

- N1 Profiling the NSW Public Sector: This comprehensive report summarises a sector wide survey across the NSW public sector and provides a “snapshot” of the range of functions, corruption risks and the corruption prevention strategies in place. More than 260 organisations participated in the survey including state owned corporations, boards and committees. ICAC developed two surveys for this research, one for Chief Executive Officers and Chairpersons (the organisational survey) and the other for staff (the staff survey). The survey asked a variety of questions about corruption prevention strategies already in place, perception of corruption risk within the organisation, and the type of activities undertaken by the organisation. The report allows organisations within the New South Wales public sector to benchmark their efforts against the rest of the NSW public sector and to identify areas where they may be able to improve resistance (ICAC 2003b).
- Q1 In 1994, Queensland enacted a Public Sector Ethics Act which it was hoped would lead to higher standards of behaviour on the part of Queensland public officials. In 2000, the pilot project for the present NISA project undertook an assessment of the Queensland integrity system. The study found that while the Public Sector Ethics Act 1994 and the Public Service Act 1996 had a positive effect on the process of institutionalising public sector integrity in the State, adoption of Codes of Conduct across the sector was patchy (KCELJAG and Transparency International 2001: 120). While there were some good examples where Departments had developed a systemic approach to ethics centred on the Code, there were also examples of codes implemented in a token manner. A contributing factor identified by the study was the lack of co-ordination and central advice available in the past to public sector agencies about the development and implementation of codes. Training in use of the codes, mandated under legislation, was also inconsistent (KCELJAG and Transparency International 2001: 120). These findings were in line with research by Professor David Corbett, which described implementation records across the Queensland public service as mixed (Corbett 1997). Although there have been no later published surveys, since 2000 the Office of the Public Service Merit and Equity (OPSME) has assumed lead agency responsibility for the Public Sector Ethics Act. This enables an improved focus on ethics and integrity across the Queensland public sector, supported by a Public Sector Ethics Network (Preston et al 2002).
- Q2 Queensland Crime and Misconduct Commission, in 2004 has been surveying agencies using the same methodology as the NSW ICAC. The results of this study will be publicly released on 8 July 2004. It is intended to compare this study against the NSW Independent Commission Against Corruption public sector profiling

Central research

Central agencies may assess implementation of policies not only through review of agency procedures, as discussed above, but through more thorough research into the attitudes of staff. This is a different and more recent development, and uses anonymous responses from stratified random samples of employees from different organisations, sectors and levels of employment to cross-check agencies’ implementation of ethics policies. Examples include:

- A1 The employee survey component of the Australian Public Service Commission’s State of the Service Report, conducted for the first time in 2003, as described in Case Study 1.
- N1 The similar public sector profiling research by the NSW Independent Commission Against Corruption (above);
- N2 The earlier pioneering surveys by the NSW Independent Commission Against Corruption into staff attitudes to corruption, on which much of the current approaches are based. In the past these included:

- 1993 and 1999 ICAC survey of public service employee's attitudes towards corruption. The 1999 survey results of 800 employees across the New South Wales public sector were compared with results from a similar ICAC study in 1993. All of the changes were indicative of the NSW public sector becoming more corruption resistant than it was in 1993 (ICAC 2001: 4); and
- surveys on specific issues such as staff awareness of whistleblowing procedures. For example, the ICAC surveyed 800 staff from 11 organisations in 1996, discovering that 66% of respondents had not heard of the Protected Disclosures Act introduced two years previously (Zipparo 1998; Zipparo 1999).

Q2 The Queensland Crime and Misconduct Commission's application of the NSW profiling methodology (above).

As noted above, and in **Case Study 1**, there may be variations in consistency and focus depending on who is conducting the research.

Best practice case studies

When new measures are introduced, central agencies sometimes assess implementation and pursue strategies for further promoting the measure at the same time, by facilitating the analysis of 'best practice' implementation by select or volunteer agencies. These case studies tend to provide more qualitative evidence of how policies are being implemented, but by their nature tend to prioritise 'good news' stories and are less likely to be independently verified. Examples include:

- A3 APS Commission 'Embedding Values' Case Studies which draws on examples in a select group of agencies (APSC 2003b).
- Q4 In recent times, Queensland Department of Main Roads underwent a major corporate change program and was promoted as having sustained a significant change in its culture as an exemplar to other agencies (Varghese 2003: 237-254). While significant improvements to the old culture were apparent, evidence from a series of research focus groups suggested that the 'new public management' drivers of effectiveness and efficiency continued to impede the implantation of an ethical culture to the degree that the agency would claim (KCELJAG 2004).

External investigation

The independent investigation agencies of all Australian governments, including ombudsman's offices and anti-corruption bodies, routinely assess individual public agencies for their implementation of various ethics policies and procedures on an 'as needs' basis, when investigating individual cases or conducting standard audits. These assessments are then presented as recommendations to agencies, as findings in published reports, or are reflected in the aggregate case-handling statistics of investigation agencies, but are otherwise not centrally collated and monitored.

NGO/university review

As discussed earlier in the chapter, a number of international non-government organisations (NGOs) base their external assessments of governments' integrity policies on simple implementation reviews (comparing action to promises). Often university researchers perform this function, or independently conduct similar research. However, the impact of either form of review on government itself can vary enormously. Examples of NGO review include:

I1 The form of National Integrity System country study auspiced by Transparency International (e.g. Roberts forthcoming); and

I2 The Washington-based Public Integrity Index (Camerer 2004)

University research commissioned by government itself can also be used as an implementation measure, often as a by-product to the intended research. One example includes:

Q5 A Key Centre study of positive reporting environments in Queensland organisations, noting that many agencies appeared to apply a definition of ‘public interest disclosures’ different from state legislation (Brown and Magendanz forthcoming). Prior to the study, in 2000-2001 the Crime and Misconduct Commission itself reported receiving only 17 such disclosures, but in 2002-2003 it reported receiving 108.

CASE STUDY 1

STATE OF THE SERVICE REPORTING AND 'EMBEDDING VALUES' STUDIES – AUSTRALIAN PUBLIC SERVICE COMMISSION (APSC)

Introduction

The most innovative recent example from Australia's federal government is the Australian Public Service Commission's 'Values in Agencies' project which drew upon surveys and focus groups of agencies and employee attitudes to organisational policy and performance (APSC 2003a). This project broke new ground in testing the realities of 'ethics and values' implementation across diverse public agencies, partly in fulfilment of the Commission's statutory responsibility to report annually on the 'state of the public service', and partly as an initiative in qualitative exploration of best practice. In 2003 the APSC's surveys secured responses from all 89 agencies and 3181 employees (51% of a random sample) drawn from agencies with over 100 staff (see Appendix 1).

The Australian Government is already well-regarded internationally for its commitment to public service ethics and values. It also justifies its continued commitment in no small part to the leadership exercised by the OECD. But it is one thing to proclaim the right policy; it is another thing to implement it the right way. To its credit, the Australian Government is trying to evaluate publicly the extent to which government agencies have 'embedded' into organisational practice the ethics and values promulgated in public law. This initiative is a major exercise in policy evaluation of considerable significance.

The comments here are based on publicly reported results which should be compared with future reports for longer-term findings. For instance, federal whistleblowing policies and practices have yet to be evaluated and are due for examination at a later date (APSC 2003a: 33, cf 108-112).

Role of integrity

'Integrity' features prominently in this project. A general finding is that 'embedding' public service values into agency culture 'requires an integrated approach' by agencies (APSC 2003a: 26), meaning that the formal commitment to integrity must be matched by a substantive commitment to integrate public service ethics into the operations of agencies. As the Commission acknowledges, the worry about good policy words like 'ethics' and 'values' is that employees will fear that 'the words stayed on paper and were not always translated into action' (APSC 2003a: 31). This matching of formal and substantive commitments is found in a three-part framework (APSC 2003a: 27):

- 'Commitment' to a 'values-based culture';
- 'Management' based on 'good judgment and integrity', where integrity refers to official probity; and
- 'Assurance' that everyday practice matches authorised policy through appropriate 'accountability and assurance mechanisms'.

This last element is basic because it drives the evaluation process from bottom to top so that the assessment reaches into the two elements of 'commitment' (to good policy) and 'management' (effective implementation of good policy). At the same time, assurance is not treated as more important than

management or commitment, lest integrity measures become merely a compliance-based regime rather than a leadership framework.

General culture of the Australian Public Service

The APS State of the Service Report surveys highlight gaps between policy and practice, or shortfalls between the intention of legislators and the performance of policy implementers, suggesting to the APSC that 'there is clearly room for improvement'. For example, only 67% of agencies have conducted staff surveys over the past three years, despite the fact that employee surveys are basic to the assurance mechanisms now expected of public agencies (APSC 2003a: 36). Employee surveys also show that 20% and 28% of senior executive service officers report, respectively, that their agency head had not communicated to them the 'importance of acting in accordance of Australian Public Service (APS) values', nor 'the importance of developing in other staff an understanding of APS values' (APSC 2003a: 28).

These gaps highlight priority areas for renewed effort by public service management. But while they might be the most urgent areas for attention, they are not necessarily the most important. In other cases, the gaps are even more significant, reflecting larger or more serious shortfalls. For instance:

- Although legislation requires that public employees must at all times behave in ways that uphold public service values and promote, in the words of the Commission, 'the integrity and good reputation of the Service', 47% of surveyed employees report that they have never participated 'in training that included an emphasis on the APS Values' (APSC 2003a: 28-9);
- Employees report rather low levels of confidence that 'the most senior managers' act in accordance with the APS Values: only 63% across the service (but 'less than 50%' in two large agencies), prompting the Commission to drive home the lesson of 'the importance of senior leaders demonstrating visible and strong commitment to the APS Values' (APSC 2003a: 30);
- More than one-fifth of surveyed employees (21%) reported fears of potential 'victimisation and discrimination' if they initiated action against unethical conduct by more senior officers; while 'more than 30% of agencies' reported that they had no procedures in place to make employees aware of whistleblowing mechanisms (APSC 2003a: 34, 36).

The Commission draws the lesson that agencies with 'sensitive relationships with clients and stakeholders need to promote the Values more firmly' (APSC 2003a: 30), which might well suggest that among the most vulnerable public service values are those relating to *public* responsiveness when, for example, dealing with citizens participating in government programs.

Functional and operational areas

In these areas, where public service agencies face the greatest challenges to maintaining ethics and values, the APS Commission's reports add immensely to our knowledge of the theory and practice of public integrity. For present purposes, one functional area stands out: relations between public servants and elected politicians in government and parliament. Two important developments can be noted from the relevant chapter of the 2003 State of the Service Report:

- Persistent interest by parliamentary committees in the state of relationships between the public service and the political executive, exemplified by two recent Senate inquiries into the role and performance of ministerial officers as an important linking mechanism (APSC 2003a: 37-39); and

- Apparently unrelated, steady decline in the use by public service agencies of formal evaluation measures for services to ministers – at a time when agencies are increasing their use of quality control measures for ministerial services, but there is ‘continuing decline’ in formal staff training on management of the parliamentary relationship (APSC 2003a: 45-6).

The Report wisely draws no connection between these two developments, but this useful information is clearly relevant to wider public debates over the extent to which the public service is becoming ‘politicised’ either at the hands of the political executive or indeed of parliamentary inquiries. Public service agencies operate under political control, justified in terms of underlying Australian values of responsible parliamentary government, but this evidence highlights limits to the freedom that agencies have in managing ethics and values. Public service organizations cannot invest in administrative excellence without reference to political appropriateness. The other side of the relationship implicit in the APS Values is that elected politicians cannot, or at least should not, invest in policy initiatives without reference to administrative appropriateness.

A test of the integrity of public service-political relationships is the quality of the relationship between an agency’s staff and its minister and ministerial staff. The problem is not so much that public servants face political pressure but that public servants do not know what guidance their agency has to help manage that inevitable pressure. Agencies can let their own staff down by not equipping them with support about how best to manage the policy process consistent with public integrity. The evidence from staff surveys is that sizeable proportions of employees are unaware of agency protocols for dealing with ministers and their offices (e.g., minimum classification levels for signing off briefs, for phone contact, for oral contact, for file notes, for email communication). Of particular concern is the high proportion of employees unaware of protocols for resolving uncertainties about inappropriate relationships with ministerial offices (APSC 2003a: 39-42). Similar concerns might be evident in the broader relationship between public service and parliament, given the disturbing evidence that ‘just over a third’ of senior executive service employees report they have never participated in any ‘training in accountability, rights and responsibilities to Federal Parliament at any time’. To its credit, the Australian Public Service Commission notes that this attitude not only contrasts but conflicts with attitudes from relevant parliamentary committees, particularly the Senate Finance and Public Administration Committee (APSC 2003a: 46-47).

Possible limitations

The Report cited reflected the first time that the APSC had conducted extensive surveying of stratified samples of individual agency staff, in addition to agency heads / corporate management. As a result, it was pioneering, with the methodology already adapted in light of lessons learned for the 2004 study. Possible limitations of the 2003 study might be said to include:

- Normal teething problems with some questions (e.g. those relating to whistleblowing: see APSC 2003c: 15);
- A strong focus on the role of leadership, management and agency policy in the embedding of values, but little information on the roles of formal systems including regulatory and oversight bodies (for example, internal and external administrative review systems, audits, Ombudsman complaints or similar). However, this conceptual separation between different models/themes of integrity is not unusual, as discussed throughout this report;
- The Australian Government is yet to commit fully to a long-term longitudinal program of comprehensive evaluation, with only three years’ studies (2003, 2004, 2005) currently guaranteed.

Conclusions

What does the above tell us about government and public integrity? The Australian government is taking seriously the contribution that formal surveys of both agencies and employees can make to measuring gaps between the promise and performance of a culture of integrity across the public service, showing that:

- It is misleading to think of one homogeneous administrative culture in any system of national government – the surveys demonstrate the range of variation in administrative cultures across government;
- Organizational leadership matters: the qualities most valued in public service agencies are best seen in those leadership teams attracting the most positive public attention for their contribution to good government; and
- Little of this would be properly known but for a commitment to continuous evaluation, using a battery of instruments from the agency-specific to the system-wide to investigate the real character of integrity within government.

More information can be found at: <http://www.apsc.gov.au> ⁹⁸.

Activity and Efficiency Measures

Summary: Activity and efficiency measures are directed towards more routine, ongoing integrity activities, such as the day-to-day operations of integrity bodies or ethics officers, to ensure that agreed systems are functioning and provide basic value-for-money. They represent the most standard and consistent ways in which integrity activities are reported, usually in annual reports, in a manner consistent with performance reporting across the public sector.

Relations to other measures: As demonstrated by Case Study 2 (Case handling by Ombudsman's Offices and Anti-Corruption Bodies), there is a natural relationship between many standard activity measures like caseloads, and the resource justification issues central to reviews of institutional effectiveness, as well as to efforts to measure outcomes. However in keeping with the search for objective, quantitative performance measures, few of these measures provide information about the substantive quality of the activities concerned, as opposed to quantity and timeliness. These measures provide year-by-year guidance to managers but are rarely systematically analysed.

General assessment: Activity and efficiency measures feature prominently in integrity performance assessment but in reality are of limited utility, other than in providing day-to-day work targets to assist caseload managers. However with development of more genuine performance indicators, review of data-gathering categories, adapted and more consistent information technology and more systematic analysis, much of this standard information could possibly be made more useful. The comparative analysis set out for the first time in Case Study 2 highlights significant variations in resourcing and efficiency. If supplemented with qualitative indicators, such simple comparative analysis might open the way to more meaningful performance assessment aimed at sharing 'best practice' approaches between operational units and agencies.

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Annex 1 of the full report also provides further details on the methodology used.

Caseload reporting

Within individual public sector agencies, and across the entire sector, much of the work of integrity practitioners is organised as ‘cases’, ‘matters’, ‘files’ or ‘projects’. Monitoring the number and timeliness of cases handled is a basic performance measure in a wide range of contexts. Within organisations, relevant activities are many and varied, including education and training, dispute resolution, grievance-handling, performance reviews, internal auditing, and internal integrity investigations. Most of these internal ethics-related activities are difficult to quantify.

However, key organisations with full-time integrity-related roles necessarily quantify their workload in their annual reports. These include ethics agencies conducting training, research and evaluation; police services investigating integrity-related crimes; courts hearing citizen grievances against the government; tribunals; ombudsman’s offices; and anti-corruption bodies. For example:

A4 The Commonwealth Administrative Appeals Tribunal (AAT), established in 1975, is a core part of the federal ethics infrastructure, hearing applications for review of administrative decisions in order to enforce minimum legal standards in government decision-making as well as to ensure fairness, reasonableness and factual correctness. Several states have similar tribunals. The Tribunal’s base performance measures are:

- The fact that it finalised 10,430 applications nationally in 2002-2003;
- Timely resolution of Tribunal applications; and
- Operating cost per application (AAT 2003: 15-22).

The AAT also has other ‘Effectiveness Indicators’, including the indicator that ‘those affected by decisions within the Tribunal’s jurisdiction’ should be advised of their rights of review (measured by the proportion of decision makers provided with relevant material); and that ‘review processes are efficient and fair’ (measured by whether parties to the review process are satisfied). However, no quantitative evidence is provided in support of Tribunal performance against these indicators.

A5 The Commonwealth Ombudsman has similar performance standards:

This type of performance reporting is standard for a substantial number of agencies in various jurisdictions. However as discussed in Case Study 2, this information only provides limited insights as to how well integrity agencies are doing their job, particularly due to low consistency of data.

A6 The Australian National Audit Office (ANAO) reports its performance via a ‘scorecard’ system aligned with four Key Result Areas and three Output groups, linking back to the ANAO’s two Outcomes: improvement in public administration and assurance. The scorecard includes both quantitative and qualitative measures and provides interested parties with an understanding of the link between the ANAO’s products and their resulting impacts, supporting assessment as to how cost-effectively the ANAO is achieving outcomes (Barrett 2004; Azuma 2004).

Other standard quantitative measures of performance include, for anti-corruption and law enforcement bodies, the incidence of reported offences (some of which is reflected in the complaint statistics in Case Study 2), number of disciplinary and criminal prosecutions commenced in courts or tribunals, and the number of successful prosecutions. Due to their inherent subjectivity, however, these indicators are discussed below (3.4.6).

Accessibility

Accessibility is also a standard reporting requirement of public agencies in most jurisdictions. It usually requires agencies to report on their physical accessibility to people with disabilities, or language accessibility to those from other cultures. However, ‘access to justice’ is also a broader issue of particular significance to integrity policies and those who implement them, so that those who find it more difficult to seek redress of problems for reasons of education, culture or wealth do not carry an unfair burden of misconduct, corruption or maladministration. While many integrity policies are not assessed against this imperative, relevant performance information is being collected – for example:

- N3 The NSW Law and Justice Foundation has a current project seeking to map trends and pathways in disadvantaged peoples’ access to legal, dispute resolution and complaint services, with problems with government or the legal system ranking highly among the proportion of problems dealt with by services such as the Legal Aid NSW Information and Advice Service, and NSW Community Legal Centres (Scott et al 2004: viii).

Training reporting

There is little overall performance information required or collected about activity and efficiency levels in less formal areas of integrity policy, such as training, staff development, recruitment, management coaching and so on. Agencies conduct a range of these activities, but the type of information that would be needed to judge whether activity levels were rising or falling is not centrally collected or analysed.

Performance audit

The most rigorous, standard methods for assessing the economy, efficiency and effectiveness of public programs in Australia are the performance audit methodologies used by some (but not all) Australian auditors-general. As discussed earlier, these methodologies are designed to provide objective, often quantitative assessments of whether organisational or program goals are being achieved, with a focus on whether this is occurring in the most cost-effective fashion, and stop short of full evaluation.

We are not aware of any independent performance audits of whole integrity institutions or programs. Indeed as Case Studies 2 and 3 both tend to suggest, there may be significant scope for carefully-constructed performance auditing to contribute to more systematic review of the best institutional options for delivering and enforcing ethics programs. This is reinforced by the range of areas in which specific federal audits currently provide important activity and efficiency measures on integrity issues—for example the following performance audits carried out by the Australian National Audit Office (ANAO):

- A7 Regular audits of fraud control arrangements in Commonwealth agencies, providing perhaps the key assurance as to whether basic anti-corruption systems are operating (ANAO 2001; ANAO 2003a);
- A8 Grievance and complaint handling systems for service personnel within the Australian Defence Force, from the ‘coalface’ to the point where unresolved disputes are transferred to the Commonwealth and Defence Force Ombudsman (ANAO 1999);
- A9 Client service in the Family Court of Australia and the Federal Magistrates Court (ANAO 2004b);
- A10 Administration of public freedom-of-information requests – a review which focused on practices in six agencies as well as the central coordinating agency, with recommendations for improvement (ANAO 2004a);

- A11 Audits of the integrity of the electoral roll, fundamental to ensuring political will and public trust in the legislative framework of integrity overall. Recommendations endorsed the current proficiency of the Australian Electoral Commission, but also identified improved ways for updating the electoral roll and better identifying and managing risks to the roll (ANAO 2004c). These audits also provide an example of the interrelationship between performance auditing and broader evaluation by parliamentary committee (see 3.3.4 below). In this instance, a first audit was reviewed by the Joint Standing Committee on Electoral Matters of the Commonwealth Parliament (JSCEM 2002), who supplemented the ANAO recommendations and also recommended a follow-up audit to assess whether recommendations had been implemented;
- A12 The ANAO also conducts performance audits of its own performance auditing, and other procedures. These self-audits are carried out by an Independent Auditor constituted under the Auditor-General Act 1997, currently a secondment from the private sector, who reports findings to the parliamentary Joint Committee on Public Accounts and Audit (JCPAA). In 2000-2002, performance audits occurred of the ANAO's own planning and resource allocation processes; audit management processes; and contract management arrangements (Barrett 2004).

