



2014 BEST PLACES TO WORK IN THE FEDERAL GOVERNMENT® ANALYSIS

Improving Leadership

Perspectives from the Senior Executive Service

The Senior Executive Service, the 7,200 individuals who hold the top federal career managerial and policy positions, are essential to the effective operation of our government. The opinions of these SES members regarding the workplace are important because of the significant leadership, management and specialized technical roles they play in their agencies as well as the influence they have regarding the satisfaction and performance of their employees.

Using the 2014 *Best Places to Work in the Federal Government*® data derived from the Office of Personnel Management's Federal Employee Viewpoint Survey, the Partnership for Public Service and Deloitte Consulting LLP examined the satisfaction and commitment of the SES members and looked at how the views of these executives differ from those of all other employees.¹

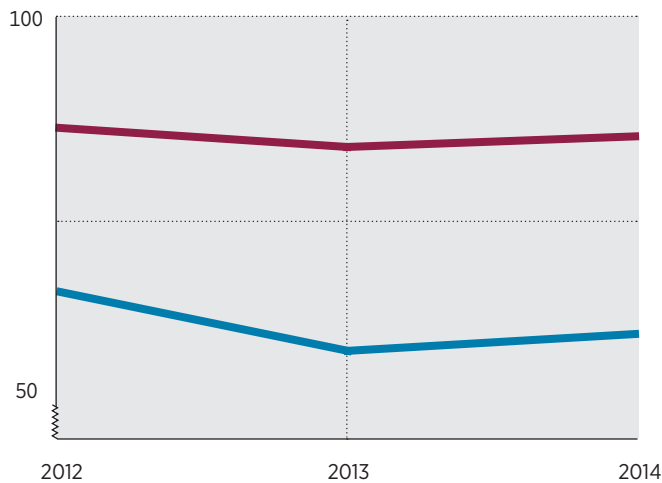
SES members have two noteworthy differences in their survey responses from the rest of the federal workforce. First, the senior executives have a much higher overall *Best Places to Work* satisfaction and commitment score than their employees. However, this gap doubles when employees and SES are asked about performance management issues, including the fairness of promotions, the recognition and awards given for good job performance, and the way poor performers are handled.

When employees and managers share a common vision, they are able to work together to achieve results. When there are considerable differences, it could be harder to fulfill agency missions and drive constructive change.

Second, the data show that training matters, especially for SES members who are relatively new to the federal government. For the most part, career senior executives are motivated by the same factors as the rest of the workforce: leadership, alignment of their skills to the mission and pay. There is an exception. Among SES members who have been in government for less than 10 years, training and development replaces pay as significantly influencing satisfaction and commitment.

¹ The findings are based on the views of more than 392,000 respondents who participated in the 2014 Federal Employee Viewpoint Survey, including more than 4,900 members of the SES.

BEST PLACES TO WORK INDEX SCORES FOR SES MEMBERS AND ALL OTHER EMPLOYEES



| | 2012 | 2013 | 2014 |
|---------------------|-------------|-------------|-------------|
| SES members | 82.6 | 80.8 | 81.8 |
| All other employees | 64.0 | 57.7 | 59.5 |
| Difference | 18.6 | 23.1 | 22.3 |

