

Corporate Leadership Council

Dept . of Defense IG Group

Employee Engagement Survey and Analysis Tool

June-2008

Letter from the Corporate Leadership Council

Dear Member:

Thank you for your recent participation in the Corporate Leadership Council's Employee Engagement Survey and Analysis Tool (ESAT). It is with great pleasure that we present to you your final report.

Your ESAT report is designed to answer four questions:

- 1) How engaged or unengaged are your employees, and are they engaged in the ways that matter most for performance and retention?
- 2) How does engagement vary throughout your workforce? Are some employees more engaged than others?
- 3) Are your employees more or less engaged than employees in other organizations? What employee segments are at risk?
- 4) How can you improve the engagement of your current employees?

We believe that the answers to these questions are critical inputs to the successful management of any workforce. First, employee engagement can have a significant impact on a number of business outcomes, increasing employee performance by 20 percentile points and reducing attrition by as much as 87%. Second, engagement can vary tremendously by organization, with some organizations having 20 times the number of highly engaged employees as others.

Your report is based on the response of 800 DoD-IG employees that completed the survey during June-2008. The benchmark information in this report is based on 2007 survey responses from more than 71,000 employees in 72 organizations.

Thank you again for your participation. We look forward to speaking with you soon.

The Corporate Leadership Council

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Build the Business Case

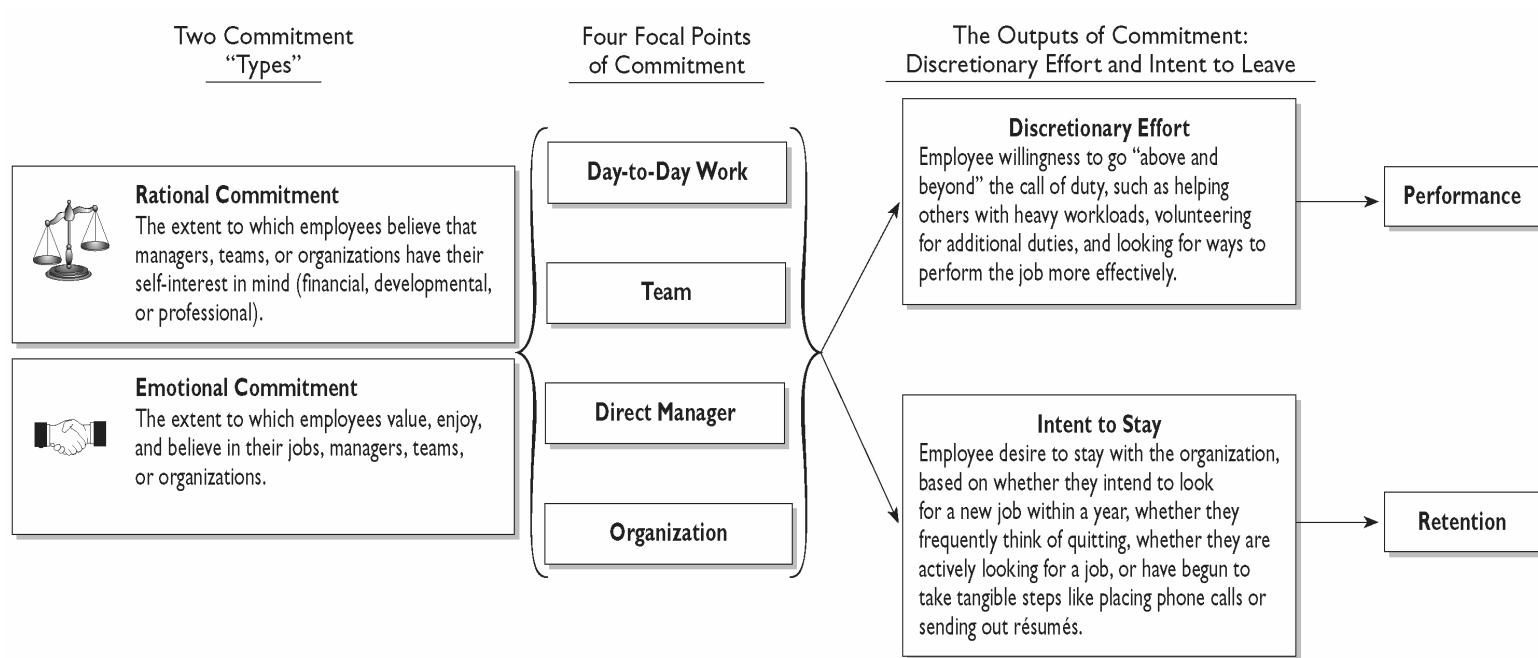
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Identify Engagement Gaps

Design and Implement Strategy

Engagement Defined

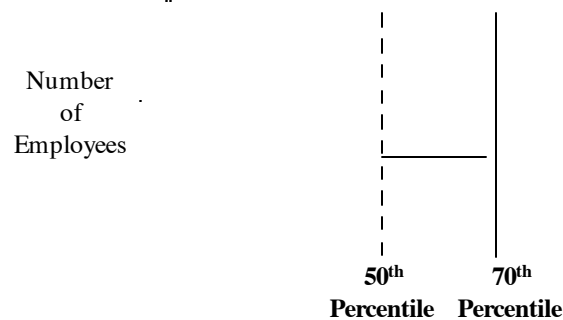
Engagement is the extent to which employees commit to something or someone in their organization and how hard they work and long they stay as a result of that commitment



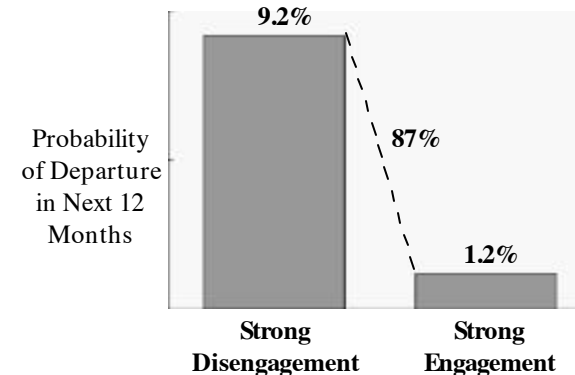
The Business Case for Engagement

Employee engagement drives employee performance and workforce retention

Maximum Impact of Discretionary Effort on Performance Percentile



Maximum Impact of Engagement on the Probability of Departure



Effort Can Improve Performance by 20%

The impact of heightened effort levels on employee performance is significant. The example above shows that improving effort levels can transform a 50th-percentile employee to the 70th percentile. While this example shows an ideal case of turning a “disaffected” employee into a “true believer”, employees can still demonstrate significant performance gains from more modest changes in commitment. In fact, organizations may think of the relationship between commitment, effort, and performance as conforming to a “10:6:2” rule. For every 10% improvement in employee commitment, employees will realize a 6% improvement in discretionary effort, which in turn results in a two percentile point improvement in performance.