Productivity review

Another larger approach to measuring activity, efficiency and cost-effectiveness in the public programs is available in the form of inquiry by the Productivity Commission or similar economic reviews. Such inquiries assess the economic costs and benefits of different government programs across the Australian economy as a whole. No productivity inquiry into public sector accountability, integrity or ethics regimes has been conducted or contemplated, to our knowledge, but the framework exists for such inquiry. For example:

- A13 Since 1993, the federal Productivity Commission has produced an annual review of the costs and efficiencies of government services, across all Australian governments – including justice and community services – to assist governments and the general public in assessing service agency performance. Some 'integrity services' are included in this aggregate picture (Productivity Commission 2004).

CASE STUDY 2

CASE HANDLING BY OMBUDSMAN'S OFFICES AND ANTI-CORRUPTION BODIES

Introduction

The number of complaints, reports, allegations or 'matters' handled by independent 'watchdog' agencies provide the basic measure of whether those who scrutinise compliance with ethical standards are actually doing so – in fact, whether they are doing anything at all (OECD 2000: 59-65). The common measures are the number of cases received and finalised, the rate of finalisation as a measure of timeliness, and the cost involved. Section 3.2.1 provided the example of the Australian Administrative Appeals Tribunal.

This case study provides a preliminary comparative analysis of the activity and efficiency of several similar investigative agencies. Such an analysis has not to our knowledge been previously published in Australia. Consequently, this research provides some indication of how basic activity and efficiency could be comparatively assessed, rather than what is presently officially done.

Relative capacity of 'watchdog' agencies

In recent debate, the activity and effectiveness of watchdog agencies has provoked new focus on what is 'normal' for basic resourcing of these functions (see Case Study 3). Resourcing is a fundamental factor in assessing activity and efficiency, since less well-resourced agencies may be less able to finalise as many cases speedily – notwithstanding the increased pressure to finalise those they can, with the greatest efficiency. There is a natural relationship between standard activity measures like caseloads, and the resource justification issues central to reviews of institutional effectiveness.

In Australia, there are major variations in the level of resources dedicated by governments to their independent watchdogs. These variations reflect the fact that different bodies have been created over time, in different political circumstances and subject to different political and administrative cultures. Nevertheless, as outlined in part 1, all governments have two core watchdogs – an ombudsman and an auditor-general – and some have more recently instituted additional anti-corruption commissions. Governments also have police services, other complaint tribunals, and sometimes crime commissions which also participate in scrutiny of public officials, but these vary more widely and also play other roles in addition to public integrity. The resourcing analysis here is thus confined to 'core' watchdogs, for their greater comparability of functions, although the results are still only indicative.

So far, public debate has been based on fairly crude analysis of the raw budget and staffing figures of different agencies in different states (Bottom and Medew 2004). For example, figure 22 shows the total staff numbers of the ombudsman of all states. However, different states have different sized populations and public sectors. Accordingly figure 23 shows ombudsman staffing as a proportion of the total public sector staffing in that state.

Figure 22. Total staffing Australian Ombudsman's Offices

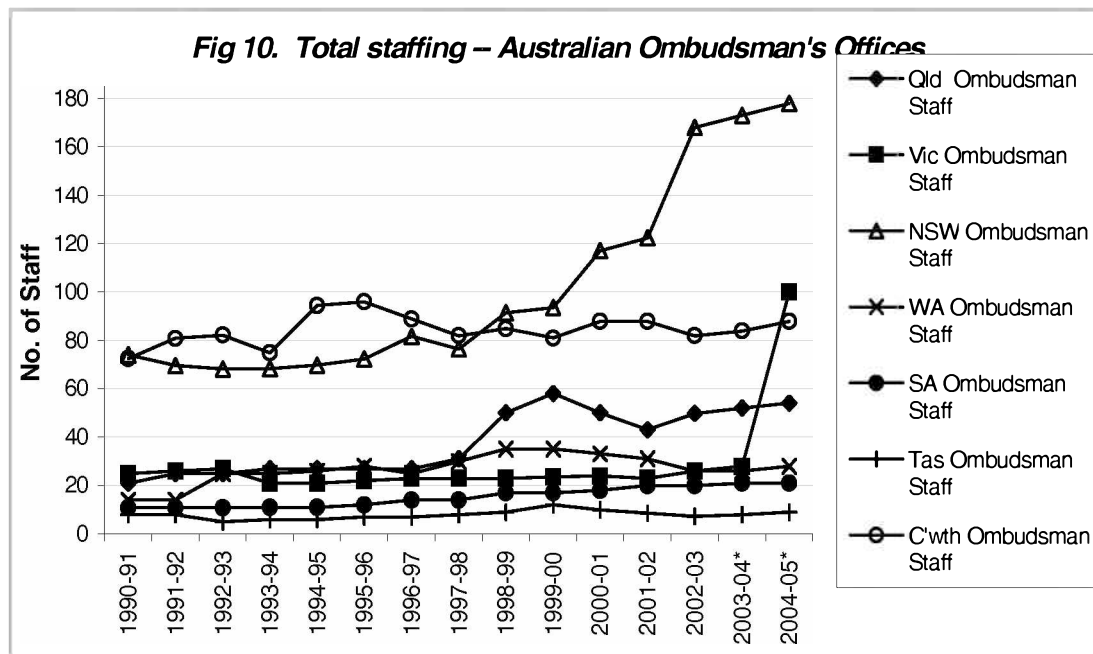


Figure 23. Ombudsman staffing compared (as a % of Public Sector Staffing)

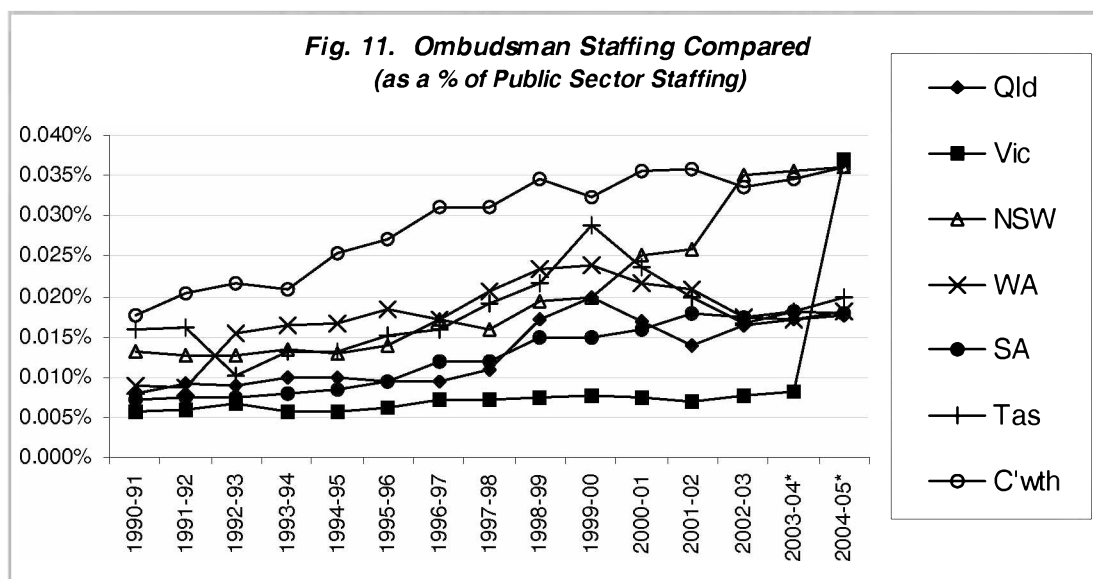


Figure 22 shows that with current major increases (case study 3), the Victorian Ombudsman has gone from the least well-resourced, to comparability with the Commonwealth and NSW. The other governments are comparable between themselves, but at half the level of the 'big three'. However as discussed, the roles of ombudsman's offices are shared with other bodies – auditors and anti-corruption commissions – in different ways.

Figure 23 shows the staffing of all these bodies as a proportion of total public sector staffing in each jurisdiction. (Note: these comparisons are indicative, and do not reflect precise variations in jurisdictions and roles of agencies – see Appendix 2). Even with the recent tripling of the Ombudsman's office,

Victoria's independent scrutiny resources remain the weakest. Significantly, NSW has the largest number of independent bodies but ranks only mid-field for total resources. The combination of Ombudsman and strong Audit Office means the Commonwealth ranks well even without an anti-corruption commission. Queensland and WA rank as having the strongest resources, but their anti-corruption commissions also incorporate their crime commissions.

Case-handling 'efficiencies'

While resourcing is itself a significant issue, the needs of scrutiny agencies may be different if they have different methods of handling their workload. Figures 24 and 25 provide some comparisons of number of cases handled by Australian ombudsman's offices and anti-corruption commissions in 2002-2003, relative to the size of jurisdiction (again measured in terms of total public sector staffing), and number of staff in the agency to process these cases.

In figure 24 the columns and left axis show the variation in number of complaints received, relative to size of jurisdiction. This figure is influenced by whether the ombudsman accepts only written complaints, or also in-person and phone complaints, as well as its profile and the extent to which it acts as a clearinghouse for other agencies. For these reasons, it cannot be concluded that Commonwealth and NSW administration is systematically more defective. Nevertheless, the variations deserve further study.

The dotted lines and right axis show the varying caseloads of these agencies per staff-member, showing great variation in the case-handling efficiency demanded. Ombudsman's offices may be handling anywhere between less than 100, and over 200 matters per staff member. However, this figure may again depend on how many cases are actually investigated, rather than simply processed – the additional line shows the very different number of cases that the Commonwealth Ombudsman elects to investigate per staff member, giving an indication that the efficiencies may not be so variable.

Figure 25 shows similar data for the four major independent anti-corruption bodies, two of whom are in NSW (with their total also shown separately). The Queensland CMC deals with far more corruption-related cases as a proportion of its catchment than the other states, but its substantial staffing means it may be better able to cope than, for example, the NSW ICAC.

Figure 24. Ombudsman complaints received per total no. of public employees and Ombudsman staff (2002-2003)

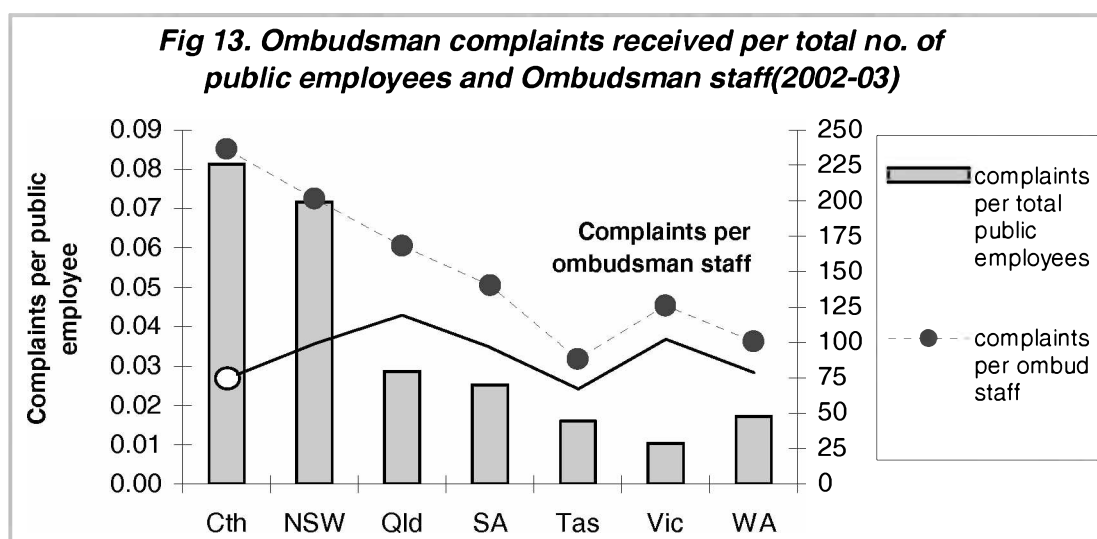
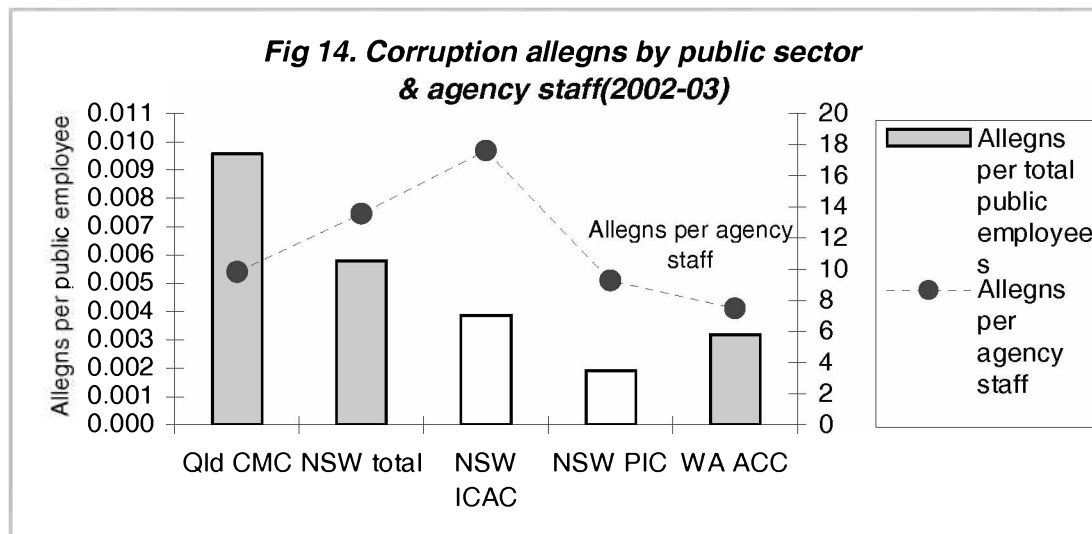


Figure 25. Corruption allegations by public sector and agency staff (2002-2003)



Evaluating performance: quantity versus quality?

How useful is such basic activity and efficiency data? At present, it is the most comprehensive data on agency performance available, yet, it provides only limited insights of any real value. Variations in definitions, methods and data-collection currently limit its usefulness as a measure of good or bad practice. Australian governments, therefore, collect the data, but do not use it to provide ways of assessing efficiency other than against past performance.

Most importantly, this basic performance data includes few real measures of quality – adequacy or thoroughness of investigations, usefulness of outcomes, number of complaints upheld, or public satisfaction. For insights into these, it is necessary to look elsewhere (3.4.6), but this reporting becomes even more patchy and inconsistent between different jurisdictions. Despite the resources spent on it, current monitoring provides few substantive assessment tools. This situation highlights limitations in both theoretical and practical systems for routine performance assessment of key integrity bodies, even in a country with well-developed integrity infrastructure.

Institutional Effectiveness Measures

Summary: Institutional effectiveness measures are directed towards evaluation of the overall performance of particular integrity policies and agencies, or justifications for the creation of new ones, and tend to be more qualitative and political than anything yet described. As such, they provide an integrative approach to assessment, but using wildly varying or opaque methodologies.

Relations to other measures: As demonstrated by Case Study 3 (An Australian Anti-Corruption Agency?), measures of institutional effectiveness may draw on information from any pertinent source, or on none. These approaches tend to dominate final decisions about major integrity reforms specifically because they are closest to, or embedded in, the political process, with all the problems this raises. However, there is significant potential for more structured evaluation processes, in which political decisions are guided by prior deliberation by parliamentary committees or similar review bodies, in turn informed by ‘objective’ performance reviews supplying quantitative assessment on issues where this can be useful. For example, Case Study 3 can be contrasted with the relationship between auditing and evaluation regularly achieved through public reporting by the ANAO to parliamentary committees.

General assessment: Assessments of institutional effectiveness in Australian public integrity and ethics areas currently suffer from a significant deficit in both theoretical and methodological approaches. State governments have often developed complex institutional frameworks (well-resourced or expensive, depending on one's perspective), but are reluctant to devote more resources and attention to ongoing evaluation, absent fresh crises. Meanwhile the federal government has tried to simplify institutional frameworks, seeking to 'let managers manage', placing great reliance on standard ongoing evaluation methods that are not necessarily co-ordinated or cognisant of the overall 'ethics infrastructure'. These different problems at different levels of government contribute to great variability in key areas of performance assessment, arguably failing to capitalise on the rich diversity of experience and innovation evident in Australian governments' integrity programs.

External investigation and consultancies

The independent scrutiny agencies in the Australian integrity system do not merely conduct investigations into individual matters, but routinely examine whether integrity systems within public sector organizations are working effectively. They often particularly focus on internal systems of complaint-handling and internal review of administrative decisions, to increase organisations' capacity to deal productively with problems themselves. The central agencies involved vary depending on the subject matter, for example, central personnel management agencies may only review the effectiveness of organisations' personnel grievance procedures, while central anti-corruption agencies may only review the effectiveness of organisations' internal procedures for the investigation of misconduct. Nevertheless, these reviews are wide-ranging and qualitative, and usually based on a mixture of statistical records, information from existing complaints or problems, interviews of agency staff and managers, discussions with experts, and negotiation with agency senior management. Examples include:

- A14 Recent Commonwealth Ombudsman investigations, undertaken of the Ombudsman's own initiative into the complaint services of the Child Support Agency (July 2001), complaint-handling by the Australian Taxation Office (July 2003), and complaint-handling within the national Job Network managed by the Department of Employment and Workplace Relations (August 2003);
- N4 NSW Ombudsman reports, assessing the performance of the NSW Police Service in the management of complaints (August and September 2002);
- Q4 In Queensland, the recent Crime and Misconduct Commission inquiry into abuse of children in state-run foster care, whose recommendations for a new Department of Child Safety included a substantial evaluation of the internal integrity systems of the Department of Families with recommendations for reform (CMC 2004: 156-163).

Individual public sector agencies also sometimes commission independent consultant reviews of the most effective ethics and integrity systems, particularly regarding complaint and grievance-handling.

Law reform bodies

Most, if not all, Australian governments have law reform commissions or committees whose inquiries may take in similar, wide-ranging reviews of institutional effectiveness, focused on the legal framework underpinning ethics and integrity policies. At the Commonwealth level, there are two such bodies: the Australian Law Reform Commission (ALRC) established in 1974 and the Administrative Review Council (ARC) established in 1975. The Australian Law Reform Commission conducts inquiries based on references from the federal government. Some of its major reports include:

- A15 Integrity systems pertaining to federal law enforcement, including its early 1975 and 1978 reports, and 1996 report *Integrity: But Not By Trust Alone* (ALRC 1996) (see **Case Study 3**). The ALRC also regularly reviews laws and institutions on access to justice more broadly.

The Administrative Review Council was established specifically to co-ordinate and monitor the effectiveness of federal accountability systems. Its members include the Ombudsman, President of the Australian Law Reform Commission, and President of the Administrative Appeals Tribunal, as well as senior federal officials and independent experts. Relevant reviews of institutional effectiveness include:

- A16 Preparation of the Commonwealth's best practice guide to internal review systems and procedures, based on research conducted in 1998 through interviews of 92 officers from five agencies, with the assistance of external research professionals (Administrative Review Council 2001); and
- A17 A major report on a government proposal in 1994-1995 to amalgamate existing federal review tribunals (including the Administrative Appeals Tribunal) under a new Administrative Review Tribunal law, leading to postponement of that law and eventually a different government solution to issues of the institutional effectiveness of the tribunal framework in 2003 (see Administrative Review Council 1995).

Royal commissions and committees of inquiry

Australian governments have a substantial track record of commissioning one-off 'independent' inquiries to review the effectiveness of institutional arrangements for ensuring public integrity, as well as on other matters of public administration more generally (see Weller 1994; Ransley 2001). Despite constitutional difficulties, the Australian preference is often to appoint a sitting judge, retired judge or 'almost judge' (in the form of a senior barrister, QC or SC) to head such inquiries, even when the subject of the inquiry is a long way from the law, due to the stature, authority and procedural fairness this is deemed to bring (Brown 1992; Blackshield and Williams 2002: 603-647).

There has always been a distinction between 'policy' inquiries and 'probity' inquiries, although their procedures and costs can be similar. Policy inquiries are established to review institutional arrangements generally, without specific ethics or integrity scandals to drive them. For example:

- A18 The Kerr Committee, which reported in 1971, was asked by the federal government to review and make recommendations regarding law reform for greater public accountability, without a specific crisis.
- A19 The Coombs Royal Commission into Australian Government Administration, which reported in 1976, established many of the principles of modern federal government administration and accountability, again without being triggered by a specific crisis.

Probity inquiries are triggered by specific allegations of misconduct, corruption or unethical behaviour, and tend to be more contentious. Governments are now often reluctant to establish them, for numerous reasons including cost, delay, and inability to control the outcomes such as exposure of matters that are politically damaging to the government itself (see **Case Study 3**). When they do occur, however, such inquiries are now expected to contain wide-ranging evaluation of the reasons why integrity systems broke down, and how better integrity systems should be developed, in addition to making specific recommendations regarding individual misconduct. The criteria and processes by which they evaluate existing performance are highly qualitative, diverse and variable. The process may include substantial expert research and policy review, in addition to forensic inquiry methods. Notable examples of such inquiries in Australia include:

- A20 The Costigan Royal Commission into Activities of the Federated Painters and Dockers Union (1980-1984), which uncovered major problems of organised crime and tax evasion, leading to establishment of the National Crime Authority (now Australian Crime Commission);
- Q5 The Fitzgerald Inquiry into Police Misconduct and Associated Illegal Activities (1987-1989), which led to major overhaul of political, administrative, justice and accountability systems in Queensland;
- T1 The Carter Royal Commission into political bribery in Tasmania (1991);
- W1 The 'WA Inc' or Kennedy Royal Commission into Commercial Activities of Government in Western Australia (1990-1992); and
- N5 The Wood Royal Commission into the NSW Police Service (1995-1997).

However, royal commissions or similar inquiries can also be used in attempts to dismantle integrity regimes, if political parties or other vested interests with low 'ownership' of integrity reforms feel this is necessary. For example:

- Q6 In Queensland, the Connolly-Ryan Commission was established in 1996 to review the activities of the post-Fitzgerald integrity agency, the Criminal Justice Commission (now Crime and Misconduct Commission). This commission was terminated in 1997 after the Supreme Court found it politically biased (Preston et al. 2002: 177-178). The commission was established by the political party that began the earlier Fitzgerald Inquiry, but then suffered worst from its findings, and which remains a fierce critic of several post-Fitzgerald integrity reforms (see **Case Study 3**).

