

A local government's staff deliver the day-to-day services that provide for the health, safety, and welfare of the community. If staff are fully engaged in their jobs, then they will put in the extra effort needed to provide the best services possible. If they are disengaged they will, at best, put in the bare minimum effort necessary to satisfy their job description and, at worst, will actively seek to undermine the organization. The difference in work quality for engaged and disengaged employees is not trivial. One study found the following differences between work units in the top quartile in employee engagement versus work units in the bottom quartile:<sup>i</sup>

- 17% Greater productivity
- 10% Higher customer satisfaction
- 41% Less absenteeism
- 40% Fewer defects in work products

Research from Gallup has shown that about 70% of state and local government employees are not engaged in their jobs. Further, about 17% are “actively disengaged” and are sabotaging the good work of their colleagues.<sup>ii</sup> Though this is not much different from the degree of engagement found in private companies,<sup>iii</sup> the consequences could be more severe given the critical role public services can play in a community.

What's missing from the statistics above is how it feels to be disengaged and how employees get there. Consider this from Maria, who works in a municipal finance department:<sup>iv</sup>

*“I graduated from college during the onset of the Great Recession and considered myself very lucky to have landed a permanent, full-time government job in the Finance Department at the City after 3 long years of part-time work. A government job with all the great features people usually look for: security, stability, regular hours and great benefits. I was ready to arrive on time, behave professionally, learn my job and do it well to become a great employee. I didn't hate it and I didn't love it, and I thought that was normal...However, it didn't take long for the job to become perfunctory to a fault. And as the novelty of the new job wore off, I became totally disengaged and I couldn't wait for the next 5:30 pm, the next weekend, the next vacation. Was this what full-time work was all about? I didn't want to believe it... We know government has many advantages in the long term, but if this is what the short term feels like, then is it really worth it? ... I knew my feelings were not exclusive to me. The sad thing was that I didn't think it was even possible to change an age-old institution like municipal government, and I was going to have to either surrender my life to this humdrum reality or look for opportunities elsewhere.”*

This story not only highlights the lower productivity associated with disengagement while people are still employed with the organization, it also shows that disengaged employees are more likely to leave. Replacing employees is an expensive proposition, especially in a tight labor market. In fact, estimates place the average cost to replace an employee cost between 20% and 30% of annual salary, but it could be much higher for higher skilled, higher paid positions.<sup>v</sup> In this paper, we will show you how local governments can improve employee engagement, thereby improving productivity and reducing turnover. More importantly, we'll show how to make a difference in the lives of staff members like Maria and, thereby,

#### **Forget the Millennials**

Advice on how to engage millennials workers versus other generations is notably absent from this report. Instead we focus on proven techniques to engage any worker, no matter their age.

make a difference in how your local government serves its community. The first part of this paper is about getting the right people in the job. If the job is a good match to the person to start with, it will be easier to engage them. Second, we will address how to engage employees after they are hired. Here we

will address how the culture of the organization can be shaped to encourage engagement and specific managerial strategies that can be used to bolster engagement.

## Getting the Right People

Jim Collins, a noted author on leadership (and keynote speaker at the 2017 GFOA Annual Conference), has found that leaders of the most successful organizations don't start with an inspired vision or grand strategy – they start with getting the right people in the organization.<sup>vi</sup> The right people will more easily find inspiration in the mission of the organization. If people are self-motivated, there is less onus on leaders to provide the motivation for them.

The definition of the “right” person may differ substantially in the public sector versus the private sector. The public sector offers different sources of motivation, so local governments need people who will respond to those sources. Examples of important differences in motivation between the public and private sector include:<sup>vii</sup>

- Public sector motivation is rooted more in service to others, rather than advancing one's own career.
- Incentives differ. Private sector firms often try to align an employee's individual incentives with the firm's profit motive, such as with a sales bonus. Merit pay schemes have often produced disappointing results in public sector organizations where they have been tried.<sup>viii</sup>
- Public sector motivation is characterized as the opportunity to act in accordance with a larger purpose and a set of values.

Research suggests that leadership can influence, somewhat, the extent to which a person is engaged by the unique motivational characteristics of the public sector. However, that influence has limits. There is only so much leadership can do because employees have an unalterable predisposition towards public sector motivation. The implication for local governments is that they should look for job candidates who are predisposed towards public service motivation.<sup>ix</sup>

First, local governments can do more to communicate their image as a public service organization. Meaning, if a local government is indistinguishable from a private firm in terms of its mission to support the community, then it will not do any better at attracting candidates who respond to public sector motivation. Public sector motivation applies to the finance office as well. GFOA surveyed its members under 40 years of age to learn how they came into local government (we will refer to this group as the “GFOA Young Professionals”). We learned that about 30% had a conscious interest in public service. This was tied for the most common answer, while the other most common answer was coming into the public sector by chance. We also asked GFOA Young Professionals how likely they were to seek work with private firm in the future. 53% indicated they would not. This suggests two things: A) Some GFOA Young Professionals may have discovered their public sector motivation after joining the local government – perhaps there is an opportunity for local government to help potential job candidates realize this earlier; and B) public sector motivation could be sufficient to prevent a substantial number of GFOA Young Professionals from considering private sector work.

The City of Aurora, Colorado specifically speaks to public sector motivation when they are recruiting staff. Its career website features videos of staff discussing the commitment to citizens and the City's core values: integrity, respect, professional, and customer service.<sup>x</sup> The City also incorporates this focus

on public service orientation in its job postings. Job postings incorporate a section called “Why Work for Aurora?” and the first item listed is “Make a difference in the lives of real people every day.”

Second, local governments can select candidates who are predisposed towards public sector motivation and screen out those who are not. Survey instruments or personality assessments are certainly one way to do this, but there are much simpler possibilities as well. The Finance Department in the City of Ontario, California, poses fun “hypotheticals” to job candidates. For example, “if you could be any animal, what kind would be and why?” Don’t let the apparent whimsy fool you – the answers can often be revealing. One candidate answered, “A lion, so I could dominate the other animals”. Perhaps such a person would be a good fit in a stock brokerage, but probably would not be a good fit for a local government finance office. We’ll review additional strategies for selecting employees later in this paper.

In the next section, we will discuss how to engage employees and keep them engaged once they are hired.

## Getting People Engaged and Keeping Them Engaged

At the beginning of this paper we saw the story of a finance department employee named Maria and how she started with enthusiasm, but her engagement waned over time. GFOA’s research suggests this is not an isolated incident. We asked GFOA Young Professionals to rate their engagement with their employer. We used the same survey questions that the Finance and Business Operations Division (FBOD) of King County, Washington uses to measure engagement of its employees. FBOD works hard to engage its employees – its engagement scores have historically been 15% to 20% higher than the organizations it benchmarks itself against. Exhibit 1 shows some interesting results, though. We see that GFOA Young Professionals compare favorably to King County’s scores. Yet, we have also seen from Gallup’s data that most state and local employees are disengaged. Hence, local governments have both an opportunity and a problem. The opportunity is that many younger workers start out with enthusiasm. The problem is that they lose it over time.