Build Employee Commitment to Foster Intent to Stay

The council estimates that employee commitment directly impacts employee intent to stay, which then in turn affects the actual probability of departure. The chart above shows that as employees move from the lowest level of commitment to the highest level of commitment, their probability of departure falls from 9.2% to 1.2%. This relationship between commitment and probability of departure may be summarized as “10:9” rule. For every 10% improvement in commitment, an employee’s probability of departure decreases by 9%. Engagement, therefore, provides HR with a vital retention tool. In fact, failure to manage commitment levels will expose organizations to significant attrition risks.

For further detail, please see the ESAT Background and Methodology report.

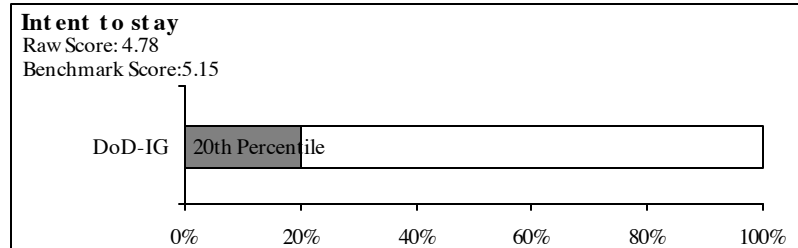
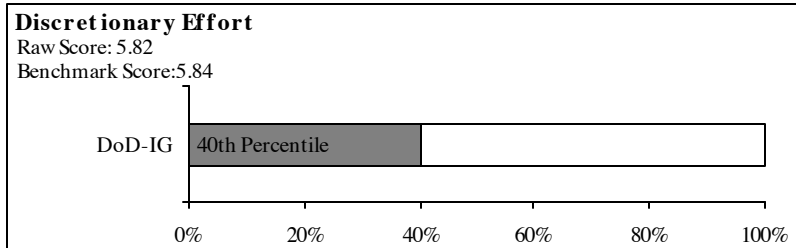
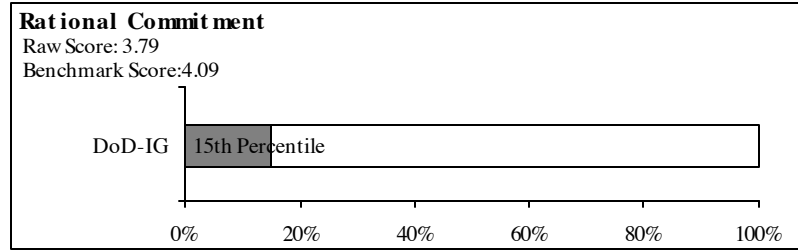
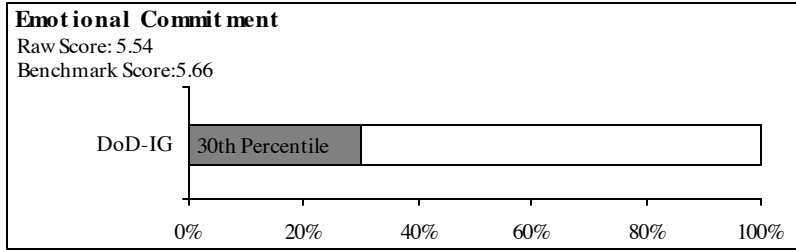
Build the Business Case

Identify Engagement Gaps

Design and Implement Strategy

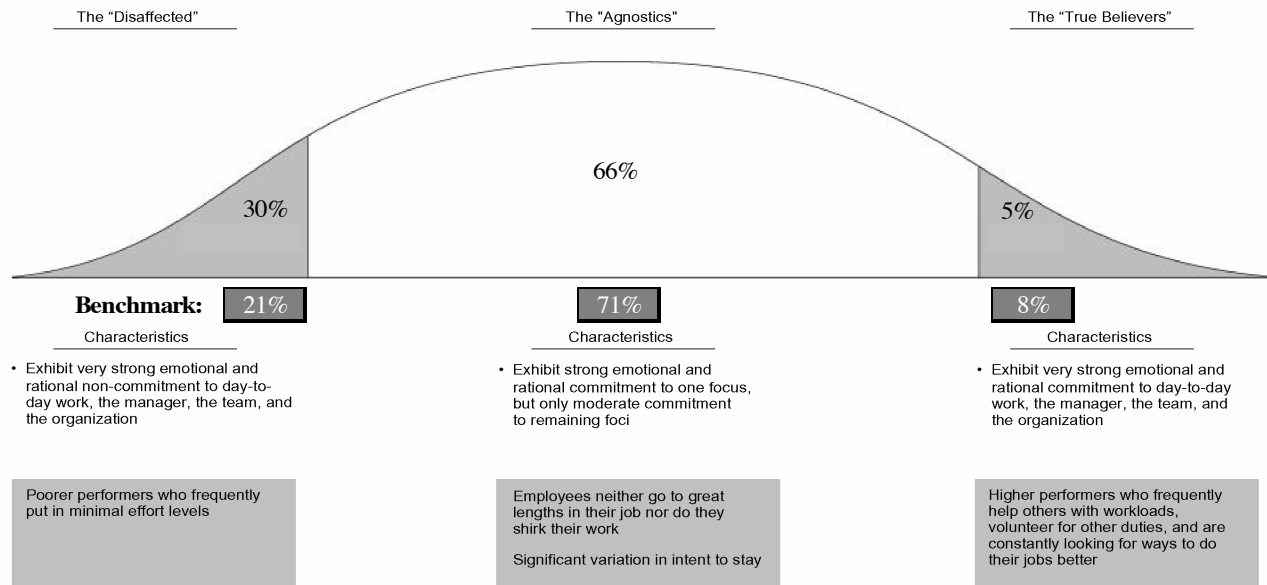
Overall Commitment in DoD-IG

The chart below presents DoD-IG's overall emotional commitment, rational commitment, discretionary effort, and intent to stay scores. Detailed results for each focal point are presented on the following pages. In addition, your results are benchmarked against the overall engagement dataset.



