

New Zealand State Services

INTEGRITY & CONDUCT SURVEY

Summary of Findings

2010



research
NEW ZEALAND

STATE SERVICES COMMISSION
Te Komihana O Ngā Tari Kāwanatanga



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Introduction

The State Services Commission (SSC) provides leadership to the State Services so that government works better for New Zealanders. It coordinates a programme to strengthen trust in government. The programme's success is measured by:

- State servants' views about the trustworthiness of their colleagues and the agency they work for
- the public's level of trust in public services.

Transparency International rates New Zealand's public sector as the least corrupt of the 180 countries assessed in the Corruption Perceptions Index¹. State Services agencies need to keep focusing on integrity to maintain this trustworthy reputation.

The State Services Integrity and Conduct Survey (the Survey) was carried out in March and April 2010. The Survey measures levels of trustworthy behaviour observed by State servants within their agencies. It compares different types of State Services agencies and it shows trends in responses since the Survey was first conducted in 2007.

The Survey findings suggest both a deepening awareness of integrity expectations across the State Services and a strengthening culture of integrity and trustworthiness.

The main findings of the Survey and the significant changes since 2007 are summarised in this report. The full report is available at: www.ssc.govt.nz/2010-survey-report.

1 www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table

Background

A code of conduct issued by the State Services Commissioner sets standards of integrity for the State Services. The code currently applies to Public Service Departments, to statutory Crown Entities (including District Health Boards), to Crown Entity Companies (excluding Crown Research Institutes), and to a number of subsidiary companies of Crown Entities. At 1 April 2010, there were 136 agencies required to comply with the code and to have policies and procedures consistent with it.

The purpose of the code is to fulfil two objectives of the State Sector Act 1988:

- to maintain appropriate standards of integrity and conduct among employees in the State Services and other agencies
- to ensure employees in the State Services are imbued with the spirit of service to the community.

TRUST AND TRUSTWORTHINESS

Good government requires the trust and confidence of citizens. That trust and confidence flows from the perceptions people have about the trustworthiness of officials – elected, appointed and employed. A substantial proportion of public services in New Zealand are provided by State Services agencies. The trustworthiness of those agencies and the people who work in them influences the public's trust and confidence and, in turn, good government.

THE SIX TRUST ELEMENTS

Internationally there is a consensus² about the way organisations can build up the public's trust. Trust must be earned. It is quickly spent if an agency does not do a good job. Doing a good job means working professionally and with integrity. This behaviour must be institutionalised. Agencies must want integrity and explicitly state that integrity is a priority.



SSC promotes six trust elements that are necessary to achieve this³:

- 1 *Agencies have standards of integrity and conduct.*
- 2 *Agencies promote the standards of integrity and conduct.*
- 3 *The standards of integrity and conduct are integrated into the behaviour of State servants.*
- 4 *Managers model the standards of integrity and conduct in their behaviour.*
- 5 *Consequences for behaviour that breaches the standards of integrity and conduct are known by State servants.*
- 6 *Agencies act decisively when breaches occur.*

The Survey measures the trustworthiness of State servants.

SSC also conducts the Kiwis Count survey, which measures the public's levels of trust and satisfaction with agencies delivering public services. Kiwis Count responses from late 2009 showed higher levels of public trust in agencies delivering public services than in 2007.

The Auditor General is using data gathered by the Survey to measure achievement in building trust in the public sector⁴.

3 The six elements are drawn from Stuart C Gilman and Jeffrey Stout, *Assessment Strategies and Practices for Integrity and Anti-Corruption Measures, Comparative Overview*, OECD 2005, www.oecd.org/dataoecd/17/33/35521418.pdf

4 Controller and Auditor General, Annual Plan 2009/2010, www.oag.govt.nz

Two OAG measures are that the Survey shows increased (or at least maintained) rates of respondents saying:

- State Services agencies promote their standards of integrity and conduct
- Misconduct, where observed, is reported.

Methodology

The Survey was managed by Research New Zealand using a question-set developed by the Ethics Resource Center for the biennial United States National Business Ethics Survey⁵. The questions used in the survey are the property of the Ethics Resource Center and are subject to copyright restrictions. The methodology used for the initial survey in 2007 was repeated in 2010 to ensure consistency.

