



the nation's "other deficit" —
the disengagement of
government union workers



modernsurvey



Research conducted by Modern Survey, a leader in human capital measurement surveys, confirms that government workers are more disengaged on the job than their private-sector peers — faring even worse are government workers who belong to unions.

introduction

It's a presidential election year, and there's shouting on both sides of the aisle over the ailments of America, followed by posturing and propositions on who's got the right remedies. While our politicians are focused on flexing their leadership muscles in an attempt to engage the voting public, they may want to pause long enough to examine the dismal levels of engagement among their own ranks. What they'd find is a protected group of workers who are generally unengaged, unmotivated and unhappy, yet are highly rewarded for their poor quality of work and service with pay and benefits packages that far surpass their non-government working peers.

Based on Modern Survey's latest research findings, especially when viewed against a backdrop of the auspicious socio-economic trends in Washington, D.C., it becomes painfully obvious that there is significant dysfunction within our government's unionized workforce and disconnect with the experience of the rest of the country's working population.

A staggering number of working-age Americans are either unemployed or fearful of losing their jobs due the residual waves of cutbacks from the recession. Personal financial freedom is a distant dream for many, due to stagnant or slashed salaries combined with the continuing meteoric rise of family health insurance costs. The American people look to our nation's leaders to stabilize our economic and labor markets. But this kind of heavy lifting relies on a fully committed, motivated and engaged workforce to create deep and lasting change. As we'll demonstrate in this report, low overall employee engagement levels, a lack of faith in leadership, and high satisfaction around pay and benefits have created a major challenge for the government in fulfilling its responsibility to the American people.

living a charmed life in D.C.

- ▶ 5.5 percent unemployment
- ▶ Richest metro area in the U.S.
- ▶ \$85,000 median household income
- ▶ 9 of 15 richest counties in the U.S.

Source: Ferguson, Andrew. *Bubble on the Potomac*. Time Magazine. May 2012.

about the study and sample

This latest research from Modern Survey is derived from a biannual study the company has published for the past five years — the National Norms Study on U.S. Engagement. This report uses data collected over the last two years from 2,370 workers representing unionized government workers, non-union government workers and non-government workers.

a high-level view of engagement

In today's uncertain economy, successful employers know that learning from employee feedback and aligning the results to the goals of their business will provide the company with a competitive advantage. While employees may report being satisfied in their jobs, it doesn't necessarily mean they are actively engaged in the performance and quality of their work. Employee engagement is about an employee's connection and commitment to their organization. Successful organizations, whether public or privately held, understand that both employee job satisfaction and engagement are important to the sustainability of their business. Unfortunately, this conventional wisdom appears lost upon or unattended to by the leaders of our nation's public-sector workforce.

Does 'Good Enough for Government Work' Still Stand Up?

"Good enough for government work" is commonly used as a sarcastic idiom that casts government workers in an unflattering light. But it appears the phrase isn't entirely accurate. Our latest research confirms that overall, government employees are only slightly less engaged in their work than private-sector employees. Where the idea does seem to have a foothold, however, is within the subset of government workers who

belong to unions. Levels of engagement are significantly worse for these employees than for the entire population, including their non-unionized government peers.

Yet, it's not all bad news for this highly disengaged group, as there is one measure of engagement that does compare more positively with the results for all other workers — **employee retention**. Interestingly, of the nearly 50 questions asked on Modern Survey's National Norms Study, the "intent to

disengaged across the board

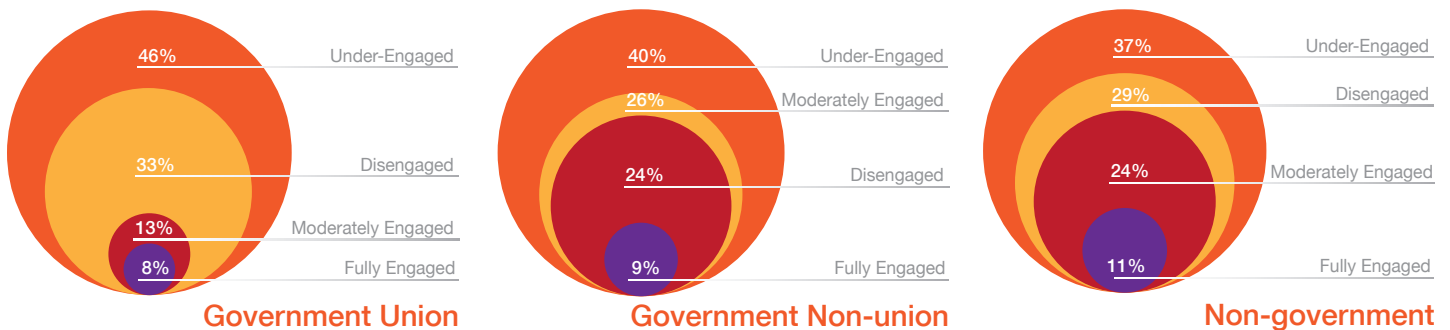
Two-thirds of all U.S. workers are either disengaged or under-engaged, with a scant 1 in 10 fully engaged.

