

South Dakota
Department of Transportation
Office of Research



U.S. Department
of Transportation
Federal Highway
Administration

SD2003-11-X



SDDOT 2004 Organizational Health Assessment

**Study SD2003-11
Executive Summary**

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December 2004

DISCLAIMER

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ACKNOWLEDGEMENTS

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The work was performed in cooperation with the United States Department of Transportation Federal Highway Administration.

TECHNICAL REPORT STANDARD TITLE PAGE

1. Report No. SD2003-11-X	2. Government Accession No.	3. Recipient's Catalog No.	
4. Title and Subtitle SDDOT 2004 Organizational Health Assessment		5. Report Date December 15, 2004	
		6. Performing Organization Code	
7. Author(s) T. J. Brown, Jerry Bukiewicz, Ruth Hallenbeck, Malcolm E. Baird		8. Performing Organization Report No.	
9. Performing Organization Name and Address Oasis Consulting Services 1008 Sable Mist Court Las Vegas, NV 89144		10. Work Unit No.	
		11. Contract or Grant No. 310868	
12. Sponsoring Agency Name and Address South Dakota Department of Transportation Office of Research 700 East Broadway Avenue Pierre, SD 57501-2586		13. Type of Report and Period Covered Final Report March 2004 to December 2004	
		14. Sponsoring Agency Code	
15. Supplementary Notes A complete final report is published separately as SD2003-11-F.			
16. Abstract <p>This is a report of an organizational health assessment for the South Dakota Department of Transportation (SDDOT) in 2004. Organizational health is one of the three pillars of the SDDOT strategic plan, so the results of this project are a key measure of performance against the strategic goal to “make the Department of Transportation a desirable place to work” in order to “attract and retain the best possible employees.”</p> <p>The five objectives of this study were: to: 1) measure the Department of Transportation’s employees’ perceptions and level of satisfaction regarding organizational health; 2) identify the Department of Transportation’s organizational strengths and weaknesses; 3) evaluate progress in making desired changes in the Department’s organizational culture, through comparison of the current assessment with prior assessments; 4) recommend specific actions that the Department can take to achieve its strategic goals and improve its organizational health; and 5) refine a survey instrument for continued, periodic use in assessing the Department’s organizational health.</p>			
17. Keywords organizational health; corporate culture; organizational effectiveness; employee attitude surveys; job satisfaction; organizational communication; departments of transportation		18. Distribution Statement No restrictions. This document is available to the public from the sponsoring agency.	
19. Security Classification (of this report) Unclassified	20. Security Classification (of this page) Unclassified	21. No. of Pages 21	22. Price

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EXECUTIVE SUMMARY

PURPOSE OF STUDY

The purpose of the Organizational Health Assessment (OHA) is to assist the South Dakota Department of Transportation in achieving one of the three pillars of its strategic plan, which is the goal to “make the Department of Transportation a desirable place to work” in order to “attract and retain the best possible employees.” An OHA has been conducted every two years since 1998 and the results have been used as guidance to SDDOT’s management in establishing priorities and plans for increasing organizational health.

OBJECTIVES

The objectives of this study were to:

- Measure the South Dakota Department of Transportation’s employees’ perceptions and level of satisfaction regarding organizational health.
- Identify the South Dakota Department of Transportation’s organizational strengths and weaknesses.
- Evaluate progress in improving the Department’s organizational culture, through comparison between the current assessment and baseline measurements of earlier assessments.
- Recommend specific actions that the Department can take to achieve its strategic goals and improve its organizational health.
- Refine a survey instrument and process that can be used to periodically assess the Department’s organizational health.

RESEARCH APPROACH

The 2004 OHA had the same basic components as the prior assessments conducted in 1998, 2000, and 2002, including: 1) focus group sessions with a random sample of SDDOT employees representing all locations and functions to identify issues and concerns about organizational health to be assessed through a Department-wide survey; 2) administration of a Department-wide survey and analysis of results; and 3) focus groups sessions with employees following the survey to further explore issues of interest indicated by the survey results.

While these basic elements of the research project were consistent with prior assessments, several changes were made to the survey instrument, to the survey administration methods, and to the ways results were analyzed and reported. The survey response rate had fallen steadily from 83.5 percent in 1998 to 70.4 percent in 2002 and employees had voiced complaints about the excessive length of the

survey and some of its items. For 2004, therefore, an important objective was to reverse the decline of the response rate primarily by shortening the survey and making it more “user friendly.” The quantitatively scored items that constitute the bulk of the survey were reduced by 42.6 percent, from 183 to 105, and the wording of many items was revised. A set of 65 “core items” was retained to enable measurement of progress against prior assessments.

