

**Department of Defense**  
**Employee Engagement and Satisfaction Initiative**

**July 2010**



On June 18, 2009, the Office of Personnel Management (OPM) Director, John Berry, announced the establishment of two senior level teams to address Hiring Reform and Work-Life issues. These initiatives were part of the President's fiscal year 2011 Budget and Performance Plans. The memorandum directed agencies to establish teams to complete a series of tasks with the ultimate goal of developing action plans in these areas.

On August 18, 2009, Director Berry provided further guidance on the task of employee satisfaction action planning. Director Berry requested that agencies submit an action plan to OPM for improving employee satisfaction. This plan must identify (1) the ten items on which the agency scored lowest when compared to the rest of the government; (2) any items on which employee satisfaction decreased since the 2006 Federal Human Capital Survey (FHCS); and (3) those Human Capital Assessment and Accountability Framework (HCAAF) indices in which agency scored lower than the rest of the government.

The Department of Defense (DoD) has one of the largest workforces in the world. The Department consists of three Components—Departments of the Army, Navy and Air Force (each larger than the typical Federal Cabinet agency), and numerous Defense Agencies chartered to support specific war fighting needs and capabilities. There are approximately 760,000 civilian appropriated fund employees which equates to 26 percent of DoD's total workforce.

DoD maintains centralized control and decentralized implementation of its human capital programs. As stated in our Human Capital (HC) Strategy, "Components will remain responsible for their unique strengths and cultures, but Department-wide integration and orchestration of specific and common talents are required to obtain the best-value solution and enhance core competencies." The individual DoD components continue to pursue various HC initiatives and strategies to address the numerous, unique issues related to Employee Satisfaction.

The Department is comprised of over 700 different civilian career fields, many of which have specialized Title X considerations. Given the tremendous complexity and diversity of the workforce, employee

satisfaction encompasses a broad spectrum of actionable topics and cultural considerations.

This initiative was developed to provide the framework to ensure that all DoD Components and Agencies collaborate to achieve the stated objectives that will maintain or increase DoD employees' levels of engagement and satisfaction.

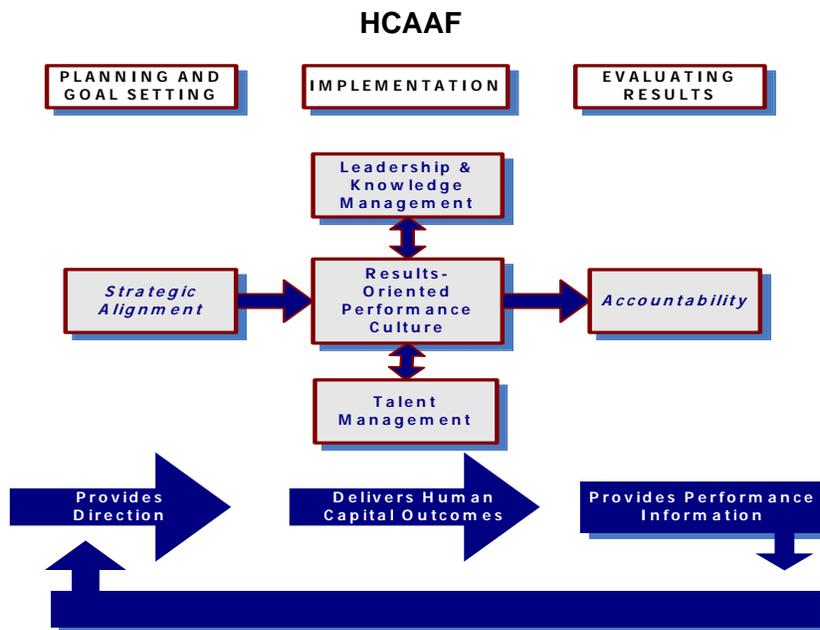
## **Methodology**

To meet the OPM requirements for developing an action plan to improve employee satisfaction, the Department enlisted the help of senior leaders from within and outside of the Human Resources community. A two-day off-site meeting has held and participating leaders were presented with current data analyses derived from recent surveys conducted by both OPM and DoD. Participants were also provided an in-depth briefing on the drivers of employee satisfaction and retention and the direct impact that managers have on employees' commitment to an organization. Based upon this information, the senior leaders agreed to an over arching list of guidelines that would be used in crafting the Employee Satisfaction Action Plan.