<b>Exhibit 1 – Engagement Survey, GFOA Young Professionals versus King County FBOD</b>		<b>Percent who Agree or Strongly Agree</b>	
<b>Diagnostic Question</b>	<b>GFOA Young Professionals</b>	<b>King County's 3-Year Average</b>	
I would recommend my organization as a great place to work.	85%	80%	
I am proud to work at my organization.	90%	80%	
If another organization offered me a similar job with the same pay and benefits, I would stay at my current organization.	82%	62%	
I feel committed to my organization’s goals.	93%	79%	
When needed, I am willing to put in the extra effort to get the job done.	99%	99%	
Working for my organization makes me want to do the best work I can.	85%	79%	

Why might employees lose their enthusiasm over time? For employees without strong public sector motivation, the lower pay and fewer opportunities for advancement certainly could be reasons. This is supported by our survey of GFOA Young Professionals, where better salary and advancement opportunities were the top two reasons, by far, to consider private sector employment for the 43% who said they would consider the private sector.

However, another survey offers other explanations. We surveyed all GFOA members who took employment with a new organization between September 2016 and February 2017 and asked them about their reasons for doing so (we will refer to this group as the “GFOA Job Switchers”). It should be noted that GFOA’s records typically only capture people who have moved from one local government to another or to private firms that serve local governments (e.g., an audit firm or a consultancy). Our data would not capture people who left local government for a position totally removed from local government. Hence, it is reasonable to assume that many, if not most, of the people we surveyed have made local government a career choice and probably have some predisposition for public sector motivation.

The GFOA Job Switcher survey found that organizational culture was the single most important reason people left their job, with 45% selecting it as one of their key reasons for leaving their employer. The next most commonly selected reason was a desire for change in management/leadership at 39%. We delved further into what exactly respondents were concerned with. Some of the most popular answers are below and were mentioned by 70% or more of respondents who cited either culture or a desire for change in leadership as a key reason for leaving:

- Decisions at work were based on the personalities involved, not on the merit of the issues.
- Lack of congenial work environment.
- Poor communication with supervisor.
- Lack of trust with supervisor.
- Lack of empathy for employees.

Though not as common as the answers above, concerns over unwise or imprudent financial decisions on the part of the chief executive and/or the government board and unethical behavior were also frequent answers.

This is not to say that GFOA Job Switchers were immune from material concerns. 30% cited salary as one of their important reasons for leaving and 17% cited work hours. Still, that only 30% cited salary as one of their key reasons to leave their job does highlight the importance of culture and work environment for retaining employees and keeping them engaged. In the next section, we’ll see the essential features of an engaging work culture.

## The Trifecta of Engagement: Mastery, Autonomy, and Purpose

In his best-selling book *Drive: The Surprising Truth About What Motivates Us*, Daniel Pink reviews the findings of modern behavioral science to discover what it has to say about motivating employees. Pink observes that traditional management relies on rewards and punishments for motivation. This may have worked well enough in the factory setting of an industrial age, but has lost much of its relevance in the 21<sup>st</sup> century for a couple of reasons.

First, the nature of work has changed. In the heyday of traditional motivation, most work processes were relatively simple and repetitive (think of the assembly line). This made it possible for supervisors to directly monitor productivity and devise incentive systems around straightforward indicators, like number of units of work produced. Today, in the information age, many work processes are more complex and requires the worker to exercise considerable discretion in order to achieve the best results.

Extrinsic motivation (rewards and punishments) are largely sufficient for simple and repetitive work, but don't work nearly as well for more complex tasks.

Second, the traditional view of motivation is strongly linked to the traditional view of economics: people will rationally calculate how to maximize their own self-interest and then act accordingly. If this were true, a system of rewards and punishments to appeal to self-interest would be an effective form of motivation. However, a raft of experimental evidence has now shown the people are far from pure self-interested, rational, utility maximizers.<sup>xi</sup> If classic economics is an insufficient explanation of human behavior, it stands that a system predicated on rewards and punishments is an insufficient explanation of human motivation. Also, we have seen that public sector motivation is incompatible with the notion that people are narrowly focused on their own self-interest.

As an alternative to the traditional view of motivation, Pink uses a large body of research from the behavioral sciences to put forward a new recipe for motivation with three ingredients: mastery, autonomy, and purpose.

Mastery is about building skills that make a difference. We all have experienced the satisfaction that comes with mastering a new skill and applying it, either in our personal or professional lives.

Autonomy is the ability to act with choice and direct our own lives. In a work environment, a highly motivated employee requires autonomy over what they do (their task), when they do it (their time), who they do it with (their team), and how they get it done (their technique). An example of the power of autonomy, researchers from Cornell University studied 320 small businesses, where half granted workers autonomy and half relied on traditional command-and-control. Those firms that embraced autonomy grew four times faster and had 1/3 of the turnover of those that didn't.<sup>xii</sup>

The third ingredient is purpose. Deep motivation requires that work take place in the service of a cause greater than ourselves. This hunger for purpose represents a massive opportunity for many government agencies to better engage their workforce. Many agencies have valuable, if not inspiring, pro-social purposes. Pink suggests that managers of organizations emphasize "why" the organization does when it does to help employees connect with a broader purpose. Often, managers focus exclusively on "what" employees are supposed to do and "how" they are supposed to do it.

GFOA's surveys found encouraging results when it comes to this new view of motivation: it is largely shared by local government finance leaders (e.g., CFOs and similar positions).<sup>xiii</sup> Our survey found that finance leaders had little belief in the power of traditional rewards-and-punishment to motivate employees. Conversely, they had much more confidence in the kind of ideas Pink describes. This means that local government finance offices are ready for a new approach to motivation. So, how can local governments, and finance officers in particular, put into place these three pillars of engagement? There are a number of tactics managers can use, which we will get to later in this report. However, what is missing from a collection of individual techniques is a systematic approach to engagement. The "system" is found in the organization's culture.

## An Engaging Culture

We saw earlier that the culture is the single most important reason GFOA members leave an organization. To see what an engaging culture looks like we will examine two local government finance offices that have been actively building a culture that engages employees: King County, Washington, and

the City of Ontario, California. Both organizations have taken distinct approaches to bringing mastery, autonomy, and purpose to their workplaces.

### King County’s Lean Culture of Engagement

Earlier, in Exhibit 1, we saw a survey that showed the success that King County’s Finance and Business Operations Division (FBOD) has had in engaging employees. FBOD’s results far exceed what one might expect of a local government given that Gallup has found that only about 30% of state and local government employees are engaged in their jobs. FBOD relies on “Lean” process improvement as the basis for an engaging culture. Lean is a method for continuous improvement in how work is performed. Lean is most well-known for its easy-to-use process improvement tools, but the most adept Lean practitioners integrate Lean into their culture.

### Mastery: Make Continuous Small Improvements

FBOD’s culture encourages mastery by establishing the expectation that work will be improved in many small increments over time, which, when summed together, equal impressive gains. For example, using Lean techniques, King County has grown the rebates received from credit card companies by over 80 times over a five-year period. The amount of the rebate (\$884,000) was sufficient to cover the costs of staffing the purchase card program and still have about \$400,000 left over to share with customer departments.

When employees understand that it is not their job to maintain the status quo, but rather look to improve it in small ways every day, it adds a new sense of challenge to the work - but a challenge that is within their ability to meet because Lean process improvement teaches a number of easy-to-use work improvement tools.<sup>xiv</sup> One example of a tool is the “Five Whys”. The Five Whys asks you to keep asking “why” when presented with the first answer for why a problem exists, much in the way a small child keeps asking “why” when presented with an answer to their question. After some number of iterations, you will reach a root cause of the problem. Five iterations is only a rule of thumb, so you may need more or fewer – but ultimately you will find a deeper explanation for why the problem exists than you would if you looked no further than initial symptoms of the problem. This allows a more effective solution to be created.