Parliamentary committees

Special-purpose parliamentary committees now provide one of the key mechanisms for evaluating the effectiveness of integrity institutions and systems on an ongoing basis. Their use has increased dramatically in the last 15 years due to some of the political events described above (3.3.3), particularly the need for effective accountability mechanisms governing independent scrutiny agencies. However as already mentioned, the precedent for more recent developments already existed in the form of some of the older, special-purpose Public Accounts Committees established by most parliaments. For example:

- A21 The Commonwealth Parliament's Joint Committee on Public Accounts and Audit (JCPAA) is a statutory committee with members from both houses of Parliament, with particular responsibilities for the ANAO. The JCPAA considers the operations and performance of the ANAO; reports to the Parliament about the Auditor-General's functions and powers; and makes recommendations to the Parliament on the annual budget for the Office. The Committee reviews all ANAO reports and examines a selection at quarterly public hearings. The JCPAA may also conduct more broadly based inquiries into matters arising from an audit.

In recent years, similar relationships have been established between scrutiny agencies and other newer committees with similar degrees of specialization. Parliamentary committees review integrity agencies' annual reports, and conduct hearings on their performance using reported outcomes, public or in camera evidence given by the agencies, public submissions or complaints against the agencies, and research by parliamentary research staff. In the interests of public respect for the integrity system as a whole, the committees usually seek to operate on a non-partisan basis. This can be difficult, but has proved broadly successful in providing a strong, democratically-embedded mechanism for public evaluation of bodies which necessarily operate in politically volatile areas. These committees also now share their own lessons, as demonstrated by the national conference of the following committees hosted by the Parliament of

Western Australia in September 2003 (WA Parliament 2003). A detailed study of the methodologies used by these committees would be extremely valuable:

- N6 NSW Committee on the Independent Commission Against Corruption. This committee was one of the first to be established, with introduction of the ICAC in 1988. The Committee has recently recommended a full, independent review of the ICAC and its 1988 legislation.
- N7 NSW Committee on the Office of the Ombudsman and the Police Integrity Commission. This committee was established to have similar functions to the Committee on the ICAC, but also to prevent the need for yet another committee when the Police Integrity Commission was created in 1997. The Committee's most recent reports on each body are built around the transcript of the public hearings on these bodies' annual operations, providing exhaustive qualitative review of past and current issues, problems and performance (NSW Parliament 2003a; NSW Parliament 2003b).
- Q7 Queensland Parliamentary Crime and Misconduct Committee (formerly Parliamentary Criminal Justice Committee). This committee oversees the Queensland Crime and Misconduct Commission (CMC), and is supported by a full-time Commissioner of its own to assist with resolution of complaints against the CMC. This arrangement has been politically contentious but was stabilized in the 2001 review of the relevant legislation (Preston et al. 2002: 129-131). The Committee recently completed its Three Yearly Review of the CMC, providing a thorough evaluation of its performance (Qld Parliament 2004).
- W2 WA Joint Standing Committee on the Anti-Corruption Commission (now Corruption and Crime Commission).
- A22 The significant omission from this range of important standing evaluation mechanisms is the lack of a standing federal parliamentary committee to oversee and support the Commonwealth Ombudsman. At federal level, in addition to the JCPAA, there is a Parliamentary Joint Committee on the Australian Crime Commission (formerly National Crime Authority). However, there is no such framework in place for the bulk of public accountability matters dealt with by the Ombudsman, unless the Senate Standing Committee on Finance and Public Administration undertakes a special inquiry. The relevance of this is discussed in **Case Study 3**.

University research / expert review

University-based or other independent expertise frequently plays a variety of roles in evaluations of the institutional effectiveness of different components of the ethics regimes. Some academic experts sit on standing review bodies such as the ALRC and ARC (above). Academic experts are often called as witnesses before parliamentary committees or other inquiries into the performance of integrity systems. Expert comment plays a significant role in media debate, supporting the ability of an active civil society to assess and monitor the performance of these regimes. Examples include:

- U2 A recent national review of the effectiveness of Auditor-Generals, conducted as part of the Democratic Audit of Australia (Coghill 2004).
- U3 The National Integrity System Assessment project itself (KCELJAG and TI 2001; Preston et al. 2002).

CASE STUDY 3

JUDGING EFFECTIVENESS: AN AUSTRALIAN ANTI-CORRUPTION COMMISSION?

Introduction

The most recent development in Australian decision-making about the institutional effectiveness of integrity agencies, is a decision announced by the national Attorney-General in June 2004 that the federal government will establish an independent anti-corruption commission to oversee the Australian Federal Police, Crime Commission and Customs Service.

Embedded in this decision were two assessments about the effectiveness of integrity agencies – namely that:

- Ombudsman's offices, including the federal or Commonwealth Ombudsman, were not competent agencies to investigate corruption; and
- Ombudsman's offices should not be given the powers needed to investigate corruption (e.g. phone tapping powers) because their existing roles include auditing the use of such powers by other bodies (i.e. 'guarding the guards').

However, these assessments were not reached as result of careful or systematic review, but a more ad hoc political process. The contrast shows the gaps that can exist between attempts to more systemically assess and develop the effectiveness of integrity institutions, and the complicated reality of political decision-making about integrity agencies in practice.

Past institutional evaluations and reviews

The Commonwealth Ombudsman has been the national government's primary independent agency for scrutiny of public administration since its establishment in 1976. The office has strong powers to investigate the actions of officials from heads of department down, including power to initiate inquiries, compel witnesses to be interviewed and seize documents and evidence. The Ombudsman may make any recommendations about official action that he/she considers unreasonable, unfair, contrary to law or procedure, or 'wrong'.

Until the early 1990s, the Ombudsman's office usually only acted in response to individual complaints, focused narrowly on administrative matters, and rarely used formal powers, analysed systemic problems or issued public reports. Consequently, despite having a quite good performance record, the office had a low public profile and only moderate official status (Mulgan and Uhr 2001: 159). However, few direct assessments of the effectiveness of the Ombudsman's office have been undertaken. This may be because unlike several state ombudsman's offices, or the Australian National Audit Office, no federal parliamentary committee has a standing brief to monitor or assist the Commonwealth Ombudsman. Evaluations have been very indirect:

- In 1978, the Australian Law Reform Commission recommended legislation to provide independent oversight of complaints against federal police, leading to an expanded role for the Ombudsman in this area from 1981;

- In 1991, a review of the Office by the Senate Standing Committee on Finance and Public Administration recommended a higher profile and increased resources for major investigations, which were given in 1992-93;
- In 1993, the Ombudsman herself commissioned a more detailed review of the office's effectiveness, by external management consultants, which led to the government granting increased resources in 1994.

The Ombudsman also tested her powers further, with the Federal Court agreeing in 1995 that she had power to recommend disciplinary or criminal charges, and thus that her jurisdiction to investigate administrative actions could include misconduct or criminal misbehaviour. The office also increased its oversight of complaints against the Australian Federal Police (AFP) and its number of independent investigations, including into suspected corruption.

A number of further reviews then followed in 1996-1997:

- The federal government conducted general budget cuts which effectively withdrew much of the increased resources granted two years earlier. In insisting on these cuts, the government rejected arguments that accountability agencies should be exempt due to their key role;
- Allegations about corruption in the Australian Federal Police (AFP) were aired in the Wood NSW Police Royal Commission. The federal government commissioned a special inquiry into this evidence by Mr Ian Harrison QC, which generally endorsed the joint Ombudsman-AFP system;
- The Australian Law Reform Commission conducted another inquiry into complaint-handling and anticorruption involving the AFP and National Crime Authority (now the Crime Commission), and recommended that a new body was necessary (ALRC 1996).

The proposed National Integrity and Investigations Commission would have replaced Ombudsman supervision of investigations into law enforcement bodies, and undertaken more independent investigations of serious matters, including corruption. However, the Ombudsman and several other bodies opposed the dilution of resources, arguing it would be more effective to give the resources to the Ombudsman to fulfil these functions. The federal government chose not to implement the Law Reform report, and left these functions with the Ombudsman, but provided no new resources.

Recent developments – Victoria

Seven years later, in 2004, the issue of effective institutions returned. This was not at a federal level, at first, but in a police corruption scandal in the state of Victoria, where the institutions were similar. Victoria established a Police Complaints Authority in 1984-85, but in 1988 this was amalgamated with the Victorian Ombudsman. In Victoria, like the federal situation, there was, therefore, no independent anti-corruption commission.

In Victoria, police internal investigators and the Ombudsman had for some time been investigating corruption in the police drug squad. A major war between organised crime groups also broke out, in which several killings (including of a police informer) became linked with possible police corruption. There was, and remains, a strong public demand for a royal commission of inquiry, with many also arguing that the result – like in Queensland, NSW and Western Australia – should be a new permanent anti-corruption agency (Gilchrist and Bachelard 2004; Skelton and Shiel 2004; Lewis 2004; Gray et al. 2004).

However, the Victorian government has responded to date by:

- Increasing the powers and tripling the staff of the Victorian Ombudsman (see Case Study 2); as well as appointing Tony Fitzgerald QC, who headed the 1987-89 Queensland inquiry into official corruption, as a consultant investigator (Victorian Parliament 2004b; Bracks 2004);
- Rejecting a royal commission as an expensive ‘wigfest’ of lawyers unlikely to tell the government anything about corruption that it didn’t already know;
- Rejecting a new anti-corruption commission as expensive and unnecessary – including quoting the Queensland Opposition as having described Queensland’s Crime and Misconduct Commission as a ‘multimillion-dollar joke... that couldn’t track an elephant through snow’ (May 2003, quoted Victorian Parliament 2004a: 12).

At first, the Victorian Opposition supported the Victorian government’s response. However, in late May 2004, it changed its position to also demand the government establish a new anti-corruption commission. The Labor Party leads the Victorian government while the Liberal Party leads the Victorian Opposition and the current federal government.

Federal Government announcement – 16 June 2004

On 16 June 2004, the federal government announced it would establish ‘an independent national anti-corruption body with telephone intercept powers which, if required, would be able to address corruption amongst law enforcement officers at a national level’ (Ruddock and Ellison 2004).

Little further detail has yet been announced. However, no reference was made to this decision being based on any of the previous reviews, such as the Law Reform Commission’s report of 1996. No specific evaluation had been undertaken about the effectiveness of the continuing policy of having the Commonwealth Ombudsman oversight police complaint investigations. Instead three events appear to have caused the decision:

- The Victorian Opposition had decided to oppose the Victorian government’s response to the state’s corruption scandal, as explained above;
- The Victorian government had asked for the state Ombudsman to be given federally-regulated telephone interception (tapping) powers, to enable it to investigate corruption in the same way as other anti-corruption bodies. The federal government rejected this Victorian request when it announced the new federal body on 16 June 2004, saying that ‘if Victoria was to raise a properly-formulated independent Commission - similar to those in WA, New South Wales and Queensland - the Government would move quickly to confer telephone intercept powers on this body’ (Ruddock and Ellison 2004);
- The media reported that the Commonwealth Ombudsman and AFP were investigating corruption on the part of two police officers (from NSW and Victoria) on secondment with the federal government. These reports highlighted that the current federal arrangements were similar to those preferred by the Victorian Labor Government, and therefore not consistent with the attack being mounted by Victoria’s Liberal Opposition.

Discussion: The Politics of Probity

It seems likely that the Australian national government will establish the new federal anti-corruption body. Such a body may be a good step forward in the evolution of Australia’s national integrity systems.

However, the events highlight three gaps between current political decision-making and systematic evaluation of the effectiveness of integrity bodies:

- The federal announcement stated a clear principle that every government should have both an Ombudsman to investigate administrative complaints, and a separate anti-corruption commission. However, despite the certainty of the announcement, this new policy had not been systematically researched and is still contested. While it was politically rational, ensuring that the Liberal Party's position was consistent at both state and federal level, there are fewer indications that it was based on policy evidence;
- The announcement highlighted a problem about 'who guards the guards', pointing out that since Ombudsman's offices currently monitor how police and anti-corruption bodies use phone-tapping powers, it would be a conflict of interest for them to have such powers themselves. However, this raises a larger problem about how to regulate anyone's use of such powers, which the government has yet to address – since at the end of the day, the Ombudsman may still need to be able to investigate whether such powers have been used corruptly;
- The decision to create a new federal body was taken without any evaluation of whether the existing institutions were working. Indeed, the government's comments suggested that present scrutiny by the Ombudsman was working well. This tended to confirm that the federal decision was made irrespective of any policy evaluation, and driven primarily by the need for political consistency with the Victorian Opposition.

In these circumstances, will the new body be resourced effectively to do its job? Will it suffer a reputation as being born more of party-political expediency than policy logic? Will existing expertise in the Ombudsman's office be lost? Will the new body result in the most efficient and effective scrutiny, or make federal anti-corruption efforts more complicated? All these potential risks highlight that integrity policies are not immune from the normal twists and roundabouts of politics, irrespective of evaluative frameworks.

Outcomes Measures

Summary: The fourth and final category, 'outcomes measures', are directed to measuring the substantive outcomes of integrity activities, to ensure these activities are positively enhancing ethical standards, corruption resistance, public trust, and the quality of democratic life. The measures being sought are less to do with the activity of ethics-promotion and anti-corruption work, and more about evidence of the actual level of integrity, ethical standards and corruption risk that is being achieved by public sector integrity programs – or alternatively, which needs to be better targeted by them.

Relations to other measures: The types of measure notionally available in Australia have strong relations with other measures – for example, using staff surveys to monitor agency compliance with ethics reforms, can also be used as a barometer of the ethical standards and ethical culture of staff themselves. Similarly, activity and efficiency measures such as caseloads, prosecution and conviction rates are also often used – albeit very imprecisely and often inappropriately – as indicators of actual corruption and misconduct levels. Usually the latter, substantive use of this data comes as an ancillary or secondary interpretation of data collected for the former, narrower purpose.

General assessment: The quest for substantive, qualitative measures of ethical standards and corruption risk is in a relative infancy, compared with standard public administration performance measures of implementation, activity and efficiency. This is partly because judgments as to the ethical standards of individuals or workgroups are largely subjective, and made even more complex where there

are conflicting views on the relative weight to be given to the different ‘integrity dimensions’ discussed in part 2 (i.e. personal-responsibility, effectiveness/implementation or legal-institutional dimensions). As discussed in the final conclusions, significant theoretical and methodological attention needs to be directed towards integrated substantive methods of monitoring the health of public sector integrity on all three dimensions.

Central Ethical Standards/Corruption Risk research

Official studies of public sector attitudes to organisational integrity, ethical standard-setting and leadership can actually monitor the level or quality of ethical standards (including the take-up of ‘values culture’), and/or of corruption risk. This is in addition to simply measuring whether people are aware of codes and other issues of implementation. Examples include:

- A1 APSC Case Study 1 which demonstrates the potential for workplace research by central agencies to examine substantive ethical standards as well as simple compliance value. Such studies can in practice begin to integrate the different dimensions of integrity discussed in part 2, for example by establishing whether individual leaders understand their ethical obligations and other dimensions of personal integrity, even though the organisational responses needed to truly ‘embed’ values and integrity may be more systemic and less liable to be resisted as direct criticisms of personal integrity. The difficulty of this balance is further emphasised in part 4.

- N8 The NSW ICAC has used surveys of the ethical culture of NSW public sector agencies and local councils. The primary aim was to create a tool which could help public sector managers to identify where the key challenges may lie in creating a strong ethical culture in their organisation. Another aim of the research was to explore in an Australian context the findings of past research (primarily from the United States) about the relationship between different aspects of an organisation and how they impact on its ethical tone (ICAC 2000).

- A23 Whereas some agencies may collect substantive data on ethical attitudes, others collect data indicating levels of unethical behaviour. For example, regular fraud surveys by the Australian National Audit Office (ANAO 2001; ANAO 2003a) provide a barometer of corruption levels in the federal public service, since most pecuniary corruption is categorised in terms of fraud. This information is differentiable from – and more useful than – attempts to monitor the results of corruption-related disciplinary or criminal cases, which as discussed below (3.4.6) is both difficult and unreliable for this purpose. The type of research conducted by the ANAO compiles a picture of the incidence of fraud reporting (rather than whether the evidence exists to prosecute or convict individuals), and the estimated financial impacts, providing a qualitative measure of seriousness which is not available through normal criminal justice reporting.

- N11 Such centrally-sponsored research can also measure the ethical climate by monitoring the extent to which public employees feel able to, or are likely to, fulfil obligations to report misconduct, defective administration or other ethical concerns within their organisation. In NSW, for example, the 1996 ICAC study referred to earlier also established, substantively, that despite low awareness of formal systems, 49% of surveyed employees indicated they would still report corruption even without the support of colleagues, and 41% knowing their career would be adversely affected (Zipparo 1998; Zipparo 1999). Monitoring variations in such responses can provide an indication of whether the ethical climate is improving or deteriorating, in individual organisations and across the public sector.

Agency Ethical Standards/Corruption Risk research

Systematic studies of overall state of workplace culture may also be conducted by agencies themselves rather than by central bodies. However, there may be Issues of relative accuracy, reliability, confidence etc if conducted internally:

W3 In June 1999, the Professional Standards Portfolio of the Western Australia Police Service commenced a longitudinal survey of recruits, yielding information in relation to ethical behaviour in the Police Academy environment and workplace, and organisational factors which may influence it. The anonymous survey is carried out by means of a self-administering questionnaire containing 69 question and statements to four recruit squads randomly selected. A preliminary report was released in July 2002 (WA Police 2002). The key findings from the survey identified a number of positive ethical indicators as well as identifying issues for consideration and action, similar to those found in police surveys undertaken by ICAC and the CMC.

University research / expert review

University-based research plays a key role in providing substantive information about ethical standards in areas of public administration that might otherwise never be measured. For example, no public agencies are well-positioned to probe for or collate evidence relating to ethical standards or corruption risks among legislators – a key issue if political will and a strong legislative framework are considered elements of the ethics infrastructure. With enough tact, persistence and nerve, however, university researchers are able to broach such areas. For example:

U4 A substantial survey of legislators' attitudes to ethics and corruption was achieved in New South Wales, using an international methodology, by Jackson and Smith (Smith and Jackson 1995; 1996; Smith 1998; 1999; 2000).

Integrity recognition

There is no evidence of any existing awards within the Australian setting that are referred to specifically as "Integrity Awards". However, a sweep of the various public sector jurisdictions, in particular, yielded information about some awards which may have an integrity content. In most public sector jurisdictions in Australia, the tasks of encouraging the embedding of values and of enhancing and monitoring integrity are carried out by central agencies, e.g.: departments of the various state premiers, public sector management offices etc. These offices usually hold a much wider brief which embraces such functions as human resource management principles and practices and/or the enhancement of employment equity. This creates a situation where it is often difficult to draw a line between what is considered an integrity award and what is not. Nevertheless, the purposes of some awards in place do have a clear integrity implication. Some examples of these awards are:

V1 In Victoria, the State's Commissioner for Public Employment calls for nominations each year for its People Management Awards, which includes a "managing ethically" category, and which is judged by an independent panel. These awards carry certificates of commendation and grants worth up to \$5,000 for future initiatives (CPA Victoria 2004).

NT1 The Government of the Northern Territory has annual Equity and Diversity Awards which are awarded to agencies which excel in the area of equitable employment practices. These are showcased in a publication entitled "Valuing an Inclusive Workforce" (NT Government 2004).

ACT1 In the Australian Capital Territory public sector, the Industrial Relations and Public Sector Management Group, in conjunction with the Commissioner for Public Administration, carries

overall responsibility for integrity issues. The Territory has a number of award arrangements which differ from agency to agency, with the Territory's Integrity Policy stating that CEOs should be "making integrity one of the criteria in staff awards" (ACT Government 2004).

- N13 The NSW public sector once had a separate ethics award, but in 1997 subsumed this within the context of the wider Premier's Public Sector Awards, established to provide an opportunity to showcase the public sector's commitment to quality, dedication to excellence, and provision of better service to the community. This award is made to projects within agencies, not individuals, but may well still have an ethical component depending upon the nature of the project (NSW Premier's Dept 2004).

Rewards for high levels of integrity and ethical behaviour via organisational systems such as selection, promotion and remuneration are rarely identified as such. While punitive measures are easy to identify for those in breach of standards, the reverse is not the case. The example in which ethical behaviour and integrity can be most readily identified as a measurable and rewardable criterion is in the Australian Public Service (federal) policies and guidelines, which creates a clear link between the importance of leaders being called upon to ensure the embedding of APS values and the fact that Performance Management is itself firmly entrenched as a policy and practice (APSC 2004).

Integrity testing

Many public sector agencies with particularly well-identified corruption risks conduct a range of internal measures of integrity in the form of 'integrity testing', taking the form of either random or targeted 'stings' by which to identify and weed out corrupt or potentially corruptible officials. For example, all Australian police services have introduced integrity testing since the early 1990s (see e.g. Homel 2002). The results of integrity testing are not publicly reported. However, where random testing occurs on a regular basis, the incidence of passes/failures in such testing represents a potential, very tangible barometer of ethical climate and corruption risk, which could be used for comparison between like agencies or services.

Caseload outcomes

The OECD's Trust in Government report identified 12 countries as claiming to use monitoring and analysis of "systemic failures and trends in disciplinary and criminal cases" as a means of ensuring that integrity measures were consistent and complementary – the most common means of doing so (OECD 2000: 66). In Australia, monitoring the caseload outcomes of disciplinary, criminal, misconduct, administrative and financial investigations is regularly assumed to represent a fundamental means of assessing performance, which is why several countries may have reported using it. However, in Australia's case, which may also reflect something closer to the reality in other countries, there are gaps between this theory and actual practice. These can be analysed by looking separately at (a) criminal and disciplinary cases, (b) administrative cases, and (c) financial cases.