Total
Respondent
Count = 800

Distribution of Overall Commitment in DoD-IG



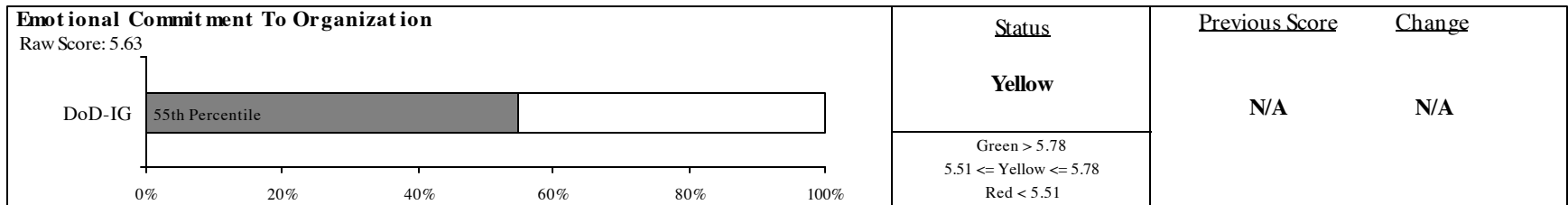
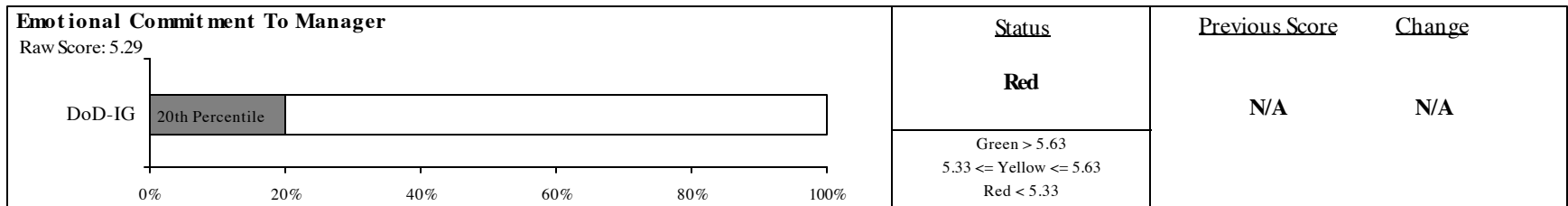
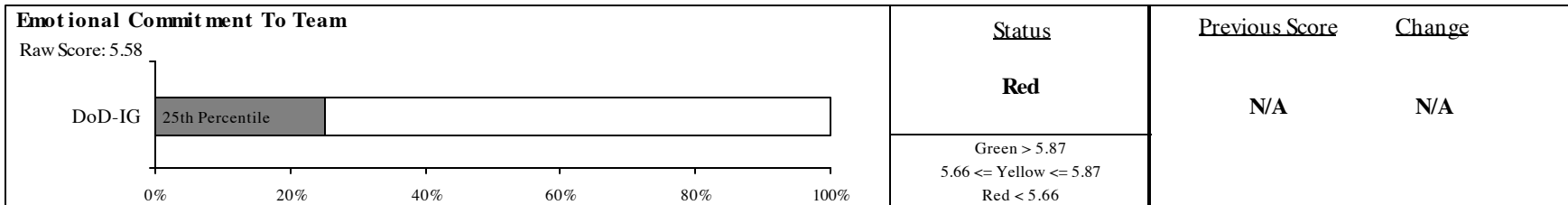
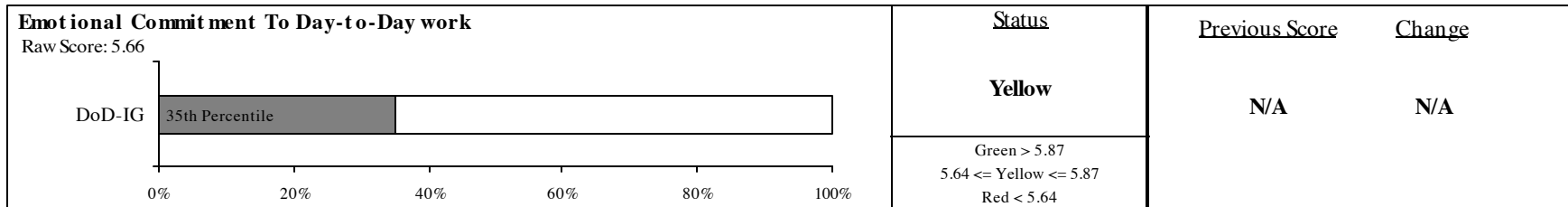
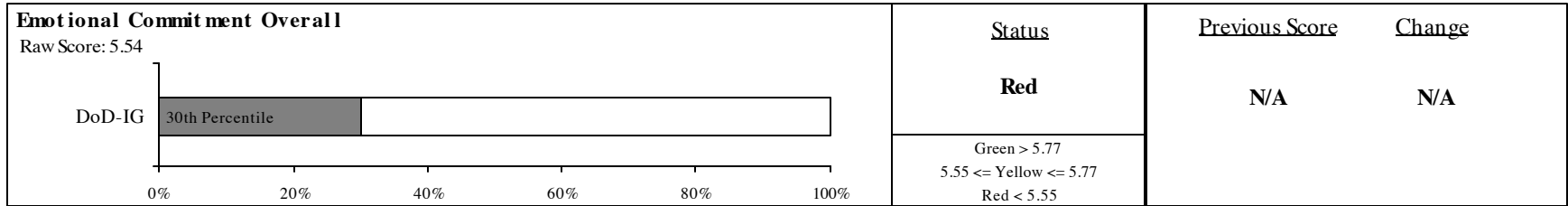
Overall Commitment “At Risk” Segments for DoD-IG

The chart below presents segments within DoD-IG that score "red" on the relevant index, indicating a score of one-half standard deviation below DoD-IG's average scores. These segments of your employee base are at risk. Segments below are at risk relative to DoD-IG average; not the aggregate average.

