

# Human Resource Management



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Finance has a comprehensive human resources (HR) policy framework designed to attract, develop and retain talented people and assist the department to deliver its outcomes. Finance's HR strategies allow the department to build and maintain high-performance teams, develop the department's people, and offer attractive remuneration.

This chapter outlines Finance's HR management practices and the department's achievements during 2008-09 that contributed to its Corporate Plan in the Key Performance Area, *professional and respected staff*. The chapter covers issues associated with recruitment and retention, learning and development, and remuneration, rewards and recognition. During the year, Finance continued to focus on strategic HR issues, including workforce planning and maintaining competitive employment conditions. The department negotiated a new non-SES Collective Agreement (CA) and markedly improved staff retention rates.

Further HR information is included in appendices to this report. Occupational health and safety arrangements are discussed in Appendix D and the department's staffing profile, salary ranges, performance payments and turnover are outlined in Appendix E.

## Recruitment and Retention

Finance is committed to building high-performance teams through its recruitment and retention practices. The department regularly reviews its recruitment policies and processes to ensure that they are efficient and meet the department's needs. Finance also undertakes a range of workforce planning activities to ensure it continues to recruit the right people for the longer term. The department has specific recruitment programs for graduates, career starters and indigenous employees. In response to feedback from staff, Finance has initiated a range of strategies to improve staff retention.

In 2008-09, the department continued to implement the *Finance Recruitment Strategy 2007-08 to 2011-12*. The strategy outlines Finance's recruitment, marketing and communications program, and highlights the department's commitment to managing and sustaining its workforce while accommodating the increasingly diverse career paths pursued by staff within the department. During 2008-09, Finance received an average of 17 applications for each vacancy advertised, compared with 14 in 2007-08.

Finance aims to complete all recruitment processes (from close of applications to final delegate decision) within 30 working days, and these timeframes are monitored and reported to the department's Executive Board. In 2008-09, the average time to fill a vacancy was 24.0 working days, compared with 28.3 working days in 2007-08.

Finance recognises that diverse workplaces are more productive and better able to attract the best people. In 2008-09, to increase the department's ability to recruit and retain people living with a disability, Finance advertised all vacancies on the Disability Works Australia website, participated in the Diversity Network and has become a member of the newly created Disability Steering Committee coordinated by the Department of Families, Housing, Community Services and Indigenous Affairs.

## Workforce Planning

Finance's 2007-08 Annual Report noted that the department intended to conduct a comprehensive review of its workforce plan as part the 2009-10 business planning cycle. The department undertook this review during 2008-09 and it indicated that Finance has low workforce planning risks in the short-term, even in areas known to be subject to skills shortages in the broader labour market. While this analysis indicated that Finance's current workforce is well positioned to meet the department's objectives, it identified a number of areas where the department could benefit from more detailed planning. Consequently, the department is currently developing a retention strategy and a succession management framework.

## ***Graduate Recruitment***

The Graduate Recruitment Program is Finance's largest entry-level recruitment program. It targets university students completing their final year of study and former students who have completed a degree within the last five years. The department structures the program to support students in their transition from study to work. Graduates participate in a twelve-month development program, which includes both mandatory and individually targeted training. They have the opportunity to be promoted to the Australian Public Service Level 4 (APS4) during the program and, at its conclusion, they can apply for promotion to APS5 positions within the department. In a survey of the department's 2008 graduates, 93 per cent found the Graduate Development Program to be effective.

Finance employed 53 graduate program recruits in 2009. Of the 142 graduates the department recruited between 2007 and 2009, 75 per cent were still employed by Finance at 30 June 2009.

Finance's comprehensive graduate development program is outlined on page 82 of this chapter.

## ***Career Starters' Program***

During 2008-09, the department continued its Career Starters' Program that targets school-leavers (students completing their final year of secondary education) for employment in positions at the APS1 level. The program enjoys good retention rates and a number of the better performing recruits have already won promotion in open merit selection processes – some recruits who commenced with Finance in 2006 have now reached the APS5 level. The department recruited 13 APS1 staff in the 2008 program and nine in 2009.

Finance's Undergraduate Study Program for Career Starters is outlined on page 83 of this chapter.