#### **Want To Learn More About King County and Lean?**

The content in this paper is a summary of a more detailed article about King County called “Building a Culture of Engagement with Lean Continuous Improvement” in the June 2016 issue of *Government Finance Review*.

Using tools like the Five Whys, FBOD employees can analyze problems they face at work and develop solutions. Research shows that too much challenge can lead to frustration, but too little can lead to boredom, both of which lead to disengagement.<sup>xv</sup> A Lean culture presents employees with the right level of challenge – it only asks for small improvements, not “home runs”, and certainly does not ask employees to accept the status quo. Lean also provides the ability to overcome challenges, with Lean tools and coaching from supervisors.

### Autonomy: The Individual Employee as a Problem Solver

In Lean, the employee’s role is a problem solver rather than just a cog in the machine. Hence, FBOD’s culture strives to respect every employee and their problem solving capabilities, and recognize that those that are closest to the work are best equipped to solve the problems. Enabling the employees to take the initiative in solving problems starts with creating an atmosphere where employees feel safe to contribute new ideas.

One of the ways FBOD creates this atmosphere is by promoting the idea that work results are primarily a product of the process/system set up to produce the work, rather than of the individuals working in that system. If management focuses on fixing processes, rather than fixing people it becomes easier to engage employees – no longer is the emphasis on blaming individuals for underperformance, but it is shifted to improving the process in order to get the best results for the entire organization.

This is not to imply that individual people don't matter in a FBOD's culture – in fact, they do matter a great deal. For example, FBOD teaches its managers to be “coaches” for employees, to help employees make their best possible contributions and ideas for improvement. Managers coach employees to analyze the root causes of problems they encounter, to test out ideas in a limited fashion before fully implementing them, and to share their ideas with others to get feedback.

**Purpose: Understanding the Contribution to the Greater Good**

Government work, in theory, should be purposeful work. However, individual employees may often feel disconnected from larger goals of their work units and from the citizen.<sup>xvi</sup> At FBOD, an important Lean concept to bridge this gap is the “value stream”. The value stream is the steps in the process that it takes to go from the initial input into the process all the way to producing a valuable outcome for the customer. All employees are encouraged to understand the entire value stream so they can see how their actions affect the whole process.

FBOD has defined the value stream for many of its work areas, such as: procure-to-pay, budget-to-report, billing-to-collect, and hire-to-retire. Exhibit 2 provides an example of FBOD's procure-to-pay value stream. The colors of the boxes in the flow chart indicate the role of the County's FBOD: green means it is mostly FBOD's step, yellow means it is about half FBOD's, and gray means the step is completed by the FBOD's customer agency. Underneath the steps in the flow chart are the broad actions that must be taken to complete each step. There are no steps listed under the gray box because members of the FBOD do not have a role in that step.

**Exhibit 2 – Procure-to-Pay Value Stream for King County**

Manage Systems	Implement Sourcing Method	Establish Contract		Pay Customers	Enter Contract Changes in EBS
Define Sourcing Method	Certify Small Contractors	Conduct Cost Price Analysis		Manage P-Card Process	Manage EBS Contract Close Out

FBOD has found that thinking about work as value streams helps employees see how they fit into the larger purpose and process. A good example is payroll, where the purpose is helping employees buy daily necessities and ultimately retire in exchange for the valuable labor they provide to the citizens of King County. It can be difficult to appreciate this when processing thousands of checks on pay day, but a prominently displayed value stream map can provide a simple reminder that the work does indeed contribute to an important purpose.

## The City of Ontario Finance Goes MAD

In 2012, the City of Ontario wanted to do more to foster its staff's enthusiasm for a career in public service. The Administrative Service Department's answer to this was its Making A Difference (MAD) initiative. MAD radically reimagines the work culture of the finance function to make the workplace more engaging by putting people first and work second. The premise is that if the employees are fully engaged, then the work will take care of itself. This approach has yielded impressive results. On a standardized employee engagement survey, the City's Administrative Services Department scored about 55% higher than the national average. This has translated into increased productivity. For example, the City asks people to rate their experience at City Hall. Prior to going MAD, the City got only a handful of reviews and the overwhelming majority were negative. Afterwards, the number of reviews increased by 27-fold and 98% of them were positive. Let's see how Ontario's MAD program addresses mastery, autonomy, and purpose. In this case, we'll start with purpose because Ontario has consciously made this the centerpiece of its approach.

### Purpose: People First, Work Second

We saw earlier that public sector motivation is characterized by an outward focus on others, rather than an inward focus on the self. Ontario's MAD puts this observation into practice. MAD is underpinned by a set of core values that supports this:

- Fun
- Friends and Connections
- Health – Mind, Body, & Soul
- Whole Person Growth & Learning
- Meaningful Work – Bigger Than Ourselves

The department's leadership is committed to living these values – the values are not just instruments to improve productivity. Employees can sense whether values are window dressing or authentic. If the former, they will be far more willing to commit to the organization. This authentic commitment is reflected, for example, in hiring practices. Ontario looks for people who will be a good fit with the values above, rather than focusing primarily on the technical qualifications of the candidates. Earlier, we saw Ontario's interview question about the kind of animal a job candidate would be. Additionally, they ask candidates to tell stories about who they are, hold interviews in relaxed setting, and engage interviewees in social conversation with existing staff members.

Ontario's focus on purpose also looks outside the walls of the finance department. People who consciously choose public service do so to make a positive impact on the community. Producing a balanced budget, a clean financial statement, or an accounts payable check will often not be a sufficiently ennobling purpose for someone with public service motivation. Therefore, Ontario makes the case with employees that they are not just working on finance, but rather are working on transforming government and, thereby, making life better for everyone. This is not just talk, but is

#### **“Work-Life Balance”: A Misguided Philosophy?**

Grant Yee, the Finance Director for the City of Ontario, points out that the implicit assumption underlying “work-life balance” is that life is good and work is bad and the two need to be balanced. Ontario's MAD approach seeks work-life integration, where both work and life are “good”.

translated into actions. The leadership cultivates opportunities for staff members to have face-to-face contact with constituents in a positive setting. This is not just limited to conventional “customer service”

that one might normally associate with a finance department. For instance, finance staff organized and led volunteer projects to landscape and paint two community parks, which included over 30 employees and their families. Another time, staff performed holiday caroling for seniors and special needs children.

### Mastery: Harnessing Employees' Passions

Ontario has training programs to develop employees' leadership skills and other conventional professional development opportunities. However, the most noteworthy part of Ontario's approach to mastery is Ontario's efforts to merge the passions that employees have outside of work with what happens at work. The aforementioned holiday caroling is a good example: a number of staff are passionate about singing in their personal lives, so organizing caroling gave them an opportunity to develop that passion and share it with others while also creating a positive experience for colleagues in their department and people in the community. In another example, one of the accounts payable employees is passionate about crafting. So, there is a "Craft Wednesday" where this employee shares her passion with her colleagues and teaches them about crafting, with materials provided at her own expense. This builds the cohesion within the finance team and demonstrates that leadership trust that employees can manage their time to complete their regular work in addition to finding time to bond.

### Autonomy: The Key to Trust

Ontario equates autonomy with trust. If employees are given discretion in how they approach their work, then that signals that management trusts employees. We saw from GFOA's survey that lack of trust with supervisors was an important reason why people leave a position.