Emotional Commitment Overall (DoD-IG: 5.54, Benchmark: 5.66)	Rational Commitment Overall (DoD-IG: 3.79, Benchmark: 4.09)	Discretionary Effort (DoD-IG: 5.82, Benchmark: 5.84)	Intent to Stay (DoD-IG: 4.78, Benchmark: 5.15)
Female (5.45)	Female (3.62)	Female (5.78)	Administration & Management (A&M)-ALSD (4.22)
A&M-ISD (5.48)	Auditing- DFS (3.61)	A&M-ISD (5.74)	A&M-HCAS (4.4)
Auditing- ACM (5.17)	Auditing- J&OO (2.95)	Auditing- Front office (including Corporate Analysis & QA) (5.66)	A&M-ISD (3.72)
Auditing- DFS (5.15)	Auditing- ROS (3.59)	Auditing- ACM (5.32)	Auditing- ACM (4.43)
Auditing- J&OO (4.75)	Intelligence (3.51)	Auditing- DFS (5.63)	Auditing- J&OO (4.31)
Auditing- ROS (5.21)	Investigations- Administrative Investigations (3.56)	Auditing- J&OO (5.41)	Auditing- ROS (4.51)
Policy and Oversight-APO (5.42)	Policy and Oversight-APO (3.19)	Auditing- ROS (5.61)	Policy and Oversight-APO (4.52)
Policy and Oversight-RF/GL (5.37)	Policy and Oversight-RF/GL (3.62)	Intelligence (5.62)	Policy and Oversight-Other (4.21)
Headquarters (5.48)	303,305,318,326,344 Administrative Technician and Related Se (3.55)	Policy and Oversight-RF/GL (5.65)	Headquarters (4.44)
341,342 Mission Support (5.27)	341,342 Mission Support (3.17)	511 Auditor (5.54)	2210 Information Technology Spec. (4.11)
511 Auditor (5.18)	511 Auditor (3.65)	Other not listed above (5.73)	Other not listed above (4.19)
YA1 (5.28)	1801 Administrative Investigator (3.48)	YA1 (5.56)	YA2 (4.37)
YA2 (5.23)	YA2 (3.52)	YA2 (5.58)	YC2 (4.15)
YC2 (5.2)	YC2 (3.62)	YC2 (5.69)	Team Leader (do not have supervisory authority but direct wo (4.48)
Team Leader (do not have supervisory authority but direct wo (5.34)	YK3 (3.38)	Team Leader (do not have supervisory authority but direct wo (5.64)	
	Team Leader (do not have supervisory authority but direct wo (3.63)		
	First Line supervisor (sign performance evaluations) (3.62)		

Emotional Commitment in DoD-IG

The charts below presents DoD-IG's overall emotional commitment scores. In addition, scores for emotional commitment to day-to-day work, team, manager, and organization are also presented.



Council benchmark scores are 5.66 for emotional commitment overall, 5.76 for emotional commitment to day-to-day work, 5.77 for emotional commitment to the team, 5.48 for emotional commitment to the manager, and 5.64 for emotional commitment to the organization.

