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## IMPROVING EMPLOYEE ENGAGEMENT: A PUBLIC SECTOR LEADERSHIP IMPERATIVE

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**T**his is not an easy time to be a public servant. Heated rhetoric about the role of government continues to generate criticism not just of government, but also of the public servants who deliver government services. In the United States, this vitriol is likely to heat up as the 2016 presidential campaign intensifies.

Attacks like these place government leaders and managers squarely in the middle of an intense and difficult managerial challenge, as they seek ways to motivate their employees and continue to deliver responsive public services despite public criticism and shrinking resources. I believe the single biggest challenge facing government – at all levels and around the world – is attracting, developing, and retaining talent.

When I say this to the groups I speak to, however, the response is often raised eyebrows and funny looks. But, after all, regardless of the policy issues government focuses on, the public sector can't succeed without a talented workforce – the right people with the right skills in the right places at the right times.

Max Stier, the CEO of the nonpartisan, nonprofit Partnership for Public Service (and my former boss), has said he believes that government devotes 80 percent of its time developing policies and only 20 percent of the time executing these policies. He goes on to say that, in the private sector, the percentages are reversed. I'm not sure about the actual percentages (that's an empirical question that I don't think has been answered), but I agree with his fundamental point. No matter how elegant a policy is, it is doomed to fail if not implemented effectively. Therefore, even more than in the private sector, attracting and retaining talent is critical in government.

And when I refer to government, I include public higher education. Talent is the currency in higher education that enables great universities to achieve their teaching, research and outreach missions – and to remain great. At the University of Wisconsin we generate more than one billion dollars in research grants and gifts each year. This support is critical to enabling us to do cutting-edge research. We continue to attract this level of funding because we are able to recruit and retain talented faculty, researchers and staff. So, given the difficult landscape public sector managers face, what can government leaders do to ensure that they have the talent they so desperately need?

One proven solution is to focus on improving employee engagement, defined as a heightened employee connection to work, the organization and its mission, and co-workers. Engaged employees find personal meaning, pride, and value in their work. In return, they deliver what is known as 'discretionary effort.' That is, they go beyond what's in their job descriptions to do what it takes to help the organization succeed. Here is what the MacLeod Report on employee engagement, commissioned by the United Kingdom government, concluded about employee engagement:

... at its core is a blindingly obvious but nevertheless often overlooked truth. It is how the workforce performs that determines to a large extent whether companies or organizations succeed, and whether or not the workforce is positively encouraged to perform at its best should be a prime consideration for every leader and manager, and be placed at the heart of business strategy.

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## I. THE BUSINESS CASE FOR ENGAGEMENT

Compelling words indeed, but what is the specific business case for employee engagement, particularly in government? In other words, why does engagement matter for government decision-makers and leaders?

The Gallup organization, known best for its public opinion polling, has also done extensive and groundbreaking work on employee engagement around the world. Gallup research

shows that high-engagement organizations outperform low-engagement organizations in key performance indicators that include profitability, productivity, customer satisfaction, retention and absenteeism. In government, a 2014 survey of state and local government conducted by the International Public Management Association for Human Resources revealed that engaged public sector employees are:

- Four times as likely to stay in their current jobs;
- Five times more likely to recommend their workplaces to others; and,
- Five times as likely to report being “very satisfied” in their jobs.

As one public sector official put it, “If you don’t start with the workforce, how can you reach the public? 18,000 ambassadors are better than 18,000 assassins.” Research conducted by the U.S. Merit Systems Protection Board (MSPB) on federal government employees showed that high-engagement federal agencies are almost twice as effective in achieving their strategic goals as low-engagement agencies. High-engagement agencies also have better employee retention and attendance.

Research on employee engagement in Canada also shows that engagement drives outcomes that are critical to government. Heightened employee engagement is one of the three building blocks in the ‘public-sector service value chain.’ According to this model, employee engagement in government leads to citizen/client satisfaction, which then leads to citizen trust and confidence in public institutions – an outcome that is increasingly rare but critically important to the health of the public service. The government of British Columbia found that work units with high levels of employee engagement scored higher in customer satisfaction than low-engagement units.

