Creating positive workplace cultures

Chapter 3

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The culture of a workplace can be thought of as its personality – made up of the shared beliefs, assumptions and values that guide how employees think and behave at work.[8] As outlined in the GSE Act, a strong, positive workplace culture is one in which customer service, initiative, individual responsibility and achieving positive outcomes are strongly valued. This chapter addresses performance management, the core values of the public sector, and employee engagement. It also looks at bullying and wellbeing as indicators of the health of workplace culture.

Managing for outcomes is important for employees and agencies alike

To deliver high-quality, customer-centric services to the community, employees need to feel connected to the outcomes sought by their agency and the whole public sector. Agencies that exemplify good practice formally link employee performance management with the broader organisational strategy.

While it is encouraging to see an increase in scores for People Matter survey questions relating to performance management (see Table 3.1), there is scope to improve these practices across the sector. Recognising the need for improvement, the PSC released a new Performance Development Framework in September 2018. Compared to the previous framework, the new version focuses more on holding informal ongoing conversations rather than on scheduled, structured performance management. However, the sector still needs to get the basics right.

Question	2019 (% positive)	Change from 2018 (pp)
I have a current performance and development plan	71.5	0.9
I have informal feedback conversations with my manager	76.3	0.2
I have scheduled feedback conversations with my manager	59.5	1.2
In the last 12 months I received useful feedback on my work to enable me to deliver required results	65.9	1.0
My performance is assessed against clear criteria	57.5	1.1

Table 3.1: Employee perceptions of performance management, 2019 vs 2018

Source: People Matter Employee Survey (2018, 2019)

Good performance management is about consistently, equitably and transparently managing all aspects of employees' performance. Using performance plans to set clear performance goals and standards tied to the agency's objectives helps employees understand what is expected of them and what outcomes to achieve. Managing for outcomes also helps with implementing flexible work, because it shifts the focus from being present at work to delivering on goals.

However, there are stark differences in the number of employees in each agency who say they have a formal performance and development plan that sets out their individual objectives (see Figure 3.1). The handful of agencies with scores greater than 80% should be commended for their efforts to embed performance management.

Source: People Matter Employee Survey (2019)

Note: Each column represents an agency.

Receiving timely, targeted and actionable feedback is also important for helping employees to learn how to best deliver on the outcomes expected of them. This involves managers recognising employee achievements and addressing unsatisfactory performance when it occurs. However, managers could improve the way they manage poor performance. More than 20% of employees who responded to the 2019 People Matter survey said their manager does not deal appropriately with employees who perform poorly.

Just as individual performance needs to be assessed against outcomes, so should organisational performance. Policies, programs and other initiatives (outputs) need to be managed productively, with efficient use of labour, capital, technology and other resources (inputs). But if these initiatives are not

achieving enduring outcomes for the people of NSW, some recalibration may be required.

As discussed in last year's edition of this report, NSW Treasury is helping to shift the focus from inputs and outputs to outcomes by tying cluster budgets to the delivery of outcomes. The Premier's Priorities, presented in Chapter 2 of this report, also position the sector to focus on what it is achieving for the people of NSW.

Achieving outcomes is important, but so are the methods used to achieve them

While it is very important for the sector to focus on delivering outcomes, it must do so ethically, bringing the core values of integrity, trust, service and accountability to life. The right systems, reward structures and leadership need to be in place for this to happen.

Employees' perceptions of how well their agencies uphold these values improved slightly from 2018 to 2019 (see Table 3.2). This increase suggests stated and actual values are better aligned across the sector, but there is room for improvement in areas such as individual accountability.

