

2

COMMISSION CHIEF EXECUTIVE'S OVERVIEW

The *State of the Service Report 2010* is a report about the QPS, its people and its performance. The report identifies the strengths and significant achievements of the QPS, those areas where improvement is needed and the challenges the service faces. It provides the benchmark for future analysis, monitoring and improvement that will position the QPS for the future. As the inaugural report, it is the first instalment in what I think will be a very important story.

The report comes at an exciting time in the reform journey of the QPS. Since March 2008, the QPS has undergone significant reform. This has involved setting new strategic directions, streamlining the structures of government for improved efficiency and service delivery, and implementing new administrative systems and processes to drive public sector performance, and increase openness and accountability of government.

Almost a year and a half on from major machinery of government changes, and with an exciting service delivery agenda in train, it is timely to reflect on the QPS and the qualities it brings to its role in delivering this significant reform agenda.

The *State of the Service Report 2010* has been an ambitious exercise. While making use of a range of data sources, the report has been assisted by the conduct of two surveys: a survey of agencies and a survey of employees. The employee survey was a massive undertaking, with a census of 130,000 public servants employed under the PS Act. With a response rate of just over 30 per cent, the 2010 State of the Service employee survey represents arguably the largest attempt to capture the views of Queensland public servants about their workplace and employment experiences. The broadening of the next survey in 2012 will provide an even greater insight into the QPS workforce.

While some survey results identify challenges to be addressed, there are also many areas where employees can be justifiably proud. With 96 per cent of employees prepared to make the extra effort to get a job done, and 70 per cent believing that their job gives them a feeling of personal accomplishment, it reflects the professional and personal pride that employees invest in their jobs and the contribution they make to agency and community outcomes.

The report traverses a wide landscape, and for this first one, a broad timeframe. The two surveys were conducted in the early part of 2010 and the report also relies on workforce data up to 2008-09. In setting the initial scene, and the context within which the QPS works, the report sets out the key public sector reforms which have occurred since March 2008. It then examines the profile of the QPS workforce, including important trends over time. In the main the report focuses on four key areas: our credentials as an employer of choice, leadership within the QPS, building the capability of the workforce, and integrity and accountability in the QPS.

• The workforce

The QPS employs over 230,000 people¹, including 140,000 employed under the PS Act². Much of the broader workforce is involved in the delivery of the very visible front line services in health, policing and emergency services. However, those employed under the PS Act also provide front line services in a range of areas such as education, park management, housing, child safety, therapy, family support, youth work, residential care, and construction work.

This workforce serves a large, geographically dispersed and growing state. Queensland's population grew by 24 per cent, to over 4.4 million people, in the nine years to June 2009. During this time, the QPS has also increased in size to meet this population growth, with most of this increase being in those agencies that provide front line service delivery. At the same time the proportion of QPS employees to the estimated resident population (ERP) has also increased marginally. This minor growth in the proportion of QPS employees to the ERP is understandable given the growing and ageing Queensland population and the demand for public services that results from these challenges.

The QPS is evolving to meet the needs of the community it serves and reflect the changing demographics and expectations of its workforce. The percentage of permanent employees has remained stable over the past nine years, but there is a growing proportion of part-time workers.

Overall, there are positive trends in the diversity of our workforce. Almost two-thirds of QPS permanent employees are female. Despite this growth over time, many women remain at the lower and middle salary levels, and the majority of Senior Executive Service (SES) positions are still held by men. But there are positive moves on this front with increases in the number of women within the Administrative Officer (AO) level seven to Senior Officer (SO) range over the past nine years.³ This group includes the employees whose natural career progression is to management and senior leadership roles within the QPS. This upward trend in women's representation, combined with the fact that the majority of university graduates are now women, should see an increasing number of women join the senior executive ranks in the not too distant future.

The number of Indigenous people employed across the Queensland Public Sector has more than doubled over the nine year period. The continuation of this general upward trend is important, as the Council of Australian Governments (COAG) has set Indigenous public sector employment targets for the states and territories.

1 This equates to almost 196,000 full-time equivalent (FTE) staff.

2 The 140,000 staff equates to almost 120,000 FTE staff. While there are 140,000 staff employed under the PS Act, only about 130,000 of these have work email addresses and could be surveyed for the purposes of this report.