Another change for 2004 was to enable employees to complete the survey online. The period of survey administration began in late June and continued through July. Employees without email addresses were mailed the paper version of the survey to complete as they had in prior assessments and return in the stamped return envelope provided to *Oasis Consulting Services*. All others received an email invitation to respond to the survey with a web link to the *Oasis* survey site, and were informed that they could receive a paper version by request.

The analyses of survey results were largely the same as in prior assessments with the exception that an additional method of analysis was performed. An aggregate of the work units within SDDOT that reported the highest survey results was prepared as a profile of “best practices.” The profile describes how the highest scoring work units function differently than others and serves as an internal benchmark and as a guide for managers in improving organizational health in the work units that they manage.

The preliminary survey results, including the profile of best practices were presented at the August Executive Team meeting and at the September Managers Conference. At the Managers Conference, managers who had at least four direct reports who completed the survey received a report of the composite of their employees’ responses. Providing this report for each manager was also a new feature of the OHA for 2004.

SIGNIFICANT FINDINGS

The findings most relevant to the objectives of the OHA were that:

1. The survey response rate increased
2. Survey scores generally rose
3. The level of organizational health varies considerably across work units in SDDOT

INCREASE IN SURVEY RESPONSE RATE

An important objective of the 2004 assessment was to reverse the steady decline since 1998 in the percent of employees who responded to the survey. This objective was achieved with 714 employees responding, or 75.6 percent of the total employee population. Although the total response rate for 2004 was less than the first two assessments, it was significantly greater than the 70.4 percent response rate of the 2002 assessment.

The increase was largely due to greater participation by employees in office-based jobs, suggesting that the ability to complete the survey online and the greater accessibility to the Internet for those in office was likely a major contributor to the increase. Employees in Maintenance and Equipment positions participated near 70 percent and at almost exactly the same level as they had in 2002.

CONTINUED OVERALL IMPROVEMENT IN ORGANIZATIONAL HEALTH

The 1998 through 2002 assessments demonstrated continuous and significant improvement in the large majority of domains measured by the survey. Continuation of multiple and significant improvements was documented for 2004 by comparing results for the 65 'core' items retained for 2004 from the prior assessments with the 2002 results for these items. All but seven of these 65 items showed improvement since 2002. The total change in the scores for these items was a statistically significant 4.16 percent ($p < .05$). Further, the Overall Satisfaction item also gained a statistically significant amount, along with the 11 National Comparison items of the Gallup Organization that were retained for 2004.

