Australian Public Service Commission

State of the Service Report

2014–15
Australian Public Service Commission

State of the Service Report

2014–15
The Honourable Malcolm Turnbull MP  
Prime Minister  
Parliament House  
Canberra ACT 2600  

Dear Prime Minister  

In accordance with the provisions of section 44 of the Public Service Act 1999  
I present to you my annual report on the state of the Australian Public Service for  

I have taken a new approach with the 2014–15 State of the Service report. This year  
the evidence required for the assessments made in this report has been released  
via short weekly updates on the State of the Service website. This approach has  
meant agencies have had access to valuable data on their performance as soon as  
it was available.  

The Joint Committee of Public Accounts and Audit agreed in 2003 to extend the  
tabling deadline of the State of the Service component of my annual reporting to  
one calendar month after the tabling date of agencies’ annual reports. This report is  
required to be tabled by 30 November 2015.  

Yours sincerely,  

The Honourable John Lloyd PSM  
Australian Public Service Commissioner  
30 November 2015
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The APS has served the country well. It is the responsibility of all who work in the APS to ensure its reputation for integrity and high performance remain intact.

The Hon John Lloyd PSM
speech to the Institute of Internal Auditors
3 August 2015
Commissioner’s Foreword

The Australian Public Service (APS) is a resilient and effective institution. Its operating environment is complex and challenging. The digital revolution, an ageing population, the end of the resources boom and the need to balance forward budgets are among the long list of contemporary challenges the APS must address. Australians want services from government with similar features to those they receive from the private sector: fast, online, personalised, competitively priced and open to feedback. My view is that the APS is well positioned to meet the priorities for 2016 and beyond but it cannot be complacent about its success.

The APS will respond to its challenges by improving capability, performance and productivity. Much is being done by agencies individually and in collaboration.

It is important to equip our human resource (HR) professionals to play a strategic role in the leadership of the APS. Historically, the focus of HR has been on the delivery of transactional and operational services. While these remain important, increasingly public sector agencies look for a strategic contribution from HR. This includes a heightened focus on talent management and development. Strategic workforce planning is also required to align people with changing organisational requirements.

Moving into 2016 and beyond there are a number of areas where the APS will need to focus its efforts. Some of these are addressed in this report.

The format of the report has changed. I am keen to ensure it has the capacity to reach a wider audience than it has in the past. Much of the evidence base for the assessments of the 2014-15 State of the Service report has already been provided on the State of the Service website\(^1\). Since August, short targeted content updates have been published once or twice a week. These updates covered issues such as leadership in the APS, diversity, employee engagement, staff mobility, APS

workforce numbers, integrity and the Code of Conduct. A list of these content updates is at the end of the report.

The release of data and information on a continuous cycle has enabled APS employees and agencies to use analyses and findings in their own work earlier than in previous years. It has also enabled the Australian Public Service Commission (the Commission) to facilitate discussion on issues relevant to the state of the service. As a result, this year’s report is shorter than in previous years. The report, therefore, focuses more on contemporary challenges and opportunities. It identifies the strategically important issues which have to be addressed for the APS to enhance its performance.

I encourage feedback on the new approach to the report and how it can be made more relevant and useful in future.

The Honourable John Lloyd PSM
Australian Public Service Commissioner
30 November 2015
Overview

Key points

• The APS has a long history supporting successive Australian Governments.
• The APS has a highly engaged workforce.
• A strong and compelling employment proposition is critical to attracting the best candidates in the Australian market.
• The recruitment of graduates continued during recent recruitment restrictions. This confirms their ongoing importance to APS renewal.

On 1 January 1901, the APS came into being with six departments—Attorney-General’s, Defence, External Affairs, Home Affairs, Trade and Customs, and the Treasury. Since Federation, the APS has played an essential role in the governance of Australia. It has continued to exemplify professionalism and an apolitical and impartial commitment to service.

The Public Service Act 1999 (the Act) provides the framework for managing the APS. The Act establishes an apolitical public service. It defines the duties and powers of agency heads and provides a legal framework for the employment of APS employees. The rights and obligations of those employees are set out in the Act.

Public Service Act 1999 Part 1, Section 3

The main objects of this Act are:

(a) to establish an apolitical public service that is efficient and effective in serving the Government, the Parliament and the Australian public; and
(b) to provide a legal framework for the effective and fair employment, management and leadership of APS employees; and
(c) to define the powers, functions and responsibilities of Agency Heads, the Australian Public Service Commissioner and the Merit Protection Commissioner; and
(d) to establish rights and obligations of APS employees.
The Act’s objects include that the APS exists to serve the Government, the Parliament and the people of Australia. Most Australians interact with the APS on a daily basis. From infrastructure to health care and education, the APS plays a critical role in the operation of the country.

**Citizens’ view of the APS**

In terms of citizen satisfaction with government, Australia performs as well or better than the Organisation for Economic Cooperation and Development (OECD) average on each of the following measures.

<table>
<thead>
<tr>
<th>Service</th>
<th>Australian Satisfaction</th>
<th>OECD Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare system</td>
<td>80%</td>
<td>71%</td>
</tr>
<tr>
<td>Education system</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td>Judicial system</td>
<td>60%</td>
<td>54%</td>
</tr>
<tr>
<td>National government</td>
<td>45%</td>
<td>42%</td>
</tr>
</tbody>
</table>

The historical contribution of the APS to Australia’s development is something of renown. It has performed well. Looking ahead, there are new challenges and opportunities for Australia. The APS must continue to ensure it has the capabilities and capacities to respond to them in the most efficient and effective ways. The challenges include issues such as tightening labour markets, an ageing population, fast-paced technological change, globalisation and the need for productivity improvements to balance the budget in the longer term.
The State of the Service report canvasses the activities and HR management practices of the APS during the 2014–15 financial year. It also charts the anticipated priorities for the service as it looks ahead.

The State of the Service reports over the years have chronicled major reforms to the APS, including in the areas of the financial framework, employment and personnel management, service delivery and program implementation. Findings from the reports have helped the APS to identify capability gaps and take informed decisions about filling them. This year’s report focuses on enhancing APS workforce capability and modernising the APS employment framework. Both are critical to improving public sector performance and promoting integrity.

**An engaged and committed workforce**

Data from the 2015 APS employee census demonstrates that employee engagement in the APS remained high in 2014–15, particularly job engagement and engagement with immediate supervisors.

