

New Zealand State Services

# INTEGRITY & CONDUCT SURVEY

Summary of Findings

# 07



*State Services Commission*  
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## Introduction

The State Services Commission (SSC), with Government endorsement and support from the other central agencies, launched the Development Goals for the State Services<sup>1</sup> in March 2005. The overall goal for the State Services is:

*A system of world class professional State Services serving the government of the day and meeting the needs of New Zealanders.*

This overarching goal is supported by six, more specific, Development Goals for the State Services. This survey was conducted to inform work on the Trusted State Services Development Goal:

*Strengthen trust in the State Services, and reinforce the spirit of service.*

One of the indicators for the Trusted State Services Development Goal is the trustworthiness exhibited by State servants. This refers to the State Services and its employees exhibiting trustworthy behaviour to New Zealanders. It stresses that for trustworthiness to be fully demonstrated, agencies must put in place the six elements that support integrity and ethical behaviour. International research suggests all six elements are essential and focusing only on some may increase the likelihood of untrustworthy behaviour.

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<sup>1</sup> State Sector Act 1988, section 2, defines the "State Services".

## THE SIX ELEMENTS:<sup>2</sup>

- 1 *Agencies of the State Services have standards of integrity and conduct that meet the State Services Commissioner's minimum standards*
- 2 *Agencies of the State Services promote their standards of integrity and conduct*
- 3 *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 NEW ZEALAND STATE SERVICES INTEGRITY AND CONDUCT SURVEY

*To inform the Trusted State Services Development Goal, the SSC undertook research to:*

- assess the standards of integrity and conduct across the State Services under the six elements
- establish a benchmark so that trends can be identified by subsequent surveys
- suggest areas for improvement.

<sup>2</sup> 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.  
<http://www.oecd.org/dataoecd/17/33/35521418.pdf>



This report provides a summary of survey findings, indicating how State servants observe implementation across the State Services of the six elements. Findings are also summarised for the four agency groups:

- Public Service departments
- Crown Agents (excluding district health boards)
- District Health Boards
- “Other Crown Entities” (Autonomous Crown Entities, Independent Crown Entities and Crown Entity Companies).

## METHODOLOGY

The State Services Commission contracted the Ethics Resource Center (ERC)<sup>3</sup> to carry out the New Zealand State Services Integrity and Conduct Survey during April 2007.

7,782 State servants were randomly selected to take part in the survey. 4,642 State servants participated, which was a response rate of 60%. Participants were employees of 38 State Services agencies, randomly selected from 120 agencies that are covered by the State Services Commissioner’s integrity and conduct mandate<sup>4</sup> (excluding School Boards of Trustees, Parliamentary Service, and the Parliamentary Counsel Office).

As the questionnaire used in this survey is substantially similar to the National Business Ethics Survey (NBES),<sup>5</sup> results are able to be compared with the observations of employees in US government agencies.

New Zealand State Services data has a confidence interval of +/- 1.4% at the 95% confidence level. In other words, ERC is 95% certain that x percent of employees report a certain way, plus or minus 1.4 percentage points.

<sup>3</sup> An independent, non-profit organisation, based in Washington DC. ERC has been active in the field of organisational ethics since 1978 and has helped many organisations evaluate their standards of integrity and conduct.

<sup>4</sup> Sections 57(1)(a) and (b) of the State Sector Act 1988.

<sup>5</sup> The Ethics Resource Centre carried out the US National Business Ethics Survey (NBES) in 2001, 2003, 2005 and 2007.

# Survey findings

The survey findings indicate how State servants observe implementation across the State Services of the six elements that are essential for supporting trustworthiness in the workplace.

## ***ELEMENT 1: Agencies of the State Services have standards of integrity and conduct that meet the State Services Commissioner's minimum standards***

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If the behaviour of employees is to reflect their agency's standards of integrity and conduct, they need to know what those standards are. Usually this is captured by a code of conduct, or ethics or values statements. Ninety-six percent of State servants report that their agency has written standards of integrity and conduct.