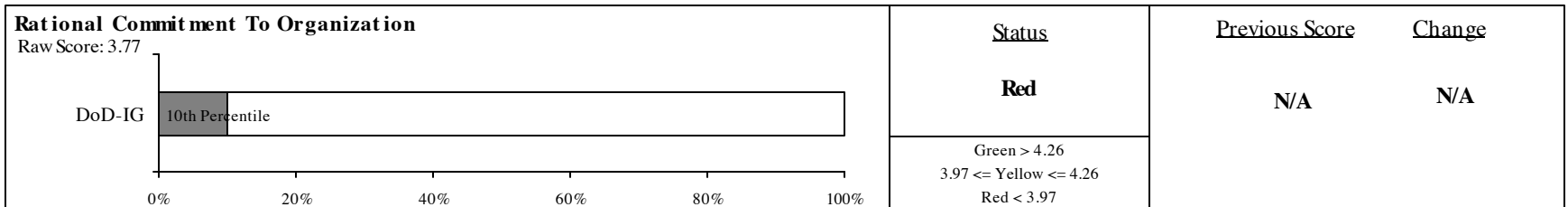
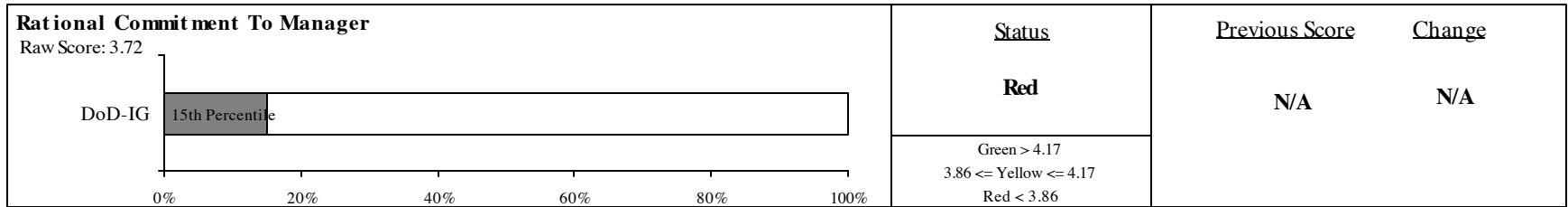
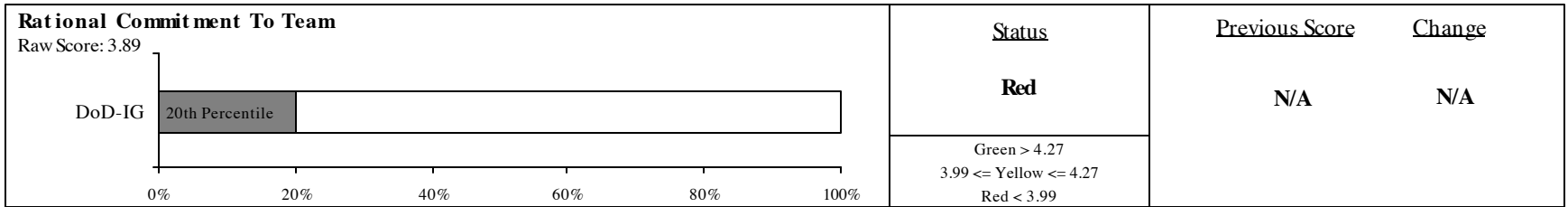
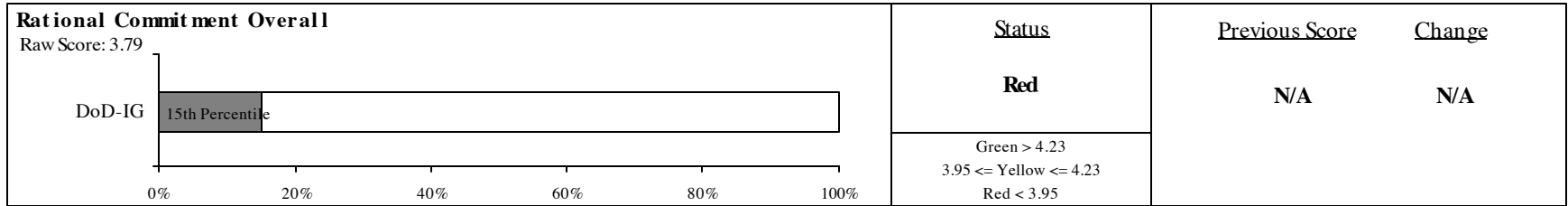
Emotional Commitment “At Risk” Segments for DoD-IG

The chart below presents segments within DoD-IG that score "red" on the relevant index, indicating a score of one-half standard deviation below DoD-IG's average scores. These segments of your employee base are at risk. Segments below are at risk relative to DoD-IG average; not the aggregate average.

Emotional Commitment Overall (DoD-IG: 5.54, Benchmark: 5.66)	Emotional Commitment to Day-to-Day Work (DoD-IG: 5.66, Benchmark: 5.76)	Emotional Commitment to the Team (DoD-IG: 5.58, Benchmark: 5.77)	Emotional Commitment to the Manager (DoD-IG: 5.29, Benchmark: 5.48)	Emotional Commitment to the Organization (DoD-IG: 5.63, Benchmark: 5.64)
Female (5.45)	Female (5.55)	Female (5.44)	Administration & Management (A&M) ALSD (4.85)	A&M-ISD (5.47)
A&M-ISD (5.48)	Auditing- ACM (5.05)	A&M-ISD (5.52)	A&M-ISD (5.12)	Auditing- ACM (5.23)
Auditing- ACM (5.17)	Auditing- DFS (5.25)	Auditing- ACM (5.36)	Auditing- Front office (including Corporate Analysis & QA) (5.18)	Auditing- DFS (5.32)
Auditing- DFS (5.15)	Auditing- J&OO (4.77)	Auditing- DFS (4.94)	Auditing- ACM (5.04)	Auditing- J&OO (4.66)
Auditing- J&OO (4.75)	Auditing- ROS (5.24)	Auditing- J&OO (4.95)	Auditing- DFS (5.08)	Auditing- ROS (5.24)
Auditing- ROS (5.21)	Policy and Oversight-RF/GL (5.52)	Auditing- ROS (5.31)	Auditing- J&OO (4.61)	Policy and Oversight-RF/GL (4.89)
Policy and Oversight-APO (5.42)	Headquarters (5.61)	Headquarters (5.55)	Auditing- ROS (5.05)	341,342 Mission Support (5.27)
Policy and Oversight-RF/GL (5.37)	341,342 Mission Support (5.52)	341,342 Mission Support (5.19)	Intelligence (5.02)	511 Auditor (5.28)
Headquarters (5.48)	511 Auditor (5.21)	511 Auditor (5.25)	Policy and Oversight-APO (4.83)	YA1 (5.48)
341,342 Mission Support (5.27)	YA1 (5.19)	YA1 (5.24)	132 Intelligence Operations (5.18)	YA2 (5.36)
511 Auditor (5.18)	YA2 (5.45)	YA2 (5.17)	341,342 Mission Support (5.08)	YC2 (4.81)
YA1 (5.28)	YC2 (5.2)	Team Leader (do not have supervisory authority but direct wo (5.33)	511 Auditor (5)	Team Leader (do not have supervisory authority but direct wo (5.52)
YA2 (5.23)	Team Leader (do not have supervisory authority but direct wo (5.55)	I am not a supervisor (5.47)	Other not listed above (5.21)	
YC2 (5.2)			YA2 (4.94)	
Team Leader (do not have supervisory authority but direct wo (5.34)			YC2 (5.18)	
			YK3 (4.88)	
			Team Leader (do not have supervisory authority but direct wo (4.95)	
			Manager (supervise supervisors) (5.17)	

Rational Commitment in DoD-IG

The charts below presents DoD-IG's overall rational commitment scores. In addition, scores for rational commitment to team, manager, and organization are also presented.



Council benchmark scores are 4.09 for rational commitment overall, 4.13 for rational commitment to the team, 4.02 for rational commitment to the manager, and 4.12 for rational commitment to the organization.

