# CPS HR CONSULTING

**Organization Surveys: Setting the Table for Employee Engagement in the Public Sector**

IPAC 2012 Conference, Las Vegas, NV

July 23, 2012

Clinton Kelly
Michael DeSousa

# Who we are…

   CPS HR is a self-supporting public agency providing a full range of integrated HR solutions to government and nonprofit clients across the country. Our strategic approach to increasing the effectiveness of human resources results in improved organizational performance for our clients. We assist our clients in the areas of organizational strategy, recruitment and selection, classification and compensation, and training and development
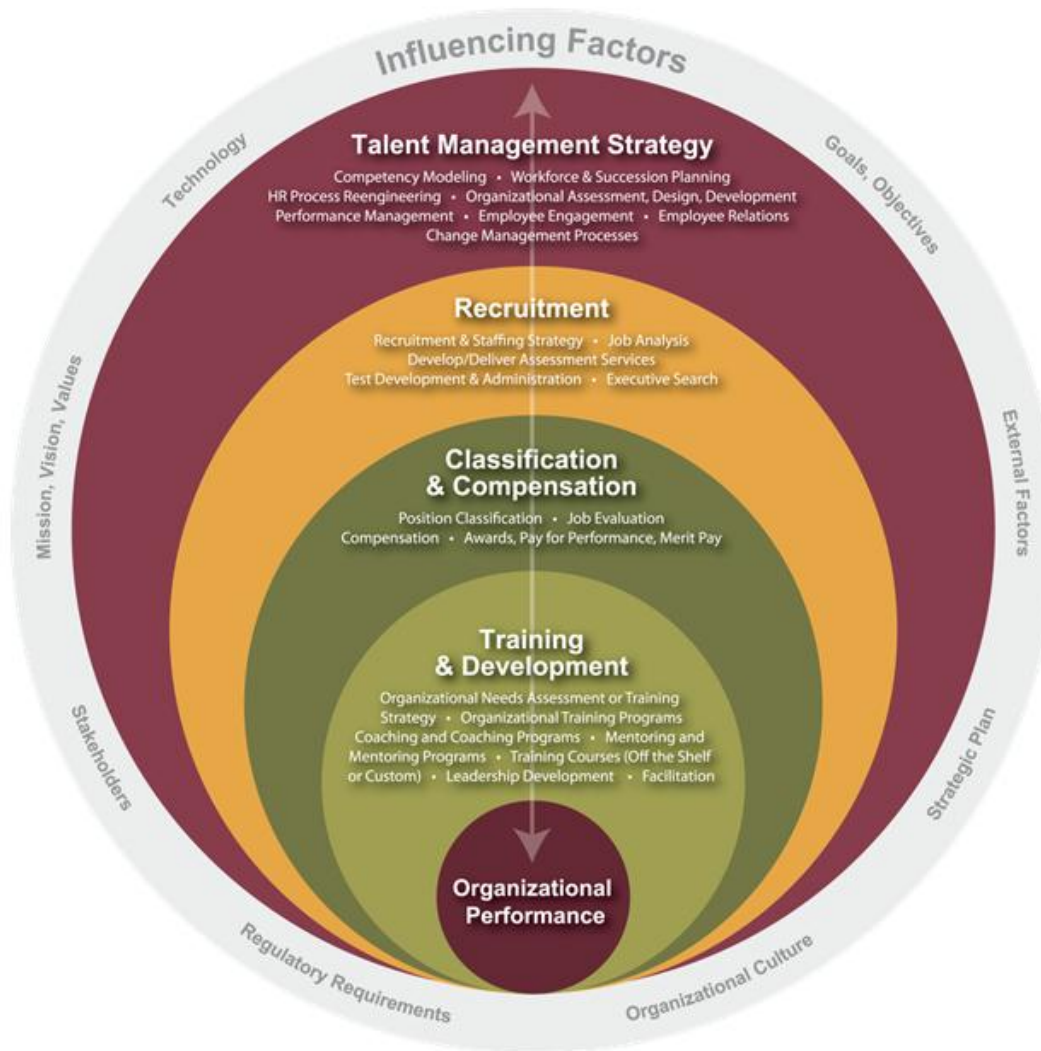
# Scenario

- Rumors at IPAC about *unusual* new workers:
    - Are the top performers in their agencies/companies
    - Ask their bosses for ways they can do <u>more</u>
    - They use less personal time than other workers
    - They actually <u>like</u> cooperating with co-workers
    - They get the top customer service raves
    - They get more and better work done in the same time as co-workers
    - They produce more innovation and breakthroughs

# Conclusion?

- Evidence of a secret government plan for cloning ideal workers?

