MISMATCHED PRIORITIES, UNMET EXPECTATIONS:

The State of Organizational Culture in Federal Government

According to a new survey by Eagle Hill Consulting, only about half of federal employees (55 percent) say that their organization's policies align with its core values, the foundation of organizational culture. Our research explores where, why and how this misalignment plays out in federal workplaces.

There is some good news. We found that 70 percent of federal employees say they feel proud to work for their organization. That is a strong foundation to work from, especially in today's hot talent market, where, according to statistics published by the National Conference of State Legislatures, nationwide unemployment just hit a fresh 50-year low in September.

Despite their positive orientation toward public service consider that not even half of respondents in the same survey (49 percent) say they would stay at their organization, if they were offered a comparable position elsewhere with similar pay and benefits. The contrast forms a stark reminder of just how much organizational culture matters.

WHAT'S THE MATTER WITH CULTURE MATTERS?

Numerous studies and articles have highlighted the importance of culture. An August 2018 Gallup poll, for example, shows that companies with top employee engagement enjoy 21 percent more productivity than organizations with the least employee engagement. A January 2018 article in *Forbes*, "The Three Guiding Principles for Creating an Intentional Culture," describes how "organizations that are purposeful about this culture/strategy dynamic routinely outperform their competition that lack focus in this area."

Perhaps nowhere are the arguments for effective culture more persuasive than in federal government, where across the board, agencies are grappling with human capital issues. Federal agencies are keenly affected by changing needs within an evolving (especially digital) environment.

- An aging workforce, where according to August 2018 information from OPM, government workers over 60 outnumber those under 30 nearly two to one.

- Inability to keep pace with the private sector in the competition for younger workers.

- The subsequent skills gap that results with demand for current technology skills far outpacing supply.

If a strong culture is key to developing and retaining an engaged, productive workforce, then federal government agencies need to recognize how heavily culture weighs on their mission performance.

Our survey shows federal employees already feel connected to the mission. Why don't they feel as connected to the organization itself? And perhaps more important, how do federal organizations get them to feel connected?


COMPANIES WITH TOP EMPLOYEE ENGAGEMENT ENJOY *21% more productivity* THAN ORGANIZATIONS WITH THE LEAST EMPLOYEE ENGAGEMENT.

FEDERAL EMPLOYEES UNDERSCORE THE CRUCIAL ROLE OF ORGANIZATIONAL CULTURE.

Employees recognize the importance of organizational culture. In fact, an overwhelming majority (86 percent) of respondents say culture has a direct impact on their organization's success (Figure 1).

Figure 1: An overwhelming majority of respondents noted that culture has a direct impact on their organizations' success.

14%

86%

14%
Culture does not impact my organization's success

86%
Culture impacts my organization's success
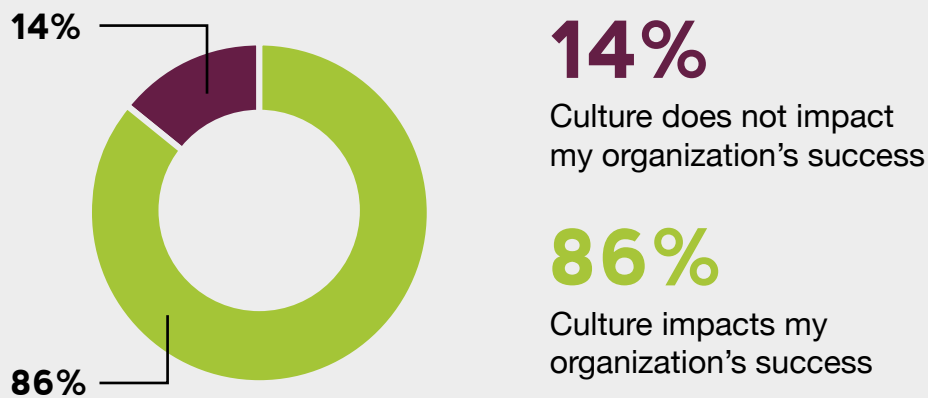
Source: The Eagle Hill Consulting Federal Workplace Culture Survey 2019.

