Purpose is the New Money

Understanding and using employee engagement for performance excellence

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Who are we?

- City of Tyler, Texas
 - Full Service City



- Regional Trade Hub (Medical, Education, Retail, Oil & Gas, Manufacturing)
- 100,000 Residents/Daytime Population 270,000
- Adopted Council-Manager Plan 95 Years Ago



Tyler, Texas





Why are we here?

- Belief in the transformative power of employee engagement
- What can you glean from this session?

 An understanding of research surrounding employee engagement
 - A guide to getting started on your engagement journey
 - \odot How to measure your effectiveness



The Called to SERVE Difference?

• How are we different?

- "There is no more noble occupation in the world than to assist another human being."
 - Alan McGinnis, Bringing Out the Best in People
- "We know that the richest experiences in our lives aren't when we're clamoring for validation from others, but when we're listening to our own voice – doing something that matters, doing it well, and doing it in the service of a cause larger than ourselves."
 - Daniel Pink, Driven
- "This is the true joy in life the being used for a purpose... I am of the opinion that my life belongs to the whole community, and as long as I live, it is my privilege to do for it whatever I can."
 - George Bernard Shaw



Life Well Run Video

• A focus on City of Tyler employees



So What Exactly is Employee Engagement?

- Governing "An engaged employee is <u>enthusiastically and proudly</u> <u>involved</u> in his or her organization and day-to-day job responsibilities, and engagement keeps employees committed to their work"
- Government News "A person's emotional and intellectual commitment to her organization"
- The Conference Board "Heightened emotional connection that an employee feels for his or her organization, that <u>influences him or</u> <u>her to exert greater discretionary effort</u> to his or her work"
- ICMA Press "Employee engagement is defined as a heightened employee connection to work, the organization, the mission, or coworkers. Engaged employees <u>find personal meaning – and pride</u> – in their work"



The Changing Image of a City Employee

- Changes in the image of a government worker.
 - Economic crisis
 - Pension reform
 - Leadership abuses
 - \circ Guilt by association





The Changing Image of a City Employee



Public Servants Defend Benefits

The Dallas Morning News

Cities' worst budget pain in decades won't end for years, U.S. study says

San Antonio Express-News

The sky is not falling in city budget

HOUSTONCHRONICLE

Houston's new fire chief faces a budget blaze



The Changing Image of a City Employee

- Add to this the recent memory of tangible impacts of the economic crisis:
 - including shrinking budgets,
 - \circ layoffs,
 - o and furloughs,
 - \odot and you have a workforce that is still reeling.
- Yet, these same workers are "being asked to solve some of our country's greatest problems, including fixing the economy, protecting the public, healing the sick....."



Why is this Important to City Managers?

• Negative perception of government workers has a multi-faceted impact:

○ Inability to *attract* new talent to the professions.

 2011 survey of college graduates showed that only 6% plan to work in government (down from 10.2% in 2009, despite a tough economy).

 Retaining trained employees with significant organizational knowledge.

○ Impact on remaining workforce.



Why is this Important to City Managers?

• Employee engagement and satisfaction directly affect the bottom line.

 2008 Gallup poll estimated that the cost of low productivity in the U.S. is \$300 billion annually, and employee engagement is directly linked to productivity.

• "Engaged employees are the ones who work hardest, stay longest, and perform best."



What Engagement Strategies Can Help?

- Plethora of theories, but the most common are:
 - Strong, effective leadership planning and communication,
 - Well developed supervisory skills (with supervisors who know how to treat employees well),
 - Involving employees in solving problems and measuring their performance,
 - Opportunities for training and career development, and
 - Consistent rewards and recognition.



Prove it!

- Two primary private sector research projects:
 Blessing and White 7,000 surveys; and,
 - Gallup, State of the American Workplace –
 25 million completed surveys since early 1990's.

Prove it!



So What... According to Gallup?

- The top 25% of teams, when compared to the bottom 25%, have:
 - \circ 50% fewer accidents;
 - \circ 41% fewer quality defects; and,
 - Lower healthcare costs.
- "So having too few engaged employees means our workplaces are less safe, employees have more quality defects, and disengagement – which results from terrible managers – is driving up the country's healthcare costs"

What is the Cause?

• Gallup's study points directly to poor management as the cause for disengagement.

"Let's get rid of managers from hell, double the number of great managers and engaged employees, and have those managers lead based upon what actually matters and everything will change. The country's employees will be twice as effective, they'll create far more customers, companies will grow, spiraling healthcare costs will decrease, and desperately needed GDP will boom like never before."

