



STATE OF THE SERVICE REPORT 2002-03

STATE OF THE SERVICE SERIES 2002-03



© Commonwealth of Australia 2003

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth available from the Department of Communications, Information Technology and the Arts. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Intellectual Property Branch, Department of Communications, Information Technology and the Arts, GPO Box 2154, Canberra ACT 2601 or posted at <http://www.dcita.gov.au/cca> .

ISBN 0 975101463



CHAPTER 3: EMBEDDING THE VALUES AND CODE OF CONDUCT

The APS Values set a framework of enduring principles that define the institution that is the APS. They replace the former employment control framework based on detailed central rules, to allow the flexibility necessary for the modern Service to drive different business tasks and to respond quickly to changing circumstances.

Since the PS Act came into operation in late 1999, the Public Service Commissioner has progressively promulgated directions and advice on how the Values should be embedded in agency operations, and each State of the Service report has highlighted the importance of agency efforts to promote the Values and ensure compliance with the Code of Conduct.

Last year, the State of the Service report used for the first time a useful grouping of the Values, which emphasises the role of values-based management in defining key relationships and behaviours that underpin the integrity of an organisation's decision-making process in the absence of detailed, central rules. For the APS, these are:

- the relationship between the APS and the Government and the Parliament
- the relationship between the APS and the public
- workplace relationships
- personal behaviour.

This year's report is even more closely structured around these four groups of the APS Values.

Over the past year, the APS Commission has extended its work, particularly through its Values in Agencies evaluation project, leading to the release in August of a good practice guide for agencies on embedding the Values, and a new guide for APS employees on official conduct. Part of the value of these new guides is that they draw upon international experience.

There is now broad interest in values-based management and recognition that, effectively implemented, it offers organisations a long-term ethical framework without unduly constraining flexibility and adaptability. International and Australian research links organisational ethics with high levels of employee performance and the capacity to attract and retain staff.¹

Research also confirms that leadership is crucial to the successful operation of a values-based management system. Even with leadership support, values need to be managed strategically and 'hardwired' into systems and processes, to ensure consistency and coherence.

While the link between ethical and effective organisational performance has broad-based relevance, it has been identified as critical to public service organisations. A number of Organisation for Economic Cooperation and Development (OECD) countries, including Australia, have updated their core public service values sets in recent years, resulting in new values being added to reflect the increasingly results-

¹ F Vogl, *Corporate integrity and globalisation—The dawning of a new era of accountability and transparency*, lecture delivered at the Pennsylvania State University, 23 March 2001; Independent Commission Against Corruption (ICAC), *Ethics—The key to good management*, NSW, 1998; ICAC, *What is an ethical culture? Key issues to consider in building an ethical organisation—Summary report*, NSW, 2000, <http://www.icac.nsw.gov.au>

based public service culture. The OECD advises that governments need to ensure that ethics are placed centre stage in the reform process, along with the goals of economic efficiency and effectiveness. Again this is consistent with the Australian approach where the *Financial Management and Accountability Act 1997* (FMA Act) requires financial management to be based on the efficient, effective and ethical use of resources.

This chapter discusses the ways in which agencies are integrating the APS Values and the Code of Conduct into their systems and processes, and transforming them into daily decision making and behaviour. Information has been obtained from three sources. The first is the findings of the APS Commission's Values in Agencies project. Second, drawing on self reporting by agencies through the agency survey, the chapter examines the measures agencies have taken in 2002–03 to promote an understanding of the Values and the Code. Third, the chapter examines the views of employees, gathered through the employee survey, on issues relating to the Values and the Code.

VALUES IN AGENCIES PROJECT

The studies of the six agencies—ABS, AGD, Centrelink, Defence, DOTARS and ITSA—that took part in the Values in Agencies project found that, in general, the APS Values are viewed by employees as common sense for the public service and common practice, and it was evident that each agency had developed and implemented a range of strategies to promote particular Values or aspects of the Code of Conduct. However, there was no strategic or holistic approach to promoting the Values or the Code as a complete package by any agency in the study. While there is no legislative requirement for an agency to adopt such an approach, project conclusions and the research undertaken strongly support doing so.