Contrasting with this awareness of written standards, only one-third of State servants are aware of the Protected Disclosures Act 2000, which provides for confidential complaints about 'serious wrongdoing', despite the statutory requirement that agencies have a protected disclosures policy.

## ***ELEMENT 2: Agencies of the State Services promote their standards of integrity and conduct***

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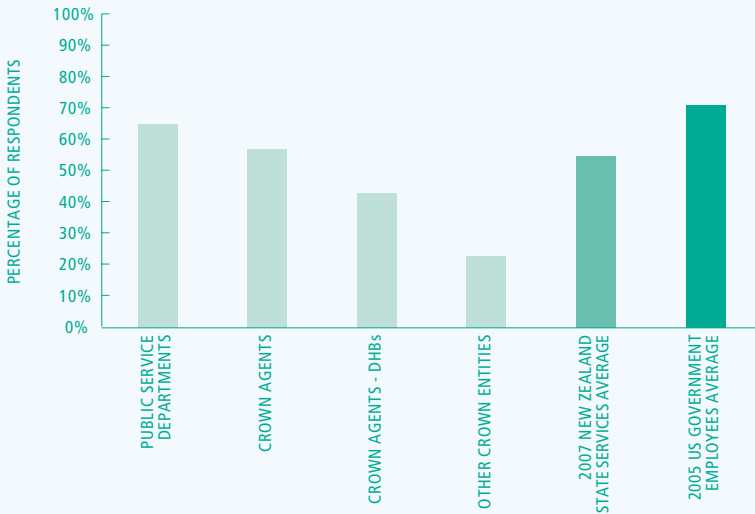
Standards of integrity and conduct are likely to be ineffective if not adequately communicated to employees. Employees need to know what those standards are and what they mean. Agencies need to provide training and keep awareness alive if integrity expectations are to be met.

Half of State servants report that their agency has a specific person, telephone line, email address, or website where they can get advice about integrity and conduct issues. However, 45% of State servants were not aware that their agency provided training on standards of integrity and conduct, although this awareness varied considerably by agency group (see Figure 1). Where employees were aware of integrity training, 85% indicated they found it to be useful.



**FIGURE 1:** Integrity and conduct training

*Does your organisation provide training on its standards of integrity and conduct?*

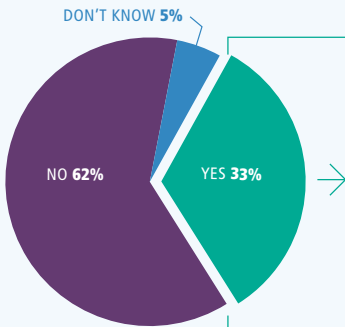


**ELEMENT 3:** *Standards of integrity and conduct are integrated into the behaviour of State servants*

It is critical for an agency to have standards and promote them, but the measure of whether this has any impact is the degree to which the standards are integrated into the behaviour of the agency's employees. Sixty-two percent of State servants have not observed misconduct in the past year.

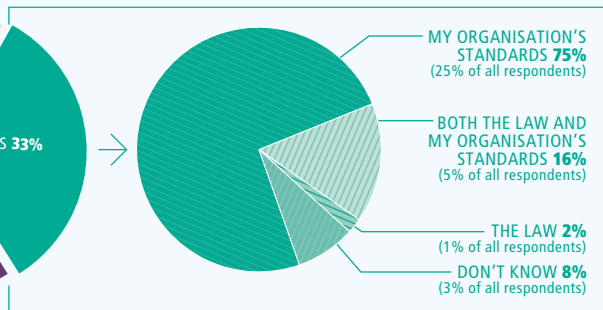
**FIGURE 2: Observed misconduct**

*Have you personally observed breaches in the past year?*



**BREAKDOWN OF 33% WHO OBSERVED MISCONDUCT:**

*Did that misconduct breach the law, your organisation's standards of integrity and conduct, or both?*



Of the 33% of State servants who observed misconduct, the vast majority believed this contravened their agency's standards of integrity and conduct, but that this behaviour was not against the law (see Figure 2).

