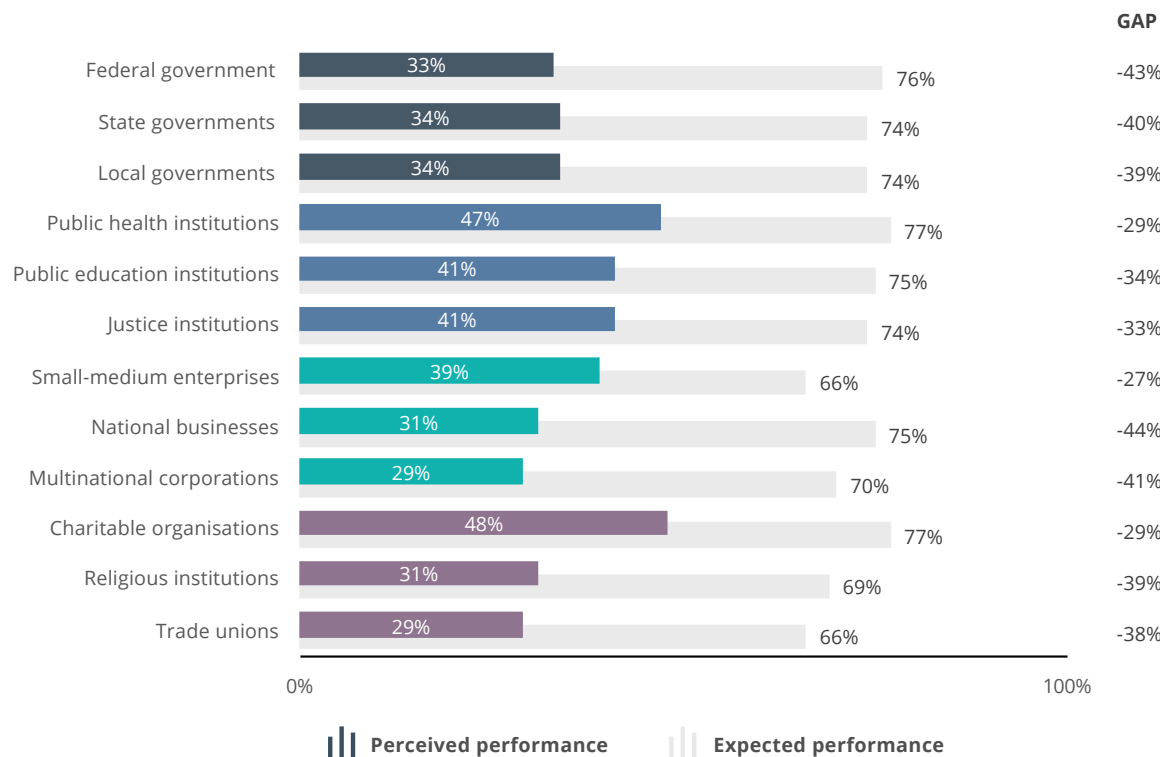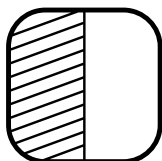
TRANSPARENCY

The public sector is regarded as the strongest performer in terms of transparency, while the private sector is viewed as the weakest performer. The government sector is associated with the biggest gap between perceived and expected transparency.

Charities are regarded as the strongest performer in terms of transparency, with public health institutions the next best performers. A number of institutions are judged as very poor performers on this metric; namely, trade unions, multinational corporations, religious institutions, and national businesses. The federal government and national businesses have the biggest perception-expectation gaps for transparency.
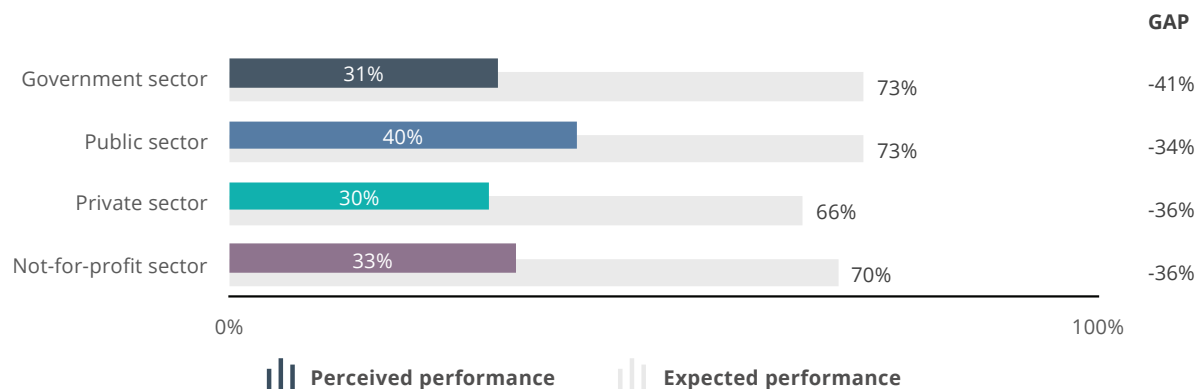
GAP