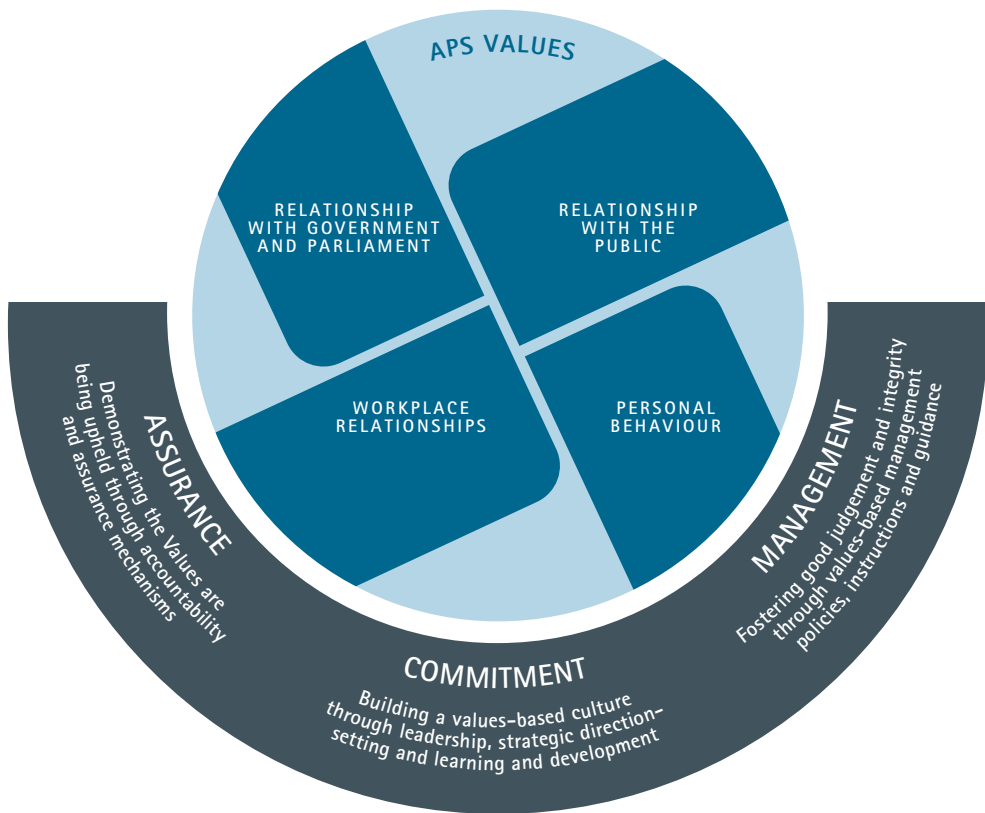
The broad conclusions of the Values in Agencies project were that:

- A strategic and integrated approach is required to promote and maintain a values-based culture within an organisation. Such an approach requires effective leadership that establishes a fair and robust values-based culture with complementary learning and development strategies. It also requires 'hardwiring' of the Values into instructions and guidance and effective control and assurance systems.
- Leadership is crucial to inspiring and motivating employees not only to achieve desired organisational outcomes but also to consistently apply the expected values and behaviours.
- To foster and sustain a culture based on the APS Values, agencies need to guide and work with their people so that employees are aware of the APS Values and Code and develop good judgement in applying them to their everyday duties.

THE APS VALUES FRAMEWORK

The project found that, in addition to grouping the Values as outlined above, embedding the Values into the culture of an agency requires an integrated approach by the agency to build the robust management environment necessary to promote and uphold the Values, and to inspire public trust and organisational performance.