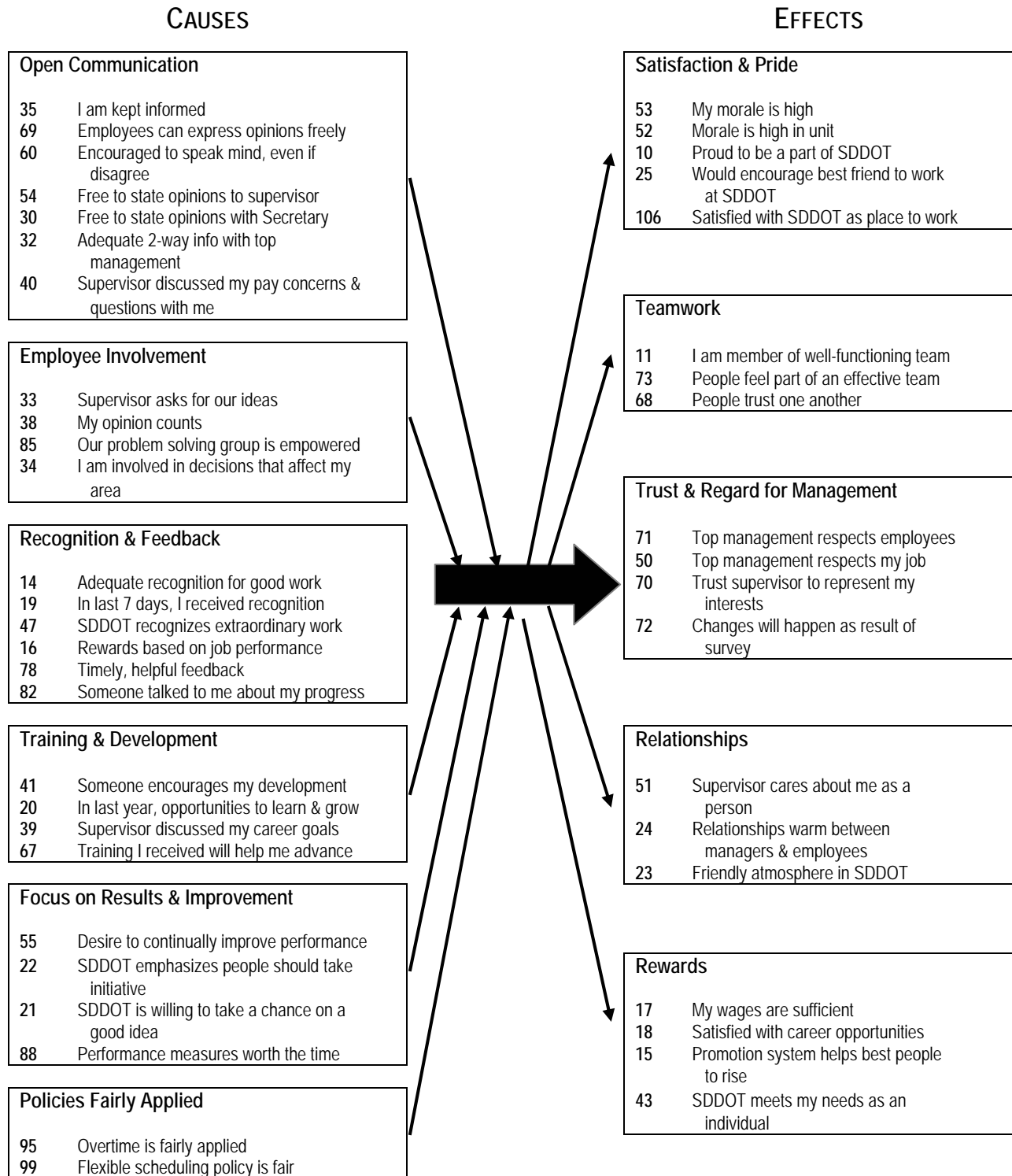
ORGANIZATIONAL HEALTH VARIES CONSIDERABLY ACROSS WORK UNITS IN SDDOT

The "Best Practices Profile," a method of analysis new to the OHA this year, revealed an exceptionally large variation in organizational health across SDDOT. Survey responses were combined by work unit to create a total survey score for each unit. The highest scoring 20 units, representing one-fourth of all the units with four (4) or more respondents, were averaged together. The same procedure was applied to the 20 work units with the lowest total survey score. The item scores of the low quartile group were then subtracted from the item scores of the high quartile group.

The 45 items that showed exceptionally large differences portray the characteristics of the work environment that most distinguish the highest and lowest scoring work units in SDDOT. These items were separated into the ones that describe how the work unit operates and is managed, designated as "**Cause**" items, and those that indicate employees' views about the impacts of the **Cause** items, designated as "**Effect**" items. They were further organized into themes to create the diagram on the following page.

Employees of the high scoring units responded to the 27 items in the **Causes** column at a significantly more favorable level than employees of low scoring units. As an apparent result of working in an environment characterized by these practices, they were also significantly more favorable in response to the items in the **Effects** column, which include the most fundamental organizational health items pertaining to morale, job satisfaction, teamwork, trust in management, compensation and career advancement opportunities. The **Cause** items are, therefore, a "roadmap" for all managers to follow in order to increase organizational health.

Cause-Effect Diagram



* All items in the diagram showed a statistically significant difference score of .65 or more between the high and low quartile groups.

Figure 1: Cause-Effect Diagram of Items that Significantly Distinguish High & Low Quartile Work Units

CONCLUSIONS

This section presents and explains the following four (4) conclusions based on the results of the 2004 Organizational Health Assessment:

1. SDDOT continues to show many notable improvements in organizational health.
2. Many significant opportunities for further improvement remain.
3. Lack of consistency in the quality of management practices is the greatest obstacle to further improvement.
4. Changes made to improve the Organizational Health Assessment methods and processes have been largely successful.

CONCLUSION #1: CONTINUED IMPROVEMENTS IN ORGANIZATIONAL HEALTH

The 1998 through 2002 assessments demonstrated continuous and significant improvement in the large majority of domains measured by the survey. Specifically, statistically significant improvement in scores was documented for 18 of the 20 domains ($p < .05$).

Continuation of multiple and significant improvements was documented for 2004 by the findings of both the focus groups and the employee survey. Although reduction in the length of the survey and revisions in the wording of items prevents a direct comparison of all of the results of the past with this year's survey, care was taken to preserve 65 'core' items from the 2002 survey, representing all of the domains previously measured, to enable a base for tracking progress over time. All but seven of these 65 items showed improvement since 2002. The total change in the scores for these items was a statistically significant 4.16 percent. Further, the 11 National Comparison items of the Gallup Organization that were retained for 2004 showed a 5.97 percent increase, which is also statistically significant.