Importantly, employees recognize that their organizational culture matters at an individual level as well. Seventy-nine percent of respondents say culture impacts their productivity and efficiency and 76 percent say it impacts their ability to best serve their customers.

Perhaps even more intriguing, about three quarters of all respondents (74 percent) say culture impacts their _will_ to do good work, underscoring that employees see culture not merely as an external (potentially limiting) factor, but as an important driving force from within.

In other words, culture informs not just what federal employees *can* do, but at a much more basic level, what they *feel* like doing. In essence, culture is setting the *de facto* organizational mindset that determines how well the mission can be accomplished.
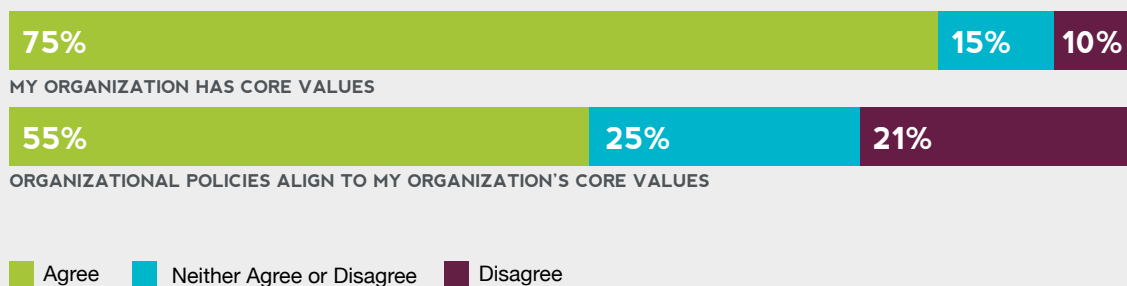
MISALIGNMENTS IN ORGANIZATIONAL CULTURE LEAD TO A TROUBLING EXPERIENCE FOR EMPLOYEES.

Federal employees often choose to serve in the public sector over the private because they are motivated by the mission: they believe in the good purpose of the organization and the personal satisfaction that comes from making a positive difference in people's lives.

In their January 2019 *New York Times* article, "Why Don't Unpaid Federal Workers Walk Off the Job?" authors Jim Tankersley and Thomas Kaplan quoted Jacqueline Simon (the director of public policy for the largest federal workers' union) as saying, "Federal employees are extremely devoted to the mission of their agencies. They don't just fall into these jobs. They believe in public service; they believe in what they do."

However, our survey shows that federal employees feel their organizations do not practice what they preach. For example, while 75 percent of respondents say their organization has core values, only 55 percent say the organization's policies align to its core values (Figure 2).

Figure 2: While most respondents say their organization has core values, far fewer say organizational policies align to the core values.

75%		15%	10%

MY ORGANIZATION HAS CORE VALUES

55%		25%	21%

ORGANIZATIONAL POLICIES ALIGN TO MY ORGANIZATION'S CORE VALUES

■ Agree   ■ Neither Agree or Disagree   ■ Disagree

Source: The Eagle Hill Consulting Federal Workplace Culture Survey 2019.

In fact, less than half (46 percent) agree that the way the organization advertises itself aligns with their experience, with fully 25 percent of respondents disagreeing (Figure 3). The mission of public service—by definition, working to the assistance and benefit of society at large—appeals to employees' deeply held notions of community, altruism and service. But our results indicate that employees feel their agencies may be going off course in important ways.

Figure 3: Federal employees note that the way their organization advertises does not align with their reality.