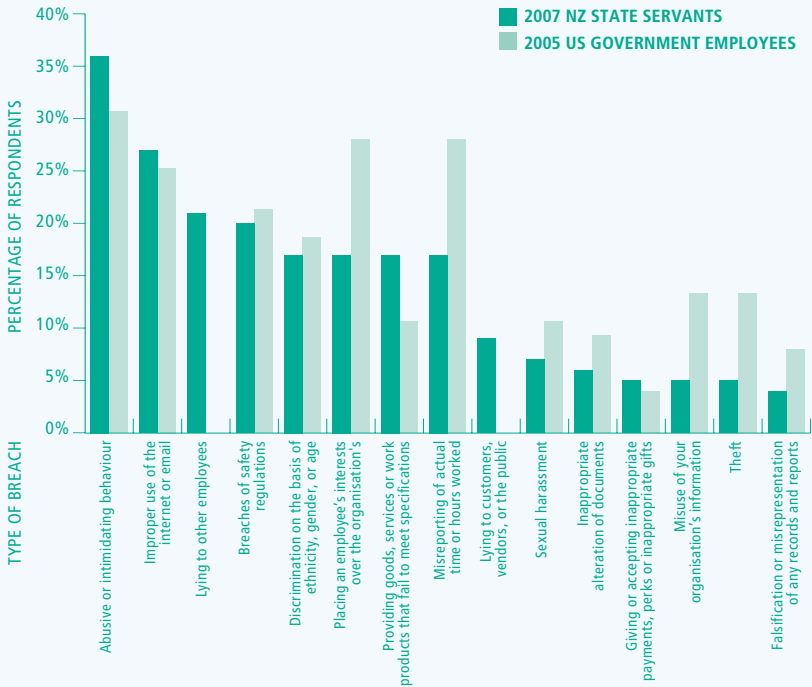
The breaches observed most frequently included abusive or intimidating behaviour, improper use of internet or email, and lying to other employees (see Figure 3).

New Zealand State servants experience levels of pressure to compromise their agency's standards of integrity and conduct comparable to the experience of US Government employees. However, they experience this pressure much less often.

The levels of falsification of documents, theft and misuse of information observed by State servants are lower than those seen by US Government employees (see Figure 3).



**FIGURE 3:** Frequency of observed breaches (NZ:USA)



More than half of State servants who observed misconduct reported it. Three-quarters of these people believed that reporting the misconduct was the right thing to do, and felt that they could count on the support of their immediate manager or colleagues. State servants, by a large majority, are satisfied with their agency and seek advice when facing issues of integrity and conduct.

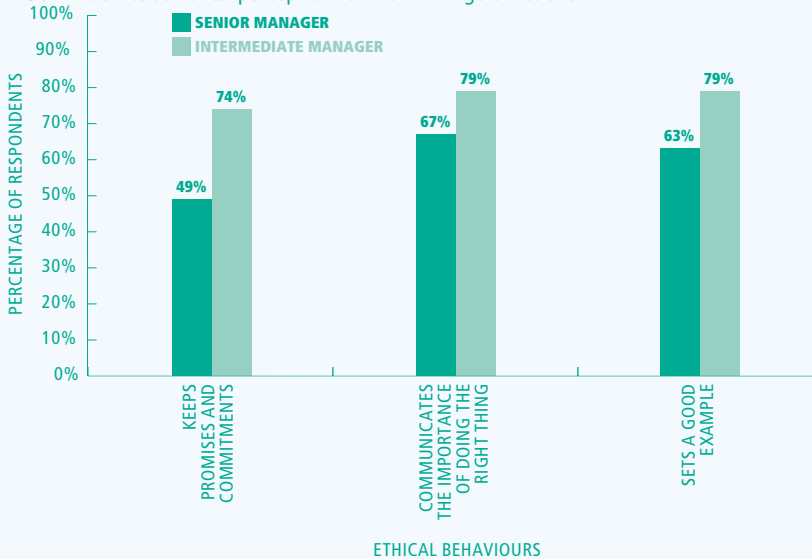
Note: "Lying to customers, vendors or the public" and "lying to other employees" were combined into one question in the US government employee survey. These questions cannot be compared to the New Zealand survey results.

