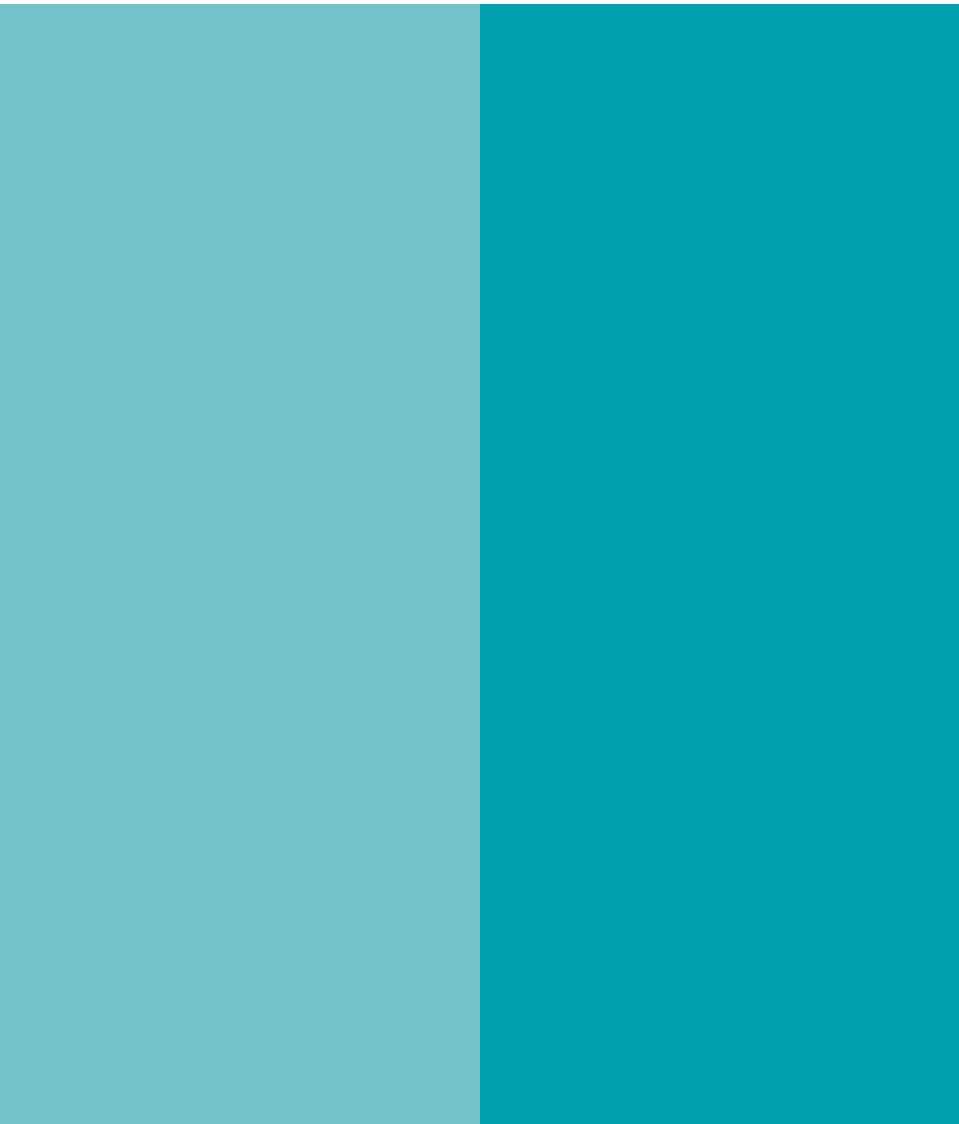# Putting integrity at the core of how public organisations operate

An integrity framework for the public sector – second edition

# Putting integrity at the core of how public organisations operate

An integrity framework
for the public sector –
second edition

December 2024

# Contents

# Preface

*Ruia taitea kia tū ko taikākā anake – Strip away the sapwood and get to the heart of the matter.*

This integrity framework is intended to support senior leaders and those in governance roles in upholding the integrity of New Zealand's public sector and navigating the ethical challenges that the public sector faces.

It is designed to build on a public organisation's own cultural and ethical values, emphasise the importance of ethical leadership and "tone from the top", and enhance internal controls and business practices.

The framework is a tool to support the development of an integrity strategy and work programme. A good integrity strategy can help an organisation to understand its integrity risks and then identify and implement clear protective factors.

Operating with integrity will, in turn, continue to protect and improve the trust and confidence that New Zealanders have in the public sector.

I urge chief executives, leadership teams, and governing boards to consider this framework in the context of their own organisation and play their part in refining, enhancing, and strengthening the overall integrity system. In doing so, we can improve the collective ethical actions of public organisations to pursue their purposes for the public good.

Nāku noa, nā

John Ryan
Controller and Auditor-General | Tumuaki o te Mana Arotake

12 December 2024

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# Why integrity matters in the public sector

<span style="font-size:200%">1</span>

The public sector in New Zealand is entrusted with wide-ranging powers. It is responsible for providing essential services that directly affect the lives of communities, hapū, iwi, whānau, families, and individuals.

This power comes with a responsibility to act lawfully and ethically. If this responsibility is not fulfilled, the legitimacy of the public sector can be undermined.

Trust in the public sector is essential for social cohesion and well-being because it underpins a government's ability to govern. Trust enables governments to act without having to resort to coercion.[1] Trust determines the levels of participation with public services and compliance with requirements. This ultimately provides public organisations with an ongoing social licence to operate.

This social licence to operate requires the day-to-day conduct of public servants to be grounded in service to the community. It also requires a high standard of behaviour.

People who access public services are directly affected by the integrity of the public organisations they engage with. This is especially so when power imbalances are more acute. That makes it important that public organisations demonstrate a genuine commitment to caring for and upholding the dignity of the people they serve.

The integrity of the public sector is not just about how an individual acts at a particular point in time. It is also about the collective actions of the public sector over the long term. Actions in the present are shaped by an organisation's history and inform the organisation's future direction.

This is particularly relevant to the longstanding Māori-Crown relationship. Māori report lower levels of trust in the public service than the general population.[2] This is a legacy of Crown actions since Te Tiriti o Waitangi | The Treaty of Waitangi was signed. Restoring trust will require public organisations to work differently — and demonstrating integrity is a critical part of restoring trust.

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1    Organisation for Economic Co-operation and Development (2013), *Government at a glance 2013*, page 21, at oecd-ilibrary.org.

2    See the Kiwis Count survey at publicservice.govt.nz.

# Integrity in public organisations

Integrity is shaped by the context in which we live and operate. For public organisations, integrity is a personal and collective responsibility. It starts with ensuring that the decisions and actions of the people that make up the organisation, their use of resources, and their spending are consistent with the **law** and **constitutional norms**.[3]

However, integrity is more than complying with the law. It also requires public organisations to consistently operate in keeping with agreed or accepted ethical principles. Ethics is about values, and ethical behaviour reflects values held.[4]

> " *Kia tika ō mahi (do the right thing)"*
> Government department
> Māori senior leader

For public organisations, there is an expectation they will operate with **honesty** and **treat people fairly** in all their activities, while **being accountable**, **transparent**, and **accepting responsibility** for their actions.[5] Integrity also requires **investing in relationships** that are based on mutual trust, respect, and care.

In Aotearoa New Zealand, the Māori values of tika, pono, and aroha can inform and guide ethical behaviour. These three concepts are inextricably connected with one another. The behaviours demonstrated when **pono** are honesty, fairness, and sincerity. These ways of being both create and build trust. The behaviours demonstrated when **tika** include just and appropriate ways of behaving and acting with clear and defensible processes. **Aroha** speaks to the quality of relationships through showing respect and acting with compassion.[6]

When considered together, they can be interpreted as doing the right thing with honesty and compassion.[7]

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3   This definition of organisational integrity builds upon the Organisation for Economic Co-operation and Development's thinking on public integrity, and was adapted from the Blavatnik School of Government's *'Public institutional integrity' defined*, at bsg.ox.ac.uk/research/building-integrity.

4   Hudson, M (2010), *Te Ara Tika Guidelines for Māori research ethics: A framework for researchers and ethics committee members*.

5   These reflect the five values in the in Public Service Act 2020. They are also common concepts expected in public sector organisations in other countries. See, for example, Denhardt, J V and Denhardt, R B (2015), *The New Public Service: Serving, Not Steering* (4th edition) and the United Kingdom guidance "The seven principles of public life" (also known as the Nolan principles) at gov.uk.

6   See Ministry of Social Development (2023), *He tūtohu nā Ngā Mātanga Māori: Advice from the Māori Advisory Group*, at msd.govt.nz.

7   Stewart, G, Smith, V, Diamond, P, Paul, N, and Hogg, R (2021), "Ko te Tika, ko te Pono, ko te Aroha: Exploring Māori values in the university", *Te Kaharoa*, Vol. 14, No. 1, at tekaharoa.com.

# Organisational culture and integrity

The **culture** of an organisation influences people's behaviour and determines how integrity in an organisation is understood and practiced. An organisation's culture is determined by how **systems**, **norms**, and **values** interact, which influences the observable actions people take based on their decisions.