In 2010:

- 13,102 State servants were randomly selected to take part (compared with 7,782 in 2007)
- 8,238 participated in the Survey (compared with 4,642 in 2007)
- The response rate was 65.3% (compared with 60% in 2007)
- 41 agencies⁶ were randomly selected from the 136 agencies subject to the code (compared with 38 agencies from 120 agencies in 2007).

The survey data has a confidence interval of +/- 2.5% at the 95% confidence level. In other words, Research New Zealand is 95% certain that x% of State servants report in a certain way, plus or minus 2.5 percentage points.

This report refers to some changes in the data between the 2007 and 2010 surveys. The changes discussed in this report are those that are statistically significant. This means that we are 95% certain that the change is real, rather than having happened by chance.

5 The Ethics Resource Center was contracted to conduct the State Services Integrity and Conduct Survey in 2007, www.ethics.org

6 Participants reflect the types of agencies to which the code applies. Results are categorised for:

- Public Service Departments
- Crown Agents (excluding District Health Boards)
- District Health Boards
- Autonomous Crown Entities (ACE), Independent Crown Entities (ICE), Crown Entity Companies (excluding Crown Research Institutes) and Crown Entity subsidiaries are collectively described in the Survey as "other Crown Entities".

Highlights



The Survey shows suggestions of a stronger culture of integrity across the State Services than in 2007:

- Almost all State servants are aware of their agency's standards of integrity.
- More State servants are aware of the provisions in the Protected Disclosures Act 2000.
- Corrupt behaviour remains at very low levels across the State Services.
- More State servants report misconduct when they see it.
- More managers are taking action on reports of misconduct.
- More State servants agree their colleagues consider integrity standards when making work-related decisions.
- More State servants agree their colleagues talk about the importance of integrity and conduct and doing the right thing in the work they do.
- Fewer State servants have observed sexual harassment.
- Integrity and conduct are part of the performance appraisals of more State servants.

Room for Improvement

Improvements are not consistent across all agencies and the implementation of some of the trust elements is poorly rated by many respondents. Some findings show little movement since 2007.

- There is no greater awareness of integrity training being provided by agencies.
- Awareness of the provisions in the Protected Disclosures Act is poor, although there is a small increase in awareness since 2007.
- There have been few changes in the types and levels of misconduct observed.
- Some aspects of senior managers' behaviour are perceived poorly by State servants.

Survey Findings

Responses to the 55 survey questions show the experiences of State servants in the way State Services agencies implement the six trust elements.

ELEMENT 1: *Agencies have standards of integrity and conduct*

The State Services Commissioner requires State servants to behave with integrity. For this to happen, they need to know about the integrity standards. This requires agencies to give effect to the Commissioner's code or to have agency-specific standards consistent with that code.

The code reinforces the obligation of agencies to act lawfully. The Protected Disclosures Act 2000 requires all public sector agencies to have a "whistleblower" policy, which is promoted to staff and re-published regularly.

FINDING

Almost all State servants (97%) are aware their agency has a code of conduct.

Only 35% of State servants are familiar with the provisions in the Protected Disclosures Act 2000, although awareness among District Health Board (DHB) employees has improved significantly since 2007. Despite this, half of all participants say they know of processes for reporting misconduct either confidentially or anonymously.



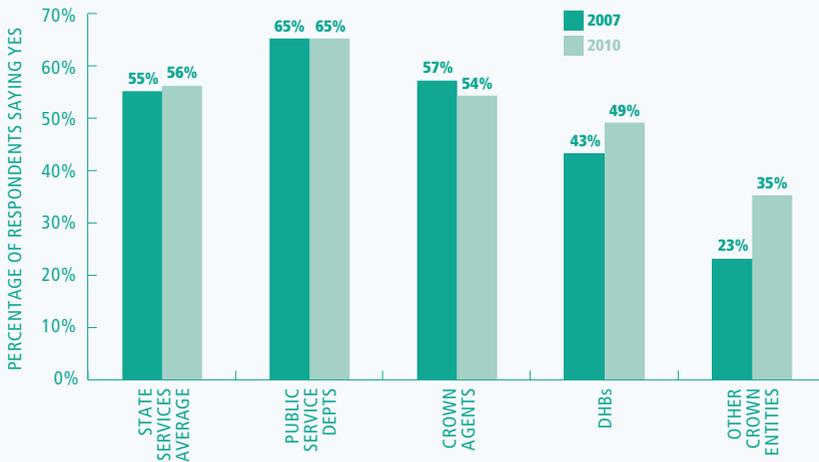
ELEMENT 2: Agencies promote their standards of integrity and conduct