## ***National Indigenous Cadetship Project***

Finance employed five Indigenous Cadets during 2008 and three in 2009 through the National Indigenous Cadetship Project. This project is an initiative undertaken by the Australian Public Service Commission (APSC) that aims to improve the professional employment prospects of Indigenous Australians. It links Indigenous tertiary students with employers in a cadetship arrangement that involves both full-time study and work placements.

## ***Other Recruitment Programs***

The department has developed a number of other innovative recruitment programs to help attract, develop and retain valuable employees. These programs include Driver Plus for casual COMCAR drivers, a vacation employment program, a temporary employment register and recruitment merit lists.

Driver Plus is a program that allows suitable casual COMCAR drivers to undertake office work elsewhere in the department at times when they are not called to duty by COMCAR. During 2008-09, the department provided additional training to four COMCAR drivers to allow them to undertake administrative tasks such as payroll and travel processing during peak administrative periods.

Finance runs a vacation employment program that aims to give students practical work experience whilst studying at University. The program has two intakes each year that cover the winter and summer holidays. Students participating in the program have completed at least their first year of university study in disciplines such as Economics, Econometrics, Actuarial Studies, Accounting, Finance, Business, Arts, Law, e-Commerce, Commerce Accounting, Engineering, Town Planning or IT. The department accepted three students as part of this program in winter 2008, six in summer 2008 and five in winter 2009.

On 17 February 2009, Finance established a Temporary Employment Register to enable former APS employees and other eligible citizens to register their interest in non-ongoing employment with the department. As at 30 June 2009, there were 413 candidates on the register and Finance had placed 12 candidates from the register in non-ongoing positions.

Finance also makes eligibility lists from past recruitment processes available to managers in the department who are seeking to fill positions with similar duties. Using these lists reduces the need to re-advertise vacancies and increases the speed with which vacancies with similar requirements can be filled, while still basing placements firmly on a merit selection process.

## ***Strategies to Increase Staff Retention***

During 2008-09, and in response to the 2008 departmental staff attitude survey, Finance developed and introduced a number of initiatives to help reduce staff turnover and improve workplace culture. These included improving departmental processes for approvals, briefing and recruitment, and providing training and support to assist staff and managers to deal with inappropriate workplace behaviour. Additionally, Finance negotiated a number of provisions that aim to increase staff retention as part of the department's 2009-11 CA that took effect on 16 July 2009. These include rolling performance bonuses into salary, revising arrangements for Time Off In Lieu, introducing overtime for staff at the APS1 to 6 levels, enhancing allowances, and increasing parental leave.

During 2008-09, Finance had a staff turnover rate of 12 percent, reflecting the department's ongoing efforts to improve staff retention along with changed labour market conditions associated with the global financial crisis. This compares to turnover rates of 18 per cent in 2007-08 and 20 per cent in 2006-07 and 2005-06.

Finance monitors the information from its annual staff surveys and the APSC *State of the Service* Employee Survey to understand the further changes Finance needs to make to assist in retaining talented staff.

## **Learning and Development**

Finance aims to provide attractive learning and development opportunities for its staff. Displaying the ability to learn is one of Finance's Valued Behaviors and is a core expectation of all staff. During 2008-09, Finance spent 1.78 per cent of the department's operating budget on learning and development opportunities for staff, exceeding the targeted minimum rate of 1.5 per cent. In Finance's 2008 staff survey, 79 per cent of respondents agreed that Finance places a high priority on the learning and development of employees. In the 2008 APSC *State of the Service* Employee Survey, 65 per cent of the Finance staff surveyed indicated they were satisfied with their access to learning and development opportunities at Finance, compared with 55 per cent across the broader APS.

Finance's learning and development strategies are set out in the department's Learning and Development Framework, which helps staff to identify and access the most appropriate learning and development opportunities for their needs. The framework encompasses a range of suitable development opportunities for all departmental staff from APS1 to Senior Executive Service (SES) Band 3. These opportunities are both on-the-job and through formal and informal training. The framework requires staff to develop a learning and development plan as part of the performance management cycle each year. Staff agree on their plan with their manager, who is expected to encourage and motivate them to engage in continuous learning and to periodically assess their development.

During 2008-09, Finance delivered a broad range of programs to staff, including programs to develop leadership and professional skills for various groups within the department, as well as support for university study. These programs achieved high participation rates and consistently positive feedback from participants.