Criminal and disciplinary outcomes have only occasional utility in assessing the impacts of Australian integrity policies, because:

- Formal criminal and disciplinary proceedings for corruption and serious misconduct are relatively rare, other than in the wake of a major inquiry or 'purge', for multiple reasons that do not necessarily mean there is no corruption. These include the evidentiary challenges associated with formal proceedings, and the greater ease and frequency with which impugned officials either resign voluntarily, or are forced to resign;

- Statistics on crime reporting, prosecutions and convictions do not necessarily differentiate between fraud, bribery or other crimes of deception as committed by public officers against their employer, from equivalent crimes in other circumstances. This means that normal attempts to monitor official statistical trends in these areas is almost certainly incomplete (see eg. ABS 2003; ABS 2004); and
- In practice, few if any Australian governments routinely monitor and report this data in an integrated way.

Two examples can be given of the limited use of, and/or co-ordination between, and potentially limited value of, criminal and disciplinary data:

- A1 The APSC State of the Service Report (**Case Study 1**) has analysed for the first time the actions taken by agencies in response to breaches of the APS Code of Conduct, including termination of 70 officers, 28 demotions, 359 reductions in salary and other sanctions (APSC 2003: 103ff). While this provides a report on some systems, it does not include criminal matters like fraud and bribery, which are handled separately through police processes and not necessarily reported to the APSC.
- Q8 Criminal charges are more routinely reported by anti-corruption bodies (where these exist), for whom such charges are a key performance indicator. For example, in 2002-2003, the Queensland Crime and Misconduct Commission reported having recommended 180 criminal or disciplinary charges arising from official misconduct, 45 being criminal charges against 31 people. However, current Australian media debate (see **Case Study 3**) highlights conflicting opinion over whether the charges arising from such investigations are low or high, and even if high, whether this is a measure of these bodies effectiveness (in rooting out corruption) or ineffectiveness (in preventing and containing it).

The second body of caseload outcomes are administrative – actions against government officials under administrative law, or complaints of defective administration investigated by ombudsman's offices. Here the necessary information to assess general trends in standards of official conduct or public decision-making is even less readily available.

According to the Administrative Review Council, there is no national statistical reporting of case trends before administrative appeals tribunals or in the administrative divisions of the Supreme and Federal Courts, although there may be academic research which interrogates trends. While individual tribunals and courts report basic workload data annually, this is not systematically analysed, other than by the legal profession when providing clients (government or the general public) with advice on prospects of success in individual cases. Tribunal and legal cases are therefore not used by governments as an indicator of rising or falling administrative standards.

Reporting of administrative complaint trends by ombudsman's offices may provide a more useful overall barometer, due to the volume of complaints handled and therefore the potential for greater accuracy in pinpointing systemic problems with particular areas of administration. For example:

- A24 The Commonwealth Ombudsman investigated 6,133 issues pertaining to federal administration in 2002-2003, and identified some agency error or deficiency in 29% of cases – the same rate as the previous year (Commonwealth Ombudsman 2003: 12). Ombudsman annual reports may also provide guides to systemic problems with particular agencies, based on complaint trends or major investigations.

However, there is great variability in reporting by different governments. In recent years, the Queensland Ombudsman has reported around 40% of matters as resolved in favour of complainants rather than government; the Tasmanian Ombudsman 14.5%; and the Western Australian Ombudsman 17.7%. The various rates probably reflect different data collection, complaint assessment and reporting methods, more than substantive differences in quality of administration. Other states do not necessarily report how many complaints were resolved wholly or partially in favour of the complainant.

A third body of investigations are financial, in the form of audits. Where Auditor-Generals have performance audit functions, they may be able to estimate the amount of public revenue saved as a result of their audit, and that therefore may have been wasted had the audit not occurred. This provides some estimate of systemic maladministration risks. For example:

A25 The Australian National Audit Office estimated the potential annual recurring financial benefit from all its performance audits in 2002-2003, based on recommendations agreed with agencies, to be between \$79 million and \$117 million, depending on the level of improved performance achieved (Barrett 2004).

Overall, in the Australian experience, a far more systematic and well-thought out approach to compiling, reporting and analysing the outcomes of the many different types of integrity-related caseloads would have to be achieved before these represented a standard resource for monitoring the integrity of the public sector, and quality of administration. While all the current methods of outcome reporting have their own uses, their various separate limitations, current inconsistencies, and lack of integration tend to limit them to these separate uses, even though a more co-ordinated approach might be useful.

Public trust: Public agencies

The three final categories of possible substantive indicators of integrity system success, relate to the degree of public trust, or confidence, in the operations of government. While carrying their own limitations and methodological problems, direct and indirect measures of public trust can help identify where the community-at-large perceives the public sector to be breaking down.

While more work is needed to differentiate public trust from simple customer satisfaction, the degree of public confidence commanded by specific public agencies may be a relevant indicator of their ethical standards. This would need to include objective quantitative or qualitative evidence of the level of trust that the public / clients place in the integrity of individual agencies including such things as complaint-handling systems, responsiveness to complaints and some measures of public concerns about corruption. A further area which would add clarity to such an analysis would be a detailed examination of government service delivery. This might include surveys by agencies and surveys by professional associations on consumer attitude regarding service delivery integrity.

Public trust: Integrity agencies

The second area of public trust relates to evidence about the views of the community-at-large towards societal integrity systems, including key institutions dedicated solely or largely to ensuring accountability. As with section 3.4.8, these may be direct or indirect sources of information. Currently, there is no rigorous or co-ordinated approach to collecting such evidence, but examples include:

N12 Mechanisms that engage the community in direct advice or supervision of the work of integrity bodies, such as the NSW ICAC's Operations Review Committee. This Committee consists of three ICAC officials, the Police Commissioner, Director-General of the Attorney General's Department, and four people representing community views (currently a representative of a religious organisation, two university lecturers, and the head of a statutory body).

- Q9 In Queensland, part-time commissioners of the Crime and Misconduct Commission are appointed to help provide community oversight, including a specified ‘civil liberties’ commissioner under the Crime and Misconduct Act 2001. The use of such mechanisms is similar to the development of advisory committees by the Hong Kong ICAC (see de Speville 1999: 56), in that the participation of community representatives is intended to provide a measure of ongoing community confidence.
- A26 Client satisfaction surveys by or about integrity agencies, used to improve their performance and administration: For example, the Commonwealth Ombudsman has conducted regular surveys of past complainants since 1994. Appendix 3 provides an extract from the Ombudsman’s annual report for 1997, describing the important lessons learnt from that performance measure. The most recent published survey, conducted in 1999-2000, surveyed 2000 people who had approached the office for assistance over the previous two years, establishing that 78% of those whose complaints the office had declined to investigate, still indicated that they would consider using the office in the future. This was regarded as a significant indicator of public confidence in the competence and impartiality of the office (Commonwealth Ombudsman 2000: 4).
- N9 During 2000-2001, the ICAC conducted extensive research to help develop a profile of corruption risks in local government in New South Wales. The research began by seeking information from General Managers about the organisational culture and presence or absence of corruption risk factors in their council. This was followed by a staff survey in which staff were asked if they knew about corruption prevention measures in their councils. The aim was to find out if councils were ‘walking the talk’ (ICAC 2001: 10). The survey found that there was a strong consensus amongst managers, councillors and staff on the major corruption risks for local government, but that council practice and procedures did not always reflect a high corruption prevention priority.
- N10 Since its inception, the ICAC has conducted periodic community attitude surveys—Community Attitudes to Corruption and the ICAC (1993, 1994, 1995, 1996, 2003a) and Community and Journalists Attitudes to Corruption and the ICAC (1999)—to explore community perceptions of corruption within government and community attitudes to corruption. The studies provide information as part of a longitudinal study on the effectiveness of ICAC’s policies and programs in combating corruption and give an indication of the organisation’s profile within the community.
- Q10 The CMC (formerly the CJC) conducts periodic public attitude surveys. At first, the primary focus of the surveys was to measure public attitude towards the Queensland Police Service, as well as public knowledge, confidence and experiences regarding the complaint process. The survey has undergone some modifications over the years, including the recent addition of questions relating to public service and local government employees and various questions relating to the CMC. The surveys are a random sample of approximately 1500 adults across Queensland. They provide information as part of a longitudinal study on the effectiveness of policies and programs in combating corruption and the CMC’s profile within the community (CJC 2000, 2000b; CMC 2002).
- U5 Independent university research is working to find better ways of monitoring and interpreting public confidence in a range of core public accountability agencies. For example, the Australian Survey of Social Attitudes (2003) provides a baseline for monitoring public confidence in institutions such as the court system and police, including select questions about perceived corruption in the latter (see Appendix 4). These existing questions provide rough indicators of public trust in basic integrity mechanisms, and can be extended to more specific independent verification of trust in other agencies.

- I2 International NGOs are able to provide related evidence, for example through the Global Corruption Barometer in which Transparency International uses the Gallup 'Voice of the People' survey to monitor public attitudes towards levels of corruption in different key institutions.

Public trust: General

Finally, there is considerable scope for evidence about the relative level of public trust in government in general to be developed as an ultimate indicator of the success or otherwise of integrity policies and systems. Levels of public trust in government are dependent on diverse political and social factors, including media reporting or attitudes (see e.g. Coulthart 2004). However, it is now widely accepted in many democracies, including Australia, that the results of general elections every three-to-four years are not necessarily expressions of majority confidence in the integrity of the institutions of government under a particular government. A range of surrogate measures of public trust in the quality of government is evolving, including ongoing social science research of the type outlined above and in Appendix 4.

In Australia, political parties are in the forefront of such research, because they are now major clients for market research organisations polling the community on key public policy issues on an almost daily basis. However, this is a 'private' market in which measures of public confidence tend to be guarded for the potential electoral advantage they may bring. As more public research methods evolve, they can be expected to help broaden the range of performance indicators available for public ethics and integrity activities.

CONCLUSIONS: TOWARDS AN ASSESSMENT FRAMEWORK

General lessons

The preceding sections highlight some of the reasons why, in Australian experience, there have been few attempts to design and apply more systematic and objective assessment methodologies. Most prominent evaluation efforts are still ad hoc, and sometimes scandal-driven, while standard reporting is often driven by agencies' need to justify existing or requested resources, or by central agencies to justify financial or political decisions already made. Integrity institutions and practices are not immune from institutional politics, but rather subsist in a real policy and political environment.

Nevertheless, there is also a range of less well-known, more routine set of information in the public sector that could potentially be used to more systematically gauge the impact and effectiveness of integrity policies. The problem is that not many of these are well designed for a more general performance assessment purpose; some are fragmentary, and are gathered only occasionally, and many are not consistent.

These lessons highlight that conventional performance assessment approaches to integrity systems, while important, cannot supply the full picture. If a particular framework of integrity values and institutions is in place – or if the political decision-making capacity exists to create or alter them – then performance audit and evaluation processes can have an invaluable role in establishing whether they are doing their job. However, there is no existing clear performance assessment framework for political decision-making regarding integrity systems, nor may there ever be, hence the need for performance assessment to be embedded in a broader methodology. Some performance indicators will be quantitative, some will be qualitative, and as usual many will provide a mixture of both, with the final interpretation always necessarily political no matter what indicators are used. The question becomes how to structure a methodology that combines the best, and avoids the worst of administrative performance assessment, as just one part of a holistic assessment process.

The search for best practices in integrity assessment is thus still in relative infancy as an analytical and academic exercise. Although we have identified a number of promising 'best practices' (or perhaps 'better practices') in the hard work of 'doing' integrity assessment, we want to emphasise the prior importance of best practices in the even harder work of 'theorising' integrity assessment. This is one area where theory falls far behind practice. An exception to note is Glor and Greene's recent evaluation of what they call 'the evolution of ethical government' in Canada (Glor and Greene 2003; Greene and Shurgman 1997). Glor and Greene construct a framework around democratic values of equality, testing the performance of public institutions against a grid of criteria including the impacts on formal equality (e.g., equality of rules), social equality (eg, equality of condition) and finally integrity itself, by which they primarily mean impartiality in public decision-making. This is a very promising assessment framework which has the advantage of being provisionally tested through a practical application to one national government, including a comparison of 'the view from within' (i.e., integrity assessments of internal watchdogs) and 'the view from without' (i.e., public attitudes)(Glor and Greene 2003: 56-59). The Glor and Greene approach has yet to be tested against Australian developments. In fact, very few national evaluations have involved the application of assessment frameworks derived from evaluations in other national settings. The preferred alternative seems to be the application of purpose-built cross-national frameworks like that devised by TI and the CPI, both involving top-down approaches with some risk that distinctive national developments might escape attention and analysis.

The National Integrity System Assessment approach falls between these two extremes of uniquely-national and broadly cross-national approaches. It recognises the need for an assessment framework with sufficient specificity to capture the Australian story but also sufficient generality to be flexible enough for adaptation in other national settings. Like Glor and Greene, our starting point is constitutional in that we are trying to locate ethics and values in a constitutional setting. Admittedly, constitutional settings are flexible, responding to evolving political developments and changing community standards. But this focus on what Rohr (1998) calls ‘constitutional practice’ is an important way of capturing the larger public purpose of administrative arrangements, including arrangements for evaluating the contribution of many different public organisations to the cause of public integrity.

The next section highlights seven specific threshold issues – practical and conceptual – to be considered in the design of any assessment framework, in light of this discussion. The final section extracts key recommendations for next steps in the development of a possible Australian framework.

Six issues of framework design

Ethics co-ordination

A first fundamental issue for the development of a more coherent assessment framework is clarity as to who can, or should, take institutional responsibility for such performance assessment. This problem is central to the institutional competencies and resources needed to strengthen the assessment of integrity and corruption prevention policies. Any such framework must be either driven by a competent central institution, or shared and adopted by a critical mass of key institutions if it is to be accepted and effective. Although the OECD emphasises the importance of coherence in the integrity systems of member countries by identifying an “ethics coordinating body” as one of the eight elements of the Ethics Infrastructure (OECD 2000: 24-5), the reality is clearly very different from the rhetoric: only 16 of 29 OECD countries reported having any coordinating institution at a national level, and only three reported a central office to oversee ethics-related measures (OECD 2000: 66-68).

The coherence and institutional leadership of integrity systems are live questions in Australia. The fact that different, often strong integrity bodies exist, does not necessarily mean stability or co-ordination in their operation. Nor does leadership and co-ordination occur in the places from which it might be expected. For example, while the NSW ICAC and Queensland CMC perform cutting-edge research of great importance to performance assessment, they often have marginal formal authority to proactively influence management culture across the public sector, their primary authority remaining in the threat that they may mount a formal investigation.

Conversely, central public sector management agencies such as the Australian Public Service Commission have an undisputed leadership role when it comes to public sector standards, but their legislative authority for monitoring and compliance roles can still be relatively narrow, and their reach limited by the amount of public administration that takes place through agencies that are not formally categorised as public service agencies. Their theoretical responsibility for ethical standards generally, often masks the fact that their operations in reality are dominated by core public service management functions (such as industrial relations, budgeting, promotion and training systems, and resolution of staff grievances). Professional discharge of such functions is a necessary prerequisite for high public integrity, but does not necessarily equate to active co-ordination of the different elements of the Ethics Infrastructure.

There are various reasons why too much coherence and co-ordination may be detrimental to an effective integrity system. Part of the effectiveness of a democratic integrity system is presumed to lie in the sharing of different accountability functions between different institutions – a theory of ‘checks and

balances', 'horizontal accountability' or 'mutual accountability' extended from the tripartite separation of legislative, executive and judicial power developed in Europe and America in the 18th century (see Schedler, Diamond and Plattner 1999: 29-67; Uhr 2003: 16; Mulgan 2003: 232). However, areas where clear coherence and co-ordination are necessary include those where institutional support is needed for specific functions embracing the entire Ethics Infrastructure. Achieving a coherent performance assessment framework is one such challenge, with the challenging of then conducting such assessments following closely behind. In Australia, there are perhaps two examples of the type of co-ordination mechanism that might be needed to establish and drive such a coherency of approach, neither of which is particularly adequate:

- At state level, in Queensland, an informal 'integrity committee' exists consisting of the Director-General of the Office of Public Service Merit and Equity (OPSME), the Chairman of the Crime and Misconduct Commission, the Ombudsman, and the Auditor-General. However, this is an informal committee that meets only through convenience, and has no statutory functions, powers or resources of its own.
- At a federal level, the Administrative Review Council consists of a number of integrity agencies, but is law-focused and does not include the Auditor-General nor Public Service Commissioner. Nevertheless, it is arguably the nearest federal equivalent to the Queensland committee, and has the benefit of statutory identity and a permanent if small secretariat.

Despite the appearance of clear agency roles, and the benefits of multiplicity and shared responsibilities, the institutional coherence does not currently exist to support development and implementation of a coherent assessment framework. The institutional co-ordination needed to effectively devise and carry out more holistic policy assessment are very real, political and practical challenges in Australia.

Benchmarks

The second threshold issue for assessing consequences is the choice of benchmarks. This choice will highlight different consequences for 'constitutional government'. An assessment of consequences cannot get very far if it does not address appropriate measurement standards. Currently, the only clearly accepted quantitative measures tend to be those relating to activity and efficiency (number of cases handled and closed, at what rate). Thus, one of the most basic but uncertain problems for integrity assessment is the choice of a broader range of more qualitative standards, in a broader range of contexts, against which to measure performance. The need for benchmarks also further reinforces the need for governments to commit to long-term longitudinal research, since one of the most reliable standards is simply whether and why particular indicators might be changing over time.

Institutional interests of the assessors

Different assessment regimes will assess different consequences. No review of competing assessment regimes can ignore an examination of the merits of different types of consequences. Indeed one way into the thicket of consequences is to relate actual consequences back to intended consequences, based on the intentions of assessors. However in turn, intentions must be related back to the institutional interests of those assessors, using 'interests' here in a neutral sense designed to bring out the institutional self-understanding of differently 'instituted' assessors. This aspect of self-understanding is a largely-forgotten element in the literature evaluating integrity systems, which typically evaluates according to some external blueprint which might – or more often might not – capture the inner dynamics at work in the real-life operations of integrity institutions.

Accordingly, the ‘consequences’ assessed by particular institutions will vary depending on the ‘interests’ of those institutions, which can also change over time, reflecting the changing priorities of successive leadership teams. Similarly, different bodies approach the task of integrity assessment with different sets of expectations. The fact that institutions share a common task – loosely: performance assessment – does not mean they expect to drive that task in the same or even similar ways. Internal and external assessors approach the assessment task with different expectations; and in turn, these two categories of ‘internal’ and ‘external’ span a wide range of different types of institutions, each with its distinctive approach and set of expectations.

For example, the ‘internal’ category ranges from the self-assessment of individual officers (relevant when reporting on aspects of their own conduct for the purposes of performance reporting) through the various forms which agencies might assess their own performance (from general annual reports to specific reports on particular aspects of public service) down to the many types of service-wide self-assessments orchestrated through the central coordinating agencies, again with varying degrees of critical independence exercised by central agencies. The ‘external’ category ranges equally widely, overlapping with the ‘internal’ category at certain points. What might seem an internal assessment to some observers can just as understandably seem an external assessment to others. Internal audit plays a major role in supporting integrity within government, but opinions differ about whether ‘internal audit’ is basically a part of internal management or of external review or indeed of both. So too, external or ‘independent state audit’ can be seen as arms-length external accountability or as an internal partnership with decision-makers, or both.

These conflicting perspectives reflect the importance of the leadership orientation of the officials in charge of, for example, audit agencies: the same institutions of audit assessment can function as internal or external assessors or some combination of both, depending on the sense of professional responsibilities of those leading the assessment. All those seeking to operationalise any assessment framework must remain conscious of the institutional politics that underpin their own role.

The unmeasurable in public administration

The fourth threshold issue of framework design is the further complexity of measuring integrity when the core business of public administrators is itself never fixed, but rather is about the exercise of discretion. Listening to what governments themselves say is their core business, is vital to understanding the core issues of integrity systems. Here case study 1 is again instructive. In describing the emerging public service model of values-based regulation, with a balance of (i) central legislation identifying the underlying principles of ethics and values and (ii) devolved administrative practices with patterns of responsibility varying according to the nature of the public business, the APSC notes that all this presumes that ‘leaders must have the highest standards of integrity’. Without ethical leadership, public service values will die a death on the statute book. But leadership in ethics and values is easier to see than to plan for or program into operation; ethical leadership is not a compliance test, as though public service leaders simply had to ensure administrative compliance with a set of core values mandated in legislation. If only the pursuit of public integrity were that simple. Instead, public service leadership must meet a more challenging test which is to make progress in ‘an environment where there are fewer rules and there is greater scope for discretion in decision making’ by guiding employees ‘to make the most appropriate decisions in all circumstances’ (APSC 2003: 28-30).

In this context, growing interest in ethics, values and integrity is not concerned with hard and fast standards, but the need for frameworks of risk management suitable to public decision-makers. With fewer rules to guide or bind them, decision-makers have no real alternative but to use their own best judgment about what is appropriate in the circumstances. Among other things, they have to manage the risk to the public interest posed by the many calls on their attention. With fewer rules prescribing the manner and form of official decision-making, officials have to use their own responsibility to devise appropriate

processes that honour the spirit of the underlying public service values. But appropriate in what sense? The answer turns on what we understand to be appropriate to the integrity of the decision-maker. As in the Canadian approach taken by Glor and Greene (2003), any overall assessment framework has to remove the false hope that one size fits all. Assessment of consequences should not be driven by mistaken expectations of uniform coherence across systems of government. The institutional diversity associated with constitutional checks and balances is one the basic democratic values acknowledged by Glor and Greene, with the lesson that the on-the-job integrity appropriate to one role in one institution will not be identical with on-the-job integrity in other roles and contexts. Assessment frameworks have to be subtle enough to accommodate this diversity of public roles and offices, reflecting the range of legitimate functions performed by the many overlapping public institutions that make up 'government'.