--Jim Clifton, CEO, Gallup

ICM/

More proof, from Blessing and White

• The Blessing and White research found:



North America



Blessing and White

- "Intent to stay" questions are good predictors of turnover and commitment to the job.
 - 60% of all employees plan to remain; however, the numbers go to 81% among highly engaged employees and 23% for the disengaged.

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 So if you are looking to decrease turnover – pay attention to engagement.

Blessing and White

- When asked why they would leave, the #1 reason for all respondents was no opportunity to grow or advance in the organization.
- When asked what most affects their satisfaction with their job, the top two responses were:

 More opportunities to do what I do best; and
 Career development opportunities and training.

- Merit Systems Protection Board study in 2007:
 Involved 68,789 federal employees from 30 agencies.
 - \odot Looked at:
 - Sick leave usage,
 - \odot Lost work time due to injury or illness, and

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 \odot Agency performance.

• Merit Systems Protection Board study in 2007





• Merit Systems Protection Board study in 2007





• Merit Systems Protection Board study in 2007





- A Governing Institute study conducted In 2012 found that <u>engaged</u> public sector employees were:
 - \odot Twice as likely to stay in their current jobs;
 - Two and a half times more likely to feel they make a difference;
 - Two and a half times more likely to recommend their workplace to others; and,
 - Three times as likely to report being very satisfied in their jobs.



- Governing says that communication is critical.
 - Of the respondents to their survey, only 32% have been talked to about career development in the last six months.
 - An amazingly low 7% strongly agree that there is clear and constant communication.
 - Only 55% get the right amount of information from senior leadership.





New Employees: A Unique Opportunity

- Government hiring can be slow, so you do not want new employees to become disillusioned and leave in a short time.
- After the probation phase, it can be difficult to "weed out a poor fit" in a government organization.

New Employees: A Unique Opportunity

- Almost all employees start their job engaged.
 O Within six months this number drops to 40%, and,
 O Within 10 years of service only 20% are engaged.
- Curt Coffman, co-author of Gallup's bestselling book, *First Break all the Rules*, points to managers as the key factor for keeping the sense of engagement going.
 - "What managers do from that point on determines the path the employee will take – toward continued engagement or toward the ranks of the 'not engaged' or 'actively disengaged'.

The Government Employee

- ICMA notes several ways that public sector employees differ from the private sector:
 - Government employees work in an environment of attacks on government;
 - They have constantly changing political leadership;
 - It is difficult to measure their goals and outcomes;
 - There are limited financial tools and incentives to influence employee behavior;
 - Most of what they do is subject to freedom of information act requests; and
 - There are different employee motivations than in the private sector.



The Government Employee

- ICMA calls this differing motivation "public service motivation, or PSM".
 - Workers with high levels of PSM have a need to give back and make a difference in the lives of others.
 - They are most suited to government employment and effort should be made to recruit them.
 - However, they will have higher expectations for involvement and to have an impact on important policy issues affecting their society. Special effort to involve them in decision making, showing them how their work is affecting others and making opportunities for them to grow is important.

Overwhelmed?

- Getting started can be overwhelming.
- Where is the best place to start? What is MOST important?
- Not every organization will have opportunities in each of these areas. The key is to survey the employees to determine what areas are weak and then fix them.

The Survey Process

- Governing survey asked 254 senior decision makers in government if they felt employee engagement was strong.
- Nearly all the respondents said that engagement had sharply declined in the last few years (noting budget cuts and increased workloads).



The Survey Process

- Two-thirds said that they <u>do not</u> have a process in place for measuring employee engagement.
- Governing recommends that a survey is conducted every one to two years to gauge the status of engagement and to see if strategies implemented are working.

Survey every 1-2 years



Exercise: Discussion

• Does your organization survey its employees?

- Why or why not?
- What are the
- Report Outs

The Survey – Getting Started

- First is determining whether to do so in-house or to use a third party.
- Considerations:
 - Confidentiality
 - Benchmarking
 - Administration
 - Cost





The Survey – The Questions

- There are many sources for survey questions; but one of the most tested is Gallup's Q12.
- These questions have been used more than 25 million times and they have also been employed in government agencies with positive results.




The Survey – The Questions

- I know what is expected of me at work.
- I have materials and equipment I need to do my work right.
- At work, I have the opportunity to do what I do best every day.
- In the last seven days, I have received recognition or praise for doing good work.
- My supervisor, or someone at work, seems to care about me as a person.
- There is someone at work who encourages my development.
- At work, my opinion seems to count.
- The mission or purpose of my company makes me feel my job is important.
- My associates or fellow employees are committed to doing quality work.
- I have a best friend at work.
- In the last six months, someone at work has talked to me about my progress.
- During the last year, I have had opportunities at work to learn and grow.