- Something has been added to the conference water supply?

- These workers are undercover space aliens sent here to taunt us with competencies and results?

- These may be so-called  highly engaged workers--  and where do I get some?

# Employee engagement

- The concept of workers being highly emotionally and mentally committed to their work and organization is the subject of what is being called "**employee engagement**"

- Public and private sector HR and management groups are trying to determine what employee engagement is, and what they can do to promote it and benefit from it

# Plan for today

- Some background on employee engagement
  - Overviews on emerging definitions, disagreement over the use of the construct, claimed benefits of high engagement, the concept of engagement "drivers", and why it is such a "hot" topic

- Consideration of the survey as an especially useful tool for assessing employee engagement

- <u>Practical</u> considerations when administering and implementing a true employee engagement survey: "Lessons from the trenches"

- Questions/Sharing

# Assumptions

- You have some general familiarity with the topic but may not work with it a lot

- Despite quibbles over aspects of employee engagement as a construct, you accept the premise that it is possible to influence employee motivation in the work place

- You would like to benefit from the success and blunders of others (us)

# Roots of engagement

- A lot of the interest in engagement has been the study of the most successful public and private organizations in an effort to understand the "human capital" part of this success

- One of the important studies was Gallup's work on top performers and organization success*

    * Buckingham and Coffman, First Break All the Rules: What the World's Greatest Managers Do Differently, 1999.

# Employee engagement lacks unified definitions

- But…not always a shared understanding of what employee engagement is

- Not yet a unified sense of what causes or allows it

- But we are reasonably sure that the apparent <u>effects</u> (productivity, innovation, retention, customer satisfaction) of it are important
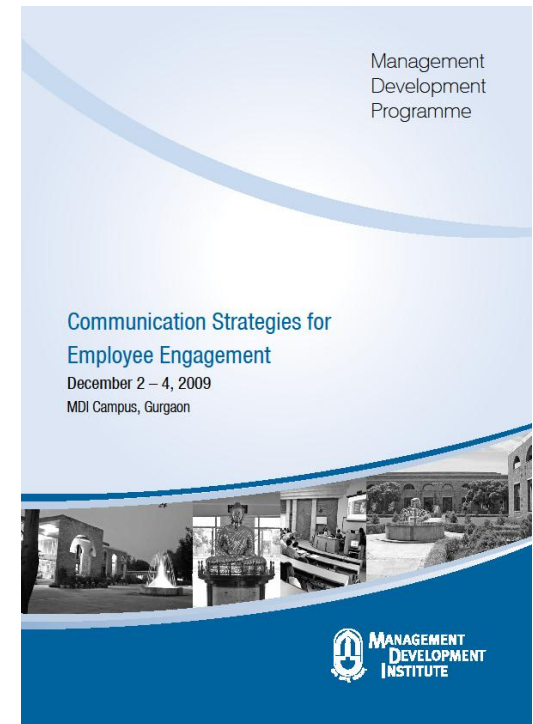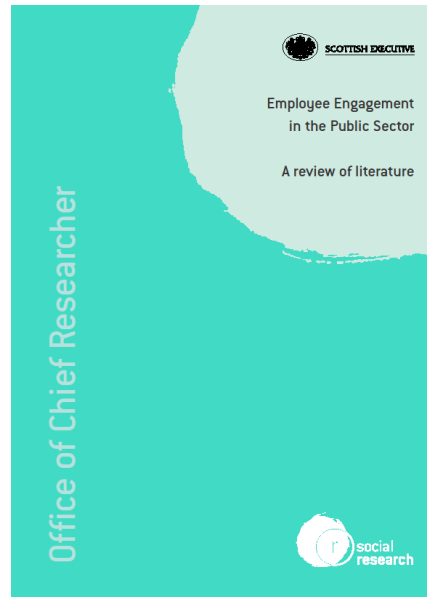
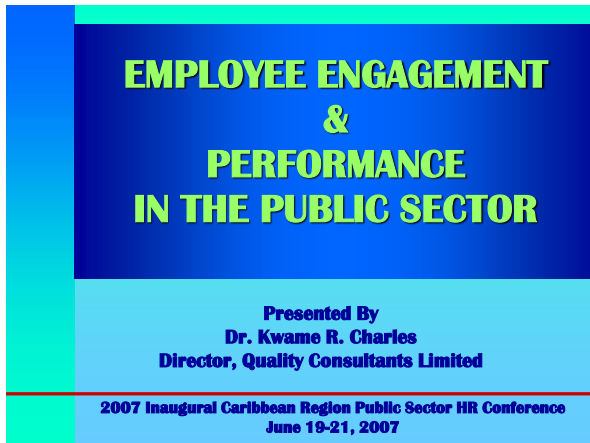# Research perspective

