

*Tabled 4 June 2014  
FADT Committee  
by DFAT Secretary.  
9 pages*

# Pulse Survey Results - May 2014

Message to All Staff

Over 4000 staff participated in the first Pulse Survey held in February/March this year, which represents a response rate of 65%. I would like to thank all staff who took the time to participate in the survey. This information provides a valuable baseline of information, and ensures that the department can focus efforts on the key areas of concern to staff, which are: communication, leadership, strategic direction, transparency of decision making and consultation.

Clearly there are challenges still ahead of us, including the Government's decisions on resourcing the department and the implications for staff numbers. Nevertheless, I recognise the difficulties and uncertainty that staff have already experienced over the past few months. The challenges of merging systems and processes and forming new teams when many of you are physically separated across buildings in Barton and Civic can not be underestimated. As a result satisfaction with DFAT as an employer is lower than in previous surveys and a number of staff do not feel like they are part of the integrated DFAT team.

The focus of the Pulse Survey was on how the department is coping with and handling change, particularly the integration of former AusAID. Unsurprisingly, disaggregation of the survey results shows that former AusAID staff are less satisfied overall than their colleagues who were employees of DFAT prior to integration. These results flow through to division results, where the survey shows that divisions with higher numbers of former AusAID staff have lower overall rates of satisfaction and engagement.

There are important messages here for me, the Deputy Secretaries, and the rest of the senior leadership team in the department. I am committed to stepping up our efforts in all of the areas identified as needing improvement by staff. Some of these will be addressed through implementing the Change Management Plan, and many will be addressed through division-specific initiatives. Work is underway to better articulate the department's vision and strategic direction, including the role of the aid program and the department will improve its efforts to increase staff understanding of what is planned and when and provide opportunities to staff to contribute to this work.

Division Heads in Canberra have been provided with detailed information on division-specific results and have undertaken to develop a plan for their division to address the key issues raised in the survey, in consultation with staff, by the end of May. HoMs and HoPs will also be provided with their specific results for posts, and will be asked to do the same.

There are also several positive messages coming through from the survey results, including high levels of satisfaction within work teams, a good understanding of the integration process, and high levels of motivation to do a good job.

In the time since integration was announced, much has been achieved. The range of information available on the Integration Taskforce intranet page is testament to the significant effort and progress that has been made towards achieving integration. However, the change being experienced in DFAT is substantial, and will take more time, and will require continued attention before integration is fully realised.

I encourage all staff to read the key results of the Pulse Survey and to consider what the results mean for you as individuals, team members, supervisors and leaders. We all have a role to play in effecting change, and making the change process work well. Staff should provide feedback to Division Heads as part of the development of Divisional plans or via the Integration Taskforce inbox.

The department has an ongoing commitment to seek staff feedback through regular surveys over the coming year. The APS Census runs for one month from 12 May and I would encourage all staff to participate. A second smaller-scale Pulse Survey will be undertaken in July.

Peter Varghese  
Secretary

# Department of Foreign Affairs and Trade

## Key Findings of the March 2014 Pulse Survey

### Introduction

The Department of Foreign Affairs and Trade (DFAT) has commissioned a series of employee pulse surveys to monitor staff wellbeing, commitment and engagement over the major change process of the integration of the Australian Agency for International Development (AusAID) into DFAT and respond to issues related to the change process.

This report presents the key findings, as analysed by ORIMA Research, of the first all staff employee pulse survey that was conducted between 24 February and 5 March 2014. A total of 4,189 staff participated in the survey, which represents a solid response rate of 65%.

### Research Objectives

The main objectives for the survey were to:

- ◆ monitor staff wellbeing, commitment and engagement over the major change process of the integration of AusAID into DFAT; and
- ◆ respond to issues related to the change process than can be addressed.

### Methodology

The questionnaire for the survey was developed by ORIMA Research in consultation with the DFAT project team (Corporate Management Division). The questionnaire drew on questions asked in previous employee surveys from both DFAT and AusAID, supplemented by a range of tailored questions focussed on the effectiveness of the integration and other change processes. Input was sought from a range of managers in DFAT that have responsibility for aspects of the integration process and the final questionnaire was cleared by DFAT.