The continuing progress since 1998 has resulted in a high proportion of the survey items scoring high enough to be designated as organizational Strengths. Specifically, the item pertaining to Overall Satisfaction gained a statistically significant amount, and 24 of the other 105 scored items averaged above 3.0 on the 4-point scale, with more than 80 percent of respondents answering favorably to each. The following summarizes the areas of strength indicated by these items.

- ***A Strong Sense of Purpose.*** Six items revealed the very prevalent self-perception of employees that they and their fellow employees are committed to doing quality work and that their work meaningfully serves South Dakotans, results from listening to customers, and contributes to an important mission.
- ***Clear Expectations.*** Five items pertaining to performance expectations showed that employees are, overall, clear about what is expected of them.
- ***Good Working Conditions.*** Several items describe employees' views of how the conditions within which they work enable them to do good work and place priority on their safety. They also report that they have the materials and equipment they need to do their work right, and that equipment is properly maintained. Their work environment is supportive of their desire

and efforts to do good work in that they can count on assistance to accomplish a difficult assignment and that they are satisfied with their work hours and schedules.

- ***Respectful Work Relationships.*** Three items conveyed different ways that employees perceive healthy relations in their workplace, with a high percentage on each saying their co-workers treat them with respect, that their supervisor or someone at work cares about them as a person, and that they can openly state their opinions to their supervisor.
- ***Quality Training.*** Four items indicated a high regard among the large majority of employees for the quality of the training they receive and that they are kept informed about the availability of training.

These quantitative results are quite compelling, but they are even further substantiated by the findings of the focus groups. The focus groups confirmed, for example, that the Department's investments in safety and equipment were evident and greatly influenced by the results of the prior assessments. In fact, the areas that have progressed the most since 1998 are, to a great extent, the ones that received priority management attention following the previous assessments. This is important to emphasize because it means that organizational health is primarily a product of management choice and skill, rather than driven by the external environment, an entrenched work culture, or other factors beyond the influence of SDDOT's leadership and management cadre.

CONCLUSION #2: MANY SIGNIFICANT IMPROVEMENT OPPORTUNITIES REMAIN

Despite the fact that the great majority of items improved from prior assessments, and about a fourth were designated as Strengths, roughly half of the survey scored as Improvement Opportunities, meaning that between 30 and 78 percent of respondents answered unfavorably. These respondents are prevalent throughout the locations and job groups of SDDOT rather than being predominantly from a few units or functions. Although some variations exist across locations, when the items are ranked from highest to lowest scoring for each location, there is at least an 85 percent match between the item ranking for the Department as a whole and that of each location. A similar correspondence of rankings exists across the various job groups. These results indicate the need for improvement strategies that affect SDDOT as a whole, rather than particular locations or job groups.

The low scoring items were summarized into the following themes, which are numerous and also represent serious threats to SDDOT's ability to achieve its strategic goals, particularly in the areas of Organizational Health and Business Improvement.

- ***Lack of Effective Performance Management and Performance Improvement Practices.*** Nine items reveal ways that a great many employees perceive deficiencies in performance management practices. A large percentage said that poor performance is tolerated and that people are not held accountable for the quality of their work. Many also see a lack of adequate attention paid to programs and practices intended to produce continuous improvement, one of the cornerstones of SDDOT's Strategic Plan, saying that the performance measures initiative is not worth the time it takes and does not serve to improve performance. Half of respondents said that their work group does not have regular meetings to discuss ways to solve problems and plan improvements, and 40 percent said that their unit has not worked to identify good performance measures.

- ***Unfair and/or Ineffective Resource Management.*** About one-third of respondents said that staffing levels do not enable quality work and that part-time and seasonal workers are not a good way to manage workload. There is also a strong view that staffing policies and methods, including flexible scheduling and overtime, are not fairly administered.
- ***Lack of Teamwork.*** Three items revealed the prevalent perceptions that people do not feel they are part of an effective team and that trust levels between people and teams are low.
- ***Lack of Empowerment.*** A large percentage of respondents said that their opinions do not seem to count and that their supervisor does not ask for their ideas
- ***Lack of Recognition, Feedback and Developmental Practices.*** Six items indicated the view held by a great many employees that good work is not adequately recognized, that they do not get timely, helpful feedback on their performance, that no one has talked with them about their progress in the last six months, and that there is not someone at work who encourages their development.
- ***Weak Compensation Practices.*** Nearly two-thirds of respondents said that their wages are not sufficient to keep them from looking for another job and that their supervisor has not discussed their pay questions and concerns with them in the past year. Even more said that people are not rewarded based on their job performance.
- ***Lack of Advancement Opportunity.*** Nearly two-thirds of respondents said that they are not satisfied with opportunities for advancement and more than three-fourths said that the promotion system does not help the best person to advance.
- ***Poor Communications and Relationships with Management.*** Slightly more than half of respondents said that communications between subordinates and top management are inadequate, one-third said they do not trust their supervisor to represent their interests at higher levels, 36 percent said that they are not kept well informed about what is happening in SDDOT, and 31 percent said that regularly scheduled staff meetings are not held. These and many of the foregoing improvement opportunities contribute to the view that top management lacks respect for employees and for their jobs. As will be illustrated in the section identifying best practices within SDDOT, employees who gave the most favorable responses to the items pertaining to relationships with management were also those who scored many of the communications items highest. Not surprisingly, therefore, communication practices appear to be an important part of the path to strong relationships between managers and their employees.