**Figure 1:** APS employee engagement scores, 2014 and 2015

![Graph showing APS employee engagement scores](source: Employee census)
Significant variations are evident across job, team, supervisor and agency engagement measures depending on agency function. Specialist and policy agencies were consistently rated higher on each measure. Members of the Senior Executive Service (SES) also report higher engagement levels on each measure compared to the workforce overall. These and other results from the APS employee census are available on the State of the Service website.

Sixty-six per cent of APS employees agree that their job gives them a feeling of personal accomplishment and 73% report that their current work uses their skills. Eighty per cent of employees agree they have a good supervisor and 68% agree their agency is committed to creating a diverse workforce. Seventy-three per cent of employees report their workgroups are honest, open and transparent in their dealings. Seventy-two per cent are satisfied with their work-life balance and their ability to access flexible work arrangements.

Seventy-four per cent of APS employees report they are tasked appropriately for their classification, 80% are clear what their duties are and 73% report they have the appropriate decision-making authority to do their jobs. These results are particularly pleasing when considered against a backdrop of significant functional and structural reforms.

**The APS employment proposition**

The APS employment proposition must be clear and compelling. Our goal is to have the best and brightest people aspire to work for some or all of their careers in the APS. To this end, it is important to understand what attracts people to a public sector career and what factors cause people to leave.

The Commission since 2013 has managed an entry and exit survey to assist agencies obtain information about engagements, retention and internal staff movements. The most common reason for joining the APS was the type of work available. Most employees taking up an ongoing position expected to stay with their new agency for at least two years. Employees reported that the people they work
with, the work they undertake and development opportunities are key factors that encourage them to remain in the APS.

Most respondents to the exit survey reported that they were leaving their agency voluntarily. Employees who resigned had significantly lower engagement levels than all other respondents. It is important to understand the factors that help to explain this. Employees most commonly reported that a lack of future career opportunities impacted the decision to leave their agency. A desire to try a new career, unmet work expectations or having achieved all they could in their job, were all important factors. The loss of these employees needs to be considered in terms of the value to society of movement between sectors. It can broaden employee perspectives. Each APS vacancy also creates an opportunity for organisational renewal.

Not all employees leave their agency for work or career reasons. Those who leave for personal reasons were most likely to cite family responsibilities as important in shaping their decision. Age also plays a role, with employees aged under 35 years likely to report that their decision to leave was influenced by a wish to live elsewhere in Australia or overseas. Older employees were more likely to leave to travel or for recreation. Flexible working arrangements such as teleworking for younger employees and increased levels of part-time work for older employees may provide agencies with an opportunity to retain more of these individuals.

**APS graduate recruitment**

The graduate programs run by agencies represent a major investment by the APS. They are an important source of talented employees. It is hoped that many will become effective senior leaders. Significant differences exist between graduates and other new entrants to the APS in terms of what attracts them to the APS. Graduates are more likely to rate long-term career progression as more important than general entrants.
Graduates are less likely to rate the geographic location of the job as important. Many graduates move interstate to take up a position in the APS. They are more likely to rate the security and stability of the job as important, as well as their development.

Report structure
The State of the Service report draws on a range of information sources. The traditional sources are the State of the Service agency survey, the APS employee census and the APS Employment Database (APSED). Information about the agency survey, employee census and APSED can be found on the State of the Service website. In addition external sources are used including the Australian Human Resources Institute (AHRI) and independent senior reviewers.

The remainder of the 2014–15 State of the Service report is structured around the following themes:

1. workforce capability, with a focus on leadership, diversity, talent management and attendance management
2. the APS employment framework, including recruitment and employee mobility
3. public sector performance, focusing on organisational capability, such as digital transformation readiness and innovation, and findings from the agency capability reviews
4. APS Values and promoting integrity, including breaches of the Code of Conduct and perceptions of corruption in the APS.

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APS at a glance

The APS has a wide range of responsibilities relating to economic management, national security, health, aged care, employment, education, culture and the arts, families and communities, immigration, taxation, and the environment.

The APS represents 1.2% of the Australian labour force.

103 agencies

136,498 ongoing employees

15,932 non-ongoing employees

152,430 employees

2,349 ongoing employees engaged

10,612 ongoing employees separated

down 6.2% from June 2014

down 49.4% from June 2014

down 3.5% from June 2014

up 21.9%

15,932 non-ongoing employees

136,498 ongoing employees

down 5.8%
An ageing workforce: The proportion of APS employees 50 years of age and over has grown significantly over time, increasing from 20.2% of all employees in June 2001 to 31.7% at June 2015.
By classification: With the exception of APS 3 and APS 4 classifications, the number of employees in all classifications decreased from 2014 to 2015. The number of Executive Level (EL) 1 employees decreased by 1,712 (6.2%) and the number of APS 6 employees decreased by 1,126 (3.5%).

By location: The highest proportion of APS employees are based in the ACT, with 60.4% of all EL employees and 75.2% of all SES employees in the ACT.

The APS needs to build and sustain organisational capability to respond effectively to Government priorities and to meet the needs and expectations of the community it serves.
Workforce capability

Key points

- Agencies rate their project management and stakeholder engagement capabilities highly. Areas for improvement include innovation, talent management and workforce planning.
- Investment to ensure sufficient focus on leadership and talent management has occurred.
- Building workforce diversity remains a priority for the APS with a recent increase in focus on improving employment outcomes for Aboriginal and Torres Strait Islander people.
- A credible, capable and strategic HR profession is needed to ensure the APS has the leadership and workforce capabilities required to meet its future needs. Work is underway to achieve this.

A capable and high performing public service is essential for good government. Organisational capability extends beyond the capabilities of the APS workforce. It combines people skills with the organisation’s processes, systems, culture and structures to deliver business outcomes. This section of the report examines organisational strengths and development areas including those relating to senior leaders, talent management, diversity, innovation and attendance management. The role and function of HR professionals are also considered in terms of how effective strategies can improve capability.

Agency capability

An input into the 2015 State of the Service agency survey was agency self-assessments of organisational capability. The specific capabilities assessed included change management, performance management, workforce planning,
project management, talent management and innovation. The results enable agencies to benchmark their capability against other agencies.

Overall, APS agencies report having a good level of project management capability. Most agencies report they are effectively engaging with stakeholders and are allocating sufficient resources to develop their organisational capabilities. Results identified the need for more work to build capability in the areas of talent management, workforce planning and innovation.

In building these capabilities, there is a need to focus on the development of systems to measure and evaluate the change. These systems provide the evidence base to support good governance in the first instance and to monitor improvement over time.