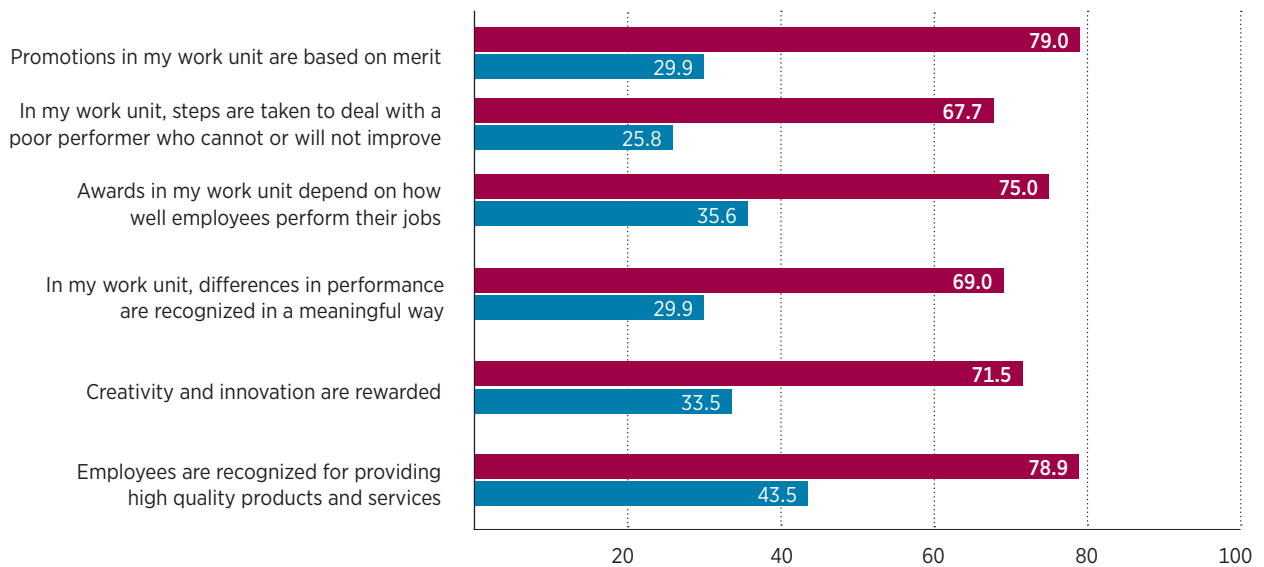
The *Best Places to Work* index score is calculated based on three different federal survey questions:

- I recommend my organization as a good place to work. (Q. 40)
- Considering everything, how satisfied are you with your job? (Q. 69)
- Considering everything, how satisfied are you with your organization? (Q. 71)

We use the percentage of positive responses in a weighted, proprietary formula. To calculate a score for a demographic group at an agency, we require at least 30 respondents in the category. If there were fewer than 30, we did not report a score. For more information about methodology, go to bestplacetowork.org.

FEVS QUESTIONS WITH THE LARGEST GAPS BETWEEN SES MEMBERS AND ALL OTHER EMPLOYEES

■ SES members ■ All other employees



A HUGE DIVIDE ON PERFORMANCE MANAGEMENT

Members of the SES had an overall *Best Places to Work* satisfaction and commitment score of 81.8 out of 100 in 2014, 22.3 points higher than the rest of the federal workforce. As shown on page 2, this gap was more than 20 points in both 2013 and 2014. The overall positive perceptions held by the senior executives regarding their jobs and organizations may be due to the characteristics inherent in holding a leadership position, such as having more autonomy and influence on decisions that affect their work, and earning higher pay.

While career executives have greater overall job and workplace satisfaction than their employees, the gap in some instances doubles when it comes to performance management. This big divide suggests

that senior executives need to take steps to address this divergence of views if they expect to connect with and motivate their workforce.

On the question, “Promotions in my work unit are based on merit,” 79 percent of the SES members had positive responses compared to just 29.9 percent of other employees, a 49.1-point difference.

When asked whether they believe steps are taken to deal with poor performers who cannot or will not improve, 67.7 percent of the SES members said they agree or strongly agree. But for other employees, the positive response was only 25.8 percent, a difference of 41.9 points.

Large differences of opinion also existed when it came to recognition and rewards for performance, with

SES members having far more positive opinions than all other employees. When asked whether work unit rewards depend on how well employees perform their jobs, 75 percent of the SES members responded positively compared to only 35.6 percent of all other employees. As the chart on page 2 shows, similar large gaps were found for recognizing performance in a meaningful way, and rewarding and recognizing creativity and innovation and high quality work.

Some agency officials, as detailed in the case study below, have begun to rethink their approach to performance management, seeking to maximize the value of ongoing performance conversations between managers and staff.

CASE STUDY

Changing the Performance Management Philosophy at GAO

During the past several years, the Government Accountability Office has been engaging in an extensive process to change its approach to performance management. According to Marti Tracy Clowers, director of performance management and compensation, GAO’s goal is to minimize the administrative burdens of a time-consuming year-end review process and replace it with meaningful performance activities—such as coaching—throughout the year. GAO initiated this change after the agency found significant data indicating widespread dissatisfaction with the current system, and after a 2009 study recommended that GAO’s system “should be modified to increase the focus on employee development, feedback and teamwork while decreasing the complexity of the system.”