Value	Question	2019 (% positive)	Change from 2018 (pp)
Integrity	I feel that senior managers model the values of my organisation	52.0	2.0
Trust	People in my workgroup treat each other with respect	74.8	0.0
Trust	My manager listens to what I have to say	76.4	0.8
Trust	I feel that senior managers keep employees informed about what's going on	48.4	1.0
Trust	I feel that senior managers listen to employees	44.1	0.8
Service	My workgroup strives to achieve customer/client satisfaction	86.2	0.1

Value	Question	2019 (% positive)	Change from 2018 (pp)
Service	Senior managers communicate the importance of customers/clients in achieving our business objectives	61.4	-0.4
Accountability	My manager encourages people in my workgroup to keep improving the work they do	74.5	0.9
Accountability	I believe senior managers provide clear direction for the future of the organisation	50.6	1.2
Accountability	My organisation focuses on improving the work we do	69.2	-0.2
Accountability	People in my organisation take responsibility for their own actions	48.5	0.0

Table 3.2: Employee perceptions of adherence to public sector values, 2019 vs 2018

Source: People Matter Employee Survey (2018, 2019)

A positive workplace culture built on sound values and principles helps to increase employee engagement and wellbeing, and reduce negative workplace behaviour such as bullying.[9] These two issues, as indicators of a healthy culture, are discussed below.

Employee engagement is the highest it's been since the first People Matter survey

Around 16% of the public sector workforce responded to the first People Matter survey, which was run in 2012. Promoting the value of the survey to employees and agencies, and showing employees that their views are taken seriously, has dramatically improved the response rate over time (see Figure 3.2). In 2019, 185,289 employees had their say, amounting to an outstanding response rate of 52.8%.

Source: People Matter Employee Survey (2014–19)

A higher response rate improves the accuracy of the survey results. The closer the response rate is to 100%, the better the match between the views of those taking the survey and everyone else in the organisation, division or team. The number of responses from frontline employees continued to increase, up by 8.7% from 2018. Agencies, and especially managers, need to continue encouraging people to participate in the survey by ensuring that employees have an opportunity to the complete it.

While the survey was run at a time when the sector was focusing on reorganisation due to machinery of government changes, the sector was able to achieve a higher response rate and improve engagement (see Figure 3.3). This is a positive achievement, since uncertainty and ambiguity are often detrimental to employee engagement.[10] It also bodes well for further improving the current score.

Source: People Matter Employee Survey (2014–19)

What is employee engagement?

Employee engagement is an individual's connection and commitment to their organisation.[11] The People Matter survey measures employee engagement using five questions that assess feelings of pride, attachment, motivation and inspiration, and an employee's willingness to recommend their organisation as a great place to work.

Employee engagement is influenced by many factors, including leadership, positive work culture, organisational support and the ability to work flexibly.[12] Engaged employees are more innovative and higher performing, and they experience better wellbeing.[13] Employee engagement has also been linked to higher levels of customer satisfaction and lower rates of employee turnover.[14]

Many agencies maintained their engagement scores in 2019. But some agencies showed marked improvements between 2018 and 2019, while others experienced a downward shift over the same period (see Figure 3.4).

Source: People Matter Employee Survey (2018, 2019)

Note: Each column represents an agency.

Bullying and other harmful workplace behaviours are still a concern

Bullying has many harmful consequences for the physical and mental health of victims and witnesses.[15] It is a major contributor to increased costs for organisations because of reduced employee productivity, motivation and commitment. It also significantly inhibits the creation of a positive workplace culture.

What constitutes bullying?

In the 2019 People Matter survey, bullying was defined as:

"repeated and unreasonable behaviour directed towards a worker or a group of workers that creates a risk to health and safety. Bullying can be: intentional or unintentional; overt or covert; active or passive. Bullying behaviours include actions such as shouting and non-action such as not passing on information necessary for doing a job. Bullying should not be confused with legitimate feedback (including negative comments) given to staff on their work performance or work-related behaviour; or other legitimate management decisions and actions undertaken in a reasonable and respectful way."

This definition aligns with the definition used by Safe Work Australia.

Since 2017, the percentage of People Matter survey respondents reporting that they experienced or witnessed bullying in the previous 12 months has stabilised (see Figure 3.5). The improved survey response rate increases confidence in the reliability of these data. The fact that bullying rates haven't fallen is concerning and points to a need for the sector to revisit its approaches, frameworks and actions to ensure that it is at the forefront of addressing bullying.