Standards will only be effective if staff know what they are and what they mean. Agencies should provide training so their staff understand the behaviour required of them, and they should provide guidance and support when their staff want it. Staff need to feel equipped to manage ethical challenges, to know where to get integrity advice, and to know how to report misconduct.

FINDING

Over half (56%) of State servants are aware of integrity training provided by their agency. Only 51% of all participants say their agency has a point of contact for advice on integrity issues.

FIGURE 1: Awareness of training on standards of integrity and conduct



ELEMENT 3: *Standards of integrity and conduct are integrated into the behaviour of State servants*

The culture of an agency is reflected in the attitudes and behaviour of the people working in it. That culture has an impact on the way services are delivered. Setting and promoting standards will be effective only if there is an embedded commitment to “the way we do things around here”.

The Survey lists types of misconduct – some are unsocial and others are criminal. Criminal conduct will affect the public’s perceptions of corruption. These perceptions, indexed annually by Transparency International⁷, are used in a range of international comparisons⁸.

FINDING

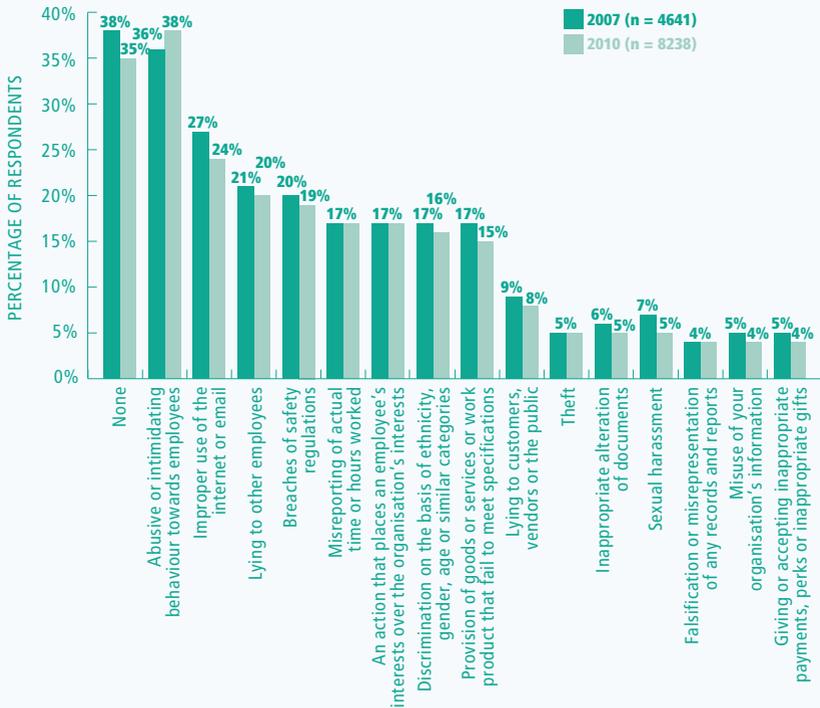
More than one-quarter (29%) of State servants say they have seen breaches of standards over the last 12 months. However, when they were shown a list of types of possible misconduct, 65% of respondents acknowledge observing at least one instance of misconduct in the last year.

7 www.transparency.org

8 These include: World Bank’s Ease of Doing Business Survey, Worldwide Governance Indicators, Index of Economic Freedom, and the Global Peace Index.



FIGURE 2: Types of breaches observed



The only statistically significant change in the data between 2007 and 2010 relates to the decrease in observed sexual harassment.

Observation of corrupt behaviour remains low; there is little observed theft, alteration and falsification of records, misuse of information or acceptance of inappropriate payments, perks, and gifts.