Public organisations are made up of people making decisions every day about what actions to take. These decisions can range from the mundane to the most important. To build organisational integrity, these decisions need to be informed by the organisation's **purpose**, **values**, and New Zealand's **constitutional framework**.[8]

This means that people need to **stop and think** about whether the decisions they make are **aligned** with what the organisation stands for.

> **"** *Workplace culture is … the gap between what we are saying and what we are doing. The behavior that's tolerated – not your words – determines the real culture."*
>
> Gustavo Razzetti, *Culture is the behavior you reward and punish*

There are many factors that can disconnect an organisation's stated purpose and values from the day-to-day decisions and behaviours of their people. These factors include:

- the actions of senior management and governors;
- the tone and content of formal and informal communications;
- how easy it is to understand a policy and why the policy matters;
- how safe people feel about calling out wrongdoing; and
- how leaders hold themselves and others accountable for poor behaviour.

The actions of the most senior staff and the content of their online and in-person communications determine what is often called "the tone from the top".

8    See the "Ethics Unboxed" resources at ethics.org.au.

# 2 Introducing the organisational integrity framework

The framework has three components.

Each component reinforces the others. They need to be designed and monitored as part of a coherent system of improvement.

## Building a stable foundation

Respecting our constitutional framework

Organisational purpose and values

## Putting integrity at the core of the organisation

1. Leading with integrity
2. Raising and responding to concerns
3. A code of conduct
4. Policies and procedures
5. People processes
6. Integrity roles and responsibilities
7. Continuous learning and improvement

## Making integrity visible

Treating people fairly

Acting honestly

Being accountable

Being transparent

Investing in relationships

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# Building a stable foundation

To have a stable foundation, an organisation must have a clear understanding of its purpose and values. An organisation's purpose and values must be informed by the wider constitutional framework in which it operates. Organisations must consider how they comply with the Tiriti o Waitangi | The Treaty of Waitangi, the law, and international obligations.

Practical and authentic statements about **"why we are here"** and **"how we should go about our work"** guide people when they make decisions in different situations. Public organisations need to consider integrity and the values of tika, pono, and aroha within their own contexts and in relation to the **purpose** and **values** that they are committed to and that they wish to be held accountable for.

# Putting integrity at the core of the organisation

The framework combines an **active approach** to encourage ethical behaviour and **compliance activities** to prevent and detect unethical behaviour. This combined approach can help organisations improve alignment between what is said and what is done.

An **active approach** involves embedding the values of an organisation into an organisation's culture, so integrity becomes part of everything the organisation does — from the day-to-day decision-making and behaviours of staff to its systems and practices.

Using values to establish a system of cultural norms in an organisation needs to be more than just a mix of vague concepts and principles. Values need to be understood as having coherence and consistency. This, in turn, requires a structured framework within which values and ethical principles can be applied. It also requires everyone to be able to properly appreciate and apply those values and principles when carrying out their roles.[9]

**Compliance activities** are the processes, policies, controls, and other mechanisms in place to ensure that people comply with legal requirements and internal rules. These activities can be effective in reducing the likelihood of errors and fraud and in detecting issues when they have occurred. However, relying solely on compliance instruments can lead to people following the rules without considering whether their decisions are ethical and aligned to the organisation's purpose and values.

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9    This description draws on discussion from Te Aka Matua o te Ture | Law Commission on tikanga Māori as a coherent system that guides behaviours and decisions on ethical matters. See "Tikanga Māori" at lawcom.govt.nz.

## Making integrity visible

When people interact with a public organisation, what they see, feel, and experience is, in effect, what the organisation stands for. Having a strong internal core built on stable foundations is likely to prevent poor behaviour and encourage positive actions by staff. This alone, however, might not improve people's trust in the organisation.

Organisations need to ensure that integrity is also present and observable through all staff interactions with those they engage with or provide services to. Integrity is relational, encompassing fairness, transparency, care, and respect. Integrity needs to be demonstrated in ways that are meaningful to everyone involved in an interaction.

## How to use this guidance

Throughout this guidance, we have included *"Actions to consider"* sections. Far from an exhaustive list, the suggestions in these sections are prompts for you to consider ways to implement integrity in practice.

Organisations often focus on reactive and compliance interventions. We encourage you to consider whether more time and resource could be put into designing processes, policies, activities, and other mechanisms that actively contribute to integrity outcomes.

It helps to consider the suggestions from the perspective of the various roles performed in your organisation. The activities you choose to carry out in your organisation are ideally a balanced mix of **active approaches** to encourage ethical behaviour and **compliance activities** to prevent and detect unethical behaviour.

Throughout the guidance, you'll find quotes from interviews and workshops with senior leaders, team leaders, and front-line staff in local and central government, giving real-world perspectives on integrity.

# 3

# A stable foundation

Having a stable foundation means having a clear understanding of the organisation's purpose and values, which must be informed by the wider constitutional framework in which it operates.

## Respecting our constitutional framework

**Why it matters:** Following constitutional norms is a given when it comes to integrity and ensuring the legitimacy of the government

New Zealand does not have a written constitution. Instead, the power of the State is regulated by a range of laws, documents, practices, conventions, and institutions. These operate together to ensure that the government's actions are legitimate and accepted by the public.

Public organisations must act in a way that respects our constitutional framework. If public organisations flout constitutional norms, the legitimacy of their actions – and the legitimacy of the government – is undermined.

**What it looks like:** Knowing and honouring obligations, commitments, and duties under the law

### Te Tiriti o Waitangi | The Treaty of Waitangi

Te Tiriti o Waitangi | The Treaty of Waitangi (te Tiriti)[10] is at the heart of the relationship between Māori and the Crown.[11] Te Tiriti is one of the major pieces of New Zealand's constitutional framework.[12]

Te Tiriti established a partnership between Māori as tangata whenua and the Crown. It affirmed the existing rights that Māori had to live as Māori and to exercise tino rangatiratanga over their lands, resources, and other taonga.

All public organisations need to consider te Tiriti when making policy, applying and enforcing the law, and carrying out their functions. The Cabinet Office has issued guidelines for policymakers

> " *If integrity is about alignment of values and actions, then the starting point for the public sector system is the foundational agreement between the Crown and Māori (te Tiriti). This could result in an opportunity to bring about the most meaningful change between public sector organisations and the public."*
>
> Crown entity senior leader

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10  We use "te Tiriti" in this guidance to refer to the Māori and English texts together. If we are referring specifically to the English language version, we use the Treaty of Waitangi. If we are referring specifically to the Māori language version, we use te Tiriti o Waitangi.

11  The term "Crown" refers to the Executive branch, which develops and administers the law. See Te Kawa Mataaho Public Service Commission's "How the public sector is organised" at publicservice.govt.nz.

12  Cabinet Office Circular CO (19) 5, Te Tiriti o Waitangi / Treaty of Waitangi Guidance, paragraph 2, at dpmc.govt.nz.

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*Purpose* and values

*Constitutional* framework

to consider te Tiriti in policy development and implementation.[13] It is critical that organisations are aware of all their obligations and have processes to ensure that they are complied with.

Organisations need to consider what capability building is required for them to meet their responsibilities under te Tiriti. The types of activities organisations can carry out could include:

- developing a position statement that sets out how the organisation understands its role as it relates to te Tiriti and to iwi, hapū, and whānau Māori;

- researching and documenting the organisation's history from a Māori perspective;

- understanding the impact its actions have had on Māori, both positive and negative, and how its actions can be improved; and

- consistently upholding tikanga Māori (for example, through karakia, pōwhiri, and relationships with iwi and hapū), and observing tikanga as part of daily practice.

Section 14 of the Public Service Act 2020 recognises the role of the public service in supporting the Crown's relationship with Māori under te Tiriti. There are provisions in the Act that put explicit responsibilities on public service leaders to develop and maintain the capability of the public service to engage with Māori and understand Māori perspectives. Te Arawhiti has developed a wide range of tools and guidance to support organisations with building public sector capability.[14]

A public organisation's commitment to supporting the Crown's relationship with Māori under te Tiriti must be realised in an observable way. If it isn't, the organisation's integrity will likely be questioned.

Acting with integrity with respect to te Tiriti requires more than engaging and understanding perspectives. It requires proactively considering principles of equity, options, active protection, and rangatiratanga.

> " *While it is all good that CEOs are learning to mihi – this is not the mahi. It's not just about agencies looking more Māori, with their name, use of reo etc. It is about doing their job for Māori."*
>
> Haemata Limited, *Māori perspectives of accountability*

> " *Participants felt that currently in the Public Sector there is a lack of consequence for failure to meet Māori outcomes. Participants spoke of cases where senior managers continued to be rewarded despite continually failing to achieve positive outcomes for Māori. Poor Māori health and Māori education outcomes were highlighted as examples of this."*
>
> Haemata Limited, *Māori perspectives of accountability*

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13  Cabinet Office Circular CO (19) 5, Te Tiriti o Waitangi / Treaty of Waitangi Guidance, paragraph 2, at dpmc.govt.nz.

14  See "Tools, resources and funding" at tearawhiti.govt.nz.

## The law

Integrity starts with following the law. Law includes primary legislation (law made by Parliament), secondary legislation (law made by someone else using law-making powers delegated by Parliament), and common law (law made by judges).