- Some I/O psychology researchers find the concept of "employee engagement" loosely used at present in HR

- In common HR usage it is either a psychological state ("commitment") or a behavioral construct ("effort") or a disposition ("positive affect")

Macey and Schneider, "'The Meaning of Employee Engagement," <u>Industrial and Organizational Psychology,"</u> March 2008

# Starting point

- There is admittedly lack of consensus of the most effective construct of "employee engagement"
  - behavior, affective state, discretionary effort, etc.
- That controversy aside, **our starting point is that selected conditions of employment** (e.g., direct supervisory relationship, work autonomy, line-of-sight, involvement in workplace decisions) **may influence engagement levels**
- Perceptions of employment conditions can be assessed
  - Surveying is an able tool for such assessment

# Engagement as global issue



EMPLOYEE ENGAGEMENT
&
PERFORMANCE
IN THE PUBLIC SECTOR

Presented By
Dr. Kwame R. Charles
Director, Quality Consultants Limited

2007 Inaugural Caribbean Region Public Sector HR Conference
June 19-21, 2007



SCOTTISH EXECUTIVE

Employee Engagement
in the Public Sector

A review of literature

Office of Chief Researcher

social research



Management
Development
Programme

Communication Strategies for
Employee Engagement
December 2 – 4, 2009
MDI Campus, Gurgaon

MANAGEMENT
DEVELOPMENT
INSTITUTE

# Working definitions

Our need for some shared operational definitions of "employee engagement"

# Employee Engagement

- Commitment—the interest employees have in helping the organization succeed + employee capacity to know what to do to help the organization succeed (Watson Wyatt 2008-2009 Work USA Report)

- The willingness to exert extra effort on behalf of the organization ("**discretionary effort**")

- Working with passion and feeling a profound connection to the organization
  (Gallup Management Journal, 2009)

# Engagement definitions continued

- A heightened emotional connection that an employee feels for his or her organization that influences him or her to exert greater discretionary effort to his or her work.
  (The Conference Board, Employee Engagement, A Review of Current Research and Its Implications, 2006

- A high level of motivation to perform well at work combined with a passion for the work…engaged employees are emotionally connected to their jobs…and believe they are doing important work
  Managing for Engagement: Communication, Connection and Courage--A Report to the President and the Congress of the United States, 2009, U.S. Merit Systems Protection Board

# Engagement and breakfast

- In the bacon and egg breakfast:
    - The chicken is <u>involved</u>
    - The pig is **<u>engaged</u>**
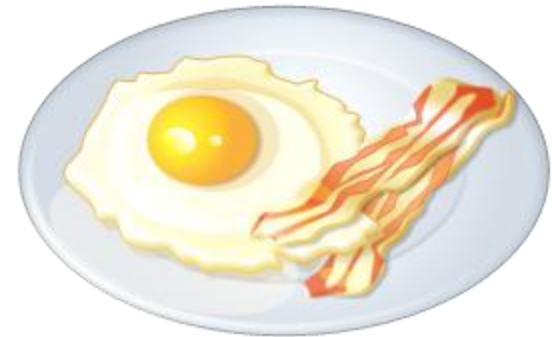
    - <u>Engagement may be about a high level of mental and emotional commitment</u>

# The engaged employee

- Enthused and excited about work
- Focused--resisting distractions
- Offers "discretionary effort"--above and beyond
- Engages with others--collaborative
- Innovates, creates
- Stays with the organization
- Uses less unscheduled time off/sick time
- Higher performer--get results
- Generates more revenue per capita

# Levels of engagement

- Consistent with common notions of distribution, just as most restaurant meals are not fantastic and most books are not literary treasures, most workers are (probably) not highly engaged and committed to their work and organization

