

Public Sector Practice



Driving Federal Performance

Overview of Survey Results

Driving Federal Performance

Measuring public sector performance is a widely recognized challenge, one that the Obama Administration has placed near the top of its agenda.

McKinsey & Company, in partnership with *Government Executive* magazine, recently surveyed federal employees to provide helpful input for government leaders as they seek new ways to strengthen agency performance. The survey measured the elements that are most important for driving organizational performance, and also compared the survey results to private sector benchmarks.

More than 500 federal employees from dozens of government agencies completed the Driving Federal Performance survey.¹ This survey has been used in some variation with more than 300,000 people at some 400 private and public sector organizations throughout the world as a tool to diagnose the effectiveness of management practices in driving performance.

In this memo we describe the overall assessment of federal government performance that emerged from the survey findings and outline the elements of a potential action plan.

Overall assessment

The federal government enjoys relative strengths in the elements that deal with the “heart” of an organization. More than in the private sector, government managers understand and embrace the direction and vision of their organization, and are motivated to make a difference. The government is not, however, as well-positioned as the private sector in the more “operational” elements of an organization, in particular needing improvement in management practices related to fostering employee engagement, talent management, and accountability (see Exhibit 1).²

¹ Half of these respondents were members of the SES, and the other half GS 12-15

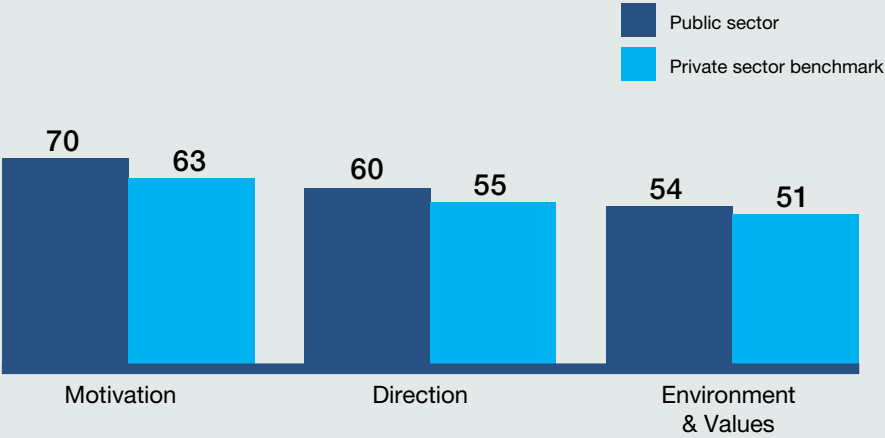
² Elements measured by this survey include:

- Direction: Devoting adequate time to developing a vision; explaining a vision in terms that are relevant to employees
- Environment and Values: People join/stay with their agency because of culture and values; agency culture and values are clearly defined
- Motivation: Agency employees are highly motivated; people exert extraordinary effort when needed
- Engagement: Management consults with employees on issues important to them; people within an agency are encouraged to provide honest feedback to one another
- Talent Management: Managers provide helpful coaching; agencies continually refresh their talent pool
- Accountability: Employees know what they’re held accountable for; there is a direct link between performance and consequences

Ex 1: Summary assessment of government strengths and opportunities for improvement³

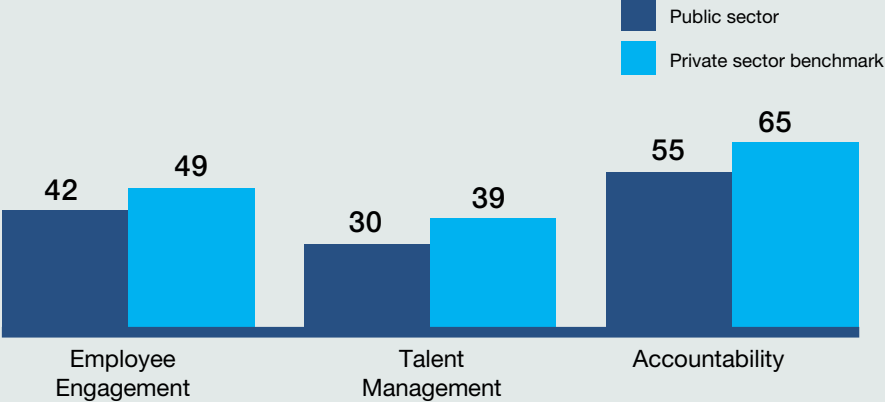
Strengths

Average % of respondents who agree/strongly agree



Opportunities for improvement

Average % of respondents who agree/strongly agree



³ Motivation, Direction, Environment and Values, and Accountability are primary elements within the survey; the Employee Engagement and Talent Management categories are indices from across survey categories

Potential Action Plan

McKinsey's experience in helping private and public sector clients make organizational change on a large scale points to three primary focus areas that the government should consider. Our recommendations for improving federal government performance reflect these three focus areas as well as specific data from the survey.

1. Engage the federal workforce to gain their input, earn their commitment, and ensure an open and trusting environment

- Only 29% of GS12-15 public sector respondents agree or strongly agree that they are consulted on issues that affect them (compared with 43% of the SES sample and 40% in the private sector).
- Only 34% of GS12-15 public sector respondents agree or strongly agree that they operate in an open and trusting environment (compared with 50% of the SES sample and 49% in the private sector).
- Only 34% of GS12-15 public sector respondents suggest they are encouraged to provide honest feedback to people within the agencies (compared with 51% of the SES sample and 48% in the private sector).

2. Strengthen talent management practices to attract, develop, and retain human capital

- Survey results suggest there is a clear opportunity to improve coaching and feedback in government. For example, only 29% of public sector survey respondents agree or strongly agree that public sector managers provide helpful coaching to develop senior management capabilities (compared with 41% in the private sector).
- Similarly, survey results indicate an opportunity to improve capability-building. For example, only 36% of public sector respondents agree or strongly agree that their agency provides on-the-job assignments to develop the capabilities of their senior managers (compared with 41% in the private sector).
- There is an opportunity to attract talent with the right skills and expertise through non-traditional channels. For example, only 22% of public sector

respondents believe their agencies recruit top talent from outside the agency talent pool, either from other areas of government or the private sector (compared with 32% in the private sector).

3. Improve accountability measures designed to:

i) Institute more rigorous operating metrics and performance management systems

- Only 40% of public sector respondents agree or strongly agree that the government has a robust performance management system (compared with 64% in the private sector).
- Only 38% of public sector respondents agree or strongly agree that their agencies hold challenging reviews to evaluate performance against plans (compared with 56% in the private sector).

ii) Clarify roles and objectives

- Only 55% of public sector respondents agree or strongly agree that they have clear explanations of what has to be achieved in their jobs (compared with 68% in the private sector).
- 63% of public sector respondents agree or strongly agree that employees know what they are held accountable for (compared with 75% in the private sector).

* * *

Government leaders have an important opportunity to improve the performance of their organizations by harnessing the excitement and motivation of the federal workforce. As leaders shape their performance agenda, we encourage them to prioritize management practices that help them engage the workforce more fully, strengthen talent management, and improve accountability.

October 1, 2009

