



BEST PLACES TO WORK IN THE FEDERAL GOVERNMENT® ANALYSIS

FEDERAL LEADERSHIP ON THE DECLINE

The Big Picture

One of the keys to employee job satisfaction and commitment is effective leadership, according to an analysis of *Best Places to Work in the Federal Government*® data. In the federal government, satisfaction with leadership has been low and is slipping.

While federal employees have not given high marks to their leaders for years, satisfaction with leadership dropped in 2012 for the first time since the *Best Places to Work* rankings were published in 2003. The leadership score was 52.8 on a scale of 100, 2.1 points lower than in 2011. This reflected decreased levels of employee satisfaction with all four elements included in the effective leadership category used in the rankings—senior leaders, supervisors, empowerment and fairness.

This analysis by the Partnership for Public Service and Deloitte, based on data from the Office of Personnel Management's (OPM) 2012 Federal Employee Viewpoint Survey, found that effective leadership was ranked 9th of the 10 workplace categories that were measured. It scored lower than such issues as pay, work/life balance and teamwork.

Effective leadership is not only important for directing an organization's operations and motivating the workforce, but in retaining talent. In 2012, those federal employees planning to leave their jobs in the next year rated their

agency 35 points lower in the effective leadership category than those planning to stay. This satisfaction gap between those planning to stay and those planning to leave was larger in leadership than any other workplace category.

FIGURE 1
Government-wide effective leadership trends



A Closer Look

What changed since 2011 in employees' opinions of leadership? What insights do we have into why 2012 showed a decline in leadership satisfaction? In both years, roughly half of federal workers surveyed expressed satisfaction with their leadership, although 2012 witnessed a drop in each of the four effective leadership subcategories. The largest decrease involved personal empowerment and employee opinions of senior leaders.

The 2012 Federal Employee Viewpoint Survey defines senior leaders as "the heads of agencies, departments and their senior management teams." They will usually be members of the Senior Executive Service or equivalent.

The decrease in satisfaction with senior leaders is especially worrisome. Our analysis shows that within the effective leadership category opinions of senior leaders represent the largest driver of employee satisfaction and commitment. In 2012, senior leaders registered the second-lowest score in the effective leadership category.

Government-wide, senior leaders scored only 46.7 on a scale of 100, which was 2.6 points lower than the previous year. Only four of 10 employees agreed that their organization's senior leaders could motivate the workforce and fewer than half agreed that senior leaders share information about what's going on in the organization. Just half of the respondents said they had a high level of re-

TABLE 1
Government-wide effective leadership scores

	2012 GOVERNMENT-WIDE SCORE	POINT CHANGE (2011-2012)
Effective Leadership	52.8	-2.1
Empowerment	45.8	-2.7
Fairness	53.0	-1.3
Senior Leaders	46.7	-2.6
Supervisors	62.3	-1.6

spect for their senior leaders and that their senior leaders maintained high standards of honesty and integrity.

Empowerment was at the bottom of the effective leadership category and had the largest decrease in satisfaction in this grouping. Only four of 10 employees felt empowered with respect to their work processes and slightly less than half said they were involved in decisions affecting their work.

Opinions of fairness in federal agencies remained more stable between 2011 and 2012. Fairness in the federal government received a score of 53.0, dropping 1.3 points from 2011. In addition, about six out of 10 employees felt they could disclose violations of laws, rules or regulations without fear of reprisal, while about half believed that arbitrary action, favoritism and coercion weren't tolerated.

TABLE 2
Effective leadership questions scores

SUBCATEGORY	QUESTION	2012 SCORE
Senior Leaders	In my organization, leaders generate high levels of motivation and commitment in the workforce.	40.3
	My organization's leaders maintain high standards of honesty and integrity.	50.7
	I have a high level of respect for my organization's senior leaders.	50.5
	How satisfied are you with information you receive from management on what's going on in your organization?	45.3
Empowerment	Employees have a feeling of personal empowerment with respect to work processes.	43.1
	How satisfied are you with your involvement in decisions that affect your work?	48.4
Fairness	Arbitrary action, personal favoritism and coercion for partisan political purposes are not tolerated.	47.2
	I can disclose a suspected violation of any law, rule or regulation without fear of reprisal.	58.8
Supervisors	My supervisor/team leader provides me with opportunities to demonstrate my leadership skills.	62.5
	Discussions with my supervisor/team leader about my performance are worthwhile.	59.1
	Supervisors/team leaders in my work unit support employee development.	61.9
	Overall, how good a job do you feel is being done by your immediate supervisor/team leader?	65.6

The highest marks from federal employees on the issue of effective leadership went to first line supervisors. In each year of the *Best Places to Work* rankings between 2003 and 2012, federal employees gave their supervisors ratings that were more than ten points above those of senior leaders. In 2012, supervisors scored 62.3 out of 100, more than 15 points higher than senior leaders. However, satisfaction with supervisors still dropped slightly (1.6 points) from the 2011 score.

