



THE FEDERAL LEADERSHIP CHALLENGE

The Big Picture

High employee satisfaction and commitment are essential ingredients of high-performing organizations, and for federal government it is leadership that most influences employee satisfaction. So how is our federal government's record on leadership?

Our *Best Places to Work in the Federal Government*® analysis, based on data from the Office of Personnel Management's (OPM) 2011 Federal Employee Viewpoint Survey, reveals that leadership in the federal government is both a good news and a bad news story.

On the bad news side, leadership is one of the lowest ranked out of 10 workplace categories, with a score of only 54.9 out of 100. Our government's leaders, and in particular senior leaders, received low ratings from federal employees on a range of issues, including the ability to generate worker motivation and commitment, encourage integrity, manage people fairly and promote professional development, creativity and empowerment.

But, on the good news front, the federal government shows a positive trend on leadership since the rankings first launched in 2003. Also, while the leadership shortcomings pose challenges for our government, there is compelling evidence that dedicated efforts by senior management to engage employees, improve communications and respond to their concerns can make a significant difference in the attitudes, job satisfaction and, ultimately, the performance of federal employees.

TABLE 1
Government-wide leadership trends

	EFFECTIVE LEADERSHIP SCORE
2003	49.1
2005	51.5
2007	51.5
2009	52.7
2010	54.5
2011	54.9

TABLE 2
Government-wide supervisors and top agency leadership trends

	GOVERNMENT-WIDE EMPLOYEE SATISFACTION WITH SUPERVISORS SCORE	GOVERNMENT-WIDE EMPLOYEE SATISFACTION WITH SENIOR LEADERS SCORE
2003	58.6	42.7
2005	61.7	45.3
2007	61.5	45.6
2009	61.9	47.3
2010	63.3	49.0
2011	63.9	49.3

A Closer Look

So, why is federal leadership scoring so poorly? What is dragging it down? The Effective Leadership category can be broken down to questions dealing with employee perceptions of empowerment, fairness, senior leaders and supervisors. The issues of greatest concern to employees are surrounding empowerment and senior leaders.

Government-wide, only 46.3 percent of respondents said they felt personal empowerment with respect to work processes. In addition, only 50.7 percent of federal employees felt satisfied with their involvement in decisions that affect their work.

Employees also rate their senior leaders lower than their frontline supervisors. The 2011 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.

Only 42.6 percent of those surveyed government-wide, for example, felt their senior leaders generate high levels of motivation and commitment, while just 48.1 percent said they were satisfied with the information they receive from top management about what’s going on in their organizations. In addition, only slightly more than half (52.9 percent) of federal employees surveyed said their organization’s senior leaders maintain high standards of honesty and integrity, and just 53.5 percent said that they have a high level of respect for those in top management.

Two thirds (66.9 percent) of federal employees surveyed said they believe their immediate supervisor or team leader is doing a good job, 64.2 percent reported that their supervisors or team leader provided them with opportunities to demonstrate their leadership skills, and 63.8 percent said their supervisors support employee development.

In addition to concerns with empowerment and leaders, federal employees rate fairness in the workplace fairly low, at 54.3. Government-wide, just 48.6 percent felt that arbitrary action, personal favoritism and coercion for partisan political purposes are not tolerated. However, 59.9 percent said they can disclose suspected violations of any law, rule or regulation without fear of reprisal.

TABLE 3
Government-wide all leadership questions and categories

GOVERNMENT-WIDE	2011 PERCENT POSITIVE
Empowerment	48.5
Fairness	54.3
Senior Leaders	49.3
Supervisors	63.9

Private-Sector Comparison¹

Compared to the private sector, the federal government is struggling when it comes to leadership. Because private-sector data is only available for three of the twelve questions in the *Best Places to Work* leadership index, a comprehensive comparison of leadership scores is not possible. However, when comparing those three questions, the federal government falls behind the private sector.

The largest gap between the federal government and the private sector is on employees’ satisfaction with the information they receive from management about what’s going on in their organization. Employees in the private sector score 14 points higher on this question. Employees in the private sector also feel more satisfied with their supervisors. Private-sector employees score 6 points higher when asked if their supervisors were doing a good job. When asked how satisfied employees were with their involvement in decisions affecting their work, the private sector scores 6 points higher—twice as large as the 2010 gap.

An additional data point provided by Hay Group, shows that 56.0 percent of private sector employees feel that their company motivates them to go the extra mile. In the federal government, only 42.6 percent feel that their leaders generate high levels of motivation and commitment. While not directly comparable, this finding may suggest that federal leaders lag behind the private sector in their ability to inspire employees.

Overall, the federal government has ground to make up to the private sector on leadership. In the private sector, employees rate leaders higher on communication, have more positive views of their supervisors, feel more empowered, and may feel more motivated by leaders than their counterparts in the federal government.