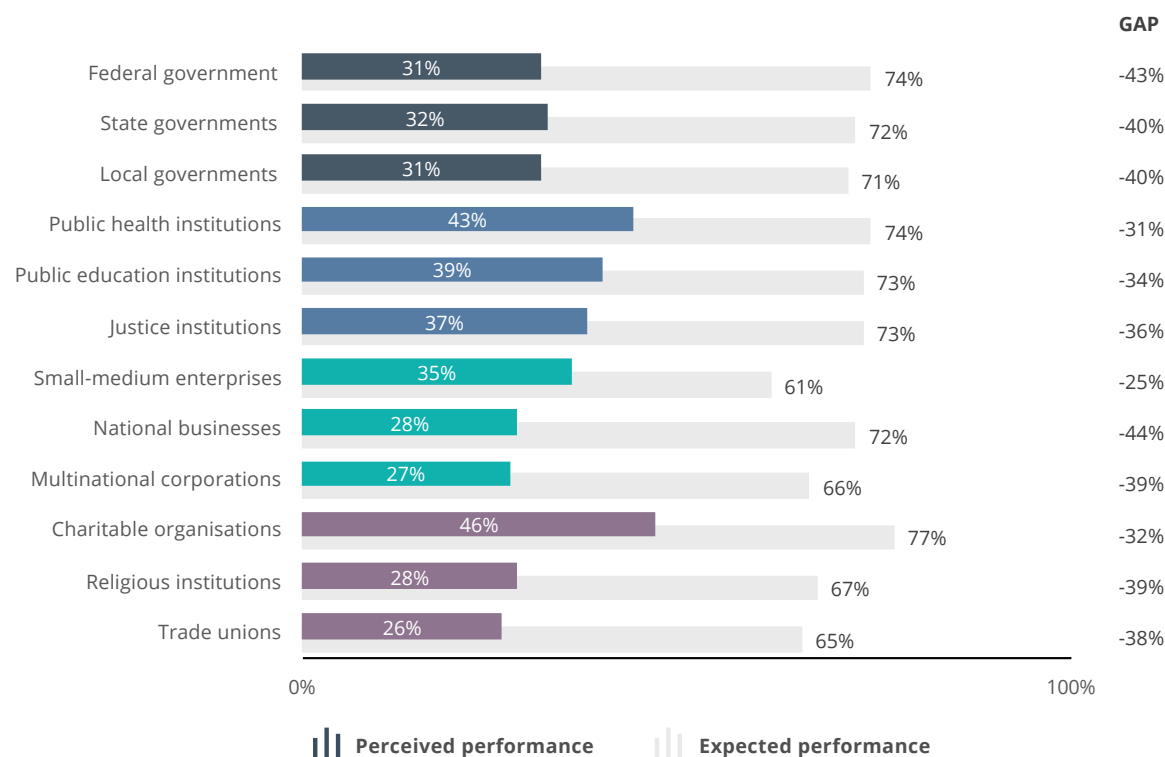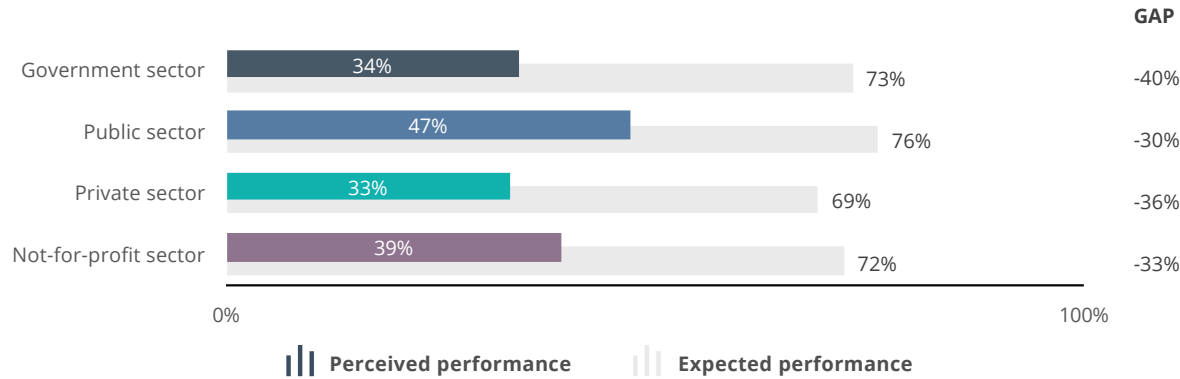| Sector	Perceived	Expected	Gap
Government sector	31%	73%	-41%
Public sector	40%	73%	-34%
Private sector	30%	66%	-36%
Not-for-profit sector	33%	70%	-36%

0% 100%

Perceived performance   Expected performance

FIGURE 69. TRANSPARENCY (SECTORS)

GAP

Institution	Perceived	Expected	Gap
Federal government	31%	74%	-43%
State governments	32%	72%	-40%
Local governments	31%	71%	-40%
Public health institutions	43%	74%	-31%
Public education institutions	39%	73%	-34%
Justice institutions	37%	73%	-36%
Small-medium enterprises	35%	61%	-25%
National businesses	28%	72%	-44%
Multinational corporations	27%	66%	-39%
Charitable organisations	46%	77%	-32%
Religious institutions	28%	67%	-39%
Trade unions	26%	65%	-38%

0% 100%

Perceived performance   Expected performance

FIGURE 70. TRANSPARENCY (INSTITUTIONS)

GAP

Government sector	34% / 73%	-40%
Public sector	47% / 76%	-30%
Private sector	33% / 69%	-36%
Not-for-profit sector	39% / 72%	-33%

0%   100%

Perceived performance   **Expected performance**

FIGURE 71. ETHICALITY (SECTORS)

GAP

Federal government	33% / 75%	-43%
State governments	33% / 72%	-38%
Local governments	35% / 73%	-39%
Public health institutions	53% / 79%	-25%
Public education institutions	44% / 76%	-32%
Justice institutions	43% / 74%	-31%
Small-medium enterprises	40% / 65%	-25%
National businesses	30% / 74%	-44%
Multinational corporations	29% / 69%	-40%
Charitable organisations	53% / 79%	-26%
Religious institutions	34% / 71%	-37%
Trade unions	28% / 65%	-37%

0%   100%

Perceived performance   **Expected performance**

FIGURE 72. ETHICALITY (INSTITUTIONS)

ETHICALITY

The public sector is regarded as the strongest performer in terms of ethicality, while the government and private sectors are seen the weakest performers. Once again, the government sector is associated with the biggest gap between perceived and expected ethicality.

Charities and public health institutions are regarded as the strongest performers in terms of ethicality. A number of institutions were judged as very poor performers on this metric, especially trade unions and multinational corporations. The federal government and national businesses are associated with the largest discrepancies between public perceptions and expectations of ethicality.
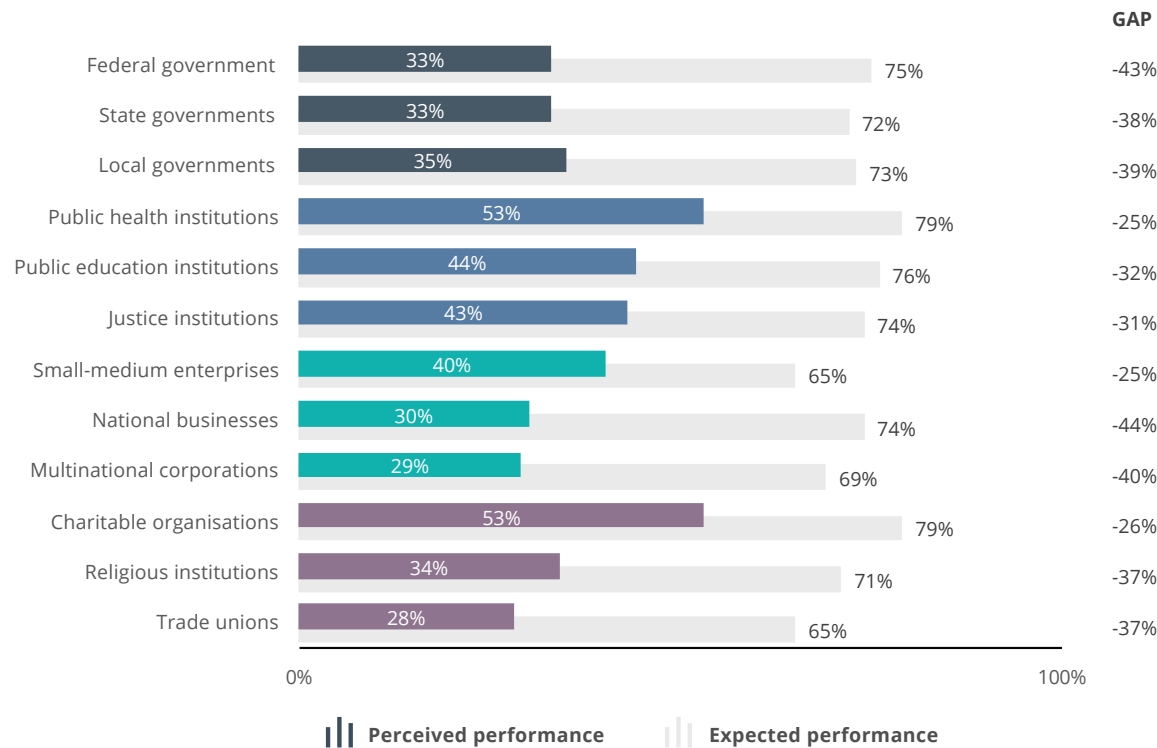
RESULTS