46%	29%	25%

THE WAY MY ORGANIZATION ADVERTISES ITSELF ALIGNS WITH MY EXPERIENCE OF THE ORGANIZATION
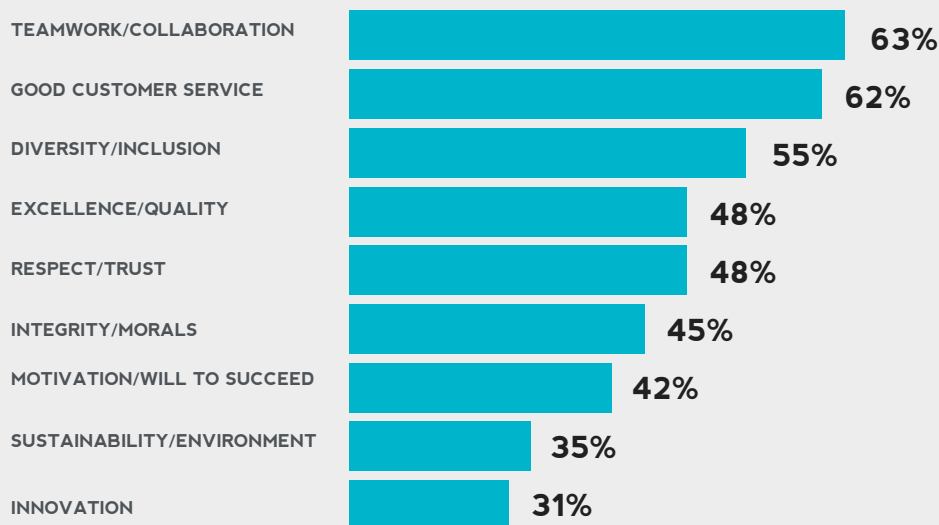
■ Agree ■ Neither Agree or Disagree ■ Disagree
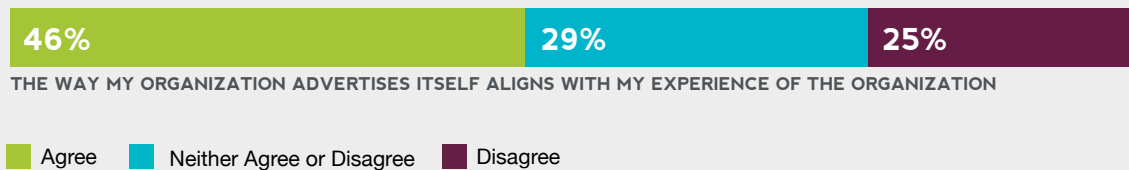
Source: The Eagle Hill Consulting Federal Workplace Culture Survey 2019.

While the majority of federal employees in our survey cite more tangible elements (teamwork, customer service, and diversity/inclusion) as being part of their culture, less than half see crucial, less tangible elements, such as respect, integrity, and innovation as active elements of their organization's culture. (Figure 4).

Figure 4: Less than half of respondents see respect/trust, integrity/morals and innovation as active parts of their organization's culture.

ACTIVE ASPECTS OF CULTURE

TEAMWORK/COLLABORATION	63%
GOOD CUSTOMER SERVICE	62%
DIVERSITY/INCLUSION	55%
EXCELLENCE/QUALITY	48%
RESPECT/TRUST	48%
INTEGRITY/MORALS	45%
MOTIVATION/WILL TO SUCCEED	42%
SUSTAINABILITY/ENVIRONMENT	35%
INNOVATION	31%

Source: The Eagle Hill Consulting Federal Workplace Culture Survey 2019.

Culture is a difficult idea to corral. Perhaps not surprisingly, in our experience, Eagle Hill repeatedly has seen both public and private sector organizations take an initiatives-focused approach to it. Building teams, ramping up diversity/inclusion efforts, and introducing customer satisfaction metrics are all laudable efforts. They are also far easier to conceptualize and implement than ideas on how to motivate people to act with integrity.

Yet these more difficult elements are every bit as crucial. They define an organization. That so many federal employees don't recognize these elements in their culture may mean they are cluing into a fundamental inauthenticity in their workplaces. Perhaps as a result, while 7 in 10 of respondents feel proud to work at their organization, only 6 in 10 are happy working in their organization, and 3 in 10 are open to exiting it. These employees may feel that the goals of the organization are laudable, but how the goals are achieved is less so.