Common law influences how legislation is interpreted and applied, and it includes administrative law principles that require public organisations to act reasonably and fairly when they make and implement decisions. Legislation and common law might recognise elements of tikanga Māori. Legislation might also include obligations that recognise or give effect to te Tiriti.

Legislation can apply to public organisations in different ways:

1.  **Legislation might establish positive obligations to act in ways that are ethical and in the public interest.** For example, an Act of Parliament might require public organisations to take necessary measures to safeguard a right or, more precisely, to adopt reasonable and suitable measures to protect the rights of the individual.[15, 16]

2.  **Legislation might inform the purpose of public organisations and what they can do.** If a public organisation is established by legislation, the legislation will most likely set out its purpose and functions. Some legislation applies to categories of public organisation (for example, the Public Finance Act 1989, the Crown Entities Act 2004, and the Local Government Act 2002).

3.  **Legislation might govern the stewardship responsibilities that public organisations have over the information they hold.** For example, public organisations might have responsibilities under the Privacy Act 2020, the Official Information Act 1982, the Local Government Official Information and Meetings Act 1987, the Legislation Act 2019, and the Public Records Act 2005.

It is critical that public organisations are aware of all their legal obligations and have processes to ensure that they are complied with.

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15  See, for example, the Public Service Act 2020, the Human Rights Act 1993, the New Zealand Bill of Rights Act 1990, the Health and Safety at Work Act 2015, and Te Ture mō Te Reo Māori 2016 | Māori Language Act 2016.

16  Although the Public Service Act applies to only some public organisations, in our view, the Act's purpose, principles, and values provide an ethical framework that all public organisations can use. This includes local government, especially as there is no equivalent piece of legislation that codifies its purpose, principles, and values.

## International obligations

New Zealand's international obligations arise from agreements that New Zealand enters into with international partners as well as from customary international law and other sources of international law.

For example, New Zealand is party to seven core international human rights treaties of the United Nations:

- The International Convention on Civil and Political Rights.
- The International Covenant on Economic, Social, and Cultural Rights.
- The International Convention on the Elimination of All Forms of Racial Discrimination.
- The Convention on the Elimination of All Forms of Discrimination against Women.
- The Convention against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment.
- The Convention on the Rights of the Child.
- The Convention on the Rights of Persons with Disabilities.

New Zealand also supports the United Nations Declaration on the Rights of Indigenous Peoples, although that is not a legally binding instrument under international law.

By signing up to international human rights treaties, New Zealand has assumed obligations under international law to respect, protect, and fulfil the human rights of everyone in New Zealand. This means that the State must protect individuals and groups against human rights abuses, take action to facilitate the enjoyment of basic human rights, and refrain from actions that interfere with or curtail the enjoyment of human rights.

International law does not legally bind public organisations until it is incorporated into legislation. However, New Zealand's international law obligations are an important part of the context in which public organisations operate.

Public organisations need to be aware of and have regard to New Zealand's international law obligations and international standards. The Ministry of Foreign Affairs and Trade maintains a list of treaties that New Zealand is party to.[17]

17  See "New Zealand Treaties Online" at mfat.govt.nz.

## Actions to consider

- Provide training and resources to support your staff in understanding the legal framework in which they carry out their work.
- Set up processes to monitor whether your organisation is following the laws that apply to its work.
- Seek Māori perspectives on how your organisation operates and is seen to uphold te Tiriti.
- Consider how the role and functions of your organisation relate to the Crown's obligations under te Tiriti and how your organisation could contribute to meeting those obligations.
- Talk to staff about how te Tiriti applies to your organisation's work and how the organisation goes about its work.
- Review the effectiveness of the resources in place to build te Tiriti capability in your organisation to identify opportunities to enhance staff's understanding of te Tiriti.

# Organisational purpose and values

**Why it matters:** An organisation's purpose and values provide a shared understanding of what the organisation is here to do and how it will go about it

An organisation's purpose sets out a clear explanation of why an organisation was set up and what it is meant to do or achieve.[18] Organisational values set out expectations for the organisation's culture and behaviours.

When considered together, an organisation's purpose and values identify what matters most to the organisation. They provide direction for the decisions and actions of staff by empowering people to balance and achieve what's agreed to be important.[19]

When an organisation's values are strong, stable, and effectively communicated, people can be guided by them in their day-to-day work. Values that are designed and clearly linked to an organisation's purpose are the cornerstone of integrity because they:

> " *In our organisation, part of planning any piece of work involves assessing whether it fits within our mandate. Our founding legislation gives us quite wide-ranging powers, so we want to be certain that we only use these powers in a way that supports us fulfilling our organisational purpose. Operating outside of our mandate or abusing our powers would have a negative effect on the credibility and integrity of our organisation."*
>
> Government department team leader

- **help people make ethical decisions** – values guide decision-making and actions and clarify what the organisation stands for;

- **align the organisation** – shared values communicate the bigger purpose that everyone works towards together, provide clarity on what is acceptable, and empower people to have difficult conversations in a safe environment;

- **improve motivation** – understanding and agreeing with the organisation's values gives staff collective "buy-in" and a sense of belonging; and

- **communicate to the public** – organisational values can help communicate what the public can expect from an organisation and help hold it accountable.

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18  The Ethics Centre (2020), *A guide to purpose, values and principles: How to establish an ethics framework for small and medium businesses*, at ethics.org.au.

19  The Ethics Centre (2020), *A guide to purpose, values and principles: How to establish an ethics framework for small and medium businesses*, at ethics.org.au.

## What it looks like: A statement of what the organisation stands for and the culture it collectively seeks

Operating with integrity means staying true to the organisation's purpose and values in everything an organisation does. Each organisation should be clear about its purpose and identify core values that it is committed to and wishes to be held accountable for.[20]

A public organisation's purpose will be informed by the wider constitutional arrangements in which it operates. The purpose of a public organisation might be set by specific legislation and should state its role (as part of the Crown) in meeting its obligations under te Tiriti.

A purpose statement should be:

- tailored to your organisation's role;
- clear enough for staff to understand;
- stable enough to stand the test of time;
- practical enough to guide decisions; and
- authentic enough to make sense and appeal to staff.[21]

Identifying organisational values begins with a clear understanding of the purpose of the organisation.[22] Values are what the organisation strives for and seeks to maximise or protect in achieving its purpose.[23]

Organisational values set out the expectations for an organisation's culture and behaviours. It is not enough for an organisation to just have values – they need to be clearly expressed throughout the organisation (for example, in the code of conduct) and demonstrated internally as well as externally. This gives everyone who works at an organisation a shared understanding of what each value means and looks like, and what they and the organisation are guided by and held accountable for. Having clear values attracts people to work for the organisation who also hold those values.

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20   Chartered Institute of Management Accountants and the Institute of Business Ethics (2017), *Embedding ethical values: A guide for CIMA partners*.

21   The Ethics Centre (2020), *A guide to purpose, values and principles: How to establish an ethics framework for small and medium businesses*, at ethics.org.au.

22   The public organisations that must comply with the Public Service Commissioner's standards for integrity and conduct (under the Public Service Act 2020) should do so with reference to the public service principles, values, and code of conduct. Other organisations are also welcome to adopt this framework.

23   The Ethics Centre (2020), *A guide to purpose, values and principles: How to establish an ethics framework for small and medium businesses*, at ethics.org.au.

What an organisation stands for is wider than staff behaviour. Consideration needs to be given to how third parties working with an organisation understand and are guided by the values of the organisation. Organisations also need to manage the risk of unethical supplier practices, such as actual, perceived, or potential conflicts of interest, fraud, corruption, tax avoidance, and modern slavery.

> 66 *Staff talk every day in their morning debrief about the values, picking one to talk about it, sharing experiences that resonate."*
> Government department staff member

Organisational values should take account of a diversity of beliefs and worldviews and create an inclusive environment where different voices are heard and respected. This could include careful consideration of tikanga and Māori values in an organisation's culture, operations, and interactions with the community (for example, by including values that speak to collectivity, responsibility, accountability, and the restoration of balance when trust is lost or when integrity is questioned).

Once an organisation has developed its values, it is important that there is a process to work through what they look like in practice, so they are embedded into interactions and decisions. Take every opportunity to actively to promote them.

## Actions to consider

- Translate organisational values into statements that resonate with staff in their day-to-day work.
- Assure yourself that staff understand the values of your organisation and how the values apply to their work.
- Assess and report on differences between organisational values and observed behaviours at all levels of your organisation, including senior leaders and governors (consider the role of internal audit in assessing this).
- Openly discuss the organisation's purpose and values with staff to gather their thoughts, opinions, and experiences.
- Look for opportunities to model behaviours that reflect the values of your organisation, especially in times of stress or change.
- Recognise and celebrate behaviours that are aligned with organisational values when you see them.
- Review how decision-making in the organisation is based on the values of the organisation.
- Discuss how trade-offs between values might be explored and decided on.
- Be open and transparent when sharing the leadership team's rationale for decisions that affect staff and those your organisation serves.

# 4

# A strong core

A strong core requires the practices, systems, and policies that influence an organisation's culture to be aligned to the organisation's purpose and values. When they work in unison, they can directly contribute to the integrity of an organisation and the ethical behaviour of its people.

Tika, pono, and aroha are fundamental in te ao Māori — they bind everything together by providing a way in which everything is upheld and accomplished. The koru on the pou represent the people in the company coming together, working together, with tika, pono, and aroha to uphold the organisation's integrity.