PART 5. DO INSTITUTIONAL LEADERS
CREATE VALUE FOR THE PEOPLE THEY SERVE?
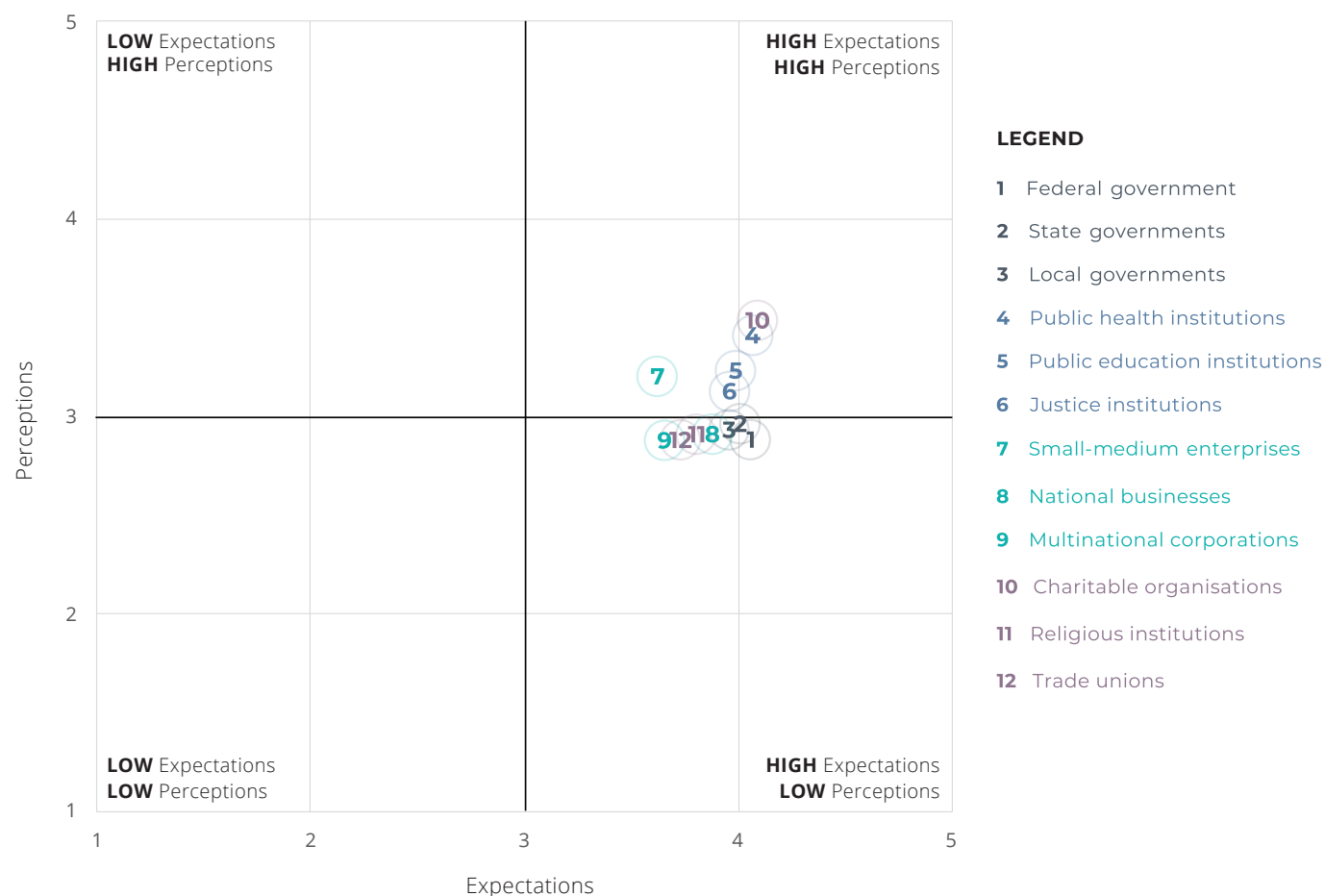
FIGURE 73. PERCEIVED PERFORMANCE-EXPECTED PERFORMANCE MATRIX (FOR WHOM VALUE IS CREATED) *

LEGEND

1 Federal government

2 State governments

3 Local governments

4 Public health institutions

5 Public education institutions

6 Justice institutions

7 Small-medium enterprises

8 National businesses

9 Multinational corporations

10 Charitable organisations

11 Religious institutions

12 Trade unions

***** A five-point scale is used for all ratings of perceptions and expectations of the stakeholders *for whom* institutions create value, where 1 = 'not at all', 2 = 'to some extent', 3 = 'to a moderate extent', 4 = 'to a fairly large extent' and 5 = 'to an extremely large extent'.

OVERVIEW

The ALI model of institutional leadership for the greater good delineates three sets of indicators of leadership for the greater good that pertain to the *type* of value that institutional leaders seek to create, *how* institutional leaders create value, and *for whom* institutional leaders create value.

The focus of this section is on public beliefs about the extent to which institutions are, and ought to be, responsive to the needs and interests of the people they serve and society at large, as well as the extent to which they balance the needs of different groups of stakeholders. To create these insights, the results compare the proportion of respondents who answered 'to a fairly large extent' or 'to an extremely large extent' on items about the stakeholders for whom institutions create value. This illuminates key aspects of public perceptions and expectations and reveals the strongest and weakest performers on this aspect of leadership for the greater good.

PERCEIVED VERSUS EXPECTED PERFORMANCE

With the exception of charities, public health, public education and justice institutions, which came closest to meeting public expectations about institutional responsiveness to their stakeholders and society, all other institutions failed to meet public expectations.
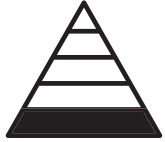
RESPONSIVE TO THE PEOPLE THEY SERVE

The public sector and the not-for-profit sector are regarded as the strongest performers in terms of responsiveness to the people they serve, with the government judged as the least responsive to the people they serve. Consistent with this, the government sector is associated with the biggest gap between perceived and expected responsiveness.