BUILDING TEAMS, RAMPING UP DIVERSITY/INCLUSION EFFORTS, AND INTRODUCING CUSTOMER SATISFACTION METRICS *are all laudable efforts.*
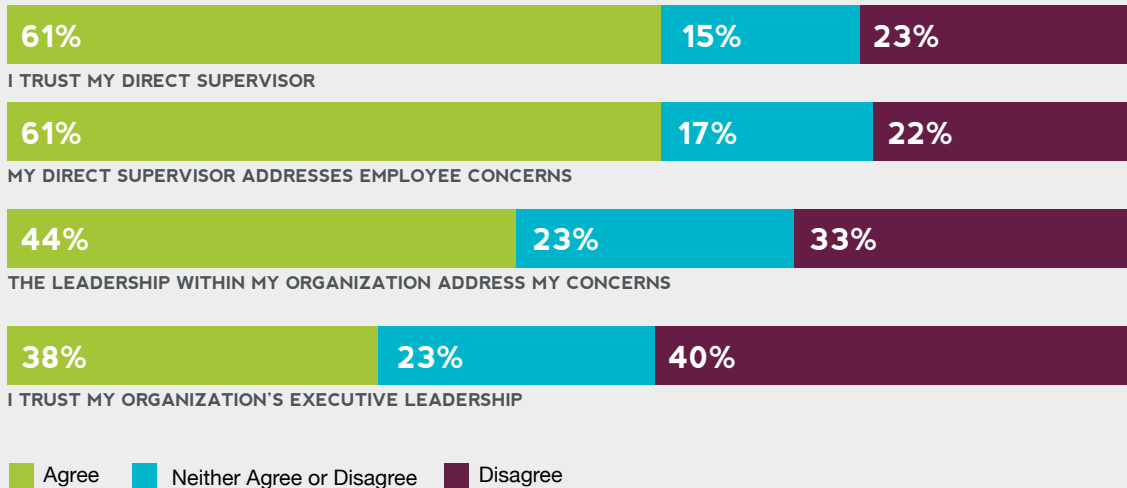

FEDERAL LEADERSHIP HAS A TRUST PROBLEM.

Eagle Hill's federal culture survey found that only 61 percent of respondents trust their direct supervisor. And when it comes to the top levels of leadership, more federal employees distrust their executive leadership (40 percent) than trust them (38 percent) (Figure 5).

This result is particularly stark when compared to the results from a similar survey Eagle Hill conducted at a national level. In that survey, 58 percent of respondents agreed they trusted their executive leadership—a difference of 18 percentage points from the federal survey results.

Figure 5 also shows that less than half (44 percent) of federal employees surveyed believe the leadership in their organization addresses their concerns. Federal organizations should feel disconcerted by their employees' evident lack of confidence in those steering the ship. Humans are social beings, and our connectedness to each other comes from trust.

Believing in the solidity and supportiveness of their relationships equips people to handle the bumps of daily existence, including in the workplace. Conversely, lack of trust impacts well-being. Not feeling confident in the authenticity of their relationships puts people on their guard—and leaves them primed to look for an escape.

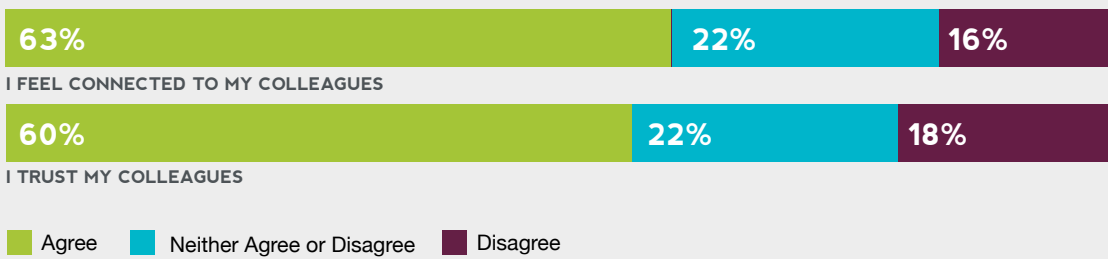**Figure 5: Trust in leadership is a big issue for federal organizations.**

	Agree	Neither Agree or Disagree	Disagree
I TRUST MY DIRECT SUPERVISOR	61%	15%	23%
MY DIRECT SUPERVISOR ADDRESSES EMPLOYEE CONCERNS	61%	17%	22%
THE LEADERSHIP WITHIN MY ORGANIZATION ADDRESS MY CONCERNS	44%	23%	33%
I TRUST MY ORGANIZATION'S EXECUTIVE LEADERSHIP	38%	23%	40%

Agree ■ Neither Agree or Disagree ■ Disagree

Source: The Eagle Hill Consulting Federal Workplace Culture Survey 2019.