**Leadership**

The importance of developing APS leadership and management capabilities has been well documented, including in previous State of the Service reports. Leaders establish the strategic direction of their agencies and the broader APS. They are central to effective change management and critical in mobilising the workforce to achieve its best.

Results from the APS employee census show that the gains made in 2014 in relation to senior leadership quality, visibility and communication were maintained in 2015. In 2015, 52% of APS employees agreed the senior leadership in their agency was of a high quality, the same result as 2014 and up from 46% in 2013. Likewise, in 2015, 50% of employees believed their senior leaders were sufficiently visible and 42% agreed that communication between their senior leaders and other employees was effective. These results are similar to those achieved in 2014 (49% and 41% respectively) and an improvement on results from 2013 (47% and 38% respectively).

Agencies identified workforce planning, communication and change management as three areas where improved leadership capability is required.
Employee perceptions of the effectiveness of their immediate supervisors remained high in 2015. Satisfaction with immediate supervisors is one of the key strengths of the APS. The APS employee census measures satisfaction with immediate supervisor performance against 10 capabilities. Results for 2012 to 2015 are shown below and are available on the State of the Service website. Results show a high degree of stability.

**Table 1.** Satisfaction with immediate supervisor performance

<table>
<thead>
<tr>
<th>Immediate supervisor capability</th>
<th>2012 (% satisfied)</th>
<th>2013 (% satisfied)</th>
<th>2014 (% satisfied)</th>
<th>2015 (% satisfied)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieves results</td>
<td>74</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Cultivates relationships</td>
<td>70</td>
<td>72</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>Personal drive</td>
<td>73</td>
<td>74</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>Strategic thinking</td>
<td>68</td>
<td>69</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>Communicates with influence</td>
<td>69</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Sets direction</td>
<td>67</td>
<td>69</td>
<td>70</td>
<td>69</td>
</tr>
<tr>
<td>Motivates people</td>
<td>61</td>
<td>63</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>Encourages innovation</td>
<td>64</td>
<td>64</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Develops people</td>
<td>62</td>
<td>64</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>Open to continued learning</td>
<td>67</td>
<td>68</td>
<td>69</td>
<td>69</td>
</tr>
</tbody>
</table>

Source: Employee census

**Women**

Women currently make up 58.4% of the APS workforce. The representation of women in the APS has now reached parity with or exceeded men at all levels from APS 1 to EL 1. Since 1995, the representation of women in the APS has almost doubled at EL 2 and SES Band 1 levels and tripled at SES Band 2 level. The representation of women at the SES Band 3 level has increased five-fold. Twenty years ago, women made up 19% of SES employees compared with 41% in 2015.
Indigenous employment

The APS has a long-standing commitment to a workforce that reflects the diversity of the community it serves. Work is being done across the service to improve performance in this regard. For example, the Commonwealth Aboriginal and Torres Strait Islander Employment Strategy\(^1\) supports a new target to lift Indigenous employment to 3% across the Commonwealth public sector\(^2\) by 2018.

In the APS, the representation of Indigenous people as a proportion of ongoing employees was 2.5% in 2014, rising to 2.6% in 2015. The APS continues to have reasonable success in attracting and recruiting Indigenous people. We are also seeing a lower separation rate amongst Indigenous employees than there has been in the past. Ten years ago the separation rate for Indigenous employees was nearly twice that of the rest of the APS. Since then the separation rate for Indigenous employees has trended downwards. A number of factors may have contributed to this improvement, including better agency-specific Indigenous employment strategies and the introduction of Indigenous Champions. Representatives from many agencies also come together as a network to identify and address issues at the APS level.

A commitment to creating a diverse workforce cannot be achieved without an accepting and supportive workforce. Supervisors and workgroups that foster a sense of inclusion are a positive force in this regard. In 2015, over 80% of employees agreed the people in their workgroup and their supervisors were accepting of people from diverse backgrounds. Sixty-eight per cent of employees agreed that their agency was committed to creating a diverse workforce.

This year’s agency survey found that 57% of agencies reported they offered Indigenous cultural awareness training to employees. In these agencies, Indigenous employees were more likely to agree that their agency was committed to creating a diverse workforce. This is an important finding. It supports the greater uptake of these programs.


\(^2\) The Commonwealth public sector includes APS and non-APS agencies. APS agencies are those in which staff are employed under the *Public Service Act 1999*. 
Figure 2: APS employee perceptions of support for diversity in the workplace

My agency is committed to creating a diverse workforce

Source: Employee census
**Actions to improve Indigenous employment**

In March 2015, the Government announced a target of 3% Indigenous representation in the Commonwealth public sector by 2018. The target was a response to the *Forrest Review: Creating Parity*, which sought to address the under-representation of Indigenous people in the Australian workforce. The Commonwealth Aboriginal and Torres Strait Islander Employment Strategy was approved on 23 July 2015. The strategy seeks to build Indigenous employment in the Commonwealth public sector. It sets out actions to help agencies meet the target. The four key action areas in the strategy are:

1. Expand the range of Indigenous employment opportunities.
2. Invest in developing the capability of Indigenous employees.
3. Increase the representation of Indigenous employees in senior roles.
4. Improve the awareness of Indigenous culture in the workplace.

The Commission is facilitating implementation of the strategy. The Commission has developed a dynamic implementation guide that sets out good practice initiatives supporting Indigenous employment. The first iteration of the guide was published on the Commission’s website on 30 September 2015. It will be continuously updated over the life of the strategy.

Progress towards the target will be monitored by the Commission and reported annually by agency on the Department of the Prime Minister and Cabinet’s website.

**Employees with disability**

Representation of people identifying with disability in the APS is at 3.5%, an increase of 0.1% from 2014. However, there has been a decline in the actual number of people with disability in the APS from 4,918 in 2014 to 4,778 in 2015. This is due to changes in the structure of the APS and the overall lower number of employees.

**Employees from non-English speaking backgrounds**

There has been a small increase in the representation of people from non-English speaking backgrounds, from 14.3% in 2014 to 14.4% in 2015. The proportion of APS employees born overseas is around 22%. This is marginally lower than the 25% of Australians who were born overseas.

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Talent identification and management

Talent management focuses on individuals with the potential to successfully undertake critical roles now and in the future. Four elements are found in talent management strategies:

1. Talent attraction and identification—sourcing external talent or identifying internal talent with the potential to be successful.
2. Talent development—making a targeted investment in the development of talented employees to build their capability for future roles.
3. Talent engagement—maintaining the engagement of talented employees with the APS, and retaining them, through career management, ongoing development and retention strategies.
4. Talent deployment—actively drawing on identified talent to fill critical workforce roles.