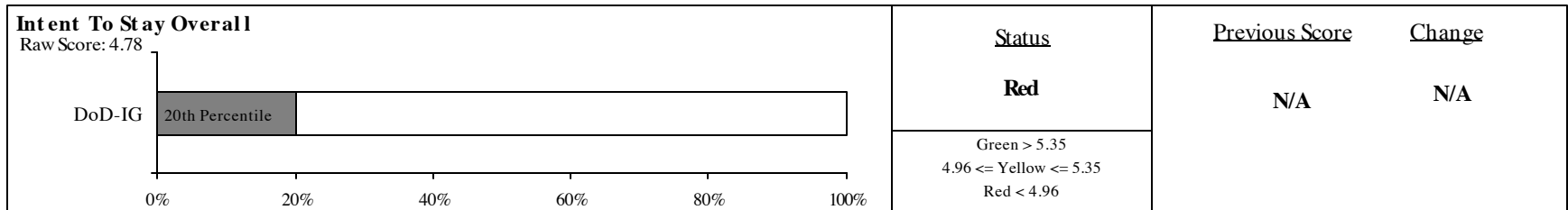
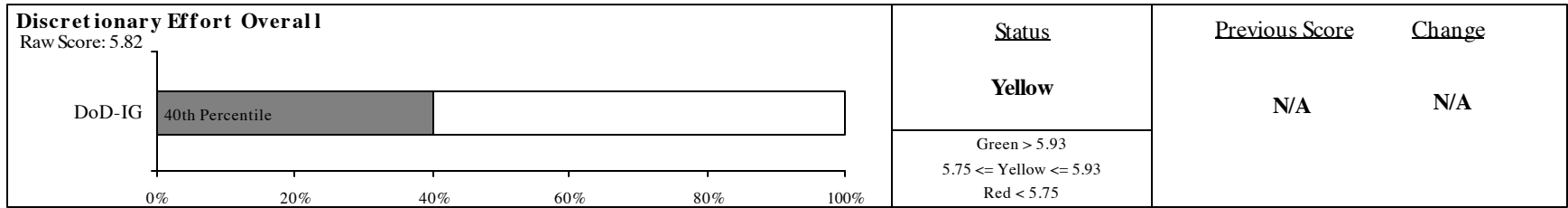
Rational Commitment “At Risk” Segments for DoD-IG

The chart below presents segments within DoD-IG that score "red" on the relevant index, indicating a score of one-half standard deviation below DoD-IG's average scores. These segments of your employee base are at risk. Segments below are at risk relative to DoD-IG average; not the aggregate average.

Rational Commitment Overall (DoD-IG: 3.79, Benchmark: 4.09)	Rational Commitment to the Team (DoD-IG: 3.89, Benchmark: 4.13)	Rational Commitment to the Manager (DoD-IG: 3.72, Benchmark: 4.02)	Rational Commitment to the Organization (DoD-IG: 3.77, Benchmark: 4.12)
Female (3.62)	Female (3.72)	Female (3.58)	Female (3.55)
Auditing- DFS (3.61)	Auditing- DFS (3.6)	Auditing- J&OO (2.88)	A&M-HCAS (3.48)
Auditing- J&OO (2.95)	Auditing- J&OO (3.09)	Intelligence (3.56)	Auditing- J&OO (2.88)
Auditing- ROS (3.59)	Auditing- ROS (3.45)	Investigations- Administrative Investigations (3.43)	Intelligence (3.45)
Intelligence (3.51)	Intelligence (3.51)	Policy and Oversight-APO (2.81)	Policy and Oversight-APO (3.37)
Investigations- Administrative Investigations (3.56)	Investigations- Administrative Investigations (3.64)	341,342 Mission Support (3.1)	Policy and Oversight-RF/GL (3.18)
Policy and Oversight-APO (3.19)	Policy and Oversight-APO (3.4)	1801 Administrative Investigator (3.4)	201 Human Resource Management (3.58)
Policy and Oversight-RF/GL (3.62)	132 Intelligence Operations (3.7)	YA2 (3.47)	303,305,318,326,344 Administrative Technician and Related Se (3.41)
303,305,318,326,344 Administrative Technician and Related Se (3.55)	303,305,318,326,344 Administrative Technician and Related Se (3.61)	YC3 (3.58)	341,342 Mission Support (3.03)
341,342 Mission Support (3.17)	341,342 Mission Support (3.37)	YK3 (3.1)	1801 Administrative Investigator (3.43)
511 Auditor (3.65)	511 Auditor (3.7)	Team Leader (do not have supervisory authority but direct wo (3.56)	YA2 (3.48)
1801 Administrative Investigator (3.48)	1801 Administrative Investigator (3.6)	First Line supervisor (sign performance evaluations) (3.53)	YC2 (3.47)
YA2 (3.52)	YA2 (3.62)	Manager (supervise supervisors) (3.57)	YK3 (3.56)
YC2 (3.62)	YC2 (3.69)		First Line supervisor (sign performance evaluations) (3.57)
YK3 (3.38)	YK3 (3.48)		
Team Leader (do not have supervisory authority but direct wo (3.63)	Team Leader (do not have supervisory authority but direct wo (3.63)		
First Line supervisor (sign performance evaluations) (3.62)			

Discretionary Effort & Intent to Stay in DoD-IG

The chart below presents DoD-IG's overall discretionary effort and intent to stay scores.



Discretionary Effort & Intent-to-Stay “At Risk” Segments for DoD-IG

The chart below presents segments within DoD-IG that score "red" on the relevant index, indicating a score of one-half standard deviation below DoD-IG's average scores. These segments of your employee base are at risk. Segments below are at risk relative to DoD-IG average; not the aggregate average.