# Employee orientations to engagement

- **Engaged**
  - Passionate, connected, enthusiastic, innovative, actors/doers, collaborators

- **Not Engaged**
  - Sleepwalkers, clock-punchers, just meeting expectations, reactors (not actors), deciding whether to commit, on the sidelines

- **Actively Disengaged**
  - Under-miners, whiners, acting out frustrations, saboteurs (Gallup Management Journal, 2009)

# Employee orientations to engagement

- **Engaged (29%)**
  - Passionate, connected, enthusiastic, innovative, actors/doers

- **Not Engaged (52%)**
  - sleepwalkers, clock-punchers, just meeting expectations, reactors, deciding whether to commit

- **Actively Disengaged (19%)**
  - underminers, whiners, acting out
  - frustrations,saboteurs (Gallup, 2011)

# Engaged vs. disengaged

- **Engaged**
  - I can positively impact product quality (**84%**)
  - I can positively affect customer service (**72%**)
  - I can impact costs (**68%**)

- **Disengaged**
  - I can positively impact product quality (**31%**)
  - I  can positively affect customer service (**27%**)
  - I can impact costs (**19%**)

(Towers&Perrin, Global Workforce Survey, 2005)

# CPS HR CONSULTING

## Percentage of Engaged Workers, by Demographics

|  | % Engaged |
|---|---|
| **AGE** | |
| 18-29 | 32 |
| 30-44 | 28 |
| 45-64 | 28 |
| 65+ | 44 |
| | |
| **EDUCATION** | |
| High school or less | 34 |
| Technical/Vocational/Some college | 27 |
| College graduate | 28 |
| Postgraduate work or degree | 27 |
| | |
| **GENDER** | |
| Male | 27 |
| Female | 33 |
| | |
| **ANNUAL INCOME** | |
| Less than $36,000 | 30 |
| $36,000 to $89,999 | 28 |
| $90,000+ | 30 |

Quarter 1-Quarter 3 2011

GALLUP

## Daily Mood and Commute Time

Percentage of workers with a lot of daily stress and worry without a lot of happiness and enjoyment

|  | Less than 15 minutes | 15 to 29 minutes | 30 to 44 minutes | 45 minutes or more |
|---|---|---|---|---|
| Engaged | 2.9 | 1.8 | 2.9 | 2.3 |
| Not Engaged | 8.2 | 8.3 | 9.3 | 16.3 |
| Actively Disengaged | 15.5 | 20.7 | 20.1 | 27.1 |
|  |  |  |  |  |
| National adults | 8.9 | 10.3 | 10.7 | 15.2 |

Jan. 2-Dec. 31, 2011

Employee engagement data is from Gallup Daily tracking

Mood data is from the Gallup-Healthways Well-Being Index

# Bottom line

- Per Gallup research engaged organizations outperform competitors by 18% in earnings per share

- Engaged employees average 27% less absenteeism than the actively disengaged

- 12% higher customer service scores

- Businesses with <u>highly disengaged</u> work groups lose 51% more inventory to employee theft and negligence

(Wagner and Harter, <u>12: The Elements of Great Managing</u>, 2009)

# The engaged employee— bottom line continued

- Engaged employees are 20-28% more productive than the non-engaged

- High engagement accounts for more than ½ of the difference in customer satisfaction scores

- The price tag for <u>disengagement</u> in U.S. is $300 billion annually (and growing)

# Engaged employee and public sector

- Instead of "profit" the payoff of engagement in public sector is generally focused in:
  - Enhanced customer service
  - Higher productivity in times of staff furloughs and budget cuts, restructuring
  - Commitment to continued public service
  - Better utilization of public funds
  - Collaboration and reduction of "silos"

# Assessing engagement

- An understandable starting point for organizational movement toward higher levels of employee engagement is to determine <u>where you are now </u>- establishing a base-line against which you can measure change

# Engagement and employee surveying

- <u>Most</u> employee surveying (QWL, satisfaction surveys, conditions of employment)  is not purely "engagement" surveying

- But many employee surveys have some engagement elements/dimensions

- Engagement surveys may include more risk for the executive team supporting the survey

# Why try to assess engagement?

- To understand the organizational conditions that are supporting or receding current levels of employee engagement

- To establish a baseline against which to measure initiative to sustain and increase levels of engagement