Source: People Matter Employee Survey (2014–19)

According to People Matter survey respondents, senior managers and managers were the most common perpetrators of bullying in 2019 (see Table 3.3). Together, these two groups accounted for 44.6% of the bullying incidents reported in the survey.

Group	Incidents (%)
A senior manager	21.5
An immediate manager/supervisor	23.2
A fellow worker at the same level	26.9
A subordinate	7.0
A client or customer	2.6
A member of the public other than a client or customer	0.8
Other	4.6
Prefer not to say	13.5

Table 3.3: Sources of the most serious self-reported bullying incidents

Source: People Matter Employee Survey (2019)

The causes of bullying are complex, with individual, occupational and organisational factors influencing the incidence of such behaviour.[16] As identified in previous editions of this report, certain demographic characteristics are associated with a higher chance of experiencing bullying. For example, women and people from specific demographic groups are still over-represented in the cohort of surveyed employees reporting bullying (see Table 3.4).

Concerningly, people with a diagnosed mental health condition and people with disability were the groups most likely to have experienced bullying in 2019, with self-reported rates of 35.2% and 32.0% respectively. Research shows that group-based differences of this nature may be due to, among other things, conscious and unconscious biases on the part of the perpetrators of bullying.[17]

Group	Survey respondents (%)
Males	14.5
Females	18.9
People who speak a language other than English at home	14.9
Aboriginal peoples	25.9
People with disability	32.0
People with a diagnosed mental health condition	35.2
People identifying as LGBTIQ+	22.4
Veterans	21.2
Public sector	**17.9**

Table 3.4: Rates of self-reported experienced bullying for select groups

Source: People Matter Employee Survey (2019)

Occupational characteristics, such as whether a role is frontline or non-frontline, and the level of stress experienced on the job, can also influence rates of workplace bullying. In 2019, frontline workers were 1.35 times more likely to experience bullying compared to employees in non-frontline roles, according to the People Matter survey. Due to the nature of their work, frontline employees find it more difficult than non-frontline employees to keep their work stress at an acceptable level (and this plays out in the results for a question about work stress in the People Matter survey). In turn, this could contribute to more instances of bullying in frontline environments.[18]

Research suggests that some of the organisation-level factors that can contribute to bullying are organisational change and uncertainty, lack of role clarity, insufficient performance management, and a lack of ethical and caring leadership.[19]

The Secretaries are, however, taking a stand against bullying. In late 2018, the Secretaries Board endorsed and released the **NSW Government Work Health and Safety Sector Plan**. The plan requires agencies to adopt the principles from the Public Service Commission's **Creating Positive and Productive Workplaces** guideline. It also requires each agency to:

- adopt a robust plan for preventing bullying and outlining a clear set of values and behavioural expectations. It also clearly sets out what constitutes bullying, using data and evidence to identify problem areas, and promoting early intervention
- engage in active leadership to demonstrate due diligence requirements when managing workplace bullying
- implement workplace policies and procedures that ensure timely resolution of bullying incidents.

Wellbeing and fulfilment at work are closely but not perfectly related

The 2019 People Matter survey marked the first time respondents were asked about their subjective wellbeing. When answering the questions, they were encouraged to think about how happy, healthy and fulfilled they were in their work and life more generally. The good news is that the majority rated their wellbeing at seven or more on a scale of 0 to 10 (see Figure 3.6), indicating a normal or above-normal level of wellbeing. But the challenge of supporting the quarter of employees who rated their wellbeing at five or less remains.

Source: People Matter Employee Survey (2019)

While there was a strong correlation between wellbeing and fulfilment at work[20], a separate People Matter survey question on fulfilment at work achieved lower scores overall than a question on general wellbeing (compare Figure 3.7 with Figure 3.6). This suggests that work and general life wellbeing do not always go hand in hand. However, the link to employee engagement was stronger for work fulfilment than for general wellbeing.

