



2006 Federal Human Capital Survey
Executive Views



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2006 Federal Human Capital Survey Executive Views

The Office of Personnel Management (OPM) is committed to gathering data to assess the state of human capital management across the Federal Government and to provide agency managers with useful information for improving agency management practices. The Federal Human Capital Survey (FHCS), first administered in 2002 and again in 2004 and 2006, reflects this commitment. The findings from this survey offer a snapshot of Federal employees' perceptions of workforce management conditions and practices in their agencies. In 2006, more than 220,000 Federal employees responded to the survey.

In addition to giving important information about employee perceptions, the Federal Human Capital Survey results provide valuable insight into what drives, motivates, and sustains executive performance and commitment to public service. This paper expands on the overall Governmentwide results of the survey and looks more specifically at how executives in the Federal Government are viewed and responded in 2006, and how their ratings have changed over the past four years. A familiar pattern often occurs when analyzing survey results by supervisory level (i.e., non-supervisors, supervisors, managers, executives.) The higher in the organization an employee is, generally, the more positive the employee's ratings. With relatively few exceptions, this is the case for the 2006 Federal Human Capital Survey when looking at the results by the executive corps compared to others.

This paper provides data on how leadership is viewed by employees and includes a discussion of the greatest disconnects between executive and employee views. Comparisons are made to private-sector norms, reflecting results from employees performing a range of jobs comparable to Federal work, where available.

We begin with a look at the demographic makeup of those executives who responded to the 2006 Federal Human Capital Survey, followed by survey results in areas of particular interest for the executive corps, and for the focus of this forum, preparing the executive service of the future through talent management, training, and development.

Results of the 2006 Federal Human Capital Survey

Executive Respondent Profile

- 5,135 of approximately 8,600 executives completed the survey
- Two-thirds work at headquarters; one-third in the field
- Two-thirds are male
- 5% are Hispanic
- 19% are minority
- 73% are age 50 or older
- Two-thirds have more than 20 years of Federal service
- About half have been with their agency for more than 20 years
- 70% are not considering leaving their agency within the next year
- About half plan to retire in the next five years

Employee View on Leadership

Along with performance culture items, leadership items continue to be among the lowest rated on the Federal Human Capital Survey and have improved only slightly over the past four years. The following table shows ratings on various aspects of leadership, from ratings of honesty and respect, to communication, to policies and practices. Employees give their leadership moderately high marks on communicating and monitoring progress on goals and objectives. However, only about half rate leaders high on respect, honesty, integrity, and information sharing. The rating on information from management is markedly lower than our private sector comparison (47% positive vs. 60% in the private sector). Even fewer are satisfied with the policies and practices of senior leaders or are motivated by their leadership.

Leadership Items	All Respondents
36. I have a high level of respect for my organization's senior leaders.	49%
37. In my organization, leaders generate high levels of motivation and commitment in the workforce.	38%
38. My organization's leaders maintain high standards of honesty and integrity.	49%
39. Managers communicate the goals and priorities of the organization.	58%
40. Managers review and evaluate the organization's progress toward meeting its goals and objectives.	56%
55. How satisfied are you with the information you receive from management on what's going on in your organization?	47%
57. How satisfied are you with the policies and practices of your senior leaders?	41%

The Executive View

General Job/Work Satisfaction

Executives, in general, are very satisfied with their jobs/work. They like the kind of work they do and believe their work is important. They give high satisfaction ratings to their job, pay, and organization. Executives believe their talents are used well and would recommend their organizations as a good place to work. **The lowest satisfaction ratings, although still moderately high, are on training and workload.**

Executive Ratings: General Job/Work Satisfaction Items	Executive Ratings
6. I like the kind of work I do.	87%
8. I recommend my organization as a good place to work.	79%
17. My workload is reasonable.	59%
18. My talents are used well in the workplace.	76%
20. The work I do is important.	93%
59. How satisfied are you with the training you receive for your present job?	61%
60. Considering everything, how satisfied are you with your job?	80%
61. Considering everything, how satisfied are you with your pay?	72%
62. Considering everything, how satisfied are you with your organization?	73%

Trend Analysis: Executive Ratings in 2002 vs. 2004 vs. 2006

An interesting, although disconcerting, pattern of results occurs when comparing executive ratings over the past three administrations of the survey. Between 2002 and 2004, a clear majority of executives' ratings improved. Specifically, executives rated 80 percent of the items higher in 2004 than they did in 2002; almost half of the items increased by five or more percentage points. This is particularly notable because executive ratings were already high in 2002, and it is generally more difficult to improve on high than low ratings.