Ontario's approach to autonomy and trust starts with differentiating between: 1) the day-to-day job tasks associated with each position and; 2) the bigger picture, strategic vision of the City and how employees can contribute to that vision. Employees spend the majority of their time (about 85%) on their day-to-day job tasks. Ontario tries to provide some autonomy on how these tasks are completed, including flexible schedules where the nature of the task allows it, and by not over-specifying how tasks are to be completed.

Autonomy is much more pronounced when we see how employees use the other 15% of their time. Ontario wants employees to be engaged in the purpose of the Ontario city government. An important part of the City of Ontario's vision is to have an engaged workforce and, in the process, to make the community a better place – certainly a goal that any employee could relate to. Hence, once employees are done with their day-to-day job tasks, they are encouraged to develop and implement their own ideas for how to make the workplace engaging. Employees appreciate that they are trusted to stay on schedule with their regular job tasks and are given autonomy to find ways to make the workplace more engaging. The projects to landscape and paint two community parks, to sing holiday carols for senior citizens and special needs children, and "Craft Wednesday" all came from employee initiative. Also, all of these required a significant extra effort from employees beyond what is called for by their position. This additional volunteer effort represents a dividend from employee engagement. Ontario has also found that the prospect of taking on self-directed projects to improve workplace engagement and make the community a better place inspires employees to complete their day-to-day work more quickly and more thoroughly. Hence, autonomy does not come at the expense of the timeliness or quality of day-to-day work.

## How King County and Ontario’s Culture Addresses the Concerns of Our Job Switchers

Earlier in this paper we showed reasons why people leave their employer over dissatisfaction with organizational culture or leadership, such as lack of a congenial work environment, poor communication with supervisors, and lack of trust with supervisors. The cultures cultivated by King County FBOD and Ontario’s Administrative Services Department address many of these potential problems. For example:

- **Lack of congenial work environment.** Ontario emphasizes having fun at work and getting to know colleagues personally. This builds team cohesion.
- **Poor communication with supervisors.** King County FBOD develops its managers into “coaches”. If managers are seen as “master technicians”, then communication may not rank highly on their list of job responsibilities. Coaches, by definition, have communication as their core job responsibility.
- **Lack of trust with supervisor.** FBOD employees are asked to continuously pursue opportunities for improvement to work. Willingness to let employees change work processes indicates trust. We also saw that Ontario’s take on autonomy is intended to build trust.
- **Lack of empathy for employees.** The core idea of Ontario’s MAD is to put people first and work second. In such an environment, employees’ concerns will not be automatically subordinated to work goals.
- **Decisions were based on the personalities involved, not the merit of the issues.** This concern is essentially about the perceived fairness of decisions and is addressed in two ways by FBOD and Ontario. First and most important is that in order to have an engaging culture like FBOD’s or Ontario’s, the leadership needs to be authentically committed to the values underlying the culture. These values serve as a north star for decision-making – leaders will ask “is this decision consistent with our values?” Without a strongly held set of values, decisions are more likely to hinge on other factors, like personalities. Second, an emphasis on autonomy puts more decision-making authority in the hands of employees. Employees are more likely to take issue with decisions that were made for them instead of by them.

Culture is the foundation on which the pillars of mastery, autonomy, and purpose sit. In the next section of this paper we will review a number of tactics that are the framing that make for an engaged workforce.

## Tactics for Engagement

In this section, we will review tactics that can improve employee engagement. The tactics cover a wide ground and are divided into three categories. A local government can select those tactics that offer the best fit for their organization. The tactics we will review are:

Selecting Employees and Getting them Onboard	
• Applicant Selection / Interviews	• Onboarding Tour
Building Mastery, Autonomy, and Purpose	
• Career Advancement	• Performance Appraisals
• Self-Directed Time	• Stretch Goals
• Help Employees Get to Know Themselves	• Supervisor Training Program
Features of Daily Work Life	
• Flexible Scheduling	• Collaborative Workspaces

However, before we proceed you should note that researchers distinguish between employee “engagement” and “satisfaction”. Satisfaction addresses an employee’s contentment with his/her position and organization. Engagement measures an employee’s commitment to the organization and job. Engagement leads to greater work effort and better service outcomes for local governments. Satisfaction has value too – for example, researchers have identified a link between job satisfaction and retention for government employees.<sup>xvii</sup> Though, satisfaction does not correlate with productivity and performance. The tactics we will review are primarily concerned with improving employee engagement, but they may also help with job satisfaction.

## Selecting Employees and Getting Them On-Board

An engaging workplace starts with hiring people who are predisposed to get engaged with a public service organization and getting that relationship off and the right foot.

### Applicant Selection / Interviews: Finding People Who fit Local Government

Earlier in this paper we discussed the importance of getting the right people in the job as a necessary first step towards an engaged workforce. Our surveys showed that government finance leaders have appreciation for hiring people who will be a good fit in terms of “soft skills” like attitude, teamwork, etc. When hiring for a managerial position, government finance officers weight soft skills and technical skills about equally. When hiring for a non-managerial position, technical skills are weighted a little more heavily than soft skills, but soft skills are still important.

When we spoke with local governments finance leaders who were focused on building an engaged workforce, they placed great emphasis on hiring for soft skills. Chris Pike, the Finance Director of the City of Dunwoody, Georgia, encourages us to consider the following thought experiment:

*“Close your eyes and picture an actual person you know, who you wish you could clone and surround yourself with. Now, think of three things about that person that makes you select him/her. Most, if not all, of those things are probably about the character of that person and not a skill of that person. Perhaps it was ‘hard working’ or ‘honesty’, but it probably wasn’t their mastery of GASB 34 and Excel.”*

Of course, a finance department requires technical qualifications. The governments we spoke with require some minimum level of education and experience to apply for a job, but past the initial application the focus is squarely on cultural fit and soft skills. It is much easier to train people on technical skills than soft skills, yet soft skills are absolutely essential to building an engaging and productive work environment. A manager who is a poor communicator or short on empathy will alienate his or her employees. A non-supervisory staff member who does not work well with others will reduce the productivity of his/or her teammates. Ontario points out that if employees are a government’s most valuable assets, then the soft skills of managers and teammates are what will maximize the return on those assets over the long-term.

The first step to hiring for soft skills and cultural fit is to know what your culture is. If you can explicitly state what is important to your culture, then it will be possible to design an employee selection process that looks for those characteristics. To illustrate, Dunwoody’s Finance Department has a culture that includes the following characteristics:

- Treat others with respect.

- Encourage change, creativity, and innovation.
- Commitment to education, employee development, and learning best practices.
- Come to work with a sense of enthusiasm and purpose.
- We ... are “we.” One team, one goal, no silos and inter-departmental struggles.

Virtually no resume or job application will provide much insight into whether a person would be a match with characteristics like those above. Hence, the job interview is critical. To find the right candidates, you need questions that will provide insight into who the candidates really are and if they have the characteristics you are looking for. Here are some examples questions Dunwoody has found useful:

- **For adaptability and creativity:** “Tell me about a time you had to achieve a goal but was not provided the resources to accomplish the goal.”
- **For communication and teamwork:** “Tell me about a time you *knew* you were right but disagreed with your boss.”
- **For humility and respect:** “What was the dumbest decision you ever made that went public?”

Dunwoody also uses questions like: “Tell me about three people, dead or alive, fictional or not who have inspired you and what was it about each person that inspired you?” The particular person the applicant selects is not important – the reason why they select that person is important. For example, an applicant once selected Bart Simpson because Bart always managed to accomplish his goal even if it was in an unorthodox manner. The answer showed the candidate to be results-oriented, willing to think creatively, and to have a sense of humor!