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

For standards of integrity and conduct to ‘take hold’ in an agency, managers must not only behave ethically but it is critical that employees see their managers demonstrating ethical behaviour.

State servants assign more credibility to management levels nearer to them (see Figure 4). This finding mirrors results for other organisations. The less positive perceptions of higher management and more favourable views of immediate managers and non-management employees may indicate that leadership skills are underdeveloped or that managers are not sincere in their commitment to integrity. They also suggest that culture is strongest among those who spend the most time together. However, this team culture is not entirely positive, as State servants indicated that most pressure to commit misconduct comes from immediate managers and colleagues.

**FIGURE 4:** State servants’ perceptions of their managers’ actions





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

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There will be instances where employees breach the standards. Action needs to be taken when misconduct occurs. All employees must be able to see what has happened.

On average, 52% of State servants said that their immediate manager disciplines employees for misconduct, compared with 74% of US Government employees. Almost two-thirds of New Zealand State servants said that their immediate manager evaluates integrity and conduct as part of their regular performance appraisal, which is comparable to the US findings.

### **ELEMENT 6:** *Agencies act decisively when breaches occur*

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The effectiveness of any system designed to promote trustworthy behaviour is dependent on the likelihood of meaningful responses and decisive action if standards are breached.

Of the 55% of State servants who observed misconduct and reported it, the majority believed it was the right thing to do, three-quarters believed that corrective action would be taken, and almost as many felt they could count on the support of their immediate manager or colleagues. Half of these State servants were satisfied with their agency's response to their report of misconduct, compared with only 39% of US Government employees being satisfied with their agency's response. However, 44% of State servants said that they do not know how to make a confidential report about misconduct.

Of the 43% of State servants who observed a breach but did not report it, the main reasons they gave were that they did not believe that corrective action would be taken, they did not believe that they could report anonymously, or they feared retaliation.

# Survey findings by the four agency groups

The survey showed quite divergent practices among the four groups of State Services agencies. The following findings are particularly relevant to these groups.

## **PUBLIC SERVICE DEPARTMENTS**

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Public servants are more aware of their departments' written standards of integrity and conduct (98%), and of the provisions of the Protected Disclosures Act 2000, than the State Services-wide average. However, their awareness of that Act is still relatively low, at 38%.

A higher percentage within the Public Service know that their department provides training on its standards of integrity and conduct (65%), compared with the State Services-wide average (55%). Most find this training useful and half are aware that their department has a specific person or place where they can get advice about integrity and conduct issues.

## **CROWN AGENTS**

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Most Crown Agent employees (95%) are aware that their agency has written standards of integrity and conduct, and they have the greatest awareness (55%) of whether their agency has a specific person or place where they can get advice about integrity and conduct issues. However, only 29% are aware of the provisions in the Protected Disclosures Act 2000.

When compared with the State Services average, Crown Agent employees reported the least amount of pressure from senior management (16%); the second highest amount of pressure from middle management (35%); and by far the most pressure from colleagues (41%) to compromise their agency's standards of integrity and conduct.

More Crown Agent employees, compared with the State Services average, decided not to report their observation of misconduct to management because they did not consider the breach significant enough to report.

## **CROWN AGENTS – DISTRICT HEALTH BOARDS (DHBs)**

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Most DHB employees (95%) are aware that their agency has written standards of integrity and conduct, but they have the lowest awareness (23%) of the provisions in the Protected Disclosures Act 2000. Fewer DHB employees (43%), compared with the State Services average (55%), know whether their agency provides training on its standards of integrity and conduct.



DHB employees have less belief that senior and middle management exhibit and practise the elements of ethical behaviour, and they report seeing more breaches of standards, than the State Services average. This is somewhat expected, given the high number of non-managers in this group; non-managers generally observe breaches at a higher rate than employees with management responsibilities. Although DHB employees report observing breaches of standards at roughly the same rate as the State Services average (55%), their reasons for not reporting are typically more fear-based. Of the DHB employees who reported misconduct, 30% claimed to have experienced retaliation as a result.