A separate working group developed a draft structure of the plan which was evaluated and finalized by a voluntary focus group. The recommended action plan and the results of both the DoD and OPM survey data are reflected below.

## I. Fiscal Year 2006 Human Capital Assessment and Accountability Framework (HCAAF) Survey Comparison Results

The Office of Personnel Management (OPM) requires agencies to assess their human capital polices and procedures using HCAAF, as shown below.



As part of the FY 2006 Federal Human Capital Survey (FHCS), OPM developed four HCAAF indices designed to measure employee perceptions related to the implementation systems, Leadership and Knowledge Management, Results Oriented Performance Culture and Talent Management.

The Leadership and Knowledge Management (LKM) Index consists of 12 questions designed to assess employee perceptions of their leaders' abilities overall and on specific facets of leadership.

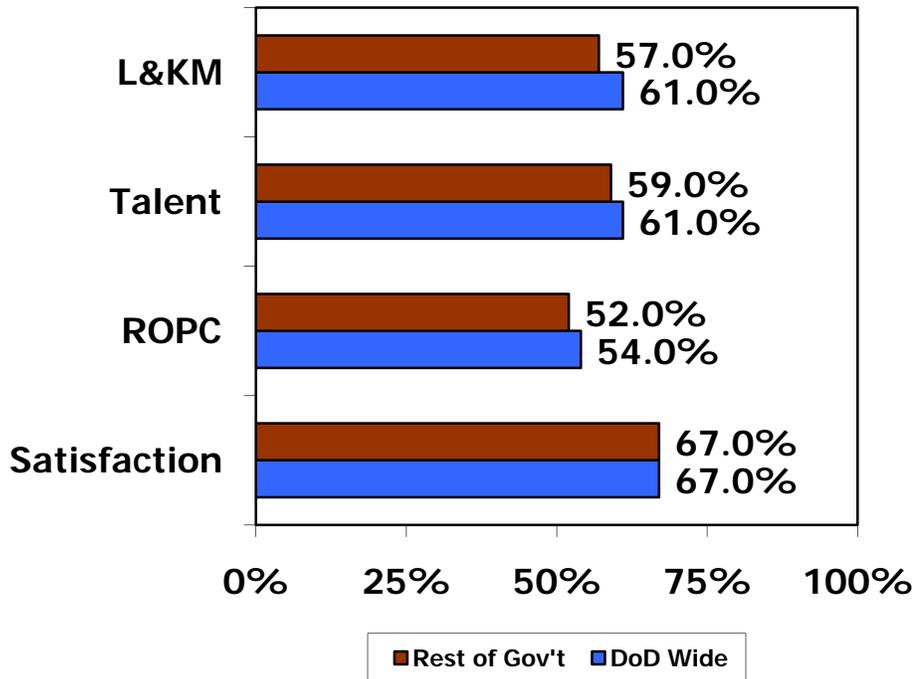
The Results Oriented Performance Culture (ROPC) Index consists of 14 questions designed to assess the extent to which employees believe their organizational culture promotes an improvement in processes, products and services, and organizational outcomes.

The remaining two indices were designed to measure aspects within the talent management system. The Talent Management Index, consists of seven questions designed to assess the extent that employees believe their organization has the talent necessary to achieve organizational goals.

The Job Satisfaction Index consists of seven questions designed to assess the extent that employees are satisfied with their jobs and various aspects associated with it and believe that they have a productive and supportive work environment.