Roughly six out of 10 federal employees believed their supervisors were doing a good job, engaged in worthwhile discussions about their performance, gave them opportunities to demonstrate leadership skills and supported their development.

Private-Sector Comparison

In 2011, we noted that the federal government lags behind the private sector in leadership. The same was true in 2012. In three comparable leadership questions in which private-sector data was available, the government is falling behind. In two of those questions, the gap between government and private employers increased.

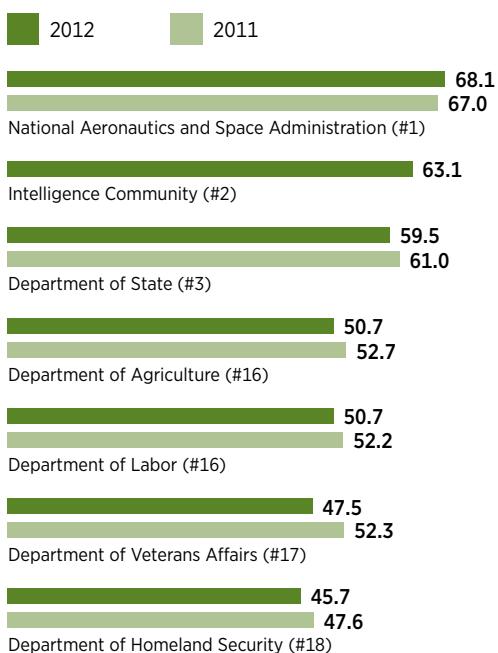
Compared to the private sector, federal leaders have more difficulty communicating effectively within their agencies. The government lags behind the private sector by 17 points on employee satisfaction with the information they receive from management regarding what's going on in their organization.

Employee satisfaction with government supervisors also received a score that was 8 points lower than supervisors in the private sector. Federal employees rated their involvement in decisions that affect their work 6 points lower than their private-sector counterparts, though both private employees and public servants were less satisfied with their empowerment than in 2011.

Top and Bottom Agencies on Leadership

While the government-wide trend reflects a negative and now declining picture in employee attitudes regarding leadership, the story varies from agency to agency. Overall, six of 19 large agencies showed improvement in their effective leadership score. Atop the list were the National Aeronautics and Space Administration, the Intelligence Community and the Department of State. At the bottom of the list were the Departments of Agriculture, Labor, Veterans Affairs and Homeland Security (Figure 2). The Department of Transportation showed the largest increase in effective leadership, improving its score by 2.3 points.

FIGURE 2
Highest and lowest ranked large agencies in effective leadership



Within the lowest scoring agencies, there were some bright spots. The Coast Guard, part of the Department of Homeland Security, recorded a score of 61.0, its highest effective leadership tally since the rankings began. At the Department of Labor, the Bureau of Labor Statistics defied the government-wide trend, increasing its effective leadership score by 2.2 points to 61.2 in 2012 and by 9.1 points since the rankings first began.

Conclusion and Recommendations

Federal employee attitudes toward their leadership are a major influence on job satisfaction and commitment, and have a significant impact on performance, the ability of agencies to fulfill their critical missions and to provide top-notch service to the American people.

The negative trends in federal leadership that are apparent in the 2012 *Best Places to Work* scores should be a call to action. Federal employees today are living in an environment of great uncertainty given budgetary constraints, pay freezes and staffing cutbacks, and at the same time feel less empowered to do their jobs and are less satisfied with the way their senior leaders are handling their agencies. Given the current environment, sustained attention to improving leadership is not a luxury, but a necessity.

Agency leaders at all levels need to be engaged in improving the workplace environment. They need to undertake

initiatives and learn from successful agencies how to strengthen the connection between employees and their work, motivate and empower workers, and increase internal communications and feedback.

There are many steps senior leaders and managers can take. Based on experiences at a number of federal agencies that improved their *Best Places to Work* scores, including the Department of Transportation and the Federal Deposit Insurance Corp, we recommend that agency leaders:

- Communicate a clear vision of the agency's mission, how this mission will be accomplished and how it connects to the work that individuals and teams are doing.
- Find ways to let employees know they are valued, including getting to know them by walking the halls and listening to their concerns.
- Develop competency-driven executive coaching programs to improve their management skills.
- Hold themselves accountable, with improving workplace satisfaction scores incorporated into their performance plans.
- Conduct employee interviews that can include discussions about barriers they face, and how obstacles can be removed to improve their job satisfaction and performance.
- Empower employees by giving them the support and the room they need to think creatively without dictating how they should solve problems.
- Recognize and reward jobs well done, which does not necessarily require monetary incentives.
- Offer constructive and timely feedback to improve employee performance.
- Develop clear and purposeful communications plans. The methods of communication could, include town halls, focus groups, staff meetings, email, newsletters, teleconference and social media.

By taking these straightforward approaches, agencies across the government have made significant gains in improving employee job satisfaction and commitment, as well as organizational effectiveness. Federal leaders need to examine their *Best Places to Work* data, see where they have problems, and address concerns to improve the work environment and enhance employee job satisfaction and performance.