Charities are regarded as the strongest performer in terms of responsiveness to the people they serve by some margin, followed by public health institutions. National and multinational businesses are seen as the least responsive. The federal government, state and local governments and national businesses are associated with the largest gaps between public expectations and perceptions of responsiveness to the needs of the people they serve.
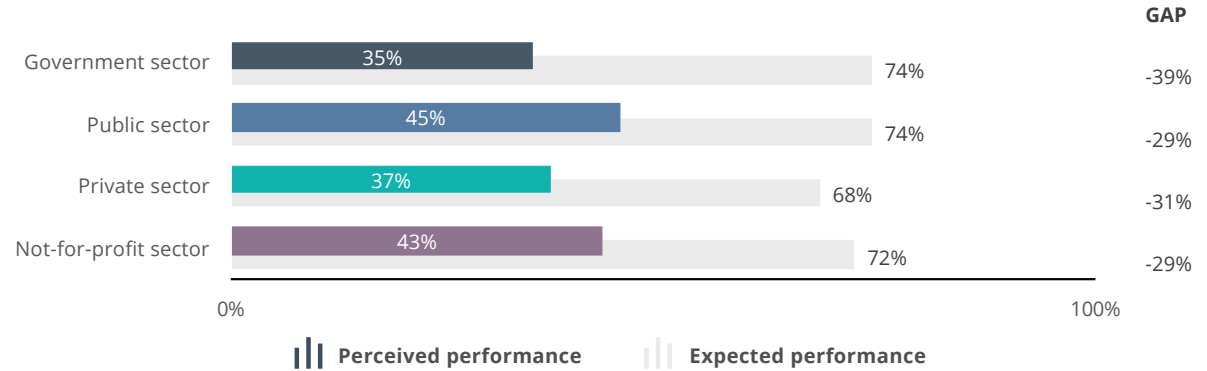
GAP

	Perceived	Expected	Gap
Government sector	35%	74%	-39%
Public sector	45%	74%	-29%
Private sector	37%	68%	-31%
Not-for-profit sector	43%	72%	-29%

0%　　　　　　　　　　100%

▌▌▌ **Perceived performance**　　▏▏▏ **Expected performance**

FIGURE 74. RESPONSIVE TO THE PEOPLE THEY SERVE (SECTORS)

GAP

	Perceived	Expected	Gap
Federal government	34%	75%	-41%
State governments	36%	74%	-38%
Local governments	35%	74%	-39%
Public health institutions	51%	76%	-25%
Public education institutions	44%	74%	-30%
Justice institutions	41%	73%	-32%
Small-medium enterprises	46%	67%	-21%
National businesses	33%	72%	-39%
Multinational corporations	33%	66%	-33%
Charitable organisations	56%	77%	-22%
Religious institutions	37%	70%	-33%
Trade unions	35%	69%	-34%

0%　　　　　　　　　　100%

▌▌▌ **Perceived performance**　　▏▏▏ **Expected performance**

FIGURE 75. RESPONSIVE TO THE PEOPLE THEY SERVE (INSTITUTIONS)

GAP

Government sector — 35% | 73% — -37%
Public sector — 43% | 72% — -29%
Private sector — 34% | 62% — -28%
Not-for-profit sector — 40% | 68% — -28%

0% — 100%
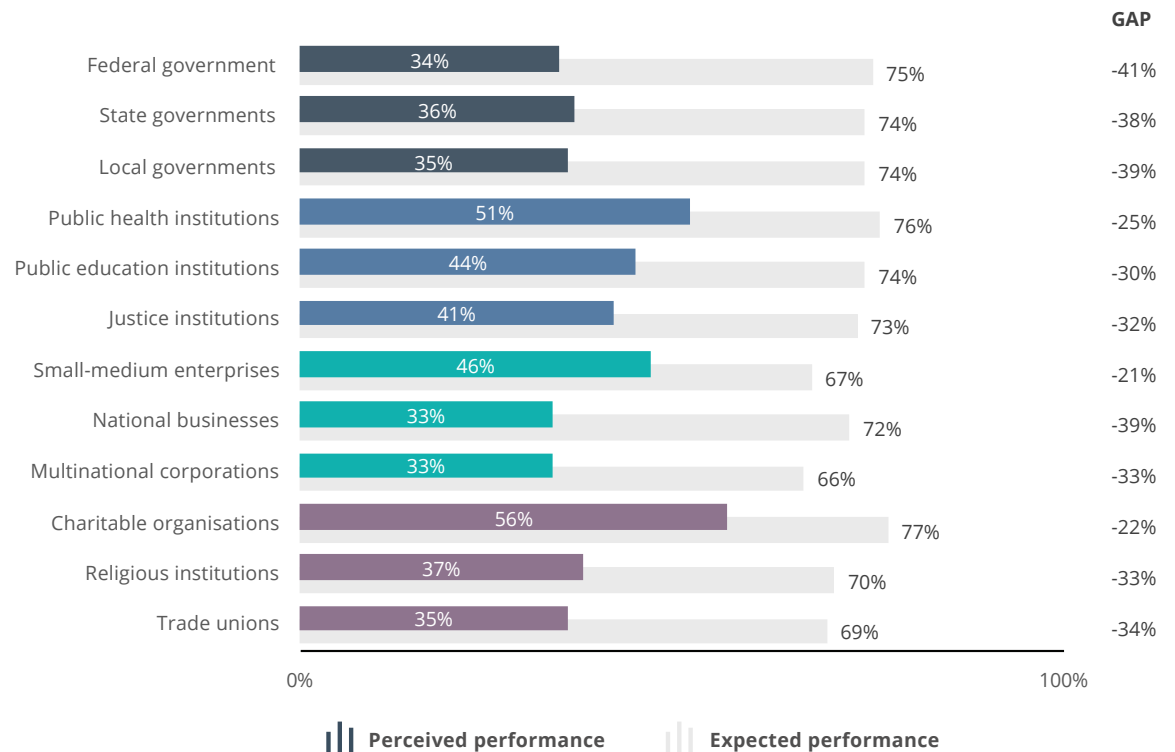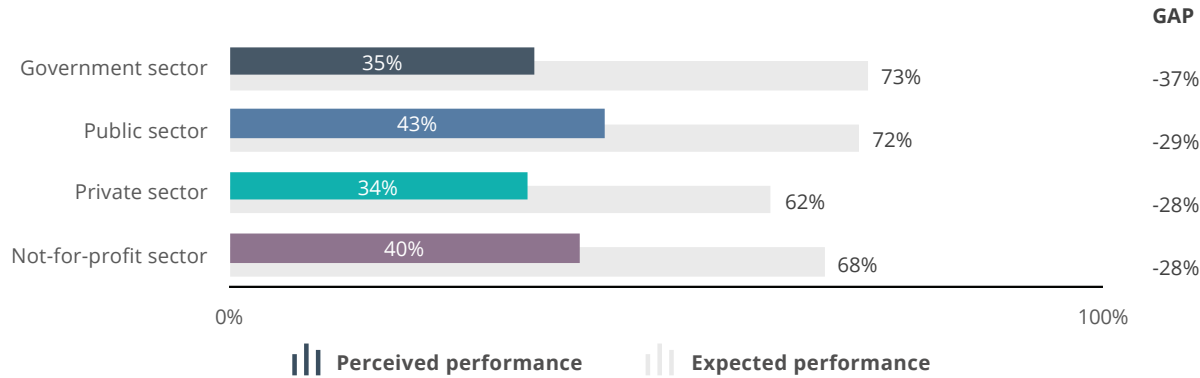
▮▮▮ **Perceived performance**   ▮▮▮ **Expected performance**