Figure 3.1: THE APS VALUES FRAMEWORK



**BUILDING A FAIR AND ROBUST ENVIRONMENT TO INSPIRE PUBLIC TRUST,
GIVE APS EMPLOYEES CONFIDENCE AND IMPROVE ORGANISATIONAL PERFORMANCE.**

The APS Values Framework was developed to assist agency heads, leaders and managers to embed the APS Values. It is specific to the APS, but draws on and adapts international experience and work undertaken by the OECD.² The three supporting elements at the base of the framework—commitment, management and assurance—are key to the successful integration of the APS Values into an agency and to transforming the APS Values into daily decision making and behaviour. The measures that agencies have taken in relation to each of these elements, the views of employees, and particular findings from the Values in Agencies project, are discussed below.

COMMITMENT

The Values in Agencies project concluded that promoting and upholding the Values requires commitment from the top reflected throughout the organisation. Employees from the six agencies which took part in the project gave consistent messages about the importance of leadership in ensuring that the Values and the

² OECD, Public Management Committee, *Ethics in the public sector—Challenges and opportunities for OECD countries—Draft ethics checklist*, OECD, Paris, 1997,

Code are taken seriously. These included that leaders must have the highest standards of integrity, that the SES and senior managers must set the right example, that leaders perceived to be modelling the Values are strongly supported, and that unethical behaviour by leaders and managers would cause employees to consider the Values and Code as mere rhetoric and to lose confidence in them. Research also pointed to a correlation between the perception that senior managers adhere to agency values and job satisfaction levels among employees.

The employee survey conducted for the State of the Service report contained two questions asked of SES level employees only. The first of these asked SES employees whether, in 2002–03, their agency head had communicated to them the importance of acting in accordance with the APS Values. The second asked whether their agency head had, in 2002–03, communicated to them the importance of developing in other staff an understanding of the APS Values. A high proportion of the SES respondents to the employee survey (80%) indicated that, in 2002–03, their agency head had communicated to them the importance of acting in accordance with the APS Values. A slightly smaller proportion of SES employees (72%) indicated that, during the year, their agency head had communicated to them the importance of developing in other staff an understanding of the APS Values.

These are encouraging results overall, which reflect a good level of appreciation of the importance of leadership in fostering a values-based culture, though there is clearly room for improvement.

Commitment to the APS Values is also expressed through the integration of the Values into induction activities, leadership and development programs aimed at leaders and managers, and by making available to all employees learning and development programs that address their responsibilities under the Values and the Code. In broad terms, the evidence suggests increased effort by agencies to promote the Values and Code amongst their employees in the last year, but there is still some way to go to ensure all employees are familiar with their responsibilities under the PS Act.

Nearly all agencies (96%) are continuing to take steps to inform new employees about the Values and the Code as part of induction orientation. There continues, however, to be less effort devoted to supporting a consciousness and understanding of the Values and the Code among employees who are not new. Just over half of all agencies (55%) reported that they held sessions on how the Values and Code should operate in practice. The majority of these agencies indicated that this training was targeted at all employees. Twelve agencies reported that 50% or more of the total number of agency employees participated in such training in 2002–03. Large agencies indicated greater use of sessions on how the Values and Code should operate in practice (86%) than medium and small agencies (46% and 44% respectively). Online training on the APS Values and the Code was provided by a small number of agencies (15%). Most of this training was directed at all employees, but in some cases new employees were the target group.

Responses to the employee survey indicate that 53% of employees had participated at some time in their APS career in training that included an emphasis on the APS Values. There was a wide spread of results for employees in the 21 large agencies for which valid agency-specific results were available, varying between 30% and 78%. Those with the highest participation rates were DIMIA (78%), the Department of Transport and Regional Services (DOTARS) (68%) and DVA (67%). Of all APS employees who had participated in such training, just under half (47%) participated during 2002–03. The three large agencies with the highest participation rates in the last year were DVA (89%), Defence (75%) and DOTARS (68%). Agencies with

high participation rates (either overall or more recently) required employees to participate rather than left participation to self-nomination.

