BUILDING *an ideas* ^CULTURE IN FEDERAL GOVERNMENT

Employees are key, but a new survey shows their ideas are not being tapped

Seventy-two percent of federal employees say that their agency rarely or never seeks their ideas for improvements, and 71 percent of federal employees say that government is less open to new ideas than the private sector. This is according to a new survey conducted by Eagle Hill Consulting in partnership with *Government Executive.*

72% of federal employees say that their agency **rarely or never seeks** their ideas for improvements

71% of federal employees say that government is **less open** to new ideas than the private sector

Government's failure to bring their employees' ideas forward, consider them, and potentially implement them could have serious implications for the federal workforce, taxpayer services, and U.S. competitiveness.

Consider this:

63%

of federal workers who don't believe their agency channels workforce creativity say they are likely to leave their job in the next year

In contrast...

ONLY 24%

who think their agency **does** effectively channel workforce creativity say they are likely to leave

In other words, how an agency deals with ideas may directly link to engagement, retention, and ultimately, how well it can fulfill its mission.

In an "ideas culture," an agency actively seeks, embraces, acts on, and rewards employee ideas to innovate and achieve its goals. For an ideas culture to flourish, however, leadership must become comfortable with taking risks and the possibility of failure. With championing from the top, accountability for supporting ideas can then flow through the organization by including related metrics in individual performance plans.

While some individuals show an openness toward the principles of an ideas culture, it's a mindset that has yet to take firm hold more broadly in the federal government.

Source: Eagle Hill Consulting Federal Government Ideas Survey, 2016

In fact, Eagle Hill's survey results show three of the top four perceived barriers to organizational innovation are related to agency leadership:

1 BUREAUCRATIC INERTIA

2 LEADERSHIP RESISTANCE TO CHANGE

3 BUDGET CONSTRAINTS

4 LACK OF LEADERSHIP

Source: Eagle Hill Consulting Federal Government Ideas Survey, 2016

WHY EMPLOYEE IDEAS REALLY MATTER

While "do more with less" has been a federal government mantra for years, what *is* new is how the government is redefining themselves amid even more budget cuts, expected workforce reductions, and calls for more innovation. With private companies competing to provide services once exclusively the province of government (SpaceX, for example), some agencies are being pushed to reimagine their role. Agencies that create new efficiencies in how they achieve their mission and maintain their organizational relevancy by adapting to change will be the ones that adopt an ideas culture to foster the innovative ideas and approaches to problem-solving that their employees regularly generate.

Since May 2012, SpaceX has been making regular cargo deliveries to and from the International Space Station— a task once performed solely by governments.

Moreover, an ideas culture has a key role to play in securing the best workforce, long-term—with lasting effects on productivity, service, and continuity. Scarce resources that limit the size of the government workforce mean every employee must be fully engaged. But scarce resources also mean that demand outstrips supply when it comes to the best workers: stellar people with in-demand skills will always have options elsewhere. It's clear federal agency leaders must assume the mantle of ideas advocacy—or risk compromising the workforce they need to accomplish their missions.

KEY POINTS

Like it or not, agencies are being reshaped by forces outside of their control.

Employee-driven innovations can help agencies maintain their relevancy and achieve their mission more efficiently.

At a macro level, agency-level innovations may shape national competitiveness by fostering stellar workforces with the best skills and ideas.

IDEAS CULTURES POSITIVELY AFFECT EMPLOYEE MORALE, WITH IMPACT ON THE LONG-TERM MAKEUP OF THE WORKFORCE

Interestingly, our survey found employees are generally satisfied with three key work environment characteristics that the General Services Administration identifies as contributing to innovative workplaces.[1] Respondents were most satisfied with the comfort (63 percent) of their work environments, followed by their work environments' flexibility (59 percent) and reliability (56 percent).
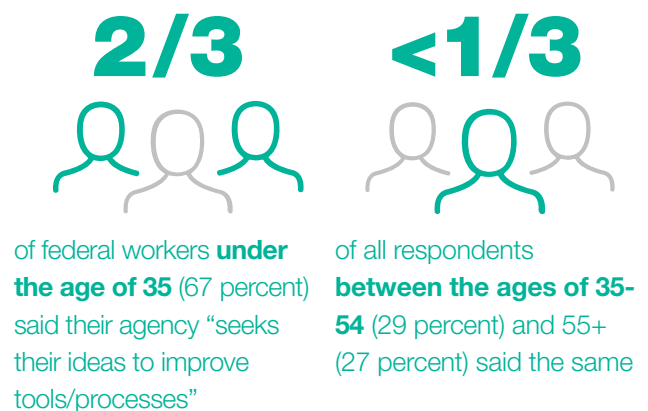
Covering these basics in the hierarchy of employee needs is clearly not enough, however. Nearly half of respondents (48 percent) say they are likely to leave their jobs in the next year. While the reasons undoubtedly vary, we found a relationship between whether employees felt their ideas were valued or not and their inclination to move on.