FIGURE 76. RESPONSIVENESS TO SOCIETY (SECTORS)

RESPONSIVE TO THE INTERESTS OF SOCIETY

The public sector and the not-for-profit sector are regarded as the strongest performers in terms of responsiveness to the interests of society, with the private sector regarded as the least alive and responsive to the interests society. The government sector is associated with the biggest gap between perceived and expected responsiveness to society (*see Figure 76).*

Charities are regarded as the strongest performer in terms of responsiveness to the interests of society, followed by public health institutions. Trade unions, multinational corporates and national businesses are seen as the least responsive to society. The largest gaps between expectation and perception are observed for the federal government and state and local governments (*see Figure 77).*
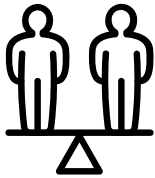
GAP

Federal government — 36% | 74% — -38%
State governments — 36% | 73% — -37%
Local governments — 35% | 71% — -37%
Public health institutions — 50% | 75% — -25%
Public education institutions — 40% | 69% — -30%
Justice institutions — 39% | 71% — -32%
Small-medium enterprises — 39% | 56% — -16%
National businesses — 32% | 67% — -35%
Multinational corporations — 31% | 64% — -33%
Charitable organisations — 54% | 77% — -23%
Religious institutions — 35% | 65% — -30%
Trade unions — 30% | 61% — -30%

0% — 100%

▮▮▮ **Perceived performance**   ▮▮▮ **Expected performance**

FIGURE 77. RESPONSIVENESS TO SOCIETY (INSTITUTIONS)

BALANCES THE INTERESTS OF DIFFERENT GROUPS

The public sector and the not-for-profit sector are regarded as the strongest performers in terms of the extent to which they balance the interests of different groups of stakeholders. The government is regarded as the worst performer and, consistent with this, has the biggest gap between perceptions and expectations on this metric.
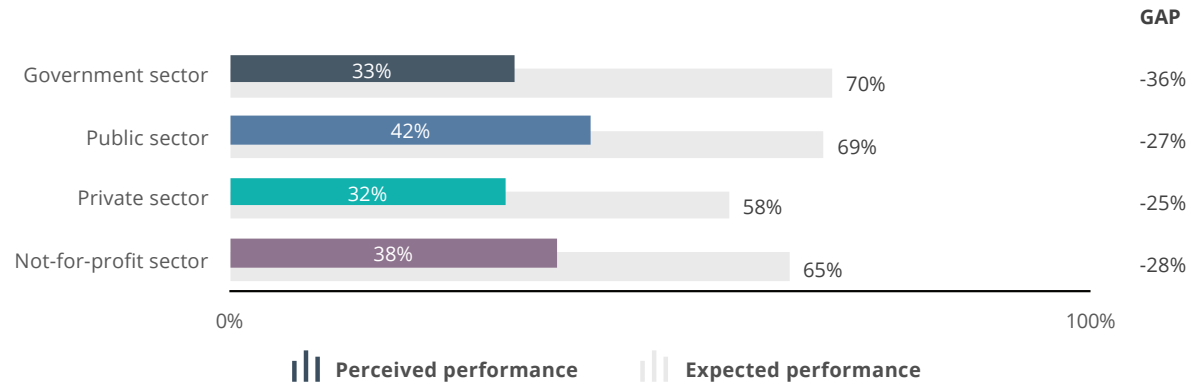
The public sector and the not-for-profit sector are regarded as the strongest performers in terms of the extent to which they balance the interests of different groups of stakeholders. The government is regarded as the worst performer and, consistent with this, has the biggest gap between perceptions and expectations on this metric.

GAP

Sector	Perceived	Expected	Gap
Government sector	33%	70%	-36%
Public sector	42%	69%	-27%
Private sector	32%	58%	-25%
Not-for-profit sector	38%	65%	-28%

0%   100%

▐▌▌ Perceived performance   ▐▌▌ Expected performance

FIGURE 78. BALANCES DIFFERENT INTERESTS (SECTORS)

GAP

Institution	Perceived	Expected	Gap
Federal government	33%	71%	-39%
State governments	34%	68%	-34%
Local governments	33%	69%	-36%
Public health institutions	47%	73%	-26%
Public education institutions	43%	69%	-26%
Justice institutions	37%	66%	-29%
Small-medium enterprises	38%	53%	-15%
National businesses	30%	61%	-31%
Multinational corporations	29%	58%	-29%
Charitable organisations	50%	72%	-22%
Religious institutions	32%	63%	-31%
Trade unions	30%	61%	-31%

0%   100%

▐▌▌ Perceived performance   ▐▌▌ Expected performance

FIGURE 79. BALANCES DIFFERENT INTERESTS (INSTITUTIONS)

SECTION 4

DEMOGRAPHICS

Section 4 of this report analyses public perceptions and expectations about leadership for the greater good across key demographic factors; namely, gender, knowledge of rated sectors, country of birth, voting preference and age.

GENDER

The general patterns present found in the ALI results are consistent across genders. However, there are some small differences. Notably, men rate all federal government more favourably than women. However, women perceive public education more favourably than men. Men and women both agree that charitable organisations demonstrate the highest degree of leadership for the greater good.
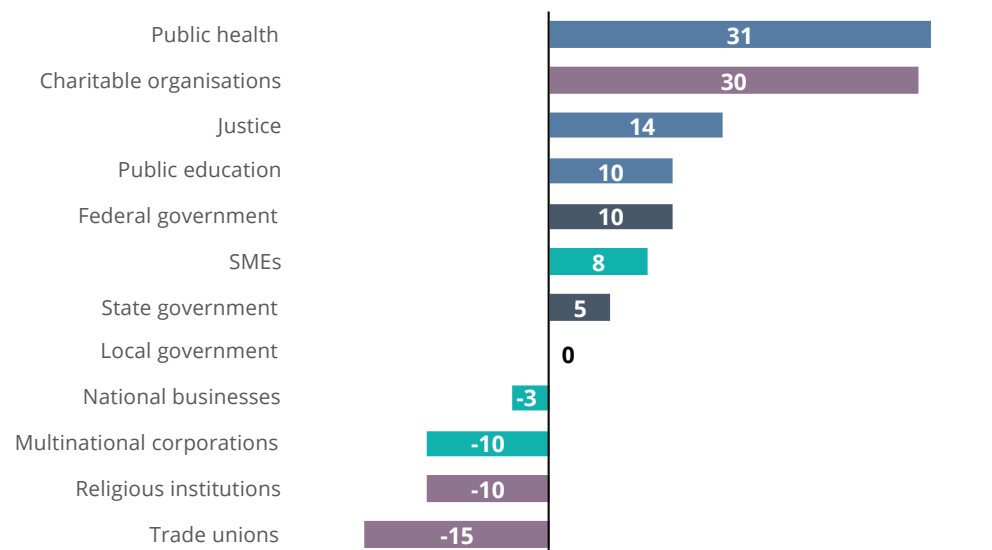
FIGURE 80. ALI BY INSTITUTION, MALE