The Survey – Communications

- Communication is the key.
- Prepare your organization for the survey. Use newsletters, emails, presentations, word of mouth....
 - Explain why you are doing it and how the information will be used.
- Make provision for:
 - Language barriersLiteracy barriers
 - Computer literacy



Employee Survey Results are Above Average

As you know, late last month the City of Tyler conducted an employee survey. I am pleased to report that TZ percent of you participated in the survey. This is an extremely good furnul for our first organizationwide survey. Thank you to everyone who took the time to participate and share your thoughts with us so we can continue to strengthen our Called to SERVE Performance Excellence Program (PEP).

As you know, we chose to contract with a very reputable outside agency to conduct the survey for several reasons. First, was to ensure confidentiality and anonymity. We also wanted to have the ability to benchmark our results against other government organizations across the country to see where we stand, and this company has assisted more than 6.500 other clients.

The survey started on March 18 and closed on March 26, 2013. Employees were sent an email or a printed letter with an invatiant to participate. There were 28 topics covered and 60 individual questions asked. For each topic, one to four questions were asked and the results of these questions were tailed to obtain a "score" for each topic. The results from all of the questions were asked marked to give us an overall score.



The average score for all organizations in the "public administration" category is 50. A "stretch" performance score for any organization is 75. The City of Tyler scored 69 overall. For our first employee survey, I am

pleased with that score. The survey identified many things that we are doing very well. For example, the questions you answered raing Company Image placed us in the 80th percentile. Other strengths include Safety (31st), Job Satisfaction (77th), Employee Engagement (78th), Autonomy (78th) and Organizational Structure (78th). The survey also identified some areas where we have opportunities to do even more to



Exercise: Discussion

- What do you do once you receive the survey results?
- How do you use the data?



The Survey – After

- Share results with the organization.
- Employees must be told how the information will be used.
- Developing a plan of action to act on the results of the survey is crucial.

 Governing says that research indicates that doing a survey and not following up with visible results may actually decrease engagement levels.

 Gallup report, "measurement without targeted action is useless".



The Survey – After

- Involving the employees in proposing strategies to address the areas of opportunity is one best practice.
- Tyler formed After Action Teams in 7 critical areas.
 - 15 employees on each team.
 - These teams presented their recommendations to the Key Leader Team, who made strategy decisions.

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After Action Teams

Teams had three weeks to meet and make recommendations.

Arter-Action Team

After Action Teams

- The result was an After Action plan containing 42 recommendations.
- Communication on the progress of implementation is consistent and planning is underway for the next survey.

Team Name	Subject	2013 Score	Recommendations	Details of Recommendations	Leadership Action Plan	Owner/ When Tracked
Team #1	The City of Tyler is a safe place to work	78%				
			 Encourage the standardization of a safety reporting and follow through process by designating the duties of safety liaioons and updating the safety policy 	First, Senderdine the settyr reporting process by designating the duties of the settyr lawours so they have waters expected of them & we upges that it is included in the settyr justice 2-80. We formulated is and required duties that could be appendix to the settyr lamons a Dozen process and the settyr and the settyr lamons a Dozen process and the settyr lamons a Dozen process and the settyr lamons of Attend quartery this management meeting. A discred quartery this management meeting. C. Deach the supportion low and timp them to final a discred quartery biological discrete the settyr lamons C. Deach the supportion low and timp them to final a discred quartery biological and the settyr meetings C. Deach the supportion low and timp them to final distry insect to usual management board with yinsect to usual management board	 More formally desprate safety liaison, Dutes to reclude: desater planning drifts -coolinates monthly utility meetings -transition durating histogeneous barriers create and check the utility suggestion bar- do man syggestion. Despratings - cases and check the utility suggestion, per suggestion, per feedback at utility meetings augestion, per feedback at utility meetings and peal information to visual management bard 	Measured in HR/Risk Business
			 Department Leaders update the safety liaison list when the position changes. Then publish that list in the Employee Newsletter. 		2). Publish liaison list in newsletter and place on intranet.	ReNissa Wade Measured in HR/Risk Business Plan
			3). Quarterly Safety Liaison Meeting with Risk.	This would be similar to the quarterly records retention meetings. Get updates on projects, learn about any new policies and share best practices. It will also get Risk more directly involved with the different departments.	3). Risk to hold quarterly safety meetings with liaison group.	ReNissa Wade Measured in HR/Risk Business Plan
			4). Anonymous Reporting System	Internet form or safety suggestion box.	Communicate this process and ensure that employees know to check back on their issue	ReNissa Wade (w support for Keidr Trimble - owner o hotline) Measured in HR/Risk Business Plan
Team #2	The degree of freedom I have to do my job is appropriate	75%				
			1). Supervisor Training	Supervisor training linked with sensething measurable such as business places or explanations to periode accountable, Marci Supervision Training for Hers Supervisors Tecomorbality, Informance Evaluations, Gal Intraining for Hers Supervisors (Explanations) and periode 1000THIS, Intraining and Antening, Ethicitia Communication (penalgh Integra) and Intervisor Marciness and Integrations (Parket Integration (Parket Integration) Intervisor Marciness and Integration (Parket Integration) Integration) Integration (Parket Integration) Integration) Integration (Parket Integration) Integration) Integration (Parket Integration) Integration	City U. 2). Add quarterly tips and articles in	Susan Guthrie Measured in City I Business Plan