#### Selecting Contractors

Dunwoody uses a large number of independent contractors to provide public services. Contractors that will work closely with staff undergo a similar interview process. After all, a contractor that is a poor fit could degrade the work environment just as easily as an employee.

#### Onboarding Tour: Getting Off on the Right Foot

Earlier in this paper we showed that an employee’s engagement changes over time – usually on a downward slope. Unfortunately, this downward trajectory may be encouraged by the employee’s first day on the job. In their book, *The Power of Moments*, Chip Heath and Dan Heath show that our evaluation of any given experience is not the average of our total time with that experience. Rather the highs and lows we experienced are what form our opinion. So, for a job, the employee’s opinion of the job is not based on their entire experience with the job – rather it is based on a small number of defining moments. Chip and Dan Heath point out that the first day at a new job looms large in the employee’s mind – it marks an important transition in their lives. However, the first day is often a very forgettable experience, spent filling out HR forms, waiting for permissions to use the IT system, and, perhaps, waiting for their new supervisor to even notice they have started work. This is a lost opportunity to engage employees when they are most excited.

The City of Aurora, Colorado has developed an on-boarding program to take advantage of this opportunity. Within the first few days, the City seeks to accomplish the following (above and beyond the typical HR and IT administrative work):

- Get employee up to speed with how the department they work in is organized and the terminology that is used. Much of the work local governments do is fairly technical and the specialized language is a barrier to outsiders.

- Meet with his/her supervisor to review roles and responsibilities and get introduced to team members and staff. This includes a lunch with the direct supervisor to establish a rapport.
- Get assigned a mentor who helps the new employee feel welcome and navigate the organization.

Beyond the first few days, other notable features of the orientation include a seminar to introduce employees to the organization's values and a full-day tour of the City where employees learn more about the history of Aurora and its condition now.

The City has found that turnover is noticeably less among employees after the on-boarding program started, compared to before.

### Building Mastery, Autonomy, and Purpose

The tactics in this section provide opportunities to enhance employee's sense of mastery, autonomy, and purpose.

#### Career Advancement: Ditching the Ladder in Favor of a Lattice

According to GFOA's survey, 68% of government finance office executives believe that the lower pay available in the public sector is an important impediment to hiring new employees. 50% also believe lack of career growth opportunities is an impediment. These beliefs are corroborated by our survey of GFOA Job Switchers ... but only to an extent.

30% of GFOA Job Switchers cited low salary as an important reason to leave their job. A slightly higher number (32%) wanted an opportunity to expand their horizons and to build their skills. When it came to selecting a new employer, these two factors rose in importance. Opportunity to expand horizons and to build skills was the most commonly cited reason, mentioned by 57% of all Job Switchers. Better salary was at 52%. Interestingly, the prestige of the new position was only cited as a reason by 18%.

These statistics suggest some surprising conclusions. First, though salary looms large in the minds of the people doing the hiring, it may not be quite as important to the job seeker. We see that salary was not a very important reason for leaving a job and although it ranked much higher in the criteria for a new job, it still was only rated as critical by about half of our survey respondents. Second, lack of personal development opportunities was a more important reason than salary both for leaving a job and taking a new job— yet the finance executives rated pay as a much bigger impediment to hiring than lack of advancement opportunities. Also, given the relatively low importance placed on getting a more prestigious position as a reason for taking a new job, we can surmise that many respondents did not mean that they wanted a fancier title when they indicated that personal growth was important to them. These findings are consistent with psychological research that shows that we routinely overestimate the attraction that extrinsic rewards (e.g., salary, prestigious title) have for other people.<sup>xviii</sup>

The implication is that though government cannot compete with the private sector on pay or advancement opportunities, it may not necessarily have to. There may be other ways to provide personal growth opportunities by abandoning the traditional notion of a career ladder and giving people the opportunity to learn and apply new and interesting skills. Local governments often run a very diverse set of operations, so there could a real opportunity to provide a range of opportunities that is unmatched by many private employers! We will examine the experience one city that has attempted

to create a career lattice for employees, rather than a ladder: the Unified Government of Athens-Clarke County (ACCUG), Georgia.

ACCUG has 1,700 employees and was finding that many times those that most commonly left the organization were also the ones with the most potential. ACCUG created its “Innovation Ambassadors” program to give high potential employees a chance to develop outside the ACCUG’s conventional hierarchy. The Unified Government of Athens-Clarke County has begun its second of successive cohorts of innovation ambassadors. ACCUG selected 32 employees for its first cohort, who were primarily middle managers. The 32 employees studied a number of problems with organization-wide importance facing leadership, such as:

- **Perform a strength, weaknesses, opportunities, and threat (SWOT) analysis for ACCUG.** The Innovation Ambassadors brought from the mid-level of the organization a very different viewpoint to this analysis than upper management would have. For example, the Innovation Ambassadors found that ACCUG’s performance appraisal system was one of the ACCUG’s biggest concerns for retaining high-potential employees. This feedback provided confirmation to management that the performance appraisal system should be reviewed and modified.
- **Review ACCUG’s performance appraisal system.** Because the SWOT analysis showed the performance appraisal system to be a weakness, the Innovation Ambassadors studied and researched next practices to provide ideas to improve it. Performance appraisal has important implications for employee engagement, so we will discuss it in more detail later in this report.
- **Design a strategy for dealing with downtown trash removal during weekend football games.** Athens is home to the University of Georgia and football games create a lot of traffic in the downtown. Figuring out how to keep the downtown clean in the aftermath of a game gave the Innovation Ambassadors a chance to solve a very practical problem that had visible consequences for the community.

The participants in the Innovation Ambassadors program reported that they very much enjoyed meeting and working with people from outside their own department and learning more about the big picture issues facing the Unified Government of Athens-Clarke County. The participants also liked that the program was supported by the top echelons of ACCUG leadership. The Ambassadors presented many of their findings directly to the Manager and/or Mayor. Many of the participants found this exciting and it reinforced that the participants were serving an important purpose by solving problems that mattered to ACCUG. After the Ambassador cohort concluded, some members have since been pulled into other special projects outside of their normal functional area. For example, when Tropical Storm Irma impacted Athens in 2017, the Innovation Ambassadors were called on by management to assist with the emergency response command center, and one Innovation Ambassador helped operate the citizen call center, where members of the public reported damage and could ask questions about the storm.

The ACCUG continues the Innovation Ambassadors program and has modified it to compensate for some of learnings discovered during the first cohort. This includes:

- Give more information about the intent of the program upfront to the Directors in the Ambassador’s home departments. The supervisors could be resistant to letting employees participate for reasons like covering for the employee during the time they are participating in the program.

- Give the participants more autonomy to select the tasks they work on, rather than assigning them tasks.
- Allow participants more time to work on issues. The first iteration spent time on sit-and-listen presentations to the participants about ACCUG government. The second iteration has cut this back in favor of giving participants more hands-on time with problem analysis and solving – this is how mastery is created.

ACCUG is also looking at other ways to create a career lattice. The City/County of Denver has won acclaim for its Peak Academy, which is a training program associated with the Denver’s Budget Office that teaches cohorts of employees how to use Lean tools and Lean thinking. ACCUG is looking to duplicate Peak Academy as a way to give more employees development opportunities in addition to the Innovation Ambassadors program.