In summary, these improvement opportunities indicate a significant lack of both performance management and employee retention factors, undermining the Business Improvement strategic goal to “continuously improve the Department’s business and operations,” and the Organizational Health strategic goal to “make the Department of Transportation a desirable place to work” in order to “attract and retain the best possible employees.”

Analysis of the results for each demographic subgroup within SDDOT revealed that these Improvement Opportunities are prevalent across them all, so that strategies for improvement can generally be widely applied in the Department, rather than focusing solely on a particular location, job group or other specific

subgroup. However, these Improvement Opportunities are significantly more prevalent among Classified (N) employees and in the Maintenance, Equipment, and Technician job groups. Their less favorable responses clearly indicate the need to place greater attention to improvement strategies with these subgroups. The fact that these groups also represent a very large proportion of the total workforce accentuates this conclusion.

In addition to the need for extra consideration to these subgroups, the results signal a possible threat to retention for employees as they move immediately beyond their first two years of service. For the overall satisfaction item and also for 90 of the other 105 scored items, employees with less than two years of service gave significantly higher responses than the group of all respondents. The group of employees with 2 through 6 years of service scored dramatically lower, and the gap between these two groups was substantively greater than has been observed in prior assessments.

CONCLUSION #3: LACK OF CONSISTENCY IN THE QUALITY OF MANAGEMENT PRACTICES IS THE GREATEST OBSTACLE TO FURTHER PROGRESS

The analysis of results that created the “Best Practices Profile” from the SDDOT work units achieving the highest total survey scores revealed an exceptionally large gap between the high quartile and the low quartile. Organizational health varies considerably, therefore, across work units in SDDOT. The specific management practices that most, and quite strongly, differentiated the high and low groups were summarized into the following six (6) categories:

- Open Communication
- Employee Involvement
- Recognition and Feedback
- Training and Development
- Focus on Results and Improvement
- Policies Fairly Applied

Employees of the high scoring units responded to the 27 items that comprise the above categories at a significantly more favorable level than employees of low scoring units. As an apparent result of working in an environment characterized by these practices, they were also significantly more favorable in response to the most fundamental organizational health items pertaining to morale, job satisfaction, teamwork, trust in management, compensation, and career advancement opportunities. In fact, 70 percent of the items that were found to be Improvement Opportunities for the Department as a whole were scored significantly higher by the high quartile work units.

Proliferating the practices of the high quartile, therefore, will have a direct, favorable impact on organizational health in the areas that are currently indicated as priorities for improvement. This is the foremost conclusion and recommendation of this study.

Conversely, failing to invest in strategies designed to elevate these key practices will deter SDDOT’s continued progress in organizational health.

CONCLUSION #4: CHANGES TO THE 2004 OHA WERE LARGELY SUCCESSFUL

The changes to the OHA were largely in response to a declining rate of response to the survey over the past assessments and feedback from employees about the desire to shorten the survey and to improve the

survey items. The revised survey and the ability to complete it online appears to have had the intended results of increasing the response rate and greatly reducing complaints about the survey's length and content.

Feedback about the changes for this year was specifically solicited in the follow-up focus groups and to some degree in both the August Executive Team meeting and the September Managers Conference. All three of these sources confirmed the desire to continue online survey administration. The focus groups also provided overall favorable responses regarding the survey's reduced length and revised content, though some said that further enhancements could be made.

Providing a report of survey results for each work unit supervisor was mostly seen as favorable by the focus groups, though some said it was a surprise to many that may raise concerns about confidentiality among some employees. The primary purpose of this change was to enable every manager to have a "roadmap" for improvement for the specific part of SDDOT that he or she is responsible, so its usefulness in this regard is probably best measured by the 2006 OHA.