Almost two thirds (65%) of agencies will deploy agency-wide talent management systems over the next three years. The priority for most agencies is to align talent management with their broader strategic direction.

A positive correlation also exists between talent management capability and senior leadership behaviour. Employees in agencies with higher capability are more likely to report that senior leaders take the time to identify and develop talented employees. A link also appears between agency capability and employees’ access to learning and development opportunities. In agencies that report higher levels of talent management capability, employees are more likely to agree that their agency offers access to effective learning and development opportunities.

The APS Talent Management Guide, released in 2015, is designed to support agency talent management capability. Talent management will be adopted across agencies and linked to workforce planning. The guide sets out the principles that underpin effective talent management in the APS and can be found on the Commission’s website[^4].

Talent management was recently endorsed by the Secretaries Board as a key priority for the Centre for Leadership and Learning.

**Attendance management**

The workforce contributes to organisational capability through attendance at work and productive performance on the job. Good attendance is fundamental to workforce capability. Attendance management remains a challenge for the APS. Work is underway to investigate the causes of poor attendance and possible solutions for improving attendance.

The average rates of personal and miscellaneous leave continue to increase. Personal leave can be broken down to sick leave and carer’s leave.

**Table 2: APS absence rates**

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</thead>
<tbody>
<tr>
<td><strong>Sick Leave</strong></td>
<td>7.8</td>
<td>8.5</td>
<td>8.8</td>
<td>9.0</td>
</tr>
<tr>
<td><strong>Carer’s Leave</strong></td>
<td>1.5</td>
<td>1.8</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Miscellaneous Leave</strong></td>
<td>0.6</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9.8</td>
<td>10.8</td>
<td>11.2</td>
<td>11.6</td>
</tr>
</tbody>
</table>

Source: Agency survey

The increase in personal leave in 2014–15 is primarily due to an increase in sick leave of 0.2 days per employee. Considerable variation in absence rates remains across agencies. Personal leave varied across agencies from 3.6 to 20 days per employee. Miscellaneous leave varied across agencies from 0 to 2.1 days per employee.

Similar to previous years, differences are evident depending on the size of the agency. Large agencies had the highest rates of personal leave with 12 days per employee. Medium-sized agencies had the highest rate of miscellaneous leave with 0.6 days per employee on average.

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5 Note that due to rounding, not all totals will be exact.

6 Aboriginal Hostels Limited was outlier with a miscellaneous leave rate of 5.7 days per employee and therefore, was excluded from this analysis.
The APS has invested substantial resources into the management of employee attendance during 2014–15. Key initiatives include:

- the development of an APS Absence Management Toolkit containing 20 workplace initiatives. This has been made available to all APS agencies and is being formally evaluated in four agencies.
- the introduction of a centralised monthly absence data collection and reporting process to assist agencies to manage workplace attendance more proactively.
- the expansion of the APS Absence Management Working Group into a Community of Practice with more than 30 participating agencies.

The APS continues to investigate drivers of workplace attendance. Data collected this year shows that there is a complex but clear relationship between employee engagement and sick leave use. Importantly, the data shows a relationship between a range of attendance management practices, such as managers being appropriately supported in managing employee attendance, and sick leave. Ongoing research projects by the Commission include a more comprehensive examination of causal factors that influence leave taking behaviour over a range of APS agencies and an evaluation of the effectiveness of the APS Absence Management toolkit.

**Professionalising human resources**

The case has been made, including in previous State of the Service reports, for defining the capability requirements of HR professionals in the public sector. Unlike other professional occupations for example accountants and lawyers, there are no accreditation requirements for those advising managers on people-related issues. This can limit the attraction of HR as a career and more importantly reinforces a perception that the engagement of experienced and competent HR professionals does not rate as a business objective. Competent and experienced HR professionals are important in the APS where labour costs can account for 70% of agencies’ expenditure.

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7 Monthly absence data collection commenced with July 2015 data. Agencies with fewer than 100 employees are only required to report quarterly to reduce the administrative burden on their more limited corporate resources.
A good HR leader is someone who has the capabilities to create effective business partnerships at all levels, source and use relevant business intelligence, competently outsource transactional services and improve the skills of managers to enable them to better manage their people.

Lyn Goodear, Chief Executive Officer of AHRI, sets out the case for professionalising HR across all industries below.

Certifying HR professionals in Australia

HR has a critical role in tackling some of the most difficult workplace challenges. If an organisation requires a workforce plan, a talent strategy or a better performance framework, it needs HR people who can do hard things. If the work structure is flawed, productivity is down or the culture is toxic, soft skills alone won’t remedy the malaise.

It is not just about building HR capability, but also increasing the executive expectations of when and how to engage HR professionals to assist with critical business issues. To deal with both issues, AHRI has developed a certification model that enables HR practitioners to become ‘certified’ based on what they know, and also what they can actually do. This approach brings HR into line with practices that have been in place for accountants and other professions for many years. You would not ask someone to work on your financial accounts without knowing the person is qualified to do so. The same standards should apply to people.

Lyn Goodear, Chief Executive of AHRI
A modern employment framework for the APS includes hiring, termination and everything in between.

The Hon John Lloyd PSM
AHRI speech
25 August 2015
The APS employment framework

**Key points**

- The objectives of the Government’s bargaining policy are to facilitate balancing forward budgets, and improve workforce flexibility, productivity and efficiency.
- The majority of APS employees remain satisfied with their monetary and non-monetary conditions of service.
- Modernising the APS employment framework includes improving recruitment and performance management processes and enabling increased mobility between the public and private sectors.
- The Commission is developing guidance material for HR practitioners and managers to help equip them to have effective performance discussions.

It is important that the APS employment framework enables effective management actions. Recruitment processes should ensure fair treatment of all candidates. They should also occur more quickly than today. The APS workforce comprises a growing number of non-ongoing staff. Employment practices should ensure the mix between these workers as well as contractors, labour hires, part-time and casual employees is right for a given agency’s workforce needs. Equally, improved staff mobility and the use of effective employment termination arrangements are areas that require further reform. Current practices including those which require improvement are discussed below.