Personal dimensions

A fifth threshold issue is the importance of the personal dimension to public integrity. At the end of the day, it is individuals and people that matter more than organisations and systems. Public services depend on the commitment of individual employees whose support for public integrity will be all the more enduring when it draws on and reinforces personal integrity. Many government assessment systems recognise the importance of clear standards of personal conduct, reinforcing our argument about the link between consequences and standards. An example is the July 2003 Australian National Audit Office (ANAO) 'better practice guide' on Public Sector Governance (ANAO 2003b). The first volume deals mainly with institutional framework issues, but the second volume deals more directly with personal dimensions, including an 'individual office guidance paper' followed by a guidance paper on 'potential conflicts' between official and personal interests. These papers demonstrate the importance of measuring consequences against appropriate standards, including the consequences of institutional performance against personal standards that are basic to 'constitutional government'.

Our discussion above (3.4.4) also noted the current and potential role of award schemes for meritorious service or career achievements designed to honour valuable staff. Such prizes reflect integrity assessments at the most personal level. One might think that this would be the most contestable of all exercises in integrity assessment, but it may be that these are among the least suspect. One reason for this might be that these integrity awards force those who assess the claims of the potential awardees to integrate the public and the private – the job and the person, or the office and the officeholder – in ways that 'cut to the chase' and see the part that personal integrity plays in sustaining public integrity. The issue is how the integrity value of these existing personal performance measures can be enhanced in importance, and linked into a framework for assessing integrity systems overall.

Relating back to fundamental drivers

Finally, when focusing on the consequences of integrity systems, we must include the consequences not just of those systems but of our assessment framework itself. That is, we must consider the impacts or outcomes of our assessment approaches for basic processes of constitutional government. This might sound too grand a consequence to measure public service ethics against, but the underlying analytical framework has to acknowledge the broader constitutional setting in which public service activities operate, and be explicit regarding the policy or political drivers of the exercise (such as reviewed in part 2). As we have seen, alternative analytical frameworks focus on important but narrower organisational impacts, either for discrete public entities or for 'the public service' more generally. Valuable as these approaches can be, they may fail the overall 'consequences' test because they do not trace the trail of impacts back far enough, or because they take current public organisations as a given. In contrast, the orienting principle of a larger assessment framework must be to evaluate integrity systems – institutions, policies or processes – as means to a larger end, which in the Australian case we might call, simply and no doubt misleadingly, 'constitutional government'.

Key recommendations

The aim of the present OECD project is to develop an analytical framework based on selected good practices and emerging lessons, that identifies key ingredients of sound policy assessment. Such an assessment framework is intended to help policy-makers recognise the gap between policy intentions and actual practices.

While the search for best practice in integrity assessment may still be in relative infancy as an analytical and academic exercise, the Australian experience shows that there are, nevertheless, many different types of information collected in many different ways, all relevant to the performance of integrity systems: implementation measures; activity and efficiency measures; larger institutional effectiveness measures; and outcome measures. Efforts such as the State of the Service reporting of the Australian Public Service Commission and Public Sector Profiling of the NSW ICAC are hopefully typical of the growing sophistication of implementation and outcome measures.

Currently, however, the lack of an agreed overall framework means that the full value of efforts in individual areas is probably not being realised. The overall value of efforts to measure the 'consequences' of Australian integrity systems is currently not likely to amount to something more, but rather something less than the sum of their parts. The next challenge is to identify how a practical assessment framework might usefully adapt and integrate a variety of current performance measures into a simple, but comprehensive approach. The six issues above are intended to help in that process. Although it is possible to identify a number of promising 'best practices' (or perhaps 'better practices') in the hard work of 'doing' integrity assessment, best practice in the even harder work of 'theorising' such assessment remains just as important.

In light of these lessons, and the broader need for integration and reconciliation of the four categories of performance information outlined earlier, the key issue is how to develop an assessment framework that provides a holistic picture of whether integrity goals are being achieved. Obviously such a framework would benefit from being relatively simple, while not simplistic; and needs to be realistic in terms of the cost of assessment activities themselves.

The following recommendations encapsulate some key lessons from the Australian experience:

1. Empirical social-science employee surveys provide an invaluable counterpoint to formal reports of policy implementation on integrity issues, and should be institutionalised as a core implementation measure, regularly conducted across all public sectors. However there needs to be substantial integration of the different (positive and negative) conceptions of integrity driving different employee survey efforts, to provide a coherent picture of the relative performance of different integrity policies (leadership/personal, organisational/management and legal/enforcement).
2. As with any quality research, additional measures are needed to cross-check or validate the accuracy of information being received through public sector surveys (for example by using focus groups facilitated by independent researchers to confirm that respondents are not telling management what it wants to hear; and to investigate non-respondents).
3. To justify the expense of such in-depth ongoing evaluation, benchmarking needs to be undertaken into the relative costs of performance assessment and quality assurance regimes in other policy areas.
4. Substantial new research and policy development is needed in Australia to rationalise, standardise and expand the basic activity and efficiency measures applying to integrity bodies with predictable workloads (e.g. case-handling bodies). Standardisation is crucial before effective

comparative analysis (one of the simplest evaluative tools) can be used to judge the relative performance of like bodies, and promote the identification and transfer of best practice. Expansion is needed to identify meaningful qualitative performance indicators, where this is possible.

5. An in-depth comparative study is needed of the different types of information collected and/or used by parliamentary committees when evaluating integrity bodies, as one basis for constructing a more routine, politically acceptable framework (or sub-framework) of performance assessment. By regularising a framework based on this experience, integrity agencies and parliamentarians alike can develop a more consistent and potentially less volatile understanding of how integrity performance is to be evaluated from year-to-year. All major integrity bodies should have a designated parliamentary oversight committee.
6. Australian public sectors need to expand and systematise their search for substantive integrity 'outcomes' measures based on (a) empirical corruption and maladministration risk assessment, (b) the accessibility and confidence placed in integrity systems by citizens, and (c) cross-referencing of both these types of information. These efforts need to be substantially elevated in importance, much as employee surveys and public sector profiling have been developed over the past decade. As per recommendation 1, the necessary instruments and sampling strategies need to be designed holistically to more efficiently cover the different dimensions of integrity and varying roles of different integrity institutions.
7. A cross-jurisdictional review needs to be undertaken of the relative value and accuracy of independent, central agency and internally-run survey and research activities in order to determine the most cost-effective mix of external and internal evaluation activities. In general, agency-run integrity assessments are to be encouraged (if not positively required) but cannot substitute totally for central or external assessment activities.
8. The legislative framework governing integrity and anti-corruption measures in each jurisdiction needs to be updated to constitute a central coordinating mechanism, based on representation of all key integrity agencies together with parliamentary and community representation, with an express obligation (and resources) to develop and implement an ongoing evaluation strategy. These legislative provisions should require that each coordinating body confer with other coordinating bodies to identify consistent national and international benchmarks and methodologies, where possible, before implementing or updating its own evaluation strategy.

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VALUES TO BE PART OF THE DAILY JOB: THE FINNISH EXPERIENCE

by

Kirsi Äijälä

Senior Adviser, Legal Affairs, State Employer's Office, Ministry of Finance

EXECUTIVE SUMMARY

The common values basis for the Finnish state administration was redefined in a Decision in Principle On State Personnel Policy Line taken by the Finnish Government on 30 August 2001. The Decision states that the activity of the state administration is value-oriented and ethically high-calibre, which in Finland has traditionally been the case. In addition, Finland has been the least corrupt state in the last four years according to an international index assessing the perceived occurrence of corruption. The objective is to continue to maintain this high ethical standard in the future, which calls for values and ethics to be highlighted in practical work.

State administrations already operate on common principles and have an ethically strong policy in place. The idea is to strengthen that basis, all the while recognising that values are of no significance as mere words, but must be implemented in the form of practical activity, decisions and actions.

The task of the State Employer's Office is to influence the reinforcement of a common value basis and to promote turning the units' own values into practice. To help with that task, a Working Group calling itself "Values to be Part of the Daily Job" was set up in September 2002.

The Working Group concluded that incorporating value-steered activity and management into everyday work calls for a conscious investment in promoting the matter in numerous sub areas of personnel policy. Each unit must review its own process and thereby gain a common understanding of the practical significance of values in its work. The unit's values steer its activity and take precedence over the individual's values in conflicting situations. Once the values steer the activity and have been internalised, the activity can meet high ethical standards. Implementation of values also requires individuals to know what their role is in the work organisation and how they can implement the values in their own work.

Conclusions, proposals and policy recommendations of the Working Group

The Working Group's conclusions and proposals are divided into three parts with the headings:

- Values as a management tool.
- Values as a civil servant's ethical code.
- Monitoring implementation of values.

Values as a management tool

Implementing values in the activity means that they are used as a management tool. This calls for directors and managers to commit themselves solidly to activity in line with the values. The Working Group has gathered its proposals and conclusions into a list of measures. It presents the matters that are the minimum required for incorporating values into practical activity, to steer that activity.

- Definition of values means a value debate that gives all personnel an opportunity to participate and be heard. It also means designating the unit's values and assigning them a uniform significance in the unit's work.
- Values are incorporated into management by results. Values are involved in the control of the administrative sector comprehensively. The values of the ministry and the subordinate department are incorporated into their annual result discussions.
- Values and ethics are part of the development of management and personnel. The significance of the common values basis of the state administration and exercises and discussions relating to ethical procedures are core areas.
- Working atmosphere surveys are put to use. These provide information on management and the well-being of personnel at the time they are conducted. Questions relating to the implementation of values help in long-term monitoring.
- Values are included in personal annual result and development discussions. These discussions contain a section in which the official/employee and manager both assess each other's activity according to the values.
- Directors are assessed. The directors' example furthers implementation of values. Here, values can be linked to overall assessment.
- The department's values are taken into account when developing the departments' new remuneration systems. Applying the systems in practice helps foster activity in line with the department's values.
- Values are involved in the choice of personnel. The state administration's and the unit's own value basis are taken as one subject in the structured recruitment interview.
- Ethical problems are resolved. Discussion of the ethical issues that arise is open. The electronic discussion board, the group assisting management, and public relations are means of resolving ethical problems.
- Activity contrary to values is stopped. The significance of values is manifested in actions. Strengthening of values calls for behaviour in line with them to be fostered. Credibility requires activity contrary to values to be stopped as part of normal management and managers' work.

Values as a civil servant's ethical code

- Crystallising the unit's values and their practical significance into an ethics code fosters internalisation of values. One example of an ethics code is a map of rules with a brief description of the content of the value and a list of practical procedures describing how each value translates into practice.

Monitoring implementation of the values

- a) Responsibilities of a state bureau:

- Implementation of values is monitored in day-to-day work and individuals can provide their colleagues with feedback. The section on implementation of values in practice, to be attached to the annual report, strengthens monitoring. Various barometers as well as self-assessment of the quality system also act as monitoring tools.
- b) Responsibilities of the State Employer's Office as the central agency:
- The State Employer's Office's personnel policy barometer, addressed to the state agencies regularly, will include a question about monitoring implementation: "Is implementation of values be measured in a) managers' work and management, b) the work of all officials in your agency?"
 - The Working Group's final report, together with pilot annexes and a booklet containing the state administration's values and ethical principles, will be distributed to departments.
 - The results of the project will be presented at suitable fora in collaboration with the pilot groups. The State Employer's Office will assess the effectiveness of the project as regards the pilots and also more broadly.

VALUES AND ETHICS IN THE FINNISH STATE ADMINISTRATION

Introduction

This chapter examines the Finnish model for strengthening core values and retaining and promoting high standards of ethics in state administration. The Personnel Department of the Ministry of Finance, State Employer's Office, has actively worked toward these ends since the mid-1990s. The latest efforts in Finland have centred on practical issues, and especially on measures in human resource management. The goal is to find the best ways for making general values of state administration, as well as specified values of individual agencies, more real in the work and work-related activities of leadership, managers and other civil servants. There are many areas on which to concentrate; these are addressed below, along with new policy proposals.

While corruption prevention is not the main focus of the Finnish work on ethics, it is seen as an outcome of the process. Finland's situation is excellent to begin with: according to the three latest Corruption Perception Indexes in 2001, 2002 and 2003, published by Transparency International, the country had the lowest perceived corruption figures. The Index was first published in 1995. That year and the one following, Finland was ranked as the fourth least corrupt country; the next four years it was ranked as the second least corrupt. Strengthening values using personnel policy is expected to maintain this favourable situation.

Objectives and methods of the 1998 ethics project

The Ministry of Finance is responsible for promoting high ethical standards in Finland's state administration. In 1998 it set up a working group to seek ways of maintaining the high-quality level Finland had attained. Although generally speaking the country does not have problems in this area due to a number of factors, there could be a risk of decline. The Working Group's aim was also to present a comprehensive picture of the values on which Finnish civil service ethics are based, as well as central norms and principles in the state government.

The results of an ethics-based survey formed the basis for the working party's conclusions. Questions to do with civil servants were addressed to both managers and personnel representatives in the Finnish ministries and government agencies.

The work was not intended to cover all the ethical questions of the public sector, but was limited to the point of view of civil servants and authorities. Also, questions concerning political decision making and the related interface of civil servant drafting were excluded from the study. Nor did the report deal with ethics issues relating to the operations of state business enterprises or companies, or of anything other than central state administration.

Personnel policy and values

Legislation, and in particular the State Civil Servants' Act, contains provisions on ethical norms of conduct. A strong legal basis (as well as tradition) establishes principles for ensuring that authorities fulfil their tasks properly. The provisions are not, however, very detailed. Because of this, they may be interpreted in different ways and act as guidelines rather than strict orders on what specific actions are forbidden, etc. Concerning bribery, for example, there are no exact cost limits on the values of permissible gifts to civil servants.

In recent years, while the state personnel policy has been under reform, an explicit new approach to ethics has been adopted. The significance of ethical rules was clearly emphasised in the state's personnel strategy (approved in Autumn 1995), which provided guidelines and gave the agencies and institutions principles that could be used when drawing up personnel strategies applicable to their own units.

The strategy has been revised by the Government Decision in Principle of 30 August 2001, called "*On State Personnel Policy Line*". The new Decision contains a revised statement of values, now seen to be:

- Effectiveness.
- Quality and strong expertise.
- The service principle.
- Transparency.
- Trust.
- Equality.
- Impartiality.
- Independence.
- Responsibility.

Comparison with the traditional values, legislation and principles reveals two additions in the 1990s: effectiveness as well as quality and strong expertise .

In Finland the role of central personnel policy has grown in importance in clarifying basic values as well as in avoiding conflicts of interest in general. The government Decision states that in the midst of an increasingly global environment, the state administration's values are founded on democracy, rule of law and the Nordic welfare society. The aim of state personnel policy is to strengthen and draw on these basic values and a uniform operating culture. In the era of new staff entering the labour force in big cohorts and working communities growing increasingly diverse and multicultural, maintaining that culture depends on sharing common values.

Openness and transparency as a tradition

Openness is traditionally one of the basic principles of Finnish state administration and the Nordic administrative culture. The publicity principle, dating from the 1700s, requires open decision making and documents to be made available to the public. Only matters and documents that have been specifically prescribed as secret are to be kept confidential. The principle of transparency is included in the Constitution and other laws. Thus, unlike most other OECD member countries, Finland has a strong tradition of transparency. This is one of the main reasons for such a low rate of corruption.

Legislation has been developed to foster even greater openness. Public organisations need to ask themselves whether their operating culture is up to date in this aspect. The new administrative culture demands active ways of supplying information, for example to the media.

The legal basis

There is a **stable legal basis for high ethical standards** in the state government and a high degree of compliance with provisions. The actions and conduct of civil servants are primarily governed by the Constitution, the State Civil Servants' Act, the Administrative Procedure Act, the Act on Openness of

Government Activities, the Act on Equality between Women and Men and the Act on Public Procurement. The Penal Code provides for the criminal liability of civil servants and the employees of public corporations. The general principles of administrative law are also significant as ethical norms for guiding the daily actions of administration. The actions and liability of civil servants and the authorities are closely regulated by legislation. Judicial practice draws a strict line between legal and illegal actions in individual situations.

RESULTS OF THE 1998 SURVEY

The Ministry of Finance carried out a survey in 1998 under the direction of the Ethics Working Group. Approximately 170 agencies and institutions of the central state administration participated. The targets were the top management and personnel representatives in those organisations. A total of 650 answers were returned, of which about 27% were from heads of agencies, 44 % from other top management and 27 % from personnel representatives.

The reforms since the mid-1980s clearly show that ethics and values have assumed an increasingly key role. In an earlier survey, 85% of the agency executives considered values and ethical questions important from the point of view of the agency's operation.

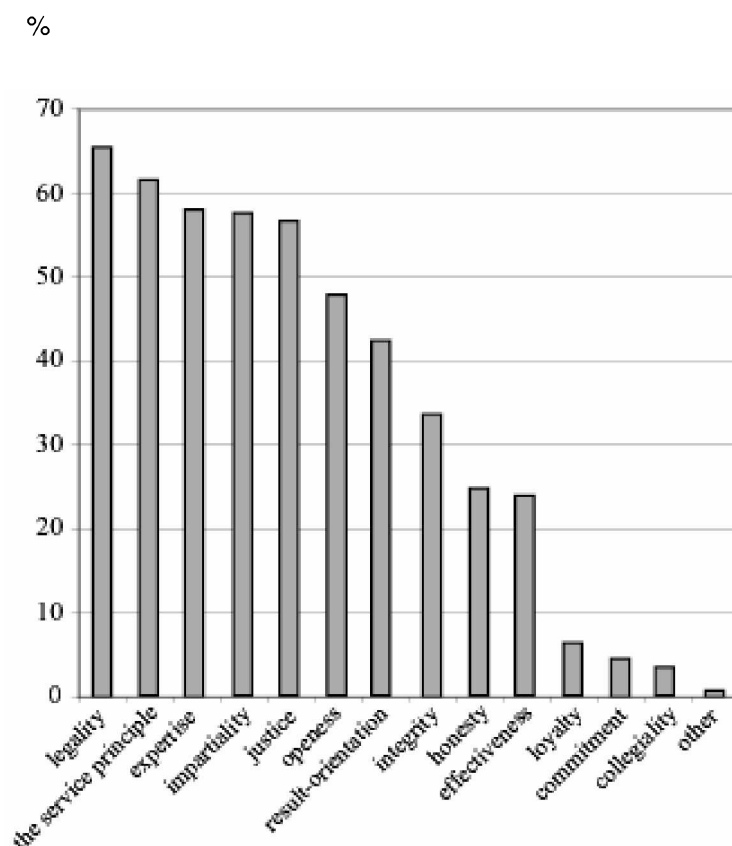
The 1998 survey focused on the following issues:

- Changes in the values of governance.
- Principles of civil service ethics.
- Unethical practices.
- Factors affecting civil service ethics.

What are the most important values?

The most important values in state administration according to the Finnish survey are listed in more detail in Figure 26. Over half of those who answered felt these were **legality** (65.5%), **service** (61.5%), **expertise** (58.1%), **impartiality** (57.5%) and **justice** (56.6%). Other values were openness (47.8%) result orientation (42.3%) and integrity, i.e. incorruptibility, (33.7%). The opinions of the management and the personnel representatives were very similar: the five most important values were the same, only listed in slightly different order (see Figure 26).

Those answering the questionnaire felt that their own agency's values did not greatly differ from the general values of state administration. The only distinctive feature was the fact that, instead of legality, expertise (82.1%) became the most important value. In the light of the collected documents, the values of different agencies could diverge significantly. One agency emphasises expertise, job satisfaction and awareness of quality and cost efficiency while another agency mentions result-orientation, international relations and initiative. The main factors uniting the agencies are **customer orientation**, **result orientation** and **openness**, which are presented as the most important values in nearly every other document. One in three documents underlined the importance of continuous development, the readiness for change, co-operation and expertise. Other values mentioned included quality consciousness, reliability, environmental protection and mutual respect. The values of the agencies are specific to their individual functions, supplementing the core civil service values.

Figure 26. The most important values in state administration

Source: Civil Service Ethics. Ministry of Finance, Working Papers 8/2000.

Values in practice

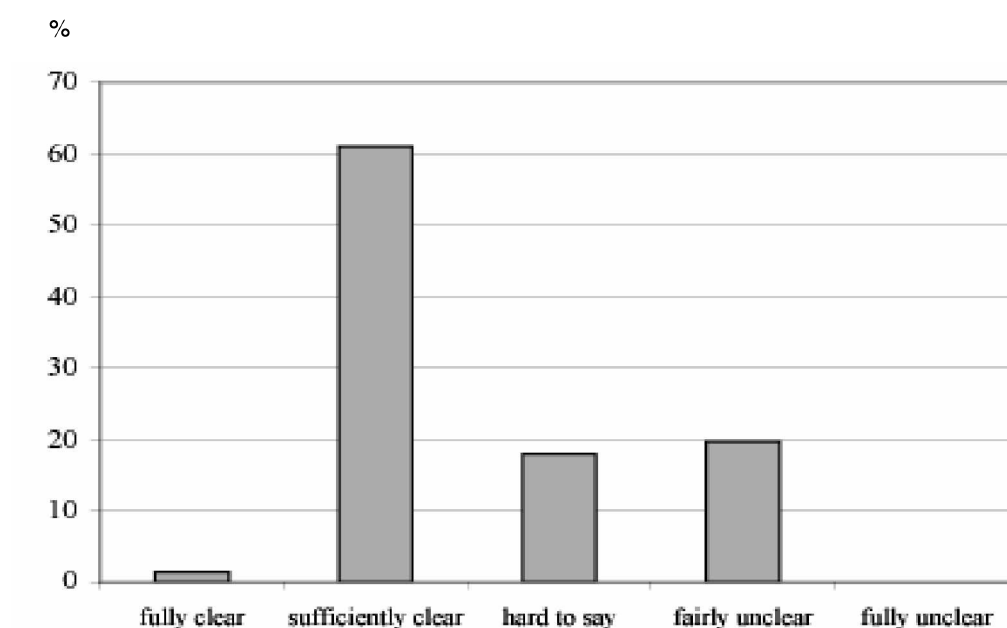
The majority of those who answered felt that the values of state administration and practical operations correlated fairly well (78.3%). In other words, it would appear that double standards (“Don’t do as I do, do as I say”) do not occur very often. Those who answered felt that value discussions are necessary (91.2%). According to the data, values are discussed more often among management (78.3%) than among personnel generally (48.5%). The most usual fora for value discussions were executive groups, co-operation bodies, various value seminars and personnel magazines. On the other hand, values are always present in discussions, if only implicitly, and the recognition of a discussion explicitly as a value discussion requires certain conceptual readiness. This is why the probability of recognising values or ethical sensitivity increases with the level of education (correspondingly the number of “hard to say” answers decreases). In this study the distortion caused by differences in education is slight, however, because as many as 91% of those who answered had academic degrees.