Breaches observed most frequently include abusive or intimidating behaviour and lying to colleagues. This reflects another recent research finding that workplace bullying in New Zealand is high by international standards, particularly in the education and health sectors⁹. Misconduct of this kind is reported more frequently by staff in agencies involved in a merger or a restructuring in the last two years (41%) than by State servants who say their agency has not undergone these changes (31%).

There has been a statistically significant reduction in the number of State servants observing sexual harassment, although the extent of other misconduct is largely unchanged from 2007.

There is also a statistically significant increase in the number of State servants who report observed misconduct to management (63% compared with 55% in 2007). Where misconduct occurs, a report is more likely to be made by staff who are aware of the integrity training provided by their organisation than by those not familiar with it (68% compared with 57%). Managers are more likely to report misconduct than non-managers.

⁹ Understanding Stress and Bullying in New Zealand Workplaces, Professor Tim Bentley et al, Massey University, 2009. [www.massey.ac.nz/massey/fms//Massey News/2010/04/docs/Bentley-et-al-report.pdf](http://www.massey.ac.nz/massey/fms//Massey%20News/2010/04/docs/Bentley-et-al-report.pdf)



ELEMENT 4: *Managers model standards of integrity and conduct in their behaviour*

“Tone at the top” establishes the culture of any organisation. Managers at all levels must not only behave with integrity but must be seen to do so. The confidence staff have in their organisation is related to the extent their managers model ethical behaviour. Ethical behaviour includes:

- setting an example
- communicating the importance of “doing the right thing”
- sharing information about what is happening in the organisation
- keeping promises and commitments.

FINDINGS

Two-thirds of State servants agree their managers set a good example, communicate the importance of doing the right thing and support them to behave with integrity. A trend to be watched is that more State servants in 2010 disagree they can trust senior and middle management to keep promises and commitments compared with 2007.

As in 2007, staff report greater trust in their immediate managers than in their senior leaders.

FIGURE 3: State servants' perceptions of their managers' actions





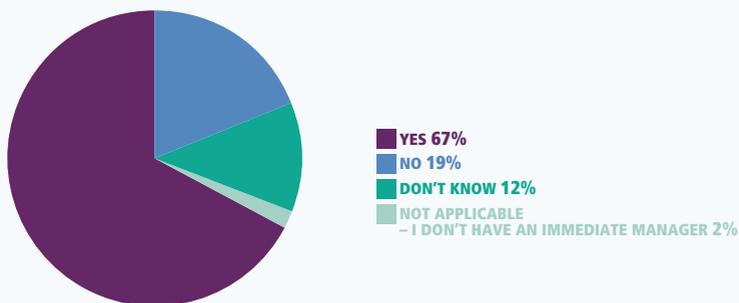
ELEMENT 5: *Consequences for behaviour that breaches standards of integrity and conduct are known by State servants*

An agency's culture is strengthened when staff believe ethical actions are valued, and colleagues are held to account for misconduct. Staff are less likely to report integrity breaches if they do not believe there are consequences for misconduct. Standards then become less effective. State servants need to be confident that maintaining standards is a priority for managers, that demonstrating integrity is valued, and that their agency will act on misconduct.

FINDINGS

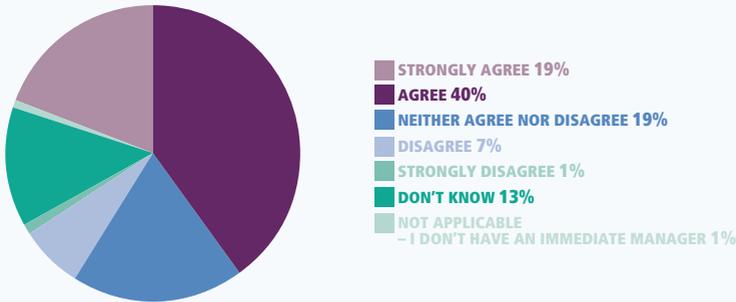
Two-thirds of State servants report their manager evaluates integrity and conduct as part of periodic performance appraisals. This is a significant improvement since 2007 (67% compared with 63%). However, staff who have worked in their agency for less than 12 months are significantly less likely to know whether such evaluations occur.