3 QPS classifications and equivalent salary levels are set out in Appendix 2.

At the same time the Queensland Government has made a strong commitment, through the Premier's signing of the Australian Employment Covenant, to increasing the representation of Indigenous employees in the Queensland Public Sector by offering 2800 Indigenous employment opportunities by June 2013. The QPS will need to work hard and collaboratively to achieve this ambitious, yet highly desirable target.

A major challenge for the QPS, and one that is facing many organisations, is its ageing workforce. Thirty-five per cent of those QPS staff who are employed under the PS Act are aged 50 years or older, and 64 per cent are aged 40 years or more. Further, the proportion of employees in the 50 years and older group has risen over the nine year period from 24 per cent in 2000. What this means for the QPS is that as the general population ages, and the demand for services grows, the QPS workforce is also ageing and many employees will retire. Our agencies need a range of innovative workforce strategies in place to plan for and address this significant challenge. This will require strategies that ensure that the corporate and operational knowledge of experienced workers is not lost to the QPS, and we can continue to build and maintain a high-performing workforce.

• **The QPS as an employer of choice**

To meet the many challenges in our current environment, it is important that the QPS recruits and retains the best and the brightest talent. To do this, we need to have the reputation as an employer of choice, and live up to that reputation. This is about attracting, engaging and retaining a skilled and motivated workforce that is capable of contributing to the achievement of government priorities, and business and community outcomes. The QPS is no different to other organisations in this regard: we need to compete against a range of sectors for highly skilled people who are able to make informed choices about the kind of work they do, where they want to work, and under what conditions. They are in demand, and like many organisations, we want them to work for us.

This report explores the QPS' potential as an employer of choice and examines the factors that influence attraction, engagement and retention. Each of these three steps is vital. Statistical analysis undertaken by the PSC's survey partners, OESR, identified eight factors which contribute to employee engagement and, by extension, the QPS being seen as an employer of choice. These eight factors are:

- day to day work
- immediate manager
- work group culture and practices
- professional development and progression
- work-life balance
- organisational culture and senior leaders
- remuneration, and
- performance feedback.

It is pleasing to find that the State of the Service employee survey results indicated that there is a solid base upon which the QPS can build its credentials as an employer of choice. Employee job satisfaction is high on key indicators such as having good working relationships, being able

to use their skills, having the opportunity to make a useful contribution to society, and seeing tangible results from their work. It is also worth noting that around 81 per cent of employees say that they enjoy the work in their current job and 84 per cent declare they are motivated to do the best possible work that they can. These are strong claims for any workforce.

One area where the QPS could be expected to be an employer of choice is in the emphasis it places on work-life balance. The public sector traditionally performs well in this, having led the way in many areas such as flexible work practices, parental leave arrangements and increases in the proportion of part-time work.

While over half of employees are satisfied with the work-life balance in their current job, there is something of a gap between employee expectations and their experiences in practice. Around 62 per cent of employees indicated that an agency's reputation for good work practices (including work-life balance) was an attribute which attracted them to their current job. However, of those who indicated the attribute was important or very important to them, only 51 per cent indicated that their expectations had actually been met. The survey results also indicate that work-life balance declines in the more senior roles, as might be expected given the complexity and managerial commitments at these levels.

The QPS can take much pride in what it does and the prospects it offers its workforce through the sheer range of work provided, the experience of working in a supportive team and the opportunity to make a positive difference to the community.

• QPS leadership

The Chief Executive Service (CES) and the SES represent the most senior levels of the QPS workforce. While the group is predominantly male, the gender profile for SES and CES appointments has seen some positive movement over the past five years. This has been mainly in the lower SES levels, but combined with the rising numbers of women in the AO7 to SO levels, there are promising indications for increasing female representation at the highest levels of the QPS.

Senior QPS leaders have a crucial role to play. Since the establishment of the SES in the early 1990s, and more recently the CES, there has been an increased emphasis on ensuring these officers have the necessary skills and capabilities to effectively lead others and manage the complexity of modern government to deliver outcomes.