Source: Modern Survey's Spring 2012 National Norms Study.

stay" question is only one of two questions to which government workers are significantly more likely to respond "Strongly Agree" or "Agree" than private-sector workers. A full 63 percent of unionized government workers intend to remain on the job for a long time, compared with non-union government workers (59 percent) and private-sector employees (56 percent). Clearly, remaining disengaged in a job does appear to be "good enough for unionized government workers."

Overall Engagement and Retention

Modern Survey compared government and non-government workers across four levels of engagement. Interestingly, non-union government workers are fairly similar to non-government workers when it comes to overall engagement levels. The distinctions are more dramatic, however, when union government workers are directly compared with workers in the private sector:



The startling reality is that nearly 80 percent of government union workers are under-engaged or disengaged, compared with 64 percent and 66 percent of government non-union and non-government workers, respectively. So where do the differences lie between workers who are represented under collective bargaining agreements compared with their government peers who are not? With a closer look, we can identify the five leading factors contributing to this discrepancy of engagement within the government workforce.

The research further reveals strong disagreement from government union workers when asked about their willingness to put in *extra effort* or whether they would *recommend their organization* as a great place to work. And, as mentioned earlier, government workers across the board aren't planning on leaving their jobs anytime soon.

Here are the results of the five engagement index questions that contribute to the overall engagement scores.

Percent Favorable

■ Government Union
■ Government Non-union

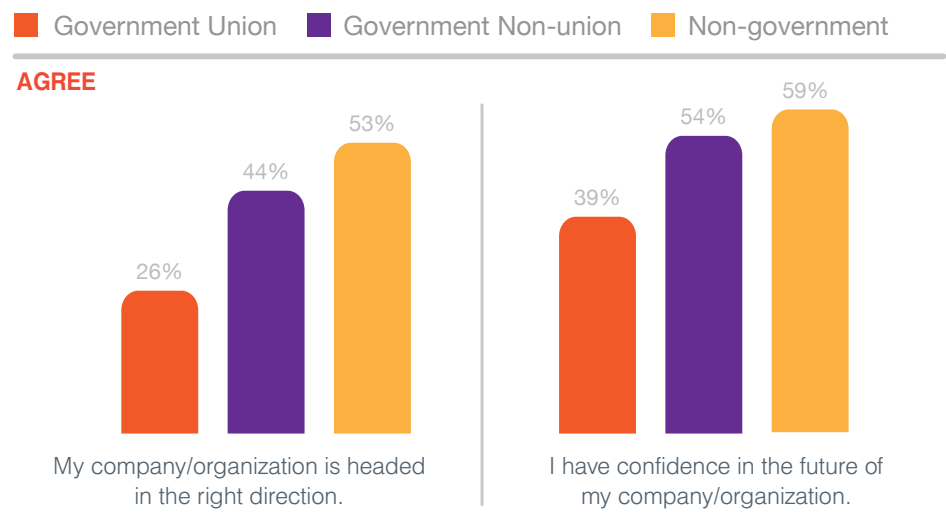


	Government Union AGREE	Government Non-union AGREE	Non-government AGREE
My company/organization inspires me to "go above and beyond" my normal job duties to help the company succeed.	34%	46%	52%
I take pride in working for my company/organization.	58%	76%	68%
I often recommend my company/organization to others as a great place to work.	30%	47%	44%
There is a promising future for me at my company/organization.	30%	33%	40%
I intend to be working for my company/organization for a long time.	63%	59%	56%

engagement factors across a life cycle of employment

So where to begin when trying to understand the depths of discontent? From an employee engagement perspective, many of the actions government leaders should be taking mirror those adopted within the private sector. Leaders must understand the various factors that can create or impede engagement across an entire life cycle of employment, mobilize their management teams to identify and address specific and targeted opportunities for improvement, then consistently measure for sustainable results and effectiveness.