## (1) Leading with integrity

**Why it matters:** When leaders set a high bar for integrity and ethical behaviour, it sets a positive culture throughout the whole organisation

For integrity to be at the heart of an organisation, there must be a strong commitment to it from senior leaders. This commitment must be genuine and consistent, regardless of the pressures that leaders are facing. If ethical leadership is not demonstrated at the top, it is unlikely to be found in the organisation.

When leaders behave ethically, staff are more likely to be motivated, committed, and willing to report problems. Workplaces where leaders demonstrate ethical behaviour are associated with lower rates of sick leave, high work satisfaction, and higher productivity.[24]

> " *Integrity is a leadership issue, and leaders need to close the integrity gap to ensure no one else falls through it."*
>
> Ferguson Values, "5-Step Model to Close the Integrity Gap"

> " *It's the 21st century … and ethical and authentic leadership really matter. We have the public expecting us to improve our behaviour and relationships."*
>
> NSW Public Service Commission, *Behaving Ethically: A guide for NSW government sector employees*

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24   NSW Public Service Commission (2014), *Behaving Ethically: A guide for NSW government sector employees*, at psc.nsw.gov.au.

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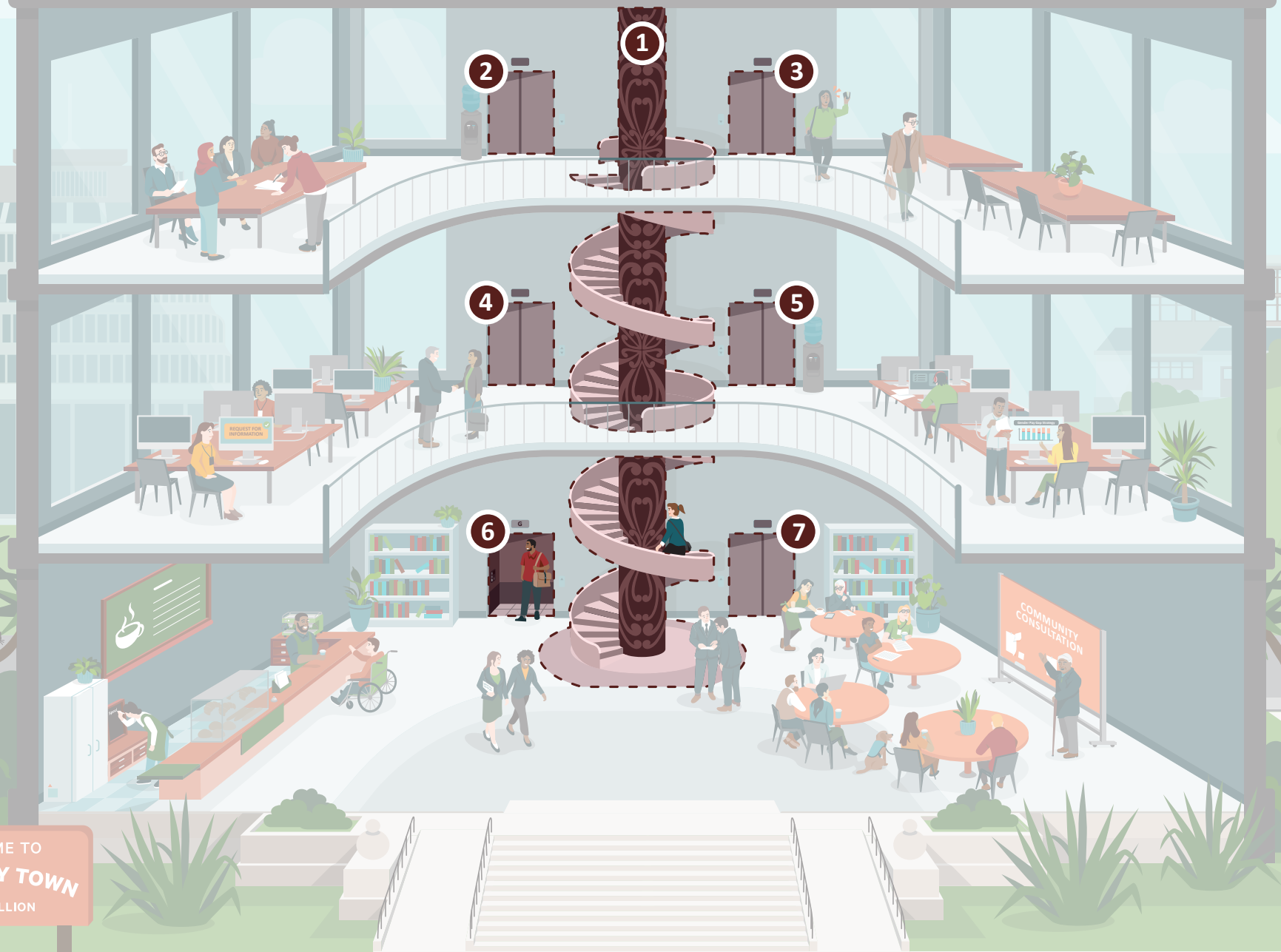


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## What it looks like: Leaders are committed to creating a safe and ethical workplace

### Setting the tone

Leading with integrity and being accountable is reciprocal – people give what they feel they are receiving. If leaders want staff to commit to their organisation's purpose and values then leaders must also commit to those purpose and values, and their behaviours and decision-making need to reflect this.

Leaders must hold themselves to the same standards as is expected from everyone else in the organisation. For example, management override of policies should only be used in exceptional circumstances and the reasons should be documented.

Leading with integrity requires persistence to "do the right thing" even in challenging situations. It is important that leaders are transparent about their decision-making and remain open to feedback and being challenged. Transparency about the thinking and challenges at the top also helps others to see decisions in context.

Senior leaders need to address problematic behaviour at its earliest signs, whether it's an inappropriate joke, a dismissive comment, or subtle exclusionary practices, and prevent these behaviours from escalating. This proactive approach not only curbs the development of a toxic work environment but also sends a clear message that such behaviours will not be tolerated.

People leaders and middle managers also play an important role when it comes to shaping the behaviour of staff and setting a positive organisational culture. Staff may not have strong working relationships with senior leaders, especially in larger organisations. It is important to pay attention to how an organisation's people leaders, from frontline supervisors to the senior executive team, lead with integrity.[25]

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25  The Leadership Development Centre has resources and core leadership development programmes that provide additional support and development.

## Leadership and building psychological safety

Psychological safety means staff know that they will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes. High psychological safety improves team collaboration, innovation, performance, job satisfaction, and staff retention. It also contributes to reduced stress and improved well-being.[26]

Leadership styles that share a common thread of supporting and caring for people are linked to encouraging a culture of integrity.[27] This includes styles of leadership that support a culture where:

• staff are encouraged to achieve goals and produce high-quality work;

• collaboration is highly valued;

• staff are respected and cared for;

• there is positive change and innovation; and

• staff have a sense of agency and feel empowered.

These leadership styles align with the concept of aroha (to care for people with compassion and empathy).[28]

Māori models of leadership provide insight into qualities and behaviours that support the well-being of groups and individuals and contribute to the overall psychological safety of an organisation.[29] These qualities and behaviours include the ability to weave people together to focus on collective goals and the demonstration of tika, pono, and aroha in daily interactions.[30]

A key part of effective leadership is being able to influence other people. To do this, leaders need to build meaningful relationships that are based on mutual trust, empathy, respect, support, and care.

Without these relationships, the ability to influence the behaviour of others will be limited. Showing staff that they are valued and that their contributions are important helps to build strong positive relationships.

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26  See "Integrity and psychological safety for leaders", Australian Public Service, at apsc.gov.au.

27  See NSW Public Service Commission (2014), *Behaving Ethically: A guide for NSW government sector employee*s, at psc.nsw.gov.au.

28  Hawkins, C (2017), "How does a Māori leadership model fit within current leadership contexts in Early Childhood Education in New Zealand and what are the implications to implementing a rangatiratanga model in mainstream Early Childhood Education?" *He Kupu*, Vol. 5, No. 2, at hekupu.ac.nz.

29  Haar, J M, Roche, M, Brougham, D (2019), "Indigenous Insights into Ethical Leadership: A Study of Māori Leaders", *Journal of Business Ethics*, 160:621–640.

30  Hawkins, C (2017), "How does a Māori leadership model fit within current leadership contexts in Early Childhood Education in New Zealand and what are the implications to implementing a rangatiratanga model in mainstream Early Childhood Education?" *He Kupu*, Vol. 5, No. 2, at hekupu.ac.nz.

## Leading with integrity is a skill

Leaders tend to overestimate their own ethical judgement and leadership abilities, compared to how staff view them.[31] Leaders need support to develop effective leadership styles. Performance assessment and promotions processes for leaders need to be designed to ensure that only those leaders who demonstrate the values and skills in this type of leadership progress.

It can be helpful for leaders to talk through their decisions with a trusted advisor. For example, the chairperson of an audit and risk committee can be a useful sounding board for chief executives, and some public organisations in central government have nominated a member of their senior leadership team to be an integrity champion.