The survey was conducted online. An internal pilot testing process was conducted amongst members of the DFAT project team to test the online version of the questionnaire prior to distribution. At the start of the fieldwork period, all employees who held a current DFAT email address were sent an email invitation containing the survey link and a unique password. The email invitation instructed employees who held a DFAT email address but who were not currently employed by DFAT to disregard the survey.

### Key Findings

The March 2014 DFAT Pulse Survey provided a mixed overall picture of staff views and attitudes towards working at DFAT and their experiences of the management of workplace change, which reflects the relatively early stage of the integration process and a considerable divergence in sentiment between staff who were in DFAT prior to integration

and those who came from AusAID. **Staff have identified leadership; strategic direction; transparency of decision making and consultation as the areas requiring most attention.**

## Workplace Change

The survey found that the effects of workplace change were widespread in the Department. Moderate levels of staff satisfaction were recorded for most aspects of the management of workplace change (in line with experiences in other APS agencies for major change processes over the past five years), including the support and communication by local leadership, staff preparation for the change process and staff ability to cope with and facilitate the changes. Staff offered a broad range of suggestions for improving the change process, including relating to communication, leadership, consultation and workplace culture.

### The extent of change experienced by staff

A high proportion of staff indicated that they had experienced some form of workplace change since 1 October 2013, including 70% who indicated that their team had been affected by changes associated with the integration process and 36%<sup>1</sup> who indicated that they had been affected by other workplace changes. Around one-fifth (21%) of staff indicated that their team had not been affected by any changes over this period.

- ◆ The most common integration-related changes were: team restructures, mergers or movement of staff into their team (45%), a change in leadership in their division, branch, post or mission (33%) or a change in the nature of their work or role (29%).
- ◆ The most common non-integration related change was associated with the aid budget reduction (31%).

### Satisfaction with the management of change

Around half (49%) of staff who had been affected by some form of recent workplace change provided positive ratings in relation to how well the changes were being managed, while 25% provided neutral ratings and 25% provided negative ratings. These satisfaction levels, while subdued, are still slightly above the OREEM<sup>2</sup> APS benchmark average of 47%, reflecting the general difficulty across the APS in achieving high staff satisfaction with change management during periods of significant change. The department also ranks second highest in terms of the large agency ratings.

- ◆ Around three-quarters (77%) of staff agreed that staff in their team have taken responsibility to help make the change successful, but they were less likely to agree that staff in their team have generally coped well with the change (65%, similar to 62% for the OREEM average). Former AusAID staff were less likely to provide positive ratings that staff in their team coped well with the change.

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<sup>1</sup> Staff were able to indicate that they were affected by multiple workplace changes over this period.

<sup>2</sup> OREEM is an analytical framework developed by ORIMA Research and is designed to benchmark the results of employee research against a range of similar organisations.

- ◆ Around two-thirds of staff provided positive views about the support for staff and communication from their Division Head/ HOM/ HOP and their Branch Head/ DHOM / DHOP regarding workplace changes.

#### **Staff suggestions for improvement to change management**

Staff who indicated that they had experienced some form of workplace change since 1 October 2013 were asked how this change process could be improved. Almost 1,500 staff provided responses for this question and the five most common themes from these comments included:

- ◆ the need for more and improved communication and information about the change process, including:
  - a desire for reduced uncertainty and more frank and transparent communication about staff-related changes (e.g. job losses, placement rounds, voluntary redundancies and changes to benefits);
  - better explanations about the reasons for changes; and
  - better flow through of information through managers and team leaders to reduce reliance on the 'rumour mill'.
- ◆ improved leadership, decision making and better support for the integration from senior managers, including:
  - more supportive and inclusive leadership and increased sensitivity in delivering messages and changes that significantly impact on staff; and
  - clearer and more positive articulation of the Department's strategic direction, particularly regarding the aid program.
- ◆ more two-way communication and genuine consultation about the changes, including listening to staff ideas;
- ◆ frustration about the adoption of DFAT systems, policies and practices by default over AusAID's; and
- ◆ the need for more acceptance, teamwork and collaboration at all levels to make the change successful.

#### **Staff awareness of, and views towards, the integration**

The survey showed that staff who had experienced integrated-related changes in their team indicated that they had solid awareness and understanding of the change process.

- ◆ Almost three-quarters of staff agreed that they know where to get help if they have a question about the integration (73%) and they have the skills and knowledge to do what it is expected to support the integration (73%).
- ◆ Around two-thirds (66%) of staff indicated that they have a good awareness and understanding of the integration process, while only 12% disagreed.