The overarching objective of the Government’s bargaining policy is to improve workforce flexibility, productivity and efficiency. It is also to assist to balance forward budgets. The latest bargaining round has been tough. Most agencies are yet to conclude new agreements. APS employers have offered modest remuneration increases. Employee representatives have maintained an inflexible bargaining position.
The Government recently changed its policy for APS bargaining. It now allows for higher remuneration increases. Enterprise agreements are not to contain clauses that are restrictive and unduly constrain managerial prerogative. The objectives of wage restraint and a need to facilitate more agile, flexible APS workplaces remain unchanged. It is hoped that new agreements will be finalised across the APS in the coming months.

Results from the APS employee census show a decline in the proportion of people who believe they are fairly paid for the work they do — from 67% in 2014 to 59% in 2015. Seventy-six per cent of employees reported they were satisfied with their non-monetary conditions of service. This was a moderate four percentage point fall compared to 2014 results. Seventy-two per cent of APS employees remain satisfied with their work-life balance and access to flexible work arrangements.

### Contestability Review

An Australian Public Sector Workforce Management Review (the Review) is being undertaken as part of the Commonwealth-wide contestability program led by the Department of Finance. The review will examine ways to improve workforce management so that the APS can best serve the government and community into the future.

A more flexible APS employment framework is vital if the APS is to respond effectively and efficiently to increasingly complex policy challenges and a workforce environment that is changing rapidly.

A report recommending options to achieve improvements in workforce management is scheduled to be provided to the Government in late 2015.

### Recruitment

The APS needs to be able to attract and retain the best and brightest people for all roles. Current recruitment and selection processes tend to be lengthy and convoluted. In a competitive market, slow recruitment may mean the loss of the best candidates. Only 34% of APS employees agree their agency applies merit appropriately.
The current legislative environment also creates constraints, particularly in relation to engaging people for specified terms.

Agencies require the flexibility to change staffing profiles in response to their needs. For the APS to secure the most talented candidates, it must:

• be more agile and able to bring in the best people quickly
• remove self-imposed red tape
• support a cultural shift to focus on business needs
• encourage innovative approaches to getting the right people.

In 2016, this is an area that will attract focused attention.

**Workforce mobility**

Increased staff mobility in all its forms is needed to broaden perspectives, make new policy linkages and improve collaboration. This includes mobility across industry sectors, across APS agencies and between government jurisdictions. A greater exchange of personnel between the public, private and not for profit sectors will assist the APS to improve its capability and relevance by:

• being more familiar with private sector operating environments and current challenges
• learning about new ways of problem solving through the better use of technology
• identifying contemporary workforce management practices that ensure the most capable people fill all roles and perform to their full potential.

In 2015, 27% of new employees in entry surveys reported they came from the private sector. By comparison, 45% were from not for profit or other public sector organisations.

Eighty per cent of APS level employees have only worked in one agency. A number of barriers exist to the movement of staff between agencies, other government
jurisdictions and the private sector. Several are based on perceptions, while others are more structural. In 2015, only 1.6% of APS employees moved between agencies.

The planned movement of employees to gain new and varied job experiences is a common strategy in capability development. In the APS, this is often left to the initiative of the employee. Predictably, the number of agencies in which an employee has worked increases at higher classification levels. The proportion of staff at level who have worked in only one agency is:

- 36.6% of SES officers
- 59.9% of EL employees
- 80% of APS 1–6 employees.

Increasingly employers who recognise the need to develop and retain high-performing staff are using the movement of employees as a talent optimisation strategy to ‘skill up’ employees. It can help prepare them for senior leadership roles.

Examples demonstrating two approaches to APS mobility are the Jawun Indigenous Community APS Secondment Program (Jawun) and a recent pilot engagement with the Business Council of Australia.
APS placements in Indigenous communities and the private sector

The Jawun program is run by the Jawun organisation in partnership with the public and private sectors. It allows EL employees from across the APS to be seconded for short periods (usually six weeks) to Indigenous organisations across Australia. In addition to progressing key projects for these organisations, seconded employees report the program is a catalyst for personal and professional development. Participating agencies also report continued benefits such as improved cultural awareness.

Recent engagement with the Business Council of Australia (BCA) to second high potential SES officers to BCA-member companies is designed to improve senior public servants’ understanding of Australian business pressures and the impact of government policy and regulation on them. This work is in its early stages, but promises a mutual exchange of ideas and greater understanding of the operating environments and constraints experienced in both sectors.

Employee performance

Government and community expectations of the APS have changed. In an environment of increased fiscal pressure and rapid change, APS employees are expected to be more agile, innovative, risk savvy and responsive. Effectively managing and continuously improving employee performance is critical if the APS is to meet these demands. Agencies must be equipped to ensure they do performance management well, both in terms of system design and manager capability.

Performance management systems must be fit-for-purpose. They must work to clearly align business priorities and corporate culture with the duties and behaviours expected of individual employees. Regular and constructive manager-employee feedback loops are critical. Performance management systems should impose minimal compliance burden, collect useful HR metrics and be flexible and adaptable over time.
A general appetite for change in the way performance management is delivered among private sector firms is evident. A PricewaterhouseCoopers research report published in March 2015 found 96% of Australian firms surveyed have changed, or plan to change, their performance management systems. This appetite extends to the APS, where a number of agencies are revisiting their performance management systems in parallel with enterprise bargaining. The Commission is partnering with a best practice insight and technology company to develop and refine APS performance management system design choices. This will make it easier for agencies to enhance or reform the systems currently in place.

Agency survey data suggests that most agencies require further development of their performance management capability. Two thirds of agencies reported they need to improve the way they evaluate the effectiveness of current systems.

Supervisors and the policies they administer determine whether performance management is effective or not. Results from the 2015 APS employee census suggest that while supervisors may be confident in their ability to manage performance, they are less confident about the policies that govern their actions.

Only 54% of APS supervisors agree their agency’s performance management policies provide them with clear guidelines for measuring employee performance. Similarly, 53% of APS supervisors agree their performance management policies are transparent and promote fair and equitable processes. Furthermore, 59% of supervisors agree that the requirements necessary to rate an employee as performing at an acceptable level were clear. These results highlight the need for improved guidance for supervisors.

It is encouraging that 85% of APS supervisors provide performance feedback in a timely manner and that 84% articulate clear performance expectations. Both aspects are integral to the performance management process. Another

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positive result is the confidence of supervisors when dealing with a staff member who appears unable to achieve their performance goals. In this situation, 86% of supervisors agree they proactively deal with the issue. When asked about managing underperformance, over 75% of supervisors believe they could rely on their manager for guidance and support to address underperformance.