**Comparison of DoD HCAAF Indices Results to the Rest Government HCAAF Indices Results**

Source: FY 2008 Federal Human Capital Survey



As part of the FHCS results, OPM provides each agency a snapshot of how each of their indices compare to Government-wide results. While DoD reviews that comparison, it is far more useful for the Department to compare the indices to the Government-wide data minus DoD specific data. Using the HCAAF indices results, DoD consistently scores higher than or equal to the rest of the Government in all four indices as shown in the proceeding chart. Therefore, no action plans are required with regard to these indices.

II. FY 2006 Federal Human Capital Survey (FHCS) Comparison Results:

a. DoD versus the Rest of Government (ROS). Per OPM direction, DoD responses were compared on the 2008 FHCS to the ROG. All questions on which DoD scored “less favorable” were rank-ordered. Although the OPM directive only asked for the 10 questions showing the greatest difference, 17 questions are actually shown in the tables because some of the questions affect the entire federal workforce equally and will not be affected by DoD action plan, such as those dealing with employee benefits. Seven additional questions were added to ensure that at least 10 questions, of importance to DoD managers, were included, as reflected by Appendices A and B.

b. DoD Trends. The next requirement was to compute DoD trends where results on the FHCS questions from the 2008 FHCS declined from the 2006 FHCS. Since the OPM directive required agencies to examine all instances where the results from the two years differed, and was not explicit about what constituted a difference, all differences were considered. Twelve questions qualified under that criterion Appendix C and five of those had differences as small as .1 percent. Three of the twelve questions involved government-wide issues, i.e. paid vacations, paid leave, and compensation. A number of the questions were omitted from further consideration using the following criteria:

- The satisfaction level was above 80%
- Results hadn't changed over the 2-year period
- Differences between DoD and the ROG were small enough to disregard
- Issues covered by the question were not actionable, i.e., not under the Department's control

The remaining questions were organized into four categories, reflecting the areas OPM is considering for its new survey to replace the FHCS, called the Employee Viewpoint survey. DoD chose to align its action plan with OPM's intended direction in order to simplify follow-ups in subsequent years. The identified categories are listed below.

- Leadership
- Work/Life Balance
- Performance Management
- Employee Respect and Opportunities

## **Employee Engagement and Satisfaction Action Plan**

DoD identified four employee satisfaction categories with room for improvement using OPM's criteria and the new OPM Employee Viewpoint categories of Leadership, Work-Life Balance, Performance Management and Employee Respect and Opportunities. The action plan's design establishes objectives for each category that can incorporate both output and outcome measures. The specifics pertaining to each category are outlined below. Appendix E contains the detailed action plan and measures. Appendix F contains a high-level communications strategy for each identified action.

a. Leadership: Studies conducted by the Corporate Leadership Council, Corporate Executive Board indicate that leaders and managers have a direct and lasting impact on employee satisfaction because they influence the values of the organization, develop the goals and objectives and the lead the employee recognition process.

The leadership category of the survey included only one item, question 9. This item asked employees how good a job they felt was being done by their immediate supervisors/team leader. A review of this particular question and the responses reflect that there has been a positive trend since 2004. Since this item reflected a minus -0.10 percent difference, it will be monitored until the next survey to determine if there is in fact a decline. There are not objectives assigned to this category.

b. Work-Life Balance: Employers have increasingly become more aware of the relationship between sustaining a balanced life and the positive impact on overall employee satisfaction and productivity. The work-life balance category included three survey questions, 12, 73, and 72. These questions asked about supervisory support for work/family balance, satisfaction with telework/telecommuting and other work-life programs. The primary objective for this category is to increase awareness of work-life balance and improve the culture of acceptance surrounding work-life programs.

c. Performance Management: Managers play a critical role in the managing the performance of employees. According to the Corporate Leadership Council, informal feedback along with fair and accurate ratings are vital elements to employee satisfaction. The category of performance management included seven items, questions 32, 23, 28, 11, 31, 22 and 57. This category addresses issues such as whether the employee understood what needed to be done to achieve different performance ratings, the steps taken to deal with poor performers, employee recognition and if promotions were based upon merit. The objective for this category is to ensure that leaders are effective in communicating about and apply performance management principles enterprise-wide.

d. Employee Respect and Opportunities: Satisfied employees seek environments in which they believe they are respected and where there are opportunities for growth. This category, questions 50, 53, 3, 63, 59 and 35, addresses the issue of employee access to electronic learning and training programs, information and knowledge sharing, opportunities for job progression, diversity in the workplace and overall satisfaction with the employing organization. To address this category, the objective is to increase awareness of DoD's specialized knowledge bases, distance learning programs, and diversity programs.