A large proportion of agencies (81%) used some other approach to learning about the APS Values and the Code. Responses to an open-ended question that asked agencies to specify what the other approaches were indicated that the distribution of relevant material, particularly APS Commission's Values and Code bookmarks, and the display of posters and pamphlets were the most common. Six agencies also indicated that they make information available on their intranet. As agencies were not specifically asked whether they make information about the Values and the Code available on their intranet, it is likely that the actual number of agencies that provide this information is much higher.

Indicators of the success that an agency has had in creating commitment to the APS Values include:

- the views of employees on whether the agency has a clear set of values about the behaviour expected of employees
- the level of familiarity of employees with the Values and the Code
- the views of employees on the relevance of the Values and the Code
- employees' confidence that others in the organisation act in accordance with the Values.

Most employees (89%) felt that their agency had a clear set of values about the behaviour expected of employees. The difference between the views of employees in the 21 large agencies was not great, varying from 80% to 97%.

Most employees who responded to the employee survey were either familiar with the APS Values and the Code of Conduct or had heard of them but were not fully familiar with their detail. Only very small percentages of employees who responded to the survey had not heard of the APS Values or Code (two per cent and one per cent respectively). Of those reporting familiarity with the Values and Code, the majority rated their levels of familiarity as high (47% and 46% respectively) or moderate (46% and 44% respectively), and only small percentages rated their levels of familiarity as low (7% and 10% respectively).

The proportions of employees in the 21 large agencies who responded that they were familiar with the Values and the Code of Conduct varied quite widely, between approximately 61% and 91%. The three large agencies with the highest percentages of employees who responded that they were familiar with the Values and the Code were DFAT, the Aboriginal and Torres Strait Islander Services (ATSIS³) and DVA.

The results of the employee survey show that familiarity with the Values and the Code of Conduct varies according to age, length of service, and classification level, with older employees, those with more service, and those at higher classification levels reporting the highest levels of familiarity. Not surprisingly, employees who are familiar with the APS Values have a higher level of agreement that their agency has a clear set of values about the behaviour expected of employees than those employees who are not familiar with the Values.

The Code of Conduct requires that APS employees must at all times behave in a way that upholds the APS Values and the integrity and good reputation of the Service. APS employees need to have not only a broad

³ Previously part of the Aboriginal and Torres Strait Islander Commission (ATSIC).

understanding of what the Values are, but also how to apply them in the performance of their duties. In an environment where there are fewer rules and there is greater scope for discretion in decision making, the Values can guide employees to make the most appropriate decisions in all circumstances. In response to the employee survey, most employees rated the Values as highly relevant to their organisation's business, and only three per cent of employees rated their relevance as low. Relevance of both the Values and the Code to the employee's own daily work was also rated highly by large percentages of employees, with the variation in responses from employees in the 21 large agencies ranging from 64% to 88% in relation to the Values, and from 71% to 92% in relation to the Code. The large agencies in which the highest percentages of employees rated relevance in relation to daily work as high were DFAT, Centrelink and CSA for the Values, and DFAT, ATSI and the Department of Agriculture, Fisheries and Forestry (DAFF) for the Code.

Views on relevance of the Values and the Code to daily work vary according to gender, location, and level, with a higher percentage of women, employees who are not in the ACT, and employees at SES classification levels rating relevance as high. Views also vary according to familiarity with the Values and the Code, as higher percentages of employees who rate their levels of familiarity as high, compared with those who rate their levels of familiarity as moderate or low, also rate the relevance of both the Values and the Code to daily work as high.

The level of agreement by employees that other employees act in accordance with the APS Values is generally quite high. Levels of agreement that colleagues and immediate managers act in accordance with the Values are very similar (around 80%). Responses indicate lower levels of confidence that the most senior managers act in accordance with the Values (63%). This may largely be an issue of distance from the activities of the most senior managers. It does, however, highlight the importance of senior leaders demonstrating visible and strong commitment to the APS Values.

Employees who rate their level of familiarity with the APS Values as high are more likely to agree that colleagues in their immediate work area, immediate managers and the most senior managers act in accordance with the Values. Amongst the 21 large agencies the variation was greatest in relation to agreement with the statement that the most senior managers act in accordance with the Values. Responses from two large agencies showed the rate of agreement was less than 50%, including one of 40%; the highest rate of agreement for a large agency was 79%, from employees in CRS Australia (CRS).