EAGLE HILL'S SURVEY SHOWS THAT *the lack of trust* TRICKLES DOWN AND ACROSS ALL LEVELS OF THE ORGANIZATION. IN OUR SURVEY, ONLY *6 out of 10* RESPONDENTS FEEL CONNECTED TO AND TRUST THEIR COLLEAGUES.

Eagle Hill's survey shows that the lack of trust trickles down and across all levels of the organization. In our survey, only 6 in 10 respondents feel connected to and trust their colleagues (Figure 6). Here, we highlight the connection between trust and people's will to do well, described earlier. An employee that trusts co-workers feels part of a bigger picture—and that cohesion adds real and important meaning to work.

Figure 6: A lack of trust pervades federal organizations' cultures.

63%	**22%**	**16%**

I FEEL CONNECTED TO MY COLLEAGUES

60%	**22%**	**18%**

I TRUST MY COLLEAGUES

■ Agree   ■ Neither Agree or Disagree   ■ Disagree

Source: The Eagle Hill Consulting Federal Workplace Culture Survey 2019.

As Emma Seppälä writes in her 2015 Harvard Business Review article, "Positive Teams Are More Productive," a workplace characterized by "positive and virtuous practices" excels in improving relationships, which in turn amplifies employees' creativity, buffers against stress, attracts employees, and enhances loyalty.

From executive leadership, to team leads, to colleagues, we find significant and pressing opportunity for improving trust in federal organizations. Leaders at all levels must exemplify the stated values of the organization; employees should be provided avenues and encouraged to participate in building their organizational cultures.

APPROACH YOUR CULTURE IN A WHOLLY NEW WAY

Federal agencies looking to build authentic, positive and supportive organizational cultures should get ready to roll up their sleeves and make deliberate and substantive changes. The old way of allowing organizational cultures to evolve indiscriminately will yield to a more thoughtful approach that designs and develops workplace cultures to embody what the organization values.

It's a shift well worth undertaking. These "new way" cultures may bear very little resemblance to what agencies have known (in terms of their structure, their driving principles, their strategic importance, and their required effort), but they will certainly bear the fruits of employee engagement, trust, and satisfaction.

Old Way Agency Culture is:

An organizational initiative.

An output.

Grows indiscriminately.

Vague.

Talked about.

Secondary to short-term budget management.

Experienced differently across the organization.

Not viewed as central to day-to-day work within teams.

Not a key performance measurement.

Created top down with leaders nominally accountable.

New Way Agency Culture is:

An integrated, animating force for the organization.

A framework for making daily decisions, conversations and actions.

Strategically nurtured to ensure long-term organizational viability.

Clearly defined.

Invested in.

Prioritized above short-term budget decisions.

Lived and embodied uniformly by everyone.

Integrated into daily team interactions.

A leading element of both organizational and individual performance measurement.

Everyone held accountable to the same culture standards. "Walking the walk" on culture is an expectation, not an exception.

To build and sustain this new model of organizational culture, Eagle Hill recommends four steps, which will relaunch at the beginning of every strategic planning cycle.

1 Make culture core to your organization's strategic plan

- Elevate culture planning to your agency's larger strategic planning process, on par with performance, human capital and budget planning. Cultivate your culture strategically—with the desired culture envisioned, planned for (including from the standpoint of organizational culture risks), and invested in from the outset.

2 Bring culture alive at all levels

- Provide the appropriate structure and assign accountability for culture to every level of the organization. The right governance equips the entire organization to drive toward its values-based priorities.