- <u>Engagement is ultimately about improving organizational performance</u> not "just" improving morale or orientation to work

# Assessment approaches

- Interviews
- Focus groups
- Study of organizational metrics
- Participant/observation studies
- Benchmarking against leading organizations
- **Surveying**

# Why surveying?

- The assessment tool can lend itself to a more quantitative measures

- Time and cost efficiencies versus other assessment approaches

- Less impact to operations

- **Protection of respondent anonymity versus interviews/focus groups**

# Response risk

- Survey items with an engagement focus will commonly pursue responses on issues/perceptions more personal and heart-felt than whether you like your dental plan or are satisfied with training opportunities

# Risk of expressing true levels of engagement

- The <u>perceived</u> or <u>genuine</u> risk of honestly responding to items related to:
  - Do you <u>really</u> want to be working here?
  - Are you giving 100% every day?
  - Do you tell others you are proud to be part of this organization?
  - Is this job more than a paycheck to you?
  - Are you looking for another job <u>right now</u>?

# "Drivers" for engagement

- Engagement as an end state is not the result of doing any <u>one thing</u> right in management sense

- Engagement is usefully thought of as an outcome resulting from <u>an alignment of positive management & HR practices--**drivers**-- that are valued by an employee population</u>

# Engagement drivers

- These are the dimensions of HR and business practice that seem to contribute to the engaged workforce--<u>drivers promote engagement</u>
- Drivers identify what is most important to promote committed performers/engaged workers

# Drivers in the federal sector

- Results based on survey of 41,600 federal employees in 30 agencies

- <u>Key engagement drivers:</u>
  - **Pride in work & workplace**
  - **Satisfaction with leadership**
  - **Opportunity to perform well**
  - **Positive work environment**
  - **Satisfaction with recognition**
  - **Prospects for growth**

(<u>Managing for Engagement: Communication, Connection and Courage--A Report</u>
<u>to the President and the Congress of the United States, 2009,</u> U.S. Merit
Systems Protection Board)

# Shared Drivers

- Studies by Gallup, Towers Perrin, Blessing White , Corporate Leadership Council  & others were reviewed

- <u>Four major studies agreed on 8 drivers</u>:
  - **Trust of management**
  - **Nature of the work**
  - **Line-of-sight on performance**
  - **Career growth**
  - **Pride in organization**
  - **Co-workers**
  - **Skills development**
  - **Relationship w/direct supervisor**

# International differences in engagement

- Some drivers are likely shared internationally: the work itself, trust in leadership, recognition/rewards, timely organizational communications

- The U.S. and U.K. share only one top engagement driver: <u>sense of personal accomplishment</u>

- Top drivers in U.K. are similar to those in China

- Engagement drivers often reflect broad cultural differences

  (Mercer, "Engaging Employees to Drive Global Business Success," 2009)

# Lesson from the trenches

- Practical tips based on (sometimes painful) experience of designing and administering  surveys with an employee engagement focus

# Tip #1: Management commitment

- All employee surveys require genuine management commitment to hear and actually use the feedback received— especially true for engagement surveys
  - Issue of responses you don't want to hear
- The choice between ignorance of employee opinion versus dismissal of employee opinion

# Tip #1 continued

- Commitment to a general sharing of survey results (some limitations)
- Commitment to an action plan
- Commitment to visibility of actions that support the action plan
  - Link actions back to the survey
- Commitment to re-survey

# Tip #2 : Strong survey process

- Methodical survey process with ample opportunity for organization input to and ownership of the survey
  - "Success has a thousand fathers but failure is an orphan"