¹ Data for the Private Sector Comparison was provided by the Office of Personnel Management and is available at <http://www.fedview.opm.gov/>

TABLE 4
Large agencies on leadership

AGENCY	OVERALL LEADERSHIP RANK	OVERALL LEADERSHIP SCORE	SENIOR LEADERS SCORE	SUPERVISORS SCORE	GAP BETWEEN SENIOR LEADERS AND SUPERVISORS
Nuclear Regulatory Commission	1	72.0	70.2	77.6	7.4
Federal Deposit Insurance Corporation	2	70.8	70.9	75.9	5.0
National Aeronautics and Space Administration	3	67.0	62.3	74.8	12.5
Department of State	4	61.0	56.9	69.1	12.2
Office of Personnel Management	5	60.5	55.9	71.7	15.8
General Services Administration	6	59.5	55.1	68.8	13.7
Social Security Administration	7	58.3	57.4	64.6	7.2
Department of the Treasury	8	58.1	52.3	68.9	16.6
Department of Commerce	9	57.5	51.5	67.5	16.0
Department of the Army	11	57.3	52.4	65.0	12.6
Department of Justice	11	57.1	51.5	66.1	14.6
Department of the Navy	12	57.1	51.6	65.4	13.8
Department of the Air Force	13	56.6	50.7	64.5	13.8
Environmental Protection Agency	14	55.8	48.5	67.2	18.7
Government-wide Average		54.9	49.3	63.9	14.6
Office of the Secretary of Defense, Joint Staff, Defense Agencies, and Department of Defense Field Activities	15	54.8	49.2	65.0	15.8
Small Business Administration	16	54.2	49.6	63.2	13.6
U.S. Agency for International Development	17	53.3	48.0	63.2	15.2
Department of Health and Human Services	18	53.0	48.6	61.8	13.2
Department of Energy	19	52.8	45.2	63.2	18.0
Department of Education	19	52.8	48.3	64.4	16.1
Department of Agriculture	21	52.7	43.9	64.7	20.8
Department of Veterans Affairs	22	52.3	47.3	60.1	12.8
Department of Labor	23	52.2	46.3	62.2	15.9
Department of the Interior	24	51.9	44.0	62.2	18.2
Equal Employment Opportunity Commission	25	51.3	47.5	62.1	14.6
Department of Transportation	26	50.3	41.6	61.9	20.3
National Archives and Records Administration	27	49.9	42.0	62.6	20.6
Department of Housing and Urban Development	28	49.5	46.0	58.9	12.9
Securities and Exchange Commission	29	47.7	39.9	59.1	19.2
Department of Homeland Security	30	47.6	41.4	58.7	17.3

Wide Leadership Gaps Among Agencies

As might be expected, federal employee perceptions of their leadership vary from agency to agency. The Nuclear Regulatory Commission (NRC) received a top *Best Places to Work* score of 72 out of 100 on the full panoply of leadership issues among large agencies, followed by the Federal Deposit Insurance Corp. (70.8) and NASA (67).

The Department of Homeland Security (DHS), in contrast, received a 47.6 score on overall leadership, the lowest rating among large agencies. It was followed by the Securities and Exchange Commission (SEC) at 47.7 and the Department of Housing and Urban Development (HUD) with a score of 49.5. Leadership scores at DHS and SEC were down slightly from 2010, while HUD's improved.

At both the top and at low-rated large federal agencies, (Table 4) supervisors drew higher marks from employees than top management. In some instances, the gap between supervisors and senior leaders tended to be much wider at the agencies at the bottom of the leadership rankings compared to those on the top rung. At the Department of Transportation (DOT), the National Archives and Records Administration and the SEC, for example, supervisors scored about 20 points higher than senior leaders.

Moving the Leadership Needle

When it comes to making significant positive changes within agencies, an agency's focus on leadership improvement is important in driving employee engagement and satisfaction.

The U.S. Mint, part of the Department of the Treasury, had long been ranked at the bottom of the *Best Places to Work* agency subcomponents when it came to employee job satisfaction and commitment. But in 2011, after a concerted effort, leadership at the Mint saw its focus on communication and empowering employees pay off. The organization recorded a score of 68.5 out of 100, up from 56.5 in 2010, for a 21.2 percent gain. It also catapulted in the rankings from 201 of 224 in 2010 to the 57th spot out of 240 agency subcomponents in 2011.

Contributing to this improvement was a significant jump in how employees at the Mint viewed their leaders, with the *Best Places to Work* score encompassing the full range of leadership issues jumping from 44 in 2010 to 55 in 2011, an increase of 25.1 percent. The score for senior leaders registered an even bigger increase, rising from 35.9 in 2010 to 50.8 in 2011, a jump of 41.5 percent.

TABLE 5
U.S. Mint scores and percent increase

	2011	PERCENT CHANGE FROM 2010
Best Places to Work Index	68.5	+21.2%
Effective Leadership	55.0	+25.1%
Empowerment	51.9	+34.5%
Fairness	50.1	+23.8%
Senior Leaders	50.8	+41.5%
Supervisors	63.1	+11.9%

How did this positive change come about? It was the result of a concerted effort by top management to increase communication with employees, to work more cooperatively with the unions and to more fully explain the challenges faced by the organization and the reasons why decisions were being made. Executives from the Mint said they have been empowering employees and giving them greater flexibility to do their jobs. They have held regular town hall meetings, and visited all of the Mint's facilities outside Washington, D.C. to hear and respond to employee concerns.

Conclusion

The 2011 *Best Places to Work* rankings provide unvarnished insight in the views of federal employees, offering an important measure of agency leadership and providing an alert system for signs of trouble. There is nothing more powerful than what employees have to say about their workplaces and their leaders.

Federal employees are struggling with feeling empowered in their work and roughly half do not hold favorable views of their agency's leaders. The low scores given to senior leaders in government, and at particular agencies, should be a call to action. As the U.S. Mint has shown, change is possible if top leaders dedicate themselves to engaging with their most important asset— their people.

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