> " *When I began this work, I tended to think of integrity as an innate quality – you had it or you didn't.... But there are serious limitations in framing integrity as the stuff of saints. I now think of integrity as a skill and a habit. A kind of behavioural dance that we can move in and out of all day, depending on how self-aware we are in the moment."*
>
> Sue Robertson, *There but for the grace of God*

31   Macaulay, M (2020), "Towards a New Public Ethics", *Policy Quarterly*, Vol. 16, No. 1, pages 37-42.

## Actions to consider

- Take responsibility for your decisions and actions and hold yourself publicly accountable for their outcomes.

- When mistakes occur, apologise and remedy the error, being transparent about any changes made and what was learned.

- Monitor and report on the use of policy overrides (for example, in procurement or appointments).

- Invite feedback from staff on whether organisational values underpin leadership practices in the organisation and what improvements could be made.

- Share ethical dilemmas that your organisation has faced. Use examples to highlight how ethical challenges might be navigated.

- Challenge decisions or behaviours that appear inconsistent with your organisation's values and report on these to the organisation.

# ② Raising and responding to concerns

## Why it matters: A safe environment to raise concerns helps to protect staff and provides an important source of feedback about the health of the organisation

When people feel safe to raise concerns without fear of negative consequences, risks can be identified and managed appropriately. It also gives an organisation visibility of what is happening, allowing it to respond effectively and make improvements (including steps to prevent and detect wrongdoing).

When done well, people not only feel heard and safe but can see that leaders of the organisation are understanding and responding to concerns. This can improve morale and trust and strengthen relationships.

> " *We find that when concerns are reported early, inappropriate behaviours can be addressed quickly and before they cause serious harm.*
>
> Government department integrity specialist

## What it looks like: When someone speaks up, they are heard. They expect and receive an appropriate response and restorative action

A "speak-up" culture has been a priority for integrity and compliance functions for decades, with a focus on encouraging staff to report inappropriate conduct. In recent years, the focus has shifted from "How do I get my staff to speak up?" to "How can I create an environment where staff feel safe, empowered, and encouraged to speak up?"[32]

This shift in focus acknowledges that raising concerns takes courage. People who raise concerns can feel lonely and vulnerable. Staff are often reluctant to raise concerns, mainly because they do not believe they will be protected or that anything will be done.[33] Power is also not equally distributed throughout an organisation – hierarchy or unconscious bias can mean that the costs of speaking up are different for different people.

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32  See LRN Corporation (2024), *Benchmark of Ethical Culture 2024: Unveiling the link between company culture, misconduct, and risk*, at lrn.com.

33  Brown, A J et al (2019), *Clean as a whistle: A five-step guide to better whistleblowing policy and practice in business and government*.

## Raising concerns

Organisations need clear and easy-to-follow processes that people can use to raise concerns or complaints. These processes should prioritise staff safety and well-being.

The effectiveness of any process for raising concerns will in part be determined by the wider culture of the organisation. This includes whether staff feel their work environment is a safe place to share their ideas and opinions, voice concerns, ask questions, or make mistakes. It is difficult to expect employees to raise their hand when they see something wrong if they aren't listened to or invited to share their perspective in the normal course of work.

### Have multiple informal and formal channels to raise concerns

Organisations should offer multiple channels for reporting concerns. This helps people to raise concerns in any circumstance and through any channel they feel most comfortable with, even if they are uncertain or don't have evidence to support their concerns. Channels should be designed to accommodate staff raising issues either as a group or individually.

All channels should be clearly communicated and visibly endorsed by leadership. By doing so, organisations can create a culture of openness and trust, where employees feel empowered to speak up without fear.

> **"** *In our organisation, we put multiple channels in place to support people with reporting – people can report their concerns to their manager, to our health and safety team, or to our integrity advisor. People can also report concerns confidentially via text, email, an external phone line, or using a web form on our intranet."*
>
> Government department integrity specialist

At a minimum, the following channels should be available:

- **Informal** – Staff can ask a question or speak privately to someone trusted in the organisation or raise a question in an open forum, such as a team meeting or talk.
- **Through the line** – Staff can discuss an issue or make a formal complaint to a manager or supervisor.
- **Chief executive** – Staff can raise any concerns about possible wrongdoing directly with the chief executive.
- **Protected disclosure** – Staff can talk confidentially to a designated impartial person in the organisation and/or a range of external authorities in certain circumstances.[34]

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34  See Te Kawa Mataaho Public Service Commission (2022), *Acting in the spirit of service: Speaking up* (the speaking up model standards), at publicservice.govt.nz.

Because people might raise multiple and varying concerns, processes should be designed to accommodate a combination of issues without requiring the individual to follow separate processes.[35]

When designing different channels for raising concerns, organisations should seek feedback on cultural appropriateness and accessibility. This can help to avoid inadvertently creating barriers for people to raise concerns.

Silence might not merely mean a lack of safety or lack of confidence to speak up for an organisation or for an individual, but might mean the appropriate opportunity or context to raise an idea or matter is not yet clear or sensitively offered.

> *When we added additional ways to raise concerns, we expected to be dealing with a much greater number of serious complaints. We did receive a lot more concerns, but the number of concerns that needed to be escalated to a formal process didn't change; instead we were able to deal with concerns earlier."*
> Government department integrity specialist

**External mechanisms**

Organisations should also consider mechanisms for concerns or complaints from the public or people accessing their services. The appropriate mechanism will depend on the public organisation's role and types of services it provides.

## Responding to concerns

Responding to concerns should be done is a way that is timely, fair, and trusted.

Organisations should prioritise finding the best ways to address the harm caused and prevent future harm. Approaches that focus on assessing whether unlawful or poor conduct can be substantiated should be complemented by respect and empathy when considering actions most likely to remedy the impact of the harm.

> *I have confidence in the process. If something is raised, it will be addressed appropriately."*
> Government department staff member

Any process needs to be culturally safe and agreed on by participants, so the process does not replicate and reinforce harm. Tika and pono can help guide processes of resolution through constructs such as whakatika, which calls for people to correct or put right transgressions against others or things that have been done wrong.[36] These processes require skilled facilitation.

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35  For example, bullying or harassment combined with wrongdoing.

36  See Ministry of Social Development (2023), *He tūtohu nā Ngā Mātanga Māori: Advice from the Māori Advisory Group*, at msd.govt.nz.

Responding to concerns starts with assessing the concern raised. Often a disclosure will involve more than one issue.[37] Failure to properly assess a disclosure and manage the full range of issues raised is often the first step towards bad outcomes.[38]

**Have a high degree of transparency**

Although some issues need to be managed confidentially, it is important to be as transparent as possible, particularly with people who raise concerns or make complaints. This should include communication to keep staff who raise concerns informed about progress, as well as sharing as much information about decisions or outcomes as possible. This builds trust that action is being taken about integrity breaches and that the organisation stands firmly by its values.

A lack of visibility can lead to staff making assumptions about what is happening.

**Have tailored support for staff**

Staff who raise concerns need to receive tailored support and regular communication. There should be a range of mechanisms in place to ensure that those who raised a concern are getting the care and support they need to feel safe and are reassured there will not be any negative consequences for them. It is also important to provide appropriate support for those who have had concerns raised against them throughout the process, regardless of outcome.

Organisations need to have the capability to provide tailored support for their people. For public service organisations, the *Speaking up* model sets out minimum expectations to support staff to speak up about wrongdoing.[39]

**Provide training**

Organisations should have training available for people who might deal with concerns. Training and support should cover receiving and dealing with concerns and formal complaints. This helps with a consistent and clear approach throughout the organisation.

> 66 *Allowing all parties to know what the process is has built trust amongst staff that action is being taken against integrity breaches and that the organisation stands firmly by its values."*
> Government department manager

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37  Brown, A J et al (2019), *Clean as a whistle: A five-step guide to better whistleblowing policy and practice in business and government.*

38  Brown, A J et al (2019), *Clean as a whistle: A five-step guide to better whistleblowing policy and practice in business and government.*

39  See Te Kawa Mataaho Public Service Commission (2022), *Acting in the spirit of service: Speaking up* (the speaking up model standards), at publicservice.govt.nz.

## Following up

After formal processes have concluded, it is important to check on the well-being of those who raised the concern. Even when people do not believe they have been treated badly through the process, most still experience a range of negative consequences.[40] The most prevalent are informal "collateral" impacts (such as stress, reduced performance, and isolation) over and above deliberate reprisals and employment actions.[41]

Where there have been integrity breaches, the impacts can ripple out much wider than those directly affected. Speaking authentically about issues can help rebuild trust.

## Monitoring

It is important to monitor whether processes (triage, risk assessment, support, intervention, and remediation), roles, and responsibilities are operating effectively.

Low rates of concerns or complaints raised in an organisation might mean it has no issues. It might also indicate a lack of trust or a belief that speaking up will not result in change or could lead to a worse outcome (for example, reprisal or retaliation against an individual).[42]

40  Brown, A J et al (2019), *Clean as a whistle: A five-step guide to better whistleblowing policy and practice in business and government*. This study found that more than 80% of staff who raised concerns about workplace wrongdoing reported that they experienced some negative repercussions.

41  Brown, A J et al (2019), *Clean as a whistle: A five-step guide to better whistleblowing policy and practice in business and government*.

42  Brown, A J et al (2019), *Clean as a whistle: A five-step guide to better whistleblowing policy and practice in business and government*.