### Self-Assessment and Professional Development: Know Thyself

Self-awareness is associated with positive outcomes professionally and personally. Understanding ourselves can help us work towards developing our skills.

St. Johns River Water Management District’s Office of Financial Services was undergoing changes in its organizational structure. Supervisors found themselves with new direct reports and new direct reports found themselves on teams with colleagues that they hadn’t worked with before. This was an opportune time for people to learn how to better work with their new colleagues. The Office of Financial Services decided to start with two self-assessments: Carol Dweck’s [“Growth Mindset”](#)<sup>xix</sup> and Gallup’s [“StrengthsFinder”](#),<sup>xx</sup> both of which could be conducted for minimal cost.

Growth Mindset posits that people can have one of two basic attitudes about their personal development. A fixed mindset person believes that their skills and abilities are largely immutable and can’t be easily changed. A growth mindset person believes they can change their skills and abilities with practice. Many people have a fixed mindset and may not realize it. A fixed mindset is a barrier to personal development. Learning your own mindset may spark insights that help you approach professional development in a new way. Before taking the assessment, St. Johns River Water Management District finance staff members expected they already had a growth mindset. After taking the assessment, some staff discovered that they held some self-limiting beliefs that worked against their professional development. Hence, they included steps to strengthen their growth mindset in their personal development plans.

The premise of StrengthFinder is that we will usually have more success in building on existing strengths rather than building entirely new capacities where none existed before. Hence, accentuating strengths can be a more effective and satisfying approach to professional development. The division of fiscal services in Oakland County, Michigan asked employees to identify the purpose of their job, professional interests, favorite job tasks, least favorite job tasks, and motivators that actively engaged them. To reflect on these questions, employees took the Strength Finder assessment and were asked to review their top five strengths and how they could tie back to their professional development plan. Fiscal services received positive feedback from employees who took part and the insight they gained through the assessment.

After taking the self-assessments, teams met to discuss their individual results. The discussions helped to demystify individual perceptions, helping staff to practice the “platinum rule”: Treat others the way

**they** want to be treated. It also gave insight into how colleagues could complement one another, leveraging each individual’s strengths with projects and assignments.

The Office also incorporates the self-assessments into professional development conversations. After taking the assessments, employees are asked to outline their professional developmental objectives, keeping in mind their positions and their personal technical/functional competencies as well the district’s broader goals and needs. From there, the Director meets with employees to discuss their individual assessment and development objectives. This isn’t a once a year activity as the Director and staff meet regularly in order to build self-awareness. For example, staff is provided with questions ahead of regular one-on-one meetings to reflect, including “What inspires you to succeed everyday?” and “When are you the happiest at work?”

#### **Congenial Work Environment**

Discussing individual self-assessments helped build camaraderie at St. Johns River Water Management District. During staff meetings, a portion of the agenda is devoted to “getting to know your team members better.” Prior to the meetings, team members anonymously disclose a personal tidbit about themselves. Others are then invited to guess which of their colleagues offered it. This segment of the meeting generates a lot of conversation and provides an interesting way to get to know one another.

#### **Self-Directed Time: Bringing a Bit of Google to Government**

Self-directed time is a technique that won notoriety in the private sector, most notably at Google and 3M. Essentially, employees are given a certain amount of time per week to identify and work on any project they feel will benefit the organization. Google gave employees 20% of their week for self-directed time and one of the results was Gmail – one of Google’s most recognizable products. 3M has 15% time, and the Post-it note is the most well-known result. Though the duration of self-directed time can vary, the intention is the same: allow employees time to be creative and innovative and to let the organization benefit from their passion for a project of their choosing.

GFOA worked with finance departments in all three cities to try out self-directed time in local government: Topeka, Kansas; Rock Hill, South Carolina; and Bellevue, Washington. All three cities decided to try 10% self-directed time to give employees enough time for meaningful experimentation, but without compromising their ability to perform their regular job duties. All three cities found that employees welcomed the opportunity and pursued some worthwhile activities. Some focused on making improvement to day-to-day work, such as creating an audit manual or finding ways to improve the bank reconciliation process. Other ideas were more unexpected. For instance, in Rock Hill, code violations are a frequent occurrence in some neighborhoods. In many cases, the residents would like to maintain their property, but the cost to buy the necessary tools is prohibitive. Hence, an idea hatched during self-directed time was to create a “community tool shed” that would allow residents to borrow the necessary tools, as needed. The idea inspired the Director of Housing and Neighborhood Service to make a budget request for the tool shed.

In addition to these positive developments, the cities also experienced some challenges. First, it required a shift in mindset for both employees and managers to let go of routine work schedules. For example, some employees in Bellevue expressed feelings of guilt for engaging in self-directed work instead of their regular duties, even though they were given express permission to do so! Some adjustment may be required for employees to learn how to manage their newfound autonomy. Rock Hill

found that using self-directed time for team projects helped make employees feel better about exercising autonomy.

Managers may also need to undergo a shift in mindset. Some manager see themselves as “the brains of the operation”, who direct employees’ work. Self-direct time is the polar opposite of this view! Any engagement strategy that aims to increase autonomy will require managers to think of themselves more as a coach than a boss.

### Stretch Assignments: Getting out of Your Comfort Zone to Grow

A stretch assignment asks employees to push themselves far enough outside of their comfort zone to stimulate growth. With over half of GFOA’s Job Switchers identifying opportunity to expand horizons and build skills as a primary reason for leaving their organization, stretch assignments can be practical strategy for professional development. Stretch assignments can embody each of Pink’s three motivation ingredients. At its core, a stretch assignment is about mastery as it is a specific task taken on to develop experience and/or expertise outside an employee’s comfort zone or regular responsibilities. The challenging nature of a stretch assignment can provide an individual with autonomy to decide that the output of the task will be or the process to arrive at the outcome. Additionally, because stretch assignments are often outside of one’s traditional work or focus, they generally allow employees to see other facets of the organization, perhaps giving the employee a greater sense of their place in the purpose of the organization.

#### **Mentors for Stretches**

Stretch assignments present new challenges, so identifying a mentor to guide the employee could be helpful. The mentor could be from the employee’s home department or another part of the organization. The most important consideration is that mentors provide advice to guide employees, not instructions for the assignment.

The City of San Mateo, California’s Finance Department

recently found itself with three vacant positions and a need to name staff to acting roles. These acting roles became stretch assignments. In one assignment, a unit needed a good manager, so an existing manager was called upon to lead a new team while learning new technical skills. In another assignment, a staff member within cash management stepped in as a budget officer when the budget officer had to take short-term leave. This assignment focused on learning about different areas of finance and being given the freedom to lead the City’s budget process.

While managers can assign stretches, employees can also ask for the challenge. When San Mateo’s accounting manager position became vacant, a staff member expressed interest in taking on the acting role and the challenge to close the upcoming financial year.

These stretch assignments worked well for San Mateo. Those employees who were in acting capacity filled the two vacant positions and the person filling the temporary vacancy saw different organizational opportunities.

Not all stretch assignments need to be about taking on an assignment that would normally be associated with a more advanced position as we saw in San Mateo. For example, a stretch assignment might ask an employee to swap tasks with another coworker to gain different experiences. The key is that the employee must have some autonomy in identifying how to approach the new task – not be simply directed to follow procedures put in place by others. Figuring out how to approach a new challenge stimulates true learning and growth. The City of Redmond, Washington adopted this version of a stretch assignment swapping two different functions of finance: accounting and finance. The assignment called for a member of the accounting team to take a lead role with the budgeting process, organizing and facilitating budget meetings and presenting results to city management and elected officials.