There is also research showing that employees in health-care organizations who are highly-engaged deliver better patient outcomes. Research conducted in both the U.K. and the U.S. revealed that high levels of employee engagement in hospitals (many of which are operated by public sector entities) are linked to:

- Better patient outcomes;
- Lower mortality rates;
- Higher patient satisfaction;
- Higher service quality;
- Better financial performance;
- Improved employee health and well-being; and,
- Lower absenteeism.

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## II. WHAT HAS BEEN DONE TO IMPROVE ENGAGEMENT?

Some government jurisdictions and agencies have taken the business case for higher reengagement to heart. They have systematically surveyed their employees to assess the level of employee engagement, analyzed the results, and then acted on the data to improve engagement.

With more than 90,000 public sector jurisdictions in the U.S. alone, I don’t believe there is a one-size-fits-all solution to improving employee engagement. Instead, each jurisdiction or agency should assess its own level of engagement (ideally through one of the available valid employee engagement surveys), analyze the results to determine what areas to focus

on, and then take action. This should be followed by periodic re-surveys to see if the needle of engagement is moving in the right direction. In other words, agencies shouldn't administer the medicine before diagnosing the condition. That notwithstanding, it is useful to understand some of the steps public sector organizations have taken to improve employee engagement. The following are examples.

### **Make building a culture of engagement a strategic priority**

Successful engagement initiatives are strategic and authentic. That is, they are not a program foisted on the organization by HR or a pet project of a new leader who is here today but gone tomorrow. One local government which has sustained a successful engagement initiative over time formally incorporated employee engagement into its organizational values. At the University of Wisconsin, we have directly linked our engagement efforts to one of our strategic goals – “to recruit and retain the best faculty and staff.” This approach elevates engagement to be more than a ‘program.’

### **Provide senior-level and enterprise-wide leadership**

Virtually all analyses conclude that leadership is a critical driver of improved employee engagement. Therefore, senior leaders need to make engagement an organizational priority and also model sound engagement practices. For example, the mayor of a large U.S. city routinely reviewed engagement survey results with his department directors, ‘helping’ them decide what actions to take to improve engagement. In the U.S. federal government, an agency CEO was dissatisfied with her organization’s ranking of number 172 in ‘Best Places to Work in the Federal Government.’ She made improvement an organizational agency priority and, six years later, her agency was ranked number one, an unprecedented ascent up the Best Places rankings.

### **Improve communication**

Communication is the glue that holds employee-engagement initiatives together, particularly in government. Public-sector organizations must communicate throughout the entire cycle of planning, conducting, and acting on engagement surveys. Moreover, agencies have learned through engagement surveys that they need to improve communication in general, to give employees the information they need to perform well. This means not just announcing decisions but explaining their rationales. In many cases, agency heads and other senior leaders are reaching out directly to their workforces, using technology when employees are geographically dispersed.

### **Manage employee performance effectively**

To be fully engaged, employees need to understand what their roles, responsibilities, and expectations are; receive consistent feedback on their performance; and be encouraged and supported as they strive to develop their capabilities. The U.S. Merit Systems Protection Board compared the highest-engagement federal agencies to the lowest-engagement agencies, and found that the single factor that most differentiated the high-engagement agencies was effective performance management. According to the MSPB, “Every positive performance-management practice we reviewed is employed more widely in high-engagement agencies than in low-engagement agencies.” Specifically, managers should:

- Ensure that employees understand their work expectations and see the link between their jobs and the organization’s mission;
- Meet regularly with staff members;
- Provide feedback on performance, as well as opportunities to grow and develop (and even fail as a way to learn); and,
- Hold employees accountable for performance, including dealing with poor performers.