RECOMMENDATIONS

Based on the findings and conclusions of this study, the researchers recommend the following to the South Dakota Department of Transportation:

1. Invest in Strategies to Proliferate the "Best Practices" That Are Characteristic of SDDOT's High Quartile Work Units
2. Seek to Fulfill the Communication Needs Voiced by Survey Respondents
3. Address the Pay and Career Opportunity Concerns Raised by Survey Respondents
4. Assess the Impact of the Decline in Organizational Health Measures Beyond the First Two Years of Service
5. Continue the Programs, Policies and Practices that Have Resulted in Significant Improvements in Organizational Health
6. Continue the Organizational Health Assessment

RECOMMENDATION #1: STRATEGIES TO PROLIFERATE "BEST PRACTICES"

The reasons for making this our foremost recommendation are twofold. The first is the strength of the findings, which underscore the potential power of this approach to achieving the Organizational Health Strategic Goal. The second reason is the practicality of implementing this recommendation, and we believe this reason is at least as compelling as the first. After all, one-fourth of SDDOT's work units are already demonstrating superior results, so it cannot be argued that these levels of organizational health are unachievable in SDDOT's environment. In addition, there are many proven ways to establish the best practices as expectations of managers and to develop their ability to demonstrate these practices.

The following paragraphs give examples of various strategies in this regard. Because of the finding that organizational health improvement opportunities are more prevalent among Classified (N) employees and in the Maintenance, Equipment and Technician job groups, we recommend greater consideration of how these strategies could be implemented for optimal impact with employees of these groups.

Training

We recommend updating current supervisor and management training programs to incorporate the management competencies reflected in the best practices identified in the OHA. Organize these programs into a multifaceted, systemic progression of development for managers, rather than simply a collection of available courses. In addition to classroom learning, create new learning experiences for managers that clearly illustrate how those who achieve the highest survey scores demonstrate the desired practices. These might involve, for example, visits to other regions than their own to observe staff meetings.

This part of the recommendation is supported by our understanding that, apart from the annual Managers Conference, most supervisors and managers participate in little formal management development beyond their initial training as a new supervisor. However, it goes beyond assuring that supervisors and managers have more training resources available to develop their managerial competence. A fundamental premise is that the managers of supervisors and managers must play a specific and sufficient role in supporting the management development efforts of the people who report to them.

Traditionally in many organizations, there is little expectation that managers invest in employee development beyond what is required to assure that their employees meet the fundamental requirements of their positions and current performance goals are met. But if managers of supervisors and managers demonstrate more developmental practices the benefits are likely to cascade and multiply. In addition to building the management skills of their direct reports they are serving as models for developing others that will translate into more developmental practices demonstrated by first-line supervisors with the front-line employees who report to them. Further, a more “developmental culture” contributes directly to the strategic goal to “attract and retain the best possible employees,” and will serve to maintain competency levels within the workforce in the wake of the higher rate of retirements that SDDOT has and will continue to face.

Without expanding their developmental role and responsibility to include “stretch” assignments and other forms of growth opportunities, managers undermine a key goal of workforce planning and development, which is to attract and retain talented people. Research by the Gallup organization of its data base of over one million employees who have responded to job satisfaction and work climate surveys over the past two decades has produced a compelling profile of the high performance and high retention work environment, and the practices of the managers who create these environments. Not surprisingly, a distinguishing characteristic of these managers is that, once employees are fully competent in their positions, the manager seeks to meet their growth needs and interests.

Gallup’s findings are substantiated by the 2004 OHA results. Employees in high quartile work units were significantly more inclined than others to say that someone at work encourages their development, they have had opportunities to learn and grow in the past year, their supervisor had discussed their career goals with them, and the training they received will help them advance in their careers (Items 41, 20, 39, 67).

Motivating and enabling managers to expand their role in this way requires a deliberate investment in their acquiring the competency of “developing employees.” In addition, it requires deliberate actions on the part of those in leadership positions to communicate their expectations for managers to demonstrate this competency and to strongly reinforce the efforts of those who do.

Performance Management System

Another avenue for proliferating best practices is to revise the existing management job descriptions or other formal statements of responsibilities and expectations to clearly reflect them. Performance appraisals for managers would then include meeting at least minimal competencies in demonstrating these benchmark practices. Since organizational health is a cornerstone of SDDOT's strategic plan, we recommend requiring managers to include one or more goals in their annual performance plans for making workplace improvements based on their survey results or other indicators of the need for improving organizational health. Award programs and rewards for superior performance can also be based on demonstrating the benchmark practices.

The performance management system should also serve to guide managers in their efforts to develop these competencies. A developmental assessment and planning guide for managers, based on the best practices profile, to use in directing their own development and in reaching agreement with their manager about their development plans would be helpful in this regard.

Related to this recommendation is to establish a requirement that managers prepare an action plan based on their OHA results that is reviewed and approved by their supervisor. Our work with Florida DOT on a project similar to the OHA revealed the importance of managers preparing action plans based on their unit's survey results. In the first years of their annual employee survey, such action plans were encouraged but not required. In follow-up research with the high quartile units, however, it was learned that preparing these action plans was almost uniformly characteristic of the high quartile work units. As a result, the action planning came to be required. This was one of the reasons that FDOT began to see an increased rate of improvement among low quartile work units.