### ***Graduate Development***

Finance's Graduate Development Program helps provide graduates with the skills and knowledge required to underpin their future careers within the department and the APS.

During 2008-09, Finance reviewed its Graduate Development Program and changed the structure from a mandatory program to a program that combines mandatory and customised training. The generic component of the program covers a range of base-level training, a leadership off-site, as well as various networking events. The customised component of the program is tailored to the needs of the individual graduate and their branch, and is developed in consultation with the graduate, their manager, and the Learning and Development Team.

## ***Leadership Development***

During 2008-09, Finance supported an increased range of leadership development programs for future leaders within the APS5 and APS6 levels, as well as Executive Level (EL) and SES officers.

Selected SES officers represented the department in a range of leadership programs during the year. One SES Band 3 officer attended the *Advanced Management Program* at the Harvard Business School. A number of SES Band 2 officers took part in core leadership programs run by the APSC including the *Leading Australia's Future in the Asia-Pacific* and *Leading Across Boundaries* programs. Three SES Band 1 officers attended the Leadership for a Democratic Society program run by the Federal Executive Institute in Virginia, USA, and one SES Band 1 officer participated in the *Leadership Insight* program run by the Macquarie Graduate School of Management.

In June 2009, Finance ran two in-house residential programs targeted specifically at EL2 officers, which sought to develop their skills in management, influencing and negotiating. Five EL2 officers also attended the APSC's Career Development Assessment Centre.

Finance is a member of The Leadership Consortium, which provided a number of leadership programs over the course of the year. Sixteen EL1 and SES Band 1 officers attended programs run by the organisation, including one new program entitled *The Effective Leader* that targets the EL1 level.

## ***Professional Skills Development***

The Professional Skills Training Program offers a comprehensive selection of learning and development opportunities for Finance staff. In 2008-09, 423 participants attended 31 in-house courses across four key streams: Professional Capability; Leadership and Management; Professional Qualifications; and Career Development.

## ***Study and Professional Membership Assistance***

Finance provides support to staff wishing to undertake approved further study in the form of both leave and financial assistance. In 2008-09, 146 staff received assistance for study relevant to the operational needs of the department at the undergraduate or postgraduate level.

Finance also provides financial assistance to staff who are members of a recognised organisation with aims relevant to the department's operational needs, for their membership or subscription fees. Finance reimbursed 112 staff under this program in 2008-09.

## ***Postgraduate Study Program***

Through a partnership with the Australian National University, Finance staff have the opportunity to undertake postgraduate studies in management. The three intensive courses offered exclusively to Finance staff in 2008-09 saw 68 participants study units as a single program or towards a Graduate Certificate in Management, a Master of Management, or a Master of Business Administration. Two students completed a Graduate Certificate in Management during 2008-09.

## ***Undergraduate Study Program for Career Starters***

Finance continued its Undergraduate Study Program for Career Starters in 2008-09. The program aims to help Career Starters to work and gain relevant APS experience while studying part-time to complete tertiary qualifications in business administration, commerce or management. At June 2009, there were eight Career Starters enrolled in the program.

## ***COMCAR Driver Training***

Finance provides ongoing driver training to COMCAR drivers and, in 2008-09, 15 driver training courses were held throughout Australia, involving 273 drivers. COMCAR staff also participated in a Workplace Relations Training Program in June 2009, targeting effective workplace communication.

## ***Finance Learning Centre***

The Learning Centre provides Finance officers with the opportunity to attend seminars on various topics presented by internal speakers and high-profile external speakers from the public and private sectors.

In 2008-09, the theme *Strong People Create Strong Organisations – Supporting Personal Health, Wealth and Happiness* continued from the previous year, with notable speakers including Ms Lynelle Briggs, the then Australian Public Service Commissioner, and the late Mr Doug Jukes, former Global Head of People at KPMG.

## ***Learning and Development Panel***

On 31 July 2008, Finance launched a Learning and Development Panel of Service Providers. This non-exclusive panel includes 16 organisations that provide services across areas including the delivery of training programs, facilitation services, executive coaching and career coaching programs for Finance staff and *Members of Parliament (Staff) Act 1984* employees. 42 orders had been placed through the panel as at 30 June 2009.

