



# OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

## Assessing Postal Service Employee Engagement Activities

### Audit Report

Report Number  
HR-AR-17-013

September 21, 2017





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

## Highlights

### Background

In March 2015, February and October 2016, the U.S. Postal Service administered Postal Pulse surveys to evaluate employee engagement. These surveys replaced the Voice of the Employee survey used since 1998 and included Gallup, Inc. Employee Engagement Survey questions as well as one additional question about employee satisfaction.

The surveys' results indicated that postal employee engagement improved slightly over the course of the three surveys administered in March 2015 and in February and October 2016. The resulting grand means were 3.16, 3.24, and 3.25 out of 5, respectively. However, the Postal Service ranked in the bottom 1 percent of scores for all organizations Gallup surveyed in each of the three survey administrations. Although these results are concerning, the Postal Service is taking action to address employee engagement.

In July 2015, the Postmaster General emphasized employee engagement as a top priority for the Postal Service. In January 2016, management created an employee engagement team within the Human Resources function, which subsequently developed eight engagement activities: 1) continuation of the Postal Pulse survey, 2) action planning, 3) training for managers and supervisors, 4) an employee engagement website, 5) employee engagement publications, 6) promoting employee engagement via multimedia communications and outreach activities, 7) an awards program for those who contribute to an engaging workplace, and 8) employee feedback mechanisms.

On May 19, 2016, Senator Heidi Heitkamp of North Dakota requested a study to assess the morale of Postal Service employees and identify actions that could improve employee engagement and morale.

Our objective was to assess Postal Service Human Resources' employee engagement activities to determine whether they are effective in enhancing employee engagement. We also reviewed employee comments on social media sites to gauge employee sentiments.

### What the OIG Found

The engagement activities implemented in January 2016, address the three key drivers of engagement and areas of concern identified from Postal Pulse survey results. We recognize that these activities are in progress and there can be lag time for engagement activities to take effect in an organization. However, we identified opportunities to enhance the execution of three specific engagement activities: action planning, assessing employee comments on social media, and leveraging data correlation between employee engagement and business outcomes.

With regards to action planning, managers and supervisors at 81 percent (35,664 of 43,900) of business units developed and implemented action plans to address the March 2015 survey results. However, in February 2016 the percentage decreased to 50 percent (21,950 of 43,749). This decrease occurred



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because the Postal Service did not require action plans and made the process voluntary.

According to Gallup, managers who develop action plans generally double the level of engagement in their employees compared to those who do not document their action plans. In addition, without action plans, the Postal Service cannot assess the progress of activities implemented to increase employee engagement timely or have a measurement of accountability for management.

The Postal Service also did not monitor or respond to comments on external employee-focused social media sites. Best practices indicated that employers should respond to comments to demonstrate that employees' opinions matter.

The Postal Service's Corporate Communications group oversees its social media strategy and focuses on customer comments. This group did not monitor or respond to comments on external employee-focused social media platforms. However, Corporate Communications stated they acquired social media management software in May 2017 to monitor comments on external employee-focused social media sites.

Finally, there was a relationship between employee engagement, as measured by Postal Pulse survey results, and 21 Postal Service business outcomes. For example, strong employee engagement correlates with:

- Timeliness of delivery of standard on-time mail, indicating districts with highly engaged employees delivered standard mail on-time at a greater percentage than those districts with low engagement.
- Low staffing ratios (number of carriers assigned per route) and unscheduled leave occurrences, indicating districts with highly engaged employees accomplished their work using fewer carriers per route and experienced less unscheduled leave.

### What the OIG Recommended

We recommended management require managers and supervisors to develop action plans and implement a process to monitor and assess their progress and expand the Postal Service's social media strategy to include a process for monitoring and responding to comments on external employee-focused social media websites.