Source: People Matter Employee Survey (2019)

One of the more interesting findings to emerge was the effect on wellbeing of experiencing or witnessing bullying. It appears that witnessing bullying, or at least being in a workplace culture where it is present, could be as detrimental to someone's wellbeing as actually experiencing bullying (see Figure 3.8).[21] Further, employees who both experienced bullying and witnessed others being bullied reported lower levels of wellbeing than those who had either experienced bullying or witnessed it. This broad impact of bullying on employees is consistent with research[22], and provides an even greater impetus to reduce bullying in public sector workplaces.

Source: People Matter Employee Survey (2019)

While the sector has realigned to place citizens at the centre of everything it does, this chapter shows the importance of acknowledging the experiences of employees and the workplace cultures that shape and influence their experiences. After all, positive employee experiences translate to positive customer experiences.[23]

Education is supporting staff by tailoring the employee assistance program to their needs

The Education cluster's new employee assistance program (EAP), called EAP – Supporting You, is a major initiative to improve the wellbeing of staff in Education through a variety of tailored counselling and support services.

In 2016, the Department of Education found that while the cluster's EAP was viewed as a valuable support service by staff, it was not always tailored to the needs of different groups, such as office staff, teachers and principals or to the varied school and workplace settings across the state.

The Department developed the Supporting You pilot program in response. The pilot, involving over 30% of schools, commenced in August 2017. The psychologists and counsellors delivering the services in the pilot were given specific training to better understand the needs of staff in the schools involved in the pilot, including day-to-day challenges.

An evaluation of the pilot program found that its impacts were overwhelmingly positive. The Department expanded the program to the whole Education cluster in April 2019.

The tailored services in the program include:

- Personal support: Support for personal matters or work issues.

- Leadership support: Coaching and support for leaders.

- New teacher support: Counselling and support for new graduate teachers within their first year of employment.

- Professional development support: Wellbeing based professional development sessions to empower staff to improve their personal and professional wellbeing.

- Special education support: Proactive support for schools by psychologists experienced in supporting staff with students diagnosed with a disorder or disability.

- Post incident support: Immediate onsite counselling support for employees and others involved or affected by a work-related traumatic incident.

- Rural and remote support: Proactive support for schools provided by local psychologists who have an in depth understanding and connection to the local cultures and communities they are supporting.

The department provides a comprehensive induction program to all new psychologists and counsellors who deliver EAP – Supporting You services. This helps them connect with and tailor services to staff by better understanding the varying locations, settings and roles of staff within education.

A wide-ranging communication strategy continues to increase awareness of the EAP – Supporting You services across Education. This includes a dedicated intranet site, promotional video explaining each of the different services and information packs provided to all schools and workplaces.

> The EAP – Supporting You program is scheduled to undergo a comprehensive evaluation soon. This will help determine if the current program is meeting the wellbeing needs of staff working in Education and enable further tailoring of services in the future.

Notes

[8] Cooke and Rousseau (1988); Schein (1990)

[9] Attridge (2009); Spence-Laschinger, Wong, Cummings and Grau (2014)

[10] Cartwright and Holmes (2006)

[11] Scottish Executive Social Research (2007)

[12] Attridge (2009); Pitt-Catsouphes and Matz-Costa (2008)

[13] Alfes, Truss, Soane, Rees and Gatenby (2010)

[14] Harter, Schmidt and Hayes (2002)

[15] Bartlett and Bartlett (2011); Giorgi et al. (2016)

[16] Bartlett and Bartlett (2011); Feijó, Gräf, Pearce and Fassa (2019)

[17] Fevre, Robinson, Lewis and Jones (2013); Harder, Wagner and Rash (2016); Samnani and Singh (2012)

[18] Feijó et al. (2019)

[19] Feijó et al. (2019); Samnani and Singh (2012)

[20] r = 0.737

[21] This relationship may not be completely causal. Other variables (e.g., stressful work environments) may increase the likelihood of both experiencing bullying and poorer wellbeing.

[22] Samnani and Singh (2012)

[23] Harter, Schmidt and Hayes (2002)