The results generally support the effectiveness of strong action by the leadership cadre in agencies to promote the Values, but the variations in survey results also suggest the challenge varies with the business responsibilities of the agency. Those with more sensitive relationships with clients and stakeholders need to promote the Values more firmly, and communicate more clearly and consistently with employees how ethical dilemmas should be and are being managed.

MANAGEMENT

The Values in Agencies project concluded that 'hardwiring' the Values into management policies, instructions and guidance was necessary for the integration of the APS Values into an agency. The agencies that took part in the project took differing approaches to articulating, raising awareness of and committing to the Values and Code in their corporate documents. These approaches included references to the Values and Code in corporate plans and strategic direction statements, Certified Agreements (CAs) and Australian Workplace

Agreements (AWAs), as well as in management guidelines, particularly people management guidelines.

The views of non-SES employees consulted during the project about the effectiveness of these strategies were mixed. While some employees were satisfied that their agency followed through on commitments in corporate documents, others believed that the words stayed on paper and were not always translated into action. Employees in general recognised that articulation of the Values in key corporate documents needed to be supported by other actions to embed the Values in an agency.

Responses to the agency survey indicate that a number of agencies have incorporated a commitment to the APS Values in a variety of corporate documents. Most agencies (89%) include such a commitment in their CA with a higher percentage of medium and small agencies (100% and 88% respectively) doing so than large agencies (77%). Many include it also in AWAs (74%).

More than half of all agencies express a commitment in their corporate plan (58%), although there is a wide variation in results for small, medium and large agencies (41%, 65% and 82% respectively). Nearly two-thirds of all agencies (63%) have developed their own agency-specific values, principles or behaviours, and just over half of all agencies (52%) express a commitment to the APS Values in the agency's own values/behaviours statement. The Values in Agencies project recognised the benefits of agencies identifying values and behaviours of particular relevance to their business priorities, but encouraged a clearer mapping between those statements and the statutory APS Values, particularly drawing on the four groupings of the APS Values suggested by the APS Commission. This clearly remains an important area for improvement, and for clarification amongst employees.

Less than a third of all agencies reflect the Values in their service/client charters (28%). The number of agencies that reflect the Values in their Chief Executive Instructions (CEIs) has risen only slightly in the last year, from 39% to 40%, with results varying from 32% for small agencies, to 59% for large agencies. This again is an area where the Values in Agencies project's identification of good practice could be far more widely taken up. A number of agencies reflect the Values in various human resource policy documents.

It is particularly important that performance management policies take account of the APS Values and the Code. The 2001 MAC report, *Performance management in the Australian Public Service: A strategic framework*, identified an increasing emphasis on the need for a balanced performance management system that takes account of both the outputs delivered and the leadership behaviours and organisational values displayed. Both the MAC report and the Values in Agencies project considered that, in the APS, values expressed in performance management systems should continue to be based on and complement the APS Values.

In assessing individual performance, 61% of agencies require that an assessment is made about the extent to which employees demonstrate and consistently apply some or all of the APS Values and/or agency-specific values/behaviours. The spread of results by agency size is not great. The most common measure adopted to ensure employees are assessed on how they demonstrate and consistently apply values/behaviours is the inclusion of an assessment of values/behaviours in performance assessments. This method has been adopted by 81% of agencies and is being developed by a further 18% of agencies.⁴

⁴ It should be noted that last year's report advised that 74% of agencies assessed values and behaviours in the context of individual performance assessments. This result is not directly comparable with data obtained from this year's survey since the question was asked in a different way.

A higher proportion of medium agencies already use this method (94%) than small and large agencies (77% and 74% respectively). Other methods used by agencies include regular multi-source feedback (30%) and training of all staff on how values/behaviours relate to effective performance (36%).