In terms of concrete action, the Ministry of Finance launched a project in September 2002 to provide practical models for determining values and their incorporation in the activities of agencies. The aim was to make the values common to the agency and part of their everyday activities. The project is described more in detail in the next section of this chapter.

The clarity of the principles of civil service ethics

The Finnish managers and personnel representatives were asked about the clarity of ethical principles. “Principles” means rules, rights and obligations based on values. How do civil servants judge the situation – are the principles clear? The majority of those who answered felt that the principles of civil service ethics are sufficiently clear (61.0%), but a significant number felt that they are fairly unclear (19.7%). None of those who answered felt that the rules were completely unclear. By combining the above-mentioned categories, the proportion of those who felt that the principles are clear (i.e. “sufficiently” or “fully”)] is 62.4% and the proportion of those who felt that they are fairly unclear or for whom it was hard to say is 37.6%. This is most likely due to the fact that the central principles of civil service ethics in fact cannot be defined clearly and unambiguously; they differ according to official status and administrative sectors.

Figure 27. How clear are ethical principles?



Source: Civil Service Ethics. Ministry of Finance, Working Papers 8/2000.

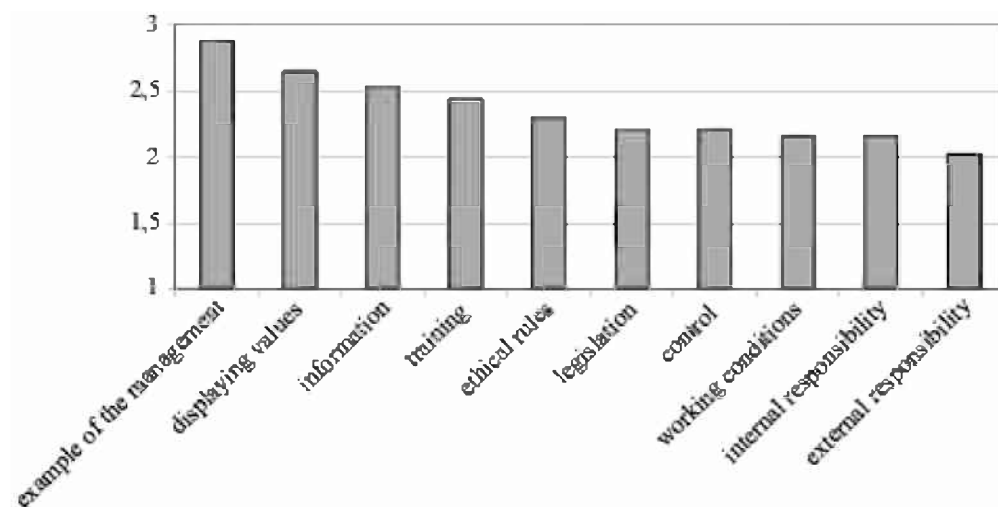
Two-thirds (67.5%) of those who answered estimated that ethical codes could be useful in Finland. Among those who felt that civil service ethics are unclear, rules were even more in demand: 75.4% felt that rules are necessary.

Factors affecting high standards of ethics

What are the most effective measures?

Finnish civil servants were asked what they considered the most effective measures in promoting high standards of ethics. The Working Group wanted to frame the question using the OECD-developed **Ethics Infrastructure**. The results are presented in Figure 31.

Figure 28. Effectiveness of measures promoting high ethical standards



(1 practically no effect, 2 slight effect, 3 strong effect)

Source: Civil Service Ethics. Ministry of Finance, Working Papers 8/2000.

The individual measure judged most effective was **1) the example of management** (2.9). Setting their own example, managers and leaders thus provide standards that in time will be adopted throughout the organisation. Another factor found to have a strong effect was **2) displaying values** (2.7). Factors with a slight effect were **3) information** (2.5), **4) training** (2.4) and **5) ethical rules** (2.3). The effect of legislation and other measures was found to be slighter. Legislation can and should be used to determine the minimum level of ethics in order to prevent abuse (*low road*), but it is difficult to use legislation to motivate and encourage people to behave in an ethically high-level way (*high road*). Internal (2.2, e.g. an audit) or external (2.0, e.g. inspections by the Parliamentary Ombudsman) mechanisms of responsibility were not deemed very significant. The significance of working conditions was also deemed to be of little importance (2.2).

VALUES AND ETHICS AS PART OF HUMAN RESOURCE MANAGEMENT

Focus on maintaining integrity-based state government

The Government Decision On State Personnel Policy Line (2001) introduced explicitly the need for values as the basis for the state's functioning. The Decision also outlines why it is important to keep high ethical standards. As a follow-up to changes in an operating environment that has become more demanding and complex, values and ethics should be emphasised in a new way and reflected in, *inter alia*, management and personnel policy. Skilled and motivated personnel are a prerequisite for successful, result-oriented agency activity.

The government considers it important for the state to be a model employer in purposefully implementing good personnel policy. Effectiveness and good service capacity in public management call for well-managed employer and personnel policy and competent, committed personnel. These elements in turn can lead to better productivity and national competitiveness. A virtuous circle is then formed, with competitiveness ensuring competent and committed personnel. The Decision points out the following:

- In jobs of a permanent nature, permanent contracts should be used instead of fixed-term service relationships.
- Putting a motivating pay system in place will call for reform of the entire management culture.
- Recruitment of new staff will be supported with systematic induction and trainee programmes.
- Communicating the state's new operating culture is essential.

Because of new demands faced by managers in the public sector, it has been necessary to encourage more professional approaches in public management and the creation of a new generation of managers. This includes systematic promotion of management recruitment, assessment, career planning and training. A comprehensive joint management strategy for the state administration was published in early 2003, and preparation of new legislation based on the strategy is under way.

The responsibility of the Finnish State Employer's Office is to ensure compliance with the guidelines of the **Government Decision**. The concrete actions include, *inter alia*, a project on values and how they are integrated as a real part of day-to-day work in state units.

Box 42. Facing the challenge of high staff turnover

According to the Finnish Government Decision On State Personnel Policy Line, organisations should engage in a real debate about values, and the consensus reached must be integrated into working practices and models. This includes ensuring that any ethical problems encountered by the civil service are solved and that the recognised high ethical standard of the Finnish civil service is maintained, even at times of high staff turnover. It has been estimated that nearly half of the present personnel is leaving because of natural attrition in 2001 – 2011. The forthcoming high turnover can be seen as a real challenge for maintaining uniform culture and values. As stated in the Decision: "*State personnel policy acknowledges that operating units are different, while recognising the need to build a uniform operating culture for the state administration. Individual operating units must be able to compete for labour on the terms of the surrounding environment, i.e. also amid regional divergence.*"

Values must not remain mere words. Much more important than words on paper is the meaning which the organisation gives them. They should form a concrete tool for management and leadership, for example in new pay systems that are being adopted in Finland. An ability to reach this target requires persistent and determined work. The values should be simple, clear in their interpretation, and remembered by everyone in order for them to become real.

THE “VALUES TO BE PART OF THE DAILY JOB” PROJECT

Introduction

In September 2002 the Ministry of Finance initiated a new project to find ways to integrate the values of state administration into the practical work of operational units. The Working Group appointed by the Ministry of Finance in 2002 called itself Values to be Part of the Daily Job. The idea was for the name to describe an objective in which values are not just “obligatory” things mentioned in speeches, but operating and behavioural methods implemented in the day-to-day work of the departments. The principal task of the Values to be Part of the Daily Job group was to select, through the units taking part in the project, practical application methods, i.e. good practices which other government units can use in their own value work.

The question concerning good working practices based on values is bi-dimensional. On the one hand it comprises the agency’s activities in relation to citizens and to its other external stakeholders, and on the other it concerns practices applied in internal activities and interaction within the agency itself. One purpose of the project was to obtain answers to the following questions, among others.

- How are the agency’s values defined and what are they?
- How does the staff participate in the definition of values?
- What is the impact of the example set by management, and how is that example taken into account?
- How is the realisation of the values assessed annually, both at the agency level and in the activities of individual civil servants?

The ideal outcome of the process would be a common idea of “our way” that is accepted and adopted by both management and staff.

Each of the five pilot agencies chosen by the Working Group carried out its own project in the course of the work and at the same time built a network for ethical dialogue. On the basis of those projects, the intention was to obtain practical working models, which other state agencies and operative units could apply in their own value-related activities.

The assumption was that when values steer the day-to-day activities and have been internalised, the activity also meets a high ethical standard. Implementation of values also requires individuals to be aware of what their role in the work organisation is and how they can implement values in their own work.

The strengthening of the value base and uniform operating culture signifies that government units have common operating principles and procedures and a strong ethical policy. Even though the activities of different units differ, they also have certain unifying factors at a theoretical level. This means that different government units form an entity, a government organisation, or – to use an expression from business life – a group.

The conclusions of the Values to be Part of the Daily Job Working Group do not reveal new areas or shortcuts for internalising values in practical activity. The conclusion in a nutshell is that incorporating value-steered activity and management into day-to-day work calls for conscious investment in promoting the matter in numerous sub areas of personnel policy, and in particular in management. Each organisation must go through its own process; a ready result cannot be bought anywhere, however attractive it may indeed be as an idea.

Box 43. Some basic concepts in the Finnish project

Value	A matter or goal that is regarded as important
Ethics	The principles for evaluating the correctness of actions
Morality	Commitment to certain values and principles
Professional ethics	The profession's own values and principles
Civil service ethics	The values and principles of civil servants and authorities

Methods, scope, expectations and procedures

The Ministry of Finance decided to make this endeavour a “pilot” project, in two senses. Pilots, or selected operational units, carried out their own work to see how they could improve implementation of values, and answered questions posed in the appointment letter. But the entire project was also a “pilot”, in that the findings regarding ways that values could be incorporated into action could ultimately serve as models, and thus be of great help to the state administration. Based on their answers and experiences, the Working Group drew its own conclusions and recommendations.

The main expectations focused on exactly that: the project offering state departments practical tools to embed values in work communities. (Even though state operational units have in general defined their own values, they do not direct operations in practice, and the personnel have not internalised them.) Expectations of the project were also linked to the fact that the shared operation culture of the state administration is attainable only through common basic values. Confirmation of the state's common values was also considered important, and ultimately proved not to be a problem.

Theoretical models were not sought; the goal was implementation, taking the practical issues into account so that the benefit would be as concrete as possible. The carefully elaborated idea was to produce tools for different kinds of state units in as simple a way as possible.

The pilots invited to the project were chosen mainly on the basis of their operational features, i.e. the extent to which they could benefit from concrete examples applicable in their day-to-day work. Because universities employ a quarter of the state's personnel and educate its future leaders, one of them was also chosen. One ministry was chosen as well, since ministries and the bureaus they guide each form their own branch of administration and each branch has different types of questions to answer. Thus the bureaus chosen for the project were National Bureau of Investigation (NBI) (the work started in one of its units and expanded to the whole bureau), the Employment and Economic Development Centre of Lapland (TE Centre), the University of Jyväskylä, the Criminal Sanctions Agency and the Ministry of Transport and Communications.

In addition to the Ministry of Finance, the Ministry of Trade and Industry and the Ministry of Justice, the bureaus of which acted as pilots, were represented, as well as the Finnish Road Administration, which had its guiding ministry as a pilot. Also, a representative of the National Board of Customs participated, because values have been put into practice there for several years and it was possible to share that practical experience. Apart from the representative from the pilot university, there were no representatives from the academic field in the Working Group.

The units chosen were in different stages of the value process at the time the project was launched, which was a beneficial starting point. NBI and Jyväskylä University had not yet started their processes, while the Criminal Sanctions Agency and the Ministry of Transport and Communications had defined their values a few years previously but had realised that some action should be taken to get their values to really work. The TE Centre of Lapland had freshly defined its values and had committed itself to a strategic goal for the year 2003 to put the values into practice.

The steps of the project

Project work was divided into two – that carried out independently by pilots, and the Values to be Part of the Daily Job Working Group's shared work. Pilots prepared their own plans, created a project group out of their own personnel, and made an intermediate / temporary report halfway through the project and a final report at the end of 2003.

The task of the project, led by the Ministry of Finance, was to create a network between the pilots and other members of the Working Group, to allow communication on questions related to the project's progress. In this way pilots had a chance, for example, to highlight some problems related to following through their own project, and to discuss them and exchange experiences with others doing similar work.

The Ministry of Finance did not support pilot projects financially. Instead, it organised two seminars during the project. The first, meant for pilot projects, offered instruction to help prepare for the practical implementation of values. In conjunction with that, a discussion for management was also organised. The seminar, which ran a total of 1.5 days, demonstrated the internalising of values with the help of practical tools. The situation and goals of bureaus were also discussed from management's point of view.

The second seminar, entitled Values and Management, was attended by the top management of the state administration in addition to project participants. The goal of the seminar was to reflect on practical situations that arise in state administration with regard to value choices. The goal was also to show how values can inform effective management tools. The leader of the all-day seminar was a professional work community trainer. The day was made up of practical exercises, discussions, and the introduction of pilots' work. About 80 managers who participated in the seminar gave very positive feedback. Managers also thought that the subject was up to date and useful for their own operational unit.

During the project the Working Group interviewed representatives from different organisations to learn how values had been put into action in, *inter alia*, the municipal administration of major cities and in private companies.

All the above-mentioned theory and information was utilised in the project report. The pilots also got useful material from the seminars to complete their own projects. Cross-sectoral discussions were especially helpful.

A collective final report of the project was drawn up based on the above-mentioned material and pilot reports. The project proposals were based on the experiences of participants and the general conversations of the Working Group.

Why are a values debate and common values required in state government?

The Decision On State Personnel Policy Line redefined the common values of the government (see Figure 29) as effectiveness, quality and strong expertise, service principle, openness, trust, equality, neutrality, independence and responsibility of the activity.

Figure 29. . Government values

Source: Government Decision in Principle on State Personnel Policy Line. 30.8.2001

The common base is extensive, and instead of values it may be more correct to speak of values and ethical principles. The significance of common values differs from the values of an individual unit, which are defined from the operational points of departure of each unit and as a result of joint discussion. The common values and principles of government are by nature general even though, for example, openness is the value chosen most often in the different units. Neutrality and independence are traditional objectives and principles set for the activity of government. Effectiveness, along with quality and strong expertise, has emerged alongside these as a new value of administration.

Would it be best for the values of the departments to be the same as the common values of government? The question is raised from time to time, and arguments can be made for and against. The conclusion of the Values to be Part of the Daily Job Working Group was that the departments can define their own values, as they have indeed done. However, they must ensure that the department's values do not conflict with the common values. If they did, the quality and credibility of government activities would suffer. On the other hand, there is no obstacle to the department using the common values in their own value processes. The objective is for each person working in government to be aware in future of the common-value base and of the practical significance of values. This is rendered more precise by the definition of the unit's own values, so that they support the common values and steer the unit's activity.

Why are values needed?

The debate over, definition of, and practical application of values lead to commonly approved values actually guiding the activity.

Figure 30. The significance of values

<p>IF VALUES ARE UNCLEAR:</p> <ul style="list-style-type: none"> • People do not know how to treat customers, personnel and interest groups • A "couldn't care less" mentality • All management methods and styles are accepted • The activity lacks permanence and continuity 	<p>GOOD VALUES:</p> <ul style="list-style-type: none"> • Create permanence • Define what is permitted and what is not permitted in the work organisation • Prioritise activity and decision-making at the "moment of truth" • Clarify matters which we value collectively • Contain the organisation's psychological history
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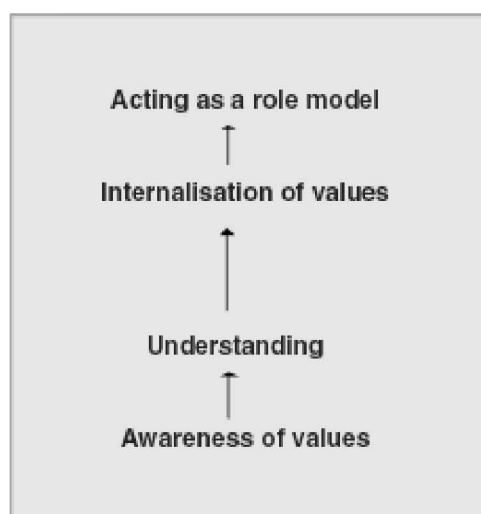
Source: VM Data

Defining values and putting them into practice are of varying benefit to a unit. Figure 30 shows the disadvantages when values are unclear and the benefits when good values steer the activity. The latter can be described more broadly:

- Values create common rules for the unit that establish security and predictability.
- Values help people choose the best possible approach in new or difficult situations.
- Values act as a real management tool and thereby support the work of management.
- Values which also work well in practice increase the welfare and job motivation of personnel.
- Care for people is emphasised.
- Values can also give a competitive edge when attracting new personnel or in order to keep existing personnel.

As a whole, the above factors help to improve the unit's productivity.

Figure 31. The four levels of values



Source: Talent Partners.

Defining values still does not guarantee that they will have an impact on practical work. Even if defined in concrete terms, values at that stage are still usually nothing but issues of which people are aware. The minimum objective ought to be for the values to be internalised by each employee, which means that they should not be thought about as entities apart but naturally steer behaviour. The “highest level” of internalisation of values is to be a role model, which means that values are assimilated to such an extent that individuals serve as an example to others and with their own behaviour guide others. Figure 31 illustrates the four levels of values – and the fact that there is still a long way to go from awareness and understanding to the internalisation of values.

Box 44. Values in the activity of the Finnish Customs

Creating a value process

A seminar on management values launched the process at the Finnish Customs in 1998. The seminar defined management's view on Customs' values, how Customs' values were to be ultimately defined and how they were to be incorporated into management and routine activity. It also considered the Customs' future plans, tried to clarify the link between values and management, and created a view and way of proceeding to the value process (draft workbook).

After this, four seminars took place and were attended by approximately 300 people chosen at random from different organisational levels and roles. In one two-day seminar, participants elaborated the form Customs' values should take in the workbook.

In the course of 1999, the entire personnel expressed an opinion on Customs' values with the aid of the workbook in two-day value seminars run by Customs' own value coaches.

At the beginning of 2000, Customs' internal value coaches elaborated Customs' values into their current form on the basis of feedback, and these were validated. The value item was incorporated that same year into Customs' **result** and development (i.e. performance) discussions.

In a personnel job satisfaction survey conducted in 2002 inquiries were first made into how Customs' values were implemented in practice. The survey contained four scaled questions on values describing Customs' professionalism, trustworthiness, service-mindedness and respect for the individual. The response scale of the questions was 1-5, with 5 the highest rating.

Results:

Professionalism	Trustworthiness	Service-mindedness	Respect for the individual
3.5	3.7	3.6	3.2

A personnel job satisfaction survey is carried out every other year. In addition, Customs regularly conducts customer satisfaction surveys. On the basis of the responses to the survey conducted in 2001, it can be determined that customer satisfaction has grown in all of the sub areas of the Customs' report compared to the 1996 and 1998 surveys.

The objectives of values

Customs' values are derived from a vision and mission related to the objectives of the activity. The purpose of values is to define uniform procedures at Customs and to steer management, procedures and conduct in all activities and at all organisational levels. They also act as an internal compass and an ethical backbone and foundation in routine decision-making.

Experiences

At Customs, values form part of resource and operational strategies. The foundation was laid through the solid commitment of management and superiors to activity in accordance with values as well as through personnel's participation in defining them.

At present, the significance of values is central in Customs' control system, management and routine decision making, and in its procedure.

Values are included as part of the operation control in Customs' management-by-results system, as result objective agreements. Management-by-results is complemented by Customs' balanced result card thinking, in which values are incorporated into management procedure at different organisational levels. In addition, self-assessment of the activity (in line with the guide of the European Foundation for Quality Management) gauges and evaluates how personnel and customers have been notified operationally of values, and the results of activity are gauged through the central performance and personnel results.

Customs' new remuneration system has been devised to reward activity and conduct that reflect values. In addition, activity in accordance with values is an aid to career advancement.

Values are incorporated into routine management by improving the personnel management skills of superiors through training, as well as by linking assessment and improvement of implementation of values to annual result and development discussions.

The responsibility of the entire personnel for values-led activity is stressed in recruitment, basic training and communication. Activity contrary to values is tackled immediately, and failure to abide by them in practice has also led to concrete supervisory consequences. However, the aim has been to move from external control to self-control by improving self-steering and the taking of responsibility through the management and feedback system.

Compliance with values will be manifested in the day-to-day work of Customs expected in future, in the form of an improved corporate spirit, helpfulness, trustworthiness and expertise. Through the values, Customs has sought to communicate its approach to its customers and stakeholders, as well as to sharpen its public image.

Blending values into routine work was project-related, an endeavour with a beginning and no end.

The significance of the organisational culture

Each organisation has its own culture, which evolves over time. Values are an essential element in this culture and have an impact on other aspects of the organisation.