# Transmittal Letter

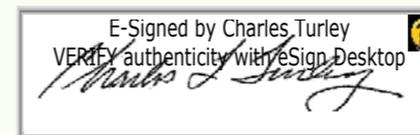


OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

September 21, 2017

**MEMORANDUM FOR:** JEFFREY WILLIAMSON  
CHIEF HUMAN RESOURCES OFFICER  
AND EXECUTIVE VICE PRESIDENT

JANICE D. WALKER  
VICE PRESIDENT, CORPORATE COMMUNICATIONS



**FROM:** Charles L. Turley  
Deputy Assistant Inspector General  
for Supply Management & Human Resources

**SUBJECT:** Audit Report – Assessing Postal Service Employee  
Engagement Activities (Report Number HR-AR-17-013)

This report presents the results of our audit of Assessing Postal Service Employee Engagement Activities (Project Number 16SMG010HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monique P. Colter, Director, Human Resources and Support, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit and Response Management

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# Findings

## Introduction

This report presents the results of our audit of assessing U.S. Postal Service employee engagement activities (Project Number 16SMG010HR000). The report responds to a request from Senator Heidi Heitkamp of North Dakota to assess the morale of Postal Service employees and identify actions management can take to improve employee engagement and morale. Our objective was to assess the Postal Service's Human Resources employee engagement activities to determine whether they are effective in enhancing employee engagement. We also reviewed employee comments on social media sites to gauge employee sentiments. See [Appendix A](#) for additional information about this audit.

Gallup, Inc. defines employee engagement as “employees understanding job expectations, making strong contributions, and feeling connected to their work”.<sup>1</sup> The Postal Service adopted this definition and issued the first Postal Pulse survey in March 2015. The Postal Pulse survey is the Gallup Q12 Employee Engagement survey plus one additional question about employee satisfaction. The results of the Postal Pulse survey's overall grand mean <sup>2</sup> score of 3.16 out of 5 ranked its score in the bottom 1 percent of scores for all organizations Gallup surveyed in March 2015.

A second Postal Pulse survey was issued in February 2016, and the last survey was issued in October 2016. The resulting grand mean scores were 3.24 and 3.25 out of 5, respectively. This latest score placed the Postal Service in the bottom 1 percent of scores for all organizations scored by Gallup.

In January 2016, management created an employee engagement team within the Human Resources function, which subsequently developed the following eight engagement activities:

- Conducting frequent and valid measurement of employee engagement through the Postal Pulse survey.
- Engaging in action planning.
- Holding engagement training.
- Creating an engagement website.
- Issuing employee engagement publications.
- Promoting engagement with multimedia communications and outreach activities (e.g., videos, newsletters, etc.).
- Establishing an awards program for those who contribute to an engaging workplace.
- Creating employee feedback mechanisms (e.g., telephone and email).

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<sup>1</sup> Gallup, Postal Pulse FAQ Section 508 Remediated (February 2016).