Clowers relied on research that has shown that even high performers do not feel satisfied or motivated by year-end appraisals. However, when managers incorporate meaningful performance feedback into every day supervision, employees are more engaged and performance improves. This puts the performance management process in the hands of the managers who interact with staff every day.

As is the case with all organizational cultural changes, this transformation will take time, and GAO is in the early stages

of this change. Clowers emphasized that the effort will require sustained support from agency leadership.

This type of transition has been put to the test in many private sector organizations, including Netflix, Adobe, Deloitte, Microsoft and Gap.

Harvard Business Review has highlighted some lessons learned at both Netflix² and Deloitte.³ According to an article in 2014, Netflix replaced infrequent formal reviews with an expectation that managers and employees regularly have honest and clear conversations about the quality of work. An article this year detailed Deloitte’s elimination of year-end performance reviews, where managers spent an estimated two million hours annually discussing past performance of employees. Deloitte found strong correlations across the frequency of team leader conversations focused on the work to be performed, the engagement levels of team members and the actual performance of teams.

2 McCord, Patty (2014). How Netflix Reinvented HR. *Harvard Business Review*. <http://bit.ly/1Jh6N12>

3 Buckingham, Marcus & Goodall, Ashley (2015). Reinventing Performance Management. *Harvard Business Review*. <http://bit.ly/1e233CU>

TRAINING MATTERS FOR SES MEMBER SATISFACTION

In addition to the performance management discrepancies between SES members and staff, another finding stands out for members of the SES. For the first time, the Partnership and Deloitte analyzed the key issues that affect satisfaction and commitment for members of the SES. Overall, the results were the same as employees government-wide. Effective leadership is the most important factor, followed by skills-mission match and satisfaction with pay. In short, members of the SES appear to be motivated by their own leaders much like all other employees.

However, there was one noteworthy exception. For senior executives with less than 10 years of government experience, training and development was the third key driver of satisfaction and commitment, not pay. This finding appeared in both the 2013 and 2014 datasets.

Some agencies have already taken notice. At the Department of Labor, for example, new members of the SES took part in a leadership development program that is detailed below. This coincided with Labor's training and development score increasing by 14.3 points compared

to 2013, representing the biggest increase of any large agency in that category. The department also had the largest increase in overall satisfaction for all employees, moving up in the *Best Places to Work* large agency rankings from 17 in 2013 to 10 in 2014. The Department of Commerce also has engaged in a series of development initiatives for SES members and has seen its *Best Places to Work* training and development satisfaction scores increase.

CASE STUDY

Department of Labor

In November 2013, Labor Secretary Thomas Perez stood before 53 of the department's newest members of the Senior Executive Service to launch the SES Training Program, a nine-month initiative to help the executives in their new roles.

"I have heard people say, 'Why do SES members need training?' It's true that they already have great skills or they wouldn't be where they are. But they can be even better and even more effective with the right training," said Lucy Cunningham, the department's director of executive resources who ran the training program with Kim Cataldo.⁴

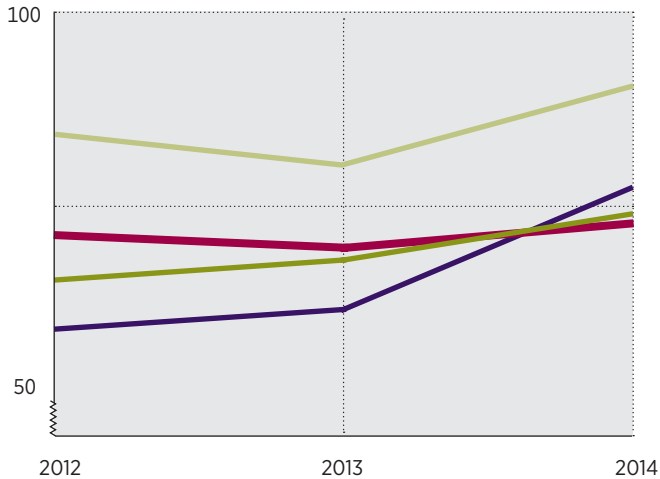
The key elements of the program included:

- Workshops that featured topics like human resources, labor relations and procurement.
- Mentoring that paired new SES members with more experienced senior executives from other agencies.
- Coaching for teams of participants that focused on topics like communications.
- Projects that tackled challenges such as poor performance and collaboration.

