



BEST PLACES TO WORK IN THE  
FEDERAL GOVERNMENT® ANALYSIS

SATISFACTION WITH  
PERFORMANCE-BASED REWARDS  
AND ADVANCEMENT

**The Big Picture**

In the current climate of pay freezes, budget reductions and furloughs, it has become more challenging and more important for federal leaders to use a variety of ways to reward and recognize high-performing employees.

With pay perceived as an issue outside a federal manager’s direct control and because of steadily declining employee satisfaction with their compensation<sup>1</sup>, executives need to find other ways to motivate workers and reward good performance. This can mean helping individuals identify better jobs in the organization, basing promotions on merit, providing training opportunities that can lead to advancement, giving individuals new opportunities to excel and offering recognition for doing a good job.

In this analysis of 2012 *Best Places to Work in the Federal Government*® data, the Partnership for Public Service and Deloitte examined federal employee satisfaction with performance-based rewards and advancement in their agencies—the category that measures whether workers feel that they are rewarded and promoted in a fair and timely manner for their performance and innovative contributions to the workplace.

The results are unsettling.

<sup>1</sup> Federal employee satisfaction with pay has dropped for three consecutive years in the *Best Places to Work* rankings.

**Government-wide Results**

Federal workers rated performance-based rewards and advancement last out of the 10 workplace categories included in the *Best Places to Work* rankings, with a score of 43.4 on a scale of 100. This means that just four of 10 employees believed that they will be rewarded or promoted for doing good work. This troubling finding is compounded by data showing performance-based rewards and advancement has been the lowest rated *Best Places to Work* category since 2005. In addition, this score dropped 2.5 points between 2011 and 2012.

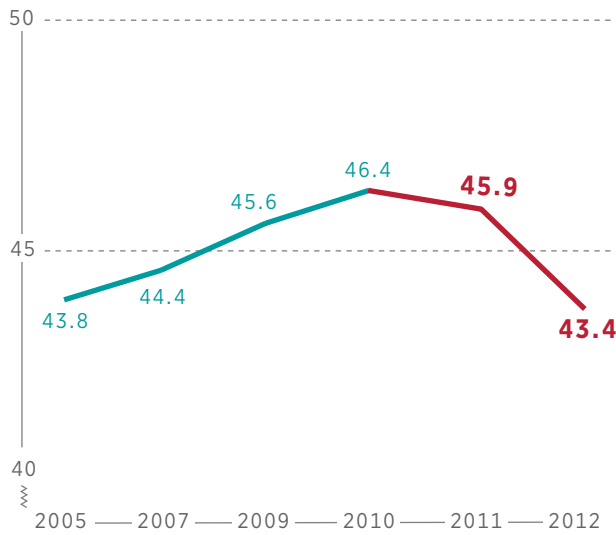
**43.4** PERCENT OF EMPLOYEES BELIEVE THAT  
THEY WILL BE REWARDED OR PROMOTED  
FOR DOING GOOD WORK



**2.5**

DECREASE FROM 2011 SCORE

**FIGURE 1**  
**Government-wide performance-based reward score trends**



The ratings for the performance-based rewards and advancement category are based on a series of six questions dealing with employee perceptions of fair performance appraisals, rewards and recognition for doing a good job, creativity and innovation, merit-based promotions and opportunities for employees to get better jobs within the organization (see Figure 2). The questions come