Institution	Value
Public health	31
Charitable organisations	30
Justice	14
Public education	10
Federal government	10
SMEs	8
State government	5
Local government	0
National businesses	-3
Multinational corporations	-10
Religious institutions	-10
Trade unions	-15
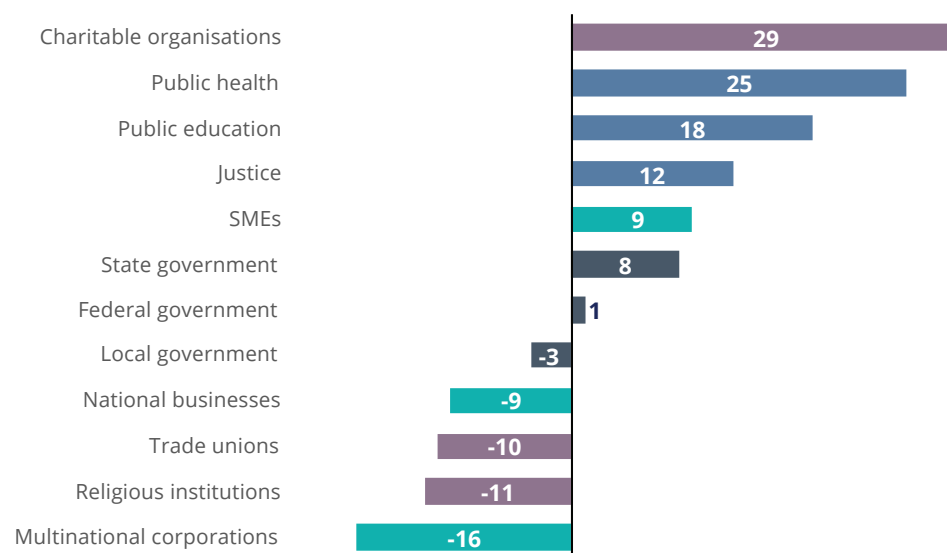
FIGURE 81. ALI BY INSTITUTION, FEMALE

Institution	Value
Charitable organisations	29
Public health	25
Public education	18
Justice	12
SMEs	9
State government	8
Federal government	1
Local government	-3
National businesses	-9
Trade unions	-10
Religious institutions	-11
Multinational corporations	-16

KNOWLEDGE OF THE SECTOR

Respondents were asked how knowledgeable they are about the institutions they assessed. Answers included *not at all knowledgeable*, *slightly knowledgeable*, *moderately knowledgeable*, *highly knowledgeable*, and *extremely knowledgeable*.

A consistent pattern was observed across all institutions and sectors; namely, the more knowledgeable someone is of a given institution, the more favourable their rating is of that sector's leadership for the greater good.
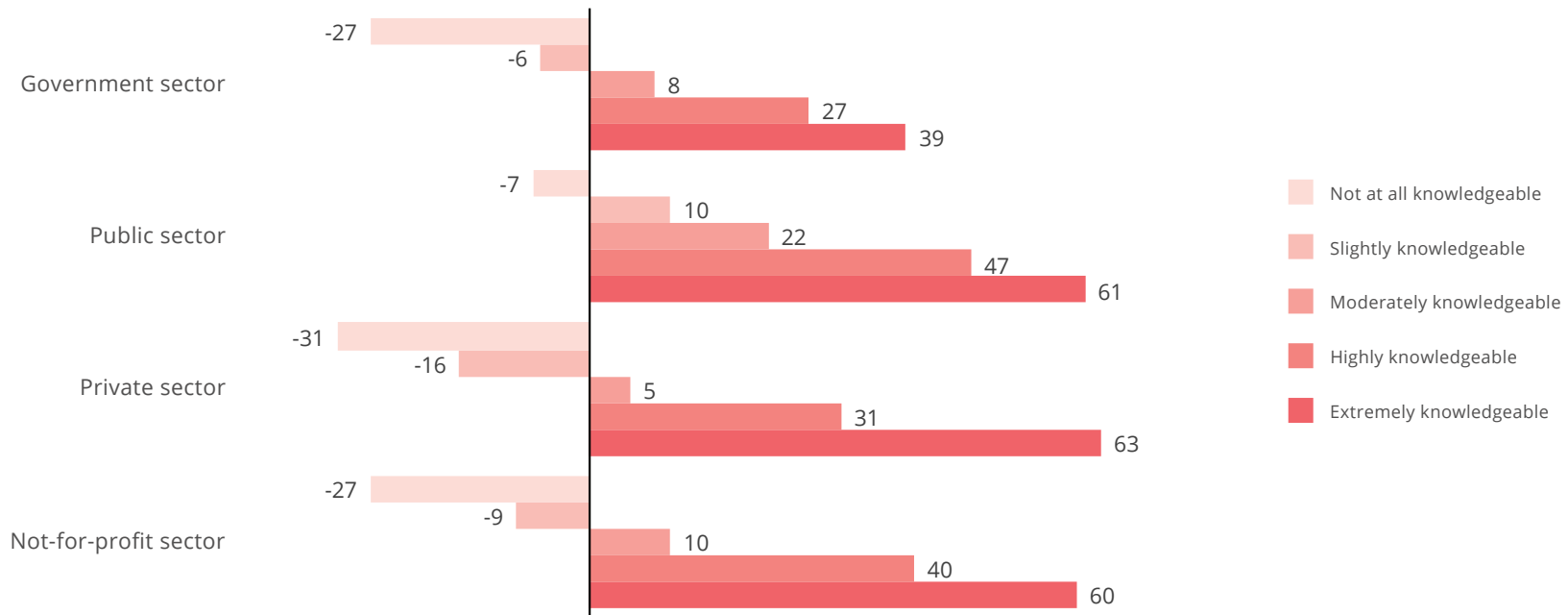
FIGURE 82. ALI BY SECTOR, DIFFERENCES BY KNOWLEDGE OF THE SECTOR