Agencies reported that employees are most frequently assessed against all the APS Values, as a set (34%). Small agencies indicated greater use of assessment against all the Values (43%) than medium and large agencies (22% and 32% respectively). Assessment against agency-specific values is the next most common (25%), with medium agencies indicating greater use of this type of assessment (44%) than large and small agencies (21% and 17% respectively). Around one-fifth (21%) of agencies assess employees against the APS Values that are most relevant to the duties being performed, with greater use of this type of assessment in small agencies (33%) than in medium and large agencies (11% for both). Seven agencies reported that employees are assessed against the APS Values as well as agency-specific values.

Employee responses indicate that, in their most recent performance assessment, a higher percentage of employees were assessed against agency-specific values (44%) as opposed to all the APS Values as a set (24%), the APS Values most relevant to the job (20%) or behavioural indicators (five per cent). These results indicate that for two-thirds of all employees, performance assessment included discussion of behaviour. Some clearer mapping of agency-specific values to the (four groupings of) APS Values would provide employees with more clarity about their obligations.

Interestingly, the results for the 21 large agencies show no apparent correlation between employees' awareness of the inclusion of an assessment of behaviour as part of performance assessment and whether agencies require such an assessment. For example, for those agencies that reported that they require such an assessment, employee agreement that such an assessment was required ranged from 50% to 85%. These results may indicate that agencies need to communicate more clearly to employees the requirements for assessing behaviour as part of performance assessment.

Employees who indicated that their behaviour had been included in the most recent performance assessment also had a higher level of agreement that their agency had a clear set of values about the behaviour expected of employees. A higher proportion of employees who had been assessed against all the APS Values, the most relevant Values, or agency-specific values, compared with those who had not, were also familiar with the APS Values, and rated their level of familiarity as high. The results of the employee survey show that assessment of behaviour as part of performance appraisal is correlated with higher levels of agreement that colleagues, immediate managers and the most senior managers act in accordance with the Values.

ASSURANCE

The Values in Agencies project concluded that compliance with the Code of Conduct is one of the accountability and control mechanisms that can be used to sustain compliance with the APS Values. A best practice agency is one in which employees are comfortable with reporting wrongdoing; suspected breaches of the Code are investigated fairly and reasonably; and sanctions have substance and are respected by employees.

The agency survey indicated that there is wide variation amongst agencies in the number of investigations into suspected breaches of the Code of Conduct and that this variation is not explained by agency size or

employee classifications. The results show that the nature of the breaches investigated also varies, as might be expected given the varying types of work undertaken in different agencies. There is large variation in the imposition of high-impact sanctions by large agencies, indicating that some agencies may take a harder line with the imposition of sanctions than others. These findings may reflect, at least in part, the importance of particular APS Values, elements of the Code, or particular agency values, principles or behaviours to the work of those agencies. They may also indicate that some agencies take a stronger line in relation to the Code of Conduct, or that other agencies are relatively lenient in their approach. In either case, this would be of concern if the practice reflected that breaches were not being addressed in a timely, rigorous or systematic way.

The issues of how suspected breaches of the Code and the imposition of sanctions are dealt with in different agencies and how it is ensured that appropriate and consistent measures are used across the agency to investigate suspected breaches of the Code and to impose sanctions are covered in more detail in Chapter 7 on personal behaviour.

WHISTLEBLOWING

Public Service Regulation 2.4 requires agency heads to establish procedures for dealing with whistleblowing reports. The Public Service Commissioner's Direction 2.5 (1)(d) provides that an agency head must put in place measures in the agency directed at ensuring that APS employees are aware of the procedures for dealing with whistleblowing disclosures, and are encouraged to make such disclosures in appropriate circumstances. The agency survey did not ask whether agencies have in place whistleblowing procedures as required by the Regulations. This issue will be followed up in future reports. It did seek information on the measures agencies have used to facilitate staff reporting of breaches of the Code of Conduct, including making use of the whistleblowing procedures. A small number of agencies (10%) reported that they have set up visible reporting mechanisms (e.g. hotlines). Sixty-seven per cent of agencies reported that they make employees aware of whistleblowing provisions (e.g. as part of induction or by placing information on the intranet).