FIGURE 4: Manager evaluates integrity and conduct as part of regular employment appraisal



Another significant improvement is the number of State servants who say their immediate manager disciplines employees who breach their agency's standards (59% compared with 52% in 2007).

FIGURE 5: Immediate manager disciplines employees who breach agency’s standards



ELEMENT 6: Agencies act decisively when breaches occur

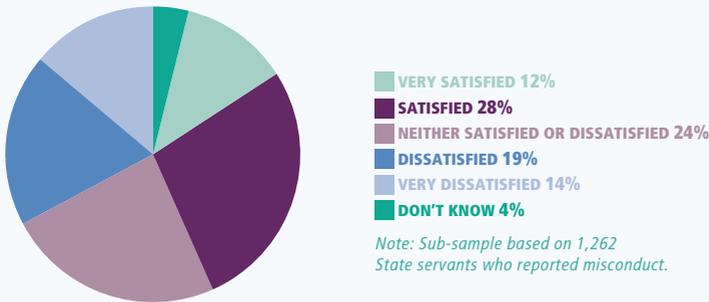
To be effective, standards must be enforced. Staff must be confident their agency will take appropriate, timely and non-discriminatory action when a breach is reported. Staff reporting misconduct are more likely to be dissatisfied with their agency if they experience retaliation for reporting or they do not get positive feedback.

FINDINGS

Only 40% of the staff who report misconduct are very satisfied or satisfied with their agency’s response. There are 399 State servants who reported misconduct and who are not satisfied with the response. Of these, 81% (compared with 62% in 2007) say this is because the corrective action was not severe or complete enough. This is a statistically significant change. Only 37% of State servants received positive feedback after reporting misconduct.

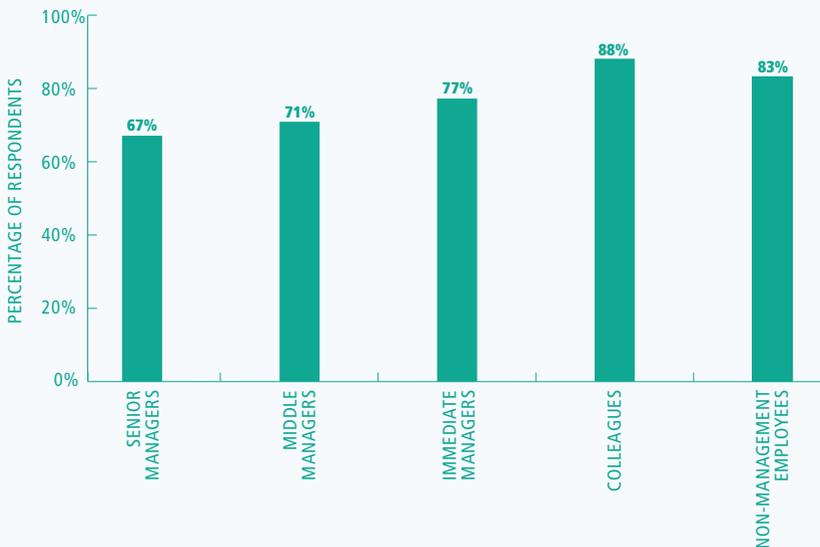


FIGURE 6: Satisfaction with response to report of misconduct



State servants believe their managers are held to lesser levels of accountability for integrity breaches than their colleagues. Participants were asked whether they agree that employees, at different levels of authority, would be held accountable if they breached their organisation’s standards of integrity and conduct.

FIGURE 7: Agreement that State servants at different levels of authority would be held accountable



Variations among the four agency groups

Many of the variations noted among the four agency groups in 2007 have remained.

PUBLIC SERVICE DEPARTMENTS

Almost all public servants are familiar with the code of conduct (98%), but their awareness of the Protected Disclosures Act 2000 remains low (38%). Just 51% of public servants say they know how to confidentially report misconduct. Of the 65% of public servants who are aware of integrity training provided by their department, 89% found it useful. Fifty-four percent of public servants say their department has a contact point for getting integrity advice.

Public servants feel better prepared to handle situations that invite misconduct than other State servants. They also report more support from colleagues in following integrity standards than in 2007 (29% strongly agreeing, compared with 24% in 2007).