This Best Places to Work in the Federal Government® snapshot was made possible by the generous support of Deloitte.

TABLE 3
Large agency effective leadership rankings

AGENCY	RANK	2012 SCORE	2011 SCORE	POINT CHANGE
National Aeronautics and Space Administration	1	68.1	67.0	1.1
Intelligence Community	2	63.1	-	-
Department of State	3	59.5	61.0	-1.5
Department of Commerce	4	58.6	57.5	1.1
Department of the Treasury	5	57.4	58.1	-0.7
Environmental Protection Agency	6	56.3	55.8	0.5
Department of the Navy	7	56.2	57.1	-0.9
Department of the Air Force	8	56.0	56.6	-0.6
Social Security Administration	9	54.7	58.3	-3.6
Department of the Army	10	54.2	57.3	-3.1
Department of Health and Human Services	11	53.8	53.0	0.8
Office of the Secretary of Defense, Joint Staff, Defense Agencies, and Department of Defense Field Activities	12	53.7	54.8	-1.1
Department of Justice	13	52.9	57.1	-4.2
Department of Transportation	14	52.6	50.3	2.3
Department of the Interior	15	52.5	51.9	0.6
Department of Agriculture	16	50.7	52.7	-2.0
Department of Labor	16	50.7	52.2	-1.5
Department of Veterans Affairs	18	47.5	52.3	-4.8
Department of Homeland Security	19	45.7	47.6	-1.9

TABLE 4
Mid-size agency effective leadership rankings

AGENCY	RANK	2012 SCORE	2011 SCORE	POINT CHANGE
Federal Deposit Insurance Corporation	1	69.9	70.8	-0.9
Nuclear Regulatory Commission	2	67.6	72.0	-4.4
Federal Trade Commission	3	65.0	66.7	-1.7
National Credit Union Administration	4	64.6	59.3	5.3
Federal Energy Regulatory Commission	5	59.4	60.5	-1.1
Office of Personnel Management	6	58.8	60.5	-1.7
Federal Communications Commission	7	58.2	58.5	-0.3
General Services Administration	8	57.5	59.5	-2.0
U.S. Agency for International Development	9	56.5	53.3	3.2
Department of Energy	10	53.9	52.8	1.1
Department of Education	11	53.6	52.8	0.8
Court Services and Offender Supervision Agency	12	52.8	58.2	-5.4
Small Business Administration	13	52.5	54.2	-1.7
Equal Employment Opportunity Commission	13	52.5	51.3	1.2
National Science Foundation	13	52.5	54.6	-2.1
Department of Housing and Urban Development	16	50.0	49.5	0.5
National Labor Relations Board	17	49.2	53.0	-3.8
Securities and Exchange Commission	18	48.7	47.7	1.0
National Archives and Records Administration	19	47.9	49.9	-2.0
Broadcasting Board of Governors	20	42.2	45.2	-3.0
Government Accountability Office	-	-	-	-
Smithsonian Institution	-	-	-	-

TABLE 5
Small agency effective leadership rankings

AGENCY	RANK	2012 SCORE	2011 SCORE	POINT CHANGE
Surface Transportation Board	1	75.3	82.5	-7.2
Defense Nuclear Facilities Safety Board	2	72.2	78.8	-6.6
Federal Labor Relations Authority	3	69.7	71.4	-1.7
Federal Mediation and Conciliation Service	4	68.6	64.5	4.1
Overseas Private Investment Corporation	5	68.5	70.0	-1.5
Peace Corps	6	68.3	66.0	2.3
National Endowment for the Humanities	7	67.3	65.6	1.7
Office of Special Counsel	8	65.2	-	-
Office of Management and Budget	9	64.2	52.1	12.1
Selective Service System	10	60.9	56.6	4.3
Commodity Futures Trading Commission	11	59.2	63.7	-4.5
National Transportation Safety Board	12	57.2	57.9	-0.7
Corporation for National and Community Service	13	55.7	57.3	-1.6
Railroad Retirement Board	14	55.4	54.2	1.2
Pension Benefit Guaranty Corporation	15	55.2	56.5	-1.3
Consumer Product Safety Commission	16	54.2	54.9	-0.7
Merit Systems Protection Board	17	53.9	61.4	-7.5
National Endowment for the Arts	18	53.0	50.1	2.9
U.S. International Trade Commission	19	52.7	54.7	-2.0
Millennium Challenge Corporation	20	51.8	53.9	-2.1
National Gallery of Art	21	49.1	51.4	-2.3
International Boundary and Water Commission	22	48.9	45.5	3.4
Federal Housing Finance Agency	23	47.5	46.9	0.6
Export-Import Bank of the United States	23	47.5	48.0	-0.5
Federal Election Commission	25	47.1	51.8	-4.7
Federal Maritime Commission	26	36.1	53.3	-17.2
Office of the U.S. Trade Representative	27	35.7	47.0	-11.3
Congressional Budget Office	-	-	-	-
Farm Credit Administration	-	-	-	-