The trend analysis comparing executive ratings between 2004 and 2006 shows a different picture – a complete reversal. From 2004 to 2006 only 17 percent of the items increased and only 1 item by 5 or more percentage points. The corresponding finding is even more disturbing: executive ratings went down in 2006 on 83 percent of the items, with over three-quarters of the items declining by five or more percentage points. Although the item ratings are still relatively high, the almost across-the-board decline is noteworthy. The items showing the largest declines are in the areas of awards, performance appraisal, and promotions. It is interesting to note, though, the one item that increased in 2006 is satisfaction with pay. These results suggest that while the new executive pay for performance system provides for satisfactory pay, the implementation has not been as well received.

When looking at the net results from 2002 to 2006, the downward trend is not as drastic, but the decline is more than the gain.

Executive Ratings: Items with largest decreases from 2004 to 2006	2002	2004	2006	Difference '04-'06
28. Awards in my work unit depend on how well employees perform their jobs.	77.3%	78.7%	66.6%	-12.1
30. My performance appraisal is a fair reflection of my performance.	79.0%	78.9%	68.9%	-10.0
22. Promotions in my work unit are based on merit.	82.2%	78.6%	69.1%	-9.5
44. Arbitrary action, personal favoritism and coercion for partisan political purposes are not tolerated.	77.5%	80.2%	70.9%	-9.3
56. How satisfied are you with the recognition you receive for doing a good job?	65.6%	71.2%	62.2%	-9.0
33. Supervisors/team leaders in my work unit are committed to a workforce representative of all segments of society.	84.0%	83.3%	75.1%	-8.2
32. I am held accountable for achieving results.	90.9%	92.4%	84.4%	-8.0
13. Supervisors/team leaders in my work unit provide employees with the opportunities to demonstrate their leadership skills.	84.1%	84.4%	76.5%	-7.9
26. Creativity and innovation are rewarded.	72.6%	73.9%	66.0%	-7.9
25. Employees are rewarded for providing high quality products and services to customers.	78.1%	78.3%	70.5%	-7.8
18. My talents are used well in the workplace.	79.7%	83.5%	76.2%	-7.3
29. In my work unit, differences in performance are recognized in a meaningful way.		63.6%	56.3%	-7.3
47. Supervisors/team leaders provide employees with constructive suggestions to improve their job performance.		79.2%	72.0%	-7.2
37. In my organization, leaders generate high levels of motivation and commitment in the workforce.	63.0%	67.6%	60.5%	-7.1
48. Supervisors/team leaders in my work unit support employee development.	71.3%	87.8%	80.8%	-7.0
58. How satisfied are you with your opportunity to get a better job in your organization?	55.1%	63.8%	56.8%	-7.0
10. How would you rate the overall quality of work done by your work group?	92.5%	94.8%	87.9%	-6.9
4. I feel encouraged to come up with new and better ways of doing things.	78.0%	82.5%	75.7%	-6.8
2. I am given a real opportunity to improve my skills in my organization.	73.2%	82.9%	76.2%	-6.7
62. Considering everything, how satisfied are you with your organization?	70.7%	79.1%	72.6%	-6.5

Pay for Performance

The following table shows ratings on items important to creating a culture conducive to pay for performance. This table shows multiple perspectives: all respondents, non-supervisors, supervisors, managers, and executives. While most agencies have moved to pay for performance for executives, most have not implemented this type of system below that level. These ratings reflect that reality. For others to move into this type of system, several conditions should exist: trust, strong communication, and resources to tie recognition, rewards, and advancement to performance. Some of these conditions do exist, to a large extent, and can serve as a solid foundation for moving to pay for performance. For example, ratings of trust and confidence in supervisors are high across the board. Furthermore, most indicate they receive useful feedback on job performance, and they believe the appraisal process is fair. And,

a majority is satisfied with their pay. These are key building blocks for a pay for performance system.

As further incentive to moving to a pay for performance system, ratings of recognition, rewards, and advancement indicate the current system and/or its implementation is not sufficiently recognizing high performance. About half are satisfied with recognition for a good job, which is comparable to private-sector ratings (51% positive). Less than one-in-three employees see poor performance addressed, high performance recognized in a meaningful way, and promotions tied to performance. It is interesting to note only about one-fourth of employees, supervisors, and managers see pay raises linked to performance. This rating jumps notably for executives, although there is still room for improvement in the executive pay system as well.