Other significant improvements since 2007 are the number of public servants who strongly agree their manager disciplines employees who breach standards (22% compared with 15%), and the number who report their manager evaluates integrity and conduct as part of regular performance appraisals (67% compared with 59%).



CROWN AGENTS (EXCLUDING DHBs)

Crown Agent employees have a high awareness of the code of conduct (98%) and 84% believe their colleagues set a good example of integrity. Although misconduct is seen at similar levels to other State servants, those seeing misconduct are less inclined to report it (46%) than all State servants (63%). Many respondents are not aware they can report in confidence (59% compared with 50% of all State servants). A high proportion (53%) of staff in Crown Agents who report misconduct are dissatisfied with the outcome because they feel “there was a cover up”.

DISTRICT HEALTH BOARDS

Ninety-five percent of DHB staff are aware of their agency’s integrity standards. There has been a significant increase in awareness among DHB staff of the provisions in the Protected Disclosures Act 2000 (33% compared with 23% in 2007). There has been a significant decrease in the number who say their DHB does not provide integrity training (20% compared with 29% in 2007). Two-thirds of DHB managers evaluate integrity as part of regular performance appraisals.

More misconduct is seen by DHB staff than other State servants, particularly abusive and intimidating behaviour (45% compared with 38%). Where DHB staff report misconduct but are dissatisfied with the result, substantially more than in 2007 say it was because corrective action was not severe or complete enough (93% compared with 50% in 2007).

OTHER CROWN ENTITIES (ICEs, ACEs, CROWN ENTITY COMPANIES, AND CROWN ENTITY SUBSIDIARIES)

Other Crown Entities' staff have a good awareness of the code (96%). However, 65% say either their agency doesn't provide integrity training or they don't know about it (compared with 44% of all State servants). Significantly more other Crown Entities' staff report their manager evaluates integrity and conduct as part of regular performance appraisals than in 2007 (67% compared with 42% in 2007).

Fewer staff in other Crown Entities saw misconduct than all State servants. In particular, other Crown Entities' staff saw less abusive and intimidating behaviour and less discrimination. Fewer staff believe their environment invites misconduct (20% compared with 35% of all State servants).

Conclusion



HOW DO WE IMPROVE?

State Services agencies need to improve their performance to strengthen trust in government so government works better for New Zealanders.

Throughout the State Services, agencies must reinforce the importance of being trustworthy. Agencies need an integrity plan based on the six trust elements and they need to be committed to implementing it.

The objective of training is not only to raise employees' awareness of the code of conduct and the behaviour expected of staff, but also to shape the integrity leadership of managers. Managers need to be comfortable talking about ethical issues. They must promote conversations about professionalism and, through their actions, make staff more confident that integrity matters.

Agencies must address leadership and communication issues. Too many State servants have poor perceptions of their managers. Good leadership creates the integrity culture needed to strengthen public trust and to deliver the quality services New Zealanders expect.

Recommendations

SSC recommends these priority actions to all State Services agencies:

- Publish and promote to staff the agency's protected disclosures policy, and re-publish it at regular intervals, as required by the Protected Disclosures Act 2000.
- Provide staff with training on standards of integrity and conduct when they join the agency and periodically refresh their understanding.
- Promote information to staff on how to access integrity advice and support.
- Target the most frequently observed breaches of misconduct:
 - abusive and intimidating behaviour – this may involve workshops to raise awareness of behaviour that is unacceptable
 - improper use of the internet or email – publicise the agency's policies and procedures and take action on breaches.
- Train managers to model ethical behaviour.
- Communicate fully and frequently with staff about what is going on in the agency, especially when the agency is undergoing organisational change.
- Require managers to evaluate employees' integrity and conduct as part of performance appraisals.
- Have procedures for handling reports of misconduct that ensure the staff member who makes the disclosure is regularly informed of the agency's response.





This summary report and the complete findings from the New Zealand State Services Integrity and Conduct Survey are available at www.ssc.govt.nz/2010-survey-report

FOR FURTHER INFORMATION

Please contact the State Services Commission integrity and conduct helpdesk at integrityandconduct@ssc.govt.nz, phone (04) 495 6600, or visit www.ssc.govt.nz/integrityandconduct