Discretionary Effort (DoD-IG: 5.82, Benchmark: 5.84)	Intent to Stay (DoD-IG: 4.78, Benchmark: 5.15)
Female (5.78)	Administration & Management (A&M)-ALSD (4.22)
A&M-ISD (5.74)	A&M-HCAS (4.4)
Auditing- Front office (including Corporate Analysis & QA) (5.66)	A&M-ISD (3.72)
Auditing- ACM (5.32)	Auditing- ACM (4.43)
Auditing- DFS (5.63)	Auditing- J&OO (4.31)
Auditing- J&OO (5.41)	Auditing- ROS (4.51)
Auditing- ROS (5.61)	Policy and Oversight-APO (4.52)
Intelligence (5.62)	Policy and Oversight-Other (4.21)
Policy and Oversight-RF/GL (5.65)	Headquarters (4.44)
511 Auditor (5.54)	2210 Information Technology Spec. (4.11)
Other not listed above (5.73)	Other not listed above (4.19)
YA1 (5.56)	YA2 (4.37)
YA2 (5.58)	YC2 (4.15)
YC2 (5.69)	Team Leader (do not have supervisory authority but direct wo (4.48)
Team Leader (do not have supervisory authority but direct wo (5.64)	

Build the Business Case

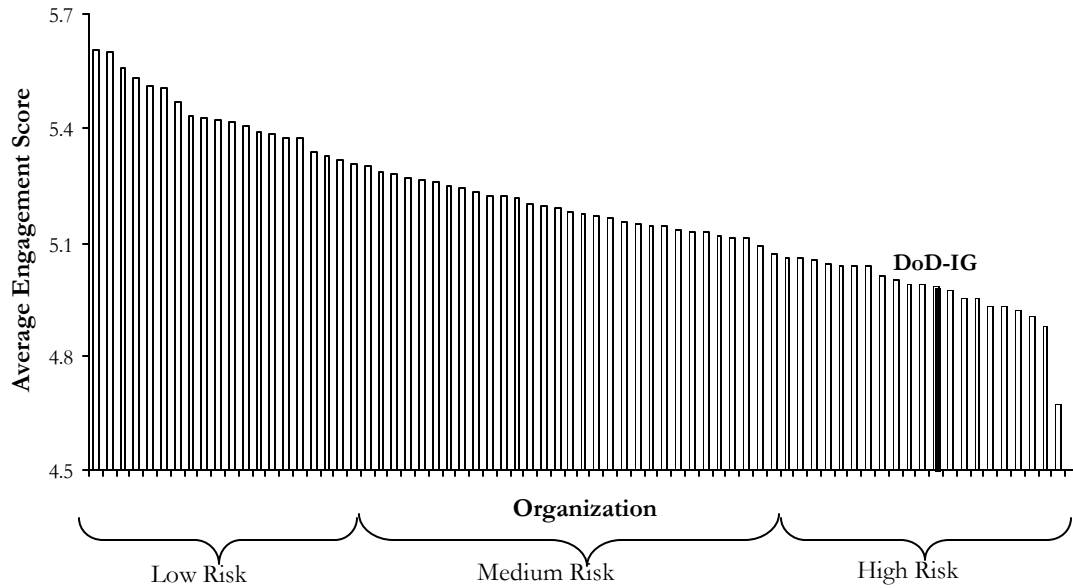
Identify Engagement Gaps

Design and Implement Strategy

DoD-IG Risk Analysis

Average Engagement Level* at DoD-IG compared to Benchmark

The chart below shows how DoD-IG compares to all of the organizations that the Corporate Leadership Council has surveyed. In aggregate, DoD-IG is at a high level of risk in regards to employee engagement.




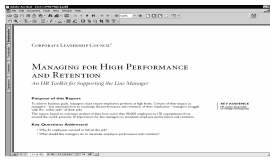


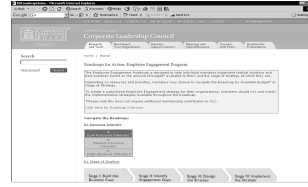
The table below indicates which employee segments are at the most risk across DoD-IG.

Emotional Commitment Overall	Rational Commitment Overall	Discretionary Effort	Intent to Stay
Auditing- J&OO (4.75)	Auditing- J&OO (2.95)	Auditing- ACM (5.32)	A&M-ISD (3.72)
Auditing- DFS (5.15)	341,342 Mission Support (3.17)	Auditing- J&OO (5.41)	2210 Information Technology Spec. (4.11)
Auditing- ACM (5.17)	Policy and Oversight-APO (3.19)	511 Auditor (5.54)	YC2 (4.15)
511 Auditor (5.18)	YK3 (3.38)	YA1 (5.56)	Other not listed above (4.19)
YC2 (5.2)	1801 Administrative Investigator (3.48)	YA2 (5.58)	Policy and Oversight-Other (4.21)
Auditing- ROS (5.21)	Intelligence (3.51)	Auditing- ROS (5.61)	Administration & Management (A&M)-ALSD (4.22)
YA2 (5.23)	YA2 (3.52)	Intelligence (5.62)	Auditing- J&OO (4.31)
341,342 Mission Support (5.27)	303,305,318,326,344 Administrative Technician and Related Se (3.55)	Auditing- DFS (5.63)	YA2 (4.37)
YA1 (5.28)	Investigations-Administrative Investigations (3.56)	Team Leader (do not have supervisory authority but direct wo (5.64)	A&M-HCAS (4.4)
Team Leader (do not have supervisory authority but direct wo (5.34)	Auditing- ROS (3.59)	Policy and Oversight-RF/GL (5.65)	Auditing- ACM (4.43)

* Average Engagement is calculated as the average of Emotional Commitment, Rational Commitment, Discretionary Effort, and Intent to Stay

DoD-IG Action Plan

DoD-IG is at a High Risk of Employee Engagement; the Council Suggests a Series of Action Steps to Reduce this Risk.