## Actions to consider

- Put a range of reporting channels in place (including informal, formal, and anonymous channels) to resolve concerns as quickly and as close to the event as practical and safe to do so.

- Communicate regularly with staff who raise concerns about progress in responding to those concerns, and share as much information about decisions or outcomes as possible.

- Make support available for complainants, and those complained about, through any process.

- Ensure that relevant concerns and investigation outcomes are considered in decision-making (for example, when considering the suitability of an individual for career progression or promotion).

- Monitor speaking-up processes (triage, risk assessment, support, intervention, and remediation), to check that they are operating effectively.

- Actively seek feedback from staff about their understanding of and trust in your organisation's processes for raising concerns, and any barriers to the flow of information through the organisation.

- Engage directly with staff to help understand what issues might be occurring in the organisation.

- Put channels in place that enable staff to raise concerns as a group, rather than only individually.

- Provide training for people leaders on psychological safety, how to raise and respond to concerns, and managing conflict.

**3**

# A code of conduct

## Why it matters: A code of conduct creates a shared understanding of expected behaviours and fosters responsibility and accountability

A code of conduct is the first opportunity to interact with new staff and clearly communicate to everyone who works at the organisation what is acceptable and unacceptable behaviour. It expands on organisational values and explains "the way we work around here". A code of conduct requires active agreement, which establishes the behaviours to which people will hold themselves and others to account.

A code of conduct will be effective only if people understand how to comply with it. A code of conduct should help people by providing standards that they can apply to specific situations.

If someone faces an integrity problem, a code of conduct should help them make a judgement, consider the individual circumstances of the situation, and arrive at a well-founded decision.

> " *Introducing our new code of conduct took a lot of work but it has perhaps been the biggest contributor to the improvement in setting out the expectations of behaviour for all staff.*"
> Non-public service department integrity specialist

## What it looks like: A code of conduct translates values into behaviours

Typically, a code of conduct is a written set of norms that outlines desired behaviours and often includes clear guidance on the consequences for breaches and possible sanctions for violations.

When preparing or updating a code of conduct, consult with staff, staff networks, and unions to improve its effectiveness.[43] There might also be cultural considerations in preparing and applying a code of conduct.

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43   Sometimes it might also be appropriate for organisations to consult with other parties they have important relationships with, who can provide an external perspective of how integrity is being demonstrated.

However, a code of conduct alone is not enough to influence behaviour and ethical decision-making. It needs to be supported through activities in the organisation – for example, making safe channels available for raising specific questions or discussing ethical dilemmas as they arise, as well as channels to raise failures when they occur. It also requires a programme of communication and training supported by leadership that exhibits core values and desired behaviours.

When an integrity issue is resolved, the lessons (such as the circumstance, issue, and resolution) should be shared with staff where possible, to help show what is and is not acceptable through real-life situations.

The Public Service Commissioner has issued a code of conduct and accompanying guidance for public service organisations.[44] However, any organisation can incorporate it into its own code of conduct or produce supplementary codes to cover specific circumstances. Councils are legally required to adopt a code of conduct for their elected members.[45]

People might also belong to professional bodies that have standards required of them when working as a member of that profession (for example, lawyers and accountants). These further inform and support the integrity of staff when doing their work.

Organisations should consider applying the same expectations of behaviour for contracted or funded third parties. This can be achieved by specifying them in tender documents, contracts, and supplier briefings.[46]

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44  See "Integrity and conduct" at publicservice.govt.nz.

45  See the Local Government Act 2002.

46  National Anti-Corruption Commission (2023), *Towards Integrity Maturity – Mapping the Commonwealth integrity landscape: Commonwealth Integrity Maturity Framework*, at nacc.gov.au.

## Actions to consider

- Ensure that your code of conduct reflects the values of the organisation and any legislative obligations for integrity and conduct.

- Train new staff on the code of conduct so they understand what acceptable and unacceptable behaviour is, and the consequences for non-compliance. Monitor and report on compliance with the code of conduct in all parts of your organisation.

- Review the code of conduct regularly and involve staff in the review process. Ensure that new staff sign and agree to the code of conduct, and consider a regular requirement for all staff to reaffirm their commitment to the code.

- Ask staff about how the code of conduct contributes to their day-to-day decision-making and whether it helps them to navigate integrity issues.

- Talk about situations where you feel the code of conduct is not being followed and encourage staff to raise concerns they see.

**4** ## Policies and procedures

### Why it matters: Policies and procedures help staff know what is expected of them and what they should do in certain situations

Policies and procedures support the practical day-to-day implementation of an organisation's values and desired behaviours and help to set its internal control environment. When designed in the right way, policies and procedures ensure that activities in the organisation support the organisation to achieves its purpose in ways that demonstrate its values. Policies and procedures also can help organisations maintain consistency and control over their operations.

Policies that clearly align with an organisation's values help staff understand why the policies matter. For example, the importance of policies about conflicts of interest can be explained by referring to values such as independence and fairness. Ensuring that policies have a clear link to the organisation's values can also help to avoid excessive or arbitrary policies.

> 66 *In terms of what they've done to change the culture, it's about how you "walk the talk", for example health and safety is about making sure people know it's not just done because of a piece of legislation, it's about a genuine commitment to getting people home safe."*
> Local authority manager

### What it looks like: Values are embedded into day-to-day business activities

An organisation's policies and procedures should have a clear purpose and make it easy for staff to know what they need to do or consider in different circumstances. Policies and procedures should be tailored to an organisation's function, capabilities, and risks, including integrity risks. The process for ensuring that staff are complying with policies should be clear.

> 66 *How easy processes are is an indication of how much the organisation values people doing the right thing, and they have a responsibility to make things as easy as possible."*
> Government department staff member

All policies and procedures should be:

- designed to clearly link to and support the organisation's values;
- developed and administered through a simple and transparent process;
- prepared and reviewed with staff involvement; and
- easy to understand and follow.

There are some integrity-related policies and procedures that all public organisations should have. These include a code of conduct; declaring and managing conflicts of interest, sensitive expenditure, and gifts and hospitality; and whistle blowing procedures.

There are also policies and processes that are indirectly related to ethics and integrity in an organisation, such as equality and diversity policies, procurement policies, and bullying and harassment procedures.

It is important that policies and procedures are regularly reviewed. Seeking feedback from staff about what is and isn't working can help ensure that an organisation's systems and processes remain easy to navigate, make clear what is expected, and continue to align with the values of the organisation.

Seeking feedback on policies and practices also helps identify whether any of them are discriminatory or are upholding systems of inequity. Organisations should be open to testing and reviewing their policies and procedures to uncover unexpected outcomes that they may cause.

For example, our multicultural society means people might have different understandings of what constitutes a "close relationship" in terms of an actual or perceived conflict of interest. A lack of understanding of whanaungatanga and Māori relationships can result in conflict-of-interest instruments being applied to Māori staff when not appropriate.

For public service organisations, policies and procedures will need to align with the principles and values of the Public Service Act, the Public Service Commissioner's code of conduct, and the Public Service Commissioner's minimum expectations in specific integrity areas (which are set out in model standards).[47]

> 66 *If you are following our values, you will be following our policies."*
> Local authority senior leader

> 66 *The level of maturity in the organisation around the topic of integrity is constantly growing, so current policies and practices need to be regularly reviewed and reframed and all staff need to be engaged in the conversation."*
> Local authority manager

> 66 *There are ways for staff to give feedback on policies which allows them to be constantly updated and developed so they are fit for purpose."*
> Local authority staff member

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47   The Public Service Commissioner has issued model standards on a range of topics, including positive and safe workplaces, workforce assurance, speaking up, conflicts of interest, information gathering and public trust, and chief executive gifts, benefits, and expenses.

Public service organisations can encourage integrity practices in third-party contractors by embedding clear expectations into their procurement policies and contractual agreements.

This might include:

- establishing reporting mechanisms for integrity concerns;
- conducting regular audits to ensure compliance with laws and policies, including relevant code of conduct provisions; and
- creating communication channels to address integrity risks throughout the contract period.

## Actions to consider

- Explicitly build your organisation's values into your policies, processes, and day-to-day activities.
- Check with staff that policies and procedures are accessible and easy to understand and incorporate feedback into policy and procedure improvements.
- Review policies on a regular cycle and update them to incorporate good practice and respond to emerging needs.
- Consult staff early in processes to draft, review, or improve policies and procedures.

## 5 People processes

### Why it matters: People processes help create coherence and consistency in what values and behaviours are recruited for, rewarded, and encouraged

Emphasising the importance of ethical behaviour and values at each stage of the employee life cycle is critical to embedding integrity into an organisation.[48] Recruiting people who fit an organisation's values and culture will make it much more likely staff will be operating with integrity.

When considering an individual's performance, ensuring that their behaviour aligns with the organisation's values is just as important as their achievements.[49]

> " *Leaders must be seen to make the hard decisions when their direct reports aren't displaying the values. Often, we find that, because an individual is 'delivering' the work, we are willing to tolerate a greater level of poor behaviour."*
>
> RDC Group Limited, *Civil Aviation Authority Organisational Culture Review*

If an individual does not demonstrate the values and behaviours appropriate to their role, the consequences will affect their colleagues and potentially undermine how the organisation is viewed by the public.