It starts at the top. One of the most significant discrepancies in engagement between government union workers and private-sector employees lies in the perception of leadership establishing **clear direction** and creating a **sense of confidence** in the future of the organization:

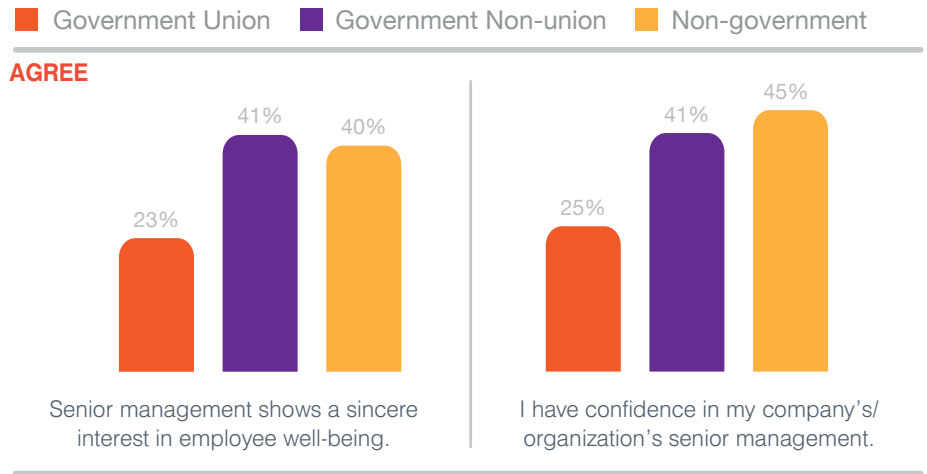


Over the last two years, Modern Survey's National Norms Study on U.S. Engagement has identified "belief in the future of the organization" as the new top driver of employee engagement, replacing traditional top drivers such as recognition/appreciation and personal accomplishment. Economic uncertainty has undoubtedly played a major role in this change in worker psychology as employees appear highly concerned with job security and organizational solvency. With this new top driver being so critical in our current economic climate, failure to effectively communicate to unionized government employees where the organization is going will make the task of engaging these workers all the more difficult, if not impossible.

Leadership Effectiveness

Just like all other employees, union government workers need strong leadership at the top to help improve their work experience. While just over half of all government workers feel that their direct manager **does a good job** and **treats them fairly**, senior leadership doesn't fare as well:

Among government union employees, more than twice as many disagree with these leadership measures of engagement than those who agree. Recent research from the Society for Human Resource Management (SHRM) provides additional insight into the leadership deficiencies plaguing government today, and it starts with recruiting the right talent into these critical roles.^{1,2} Their research indicates that the leading skill gap identified in federal, state and local government hiring involves critical thinking and problem-solving skills — competencies that are vital to effective leadership.



Performance Management

When it comes to managing performance — setting goals, evaluating performance and providing feedback, as well as providing the tools and training necessary to perform on the job — the survey data reveals an interesting dichotomy. Less than half of all government union employees feel that their organization has **clear goals**, and most are not receiving **helpful feedback**. Yet, training, especially for new employees, is one of the few areas in which the government employees — both union and non-union — reported results very similar to the results for the private sector:

	Government Union AGREE	Government Non-union AGREE	Non-government AGREE
My company/organization has clear goals that we are striving to achieve.	44%	55%	64%
My direct manager gives me helpful feedback.	42%	62%	58%
I receive the training I need to do my job well.	57%	59%	61%
New employees get the training they need to perform effectively.	52%	57%	54%

The data suggests that when new employees are hired into their government roles, they're receiving adequate support and tools to start off on the right foot. However, that initial honeymoon period appears to fade quickly due to a lack of professional support or feedback from managers, pointing again to a lack of effectiveness among government leadership.

¹ SHRM Poll: The Ongoing Impact of the Recession — Federal Government. June 2012.
² SHRM Poll: The Ongoing Impact of the Recession — State and Local Government. June 2012.