Figure 32. The organisational culture is decisive



Source: Novelos

Figure 32 illustrates that visible activity and conduct are merely the tip of the iceberg in an organisational culture. Beneath the surface lies the base of the iceberg, formed by basic assumptions and

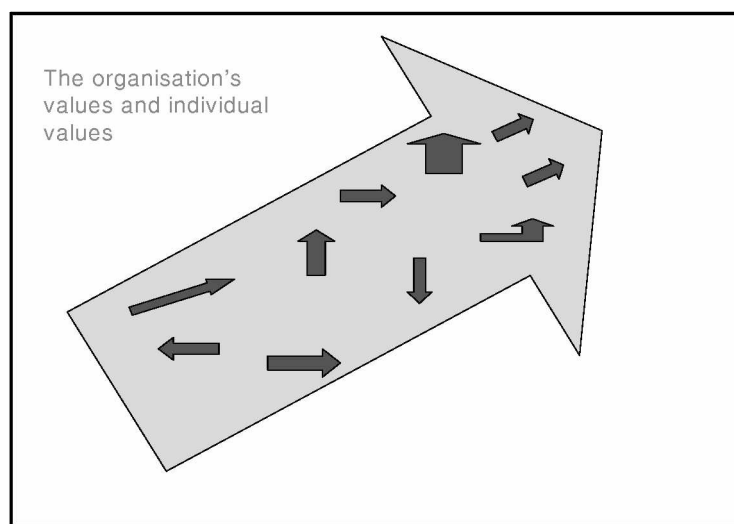
beliefs. Values, choices and attitudes are built on top of these but are left beneath the surface, out of sight. Nevertheless, everything that remains out of sight steers visible conduct. This means that what is central to the organisation is the type of base on which it is built and how its values guide visible activity. The real values debate also reaches the invisible part below the surface, the basic assumptions and beliefs in values. If the values debate relates only to visible activity and conduct, the foundation remains as before and real change does not take place.

The government's common value base creates a uniform operating culture, which unites government departments with different tasks, procedures and sizes. Within the sphere of the Government, the uniform culture strengthens ministries' ability to implement the Government's programme objectives.

The organisation's values and individual values

The work organisation abides by the organisation's values. Otherwise, the organisation's values could not contribute to steering the activity.

Figure 33. The relationship between organisation's values and individual values



Source: Novetos.

Figure 33 illustrates the relationship between the organisation's values and the individual's own values in the operational unit. The values of the unit, such as a government department, steer its activity. The individuals working in the unit have their own set of values, which they are entitled to regardless of the work in which they are involved. In the job organisation the point of departure is, however, that work is guided by the unit's values. The difference between the two sets of values can cause conflicts over choice of procedures or decisions. It is justified to discuss these within the organisation and look for a correct strategy. In Figure 33, the large arrow shows that the unit's values determine the organisation's policy and procedures, but the values of individuals (i.e. the small arrows in the figure) can be different. It should be evident outside the organisation, for example to customers, that the organisation has a common value base, implemented in all activities.

Values as the basis for an organisation's activity

The defining of values is part of the strategy work of an organisation. Mission, vision, strategy and values are the foundation of each organisation. The task of values is to steer the activity so that the other three factors can be implemented. Values are implemented as practical actions, in decisions relating to the

activity, in guiding the selection of choices in specific cases, etc. They are the unit's way of acting in order both to implement its own societal task and to safeguard the organisation's internal efficacy.

As emphasised earlier, values do not signify anything as words. They are of benefit only if they have a practical significance and content in both operational management and personnel management and conduct. It takes a long time to internalise values so that each person in the work organisation can perceive them as steering the operation. Purposeful and continuous discussion about implementation of values is necessary for the success of the entire process.

Box 45. Implementation of values in the Finnish Road Administration

The values of the Finnish Road Administration: societal responsibility, customer orientation, and expertise and co-operation were defined on the basis of a broad debate in 1998.

The values were one point of departure when, in 2001, the content of the Finnish Road Administration's new vision was elaborated: The needs of society as the point of departure, "We engage in co-operation for the benefit of the transport system, We are responsible as an expert for road maintenance and we create a challenging work organisation".

The vision process was also based on broad participation. It formed the basis for a reform of central strategies, and all major efforts were directed at their implementation. A considerable percentage of personnel has been involved in development work. Nonetheless, the job satisfaction study in 2002 and 2003 indicated that the level of adherence to the values and to the vision and strategies was clearly not satisfactory. At the beginning of 2004, a decision was taken on, *inter alia*, the following measures.

The success of all directors and process owners are to be gauged in 2004 by, among other criteria, how well they have been able to improve the measurable results of their own profit centre or process in the above areas of development. This calls for values to be highlighted and for people to act in accordance with them, and also at a personal level. Strategies have to be implemented in order to direct practical work and related decisions.

Ethical rules, with values as one basis, are being drawn up for the Finnish Road Administration. A discussion on these was launched at the beginning of 2004 in co-operation organs [organisations], at work places and on the Finnish Road Administration's intranet.

The experiences and practical procedures emerging from the value project can be used as an aid to development work.

How are values translated into procedures?

The translation of values into practical procedures calls for a debate covering the entire operating unit. Various tools for launching the debate and for perceiving the unit's general objectives have been developed. Each unit can choose the tools that seem most suitable for making its own work easier.

The ethical debate can be assisted by questions, the answers to which can lead to a definition of the unit's desired and forbidden areas, grey areas, and risk areas as regards ethics.

Making values part of practical work requires that operations be examined both at the level of the unit and at the level of the work of a single employee. Examination at the level of the organisation is an extremely important strategic action for setting the goal correctly and becoming aware of possible risk factors. For the purposes of this examination, a special model of ethical debate is developed (Example 3).

Box 46. The ethical debate model**Desired areas**

As an ethical work organisation we want to influence positively the following things:

Forbidden areas

Things we do not accept under any circumstances.

Things with regard to which we are particularly severe towards ourselves.

Things we demand from our partners.

Our own unit's grey areas, areas in which there are no clear guidelines, laws or directives:

Areas in which there is a conflict of interest.

Areas for which an ethical policy has not yet matured.

Areas in which generally accepted ethical norms have clearly been broken.

Areas in which the individual has exceptionally wide power for exercising discretion.

Areas in which different cultures, ways of thinking and traditions collide.

Risk areas as regards ethics

Our activity may involve the following risks.

The magnitude and consequences of the risk.

The risk will occur if... / unless....

Source : Novetos

Figure 34 contains a model of a table to be completed in an individual unit. It is an example of how questions relating to defining values can be analysed at the level of an operational unit. This is one way to illustrate the significance of values in work and to obtain common understanding. The definition is first elaborated for each value separately in small groups comprising representatives of the different units. Then the results are collated for a follow-up discussion involving the entire organisation.

Figure 34. A model on defining values in practice

	Values in practice		
	Value: _____		
	How can this value be seen outwardly?	What does it require of personnel?	What does it require of management?
Normal level= good present level			
Peak performance= future target level			

Source: Talent Partners.

Practical aids in decision-making situations could include different questions to test ideas and evaluate the strength of a solution from an ethical point of view in advance. Questions as a tool in ethical decision-making are handled in documentation relating to the topic.⁹⁹ A list of questions of the following type, for example, may help before a decision is made.

⁹⁹.

E.g. Tapio Aaltonen and Lari Junkkari: Yrityksen arvot & etiikka [The Values and Ethics of an Undertaking] p. 283-284.

Box 47. An ethical checklist of a decision maker

- *Have I considered all the facts and analysed the situation sufficiently?*
- *Have I listened to both my reason and my feelings?*
- *Have I discussed the matter with others and been presented with points of view different from my own?*
- *Have I given the decision enough time to mature?*
- *Have I considered the consequences of the decision sufficiently and does the decision fulfil the requirements of justice and impartiality?*
- *Is the decision transparent so that I can openly present its basis and the factors affecting it?*
- *Can I wake up feeling confident knowing that my decision will be discussed in the afternoon papers that day?*
- *Can I feel reasonably calm when I tell those involved about it?*
- *What is the combination of skill, expediency, imagination and courage that will help me to act in accordance with my own sense of justice?*

Source: Aaltonen-Junkkari.

POLICY RECOMMENDATIONS OF THE WORKING GROUP AND GOOD PRACTICES

This section contains the Working Group's proposals and policy recommendations for the necessary measures required for translating values into practical procedures. The measures come under three headings:

1. Values as a management tool.
2. Values as a civil servant's ethical code; and
3. Monitoring implementation of values.

Each of these is explained in detail below. The matter is illustrated with practical examples and good practices taken from the results of the pilots' work. Main points of good practices are highlighted in a summary at the end of the relevant section.

How did the above-mentioned policy recommendations develop? The goal of the Working Group was to discover the most practical ways possible to make the values part of the day-to-day job. When putting the values into practice, the role of management was rated as most significant in improving high-level ethics and also in the work of the previous ethics working group in 2000. The significance of management became stronger when values actually became part of the day-to-day job. The Working Group heard representatives of different organisations and analysed experiences about preconditions of success in value-working. It is clear that enhancement of value orientation and high-level ethics demand full commitment and outstanding example by management, both for the personnel of the organisation and for citizens or clients. It is also necessary that values be truly used as management tools. For this to work in practice, values should be taken into account extensively in different fields of personnel policy. It follows that **"Values as a management tool"** involves the most elaborate of the recommendations.

The second category, **"Values as a civil servant's ethical code"**, illustrates the meaning of values inside an organisation. The model presented was developed as a result of the pilot work and is a rule map. It is an example of how the results of an organisation's value discussion can be recorded so that the commonly agreed lines and rules are transparent to everyone. With the help of the model, the management's and personnel's commitment to the methods for implementing the values can be improved, as each member of the work community has the most important commonly agreed methods in written form. In practice, the implementation of rules does not directly require such a rule map, but the Working Group recommends building one in some form.

The third part of the proposals, **"Monitoring implementation of values"**, describes a necessary part of the ongoing values work. Only by constant observation can the organisation guarantee that the values will be adopted in all its operations. Policy recommendations are presented in detail below.

Values as a management tool

Defining values

The definition includes a value debate in which all personnel have an opportunity to take part and be heard. The debate benefits from the fact that appropriately trained individuals chosen from the work organisation steer the project ("value coaches", "value agents"). The visible involvement of the unit's senior management throughout the process is crucial for credibility. This means, *inter alia*, talking about the matter at information and training events arranged for personnel at all stages of the debate. Sufficient time needs to be set aside for the process: the value debate only yields a result once it has got people to participate and think about matters relating to their work.

It is recommended that an individual unit should have from three to five recorded values. If there is a very large number of values, people do not remember them, which weakens their effect in the organisation. In this sense, the common values and ethical principles of the Finnish state administration are a different case because they form not only the elements that steer the activity but also an ethical standard for all civil service activity. One could say that the emphasis here is on principles and attitudes more than on the operational side.

The content of the common values and ethical principles of government is described in a forthcoming State Employer's Office publication, which also contains the general rights and obligations of a civil servant and authority.

An essential part of defining values is that they gain a concrete significance relating to each person's work. The relationship to every employee's job is a prerequisite for a successful debate on values. As a result of the debates, a verbal description of the values may also be drawn up. The defining and description of the values is the first phase in applying them in practice.

Box 48 Defining values at the Lapland TE Centre

Five working groups (one of which was the management group) were set up at the Lapland TE Centre to draft the centre's values, visions and operating ideas. About 30 people took part in the working groups (out of a total of approximately 110 personnel). During the work phase, the values were also discussed at meetings of the working groups. To conclude this work, the values were presented to all personnel and were put on the intranet for all to see. The Lapland TE Centre's values are:

"1. Customer orientation

Our customers are the justification for our existence. We serve our customers expertly, individually, and in a friendly and polite way. Trust is a prerequisite for good co-operation. Our activity is transparent and developed continuously in accordance with feedback received from our customers. We focus on channelling our efforts into objectives by anticipating our customers' needs and our operating environment.

2. Effectiveness

We do the right things and focus on essentials. We plan and implement allocation of financing and development and training in an economically efficient and effective way. In both our internal and external activity, we aim for cost-effectiveness and optimum allocation of resources in order to develop our customer relations and area of activity in a sustained way. We obtain good results because our personnel are familiar with the TE Centre's objectives. By investing in the welfare of personnel, an encouraging work atmosphere and the development of expertise, we ensure an effective and successful operation.

3. Openness

Our external and internal communications are both open. Each person deals actively and on their own initiative with publicity relating to their work. We are open to new things and are prepared to try out alternative approaches. We value each other's opinions and continuous interaction across department, unit and hierarchical boundaries. We express openly our opinions, giving reasons, but nevertheless are committed to common objectives. Essential information on our activity is within the reach of each person simultaneously. We actively develop an internal discussion culture as well as giving and receiving feedback.

4. Trust and esteem for the individual

We commit ourselves to co-operation with stakeholders and customers as we have agreed with them. Co-operation both within the TE Centre and with stakeholders and customers is continuous and interactive. We earn the respect of our customers and partners through our expertise and our activity, which is impartial and trustworthy and takes the customers into account.

At the Lapland TE Centre, the individual and his or her contribution are important. We want and are able to achieve both the TE Centre's and our own objectives. Our expertise is trusted and we put our competence to active use. We are keen to learn new things and each individual bears responsibility for his or her own professional development. The learning and development of personnel are valued. We invest in our competence and create prerequisites for it. We accept difference and foster through our own attitude and behaviour a good work atmosphere.

The implementation of values as procedures of the work organisation and their significance to customers and partners can be illustrated by describing the content of values from these viewpoints.

When the value process is launched, it is useful to share experiences with other units. Common value seminars with a few units can help the work in its various phases.

For example, the significance of values in practical management work is a subject in which debate that transcends unit boundaries is useful. On 2 September 2003, the State Employer's Office held a meeting on values and management for senior government management. Participants found it relevant to their own strategy work.

To illustrate the values, a form was tested as a working tool. The form will be completed during the value debate of the organisation. Practice has proved that a good way to work is to have the personnel first discuss the questions in small groups. Based on these conversations, a larger discussion is held and as a result, the organisation has a common view about the meaning of each value in the organisation's operations.

Each value is being viewed from two points of view: first, how our organisation proceeds in implementing the values in practice and second, the practical meaning of each value for customers and partners in co-operation. Together agreed meanings are written in the form, which can be changed if needed and used also as a follow-up in the future.

Table 19. The manifestation of values in the activity of the Lapland TE Centre

VALUE	How do we proceed at the Lapland TE Centre?	Significance to customers and partners
Customer orientation	<ul style="list-style-type: none"> • Those who need services are the customers common to us all. • We look for solutions to the customer's needs. • Our service is friendly and expert. 	<ul style="list-style-type: none"> • Our service product is known in the right target groups. • The availability of our services in the province is good and our personnel can be reached. • We find solutions and produce added value for customers. • The TE Centre is a strategic partner in the co-operation network.
Effectiveness	<ul style="list-style-type: none"> • We recognise our processes and act efficiently. • We work in the management and project group efficiently. • The TE Centre has a common strategy. • We allocate resources in accordance with the strategy. • Our activity is according to result objectives. 	<ul style="list-style-type: none"> • We influence the creation of new jobs and the preservation of existing ones. • We develop a viable countryside. • We help businesses to succeed. • We raise the level of expertise of the work force and reduce periods of unemployment.
Openness	<ul style="list-style-type: none"> • Essential information on the activity is available to all. • Personnel can influence decision before decision-making. • The entire personnel promote mutual interaction. 	<ul style="list-style-type: none"> • We raise the level of expertise of the work force and reduce periods of unemployment. • We communicate actively our operation and result.
Trust	<ul style="list-style-type: none"> • We adhere to common agreements and procedures. 	<ul style="list-style-type: none"> • Our activity is anticipatory. • We maintain a high level of data security.
Respect for individual	<ul style="list-style-type: none"> • We recognise internal customer relationships and make use of expertise. • We respect others' difference. • We support professional growth. • We deal with welfare at work. 	<ul style="list-style-type: none"> • We respect the opinions of the customer and partner.

The following good practices can be summarised from the results of the pilot project work, as the essential factors in the defining of values:

- The progress of the value process should be planned carefully in advance.
- All personnel are to be given an opportunity to take part in the value process.
- In the larger units in particular, it is recommended that the work be started from a single unit (pilot unit), which begins the process. The process is then extended to the organisation as a whole. This allows the method to be tested and corrections to be made before all personnel are involved.
- Creating a workbook has proved a useful aid to carry out the process.
- Value coaches chosen from the organisation can promote the work in large units in particular.
- The value debate should focus on essentials and be as practically oriented as possible. It is important in the debate for all individuals to feel that it concerns their individual work.
- Publicity is worth investing in so that it is clear to everyone beforehand what is being discussed and what the purpose of the process is.
- It is good to remember that values exist in each organisation even if they have not actually been named in the organisation. It is only through the elaboration of common values that these are put to common use.

One important question in the value process is how personnel take part in defining values. The following practices were identified as recommendations. It is a good idea to hold the value debate in the department in such a way that the largest possible number of civil servants and employees have an opportunity to take part. This ensures that all personnel can feel that the matter relates to them personally. The term *values discussion* can be explained as discussions about everyone's own work, which makes such discussion interesting for all staff.

- In practice, personnel can take part in defining values – for example, by holding value discussions in small groups, with a suitable number of representatives from the different sections/units. At the same time, they can consider the effectiveness of values in the work organisation.
- Ensuring adequate publicity is one of the prerequisites for success, and it must be worked on at all stages of the process.

Box 49. The value debate at the university

In a large organisation (e.g. a university), the debate should also be decentralised for each section/unit to consider internally the value base of the entire organisation and to communicate it to its own section/unit. As an open forum, an electronic network provides each civil servant and employee with an opportunity to take part in the discussion, to express his or her views and priorities with regard to the organisation's values and to give feedback on proposals. If necessary, discussion of this kind can be directed and based on themes. The units' written feedback or statement procedure summarises the discussion for defining the common values.

Values are incorporated into result steering

Value-orientation as the goal of the activity includes the objective of involving values in the control of the administrative sector as a whole. Otherwise, the values guiding the activity of an individual department

may continue to lack significance. The values of the ministry must be compatible with those of the department under its control.

It is recommended that the values of the ministry and the departments in its administrative sector be included in the annual result discussions. The discussions examine the department's objectives and results from the standpoint of the implementation of the ministry's values and the department's own values. If there are unresolved issues associated with their application or reconciliation, these are examined in the discussions in order to find a solution. The objective is for there to be common policies on matters at the different levels of administration.

How is the strengthening of ethics fostered in the relationship between a ministry and a department subordinate to it? In result talks between a ministry and department, it is a good idea to discuss implementation of government's common values and the organisation's own values. For example, in the TE Centre's result plans, values are presented at the start of the document in connection with the vision and strategy. Their visibility in result objectives is also assessed in a discussion with the steering ministries. The ministry can support the strengthening of ethics whenever the department's values form part of management-by-results and they can be discussed jointly. Previously, activity of an ethically high standard had been supported afterwards through monitoring. The department's and ministry's value discussion can influence these issues in advance. In result talks, greater effort is needed to ensure that result objectives are set in accordance with jointly approved values.

For example, the Ministry of Justice has launched a project to draw up a personnel strategy for the judicial administration. Its objectives include devising common strategies for personnel management in the entire administrative sector; the values of the judicial administration also feature in this work.

How are government's common values manifested when a department's values are put into practice? In the project it was agreed that government's common values are principles that are followed in all activities. The point of departure is that the department's own values are included in the common values and must not under any circumstances conflict with them. However, the department's values can be emphasised and rendered in different ways. It is important for them to be understood uniformly in the unit. It is a good idea for the common values to be included alongside the department's own values in development discussions.

Values and ethics are part of management and personnel development

The value debate is continuous and does not end when the values have first been defined. Values are assimilated and internalised as procedures evolve to correspond to the values. Testing takes place in practical work as each person can raise a question about procedures or conduct according to the values, and the topic becomes the subject of general debate.

Values and ethics have not figured very much in the government's general training of senior officials and management. The Values to be Part of the Daily Job Working Group proposes that values and ethics be incorporated into all management training in future. Different training events will call for different types of preparation. For example, the Working Group feels the following content and methods are worth trying:

- An introduction to the common values of the government's personnel policy.
- The concepts of civil service ethics and its central significance in official activity.
- Values in a unit's strategy work.
- Guided discussion

- on the significance of the common values of government from the unit's standpoint.
- on the content and significance of the unit's own values, i.e. their translation into procedures.
- Exercises. For example, the task includes a problem which a civil servant in the target group to be trained may face. An individual exercise and small group discussion are used to select the procedure to which one would commit oneself in that situation. Personal choices are justified in small groups and the various choices are discussed.

The debate on values needs to be linked to all training of senior officials, so that each official thinks about these issues repeatedly as he or she takes part in the courses. Values training focuses mostly on ethical deliberation relating to the individual's own work. The task arrangements may vary, but the core content takes into consideration the significance of values.

The Working Group recommends not only training for management and senior officials but also the incorporation of values and ethics into all personnel training. The basic topics in the training are:

- The main features and demands of a civil servant's position.
- Familiarisation of all civil servants at the beginning of the service relationship.
- The common values of government and the significance of the unit's values in work.

As with senior officials, the main emphasis in training on values and ethics should be on discussions led by the various tasks.

Making use of work atmosphere measurements

Work atmosphere measurements provide information on the management of the unit and on the welfare of personnel. However, by themselves they will not suffice as gauges because the results may vary considerably depending on the specific agenda topics on the response date. Questions relating to the implementation of values in a work atmosphere measurement can be in both the section on management and a separate section devoted solely to values. The results of a work atmosphere measurement are a long-term monitoring tool. Their credibility in the work organisation calls for responses to the results and for changes to be made if necessary.

Examples of questions:

- Does the senior official treat personnel impartially?
- Does the senior official act justly?
- Does the senior official him- or herself act in the way that is required in the organisation?

Values are included in result and development discussions

Once the values have been defined, they are included in the annual result and development (performance) discussions between the superior and personnel. Both parties assess how the values have been implemented in practical work. If they have not been implemented in the desired way, the parties discuss how to proceed in the next period. Openness is called for if the discussion is to serve as a guidance tool.

Box 1.