The employee survey results indicate that the QPS is well on its way to having a group of senior leaders who meet these criteria. It is a highly qualified group with 91 per cent holding a bachelor degree or higher qualification and 60 per cent possessing postgraduate qualifications. They are also increasingly more likely to have had experience in a number of agencies, compared to all other employees. This supports the notion of a more capable SES with a breadth of experience.

There is some disparity between the views of senior leaders and other employees regarding leadership capabilities within the QPS. While this may suggest a need to enhance leadership capability, it may also reflect the challenge created in striking a balance between a strong focus on achieving service delivery outcomes while ensuring positive and visible leadership, especially in an environment of change.

The QPS has a strong focus on performance development and review for the members of its SES and CES. A Chief Executive Performance and Development Framework and an SES Performance and Development Framework have been recently implemented to support CES and SES officers to achieve quality outcomes and sustain a culture of continuous improvement and accountability for performance. Both frameworks are aligned with government and business priorities and comprise two main components: a performance agreement and a performance review.

As part of the capability development for senior leaders, there are a range of programs and initiatives available to support the professional development, continuous improvement and career progression of senior leaders. At the agency level, the focus is mainly around individual mentoring and coaching programs, although a number of agencies also offer applied skills development in both people management and Information Technology (IT) business application skills. These are supplemented by sector-wide approaches coordinated by the PSC, including a whole-of-government SES induction program, a range of structured leadership and development programs and an SES seminar series. In addition, given the high level of postgraduate qualifications held by senior leaders, it is clear that they have been pursuing self-development opportunities through academic and other avenues.

• Performance and workforce capability

Agencies that integrate their organisational and employee performance development approaches achieve the best outcomes. The scene has been set for this at the highest level with the release in May 2009 of the Queensland Government Performance Management Framework. This provides the 'big picture' view within which agencies and individuals can plan for and deliver results. The performance and development frameworks for the CES and SES, mentioned above, both align with this framework.

At an agency and individual level, the QPS Capability and Leadership Framework (CLF), introduced in 2009, provides the basis for building workforce and leadership capability across the QPS. Capability development needs are usually established through an effective employee performance management process. How well this is happening in the QPS was tested through both the agency and employee surveys. The agency survey highlighted capability development as one of the top five workforce challenges for agencies, coming after attracting and retaining skilled staff and the ageing workforce.

One of the key themes to emerge from these survey results was the complex relationship between individual performance, learning and development needs, and structured agreements and conversations about performance. In particular, employee and agency survey results indicate that:

- performance agreements/conversations are often used to identify learning and development opportunities
- those employees who do have agreements in place, and have regular conversations about their performance, find the process useful
- satisfaction with the quality of learning and development opportunities is high when employees have received performance feedback and the capability development needs are identified as part of that process
- despite the majority of agencies requiring employees to have performance development agreements, they are not always in place, and are not as well utilised as they could be

- overall satisfaction with access to learning and development opportunities could be improved, and
- there is a perception that agencies do not generally deal well with underperformance.

These issues go to the heart of a high-performing workforce. What they suggest is that, if we are to meet both employee and QPS needs, we must focus strongly on developing the skills of managers around the robust conversations that link performance improvement and capability building to performance planning and development. With employees expressing a view that managers do not deal effectively with poor performance, it is clear that this is an area where there could be a sustained focus on skill development.

What is apparent is that QPS agencies offer their staff a broad range of learning and development opportunities. Staff have access to a variety of professional development opportunities including applied skills training in areas such as policy, information technology, business writing, formal leadership and management training, and individual mentoring and coaching programs. These are also supplemented by a number of sector-wide offerings.

While there is room for improvement in how we target our capability building, the commitment of the QPS in this area is clear. It was very pleasing to find that more than 60 per cent of survey respondents had spent three or more days in formal learning and development activities in the past 12 months and that almost a quarter of employees had more than six days of formal learning and development opportunities. Coupled with this is the high commitment of agencies to reviewing their offerings regularly to ensure they meet the developmental needs of employees and that they reflect value for money.