# Survey as process

- 1) **Planning**
  - Purpose/Focus/Targets
  - Resources
  - Stakeholders
- 2) **Development**
  - Stakeholder input
  - Design
  - Pre-test/Pilot
- 3) **Implementation**
  - Announce +Launch
  - Prompt response rate
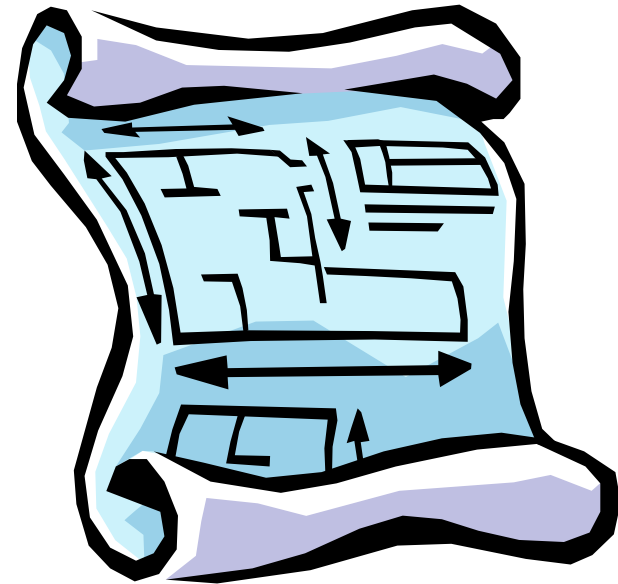
# Survey as process concluded

- 4)**Analysis/Reporting**
  - Analyze data
  - Interpret/clarify data
  - Report/ data/Recommend focus of actions
- 5)**Action Plans**
  - Confirm action priorities
  - Communicate results and planned actions
  - Design action/Assign resources
  - Monitor and report progress
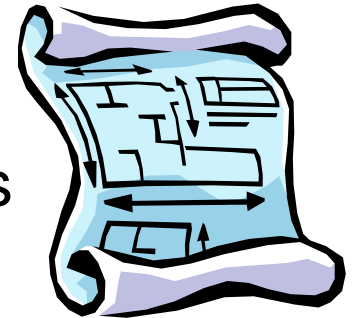
# Survey process: stakeholders

- Survey designer will commonly work with an agency survey project team—desirability for agency project team membership <u>outside of exclusively management/executive management</u>

# Tip #3: Dimensions

- Survey items proceed from thoughtfully considered "drivers" of engagement

- Drivers may derive from:
  - Current literature/research
  - Analysis of the reasons for engagement of current high performers (via interview, focus groups or other assessment)

# Tip #3:Determining survey dimensions

- In competency studies the KSAs of the most successful workers become the foundation for competency-based systems

- The parallel is that the "drivers" for the most successful workers (in a particular organization) may be the (better) survey dimensions for an effective engagement survey in that organization

# Tip #3 continued

- "Reverse engagement" data as a way to determine good dimensions for a specific organization:
  - Exit interview results
  - Turnover data
  - Grievance/complaint trends
  - Other  non-favorable survey results

# Dimension example

- The driver "direct supervisor  relations" could include scaled survey items like:
  - "My supervisor understand my job duties"
  - "My supervisor helps me achieve my potential"
  - "In the last two weeks my supervisor has given me recognition or positive feedback"
  - "I clearly understand what my supervisor expects of me"
  - "My supervisor is accessible for me"

# Tip #4: Risk and anonymity

- Open, honest responses in an engagement survey may be perceived as higher risk for employees

- Implications include:
  - Use of a 3rd party survey administrator
  - Sensitivity in item construction
  - Demographic indicators (department, seniority, classification, etc.) that do not reveal employee identity

# Tip #4 Continued

- Selective redacting in open-ended responses

  – Respondent (accidentally reveals identity)

- Communications and process stressing to employees only 3$^{rd}$ party administrator "touches" individual survey responses

# Tip #5: Post-results actions

- Broad sharing of results with the organization
  - Ownership and forcing action
- Follow-up data collection to clarify survey findings (e.g. focus group drill-down)
  - See next slide
- Selective focus for improvement (Pareto principle)
  - You can't address everything

# Tip #5: Drill-down

- Example: survey results clearly show employees believe management does not support employee training-but what is "under" this result?

  - Management is not informed about training resources?

  - Management is too busy to focus on training?

  - There is no budget to support training?

  - Due to staffing management cannot grant employee time off to attend training?