**Performance management guidance**

The Commission is developing guidance material for HR practitioners and managers to assist with the day-to-day challenges of performance management. In accordance with contemporary thinking, a key focus of the guidance will be to equip managers to have effective performance discussions. The Commission will also be developing an online application as the primary delivery vehicle for this guidance. Over 3,000 managers have already completed core skills programs that focus on performance and development conversations.

The Commission’s focus on high performance continues as a key pillar of its work in this area, building on the findings of the *Strengthening the Performance Framework: Towards a High Performing Australian Public Service* report. Just as the APS must continue to address and eradicate underperformance, efforts must also be made to lift the performance of all employees by embedding an expectation of high performance in the culture of the APS.

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The APS has an established reputation of providing effective and apolitical service to the Government and to the country.

The Hon John Lloyd PSM
speech to the Institute of Internal Auditors Conference
3 August 2015
Public sector performance

Key points

• The APS relies on a combination of people, processes, systems, structures and culture to deliver services to the Government and the Australian public.

• Capability reviews demonstrate that the areas of public sector performance where the greatest improvement is required are talent management, workforce planning and innovation.

• Digital transformation and innovation are areas of focus for the APS in improving organisational capability and performance.

Organisational capability

Previous State of the Service reports focused on two mechanisms for measuring organisational capability in the APS. One was the program of capability reviews and the other was agency self-assessments.

Capability reviews provided independent, forward-looking reviews of the leadership, strategic and delivery capabilities of agencies. Twenty-five have now been completed. Each review was led by three eminent senior reviewers, two external to the APS and one at deputy secretary level, or equivalent. The deputy secretaries were seconded from an agency outside of the one being reviewed. Insights from the reviews, along with an overview of the APS service delivery capability, are provided by two reviewers below. Similar to agency self-assessments, capability reviews found that the area where the greatest attention is required is talent management. This is followed by workforce planning and innovation.

The program of capability reviews has now been completed. The observations of two of the most experienced external reviewers shed light on the findings and implications of the reviews.
Capability reviews—external insights from two lead reviewers

Rachel Hunter and Akiko Jackson are two of the most experienced of the senior capability reviewers. Both agreed that the most important challenges for governments are:

- Digital disruption
- Rising public expectations particularly in relation to healthcare, welfare and security
- The impact of social media on how citizens can form and communicate their views
- Uncertainties arising from globalisation.

Rachel Hunter

Challenges facing the APS will test its capability, which is firstly a product of its leadership. The new age of public administration calls for resilient leaders who are intellectually/emotionally intelligent; politically astute; and outcomes and people-focused.

A thorough reading of the reports reveals diverse capability and practice amongst agencies—some leading and others lagging. Leading agency practices included an investment in ‘high-powered’ analytical capability, co-designed activities which engaged a broad audience in genuine ‘intractable’ problem-solving and ‘business’ strategy which encouraged innovation and a sensible appetite for risk. Of concern is that no agency was identified as having strong people development capability.

The APS is in competition with other lead organisations in the public and private sectors for the ‘brightest and the best’. Reviews revealed a consistent need across agencies for more investment in attracting, developing, retaining, and rewarding high performers. The areas requiring the greatest improvement are talent management, followed by workforce planning and innovation.

Ms Rachel Hunter held a number of senior roles during her Public Service career including leading a number of Queensland government agencies. She has participated in or led four capability reviews.

Akiko Jackson

It is critical for the APS to develop capabilities to deliver better services to the Australian public in a quicker, easier and more cost-efficient way.

I have been struck consistently by people who are intrinsically motivated and work hard to do the right thing to serve the Australian public. The depth of knowledge and experience of staff where expertise is required is extraordinary.

There are three key development opportunities that many service delivery departments could focus on:

- To create performance-oriented cultures where targets are set, both at the organisational and individual levels, and performance is assessed objectively and communicated professionally.
- To focus on fewer priority initiatives and delivering them well.
- To unleash the power of collective knowledge and scale by working across agencies and leveraging each others’ strengths.

Ms Akiko Jackson is a private sector senior executive with significant financial services experience and a background in management consulting. She has participated in or led five capability reviews.
Digital transformation

The Australian Government has embarked upon an ambitious, challenging, but necessary agenda, to improve the way services are delivered to the Australian public. The 2015 agency survey assessed APS agencies’ digital transformation readiness and identified a gap in capability. Results demonstrated that the majority of agencies recognise the need to make greater progress. This is reassuring, however, agencies feel under-equipped to meet the challenges of digital transformation. It follows that there is a need for comprehensive digital planning across the APS.

Agency digital transformation readiness was assessed using a similar framework as for other agency capabilities. The majority of agencies reported that their current level of capability was relatively low. To meet future requirements, most agencies reported that their digital transformation capability would need to be enhanced across the whole organisation and include a regular evaluation component. The lowest rated capabilities related to digital transformation were strategic planning and workforce capability, with 30% and 31% of agencies rating these capabilities respectively as ‘in development’.

The 2015 APS employee census asked respondents three questions relating to their access to, and use of, digital technologies in the workplace. Results demonstrate that 62% of APS employees use their agency’s suite of digital technologies to carry out tasks and interact with colleagues. Eighty-three per cent of APS employees reported that digital technologies improved their productivity by giving them better access to information. Likewise, 78% of employees reported they improved productivity by enabling the completion of tasks. However, 35% of APS employees reported that they had not received or undertaken any formal digital skills training in the workplace.

1 This section has been adapted from a State of the Service website update written by Mr Paul Shetler, CEO of the Digital Transformation Office.
The establishment of the Digital Transformation Office (DTO) is important. The APS has a clear path forward, a roadmap for the steps to take, and strong government support for the changes that need to be made. The DTO’s mission is to provide the Australian public sector with the expertise, the tools and the impetus to seize opportunities as they are presented.

The DTO has worked with APS agencies to develop Digital Transformation Plans. The plans will outline the current state of play, set out the strategic vision of the agency and help identify the services, or aspects of services, that are the best candidates for transformation. The DTO is collaborating with project teams in some agencies to trial the best ways to deliver rapid and robust service transformation. These early experiences will be shared to benefit local, state and federal governments. The DTO will also be working to ensure employees APS-wide have the digital knowledge and capabilities to deliver and sustain digital transformation.

**Innovation**

The APS operates in the same fast-changing environment as the rest of the Australian economy. Against this background, the APS needs to engage with citizens, businesses and partners in different ways. Many long-standing policies and practices have to be refreshed. Agencies need to not only respond to change, but also to respond in new ways.