## **Summary**

The Department has always placed high emphasis on employee satisfaction and has traditionally scored as well as, if not better than, the rest of government in most areas of the HCAAF. Using the guiding principles provided by DoD Leadership, the DoD Employee Satisfaction Action Plan strives to create a performance culture that demonstrates this commitment through example.

DoD will continue to ensure that leaders are highly knowledgeable, informed, and trained. The Department opts to leverage many of the systems that are currently in place, as well as to formulate tangible investments, where required. The overarching goal is to develop and retain capable managers that encourage open discussion, an awareness of the mission, and empower employees. This will result in sustaining the level of commitment and satisfaction among DoD employees.

## Appendix A

### Items with Largest Discrepancy Between DoD and Rest of Government - 2008 FHCS

Worst 10 Items	DoD	Rest of Gov't	Discrepancy
(68) How satisfied are you with the flexible spending account (FSA) program?	29.9%*	37.6%	-7.74%
(73) How satisfied are you with telework/telecommuting?	19.2%*	24.7%	-5.48%
(65) How satisfied are you with health insurance benefits?	59.7%	63.3%	-3.64%
(50) Employees have electronic access to learning and training programs readily available at their desk.	76.7%	79.7%	-3.01%
(53) Employees in my work unit share job knowledge with each other.	74.1%	76.2%	-2.08%
(59) How satisfied are you with your opportunity to get a better job in your organization?	37.9%	39.5%	-1.64%
(32) In my most recent performance appraisal, I understood what I had to do to be rated at different performance levels (for example, Fully Successful, Outstanding).	63.3%	64.8%	-1.50%
(20) The work I do is important.	89.9%	91.3%	-1.40%
(62) Considering everything, how satisfied are you with your pay?	59.6%	60.8%	-1.24%
(54) Employees use information technology (for example, intranet, shared networks) to perform work.	86.6%	87.7%	-1.08%

\*Percent who do not use this benefit are included in the calculation, reducing the percent positive.

## Appendix B

### Items with Largest Discrepancy Between DoD and Rest of Government - 2008 FHCS (Other - Seven Added Questions)

Others Items	DoD	Rest of Gov't	Discrepancy
(64) How satisfied are you with retirement benefits?	60.5%	61.1%	<b>-0.57%</b>
(72) How satisfied are you with work/life programs (for example, health and wellness, employee assistance, eldercare, and support groups)?	28.2%*	28.8%	<b>-0.57%</b>
(23) In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	29.3%	29.8%	<b>-0.49%</b>
(35) Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).	59.5%	59.8%	<b>-0.32%</b>
(22) Promotions in my work unit are based on merit.	35.0%	35.3%	<b>-0.28%</b>
(28) Awards in my work unit depend on how well employees perform their jobs.	41.3%	41.5%	<b>-0.21%</b>
(19) I know how my work relates to the agency's goals and priorities.	83.8%	84.0%	<b>-0.20%</b>