Box 50. The Lapland TE Centre's result and development discussion form

TE CENTRE	RESULT AND DEVELOPMENT DISCUSSION FORM
Confidential	
Name of person _____	
Department/section/unit _____	
Assessor/closest superior _____	
Date of preceding result and development discussion _____	
The values of the public sector are: efficacy of the activity quality and strong expertise the service principle trust equality impartiality independence responsibility	
THE VALUES OF LAPLAND TE CENTRE AND THEIR VISIBILITY IN THE WORK OF THE SECTION/UNIT, WORKING GROUP AND ITS MEMBERS	
Consider together how the values of Lapland TE Centre described below are manifested in practice How are the values manifested in the work of the individual employee, superior or working group? The discussion may bring up common, clear and concrete proposals for improvement. These are also recorded in the space set aside for these.	
CUSTOMER ORIENTATION Examples of manifestation of values in practice/common and clear proposals for improvements that have been brought up in discussions:	
EFFECTIVENESS Examples of manifestation of values in practice/common and clear proposals for improvements that have been brought up in discussions:	
OPENNESS Examples of manifestation of values in practice/common and clear proposals for improvements that have been brought up in discussions:	
TRUST AND RESPECT FOR THE INDIVIDUAL Examples of manifestation of values in practice/common and clear proposals for improvements that have been brought up in discussions:	
Do you want to add another value which you consider is missing from Lapland TE Centre's values?	

Managers act as examples and management is assessed

Managers and senior officials have a responsibility for setting an example by their own behaviour. The managers thereby serve as examples to personnel in the internalisation of values. Senior officials set an example for the impact values have on everyday work. If the senior official fails to comply with the values, he or she cannot credibly require others to comply with them.

The State Employer's Office is currently engaged in developing management in government. This work is based on the proposals of a working group led by Chief Secretary Sirkka Hautojärvi.¹⁰⁰ Assessment of management forms part of this development work, and implementation of values in a manager's work can be linked to overall assessment. In that case, the result of the assessment would be affected at least by the feedback provided by the manager's superior and subordinates, and assessment by stakeholders and peers provides even more wide-ranging feedback. Assessment of managers in a result and development discussion works in the same way as with other personnel.

How does the example of directors exert an influence and how is it taken into account? The experiences in the project emphasised the fact that management's dedicated support is necessary in all stages of the process, above all managers must demonstrate their strong commitment to implementing values. Management also plays a key role in putting agreed values into practice. The following points were summarised as good practices:

- The translation of values into practical procedures requires them to be included in management group work.
- Senior officials must act in an exemplary fashion and conduct themselves in accordance with the organisation's values in all situations.
- Senior officials also set an example by tackling an activity that is not in line with values and by making decisions regarding that activity.
- The new remuneration system provides an opportunity to take values into consideration as part of the work of a manager.

The new remuneration systems

The objective is for the new remuneration systems based on the demands of the task and on personal work performance and competence to be introduced comprehensively in the Finnish state sector by the end of 2004.

The bases for the new remuneration systems include support for successful activity and management in the departments, just remuneration, and impartial treatment of personnel. The new remuneration systems thereby include from the outset a value viewpoint largely in line with the state's value base.

When new remuneration systems are introduced in a department, the department's values are also taken into account. This means that the systems of assessing the demands of tasks and personal work performance and competence cannot be contrary to the department's values. Development work is carried out jointly by management and personnel, which also aids commitment to the common values.

¹⁰⁰

Ammattimaiseen johtamiseen valtionhallinnossa. Johdon kehittämisen strategia 2002-2012 (Towards professional management in government. Management development strategy 2002-2012). Ministry of Finance working group reports 1/2003.

Practical application of the new remuneration systems fosters activity according to the department's values. A new remuneration system is a concrete management tool and presents the work of senior officials with new challenges. Management should ensure that the system is trusted, that people are familiar with its bases and that it is applied in the same way throughout the department. Result and development discussions between a manager and personnel are a central means of applying the system in practice. Sometimes, the department's values may in some respects also be in line with the criteria for assessing the demands of tasks, personal work performance and competence in the new remuneration system – for example, co-operation as a performance criterion and value. In this case, values-based activity also affects pay as an assessment criterion included within the remuneration system.

The new remuneration system should be applied in accordance with the agreed criteria. This calls for the efficacy of the system to be monitored continuously. As the bases of the system are known to all, all levels of the organisation can react to the efficacy of the system.

A merit pay system also improves the department's results and acts as a tool for developing the department. When implemented correctly, it improves management and co-operation and encourages better performance from personnel. As the merit pay system encourages the department to work for a common goal, it fosters the inclusion of common values in the department's procedures.

The role of values in the choice of personnel

The significance of the interview in the choice of personnel cannot be overemphasised. An interview provides the recruiter with an opportunity to obtain information on the applicant's reasons for applying for the job. The State Employer's Office recommends use of what is termed a structured interview, which means that all candidates are asked the same questions so that the responses can be compared. This yields information for assessing how applicants perceive the job they are applying for and what skills they possess for the job.

The Working Group considered that the government's common value base and the unit's own values should also be discussed in the interview and suitability assessment. The person's own values cannot differ from with the organisation's to such an extent that work in line with the organisation's objectives would result in continuous conflict.

Correspondingly, values should be involved when selecting students for training required for a post. This is the procedure, for example, when selecting students to take the Vocational Qualification in the Prison Service at the Prison Administration Training Centre. Holders of the vocational qualification are recruited as guards in the Prison Service, and so the attitude of training applicants towards the sector's values is determined during a selection test.

Solving ethical problems

Incorporating values into everyday life requires each person to be entitled to raise questions about and discuss these issues. Informal discussions help people think about the real content of values – for example, when making difficult decisions. Discussion is also important when deciding on the correct procedure in the face of two conflicting values. Which value should prevail in the decision?

Discussions are an important step towards solving ethical problems. In addition to informal discussions, the organisation can create its own forum for seeking solutions to practical problems. Tools to this end can include:

- An electronic chat forum, for open discussion of problems raised by anyone and/or for responses from designated individuals responsible for ethics.
- A group assisting management that resolves and formulates policies on issues arising within the work organisation.

Dealing with activity contrary to values

Values are manifested as actions. If a unit allows activity or behaviour contrary to values, the values are not real and lose their significance. If the aim is to keep values in place, compliance must be promoted. If someone behaves contrary to the values or acts, for example, in policy issues contrary to the common interest, management must deal with the matter at least by talking to the person in question. Repeated activity that violates values can call for stronger reactions provided that the procedure in line with the values is known.

Defining values and putting them into practice make it easier to tackle negative phenomena. This is due to the fact that during the process, the entire work organisation has had an influence and has become aware of the limits placed on activity and behaviour in a service relationship. The reaction to activity contrary to values is then known beforehand, and does not come as a surprise. This provides personnel managers with a practical tool.

Box 51. The significance of values in agencies

The National Bureau of Investigation (NBI)

Once common agreement has been reached on values, each person is responsible for acting in accordance with them. If it is agreed, for example, that quality and trustworthiness are values of the National Bureau of Investigation, each person must manifest them in his or her activity, both in relation to the customers and stakeholders and in relation to other members of the work organisation. A value is not something that is implemented only during office hours or only in relation to a superior, or only in some tasks and not in others. The agreed values ought to steer the activity comprehensively. Internal trust is fostered by discussing typical situations in which the boundary between right and wrong is not constant. The objective is to learn to recognise these kinds of value pain spots relating to one's own job profile.

The Prison Service

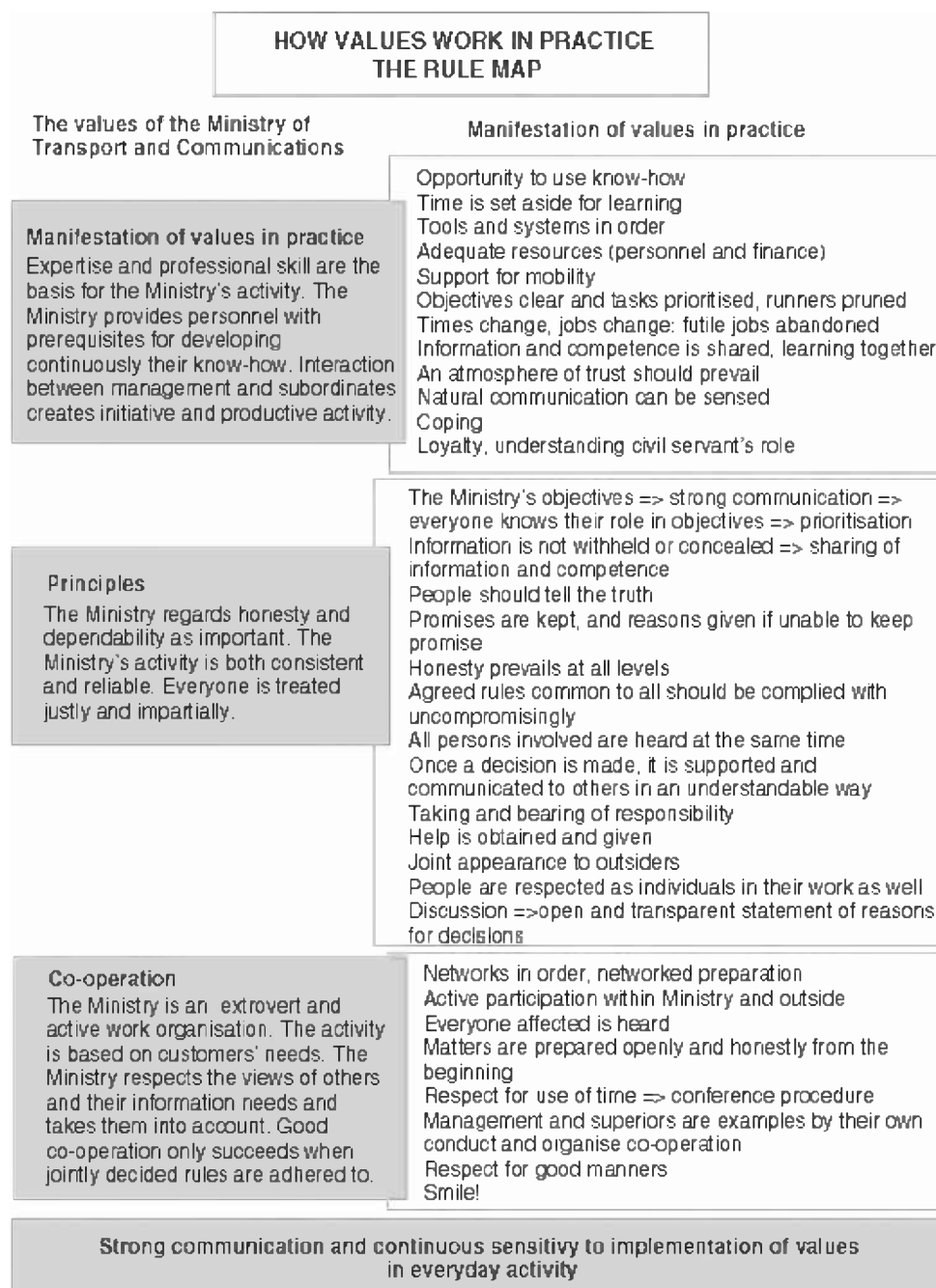
Civil servants in the Prison Service have been required, owing to the nature of their tasks, to be of an emphatically high morality and conduct, in their leisure time as well as on the job. Failure to comply with this has been dealt with in accordance with legislation on civil servants. At the Probation Service, staff only became civil servants just over two years ago. As civil servants, they have been provided with related training in the drafting phase of organisational reform and during the current organisation. Due to the nature of the tasks, particular attention should continue to be paid to the morality and ethical conduct of civil servants, and in this connection the sector's values are an essential factor.

Values as a civil servant's ethical code

Apart from the fact that values function as a management tool, it is important to get them internalised by the management as well as by all personnel. This goal is reached partly through management, e.g. in performance discussions. To create as extensive an impression as possible and to facilitate common understanding of values, they can be illustrated with the help of a rule map, which can complement the above-mentioned management elements.

The Ministry of Transport and Communication's rule map, created as a result of Values to be Part of the Daily Job, is an example of a tool through which internalising of the values among all personnel can be improved. How Values Work in Practice is a rule map containing the Ministry's values, a description of the content of each value and its manifestation in practice (Figure 35).

Figure 35. The rule map



The objective of the Ministry of Transport and Communications' project is to implant values in such a way that they **strengthen the Ministry's procedures in support of co-operation** and reinforce mutual respect and trust and openness in the entire Ministry. The objective is also for the practical implanting of values to be manifested in the form of a growth in job satisfaction. Implanting of values here refers to internalisation of values, their manifestation in decision making, and proceeding as agreed.

People within a department need to be notified of values and their content as effectively as possible. These can be placed, for example, on internal web pages. They should also be publicised on external web

pages and otherwise, so that citizens, customers and other stakeholders know what the unit's values are and how they are manifested in the activity.

How are good procedures meeting high ethical standards created, so that each civil servant can internalise them? After the unit's own values have been confirmed, the objective is for the values to be made an essential and everyday part of routine work. In practice, this includes the following sub areas:

- Values are on the agenda in result objectives, result and development (performance) discussions and all other activity by managers.
- That values are in place and reflected in everyday work activity is confirmed by incorporating them systematically into training of managers and personnel.
- Effective internal monitoring fosters activity in line with a civil servant's ethical code, even though the main emphasis is on guiding people towards good procedure through internalisation of values.
- Discussion of guidelines and rules in co-operation organisations promotes internalisation of values and monitoring of activity in line with them.
- Values are described so that they express the procedure both in the unit's core tasks and as a work organisation - "our way of doing things".
- The results of the values debate can also be recorded as a "ethics code".
- The units engage in a continuous values debate, in which the content and significance of values are considered and repeatedly given prominence.

Monitoring implementation of values

The third recommendation of the Working Group, follow-up of the values, is as important as the two previous ones and an essential part of taking values into action. Focused work for implementing values in activity presumes that implementation is being followed regularly. If there is lack of internalising and appearance of values, follow-up makes it possible to intervene and improve the situation.

The Working Group recommended monitoring at two levels: **each individual bureau** as an operational unit, and the **State Employer's Office** as a central organisation. Continuous monitoring should be performed at both levels for wide coverage in the state administration.

Responsibilities of a state bureau

Implementation of values can be monitored with the aid of different metres, and as a matter of course in the daily **work**. This means that each member of the work organisation can give feedback to his or her colleagues and also ask questions about whether a given procedure is in line with the values. Values can also be used in improving and monitoring the quality of the activity.

Proper metres for following the implementation of values include **personnel job satisfaction and managers' barometers** in which the same questions are asked at regular intervals. The results of the barometer can be analysed at joint meetings for all personnel and at result and development (performance) discussions between the unit's manager and his or her immediate subordinates. These barometers also function as management tools. Their credibility depends on management taking actions against the disadvantages, solving problems in the organisation which have been reported and trying to improve the situation with any available help. In Finland there are examples of bureaus whose job satisfaction barometer results have improved since the value process was started and management committed itself to

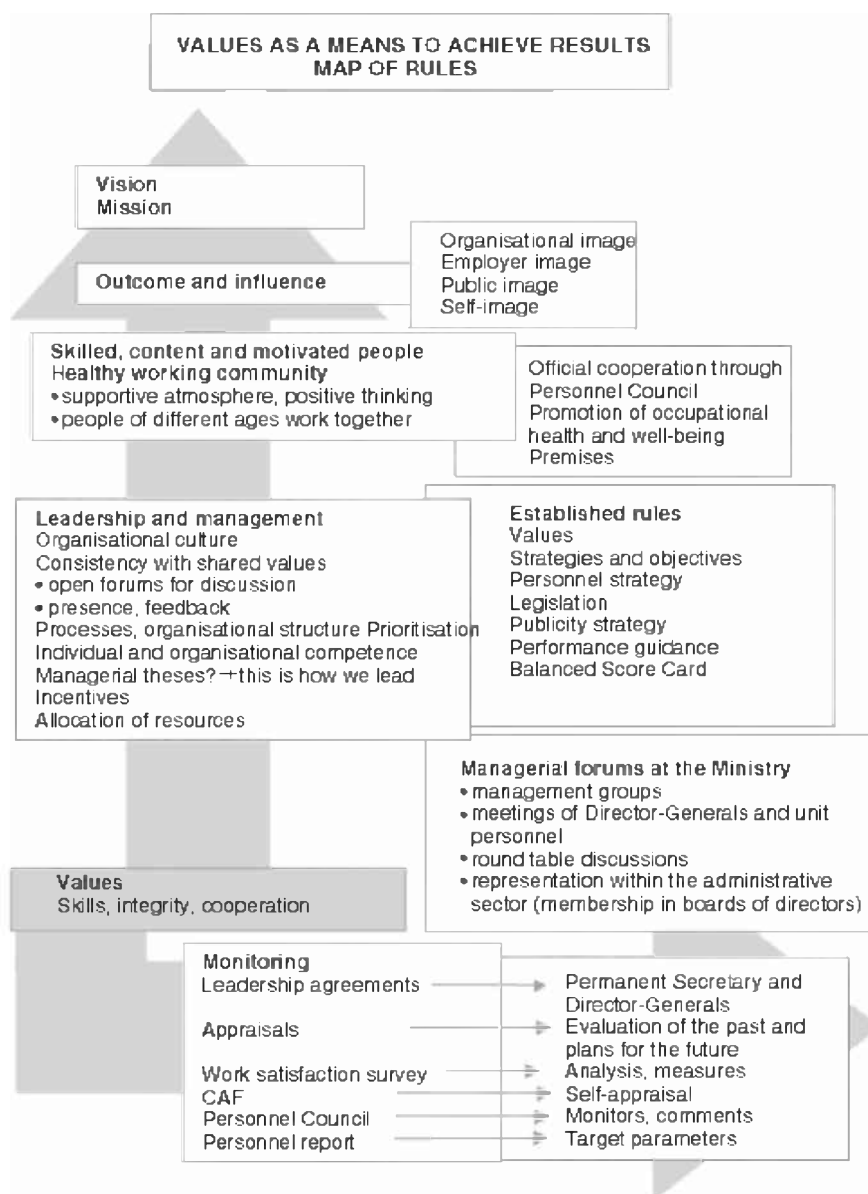
implementing values (e.g. Customs). The following examples show the variety of methods used in the monitoring process to provide feedback on developments:

- At the level of the operating unit, monitoring can be conducted using **self-assessment** according to the quality manuals.
- **Customer satisfaction** with the activity can be gauged by quality feedback **surveys** at regular intervals.
- The reports of **the State Audit Office and auditors** act as a guide. Procedures can if necessary be altered to correspond more closely to the values and ethical principles.

Monitoring of values is rendered more forceful if **the annual report** includes a reference to how values-led activity has been furthered during the year and how successful it has been.

An example of a practical way of monitoring is the **map of the value process**, developed in the project. This process map is a tool enabling personnel to monitor how values are implemented and to tackle any defects they observe.

Figure 36. Map of the value process



How implementation of values is assessed annually at organisational level and in the activity of an individual civil servant

The value process includes regular assessment of value implementation. The effectiveness and implementation of agreed values can be fostered by the following activities:

- Values are taken into account in management group work and its decision making.
- The unit's personnel policy is built upon the values.
- The values and their practical implementation are publicised. For example, the annual report and internal web pages serve as information channels.
- The values are incorporated into the personnel selection procedure.
- The values are taken into account when assessing the conduct required by the Act on civil servants.
- An item on values is included in result and development discussions.
- At organisational level, implementation can be monitored – for example, by the self-assessment of the EFQM quality manuals and by quality feedback surveys targeted at customers. Procedures and processes are altered if necessary so that they will in future comply with the values and ethical norms.
- The values are discussed in the department's internal management training and in assessment of management.
- Values are emphasised in result planning and quality work.
- The effect of activity or conduct contrary to the values and the unit's attitude towards it are investigated.
- The personnel barometer survey can also be used for assessing the activity of immediate superiors and the unit's manager. The values are discussed, for example when employees are not satisfied with performance of superiors, to assess the impartiality and fairness of superiors towards their subordinates as well as the good model provided by their own example of how to proceed in the unit.

Responsibilities of the State Employer's Office

The State Employer's Office monitors implementation of values in the state administration as a whole. The Working Group recommended that the following actions be taken:

- The State Employer's Office's personnel policy barometer is an assessment tool and regularly addressed to state agencies. The proposal is that it will include a question about monitoring of implementation of the values: "Is implementation of the values be measured in a) managers' work and management, b) the work of all officials in your organisation?"
- The Working Group's final report together with pilot annexes and a booklet containing the state administration's values and ethical principles will be distributed to departments.
- The results of the project will be presented at suitable fora in collaboration with the pilots. The State Employer's Office will assess the effectiveness of the project as regards the pilots and also more broadly.

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ANNEX

CONTACTS OF THE PROJECT ON “VALUES TO BE PART OF THE DAILY JOB”

Ministry of Finance P.O. Box 28 FIN-00023 Government	<i>Senior Adviser, Legal Affairs</i> <i>Kirsi Äijälä</i> <i>Tel.</i> <i>Fax.</i>
Jyväskylä University Department of Special Pedagogics Pitkäkatu 1C P.O. Box 35 FIN-40014 Jyväskylä University	<i>Deputy Principal</i> <i>Paula Määttä</i> <i>Tel.</i> <i>Fax.</i>
National Bureau of Investigation P.O. Box 285 FIN-01301 Vantaa	<i>Chief Super Intendant</i> <i>Antti Turkama</i> <i>Tel.</i> <i>Fax.</i>
Lapland Employment and Economic Development Centre Ruokasenkatu 2 FIN-96200 Rovaniemi	<i>Director</i> <i>Pirkko Saarela</i> <i>Tel.</i> <i>Fax.</i>
Ministry of Transport and Communications P.O. Box 319 FIN-00023 Government	<i>Head of personnel development</i> <i>Kirsi Karppi</i> <i>Tel.</i> <i>Fax.</i>
Criminal Sanctions Agency P.O. Box 319 FIN-00181 Helsinki	<i>Head of administration</i> <i>Heli Herna</i> <i>Tel.</i> <i>Fax.</i>

Finnish Road Administration P.O. Box 33 FIN-00521 Helsinki	<i>Head of personnel</i> <i>Matti Hermunen</i> <i>Tel.</i> <i>Fax.</i>
National Board of Customs P.O. Box 512 FIN-00101 Helsinki	<i>Deputy director</i> <i>Eino Hämäläinen</i> <i>Tel.</i> <i>Fax.</i>