Of employees who said that their agency "seeks their ideas to improve tools/processes" at least once a month, less than a third (31 percent) said they were likely to leave their job in the next year. Yet among employees who feel their agency infrequently "seeks their ideas to improve tools/ processes" (only a few times a year or never), more than half (55 percent) said they were likely to leave their job in the next year.

With 71 percent of respondents believing the federal government is less open to new ideas than the private sector, we can assume a fair number of those who are likely to leave will be searching entirely outside of government for their next career move.

An ideas culture is not just a demand of younger workers, either. Certainly, agency leaders are prudent to develop an ideas culture to attract and retain workers under 30 (who currently account for 9.9 percent of the federal workforce),[2] but

such a culture also is crucial to engage the largest segment of employees—those over the age of 30. The need for more support for this over-30 group is underscored by striking differences in perspectives among respondents. While two-thirds of federal workers under the age of 35 said their agency seeks their ideas to improve tools and processes, less than one-third of all respondents 35 years and over said the same. See Figure below.

2/3   <1/3

of federal workers **under the age of 35** (67 percent) said their agency "seeks their ideas to improve tools/processes"

of all respondents **between the ages of 35- 54** (29 percent) and 55+ (27 percent) said the same

Source: Eagle Hill Consulting Federal Government Ideas Survey, 2016

Such jaded impressions can easily spread, dampening enthusiasm and initiative throughout an organization. And countless studies have already enumerated the high costs of low morale.

KEY POINTS

★ An ideas culture benefits workers of all age groups.

☆ When people feel valued, they stay. When they don't, those who can move on, will.

✦ Such attrition becomes a double-edged sword for performance—both in terms of pure workforce numbers and in the abilities and attitudes of the remaining staff.

[1] *General Services Administration. Innovative Workplaces: Benefits and Best Practices. January 2006. https://www.gsa.gov/graphics/ pbs/Innovative_Workplaces-508_R2OD26_0Z5RDZ-i34K-pR.pdf*

[2] *U.S. Office of Personnel Management. FedScope. September 2016.*

BREAKDOWN OCCURS AT MULTIPLE POINTS IN THE IDEAS PROCESS

Our research suggests federal agencies can do better at every point along the ideas process—from introduction to implementation. Employees have ideas all the time, with the majority (58 percent) saying they share ideas with their colleagues at least once a month.

The problem comes when they want to get these ideas past the lunch table. Nearly half (49 percent) say their agency might be open to ideas, but they are unclear of how to submit them. And nearly a quarter (24 percent) say they don't think their agency has any mechanism in place at all for submitting ideas. Combined, that means nearly three-fourths (73 percent) of those we surveyed could see their ideas for improvement never progressing beyond the casual conversation.

An ideas culture not only accepts ideas and the potential changes they bring, but *actively seeks them out*. However, just implementing a "suggestion box" will not suffice.

Without a supportive ideas culture, any ideas that do survive will be driven entirely by the individual personality of the originator. The persistent may create their own channels to push their ideas forward and doggedly pursue the resources necessary to make them happen.

The less assertive may let their ideas—no matter how brilliant—go. Regrettably, 69 percent of our survey's respondents believe they are unlikely to see their idea implemented by their agency.

Whether our survey responses indicate a negative perception or genuine reality, agency leaders need to respond by proactively showing their support for ideas. Otherwise, federal staff will be inclined to leave, which will in turn impact an agency's ability to meet its mission, according to the survey results. Additionally, they must close the loop on *all* ideas—even the ones that won't be implemented. People need to understand their ideas have been considered and an active decision has been taken on them, or they will be less inclined to contribute ever again.

KEY POINTS

⭐ Agencies need to create a continuous mechanism for inspiring people's contributions.

✴ Soliciting—even collecting—ideas is just the start. A true ideas culture sustains the whole lifecycle of an idea from inception to implementation, and keeps employees informed of where their ideas are within it.