## Appendix C

### FHCS Question Showing a Decline in Satisfaction Between 2006 and 2008

FHCS ITEMS	FHCS 2006	FHCS 2008	2006-2008 Change
(30) My performance appraisal is a fair reflection of my performance.	68.40%	64.20%	-4.20%
(12) My supervisor supports my need to balance work and family issues.	80.50%	77.70%	-2.80%
(62) Considering everything, how satisfied are you with your pay?	61.50%	59.60%	-1.90%
(31) Discussions with my supervisor/team leader about my performance are worthwhile.	57.70%	56.60%	-1.10%
(70) How satisfied are you with paid leave for illness (for example, personal), including family care situations (for example, childbirth/adoption or elder care)?	87.40%	86.30%	-1.10%
(11) The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.	75.60%	75.30%	-0.30%
(1) The people I work with cooperate to get the job done.	85.10%	84.90%	-0.20%
(3) I have enough information to do my job well.	73.60%	73.50%	-0.10%
(57) How satisfied are you with the recognition you receive for doing a good job?	51.40%	51.30%	-0.10%
(63) Considering everything, how satisfied are you with your organization?	57.70%	57.60%	-0.10%
(9) Overall, how good a job do you feel is being done by your immediate supervisor/team leader?	67.90%	67.80%	-0.10%
(69) How satisfied are you with paid vacation time?	88.80%	88.70%	-0.10%

## Appendix D

### Items Not Addressed from Survey with Reasoning

Item	Above 80% or invariant	Not within agency control
(70) How satisfied are you with paid leave for illness (for example, personal), including family care situations (for example, childbirth/adoption or elder care)?		X
(69) How satisfied are you with paid vacation time?	X	X
(68) How satisfied are you with the flexible spending account (FSA) program?		X
(65) How satisfied are you with health insurance benefits?		X
(62) Considering everything, how satisfied are you with your pay?		X
(64) How satisfied are you with retirement benefits?		X
(19) I know how my work relates to the agency's goals and priorities.	X	
(20) The work I do is important.	X	
(54) Employees use information technology (for example, intranet, shared networks) to perform work.	X	
(1) The people I work with cooperate to get the job done.	X	

## Appendix E

### Items Addressed by Thin

Survey Items	DoD	Rest of Gov't	Discrepancy
(73) How satisfied are you with telework/telecommuting?	19.2%*	24.7%	<b>-5.48%</b>
(50) Employees have electronic access to learning and training programs readily available at their desk.	76.7%	79.7%	<b>-3.01%</b>
(53) Employees in my work unit share job knowledge with each other.	74.1%	76.2%	<b>-2.08%</b>
(59) How satisfied are you with your opportunity to get a better job in your organization?	37.9%	39.5%	<b>-1.64%</b>
(32) In my most recent performance appraisal, I understood what I had to do to be rated at different performance levels (for example, Fully Successful, Outstanding).	63.3%	64.8%	<b>-1.50%</b>
(62) Considering everything, how satisfied are you with your pay?	59.6%	60.8%	<b>-1.24%</b>
(72) How satisfied are you with work/life programs (for example, health and wellness, employee assistance, eldercare, and support groups)?	28.2%*	28.8%	<b>-0.57%</b>
(23) In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	29.3%	29.8%	<b>-0.49%</b>
(35) Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).	59.5%	59.8%	<b>-0.32%</b>
(22) Promotions in my work unit are based on merit.	35.0%	35.3%	<b>-0.28%</b>

## Appendix E

### Items Addressed In Action Plan, Continued

Survey Items	DoD	Rest of Gov't	Discrepancy
(28) Awards in my work unit depend on how well employees perform their jobs.	41.3%	41.5%	<b>-0.21%</b>
(30) My performance appraisal is a fair reflection of my performance.	68.40%	64.20%	<b>-4.20%</b>
(12) My supervisor supports my need to balance work and family issues.	80.50%	77.70%	<b>-2.80%</b>
(31) Discussions with my supervisor/team leader about my performance are worthwhile.	57.70%	56.60%	<b>-1.10%</b>
(11) The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.	75.60%	75.30%	<b>-0.30%</b>
(3) I have enough information to do my job well.	73.60%	73.50%	<b>-0.10%</b>
(57) How satisfied are you with the recognition you receive for doing a good job?	51.40%	51.30%	<b>-0.10%</b>
(63) Considering everything, how satisfied are you with your organization?	57.70%	57.60%	<b>-0.10%</b>
(9) Overall, how good a job do you feel is being done by your immediate supervisor/team leader?	67.90%	67.80%	<b>-0.10%</b>