# Tip #5 Drill-down concluded

- A post-results drill-down process involving employee interviews or focus groups can clarify the proximate causes underpinning most critical unfavorable results so the action plan addresses the needed follow-up

# Tip #5: Post results model

- Example of a northern California public agency that adopted an exemplary post-results process after a first employee survey in 2010—dimension results 2010 and 2011 follow on the next slide
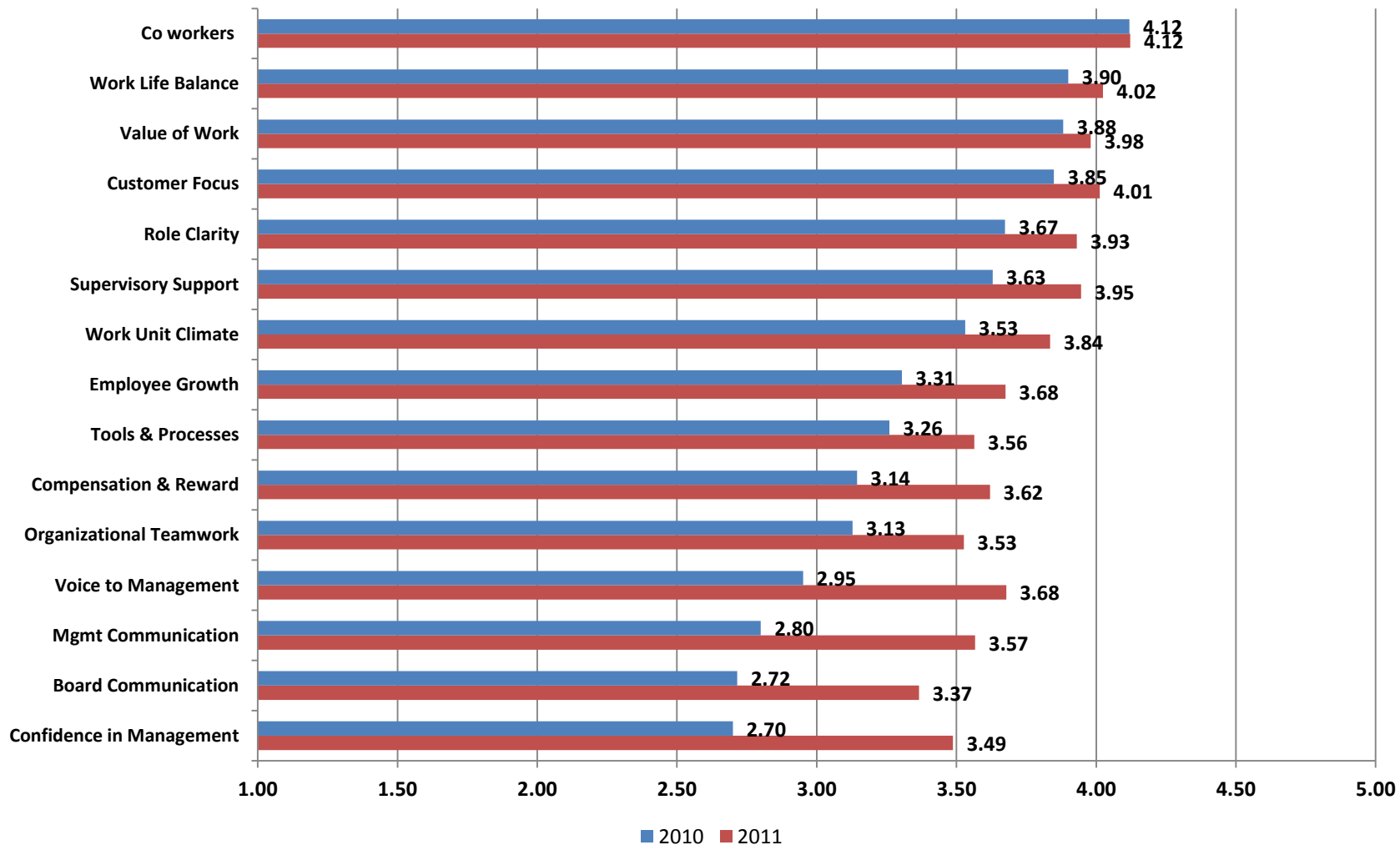
# Why strong results?

- Broad sharing of results + management transparency
  - Board and employee meetings on results
  - Posted on intranet
  - Results seen as an opportunity not a burden
- 2010 post-results management & employee focus groups-clarify what results mean + input to plan
- Focused action plan + high visibility of actions linked to the survey
  - Employee assignments in action plan
- Commitment to regular re-surveying

# Summary

- Employee engagement is an evolving and intriguing topic for assessment work

- The survey may be an especially apt tool for such assessment

- Engagement surveys entail risks and rewards

-  Engagement drivers appear to be a key to developing useful survey dimensions

- Actionable findings require strong planning, survey administration and post-results steps

# Thanks and Questions/Sharing