A key component in workforce capability – and ultimately, agency performance – is attracting and retaining employees who have the skills, experience and motivation to perform to a high level. Agencies have responded innovatively to a range of challenges, such as the ageing workforce, skills shortages and competition for in-demand skills, through building partnerships with universities and other education providers and developing career pathways, especially for young people. This report showcases some key examples of where QPS agencies have led the way in this area.

• Openness and ethics

The Queensland Government has been at the forefront of integrity and accountability reform, with one of its greatest reforms being the introduction of the *Right to Information Act 2009* (RTI Act). The new legislation replaced freedom of information provisions and saw the public sector move from a ‘pull’ model to a ‘push’ approach where information is proactively released. It has been a significant cultural change that has provided a model for other jurisdictions and heightened open and accountable government.

The integrity and accountability reforms currently being implemented build on these developments. They support improved trust in government and provide a robust framework for transparency and accountability. The development of a single code of conduct across the public sector and the declaration of pecuniary interests for CEOs, statutory office holders and senior executives are important strategies. So too is the expanded role of the Integrity Commissioner to oversee the Queensland Register of Lobbyists and the establishment of the Ethical Standards Branch within the PSC.

While systems can be in place, what is needed is for these to be translated into action and behaviours in the workplace. For the community to have trust in government services, they need to have trust in the people delivering them. In this light, I was very pleased to find that, even though a number of people didn't offer an opinion, more than 75 per cent of respondents agreed that their organisation actively encourages ethical behaviour by all its employees.

At the same time, just over half the respondents agreed that their senior managers led by example in ethical behaviour. This will be key to improved performance in this area, as the best way that we can achieve a strong ethical culture in the QPS is by having senior leaders who promote ethical practice, and who behave as intentional role models.

There is still some work to be done around perceptions of the QPS as a fair workplace and appointments being based on the principle of merit. The survey indicated that a third of staff believed that recruitment and promotion decisions in their agency were not fair and only a third had confidence in the processes used by their agency to resolve employee grievances. While this result may be influenced by high employee expectations in this regard, it is an indicator of a need to improve practice, and therefore perceptions, in this area.

• Moving from ideas to action

With a strong reform agenda, and many complex challenges ahead of us, agencies must be able to manage change effectively. The employee survey results suggest that this has sometimes been difficult, with around 43 per cent of employees indicating that major organisational and workforce change was not well managed in their agency. This perhaps reflects the magnitude of changes felt as a result of recent changes to the structures of government.

What has come through is that over 80 per cent of staff believe others would describe them as flexible and open to change and 90 per cent believe that they are able to respond or adapt to new challenges quickly. So what we have is a workforce ready to accept the many challenges presented to them, and if the QPS manages the associated change well, we will have a workforce that can deliver on the outcomes required.

The report highlights clear strengths in a number of areas:

- there is a high level of job satisfaction and commitment by employees to doing a good job, including putting in extra effort when needed
- employees have a strong perception that agencies actively encourage ethical behaviour
- there are positive team environments in the QPS, with people feeling valued and having a sense of cooperation and respect
- nearly 70 per cent of employees say their agency is a good place to work
- there is a lot of effort invested in capability development opportunities at all levels within the QPS
- the QPS workforce has been focusing on front line service delivery, to meet the increasing demands for service associated with the growing and ageing Queensland population, and
- there are positive trends in the diversity of the QPS workforce, especially in relation to women and Indigenous people.

Some areas where the QPS could improve its performance include managing major change and ensuring that good change management principles are embedded in practice, enhancing capability in people management skills of supervisors, managers and senior leaders, and finding ways to innovatively address the challenges of the ageing QPS workforce.

One other area that has been highlighted as needing particular attention is the management of employee performance. We need to develop management capability in having robust planning and performance conversations with staff and using these to identify capability needs. What is clear is that when performance planning and conversations around these are done well, there are strong benefits for employees and the QPS.

The State of the Service Report offers the QPS an opportunity to reflect on its performance, acknowledge its achievements and identify improvements. In completing the survey, employees have already made an investment in their future and that of the QPS. I look forward to working with agencies and employees to address some of the key areas highlighted in this report and in doing so position the QPS for the future.

Margaret Allison
Commission Chief Executive