What Engagement Strategies Can Help?

- Plethora of theories, but the most common are:
 - Strong, effective leadership planning and communication,
 - Well developed supervisory skills (with supervisors who know how to treat employees well),
 - Involving employees in solving problems and measuring their performance,
 - Opportunities for training and career development, and

• Consistent rewards and recognition.

A Few More Real Life Examples.....



- City of Tyler Strategic Plan:
 - Focuses on organizational development.
 - Also have comprehensive plan: Tyler 1st.
 - Annual SWOT/Environmental
 Scan and update.





- Business Planning Process:
 - Each department submits quarterly.
 - \odot Evaluated by PEP Squad.
 - Benchmarks and performance measurements.
 - \odot Uses balanced scorecard approach
 - Incorporates the seven Baldrige criteria.





- Business Planning Process:
 - Each department
 submits quarterly.
 - o This

communication is paying off as scores continue to rise.



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- PEP
- PEP Playbook



- Called to SERVE Internal Communications
 - Blueprint Newsletter
 - Quarterly Events
 - \circ Bravos
 - Annual Manager
 Meetings
 - Intranet
 - Brochures
 - \circ Emails
 - Called to SERVE Cards



The Called to SERVE Difference



Well Developed Supervisory Skills

- City U Leadership Track
- Leadership Academy
 - Classes
 - Mentoring
 - Book Reading
 - Capstone Project
- Mandatory Supervisors Training
 - New this Year
 - Result of Employee Survey



- Lean Six Sigma:
 - Methodology focused on reducing variation and waste in business processes.
 - \circ Rolled out in 2009 across entire organization.
 - \odot Quarterly Blue Belt classes.
 - Annual Green Belt training of 15 employees.
 - Annual Black Belt training of 3 employees.





- Lean Six Sigma Outcomes
 - An evolution of Tyler's lean, quality-driven culture.
 - Reaching all levels of the organization through project teams.
 - $\,\circ\,$ Solutions are driven by the people involved in the process.
 - Have completed more than 78 projects.
 - $\,\circ\,$ Have saved \$3.7 million in hard and soft savings.





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- Lean Six Sigma Projects
 - Municipal Courts Improved warrant process (from 70 to 10 days).
 - Police Reduced "error" rate in evidence processing (10% defect to 2%).
 - Water Optimized magnesium dosage saving \$111,000.
 - Fire Implementation of TPM program (estimated annual savings of \$220,000).
 - Warehouse Reduced inventory 17.0% (\$800,000+ annual savings).



• Lean Six Sigma Projects

VIDEO OF PROJECT REPORT QUT



- Other examples:
 - Survey After Action teams.
 - Health Insurance Task Force.





Opps for Training & Career Development

• City University (Employee Training) • Year 1: four tracks

Core competency
 Innovation
 Professional Development
 Leadership

○Year 2 and 3: four tracks plus

Toastmasters
Leadership Academy
Lean Six Sigma



Cumulative savings of more than \$575,500

Opps for Training & Career Development

• City University

 Year 4: four tracks plus
 Called to SERVE difference training

Year 5: added fifth trackwellness) plus

OMPA Cohort program

○Year 6

Mandatory Supervisor
 School
 Workforce Track
 Employee Re-Orientation







Consistent Rewards and Recognition

- Challenge Coins
- Blueprint Bravos
- Celebrations
- Newsletter Articles
- Internal Promotions
- City Council Recognition
- Service Awards
- Retiree Awards







Building on a long history of continuous improvement

TYLER2 25 Years



It is a journey...not a destination



Leadership Academy

Discuss and Report Out

- Discuss one of the strategy areas at your table.
- What are some "best practices" from your communities?





Questions/Comments?

Additional Information...

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Document examples at:

http://www.cityoftyler.org/Departments/Communications/EmployeeSurveyInfoforICMA.aspx



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