A relatively high proportion of staff recorded neutral responses reflecting a considerable degree of uncertainty about the full implications of the changes at this early stage in the process and staff adopting a 'wait and see' approach. Reinforcing this point, the survey also highlighted that there was a positive relationship between awareness and understanding of the integration process and the extent to which they considered the change to be positive for them. Those staff who agreed that they have a good understanding of the integration were more than three times as likely to agree that the change process was positive for them as those who disagreed that they had a good understanding.

#### **Preparation and steps to facilitate the integration process**

The survey showed that 83% of staff indicated that their team was preparing for or had taken steps to facilitate the integration process. The most common reason that the remaining staff had not undertaken preparation was because they considered that the integration did not affect their team (37%) or they were waiting for corporate guidance (34%).

- ◆ Staff who were working at DFAT prior to the integration were more likely than former AusAID staff to indicate that they had not undertaken preparations because it did not affect their team (48%, compared to 15%). However, former AusAID staff were more likely to indicate they had not undertaken preparations because they were waiting for corporate guidance (59%, compared to 23%).

Over two-thirds (71%) of supervisors and managers indicated that they felt equipped to support their staff in an environment of change. The most common forms of assistance that the remaining supervisors and managers considered would help them in this role were more targeted updates and briefings (52%) and improved documentation or guidelines about the change process (39%).

#### **A. Employee Engagement, Satisfaction and Loyalty and Commitment**

Varied results were recorded for the three key outcome indicators of employee engagement, satisfaction and loyalty and commitment. While employee engagement and job satisfaction results were positive (reflecting ongoing high staff attachment with their work), much less favourable results were recorded for satisfaction with DFAT as an employer and for loyalty and commitment (measures of good will towards the Department). These latter measures were also slightly below previous DFAT and well below previous AusAID results.

##### **Employee Engagement**

Almost all staff agreed that when required, they are willing to put in the extra effort to get a task or project completed (96%, consistent with results recorded for DFAT and AusAID in 2012).

A large majority of staff also agreed that they are motivated to do the best possible work they can (83%).

## Overall Satisfaction

Positive results were recorded for job satisfaction, with around three-quarters of staff indicating that they were satisfied overall with their current job (74%, slightly below results in 2012 for DFAT (78%) and AusAID (77%) but slightly above the OREEM APS average (72%)).

Lower results were recorded in relation to staff satisfaction with DFAT as an employer (60%, a decline from 77% for both DFAT and AusAID in 2012 and below the OREEM average (73%)). This was driven by considerably lower results among former AusAID staff compared to staff who were in DFAT prior to the integration.

## Loyalty and Commitment

DFAT staff recorded mixed results in relation to loyalty and commitment. Staff were most likely to agree that they were proud to be a member of their team (85%, consistent with results in 2012 and the OREEM average).

However, staff were less likely to indicate they were proud to tell others they work for DFAT (70%, notably lower than 85% and 90% respectively for DFAT and AusAID in 2012) and would recommend DFAT as a good place to work (57%, considerably lower than 70% and 72% respectively for DFAT and AusAID 2012).

## Career intentions

The survey found that the level of self-reported expected turnover is 15%, which is consistent with the results recorded in 2012 and *lower* (more favourable than) than the OREEM average (27%).

- ◆ Former AusAID staff were more likely than staff who worked at DFAT prior to integration to indicate they would leave DFAT in the next two years (21% and 11% respectively).

One in seven staff (15%) indicated they did not know their career intentions over the next two years and a further 6% of staff provided a response of 'other'. Staff in this category commonly indicated that they would adopt a 'wait and see' approach regarding the integration changes before deciding on their career intentions.

## B. Career Development and Planning

The survey recorded mixed results in relation to staff confidence that DFAT has the ability to identify and retain staff to meet its business objectives.

- ◆ Around half of staff (54%) agreed that they were confident that DFAT is able to identify staff with the necessary skills to meet its business objectives, while 22% disagreed.
- ◆ Less than half of staff (44%) agreed that they were confident that DFAT is able to retain the staff it needs to meet its business objectives, while 33% disagreed (including 10% who strongly disagreed).
  - Staff working in DFAT prior to the integration were roughly twice as likely to agree with both of these statements as former AusAID staff.