### What it looks like: Values are factored into and reinforced throughout all parts of the employee life cycle to encourage, reward, and monitor ethical behaviour

#### Recruitment

Values need to be embedded in all parts of recruitment processes. This starts with clearly highlighting values in any material relating to the job vacancy. Recruitment processes should:

- be transparent that a good match in terms of values is important to the organisation and the role;[50]
- include ways to test an applicant's alignment with the organisation's values as well as important job-based skills and core competencies;
- use recruitment techniques and interviewing tools that identify values-based attributes (such as values mapping, pre-employment evaluations, and behavioural and values-based interview questions);

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48   The employee life cycle is a human resources model that identifies the different stages an individual moves through in an organisation, as well as the role human resources teams plays in that progress.

49   For more information, see Eccles, A, Newton, E, and Shaw, H (2013), *Performance with integrity – Linking performance to values: A toolkit*, at cityhr.co.uk.

50   See "Get the right fit for your team with values-based recruitment" at recruitit.co.nz.

- be wary of textbook answers in interviews and dig a little deeper if needed to find out more; and

- ensure that reference checks also include questions to assess fit to values.

A values-based approach to recruitment goes both ways – all interactions with candidates provide an opportunity to demonstrate the organisation's values.

Recruiting on values does not mean creating a workforce that thinks and acts the same. Diversity and inclusion remain important. When applying values-based recruitment practices, it is essential to implement recruitment practices fairly.

> **"** *In the interview process, I was asked to choose a value and speak to it."*
> Government department staff member

### Induction and orientation

The induction process for new staff sets the tone for an employee's entire journey in an organisation. A good induction prioritises discussion about the organisation's values and how they are applied in day-to-day work.

Induction also provides an opportunity to tell the organisation's history and context, including from the perspective of te Tiriti. This could include identifying which iwi and hapū are mana whenua where the organisation is located and explaining any agreed tikanga arising from relationships with them.[51]

> **"** *Everyone gets the same messaging through the induction process, which builds the affinity to the processes and values that are shared."*
> Government department staff member

### Performance assessment

The culture of an organisation is influenced more by what it chooses to measure and reward than by what it says. When assessing performance, consider how an individual's behaviour aligns with the organisation's values. This means assessing both what was done and how it was done.

When performance assessments are simply a compliance exercise, it can send a strong message to staff about whether, and how, they are valued. Regular feedback about both performance and behaviour can help people to develop and improve, as well as reinforce positive behaviours.

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51  See, for example, the Te Ātiawa publication *Ngā Pakiaka o Te Ātiawa Taranaki Whānui, Whitiki Herepū* to support adoption of Te Ātiawa kawa (protocol) across the Wellington public service.

### Learning and professional development

Ongoing training about ethics and integrity should also be provided. Ethics training enables staff to identify and deal with ethical problems that might arise. Building in everyday discussion about ethics and talking through ethical dilemmas in teams also helps people learn how to apply an organisation's purpose and values to decision-making.

### Career progression

The process of identifying an individual for progression should be as thorough as any external recruitment because, among other matters, the organisation has more opportunity for getting it right. The organisation has the individual's past performance and behaviour to inform its decision.

When someone is promoted, there will be an implicit assumption that the organisation approves of the individual's behaviour and how well they model the organisation's values.

### Exiting

When someone leaves an organisation, exit interviews are a source of information about how values and desired behaviours are perceived and practiced. Exit interviews also provide an opportunity for staff to feel heard, and can help staff feel proud of their contributions.[52]

52   See, for example, "Creating a Positive Exit Experience" at eqconsultants.co.nz.

## Actions to consider

- Monitor and assess recruitment and contracting processes to ensure fairness and minimise the risk of bias.

- Design your organisation's induction processes so they are grounded in your organisational values and set clear expectations about acceptable behaviour.

- Explicitly consider values alignment in all recruitment, promotion, and remuneration decisions.

- Incorporate a dedicated section into your formal performance assessment procedure for assessing how well staff have integrated your organisation's values into their work.

- Provide all staff with the opportunity to participate in exit interviews when leaving your organisation to provide feedback for improvement. Ensure that the feedback is passed on to an appropriate person or function to be actioned.

**6** Integrity roles and responsibilities

**Why it matters:** Improving organisational integrity requires ongoing commitment, focus, accountability, and resources

Building integrity at an organisational level doesn't just happen. It is an ongoing commitment that requires sufficient time, dedicated resourcing, and clear roles and responsibilities.

Clear roles and responsibilities help create a structured, organised, and systematic approach to embedding values into strategy, business structures, and processes across an organisation.

Clear roles also help each individual and team know what they are accountable for. This accountability fosters a sense of ownership and encourages everyone to perform their tasks to the best of their abilities. It also makes it easier to identify and address any issues or gaps that may arise.

**What it looks like:** Roles and responsibilities for managing integrity are assigned across the organisation

Organisations will likely have several integrity-related functions for the different tasks associated with preventing, detecting, and responding to integrity matters. These functions might include people and capability, finance, legal, risk and compliance, privacy officer, and internal/external audit teams.

The allocation of integrity roles and responsibilities needs to reflect the size, scale, and complexity of an organisation's operations and the type of integrity risks it faces. It is important that each of the elements of this framework are well described and are clearly assigned to staff.

It should also be someone's role to bring together all the different parts of an integrity system (or framework) to monitor and measure progress at an organisational level.

Some organisations have a dedicated integrity advisor or unit to deal with integrity matters.[53] However, they still need to work with other functions to ensure that integrity issues are managed across the organisation.[54] It is also important to ensure that there is governance oversight of all integrity functions, with responsibility for balancing prevention, detection, and response efforts.

Those in governance should regularly monitor how well the organisation's values, the design and operation of its internal controls, and its staff behaviour are aligned. It is also important that these discussions at the governance level include incidents or examples of behaviour that do not reinforce its values (and what changes are required as a result).

An organisation's internal audit function helps provide governors with independent assurance about the internal integrity system. Internal audit has a critical role to play by understanding risks and monitoring whether the organisation is adequately responding to them.

It is also important to recognise and support informal leaders and their role in creating a positive culture. Informal leaders are those who "live the values", model and champion desired behaviours, connect with people throughout the organisation, and demonstrate integrity in their everyday actions.

> ❝ *Responsibility for integrity doesn't just sit at the top table. However, it does start there."*
> Government department senior leader

> ❝ *Conversations at the senior leadership level are ongoing, monthly. There has been a need to get back into ethics practices after the covid years. We need to talk about this every day and have the discipline of talking about it regularly such as in quarterly meetings."*
> Non-public service department integrity specialist

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53   It is important to clearly identify which issues in your organisation are considered "integrity breaches" and covered by your integrity adviser or unit. Not all employment issues, for example, will be integrity breaches.

54   Taylor, A (2017), *The Five Levels of an Ethical Culture: How to build and sustain organizations with integrity* (working paper), at bsr.org.

## Actions to consider

- Develop an integrity strategy and work programme specific to your organisation.

- Establish clear roles and responsibilities for monitoring and improving organisational integrity, including who sees integrity information and how it is used.

- Ensure that people who manage and oversee integrity in your organisation are clear about their role and responsibilities and how their roles fit alongside other related functions.

- Designate a senior leadership team member as an integrity leader so they can champion integrity at an organisational level.

- Support and train staff to uphold and enhance their position as role models and early responders to integrity issues.

**(7)** # Continuous learning and improvement

### Why it matters: Integrity is not a destination; it is an ongoing process where an organisation continually looks for ways to improve

Monitoring integrity is not an exact science, but any organisation committed to a culture of integrity will focus on continuous improvement. This means being willing to learn and adapt. Organisations that effectively monitor and report on their integrity performance are better positioned to:

- identify risks;
- action and remedy integrity issues; and
- embed integrity into all aspects of organisational culture and practice.[55]

Integrity requires a sustained commitment to making necessary improvements, preventing poor conduct and behaviours over the long term. Regular reviews of progress toward embedding integrity into everyday practice is essential.

> **"** *Integrity is not a once-a-year wonder. It needs to continue to be delivered over the course of the year. Don't only deliver messaging on integrity because there is a problem. It needs to become a routine of the organisation."*
>
> Government department integrity specialist

### What it looks like: Continuous improvement requires doing things better, and sometimes differently

#### Processes for monitoring organisational integrity

Using an organisation's accumulated data, information, and knowledge can help make sure that new initiatives build on previous experience and avoid past mistakes.[56]

Organisations might already have a regular review or monitoring process that includes components of this integrity framework. The challenge is to integrate this monitoring with reporting on organisational culture to provide a system perspective.

Monitoring progress means assessing the "direction of travel", rather than focusing solely on specific outputs and outcomes. This requires attention to both what is done and how it is done.

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55  Australian Public Service Commission (2022), *Integrity Metrics Resource*, at apsc.gov.au.

56  Australian Public Service Commission (2022), *Integrity Metrics Resource*, at apsc.gov.au.

## Consider organisational culture and context

The importance of "soft" and "hard" monitoring of organisational culture should not be underestimated. Formal data collection and feedback needs to be combined with informal feedback from staff.

Regular and genuine engagement by leaders and governors can provide insight into an organisation's culture and leadership performance. This can help identify issues that might not emerge through formal monitoring or data analysis.