COUNTRY OF BIRTH

Perceptions of leadership for the greater good differ by a respondent's country of birth. Respondents who were born overseas in English-speaking countries rate institutions most negatively, whereas respondents born in non-English-speaking countries tend to rate institutions most favourably.
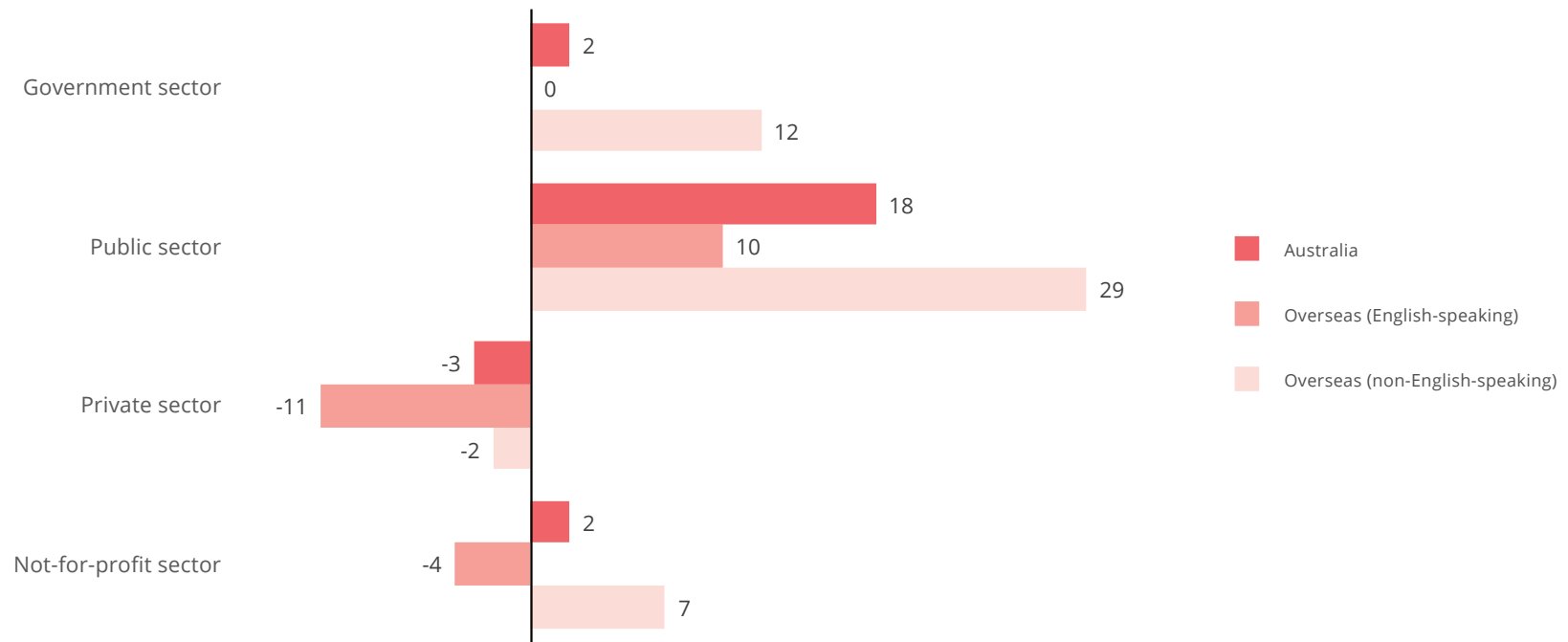
FIGURE 83. ALI BY SECTOR, DIFFERENCES BY COUNTRY OF BIRTH

VOTING PREFERENCE

Participants were asked which party they would likely vote for, if an election were held the day they completed the survey. Response options were: Labor party, *Liberal party*, *National party*, *Greens*, *One Nation*, *Independents*, or *Other*.

Liberal and National voters rate the leadership of the government sector most favourably, with respondents of most other political persuasions rating the

government sector unfavourably. Nearly all participants rated the public sector favourably, except the independent voters. National and Liberal party voters are the only respondents to rate the private sector's leadership favourably, while perceptions of the not-for-profit sector are mixed.

Government sector
- 3
- 27
- 37
- -30
- -17
- -31

Public sector
- 24
- 28
- 34
- 1
- 6
- -3

Private sector
- -3
- 11
- 33
- -32
- -15
- -19

Not-for-profit sector
- 11
- 6
- 11
- -10
- -15
- -18

Legend:
- Labor party
- Liberal party
- National party
- Greens
- One Nation
- Independents
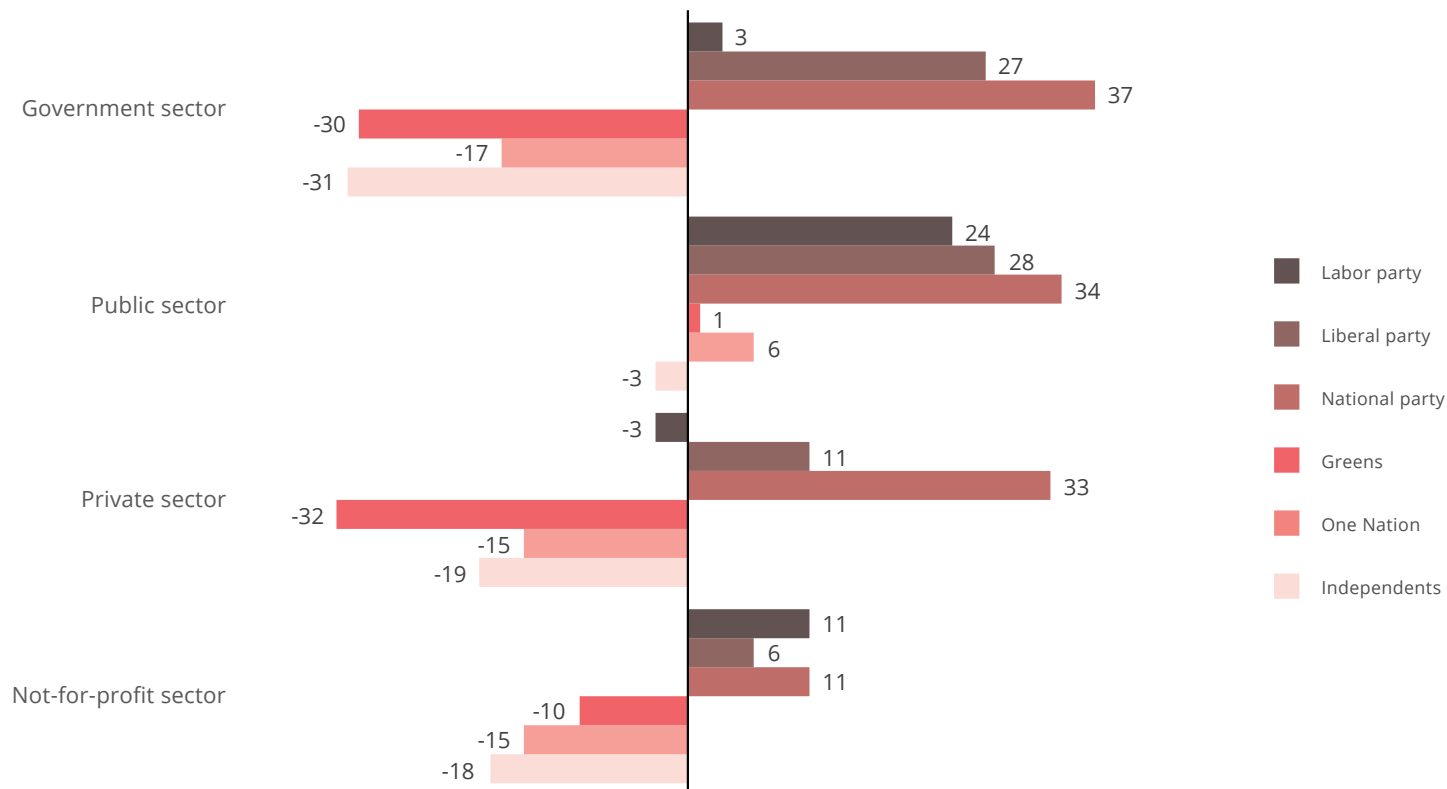
FIGURE 84. ALI BY SECTOR, DIFFERENCES BY VOTING 'PREFERENCE

GENERATIONS

Perceptions of leadership for the greater good also vary across generations. For the purposes of this report, the *Silent Generation* are defined as those born between 1925 and 1945 (aged 75-95), *Baby Boomers* are those born between 1946 and 1964 (aged 56-74), *Generation X* are those born between 1965 and 1979 (aged 41- 55), *Millennials* are those born between 1980 and 1994 (aged 26-40) and *Generation Z* are those born after 1995 (and at least 18 years of age at the time of the survey).