Pay for Performance Items	All Respondents	Non-Supervisors	Supervisors	Managers	Executives
7. I have trust and confidence in my supervisor.	64%	62%	68%	75%	78%
22. Promotions in my work unit are based on merit.	34%	28%	46%	59%	69%
23. In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	29%	24%	42%	53%	54%
27. Pay raises depend on how well employees perform their jobs.	22%	20%	25%	28%	43%
29. In my work unit, differences in performance are recognized in a meaningful way.	30%	26%	40%	48%	56%
30. My performance appraisal is a fair reflection of my performance.	64%	62%	68%	71%	69%
31. Discussions with my supervisor/team leader about my performance are worthwhile.	56%	54%	59%	63%	60%
47. Supervisors/team leaders provide employees with constructive suggestions to improve their job performance.	58%	53%	69%	75%	72%
56. How satisfied are you with the recognition you receive for doing a good job?	49%	46%	54%	60%	62%
61. Considering everything, how satisfied are you with your pay?	61%	60%	65%	71%	72%

Training and Development

Training and development is rated relatively higher than leadership and performance culture. A culture exists that supports opportunities for continued development, particularly in the leadership pipeline. **Satisfaction with training for current job is notably lower** than ratings on other training items and is lower than the private sector comparison (54% positive vs. 61% in the private sector). Finally, **training needs assessment is not well established** or, perhaps, not well communicated across the Federal Government.

Training & Development Items	All Respondents	Non-Supervisors	Supervisors	Managers	Executives
2. I am given a real opportunity to improve my skills in my organization.	62%	58%	69%	76%	76%
13. Supervisors/team leaders in my work unit provide employees with opportunities to demonstrate their leadership skills.	60%	55%	70%	79%	77%
48. Supervisors/team leaders in my work unit support employee development.	64%	60%	75%	82%	81%
50. My training needs are assessed.	51%	50%	55%	56%	54%
52. Employees in my work unit share job knowledge with each other.	74%	72%	81%	84%	81%
59. How satisfied are you with the training you receive for your present job?	54%	52%	58%	62%	61%

Talent Management

Employees and management alike believe the workforce has the skills needed to get the job done, and a majority believes their talents are used well in the workplace. However, respondents are less optimistic about recruiting efforts and skill-level improvements in their work units. While executives are reasonably confident about recruiting efforts, their subordinates do not share this same level of assurance. Optimism regarding job opportunities is even lower; although, this is consistent with ratings seen in the private sector (37% positive vs. 40% in the private sector).

Talent Management Items	All Respondents	Non-Supervisors	Supervisors	Managers	Executives
11. The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.	74%	72%	77%	80%	82%
14. My work unit is able to recruit people with the right skills.	44%	43%	45%	52%	65%
15. The skill level in my work unit has improved in the past year.	51%	49%	57%	62%	62%
18. My talents are used well in the workplace.	62%	58%	67%	73%	76%
58. How satisfied are you with your opportunity to get a better job in your organization?	37%	33%	44%	53%	57%

Greatest Disconnects Between Executive and Employee Views

Executives consistently rate the FHCS items more favorably than employees do. The following table shows the greatest discrepancies.

Generally, the greatest differences occur in perceptions of promotions, awards/rewards, and performance management. Another area of discrepancy revolves around employee ratings of

perceived fairness over the grievance process and whether prohibited personnel practices and arbitrary actions are not tolerated. For these areas, if an employee is not directly involved in a dispute, etc., they generally are not as familiar with the process. Generally, these issues are supposed to be confidential between the individuals involved, so lower ratings by employees are not completely unexpected. However, clear communication from top management about agency policy and expected behavior in these areas may help to boost the ratings on these items and reduce the discrepancies between employee and executive views in these zero-tolerance areas.

Executive/Employee Disconnects	Executives	Non-Supervisors	Difference
22. Promotions in my work unit are based on merit.	69%	28%	41%
43. Complaints, disputes or grievances are resolved fairly in my work unit.	72%	33%	39%
45. Prohibited Personnel Practices are not tolerated.	86%	53%	33%
28. Awards in my work unit depend on how well employees perform their jobs.	67%	35%	32%
26. Creativity and innovation are rewarded.	66%	35%	31%
44. Arbitrary action, personal favoritism and coercion for partisan political purposes are not tolerated.	71%	40%	31%
25. Employees are rewarded for providing high quality products and services to customers.	71%	40%	31%
29. In my work unit, differences in performance are recognized in a meaningful way.	56%	26%	30%
23. In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	54%	24%	30%

Summary

This paper provides various perspectives on the executive service, based on results of the Federal Human Capital Survey. These include perspectives from leaders and about leaders. Executive ratings dropped noticeably since 2004 on the survey. This finding alone is worthy of further investigation. The Federal Government must make every effort to recruit and retain capable and committed leaders. Leaders are the point of impact in an organization. Leaders have a great deal of influence on employee performance, satisfaction, and commitment. They set the stage for success, remove barriers, and ensure accountability. The Federal Government is experiencing a retirement wave among senior leaders. While this presents challenges, it also creates opportunities to raise the effectiveness of the leadership corps across Government.