- Explicitly map performance expectations to values-based priorities and develop metrics for meeting culture goals at every level of the organization. Living the practices that nurture the desired culture is how federal organizations will cascade values-based strategy to daily work life.

- Elevate the role of team leads in culture improvement. Meaningful work, led by inspiring and effective managers, really drives high performance and an enthusiasm to stay among the ranks. Team leads play a crucial role in rolling out successful culture change, but they need leadership support, training and tools to be equipped to be successful.

- Move potential employees' desire to make a difference to the front and center of the recruitment and onboarding experience. Federal employees' passion for the mission is an agency's platform for building its future workforce.
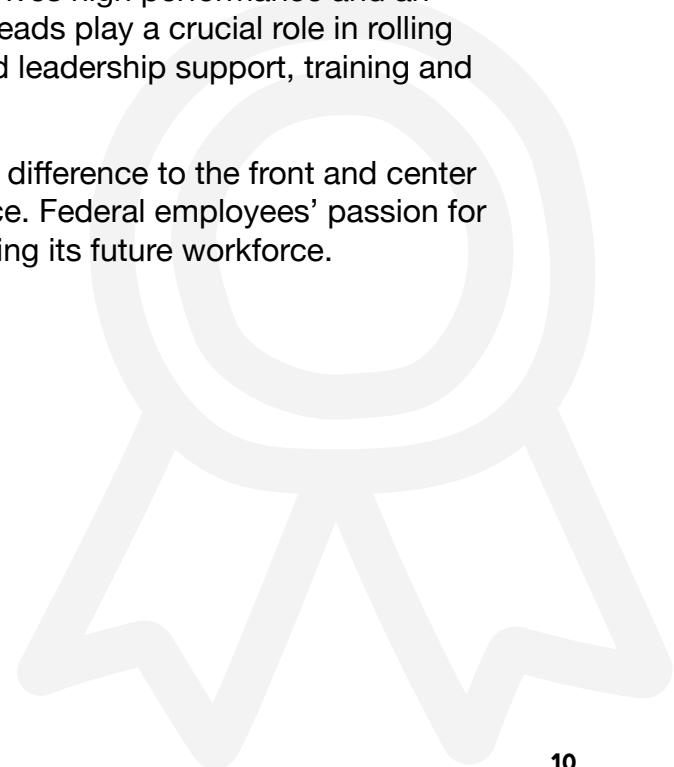
3   Assess often how you're doing on culture

- Use FEVS as the indicator of progress that it is, recognizing that FEVS results may leave significant gaps in understanding, unless the agency does the work of mapping FEVS to its own, unique and values-based priorities. While FEVS is a useful tool, its utility comes after the work of strategically planning for culture.

- Monitor risks and nurture the organizational culture to continue to grow it in the desired direction. Because the external and internal factors that can shape culture change frequently, culture improvement is never a one-and-done exercise.

4   Acknowledge what is working and adjust what is not

- Recognize the challenge of the potentially entrenched cultural practices of employees who have decades of tenure. Take a candid look at how to elevate employees who have embraced the precepts of the new organizational culture and enthusiastically contribute to bringing the culture to life. At the same time, determine a plan for how to help those who refuse to change their practices to make a graceful exit.

- Recognize and reward culture successes—and the people driving them— to continue to drive change. Formal performance expectations as well as informal recognition programs will build federal employees' belief in how authentically the agency values their contributions to its culture.

- Make adjustments in areas of the culture that do not perform as hoped. Here, results from FEVS as well as from measures related to meeting agency-specific culture goals and ongoing culture risk assessments will all come into play.

METHODOLOGY

The Eagle Hill Consulting Federal Workplace Culture Survey 2019 was conducted online by Government Business Council (GBC) between May and June 2019. The online survey included federal workers from a random sample of civilian and military respondents across the United States. The survey polled respondents on aspects of culture including leadership, core values, employee satisfaction, employee experience, and teamwork.

in **linkedin.com/company/eagle-hill-consulting**

Twitter **@WeAreEagleHill**