### Performance Appraisal: Can it be Better than a Root Canal?

Theoretically, receiving feedback from supervisors should contribute to employee engagement. However, the performance appraisal as it is conventionally conducted is often a painful experience for all involved. The experiences of employees in the Unified Government of Athens-Clarke County, Georgia, was probably not atypical. The annual performance appraisal took place once per year. The focus of the appraisal was primarily backward looking, focusing on what the employee did well or not so well, culminating in numeric score assigned by the supervisor. Perhaps unsurprisingly, employees were not motivated by doing a review of their accomplishments for the year and, for feedback, receiving a single rating number (e.g., a “4” on five-point scale) to capture a whole year’s worth of their efforts.

Athens’ Innovation Ambassadors cohorts (which we described earlier) have been charged with providing feedback and next practices for management to use in modifying the City’s performance appraisal system. Some early findings suggest that under the new system, supervisors and employees will meet more often than once per year to discuss performance feedback. Performance discussions will focus more on opportunities for future professional growth, rather than just reviewing past performance. These opportunities for growth will go beyond the employee’s day-to-day position and included special projects within the department and opportunities to work across departments. This is consistent with the ACCUG’s effort to build a career “lattice”, which we discussed earlier.

#### **No Formal Performance Review?**

It is usually taken for granted that an organization must have annual performance reviews. However, some organizations are abandoning the process altogether in favor of other approaches to feedback and development. The Finance Department in the City of Madison, Wisconsin, asked employees to create a personal work plan that was included objectives aligned with both the department’s needs and the employee’s personal career aspirations. These plans then became the basis for regular, forward-looking conversations between managers and staff about how they were doing with their work now and future opportunities in the City to better develop their skills and abilities.

Regardless of the specific approach to performance appraisal, a manager’s ability to provide constructive feedback is essential. If feedback is delivered so that it identifies the situation, describes the specific action, and the outcome, individuals might hone it in for reflection and transformation.<sup>xxi</sup> An example of such feedback would be “On Friday afternoon, when the billing system went down, you remained calm. You immediately informed our provider and recommended we update the payment website acknowledging the issue and delaying late fees and penalties until Monday. As such, we

received very few customer calls on the issue and you show commitment to helping solve the problem with the customer in mind.” This feedback acknowledges the following:

- Situation: Friday afternoon when the billing system was down
- Action: Communicated issue to the provider and recommended website updates and delaying late fees and penalties
- Result: Minimal customer calls

Offering specific details make feedback more memorable. It helps individuals to think about their motivation behind their action, positive or negative.

### Learning to Manage

Often, people are appointed to managerial positions based in large part on their technical acumen. This may underemphasize the “people skills” that a manager needs to help employees do their best work. The need for managers to have strong people skills is highlighted by our GFOA Job Switcher survey. It showed that a desire for change in management/leadership was the second leading reason for why people switched jobs: an overwhelming majority, 71%, indicated a desire for a change in relationship with their direct supervisor as a key reason for leaving their job. The City of Appleton, Wisconsin also offers a similar program. The program includes eight half-day sessions over the span of eight months. It covers topics from emotional intelligence to managing direct reports to managing conflict and change. Leveraging the faculty and resources of nearby University of Wisconsin Oshkosh, the City has worked collaboratively to help build the curriculum with the university. Now after two years since the program’s inception, Appleton is leading efforts to incorporate coaching into the curriculum. For the City’s human resources department, employees are more engaged when the management style mirrors that of coaching or mentorship, rather than the “boss” that tells employees what to do. Appleton is expanding the program’s participant base to include directors, non-supervisory staff, and line staff with direct interactions with customers.

The argument for building management and leadership skills extends beyond the supervisor role as Appleton’s broad participant base in its leadership training program indicates. The scope of the finance office is quite broad and touches many facets of the organization and community. Building management and leadership skills will not only help build teams and gain emotional intelligence, but also communications, facilitation, and understanding and navigating political situations.

### Features of Daily Work Life

Popular media often gives attention to features of daily work life when discussing making workplaces more attractive. This includes making schedules more flexible, providing non-monetary benefits, or enhancing the physical layout of the office. We review what research has found to be effective in this section. However, it should be noted that, the tactics in this section are more heavily weighted towards increasing job satisfaction than engagement, compared to the tactics we reviewed earlier.

### Flexible Schedules

A government finance office is usually associated with the conventional “9 to 5”, Monday through Friday schedule. In some cases, it may be necessary to keep this schedule – if citizens have an expectation of being able to get in touch during business hours, for example. However, for much of the work

performed by finance professionals, regular business hours or even being in the office may not be necessary. Providing more flexibility for employees on where and when they do their work can enhance their sense of autonomy. A 2017 Society for Human Resource Management (SHRM) survey found that flexibility in the workplace is a key component of employee satisfaction.<sup>xxii</sup> Second to only compensation/pay, flexibility to balance work and life issues was a leading factor for why employees were not looking for positions outside of their organization, in SHRM's survey.

According to a 2018 survey by the Center of State and Local Government Excellence, 50 percent of governments offered some form of flexible schedule, such as 4 day work weeks at 10 hours per day, 47 percent offered flexible work hours, and 21 percent offer regular telework for eligible positions.<sup>xxiii</sup>

The City of Aurora, Colorado is an example of one government with a telework program. The program started out as an informal program, but the City decided to pilot a citywide program by asking five departments to nominate high performing employees to participate. There were several aims for the pilot. The first is employee satisfaction. One valued employee within the accounting division noted in his exit interview that not having the flexibility to telecommute was a deciding factor.<sup>xxiv</sup> It became a rallying cry for the organization to think about work-life integration. Additionally, the City wanted to explore solutions for the lack physical space in City offices as Aurora grew. As such, the City started a telecommuting policy, including defining the schedule and remote work location, providing employees with equipment, and setting up communications platforms. After five months of testing, the City found positive reaction from both supervisors and employees. The most widely cited benefit for employees was not having to commute, which helped some to reduce stress and provided others with more time to concentrate on projects. Supervisors also noted seeing satisfaction with employees by not having to commute. A side benefit also noted was an improvement in the business continuity of operations plan, with having essential staff able to work elsewhere.

Research has shown that that schedule flexibility might have some unintended consequences as well,<sup>xxv</sup> including employees feeling disconnected from colleagues and the organization.<sup>xxvi</sup> Some of these drawbacks were experienced in Aurora. Some employees felt that a sense of distrust developed and they had to prove how their time was spent while working remotely. Other missed the interactions with colleagues and availability of office resources, including technology and access to files. The City has notated these challenges and are working on these issues as it prepares a citywide telecommute program.