## ***Library Services***

Finance has a library facility that provides a broad range of information to the department's staff. It undertakes research, keeps staff up-to-date with newly published information and sources material from the collections of other libraries.

## **Remuneration, Rewards and Recognition**

Finance recognises that a competitive remuneration package and a culture that recognises and rewards outstanding performance are critical elements in attracting and retaining the best people. During 2008-09, the majority of non-SES Finance staff were engaged under the *Finance Certified Agreement 1997-1999*, supplemented by a Public Service Act determination made under section 24 (1) of the *Public Service Act*. This agreement provided staff with flexible and competitive remuneration and conditions including performance bonuses, generous leave provisions and the ability to choose their superannuation provider. This was an interim arrangement, pending the commencement of the department's new CA (outlined on page 82). A number of Finance employees continued to be employed under Australian Workplace Agreements (AWAs).

Over the course of the year, Finance negotiated a new non-SES *Department of Finance and Deregulation Collective Agreement 2009-11*. The CA is a two-year agreement that contains provisions that enhance the working conditions of Finance's staff in areas including: consultation, representation and dispute resolution; salary and classification structure; allowances and other financial assistance; parental leave; and measures to assist staff to balance the demands of work and family life. A majority of eligible staff approved the CA on 26 June 2009, and it commenced operation on 16 July 2009.

COMCAR drivers were engaged under the *COMCAR Certified Agreement 1997-99* and the *COMCAR Drivers' Certified Agreement 2002-05*. During the year, Finance negotiated a new *COMCAR Drivers' Collective Agreement 2009-2011* with the Transport Workers' Union and the Community and Public Sector Union. This agreement commenced operation on 18 May 2009.

Finance's employment conditions, supported by the department's HR policies, comply with all legislative and government policy requirements.

## Remuneration

Finance conducted an Annual Remuneration Review for staff up to SES Band 2 level, to ensure that Finance's remuneration arrangements remain competitive with comparable agencies in the APS. The Annual Remuneration Review incorporated annual individual pay point advancement and an across-the-board salary increase, subject to staff achieving a performance rating of 'effective' or better. The 2009 review was conducted in June 2009 and resulted in a three per cent across-the board increase from 1 July 2009.

The Secretary determines salaries for SES Band 3 staff, informed by the recommendations of the Annual Remuneration Review and their responsibilities when compared to other senior members of the APS.

## Performance Management

All Finance employees participate in the department's performance management arrangements, except for the small number of employees who transferred to Finance under Machinery of Government changes announced on 3 December 2007. These employees will also participate in the department's arrangements with the commencement of the new CA.

The arrangements require each employee to establish a performance agreement in consultation with their manager. The performance agreement identifies an individual's key outcomes, with reference to the relevant Finance Work Level Standards. In December and June each year, managers assess staff members' performance against the agreement and against the Finance Valued Behaviours. Learning and development opportunities are also identified in the performance agreement.

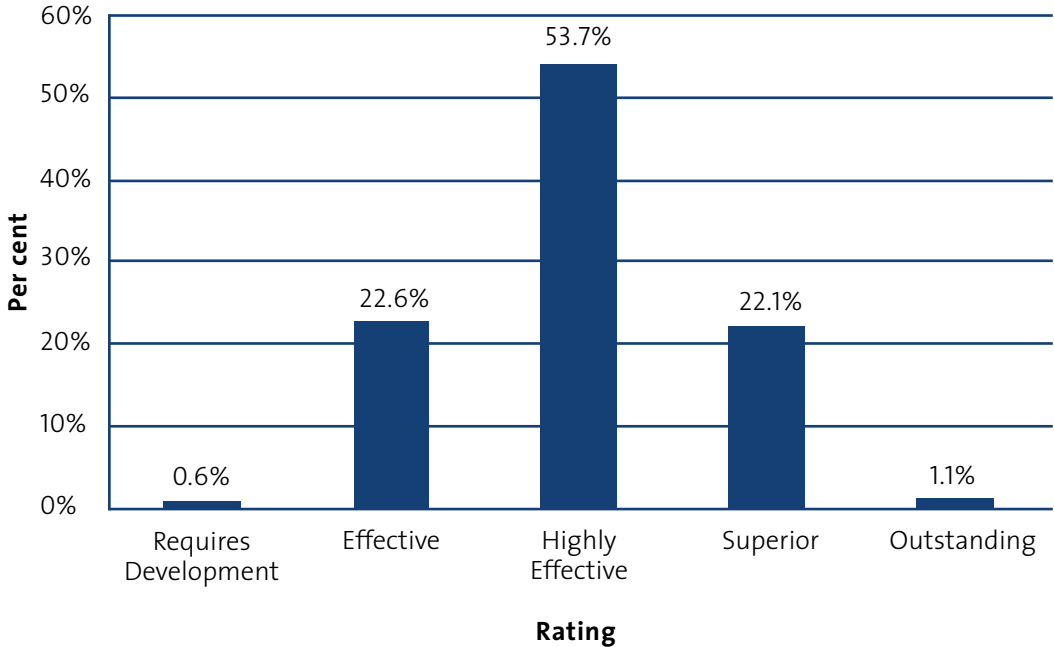
Following the end-of-cycle performance assessment in June, staff members are provided with a performance rating. During 2008-09, staff rated 'highly effective' or above received performance bonuses. The maximum potential bonus for staff up to APS6 was five per cent of their annual salary, for EL staff the maximum potential bonus was 7.5 per cent and for SES staff, it was ten per cent. The performance rating scale is outlined in Table 14 below.