The APS has a long tradition of developing clever responses and ways of working. Recent examples include:

- simpler, faster tax returns through myTax
- converting important but complex consumer information into something easily accessible with Energy Efficiency Labels
- reconsidering how aid and development funding is provided at innovationXchange

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2 Thanks to the Department of Industry, Innovation and Science and IP Australia for their contributions to this section of the State of the Service report.
• providing businesses with the information they need at the time and in the form they need it, through Business.gov.au.

Many agencies are looking at how they can innovate and ensure they are delivering new ideas and new strategies. As with any organisational capability, innovation requires support, commitment and practice. An example is the ‘Reinventing the ATO’ work at the Australian Taxation Office. This change program is based on the following concepts: ‘We are changing the way we work. We want to give our clients, staff and stakeholders the best possible experience with the tax and super systems’3.

According to the agency survey, the majority of agencies reported that practices to encourage and support innovation were in use across part of the organisation. The majority of agencies, however, indicated that to meet organisational requirements in the next three years, they required agency-wide adoption of practices to encourage and support innovation.

The lowest rated individual capabilities related to innovation were strategic planning and workforce capability. Specifically, over 50% of agencies reported that while their agency recognised the need for innovation to feature in strategic planning, this had not occurred or was only covered in part of the agency. Similarly, most agencies had not yet identified the knowledge and skills that their workforce needed to support innovation. Some agencies, however, were addressing the issue.

In this period of increasing change, disruption and digital transformation, it is more important than ever for agencies to learn from each other and to have a more collaborative approach to innovation.

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Actions to enable innovation

The need for change has been recognised by the leadership of the APS. In July, departmental secretaries approved a number of initiatives to support and strengthen the Public Sector Innovation Network, and to strengthen the innovation ‘supply chain’ for the public service. Specific actions include support for:

- SES level Innovation Champions within each portfolio department
- the annual Innovation Month series of events and activities
- the Public Sector Innovation Network, including locations outside of Canberra
- a trial of a multi-agency collaboration platform for staff to share ideas
- the development of an ‘incubator’ for promising but untested ideas
- the establishment of a set of annual APS innovation awards to be run by the ACT Institute of Public Administration Australia.

Innovation Champions will help share lessons, model and emphasise behaviours that support and encourage innovation, and facilitate collaboration between agencies on selected initiatives. This will demonstrate how innovation is an essential part of the core business of the APS.

Such initiatives build on existing work, including the Public Sector Innovation Toolkit and Showcase, led by the Department of Industry, Innovation and Science and supported by other APS agencies. This work will continue to connect with and support other improvement agendas, such as digital transformation and the Public Sector Data Management Project.

The Public Sector Data Management Project aims to improve service delivery and the effectiveness of government by improving data sharing and integration across the public sector. It will also make more government data available to the public.
Integrity provides the licence for the public service to operate. This comes from values-based behaviour including the efficient and effective use of public resources.

The Hon John Lloyd PSM presentation to the AHRI Professional Certification program 6 November 2015
APS Values and promoting integrity

Key points
• The effectiveness of the APS relies on a values-based culture that encourages trust and accountability.
• Internationally Australia is perceived to be one of the most corruption-free countries in the world.
• The level of serious misconduct in the APS remains low with fewer breaches of the APS Code of Conduct investigated in 2014−15 than in 2013−14.
• Most APS employees consistently agree their senior leaders, immediate supervisors and colleagues act in accordance with the APS Values.
• Agencies continue to develop their policies and procedures for managing integrity risks and dealing with reports of misconduct.

The legitimacy and effectiveness of the APS relies on a values-based culture that encourages trust and accountability. It requires employees to consider underlying principles when they make decisions and perform tasks. A robust culture of integrity and accountability requires that agencies have in place the processes, procedures and systems necessary to support ethical behaviour.

Integrity in the APS is broader than compliance with the legal framework and having low levels of corruption. It is employees and managers embracing a set of values that provides the public and the Government with confidence and trust in the way that advice and services are delivered.
Integrity toolkit

The Commission is working with the Attorney-General’s Department and integrity agencies on developing a toolkit for managers to assist them to identify and manage risks to integrity. This toolkit will complement the Attorney-General’s Department’s publication, *Managing the insider threat to your business: A personnel security handbook*¹ and the Australian Commission for Law Enforcement Integrity’s online information on corruption prevention that includes a Corruption Prevention Toolkit and case studies.

Breaches of the APS Code of Conduct

The level of serious misconduct in the APS remains low with fewer breaches of the APS Code of Conduct investigated in 2014–15 than in the previous year. Agencies continue to instil a values-based culture by increasing ethical awareness and integrity through strong risk management and high levels of accountability.

The Act includes a statutory Code of Conduct setting out the standards expected of APS agency heads and employees. Section 15(3) of the Act requires agency heads to establish procedures for determining if an employee, or former employee, has

breached the Code of Conduct and the sanctions that can be imposed if a breach is found. An agency head’s procedures must have due regard to procedural fairness and comply with the basic procedural requirements in the Australian Public Service Commissioner’s Directions 2013.

In June 2015, to assist agencies, the Commission launched a revised version of its guide Handling Misconduct: A human resource manager’s guide. This guide is available on the Commission’s website2.

An important element of integrity in the APS is the reporting and investigation of allegations of misconduct by APS employees. In 2014–15, agencies reported finalising Code of Conduct investigations in relation to fewer employees—557 compared with 592 in the previous year. The proportion of investigations that found the Code of Conduct had been breached increased from 81% in 2013–14 to 84% in 2014–15. Failure to behave in accordance with the APS Values and Employment Principles and thus, to uphold the integrity and good reputation of the employee’s agency and the APS, continued to be the most common alleged breach. This was a factor in 55% of finalised investigations in 2014–15 compared with 74% in 2013–14.

The most common sanction applied for a breach was a reprimand. The second most common sanction was a reduction in salary. The employment of 81 employees was terminated as a sanction for a breach of the Code of Conduct in 2014–15.

**Perceptions of corruption in the APS**

Internationally, Australia is perceived to have one of the most corruption-free public service systems in the world. The Corruption Perceptions Index ranks Australia eleventh among 175 countries and territories. This ranking is based on perceptions of aggregate corruption at every level of government—Commonwealth, state, territory and local.

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In 2014−15, agencies advised that 100 of the 557 finalised Code of Conduct investigations involved corrupt behaviour. The types of corrupt behaviour included inappropriate use of flex time; misuse of personal leave to undertake paid employment; conflict of interest on selection panels; theft; and misuse of duties to gain a personal benefit.