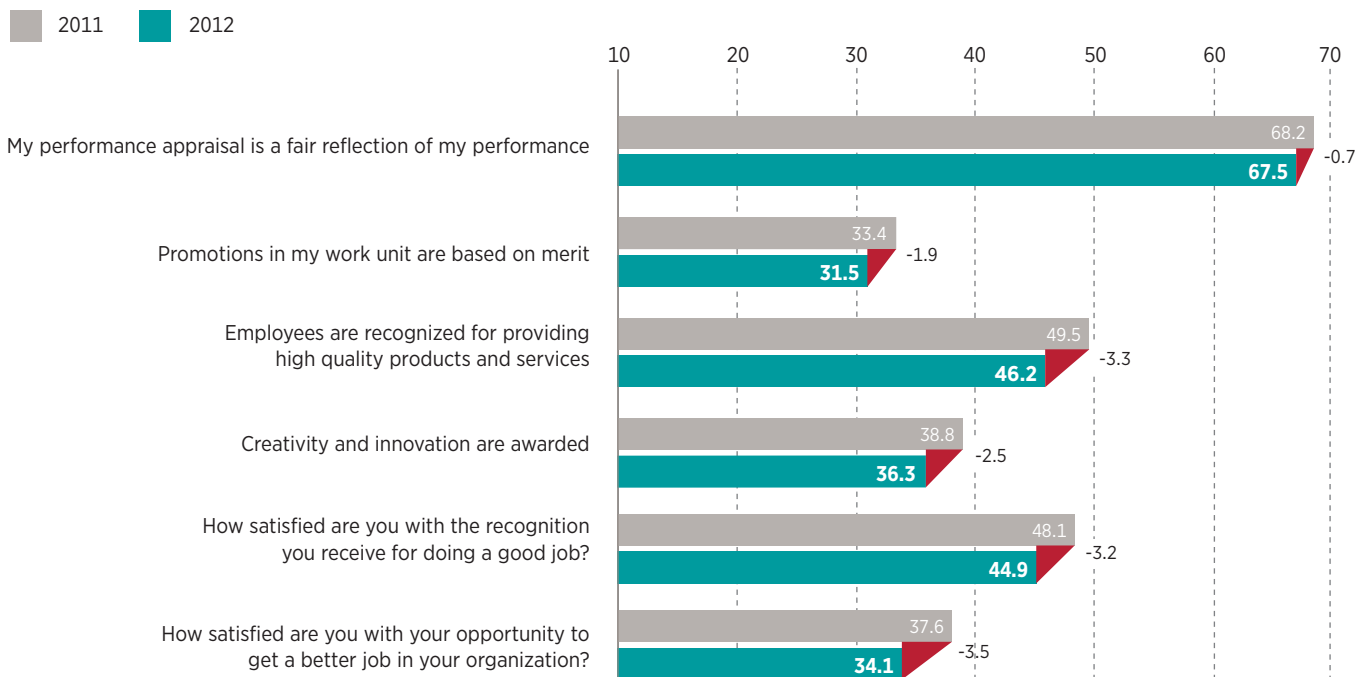
from the Office of Personnel Management’s 2012 Federal Employee Viewpoint Survey, which is used to create the *Best Places to Work* rankings.

Within this category, federal employees gave the highest marks on the question dealing with performance appraisals. Sixty-seven percent of employees believed that their appraisals fairly reflected performance, a perception that is at variance with how employees think managers actually award promotions and recognize accomplishments.

The results stemming from these reviews left only three of 10 employees satisfied with their opportunities to advance and feeling that promotions are based on merit. In short, the *Best Places to Work* data suggest that employees believed that opportunities to excel and grow in the federal government were shrinking for them. The dissatisfaction may rest in part with the fact that there may be limited opportunities for promotion and that some promotions are based primarily on length of service as employees move up the career ladder from new hire to full-performance level.

In response to survey questions, only four of 10 employees said they were rewarded for providing high-quality products, and were satisfied with the recognition they received for doing a good job. And only 36 percent believed that creativity and innovation are rewarded in their agencies.

**FIGURE 2**  
**Percentage of positive government-wide results on performance-based rewards and advancement questions**



## Private-sector Comparison

The federal government lags behind the private sector on two questions related to performance-based rewards and advancement for which comparable data is available. When asked about the recognition they receive for doing a good job, private-sector employees were more positive than federal employees, rating their organizations 9 points higher. Private-sector employees rated their opportunities to get better jobs within the organization 14 points higher than government workers, representing one of the biggest disparities between the two sectors.

## Satisfaction Varies by Pay Level

In some cases, employees at different levels of organizations had varied perceptions of the workplace, with performance-based rewards and advancement rated more poorly by employees on the lower end of the pay scale. Among all pay categories in the General Schedule (GS) pay system, GS 13-15 employees were the most satisfied with performance-based rewards and advancement. The least satisfied were employees under the Federal Wage System,<sup>2</sup> with GS 1-6 employees scoring only 0.2 points higher.

TABLE 1  
Satisfaction with performance-based rewards scores and advancement by GS level

PAY CATEGORY	PERFORMANCE- BASED REWARDS AND ADVANCEMENT SCORE	SAMPLE SIZE
Federal Wage System <sup>2</sup>	39.9	40,469
GS 1-6	40.1	38,315
GS 7-12	43.4	304,719
GS 13-15	51.7	205,488
SES, SL, ST, Other	40.9	51,665
Government-wide	43.4	687,687

## Agency Rankings on Performance-based Rewards and Advancement

Mirroring the government-wide trend, 15 of 19 large agencies experienced a drop in satisfaction with performance-based rewards and advancement. The large agencies with the highest rankings were the National Aeronautics and Space Administration (59.8), the Intelligence Community (52.7) and the Department of Commerce (52.7). The lowest-ranked large agencies were the

Department of Veterans Affairs (39.1) and the Department of Homeland Security (35.8).