This may go some way to explaining why, in response to the employee survey, only 65% of employees indicated that they had been made aware by their current agency that they could report a serious breach of the Code to an authorised person in the agency. Examination of responses indicates that the proportions of employees who have been made aware are lower for younger employees and those in medium and small agencies. They are also lower for employees in the ACT, and employees in the EL and APS classifications. In the 21 large agencies, there was a wide spread of responses from employees who indicated that they had been made aware that they could report a serious breach of the Code to an authorised person, ranging from 35% to 82%.

Responses to a question about how employees would act if they observed an employee in their agency engaging in behaviour that they felt was a serious breach of the Code⁵ indicate that a significant proportion

⁵ The employee survey asked respondents to indicate what they would do if they observed an APS employee engaging in behaviour that they felt was a serious breach of the Code. Examples of 'serious' breaches included fraud, theft, misusing clients' personal information, sexual harassment and leaking classified documentation.

of employees (21%) fear victimisation and discrimination for taking action where the person they suspect of committing the breach is more senior. Where the person suspected of committing the breach is at the same level as the employee or where the person is more junior, these fears are small (eight per cent and five per cent respectively).

The action most likely to be taken by employees where the suspected breach is committed by someone at the same level or more senior is to inform another senior manager about the breach. Where the suspected breach is committed by someone more junior, employees are most likely to raise the matter directly with the person they felt had breached the Code. Employees indicated that they would be more likely to make a formal whistleblowing report where the person committing the suspected breach is more senior (32%) than they would if the person was at the same level or more junior (17% for both).

Fear of victimisation and discrimination for reporting a suspected breach varies according to age and classification, with higher proportions of younger employees and those in the lower classification levels reporting that they would take no action because they would not be confident of being protected from victimisation and discrimination. The proportion of people who reported that they would take no action because they would not be confident of being protected from victimisation and discrimination was lower for employees who had been made aware by their current agency that they could report a suspected serious breach of the Code to an authorised person in the agency than for employees who had not been made aware. It was also lower for those employees who agreed with the statements that their immediate manager or most senior managers act in accordance with the APS Values.

STAFF SURVEYS

The Values in Agencies project found that staff and client surveys are key quality assurance mechanisms to monitor adherence to the APS Values throughout the agency and to improve agency practice. The agency survey indicated that 26% of agencies conducted an agency-wide staff survey in 2002–03 and another 42% of agencies had conducted one within the previous two years, so that 67% of agencies have conducted a staff survey in the last three years. Large agencies indicated the greatest use of staff surveys in 2002–03 (41%) and medium agencies the least use (12%).

Seventy-one per cent of all agencies indicated that they intended to conduct a staff survey in the next two financial years. At least 26 agencies indicated they had either never conducted a staff survey, or had not done so in the last two years, and 15 of those agencies currently have no plans to do so. Six of those agencies are large agencies, one is a medium agency, and eight are small agencies. While for some small agencies, formal staff surveys may not be a cost effective way to get staff views, other agencies that do not make use of staff surveys to assess how the agency is upholding the APS Values are not making use of one of the key assurance tools and may be missing out on valuable information about the culture of the organisation and compliance with the Values and the Code.

AGENCY-SPECIFIC VALUES

The Values in Agencies project found that four of the six participating agencies had developed and were actively promoting their own values, principles or behaviours to reflect and support the way in which their agency functions. The project also found that employees were well aware of agency values but were less

familiar with the APS Values and the Code of Conduct and the bottom-line nature of their legal responsibilities.

The agency survey found that 63% of agencies have developed their own agency-specific values, principles or behaviours and seven per cent are developing them. The practice is more common in both large and medium agencies (77% for both) than small agencies (46%). Seventy-seven per cent of those agencies that do have their own values, principles or behaviours provided a copy of them with their completed survey. Analysis of these documents indicates that more than half of those agencies represent their values, principles or behaviours as 'values'. None of these agency-specific values sets conflicts with the intent and purpose of the APS Values and Code, but some may confuse employees.