Eagle Hill Consulting Idea Lifecycle

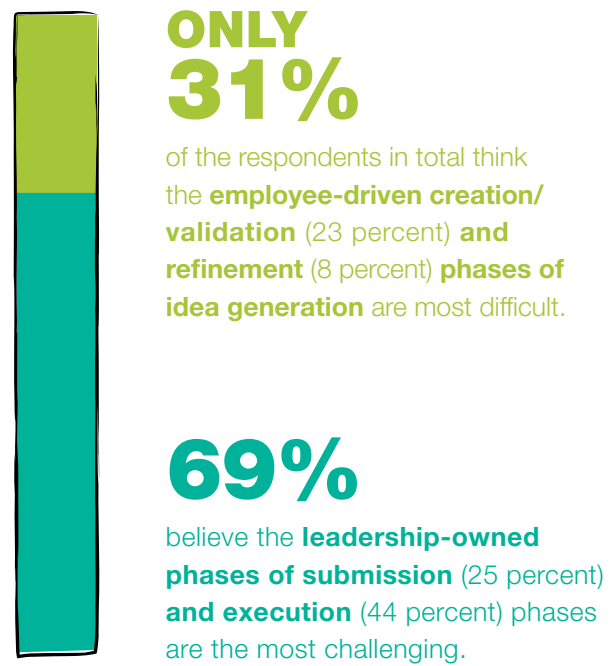Create idea · Validate idea · Refine idea · Find a champion · Execute · Improve
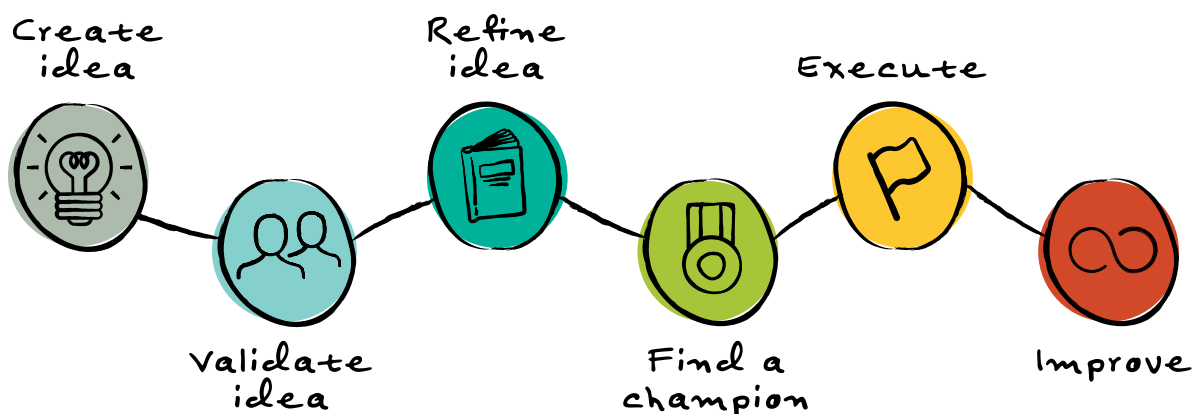
AGENCY LEADERS CAN START SMALL—BUT THEY MUST START MAKING CHANGES TO ENCOURAGE AN IDEAS CULTURE

Federal employees clearly place the responsibility for the life or death of their ideas on leadership's shoulders. When asked about the chief obstacles to achieving greater workplace innovation, respondents' top six (out of ten) obstacles were ones out of their control.

While over half of respondents listed bureaucratic inertia and leadership resistance to change as obstacles, fewer than one third listed "employee-driven" factors, such as employee resistance to change, employees too busy to develop ideas, and fear of failure. See Figure below.

Additionally, less than one-third of respondents in total think the employee-driven creation and refinement phases of idea generation are most difficult. The remaining believe the leadership-owned phases of submission and execution phases are the most challenging. See Figure below.

57% of respondents listed **bureaucratic inertia**

54% of respondents listed **leadership resistance to change** as obstacles

<33% of respondents listed **"employee-driven" factors,** such as employee resistance to change (33 percent), employees too busy to develop ideas (26 percent) and fear of failure (19 percent)

ONLY 31% of the respondents in total think the **employee-driven creation/validation** (23 percent) **and refinement** (8 percent) **phases of idea generation** are most difficult.

69% believe the **leadership-owned phases of submission** (25 percent) **and execution** (44 percent) phases are the most challenging.

These results reinforce the notion that employees feel ready to do their share for creating ideas culture—generating the ideas—but once they are ready to turn those ideas over to their leaders, the leaders do not carry the idea forward.

Source: Eagle Hill Consulting Federal Government Ideas Survey, 2016

Eagle Hill's assessment is that upper-middle managers must drive innovation cultures, because they are a bridge across top-level administration changes; they know how their agencies work and how work gets done; and they have the access and ability to reengage top-level leadership each time it changes. Moreover, while changes in administrations happen regularly, an ideas culture provides a consistent structure for progress amid the shifting currents of politics.

Federal employees are always thinking of ways to improve. It's time for executives to help move their ideas from inception to implementation.

Empowering employee innovation from the top will begin a ripple effect of encouraging more innovative ideas across an organization.

START HERE:
SIMPLE WAYS TO START TO CREATE AN IDEAS CULTURE IN YOUR AGENCY

1 From simple measures (office hours and marketing employee-led initiatives) to the more complex (feedback surveys and working groups to address ideas culture gaps), leaders can work within their scope of authority to establish an ideas culture.

2 Innovation committees can provide a structured process for review and action on employee ideas, as well as for recognizing and rewarding people who submit ideas.

3 Innovation competitions, both formal (at set times during the year) and more fluid (ongoing online review, input, and voting on ideas) can kickstart the solicitation and refinement process.

4 Collaboration and social networking tools for business (such as Yammer groups) and idea management software platforms are low-cost and easy-to-implement ways to keep ideas alive and organized for input, collaboration, and application.

Methodology

The online survey included 332 federal employees from a random sample of Government Executive, Nextgov, and Defense One subscribers. The survey polled respondents on federal workplace culture. The Eagle Hill Federal Ideas Culture survey was conducted by the Government Business Council on November 7, 2016.

FOR MORE INFORMATION, PLEASE CONTACT:

www.eaglehillconsulting.com

www.linkedin.com/company/eagle-hill-consulting

@WeAreEagleHill

snealon@eaglehillconsulting.com