It is also important to seek multiple sources of information and close the feedback loop. This can help to make sure staff know what's going on and can see leaders continuing to prioritise the improvement of the organisation's culture.

## Use diverse indicators

To monitor progress effectively, organisations will need to use a combination of quantitative and qualitative data collection methods. They could include:

- incident reports and types of incidents;
- outcomes from investigations, complaints, and stakeholder engagement surveys;
- insights from culture and climate surveys (especially any that help understand levels of psychological safety);
- feedback from groups such as kaimahi Māori or the organisation's staff networks;
- notes from exit interviews;
- trends in the use of employee counselling and support services;
- findings from internal audits; and
- views and experiences of external stakeholders.

It might be necessary to combine current data with new data collection strategies to effectively monitor organisational integrity.

## Ensure clear accountabilities

Monitoring and reporting progress is useful only if it informs the planning, reporting, and assurance processes set up to improve and account for an organisation's activities and risks.

Internally, this means regular reporting and discussion at a governance level about the organisation's integrity system and culture.

Where public organisations are spending public money, collecting and using personal information, or exercising coercive powers, it is essential to assure the public that integrity is safeguarded. An external account, such as describing the types and outcomes of integrity investigations in an annual report, provides insight into the design and operation of the integrity system.

❝ *We share where there are lessons for the organisation. It's great to be able to use things that have happened to educate."*
Government department manager

❝ *Reporting the outcomes of your monitoring to stakeholders can build trust and enhance the credibility of your monitoring. This should include being transparent and open about things that didn't go well and reporting this information clearly. The New Zealand Customs Service includes indicators about its ongoing programme to safeguard integrity and prevent corruption in its annual report. The information includes data on the outcomes of investigations into allegations of unacceptable behaviour and what type of corrective action was needed."*

Controller and Auditor-General, *The problems, progress, and potential of performance reporting*

## Commit to continuous monitoring

Frequent and effective monitoring will reveal any changes in an organisation that affect organisational integrity.

Effective monitoring requires committing to regularly reviewing and updating practices to keep pace with changes and challenges. Understanding the effects of the interventions in place to improve integrity is essential – integrity interventions need to be planned with evaluation and monitoring in mind.

## Careful use of monitoring data

Data collected for monitoring integrity needs to be used thoughtfully and carefully. It is important to handle this information in a way that upholds the organisation's integrity and respects the trust of those who provided it. Misusing data can erode trust and undermine the very integrity that the monitoring aims to protect.[57]

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57  This should include consideration of Māori data governance expectations and obligations that might apply. See kahuiraraunga.io.

## Actions to consider

- Make integrity a regular item on the agenda for governance and/or senior leadership team meetings.
- Identify the mechanisms your organisation uses to collect and share information about organisational integrity.
- Use diverse types of data and information to monitor integrity (for example, a mix of qualitative and quantitative data).
- Work with other public organisations to support and learn from each other.
- Ask stakeholders for their perspectives on integrity in your organisation.
- Implement feedback mechanisms to record learning and improvement opportunities from staff and stakeholders.
- Recognise commitments to continuous improvement by rewarding team members who contribute to integrity initiatives.

# 5 The visible demonstration of integrity

When people interact with a public organisation, what they see, feel, and experience is, in effect, what the organisation stands for.[58]

It is important not only to design, maintain, and lead an organisation that has integrity at its core, but integrity also needs to be demonstrated in ways that are meaningful to everyone involved.

## Treating people fairly

Treating people fairly means not showing any favouritism, bias, or self-interest. Fairness is at the heart of the democratic process, which everyone in the public sector has a responsibility to support. Public organisations are required to administer the law and to give effect to policy fairly and reasonably, and with respect for the people they serve.

Decisions must be based on accurate information, taking into account only relevant considerations and deciding cases on their merits. It is also requires managing any perceived unfairness that could arise from having any personal interest in decisions made, or from working on matters where there is a close relationship with those involved.

A commitment to being fair does not constrain the duty to give effect to legislation. It is not unfair to enforce obligations imposed by law.

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58   This section has drawn heavily on guidance produced by Te Kawa Mataaho to support public servants to perform their roles in ways that demonstrate the values in the Public Service Act 2020.

THE INTEGRITY WORKPLACE

Being accountable
WELCOME PACK
CODE OF CONDUCT

Acting honestly

Being transparent
REQUEST FOR INFORMATION

Treating people fairly
Gender Pay Gap Strategy

Investing in relationships
COMMUNITY CONSULTATION

WELCOME TO INTEGRITY TOWN
POP. 5 MILLION

# Acting honestly

Honesty means being truthful and open, responding to what is believed to be true, and acting with accuracy and authenticity. Being honest requires setting out facts and relevant issues truthfully and correcting any errors as soon as possible. Honesty is frequently associated with professional courage.

People working in the public sector are expected to act honestly. This obligation is not only work-related. It arises at any time when the consequences of dishonest conduct may affect public trust or the confidence that people, communities, councillors, Ministers, Parliament, or others in the public sector have in a public organisation.

Public trust in the public sector will be determined primarily by the degree to which New Zealanders believe that public organisations and all their staff are always acting honestly.

> 66 *Embracing integrity requires a commitment to courage. Choosing courage over comfort; choosing what is right over what is fun, fast, or easy; and choosing to practice our values rather than simply professing them."*
>
> Dr Brené Brown, *Dare to Lead*

> 66 *It only takes one incident of fraud to set an organisation back years in terms of its culture, integrity, and trust and confidence in the community. So we regularly remind people about why this stuff is important."*
>
> Crown entity integrity specialist

# Being accountable

Being accountable means taking responsibility for work, actions, and decisions. Accountability requires openness to scrutiny and a willingness to be questioned. This means:

- explaining actions and decisions to the people who are affected by them;

- taking responsibility for decisions and actions; and

- owning, fixing, and learning from mistakes.

Being accountable is not just about a particular point in time, but about the collective accountability of an organisation over the long term. Organisations must consider how their actions in the present are shaped by their history and how they will affect the future direction of an organisation.

This is particularly important for Māori, who have a relationship with the Crown as a treaty partner going back more than 180 years. Stewardship is not only about safeguarding assets, but also about ensuring that people, institutional knowledge and information, systems and processes, and any legislation that they administer are protected for future generations.

When trust or promises are broken or when expectations are not met, there needs to be tangible and visible consequences that acknowledge and address the fault and work to achieve resolution. Until this is done, productive and trusting relationships cannot progress.

Most importantly, organisations should regularly engage with those they serve and ask them whether their practices match their commitments to upholding integrity. Asking for feedback on whether practices reflect these commitments helps to uphold trust and accountability.

> 66 *We have a customer advocacy group, which is a forum [through which we can] gain feedback from communities about our organisation."*
> Crown entity integrity specialist

> 66 *Integrity looks like someone who walks the talk. Having front-line staff engaging with the public being responsible to call out internal integrity violations."*
> Crown entity manager

# Being transparent

Being transparent strengthens trust in the public sector by ensuring that people can understand and actively contribute to what the public sector does and how it does it.

Accountability relies on transparent processes and decision-making, enabling the public to be assured that public authority and funds are being used appropriately. Organisations should also share data and insights about their performance with the public.

Transparency helps to raise public understanding of the public sector. By being transparent about the work the public sector does, the public will learn more about how public sector works and how it is relevant to them, building trust.

Transparency also promotes participation. With a deeper understanding of relevant issues, the public can provide a richer contribution to discussion. This in turn supports the public sector be more responsive and able to develop innovative solutions.

Transparency must be balanced with legitimate needs for keeping some information confidential. Disclosure of information still needs to occur within an organisation's information management policies and procedures, and within the law. However, the starting position should be "What information do we need to withhold, and why?" rather than "What is the minimum amount of information that we need to share?"

# Investing in relationships

Integrity requires open, honest, trusting, and respectful relationships. These relationships enable difficult conversations where needed and encourage diversity of thought.

Investing in relationships is an expression of aroha and of manaakitanga – to look after the status of others by showing respect, hospitality, generosity, and care for others. Manaakitanga is grounded in working with and for each other in the spirit of reciprocity and demands a high standard of behaviour toward each other.

Relationships with all stakeholders and communities, including hapū and iwi, need to be more than transactional and need to take account of and respect the knowledge and expertise of those groups. Where possible, work mana to mana by ensuring that there is an appropriate equivalence between each party for meetings and discussions with stakeholders.

> " *We are more explicit about the journey we are on as an organisation, our role in the community, and the need to continue to develop and foster enduring relationships with iwi."*
> Crown entity senior leader

When planning to meet with or talk to stakeholders, organisations should think about how the interaction might be affected by the history of the public organisation and how trusted the public organisation is by the stakeholders.

When building relationships, it is important to make time for whakawhanaunatanga – getting to know each other. It is important to recognise the interconnectedness of people and the importance of relationships to their mutual well-being. Organisations need to consider what these relationships mean, consider the duration of these relationships further than a single piece of work or project, and appropriately invest in them.[59]

It is also important to recognise that settlements under te Tiriti might include specific relationship instruments and agreements that need to be considered and adhered to.

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59   McIntosh, T (2024), "A culture of integrity: Public sector challenges in a post-Covid-19 world", Integrity Day webinar, available at oag.parliament.nz.

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