### **OTHER CROWN ENTITIES** (*Autonomous Crown Entities, Independent Crown Entities, and Crown Entity Companies*)

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In Other Crown Entities there is the lowest awareness (79%) of agencies' written standards of integrity and conduct, and only 24% are aware of the provisions in the Protected Disclosures Act 2000. Just 23% of employees are aware that their agency provides training on integrity and conduct, and only 43% know that their agency has a specific person or place where they can get advice about integrity and conduct issues, compared with the State Services average (55%).

Employees of Other Crown Entities reported observing less misconduct (28%), than the State Services average (33%). They were also less likely to experience pressure to commit misconduct and to be in situations that invite misconduct, than the State Services average. However, only 43% of employees in Other Crown Entities, compared with the State Services average (55%), reported the misconduct they observed to management or to another appropriate person.

The main reasons that influenced employees of Other Crown Entities to report the misconduct they observed differed from the State Services averages. Although all believed reporting was the right thing to do, only 46% believed they could count on the support of their immediate manager, compared with the 74% State Services average. Of the employees who reported misconduct, 30% claimed to have experienced retaliation as a result.

# Conclusion

*The findings suggest there is room for improvement under all six elements essential to support trustworthy behaviour. Agencies have made progress, but must do more to provide integrity training and to integrate standards of integrity into employee behaviour. Managers must model these standards, agencies must act decisively when breaches of standards occur, and the consequences of misconduct must be clearly known by everyone in the agency.*

## **PARTICULAR AREAS FOR IMPROVEMENT**

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### *Provision of training*

Survey respondents indicate a limited awareness of integrity and conduct training. This suggests that each agency should develop and implement training programmes that are consistent, genuine and relevant to employees. Such training should explain the agency's policies and procedures, and the provisions in the code of conduct, *Standards of Integrity and Conduct*, using the guidance material<sup>6</sup> available on SSC's website. State servants should be prepared to handle situations where misconduct might occur and should understand where they can get advice about integrity and conduct issues.

### *Leadership and communication*

Many survey respondents do not have positive perceptions about their senior managers. Senior managers 'set the tone'. This means they must frequently communicate the importance of integrity and, in their conduct, model good behaviour. When senior managers are explicit in promoting a strong ethical culture, they motivate their staff to act with integrity, they foster trust and they create positive perceptions about their leadership.

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<sup>6</sup> Understanding the Code of Conduct – Guidance for State Servants [www.ssc.govt.nz/code-guidance-stateservants](http://www.ssc.govt.nz/code-guidance-stateservants), and Implementing the Code of Conduct – Resources for Organisations [www.ssc.govt.nz/code-resources-organisations](http://www.ssc.govt.nz/code-resources-organisations)



Agencies need to ensure that their employees are aware of how to make a confidential complaint of misconduct or 'serious wrongdoing'. The findings indicated that the majority of State servants do not know how to do this. It is obligatory for agencies to have a protected disclosures policy. Agencies need to raise awareness of their processes.

An employee reporting misconduct needs to be regularly informed of the agency's response to their report. When communicating the outcome of a report, agencies should ensure the process they follow maintains the privacy and confidentiality of everyone involved, while providing instructional guidance for State servants in future situations. Agencies need to focus on the importance of communication, because reporters' experiences often become a part of workplace lore and influence the way others may respond if they see misconduct.



*This summary report and the complete findings from the New Zealand State Services Integrity and Conduct Survey are available at [www.ssc.govt.nz/survey-report-summary](http://www.ssc.govt.nz/survey-report-summary)*

**FOR FURTHER INFORMATION**

*Please contact the State Services Commission integrity and conduct helpdesk at [integrityandconduct@ssc.govt.nz](mailto:integrityandconduct@ssc.govt.nz), phone (04) 495 6722, or visit [www.ssc.govt.nz/integrityandconduct](http://www.ssc.govt.nz/integrityandconduct)*