**Table 14: Finance's Performance Rating Scale for 2008-09**

Rating	Bonus as a per cent of maximum potential bonus
Development Required	0
Effective	0
Highly Effective	50%
Superior	75%
Outstanding	100%

The 2008-09 performance management cycle concluded on 30 June 2009<sup>1</sup>. Figure G below outlines staff performance ratings for 2008-09.

**Figure G: Staff Performance Ratings as a Percentage of Staff Rated 2008-09**



### *Rewards and Recognition*

Finance formally recognises exceptional contributions by staff by presenting the Secretary's Awards every six months. These awards celebrate the achievements of teams and individuals whose work exemplifies the Finance Valued Behaviours and who make significant contributions to the department's outcomes.

Staff may demonstrate outstanding performance through excellent customer service, leadership, achieving efficiencies, or outstanding policy and program outcomes.

In 2008-09, the following individuals and teams received Secretary's Awards:

<sup>1</sup> Conditions in the *Department of Finance and Deregulation Collective Agreement 2009-11* have modified the department's approach to performance management from July 2009.

## Secretary's Awards for Achievement 2008-09

### **Glenys Byrne, Specific Purpose Payments Coordinator, Budget Group**

For an outstanding contribution to the reform and ongoing development of Commonwealth-State financial relations through advice, analysis, communication and collaboration with central agencies on Specific Purpose Payments.

### **Expenditure Trends Team and Budget Outlook Team, Budget Group**

For professionalism, dedication and sustained commitment in providing Ministers with timely and accurate updates on the Budget position, coordinating savings processes, and preparing documents for the 2008-09 Budget.

### **Budget Framework Implementation Team, Financial Management Group**

For outstanding achievement in leading the redesign of Portfolio Budget Statements for the 2008-09 Budget, to make them simpler, streamlined and more strategic.

### **Tuggeranong Office Park Divestment Team, Asset Management Group**

For their team effort in developing and executing a sound management strategy for mitigating the substantial financial risk to the Commonwealth inherent in the Tuggeranong Office Park transaction, through managing the successful sale of the property.

### **National Portrait Gallery Team, Project Inception Branch, Asset Management Group**

For professionalism, teamwork and dedication in the timely and successful delivery of the National Portrait Gallery, the first new building in the Parliamentary Triangle since 1988.

### **Information Communications Technology Review Secretariat Team, Australian Government Information Management Office**

For the high level of professionalism, expertise and commitment provided to the independent reviewer (Sir Peter Gershon) in completing a review of the Australian Government's use of Information and Communications Technology.

### **MOPS(S) Act Annual Report Team, Corporate and Parliamentary Services**

For the development and production of the inaugural annual report for staff employed under the *Members of Parliament (Staff) Act 1984*.

### **Nation-building Funds Legislation Team, Funds Branch, Financial Management Group**

For an outstanding effort in developing policy for the nation-building funds, including the Health and Hospitals Funds, the Building Australia Fund and the Education Investment Fund, and for developing and implementing the funds legislation.