Indeed, the results of the employee survey indicate some confusion among employees about whether their agency has its own values, principles or behaviours. For example, the proportion of employees from large agencies which do have their own values, principles or behaviours who responded that the agency had developed its own values/behaviours varied between 34% and 89%. There may be a number of reasons for this. One possibility is agencies are not making sufficiently clear to employees the relationship between agency values and the APS Values, resulting in confusion. This could also result in uncertainty among employees about what their responsibilities are in relation to the different sets of values.

The Values in Agencies project concluded that, to ensure that agency values reinforce the APS Values and do not prejudice employees' understanding of their obligations towards the APS Values, agencies should draw on the grouping of the APS Values set out at the beginning of this chapter, and cross-reference agency values to the APS Values. Alternatively, agency-specific principles and behaviours should not be represented as 'values', and their status should be clearly distinguished from the statutory APS Values. Agencies should, of course, avoid agency-specific principles or behaviours that may conflict with, or create confusion with, the intent and purpose of the APS Values and Code. Where an agency promotes its own agency-specific principles or behaviours, an explanation of the relationship between those and the APS Values would be useful when presenting agency-specific materials to employees and other stakeholders where relevant. This would help to reinforce the APS Values and the responsibilities that accompany them.

CONCLUSIONS

The APS Values Framework in the PS Act represents a risk management approach that replaces central prescription. The success of such an approach relies on a clear understanding of the APS Values by agencies and employees, and their integration into agency systems, procedures and culture. The employee survey results are very encouraging in relation to the success that agencies have had in creating commitment to the APS Values. In general, they indicate that employees feel they are familiar with the APS Values and the Code and show that employees view the APS Values and the Code as relevant to their daily work.

While agencies are taking steps to include information on the Values and the Code in induction training, there is more to be done to raise awareness and promote understanding among existing employees. The importance of taking such action is highlighted by the results of the employee survey, which show that those employees who are familiar with the APS Values are more likely to agree that their agency has a clear set of values about the behaviour expected of them. Employees who rate their level of familiarity with the

Values as high are also more likely to agree that those around them act in accordance with the Values, and to consider that the Values are highly relevant to the organisation's business and to daily work.

Agencies generally are also taking steps to 'hardwire' the Values into management policies, instructions and guidance. There is more to be done in the area of performance management, where agencies need to consider reviewing their policies to ensure they take account of the APS Values and the Code. While this approach is consistent with the findings of the MAC report on performance management, the agency and employee surveys indicate that only 61% of agencies currently require that, in assessing individual performance, an assessment is made about the extent to which employees demonstrate and consistently apply some or all of the APS Values or agency-specific values/behaviours. Sixty-seven per cent of all employees report that their performance assessment includes a discussion of behaviour.

In an environment where rules and prescription have been reduced, agencies need to place greater reliance on assurance and accountability mechanisms. Whistleblowing procedures are one such mechanism that encourages the reporting of mismanagement and corruption in the APS and is part of the accountability framework. The purpose of such procedures is to encourage employees to expose wrongdoing without fear of victimisation. It is important for agencies to raise awareness about their whistleblowing procedures and to ensure they are accessible and easy to use. Gaining the confidence of those considering reporting inappropriate conduct is an essential part of any whistleblowing scheme. There is still work to be done to raise awareness of whistleblowing procedures, since more than 30% of agencies indicate that they do not use measures to make employees aware of whistleblowing provisions, and only 65% of employees indicated that their current agency had made them aware that they could report a serious breach of the Code to an authorised person.

Employee surveys are another key quality assurance mechanism. While 67% of agencies have conducted a staff survey in the last three years, it is of concern that a number of agencies have not recently conducted a staff survey and currently have no plans to do so, and that five of those agencies are large agencies.

Future reports will continue to address progress made by agencies towards adopting an integrated approach to embedding the APS Values and the Code of Conduct.