### **Develop engagement-related leadership competencies**

The ability to create and sustain high-engagement workforces is a skill, or competency, that should be integrated into processes to hire, onboard, train, advance, and even compensate leaders, managers and supervisors. Research shows that when managers and supervisors are engaged, the employees who report to them are far more likely to also be engaged. One study showed that up to 70 percent of the variability in employee engagement can be attributed to the engagement level of the unit manager. Examples of employee-engagement-related competencies include:

- Provides strong and effective leadership to ensure the work unit is high-performing and achieves its mission;
- Creates a positive climate by setting clear strategy, goals and expectations; honoring core values; providing regular feedback and support; and recognizing and rewarding performance;
- Creates an inclusive work environment;
- Supports and assists employees in learning and development; and,
- Provides leadership and participates in creating and supporting hiring, staffing and onboarding processes that contribute to employee engagement and inclusion.

### **Ensure that employees believe that their opinions count**

Agencies that strive to listen to their employees have designed ways to solicit opinions and innovative ideas – and then adopt the best ones. One modern spin on the traditional “suggestion box” is using social media and crowdsourcing approaches to encourage employees to identify ways to improve operations. This is followed by a virtual agency-wide conversation about the ideas, vetting and improving on them. This can be a particularly effective way to engage younger employees, who see these kinds of interactions as a way of life. One U.S. government federal agency encourages its employees to electronically vote on employee ideas. Any idea that receives at least 150 votes is forwarded to senior leadership for possible implementation.

### **Create a more positive work environment**

Public sector agencies that have measured employee engagement and then acted on the results have also taken specific steps to improve the work environment. This includes expanding the use of flexible work arrangements (e.g., compressed work weeks, flextime, part-time work, job sharing and telework) which, in many organizations, are underutilized approaches to improve engagement – and productivity. In the U.S. federal government, the annual employee survey shows that employees who are able to use flexible working arrangements are more engaged than employees who aren't. Forward-thinking government agencies also realize that employee engagement and well-being are linked, and that both drive fewer health-related absences and improved productivity and performance.

### **Improve new employee onboarding**

In life, and in work, we only get one chance to make a first impression. Most of us have stories of reporting for a new job when we were ready for the job, but the job wasn't ready for us. A systematic and comprehensive onboarding program, that begins when a new employee accepts the job offer and continues through the new hire's first year, can dramatically improve engagement, time-to-productivity and retention. New employee orientation is part of onboarding, but the process goes beyond orientation to fully meet the needs of new hires.

### **Enhance employee prospects for career growth**

An important driver of engagement is providing employees with opportunities to develop and grow. Younger employees, for example, consider career growth opportunities to be

paramount. They'll stay as long as they're developing their competencies. When they no longer believe they are enhancing their skills, they are likely to leave. While formal training is an important aspect of employee development, there are also other options. A New Zealand government agency, for example, developed an employee development program that encouraged and enabled its employees to volunteer for assignments in different work groups, jobs, regions, or even (temporarily) outside organizations. This program reduced recruiting costs, decreased turnover, and increased employee satisfaction with learning and development opportunities.

### **Recognize employee contributions**

Recognition – including linking it to performance – is a key to employee engagement. While this linkage is important in all organizations, it is particularly important in government. With today's difficult public sector budgets, government agencies need to find non-financial ways to recognize outstanding performance. Sometimes this just means a smile and thank you for a job well done. A major U.S. hospital provided its managers with an employee recognition toolkit that includes suggestions on how to thank employees “without spending a dime.” These suggestions included:

- Mailing a hand-written note to an employee's home;
- Recognizing an employee at a staff meeting;
- Surprising an employee with a post-it note of thanks;
- Putting a thank you on the department bulletin board;
- Complimenting an employee within earshot of others, so the word spreads;
- Sending a department-wide email praising an individual employee or team;
- Starting every meeting by recognizing an employee and/or asking employees to recognize each other; and,
- Pulling an employee aside to ask for his/her opinion.

Improving employee engagement can be a powerful tool to improve individual and organizational performance – if it's done strategically and authentically. But there is no magic bullet to improve engagement. What's needed is a systematic assessment of employee engagement levels (ideally through a survey), a carefully constructed approach to dealing with the issues the data reveal, and then a strategy to build engagement over time. Improving engagement – and therefore performance – is a marathon and not a sprint.

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