The relatively minor nature of many of these reported matters may be inconsistent with what is understood in the community by the term ‘corruption’. Nevertheless, misconduct of this kind still warrants appropriate attention and action.

Another indicator of corruption in the APS is employees’ perception of its prevalence. Employees were asked if they had witnessed and reported perceived corruption in their workplace. For the purposes of the employee census, corruption in the APS was defined as:

- The dishonest or biased exercise of a Commonwealth public official’s functions. A distinguishing characteristic of corrupt behaviour is that it involves conduct that would usually justify serious penalties, such as termination of employment or criminal prosecution.

Results from the employee census show that 3.6% of APS employees reported they had witnessed another employee engaging in behaviour they considered serious enough to be viewed as corruption. Sixty-eight per cent of these employees reported they had witnessed cronyism, 24% reported they had witnessed nepotism and 23% reported they witnessed an APS employee acting, or failing to act, in the presence of undisclosed conflict of interest. Of the employees who reported they had witnessed corruption in their workplaces, 34% reported the behaviour.

The definition of corruption, which was changed in this year’s employee census, may have contributed to the increase in perceived corruption from 2.6% in 2013−14 to 3.6% in 2014−15. Similar to results from 2013−14, a large majority of employees witnessing corruption reported witnessing cronyism and nepotism.

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3 Percentages do not add to 100% as respondents could report having witnessed more than one behaviour.
Corruption in the APS is relatively low, however agencies are not complacent. They continue to develop and apply their policies and procedures for managing risks and dealing with reports of corruption or other forms of misconduct. In recent years, there has been an increased focus on integrity risks across all areas of agencies—from frontline contact points to agency support areas that may be susceptible to being compromised by criminal organisations.

**Integrity and anti-corruption measures**

The Commission is supporting the whole-of-government approach to integrity, including anti-corruption measures. Training in integrity and anti-corruption continues to be an element of the APS Leadership and Core Skills Strategy and associated learning programs. A continuing need exists for staff at all levels to understand the ethical frameworks that guide behaviour and decision-making in the APS.

This complements the work of other APS agencies to improve the integrity framework. For example, the Attorney-General’s Department has developed the Commonwealth Fraud Control Framework which sets out the key requirements of fraud control. Additionally, the Australian Commission for Law Enforcement Integrity has released its Fraud and Corruption Control Plan that provides a systematic approach to assessing and controlling integrity risk. The Department of Finance has developed guidance on proper management of Commonwealth resources, including the Commonwealth Resource Management Framework.

**Ethical leadership**

Results from the APS employee census indicate that leaders play a critical role in establishing the ethical climate or culture in the workplace. This, in turn, contributes to managing issues such as employee perceptions of workplace corruption. A measure of ethical leadership is how consistently leaders at all levels behave in accordance with the values of the APS. The impact of this on organisational behaviours can be seen in the relationship between ethical leadership and
employees’ perceptions of how their agencies deal with corruption. Results from the employee census show a strong positive relationship between the two. Employees who believe their senior leaders act in accordance with the APS Values also believe their agency deals with corruption well. The relationship can be seen when examining employee perceptions of their senior leaders’ ethical behaviour.

**Figure 3:** The relationship between ethical leadership and perceptions of how well agencies deal with corruption

The impact of ethical leadership is not limited to perceptions of how well the agency deals with corruption. Research on the risks of psychological injury in the workplace has shown a link between workplace corruption and mental health. Data from the employee census shows similar findings.

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Analysis of results from the employee census suggests ethical leadership, particularly at the senior levels, influences workplace practices related to employee psychological health which in turn effects the risk of both depression and job strain. When employees perceive that their senior leaders always act in accordance with APS Values, they also view their workplace as having the practices in place to reduce the risk of psychological injury.

**APS Values**

Results from the employee census demonstrate that most APS employees consistently agree that their senior leaders, immediate supervisors and colleagues act in accordance with the APS Values. In 2015, however, there was a drop in the proportion of employees who agreed that their senior leaders ‘always’ or ‘often’ act in accordance with the Values 69% this year compared to 74% in 2014.

**Ethics Advisory Service**

The Commission continues to support agencies to promote the APS Values and Code of Conduct within their organisations. The Ethics Advisory Service provides advice to managers and employees on ethical issues and the Commission supports Ethics Contact Officers in agencies and delivers training across the APS. Embedding the values in agency systems, processes and procedures, as well as individual behaviour, continues to strengthen ethical decision-making and integrity.

During 2014–15, 565 employees from 77 agencies contacted the Ethics Advisory Service for advice. Forty-three per cent of enquiries came from individual APS employees and 38% came from corporate areas; some callers chose to remain anonymous. Of those enquirers who gave a classification, 28% were APS 1–6 staff, 37% were EL 1 level, 28% were EL 2 level and 6% were SES levels.

The nature of enquiries in 2014–15 remained consistent with the previous year. The highest proportion of enquiries again related to the management of misconduct in agencies.
Bullying and harassment

Workplace bullying continues to be a concern in the APS. The APS Code of Conduct requires employees to treat everyone with respect and courtesy and without harassment when acting in connection with their employment. Senior leaders are expected to promote the Code of Conduct by personal example or other appropriate means.

Data from the employee census demonstrates that over the past decade, between 15% and 18% of employees reported they were bullied or harassed in the workplace. Bullying could be by a client, a colleague or a manager. This year, 17% of employees reported they had been bullied or harassed in the twelve months prior to the employee census. Perceptions of bullying and harassment in the workplace have remained relatively stable across time, between 15% and 18%, which corresponds with the 2014 result.
Indigenous employees and employees with disability were more likely to report they had been bullied or harassed than other APS employees. These employees were also more likely to report the behaviour than other APS employees.

Bullying and harassment is often influenced by perspectives, and what is perceived as harassment by one person may be, for example, proper management action to another. Reasonable administrative action, undertaken in a reasonable way, does not constitute harassment regardless of how it may be perceived.

Harassment remains a real concern, nonetheless, and is often investigated as a suspected breach of the Code of Conduct when reported. The subjective experience of harassment may provide an explanation for the relatively low proportion of Code of Conduct investigations that lead to a finding that harassment has occurred.

Not all allegations of misconduct need result in Code of Conduct action. Other means of addressing bullying and harassment can include alternative dispute resolution or performance management action.

As of 1 January 2014, APS employees who reasonably believe that they have been bullied at work can apply to the Fair Work Commission for an order to stop the bullying. To date, there have been no orders issued relating to employment in the APS.
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