

## **Joint Committee on Public Accounts and Audit**

### **Parliamentary Inquiry – Defence First Principles Review and Naval Construction - Inquiry based on Auditor-General's reports 34 and 39 (2017-18)**

#### **ANSWER TO QUESTION ON NOTICE**

##### **Department of Defence**

**Topic:** JCPAA - Defence First Principles Review, Naval construction - Auditor-General's reports Nos 34 and 39 - 12 September 2018 - Q1 - behavioural change

**Question reference number:** 1

**Type of question:** Written

**Date set by the committee for the return of answer:** 10 October 2018

#### **Question:**

How are you measuring behavioural change? How often are you measuring behavioural change? What behavioural change has been realised by the FPR? (p. 11 - 33 Auditor General's report 34)

#### **Answer:**

*How are you measuring behavioural change?*

Since the implementation of the First Principles Review, the Department of Defence has been focused on measuring organisational climate and the extent to which the 'One Defence' Leadership Behaviours have been inculcated in the way Defence does business. Organisational climate and leadership remain focus areas as they are essential elements in creating the high performance culture envisaged in the First Principles Review.

Defence uses a range of indicators to measure organisational climate and the quality of its leadership. Behavioural and attitudinal trends and views of leadership are captured annually through the YourSay Organisational Climate Survey, the Workplace Behaviours Survey and the Australian Public Service Commission State of the Service Employee Census.

The YourSay Survey captures information about climate and culture indicators including: job engagement, job satisfaction, work-life balance, health and well-being, culture and leadership, awareness of cultural reform programs, factors that influence entry to Defence, experiences of recruitment, and reasons for leaving. The Workplace Behaviour Survey (formerly named the Unacceptable Behaviour survey) was first conducted in 2013 to capture information about the nature and scope of a range of unacceptable behaviours. The Australian Public Service Commission State of the Service Employee Census provides valuable insight into APS views of leadership.

Pathway to Change: Evolving Defence Culture 2017-22 (Pathway) has been designed with the First Principle's Review behavioural change intent at its core. Pathway identifies six key priorities to drive the inclusive culture required for a high performance workplace. The six priorities are:

- Leadership accountability;
- Capability through inclusion;
- Ethics and workplace behaviours;
- Health, wellness and safety;
- Workplace agility and flexibility; and
- Leading and developing integrated teams.

Defence has already implemented a range of initiatives across the workforce to drive leadership accountability, which was a key focus of the First Principle's Review.

Over the last three years, Defence has conducted a 360 degree feedback program, mapped to the 'One Defence' leadership behaviours, for all members of the Defence Senior Leadership Group. The themes in these reports include developing direct reports and others, conflict management and building effective teams. This process assists individuals to identify their strengths and areas for further development and can also be used to identify broader trends which may require an organisational approach.

Defence has rolled out the Leading for Reform and Catalyst leadership programs to Executive Level employees. The programs are designed to build both leadership capability and culture. They develop people to lead and implement reform through times of constant change and to act consistently and willingly in accordance with the 'One Defence' leadership behaviours. The programs require that employees undergo training on the Defence Leadership behaviours and participate in 360 degree feedback. A follow up with employee supervisors is also conducted post completion of the programs.

Performance measurement across the broader APS workforce has also been reviewed with the introduction of the new APS performance framework in September 2017. The new framework is intended to drive more robust performance assessments and constructive feedback for APS employees. Performance data from the most recent performance cycle will be reviewed to determine if performance ratings have normalised to more accurately reflect actual performance.

*How often are you measuring behavioural change?*

Throughout the implementation of the First Principles Review, behavioural change has been regularly reviewed by the First Principles Review Implementation Committee. This includes the review of the survey data, training outcomes and 360 degree feedback information.

*What behavioural change has been realised by the FPR?*

The most recent (2018) APSC Employee Census indicated that Defence is more engaged; has an improved workplace culture; improved wellbeing, resilience and policy; and employees' perceptions of supervisors and senior leaders is also trending upwards. These indicators show improvement in workplace climate that coincides with First Principles Review and cultural reform initiatives (this does not imply cause).

The performance management reforms requiring more frequent performance feedback coincides with improvement in the performance measurement metrics for Defence, as assessed in the 2018 APSC Census.

The increase in recorded performance decisions by the due date in the latest performance cycle also indicates greater engagement and accountability by supervisors and managers at all levels of the workforce.