Selection and Recruitment

Our experience is that technical qualifications are much more formally and carefully reviewed as part of candidate screenings than are the type of competencies in the best practices profile and that, consequently, most selections that are subsequently regretted are due to a lack of these competencies rather than a lack of technical ability. Reflect the best practices in job postings for supervisory positions. We recommend updating interview methods to qualify candidates on these practices and, in announcing promotions and selections, highlighting the qualifications of successful candidates that reflect the best practices.

Target Ineffective Managers for Developmental Interventions

We wish to emphasize that the survey results should not be used as a basis for evaluating the performance and abilities of managers. The managers of managers are responsible for evaluating the effectiveness of their employees based on observations of job performance. They are also responsible for assuring that the development needs of the managers who report to them are addressed, rather than allowed to continue in ways that undermine organizational health. Our concern is that a major reason such a large gap exists between the high quartile and low quartile work units is that managers of managers have not made the development of management skills a priority.

This part of our recommendation, therefore, involves expecting managers of managers and supervisors to review the current managerial effectiveness of those who report to them and decide what, if any, of the best practices represent development needs. They would then be expected to collaborate with these managers in designing focused learning experiences and coaching interventions. Our understanding is

that, while there may have been numerous individual efforts to step up to specific cases of poor managerial performance, there has been no formal program or expectation to focus attention in this way.

Summary

There are few barriers to implementing strategies like these. Like most of the initiatives taken in response to prior assessments, they simply require the choice to place priority on management development and to focus management attention accordingly.

RECOMMENDATION #2: SEEK TO FULFILL COMMUNICATION NEEDS VOICED BY SURVEY RESPONDENTS

A large number of survey respondents indicated the need for more and/or better communication and information in the following areas:

1. The “how” and “why” behind management decisions, especially those made at higher levels
2. “What’s going on?” information from the extended environment that includes other regions, other state DOT’s, other parts of South Dakota government that affect DOT
3. Training opportunities
4. Career advancement opportunities and related information about the process and requirements

Seeking to fulfill these needs is put forth as a recommendation in part because of the prevalence of survey responses, but also because investments in communication made as a result of prior assessments have led to significant improvements in the related organizational health items. Further, there are probably many ways to address these needs through straightforward adjustments or extensions to the successful communication methods that have been established. Addressing these communication needs can also contribute to boosting the perception many expressed that changes will not happen as a result of the survey.

RECOMMENDATION #3: ADDRESS THE PAY AND CAREER OPPORTUNITY CONCERNS OF EMPLOYEES

The focus groups revealed that many employees recognize the ability of SDDOT’s leadership and management to increase pay and expand career opportunities is limited. At the same time, many may wonder or doubt whether all that could be done, is being done in this regard. The prevalence of the continuing frustration of employees in these areas represents a leadership challenge that should not be dismissed because the prospects of increasing pay and promotion opportunities are low. To the contrary, these circumstances make all the more important the acknowledgement of employees’ concerns, the open discussion of them, and demonstrating a reasonable exploration of ideas for stimulating favorable changes.

Lack of advancement opportunity is a concern that is significantly greater among Classified (N) employees. This group’s responses were significantly below the average of all respondents on the items pertaining to satisfaction with career advancement opportunities and to whether SDDOT’s promotion system helps the best person to rise. This group, which comprises 71.4 percent of all respondents and 73.2 percent of all employees, was also significantly more inclined than all other employee groups to say that there is undesired turnover in SDDOT, and that their wages are not sufficient to keep them from looking for another job.

Two of the items that distinguish high quartile and low quartile work units are whether the supervisor has “talked with me about my career goals” and whether the supervisor has “discussed my pay concerns and answered my questions about pay” (Items 39, 40). Responses of employees in high quartile units were significantly more favorable than employees in low quartile units. We do not see it coincidental that high quartile employees were also significantly more inclined than others to say that their wages are sufficient and they are satisfied with career advancement opportunities (Items 17, 18). From our experience with a similar project in Florida DOT we found that the most significant gains from a prior assessment were achieved by the work units in which the managers had followed the encouragement of the Department Secretary to formally ask their employees what questions or concerns they had about their pay.

Our work with Georgia DOT offers other thoughts about how to address pay and career advancement concerns. GDOT asked us to benchmark the full range of human resource practices and policies in 10 organizations, including eight other Departments of Transportation. The organizations were compared in terms of pay and benefits, training, recruitment and selection methods, and career advancement policies and programs. The study gave GDOT’s senior managers hard data about the areas in which their human resource practices were in line or out of step with similar agencies. In addition, the research brought to their attention several successful programs and practices that stimulated new thinking about how to address the human resource challenges that they faced.