Action Steps	1. Determine Root Causes of Disengagement Across the Organization	2. Build Drivers of Engagement Within the Organization	3. Continue to Measure and Monitor
	<p>Request CLC “onsite”. CLC will present research on key drivers of engagement and which strategies are most effective at improving engagement</p> 	<p>Lead Manager Development Sessions based on CLC Resources: <i>Managing for High Performance and Retention</i></p> 	<p>Conduct ESAT again in 6 months across the organization</p> 
Council Support	<p>Conduct detailed data analysis (either internally or partnered with an external consultancy) to uncover drivers of disengagement</p> 	<p>Access CLC employee engagement roadmaps to determine which strategies are most likely to be effective for your organization based on both budget and impact</p> 	

Note: All resources described above are part of your membership with the Council and are available at no additional cost

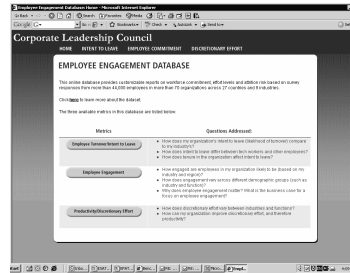
Additional Council Engagement Resources

In addition to the action plan described for DoD-IG, the following employee engagement related resources are available to members.

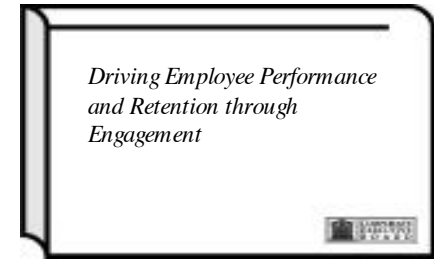
Register for Engagement Teleconferences



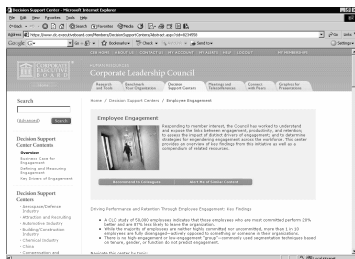
Access Employee Engagement Database



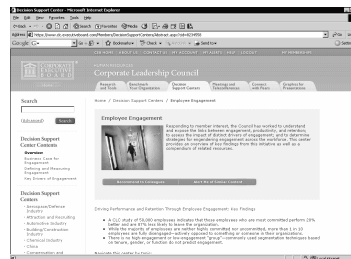
Read Employee Engagement Research



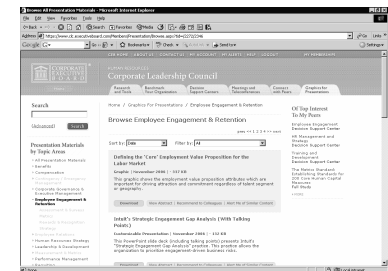
Register on CLC Website for Updates on Engagement



Receive Updates From the Employee Engagement Decision Support Center



Leverage Employee Engagement Presentation Builder



Member Exercise: Description

- The following pages feature a diagnostic workshop exercise designed to facilitate member discussion around potential engagement drivers. Instructions for this exercise are presented below.
- The group should assign a scribe and presenter.
- Each individual person should determine which drivers they feel that the organization is effective at or not. The list of drivers are presented on page 21 (5 minutes)
- The group should then discuss where the organization feels relatively weak or strong, and reach a consensus as to which 3 to 5 drivers the organization should then focus on. (15 minutes)
- Once these are selected, the group should fill out the worksheet on page 22 to develop an action plan for each of the major drivers. Here the group should document the specific actions that they feel the organization can take to promote/support these critical drivers. (30 minutes)
- Each group reports back on the three to five critical drivers it selected, why they selected them and discuss possible actions the organization can take. (10 minutes)

The diagnostic below provides the most powerful drivers of rational commitment and intent-to-stay. Each person filling out the survey should indicate whether or not they feel that DoD-IG is effective at this particular driver or not. For more information on the drivers, please see Driving Performance and Retention Through Employee Engagement.

Rational Commitment/Intent-to-Stay Root Cause

Organizational Characteristics	Are We Effective at This?		Manager Characteristics	Are We Effective at This?	
	Yes	No		Yes	No
Is internal communication effective?	<input type="checkbox"/>	<input type="checkbox"/>	Do our managers encourage development?	<input type="checkbox"/>	<input type="checkbox"/>
Do we provide effective career advice?	<input type="checkbox"/>	<input type="checkbox"/>	Do our managers show a commitment to diversity?	<input type="checkbox"/>	<input type="checkbox"/>
Do employees understand the connection of their work to the organization?	<input type="checkbox"/>	<input type="checkbox"/>	Are we accurately evaluating potential?	<input type="checkbox"/>	<input type="checkbox"/>
How well do we adapt to changing circumstances?	<input type="checkbox"/>	<input type="checkbox"/>	Do our managers encourage innovation?	<input type="checkbox"/>	<input type="checkbox"/>
Do we clearly articulate organizational goals?	<input type="checkbox"/>	<input type="checkbox"/>	Do our employees have the right job skills?	<input type="checkbox"/>	<input type="checkbox"/>
Do we put employees in the right roles?	<input type="checkbox"/>	<input type="checkbox"/>	Do our managers set realistic performance expectations?	<input type="checkbox"/>	<input type="checkbox"/>
Do we break down projects into manageable goals?	<input type="checkbox"/>	<input type="checkbox"/>	Do our managers help find solutions to problems?	<input type="checkbox"/>	<input type="checkbox"/>
Do our employees accept responsibility for success and failures?	<input type="checkbox"/>	<input type="checkbox"/>	Do our managers provide good informal feedback?	<input type="checkbox"/>	<input type="checkbox"/>
Do we accurately evaluate potential?	<input type="checkbox"/>	<input type="checkbox"/>	Do our managers respect our employees as individuals?	<input type="checkbox"/>	<input type="checkbox"/>
Do we persuade employees to move in different career directions?	<input type="checkbox"/>	<input type="checkbox"/>	Do our managers demonstrate a passion to succeed?	<input type="checkbox"/>	<input type="checkbox"/>

Engagement Improvement Strategy

The chart builds out an engagement action plan that DoD-IG can start implementing to improve employee engagement.

Driver	Suggested Action	Challenges to Overcome	Additional Parts of the Organization to Involve
<i>Example: Internal Communication Effectiveness</i>	<i>Have e-mails from the CEO sent on significant events.</i>	<i>How often should communications come?</i>	<i>Office of the CEO, internal communications team</i>