"Connections have been made through this program that otherwise would not have happened," said Cunningham. "In fact, this has been one of the most surprising outcomes of the program. True friendships have been formed."

For such training programs to succeed, Cunningham offered one important piece of advice: "There has to be top leadership support and engagement. I think it's been the biggest factor in our success. Our leaders get it. They had a vision to reboot the culture with the new SES members, they dedicated resources, and they have been generous with their time by speaking at sessions and listening to the participants' recommendations."

⁴ The Partnership for Public Service's Center for Government Leadership supported the SES Training Program through a contract providing training services.



| | 2012 | 2013 | 2014 |
|----------------------------------|-------------|-------------|-------------|
| Department of Commerce | 66.9 | 69.2 | 74.5 |
| U.S. Patent and Trademark Office | 85.8 | 81.8 | 91.1 |
| Department of Labor | 61.0 | 63.3 | 77.6 |
| Government-wide | 73.4 | 72.5 | 74.0 |

The Training and Development category score is the average of the percentage of positive responses to four different federal employee survey questions:

- I am given a real opportunity to improve my skills in my organization. (Q. 1)
- I have enough information to do my job well. (Q. 2)
- My training needs are assessed. (Q. 18)
- How satisfied are you with the training you receive for your present job? (Q. 68)

CASE STUDY

Department of Commerce

U.S. PATENT AND TRADEMARK OFFICE

At the Department of Commerce, Senior Executive Service members' satisfaction with training improved by 7.6 points between 2012 and 2014, according to *Best Places to Work* scores. Officials at the department credited this result partly to new efforts to engage and connect SES members from across the department, including holding the first Commerce SES Summit in June of 2014.

This summit brought together 300 senior executives from across the department, featured keynote speakers on topics such as employee engagement and provided opportunities for SES members to meet their peers. The event was so successful that the department is planning another summit for September 2015.

The U.S. Patent and Trademark Office, as one of the largest organizations within Commerce, is a major factor behind this improvement. USPTO increased its training satisfaction scores by 5.3 points since 2012.

Wynn Coggins, deputy chief administrative officer at the USPTO, attributed the success to some of the unique opportunities offered to members of the SES. They include:

- **The SES Council:** All members of the SES participate in quarterly meetings that include presentations on topics such as employee engagement, leadership and creating an environment that motivates productivity and performance. The council also serves as a channel for SES members to provide input to their leaders on important issues.
- **The Leadership Forum:** All SES members, as well as frontline managers, attend a week-long session

every two years to discuss topics important to the direction and strategy of the agency. The most recent leadership forum focused on employee engagement. There were more than 900 participants, five keynote speakers and 40 individual classroom sessions, many of which were also available via webcast.

- **The Mentoring Program:** During the past year, 31 senior executives, more than a third of the 80 SES members at the agency, served as mentors, allowing them to gain insights into the experiences of employees. Other SES members supported agency-wide mentoring activities by serving as executive advisors to agency affinity groups, speaking on mentoring panels or lunch-and-learn sessions.

The USPTO also offers SES members the opportunity for a 360-degree assessment, and they can work with a coach to interpret the results and incorporate goals into development plans. The 360-degree assessment is repeated every two years.

A major focus for the agency and for the senior executives is the Federal Employee Viewpoint Survey, and a new supplementary agency-wide engagement survey designed to provide more targeted insights at the work-unit level. Coggins said there is a clear expectation by USPTO leadership that SES members are accountable for and take action on employee survey results. "That high level expectation emphasizes the responsibility of our SES for employee engagement," she said.

SES RANKINGS BY AGENCY

NASA was the agency with the most satisfied members of the SES for the second year in a row. NASA and the State Department, which ranked third, have been among the top 25 percent of agencies for SES member satisfaction for the past three years. The Department of Labor was the most improved agency and had the second-highest SES members' score among large agencies, with an increase of 11.8 points since 2012. The Department of the Interior also had notable improvement among its senior executives, with an increase in the satisfaction score of 8.9 points, reversing a downward trend from 2012 to 2013. At the Department of Commerce, the overall satisfaction

score for the SES has increased by 5.2 points since 2012. This increase was largely due to the improvement of the USPTO, where SES scores increased by 6.6 points to 94.6.