For example, Tennessee DOT’s Graduate Transportation Associate (GTA) program has enjoyed an 85 percent retention rate since its initiation in 1996. The program was established because TDOT had difficulty recruiting people into certain positions and an even bigger problem retaining them beyond their first year or two in the Department. Without increasing the compensation of these positions, which was much lower than comparable positions in other states included in the study, the program resulted in dramatic improvement in both recruitment and retention. Some of the features and practices of the program that contributed to these results were:

- Set learning objectives for each rotation
- An oversight committee of Department engineers
- A performance evaluation for each rotation
- A recent GTA graduate is assigned as a mentor for each GTA
- Tennessee DOT’s recruiter serves as GTA coordinator
- An annual “Symposium” to celebrate completion
- GTA Associates in Roadway Design are assigned a GTA graduate as a mentor

Another example is from North Carolina DOT, which implemented a “skill-based pay” program as a way of differentiating compensation within the same job classification based on the number and types of skills an employee is able to demonstrate. So, an employee who has learned to operate a particular type of equipment qualifies for more compensation than those who have not gained this competency.

We are not suggesting these specific programs for SDDOT, but rather to offer examples of other states that have searched for, and to some extent found, fresh ways to approach the difficult challenges associated with pay and career advancement. Our recommendation is to invest in such a search.

RECOMMENDATION #4: ASSESS THE IMPACT OF THE DECLINE IN ORGANIZATIONAL HEALTH MEASURES BEYOND THE FIRST TWO YEARS OF SERVICE

The results showed that overall job satisfaction levels and other items have not improved for the group of employees with 2 through 6 years of service at nearly the same rates of the other groups, and that the 2004 gap between this group and the group with less than two years of service is much greater than in prior assessments (see Table 34). In addition, the total survey and most of the items that comprise it were significantly higher for those with less than two years of service as compared to all other groups (see Table 52).

These results signal the possibility of turnover forces at work in groups that are especially valuable to retain in SDDOT's future workforce. Our recommendation is to investigate the turnover rates and reasons for leaving of employees with more than 2 years of service to determine what opportunities there may be to strengthen retention factors generally and, depending on the findings, perhaps specifically for those in mid-career by virtue of their age and years of service. Since this project did not research specific reasons for turnover within SDDOT, no recommendations beyond those for strengthening organizational health can be offered. It should be noted, however, that some focus group participants cited lack of career advancement and also lack of competitiveness of pay and benefits as factors that are contributing to undesired turnover.

RECOMMENDATION #5: CONTINUE THE SUCCESSFUL EFFORTS OF THE PAST THAT HAVE INCREASED ORGANIZATIONAL HEALTH

The investments in safety and equipment are shining examples of successful improvements in organizational health that have occurred in recent years. This recommendation to sustain such initiatives as these is the most obvious for us to make and probably the easiest to be accepted and implemented. However, a great many of the improvements that have been made are more the result of informal and individual decisions by supervisors and managers to change their everyday practices than they are formal programs. A few examples are that employees were more inclined this year than ever before to say that their supervisor holds regularly scheduled staff meetings, that they get the information they need from their supervisor, that they are free to express their opinions, and that they are recognized for good work (Items 19, 27, 29, 30, 38, 54, 60, 69). Ensuring that management practices such as these are recognized and reinforced is therefore key to this recommendation.

RECOMMENDATION #6: CONTINUE THE ORGANIZATIONAL HEALTH ASSESSMENT

The OHA is a proven vehicle for stimulating organizational improvements. We cannot offer a more effective means for measuring progress toward the Organizational Health strategic goal. SDDOT's approach is consistent with that of many other state agencies that have similarly benefited from listening to the views of employees. We also see the next OHA as an important gauge of the impact of some the changes made for this year, in particular the provision of a report of results for the manager of each work unit and the "roadmap" of best practices to enable and motivate each to translate OHA results into action.

We have the following recommendations regarding the survey instrument. The first is to retain the 65 core items and the Overall Satisfaction item to assure continuity with prior assessments. The second is to remove item 59 because its wording was confusing to some and the results for it added little to the findings. For the remaining 39 items that measure a respondent's level of agreement, our recommendation is to: 1) retain those items that are clearly related to the findings of the focus groups that precede the

survey in the next assessment; and 2) perform regression and related statistical analyses for the purpose of identifying items that have little incremental measurement value, and so could be removed from the survey without detracting from achieving the objectives of the study. A final recommendation for strengthening the assessment is to consider administration methods that encourage greater participation of the Maintenance and Equipment job groups.