Service, Quality and Employee Involvement

When comparing the opinions of government union workers and non-government workers, by far the greatest differences surfaced when measuring the extent to which they believe their organization uses customer feedback and places an emphasis on quality, and whether they feel that management puts employees' ideas to good use:

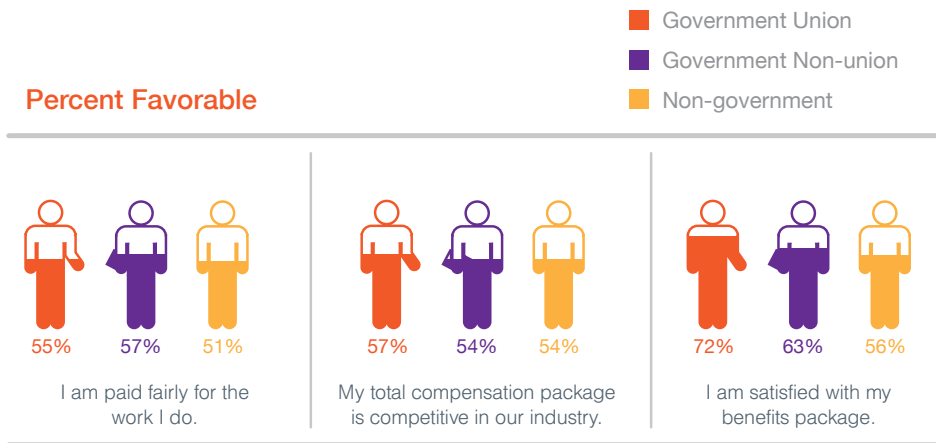
	Government Union AGREE	Government Non-union AGREE	Non-government AGREE
We regularly use customer feedback to make improvements.	32%	37%	60%
There is a strong emphasis on quality in my company/ organization.	43%	59%	68%
When employees have good ideas, management puts their ideas to good use.	20%	41%	44%

While many businesses are still struggling with the aftershocks of the recession, those that are moving ahead have realized that talent is now a leading economic driver for the 21st century. But in order to satisfy customers and gain market share (two key outcomes of engagement), organizations need employees who are satisfied with their work and rewards, motivated to perform to their highest potential, and engaged with their company and colleagues. When that engagement is missing, all U.S. citizens, as "customers" of our government, feel the impact.

Pay and Benefits

With government employee engagement levels consistently low across the entire span of their employment life cycle, why are so many people perfectly happy to tough it out?

It's clear the price is right. Not only do union government workers perceive their **pay** as fair, but their **benefits** may be the single greatest contributor to long-term retention:



sticking around pays off

The top five reasons government employees cited for staying on the job were:

1. Benefits
2. Retirement packages/policies
3. Job security
4. Compensation
5. Job content/type of work

While most Americans are incurring higher health insurance premiums, co-pays and out-of-pocket expenses, or forgoing health insurance altogether just to make ends meet, our government workers appear quite comfortable with their pay and benefits packages. In fact, satisfaction with their benefits is the second of only two items that rank significantly higher for union government employees than for workers in the private sector.

conclusion

As the pressure escalates in the 2012 election season, candidates across all levels of government are having their records scrutinized for the reward of a term in public office. But what about the millions of government workers whose continued employment is not predicated upon past performance or public approval?

With almost 80 percent of unionized government workers under-engaged or disengaged, the reality is that they're allowed to continue delivering substandard quality and service, with few repercussions and little motivation to improve. Instead, these employees are rewarded with ironclad labor contracts providing them pay, benefits and job protections far beyond what would be considered reasonable in the private sector.

Millions of Americans encounter government programs, policies or services on a daily basis, and most are left feeling discouraged or highly disappointed in the quality of those interactions. The American people deserve better. Given the alarming results of Modern Survey's latest research, our government leaders and the public must enter into serious and broad discourse to examine, address and improve the factors contributing to the nation's "other deficit" — the disengagement of government union workers. Until then, we'll continue to pay the price each time we take a number at the service counter in government offices across the country.



about us

Modern Survey measures workforce intensity — that fire in your company's belly that makes all things possible. Our human capital measurement software combines feedback, benchmarks and data from enterprise systems to elucidate the correlation between employee performance and company success. We analyze the stuff your talent management system can't — so that you know what to do next.

We are Modern Survey. And we are relentless.

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