Staff who did not agree that they were confident that DFAT is able to identify and retain the staff it needs to meet business objectives indicated that the key areas of vulnerability were

related to corporate support (43%), development policy (42%) and program management (38%).

### C. Workplace Environment and Culture

The survey showed that staff provided positive ratings of goal clarity and most aspects of their workplace environment, however, ratings of several aspects of the workplace culture were subdued, particularly those related to flexibility and transparency of decision-making processes.

#### Work environment

Staff held positive views in relation to goal clarity, with ratings comparing favourably to external benchmarks and only slightly below DFAT 2012 results. At least 85% of staff agreed that they understand how their:

- ◆ job contributes to their team's goals and objectives (90%); and
- ◆ their team's role contributes to the goals and objectives of DFAT (85%).

A majority of staff provided positive ratings of a range of other aspects of their work environment, including 76% of staff who agreed their job allows them to utilise their skills, knowledge and abilities and 71% who agreed they have the necessary authority to do their job effectively.

While a high proportion of staff (84%) indicated that people work well together in their team, a much lower share of staff (56%) agreed that they feel 'part of the team' at DFAT – with a particular contrast between staff who were in DFAT prior to the integration (70%) and those who came from AusAID (33%).

#### Workplace culture

Just over two-thirds (68%) of staff agreed that DFAT is a department that works collaboratively with external stakeholder and 57% agreed that DFAT is a department that values and respects its people.

Two aspects of the workplace culture that were rated positively by less than half of staff were agreement that DFAT is flexible and open to change and is a Department that has clear and transparent decision-making processes.

### D. Corporate Enabling Services

The survey recorded moderate levels of staff satisfaction with a range of corporate enabling services that are important to facilitate staff to perform their roles effectively during change processes.

- ◆ A small majority of staff (51%-59%) rated aspects of the ICT environment and support to be good or very good, broadly in line with the 2012 DFAT survey results but well below those recorded in the 2012 AusAID survey.



- ◆ Staff provided more favourable ratings in relation to Operational Human Resource functions (66%), compared to Personal and Strategic Human Resource functions (54% and 47% respectively).

## Conclusion

Overall, the survey suggested that there are a number of key challenges to focus on in coming months to help achieve a successful integration. While the results are lower in a number of key areas than prior to the integration, many of the declines are to be expected in large-scale machinery of government (MoG) changes of this nature. In particular, the moderate satisfaction levels recorded for corporate enabling functions is a reasonably positive result given the significant potential for disruption amongst staff whose roles, workplace systems and locations have changed.

Moderately positive findings were also recorded for aspects of communication and support throughout the change process, including regarding the frequency of communication from the Integration Taskforce and support of Division Heads, Heads of Mission and Heads of Post and Branch Heads, Deputy Heads of Mission and Deputy Heads of Post. However, continued focus is required in this area to address a range of staff concerns in a more direct manner, including at the local level. There was a strong sentiment from free-text comments that the flow through of information between management tiers needs to improve and that managers need to more effectively 'translate' messages to make them more relevant at the local and personal level, rather than simply 'transmitting' standard information.

While some declines in the areas of workplace culture and staff loyalty and commitment were to be expected due to the large-scale nature of the changes, the extent of the declines and their concentration amongst former AusAID staff suggests that the integration process has often been difficult for these staff in a number of interrelated ways.

- ◆ The survey findings suggest that some staff feel that communication and leadership has not been sufficiently frank and honest. This is most evident in issues that have a direct impact on people and program/policy outcomes, rather than business processes.
- ◆ There was felt to be a need to strengthen the messaging related to the way that the aid program fits within the strategic direction of DFAT and promoting its value to contributing to the Government's geo-strategic outcomes.
- ◆ There were also feelings expressed by some staff of anxiety due to the 'prolonged' wait to hear about how the integration and budget related changes are going to impact on them and their teams.

Greater clarity and understanding of changes is the first step towards improved sentiment. This is evidenced by the strong link between awareness and understanding of the integration changes and staff perceptions of the benefits of integration. The potential to improve sentiment is reinforced by the high levels of neutral, rather than negative, responses for many questions in the survey. It is important to interpret these results as a *baseline reading* at a relatively early stage in the integration process. While the survey calibrates the department's understanding of current sentiment levels, it is also an important starting point to build from over the coming 12 months.