Typically, younger generations (Generation Z and Millennials) rate institutional leadership most favourably, while Baby Boomers rate institutional leadership

most negatively. With the exception of Generation X, all generations think the government sector shows leadership for the greater good. The Silent Generation appraised government leadership most favourably. All generations regard the public sector as showing leadership for the greater good, but this sector was judged most positively by younger generations (Generation Z and Millennials). Perceptions of the private and not-for-profit sectors were decidedly mixed; younger generations (Generation Z and Millennials) view these sectors as showing leadership for the greater good, whereas older generations (Generation X, Baby Boomers and the Silent Generation) do not.
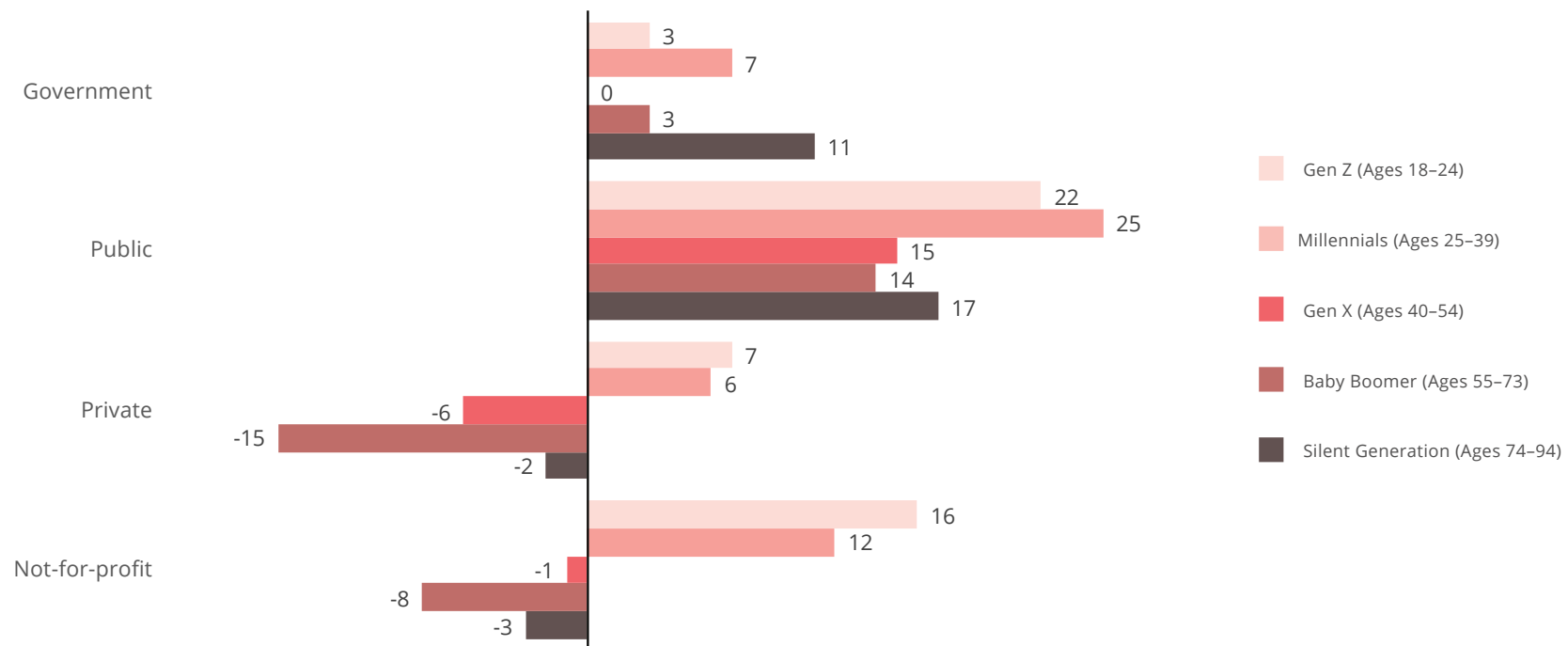
FIGURE 85. ALI BY SECTOR, DIFFERENCES BY GENERATION

SECTION 5

CONCLUSION

SECTION 5. CONCLUSION

Against a backdrop of unethical conduct, irresponsible leadership and distrust of institutions, there is pervasive sense that we are not well served by those who collectively manage, govern and lead our institutions. Concomitant with this is widespread expectation that leaders and their institutions should act for the benefit of society as a whole.

This sentiment is amply reflected in the findings of the 2020 Australian Leadership Index. This landmark study of public perceptions and expectations of leadership for the greater good in the government, public, private and not-for-profit sectors provides a holistic assessment of the perceived state of leadership for the greater good in Australian institutions.

This study reveals that the public has nuanced beliefs about the purpose of different types of institutions, which is reflected in meaningful variations in community expectations of institutions within and across the government, public, private and not-for-profit sectors. Thus, although gaps between perceptions and expectations are found for all institutions, these gaps provide important insights to institutional leaders about the areas they can address to become more closely aligned with community standards of leadership for the greater good.

To help institutional leaders identify priority areas to address in order to improve public perceptions of leadership for the greater good, this study revealed the key predictors or drivers of these perceptions at the overall, sector and institutional level. From this flow a series of clear and actionable insights about what leaders can do to show leadership for the greater good. Notably, this study revealed that public perceptions of *how* institutional leaders create value for their stakeholders are the strongest predictors of overall perceptions of leadership for the greater good. This is observed consistently at the overall level, at the sector level and at the level of specific institutions. The more accountable, transparent and ethical institutional leaders and their institutions appear, the more they are perceived to show leadership for the greater good.

Despite the clarity about the drivers of public perceptions of leadership for the greater good, the study also revealed the complexity of leadership for the greater good. For example, the simultaneous pursuit of social and economic goals is not straightforward even in the most benign conditions. Similarly, it is not obvious how to be alive and responsive to the interests of key constituents and society, equally and simultaneously. The practice of leadership for the greater good is riven with incompatible goals and tensions. Leadership for the greater good is essential, but paradoxical, and therefore not easy.

The COVID-19 pandemic necessarily brought the wider public interest to the fore, and institutions across all sectors instigated measures to protect the greater good. As such, the experience of pandemic could be something of a turning point in how Australians view leaders. By shining a light on leadership for the greater good, what it looks and sounds like and how it can be improved, the pandemic may yet have a silver lining for the future.

THE ALI RESEARCH TEAM

The research team comprises researchers with expertise in leadership and ethics, large-scale survey design and administration, and advanced data analytics.

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ACKNOWLEDGEMENTS AND CREDITS

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