### Collaborative Workspaces

Workspaces can be designed to facilitate collaboration and interaction amongst employees. In the 1950s, the president of Bell Labs re-configured floor plans so that it forced interaction between different departments. Teams focusing on electrical engineering, metallurgical engineering, physics, and manufacturing found themselves being drawn into the work of another team merely from the ability of seeing what the other team was working on.<sup>xxvii</sup> Organizations, in contemporary times, have also adopted similar concepts and use open office layouts as a way to increase communication and interaction between colleagues. The notion is that without barriers (e.g., office walls), employees can collaborate more often and increase team cohesion. Researchers at the University of Sydney found that while there are benefits from collaborative and open office layouts, there are challenges such as increased noise and decreased privacy.<sup>xxviii</sup> In a follow-up study, the researchers tested participants in an open layout office and found that background noise and other distractions decreased their cognitive

performance.<sup>xxix</sup> In lieu of an open office layout, research suggest focusing on creating multipurpose spaces, e.g., common meeting room or lounge area for all to use, that allows face-to-face interaction and collaboration. Office layouts that are designed so that people can engage in idea exchanges and discussion are more favorable for employee engagement.<sup>xxx</sup>

## Paid Leave

Offering paid leave benefits positively affects employee satisfaction.<sup>xxxi</sup> Yet, employees might not be taking full advantage of their leave, with studies finding the average U.S. employee who receives paid leave benefits takes about half of those days annually. This is because of fears related to workload upon return, belief that others not being able to step in while they are away, feeling of not being able to disconnect from work, and desire to show dedication to their job.<sup>xxxii</sup> Employers should first determine if employees are worried about taking time off. If they are, then resolving such concerns at their root would be valuable. Taking time is linked to better overall health and increased productivity, things that both employees and organizations can benefit from.<sup>xxxiii</sup>

## Conclusion

Local government finance offices have a great opportunity to develop a more engaging workplace. Our surveys showed that employees are interested in things like a positive work culture, a trusting relationship with supervisors, and opportunities to grow and develop. They are less interested in climbing a career ladder and chasing a higher paycheck than many employers might suppose. Local governments have the potential to create a positive culture, build trust with employees, and provide meaningful growth opportunities, as we have illustrated through this report.

At the beginning of this paper we introduced Maria, the municipal finance employee who had become disillusioned with her job. Luckily for Maria, she worked at one of the local governments we profiled in this report that had decided to reinvent its approach to engagement. As result, Maria experienced a profound change:<sup>xxxiv</sup>

*“Instead of merely processing invoices and cutting checks every week, I was thinking of creative ways to connect with my customers, aiming for 5-star/‘Wow’ service every time. I was no longer being managed, but instead was being given guidance to discover and develop my own leadership potential.*

*I have now been on this ... journey for 5 years and through 2 promotions, and I’ve learned so much about life, leadership, and myself. My focus is no longer on being the ideal employee, but on being my ideal self, knowing that the rest will take care of itself. I am blessed to be surrounded by coworkers who are leaders in their own right, and I’ve acknowledged and nurtured my own abilities to lead. As a mostly private person, it has been truly exciting and life changing for me to see myself come out of my shell and slowly, but surely, become more comfortable with myself and with the work place. So, I was very lucky to find this government job, but it turns out not to have been for the reasons I initially thought.”*

## End Notes

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<sup>i</sup> “State of the American Workplace”. Gallup. 2017

<sup>ii</sup> “State of Local and State Government Workers’ Engagement in the US”. Gallup. 2016

<sup>iii</sup> “State of the American Workplace”. Gallup. 2017

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- <sup>iv</sup> The story is quoted from: Maria Blanco. "Once You Get MAD, Your Life Will Never be the Same". Article on the website of the International City/County Management Association (ICMA). March 1, 2017.
- <sup>v</sup> Heather Boushey and Sarah Jane Glynn. "There are Significant Business Costs to Replacing Employees". Center for American Progress. November 16, 2012. These estimates are consistent with an internal study performed by the City of Aurora, Colorado, which suggests that the results found in Boushey and Glynn's study are applicable to local government.
- <sup>vi</sup> Jim Collins. "First Who – Get the Right People on the Bus". An excerpt from Jim Collin's book *Good to Great*, available on [www.jimcollins.com](http://www.jimcollins.com).
- <sup>vii</sup> James L. Perry, Annie Hondeghem, and Lois Recasino Wise. 2010. "Revisiting the Motivational Bass of Public Service: Twenty Years of Research and an Agenda for the Future". *Public Administration Review*. 70(5): 681-690
- <sup>viii</sup> Robert K. Christensen, Laurie Paarlberg, James L. Perry. "Public Service Motivation Research: Lessons for Practice". *Public Administration Review*. (77)4: 529-842
- <sup>ix</sup> Ibid
- <sup>x</sup> See City of Aurora, CO: <https://jobs.auroragov.org/>.
- <sup>xi</sup> In fact, two recently award Nobel Prizes in economics have gone to researchers who have disproven many of these assumptions: Daniel Kahneman (2002) and Richard Thaler (2017).
- <sup>xii</sup> Paul P. Baard, Edward L. Deci, and Richard M. Ryan, "Intrinsic Need Satisfaction: A Motivational Basis of Performance and Well-Being in Two Work Settings," *Journal of Applied Social Psychology* 34 (2004).
- <sup>xiii</sup> This part of the survey was conducted using the "Motivational Beliefs Inventory", provided courtesy of David Facer, PhD. Dr. David Facer is an executive and business coach in private practice at Activate Potential (ActivatePotential.com). For contact and permission to use the Motivation Beliefs Inventory, he can be reached at DavidF@ActivatePotential.com.
- <sup>xiv</sup> For an introduction to Lean, see: Shayne Kavanagh, Harry Kenworthy, and Jeff Cole. "[A Guide to Starting the Lean Journey](#)" Government Finance Officers Association. 2014.
- <sup>xv</sup> Mihaly Csikszentmihalyi. *Flow: The Psychology of Optimal Experience*. HarperCollins. 2008.
- <sup>xvi</sup> A Gallup survey of 23,000+ employees found: 37% have a clear understanding of what their organization is trying to achieve and why; 20% were enthusiastic about their team's and their organization's goals; 20% said they had a clear "line of sight" between their tasks and their team's and organization's goals; 15% felt that their organization fully enables them to execute key goals. For similar statistics, see: "State of the American Workplace". Gallup. 2013.
- <sup>xvii</sup> Yang, S., & Lee, K. (2009). Linking empowerment and job enrichment to turnover intention: The influence of job satisfaction. *International Review of Public Administration*, 14(2), 13-23.
- <sup>xviii</sup> Chip Heath, "On the Social Psychology of Agency Relationships: Lay Theories of Motivation Overemphasize Extrinsic Rewards," *Organizational Behavior and Human Decision Processes* 78 (1999): 25– 62.
- <sup>xix</sup> Link goes to a free self-assessment offered by a consultancy started by the researcher who first defined "growth mindset"
- <sup>xx</sup> Link goes to Clifton Strengths. The local governments that GFOA worked with used the "top 5" strengths analysis which is less costly than the full version.
- <sup>xxi</sup> "How to Become More Self-Aware," *HBR IdeaCast from Harvard Business Review*, June 12, 2018, <https://hbr.org/ideacast/2018/06/how-to-become-more-self-aware>.
- <sup>xxii</sup> Society of Human Resources Management, "2017 Employee Job Satisfaction and Engagement: The Doors of Opportunity Are Open," April 24, 2017, <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/pages/2017-job-satisfaction-and-engagement-doors-of-opportunity-are-open.aspx>.
- <sup>xxiii</sup> Center of State and Local Government Excellence, "State and Local Government Workforce: 2018 Data and 10 Year Trends," May 2018, <https://slge.org/wp-content/uploads/2018/05/SLGE2018Workforce.pdf>.
- <sup>xxiv</sup> GFOA's Job Switcher survey found that of the 28% who cited the location of the employer for the reason they left their jobs, more than half identified a desire for a shorter commute.
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