For mid-size agencies, the Federal Deposit Insurance Corporation (60.1), the Federal Trade Commission (60.0), and the Nuclear Regulatory Commission (57.5) registered the highest scores for performance-based awards and

TABLE 2  
Performance-based rewards and advancement—highest and lowest ranked agencies

LARGE AGENCIES		
	HIGHEST	2012 SCORE
1	National Aeronautics and Space Administration	59.8
2	Intelligence Community	52.7
2	Department of Commerce	52.7
LOWEST		
17	Department of Transportation	41.4
18	Department of Veterans Affairs	39.1
19	Department of Homeland Security	35.8
MID-SIZE AGENCIES		
	HIGHEST	2012 SCORE
1	Federal Deposit Insurance Corporation	60.1
2	Federal Trade Commission	60.0
3	Nuclear Regulatory Commission	57.5
LOWEST		
18	National Archives and Records Administration	38.3
19	Broadcasting Board of Governors	37.2
20	Securities and Exchange Commission	35.4
SMALL AGENCIES		
	HIGHEST	2012 SCORE
1	Surface Transportation Board	70.3
2	Federal Mediation and Conciliation Service	61.5
3	Defense Nuclear Facilities Safety Board	59.8
LOWEST		
25	International Boundary and Water Commission	37.8
26	Federal Maritime Commission	34.0
27	Office of the U.S. Trade Representative	31.1

<sup>2</sup> The Federal Wage System is a pay-setting system that covers federal blue-collar employees who are paid by the hour.

advancement, while the lowest-ranked agencies in this category were the National Archives and Records Administration (38.3), the Broadcasting Board of Governors (37.2) and the Securities and Exchange Commission (35.4).

Among the small agencies, the Surface Transportation Board (70.3), the Federal Mediation and Conciliation Service (61.5) and the Defense Nuclear Facilities Safety Board (59.8) had the highest ratings on this issue, while the International Boundary and Water Commission (37.8), the Federal Maritime Commission (34.0) and the Office of the U.S. Trade Representative (31.1) were rated poorly by their employees.

Some agencies bucked the trend and showed improved employee satisfaction with performance-based rewards and advancement, including the Office of Management and Budget, up 10 points; the Federal Mediation and Conciliation Service, up 6 points and the National Credit Union Administration, up 3 points.

## Conclusion

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Federal leaders and managers operating within the confines of a pay freeze and budget reductions face a significant challenge in keeping their employees satisfied, committed and motivated to provide quality services. With limited ability to increase compensation or to provide other monetary rewards, managers must rethink how they define rewards and recognition. This could involve a number of low-cost or even cost-free steps, including greater acknowledgement for doing a good job, opportunities for career development, greater responsibilities and new experiences.

### Support for Career Development

- Provide training and developmental opportunities for employees to help them reach their full potential, including in-house training provided by other employees.
- Offer employees more opportunities to participate in cross-functional projects, rotations or developmental assignments between units or in more interesting and challenging tasks.
- Expose employees to new roles or experiences such as taking them to senior leadership meetings or including them in budget discussions to provide insights into agency operations and to bring them face-to-face with top executives.
- Provide employees with greater autonomy and empower them to take ownership of their work.
- Assign work that plays to an individual's strengths, providing a greater opportunity for success and personal satisfaction.

- Increase opportunities that drive development, such as identifying an existing problem outside an employee's daily work experience and asking the individual to lead a team to solve it.

### Tangible Recognition

- Make available benefits other than increased pay or bonuses such as telework, alternate work schedules, or time-off awards to recognize deserving employees.
- A simple and sincere thank you can go a long way. Acknowledge the work employees accomplish through verbal praise after projects are completed, or thank them with handwritten notes when they put in extra effort and time to get the job done.
- Personally check-in regularly with employees to understand their jobs, their challenges, and take more time to get to know them.

### Meaningful Communication

- To help employees better understand the job advancement and selection process, give realistic feedback on their potential for promotion in the organization and what they can do to improve their opportunities.
- If promotional opportunities are limited due to a flat organizational structure or the absence of higher-level positions, let deserving employees know that you are willing to help them find opportunities outside of the organization—and then follow-through.
- When there is a promotional opportunity available, be clear what the organization is looking for in competitive candidates and, after a selection is made, offer to talk to unsuccessful candidates about why they were not selected.