The Departments of the Navy and the Air Force experienced the largest decline in SES satisfaction. In 2012, the Navy ranked first, but has since fallen 10.2 points to 13th place. The Air Force had been ranked fifth in 2012, but dropped 8.7 points for a 14th place tie with the Department of Homeland Security.

The Department of Defense, which includes the Office of the Secretary of Defense, Joint Staff, Defense Agencies, and Department of Defense Field Activities, and the

Department of Veterans Affairs, have been in the bottom 25 percent on SES satisfaction for the past three years.

Results for the SES members in DOD's Office of the Secretary are notably poor. Of all organizations where SES scores are available, the DOD Office of the Secretary was the only one where the senior executives scored lower than all other staff (51.6 for SES members versus 58.7 for all other staff). In 2012 this was the case as well.

For the complete list of SES members' rankings by subcomponent, see: bestplacestowork.org/ses.

LARGE AGENCY RANKINGS FOR SES SATISFACTION

| Rank | Agency | 2012 | 2013 | 2014 |
|------|---|------|------|------|
| 1 | National Aeronautics and Space Administration | 87.2 | 92.1 | 94.3 |
| 2 | Department of Labor | 80.5 | 81.9 | 92.3 |
| 3 | Department of State | 88.6 | 86.3 | 89.0 |
| 4 | Environmental Protection Agency | 86.2 | 78.4 | 85.5 |
| 5 | Department of Agriculture | 84.0 | 85.6 | 84.9 |
| 6 | Department of Health and Human Services | 84.3 | 83.0 | 84.2 |
| 7 | Department of Justice | 80.8 | 85.8 | 83.1 |
| 7 | Department of Commerce | 77.9 | 79.3 | 83.1 |
| 9 | Department of Transportation | 85.7 | 82.4 | 82.3 |
| 10 | Department of the Interior | 80.3 | 73.2 | 82.1 |
| 11 | Department of the Treasury | 84.2 | 79.2 | 81.2 |
| 12 | Department of the Army | 84.4 | 78.9 | 80.1 |
| 13 | Department of the Navy | 89.5 | 78.3 | 79.3 |
| 14 | Department of the Air Force | 86.1 | 74.2 | 77.4 |
| 14 | Department of Homeland Security | 80.9 | 81.0 | 77.4 |
| 16 | Social Security Administration | 80.8 | 81.0 | 76.6 |
| 17 | Department of Veterans Affairs | 73.9 | 70.7 | 72.1 |
| 18 | Office of the Secretary of Defense, Joint Staff, Defense Agencies, and Department of Defense Field Activities | 69.4 | 72.3 | 69.6 |

| | | | |
|------------------------|-----------------------|-----------------------|--------------------------|
| Lower Quartile (0-25%) | Below Median (25-50%) | Above Median (50-75%) | Upper Quartile (75-100%) |
|------------------------|-----------------------|-----------------------|--------------------------|

FOR THE FULL LIST OF RANKINGS VISIT BESTPLACESTOWORK.ORG/SES

CONCLUSIONS

The findings from the *Best Places to Work* data have important consequences for federal government management. Top agency executives should take note that effective leadership is the major factor of overall employee satisfaction, even for the SES. This means that political leaders must work to engage their career senior executives. Government-wide, SES members' satisfaction is high, which is good news. In order to promote increased engagement, it stands to reason that SES members must be satisfied and committed themselves.

Our analysis also shines a spotlight on a potential vulnerability for the federal government—that SES

members and their employees see their agency performance management quite differently. There are examples of agencies that are rethinking performance management, which can provide some lessons for change.

Our analysis and case studies also show that training and development is especially important for the SES. For those members with less than 10 years of experience in government, training is a key driver of their overall satisfaction.

RECOMMENDATIONS

To close the gap between SES members and the experiences of all other employees with performance management, agencies should:



Train managers about ways to incorporate frequent performance conversations about daily work.



Provide training to the SES about how to handle poor performers and how to have difficult conversations.



Emphasize the importance of SES members building relationships with their teams.



Help SES members recognize performance in nonmonetary ways.

To engage new SES members, agencies should:



Assess training and development needs of the SES, especially individuals who may be new to government.



Create opportunities for the career executives to connect with each other, whether it is through training or special events.



Provide opportunities for career executives to receive feedback from staff and coaching around that feedback.