TABLE 3

**Large agency performance-based rewards and advancement rankings**

RANK	AGENCY	2012 PERFORMANCE-BASED REWARDS AND ADVANCEMENT SCORE	POINT CHANGE (2011-2012)
1	National Aeronautics and Space Administration	59.8	0.4
2	Intelligence Community	52.7	N/A
2	Department of Commerce	52.7	0.0
4	Department of State	51.5	-0.7
5	Department of the Treasury	48.9	-2.3
6	Environmental Protection Agency	48.3	-1.0
7	Department of Health and Human Services	45.9	-0.7
7	Department of the Navy	45.9	-1.3
9	Department of Justice	44.9	-3.0
10	Department of the Interior	44.8	-0.9
11	Department of the Air Force	44.7	-1.3
12	Department of the Army	44.4	-3.3
13	Social Security Administration	44.3	-4.6
14	Office of the Secretary of Defense, Joint Staff, Defense Agencies, and Department of Defense Field Activities	43.7	-1.7
15	Department of Labor	41.4	-1.8
15	Department of Agriculture	41.4	-2.6
17	Department of Transportation	41.1	1.5
18	Department of Veterans Affairs	39.1	-4.6
19	Department of Homeland Security	35.8	-2.7

TABLE 4

**Mid-size agency performance-based rewards and advancement rankings**

RANK	AGENCY	2012 PERFORMANCE-BASED REWARDS AND ADVANCEMENT SCORE	POINT CHANGE (2011-2012)
1	Federal Deposit Insurance Corporation	60.1	-2.0
2	Federal Trade Commission	60.0	-1.8
3	Nuclear Regulatory Commission	57.5	-6.1
4	National Credit Union Administration	56.9	3.0
5	Federal Communications Commission	52.9	-0.7
6	Federal Energy Regulatory Commission	49.5	-2.6
7	Office of Personnel Management	48.8	-1.7
8	General Services Administration	48.4	-2.1
9	U.S. Agency for International Development	47.5	0.6
10	Court Services and Offender Supervision Agency	45.5	-4.0
11	National Science Foundation	44.5	-4.8
12	Department of Energy	43.9	0.0
13	Equal Employment Opportunity Commission	43.3	-1.0
14	Small Business Administration	42.3	-1.3
15	Department of Education	42.0	-1.4
16	Department of Housing and Urban Development	40.2	-0.5
17	National Labor Relations Board	39.9	-0.7
18	National Archives and Records Administration	38.3	-6.2
19	Broadcasting Board of Governors	37.2	-2.5
20	Securities and Exchange Commission	35.4	3.3
	Government Accountability Office	N/A	N/A
	Smithsonian Institution	N/A	N/A

TABLE 5

**Small agency performance-based rewards and advancement rankings**

RANK	AGENCY	2012 PERFORMANCE-BASED REWARDS AND ADVANCEMENT SCORE	POINT CHANGE (2011-2012)
1	Surface Transportation Board	70.3	-5.0
2	Federal Mediation and Conciliation Service	61.5	6.0
3	Defense Nuclear Facilities Safety Board	59.8	-7.2
4	Office of Special Counsel	59.7	N/A
5	National Endowment for the Humanities	59.3	-1.5
6	Federal Labor Relations Authority	57.7	-2.4
7	Peace Corps	56.6	0.4
8	Office of Management and Budget	55.8	10.0
9	Overseas Private Investment Corporation	55.4	-4.7
10	Selective Service System	54.3	3.2
11	National Transportation Safety Board	53.1	-2.9
12	Merit Systems Protection Board	49.4	-4.3
13	Consumer Product Safety Commission	48.4	-3.1
14	National Endowment for the Arts	48.3	0.7
15	Railroad Retirement Board	48.1	1.1
16	National Gallery of Art	47.7	1.8
17	Commodity Futures Trading Commission	47.3	-4.7
18	U.S. International Trade Commission	45.7	-3.4
18	Pension Benefit Guaranty Corporation	45.7	-6.1
20	Federal Election Commission	44.6	-2.7
21	Corporation for National and Community Service	40.5	-4.0
22	Export-Import Bank of the United States	40.1	-1.0
23	Millennium Challenge Corporation	39.6	-0.2
24	Federal Housing Finance Agency	38.9	-1.6
25	International Boundary and Water Commission	37.8	1.1
26	Federal Maritime Commission	34.0	-15.3
27	Office of the U.S. Trade Representative	31.1	-8.7
	Congressional Budget Office	N/A	N/A
	Farm Credit Administration	N/A	N/A