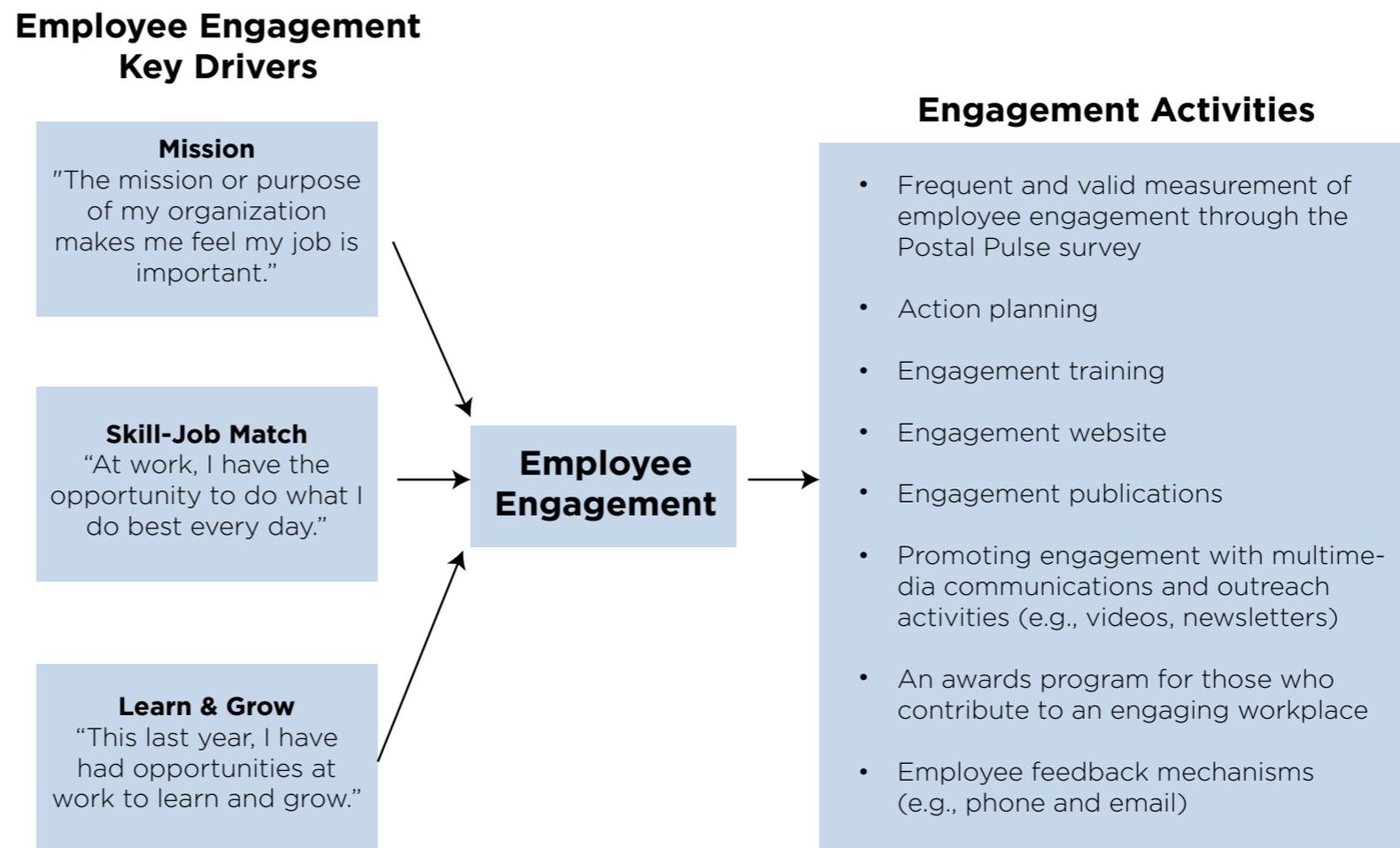
<sup>2</sup> The grand mean is the average rating of the 12 Gallup questions.

## Summary

As measured by Postal Pulse survey scores, employee engagement at the Postal Service slightly improved over the course of the three surveys administered in March 2015 and February and October 2016. The resulting grand means were 3.16, 3.24, and 3.25 out of 5, respectively (see [Table 1](#)). Additionally, the results of the third survey in October 2016 indicated that 78 percent of employees were not engaged or were actively disengaged.

Although these results are concerning, the Postal Service is taking action to address employee engagement. The eight major engagement activities management implemented in January 2016 are aligned with best practices and address the three key drivers of engagement and areas of concern identified from Postal Pulse survey results. For example, the Postal Service began employee engagement training of managers and supervisors in April 2016, and plans to complete training by December 2017. The goal of the training was to communicate the employee's role in improving engagement and provide the tools to support related activities. Of the managers and supervisors interviewed, over 80 percent stated they had implemented aspects of the training and saw improvement in their business unit (see [Figure 1](#)).

**Figure 1. Employee Engagement Key Drivers**



Source: OIG analysis.

We recognize that these activities are in progress and there can be lag time lag for engagement activities to take effect in an organization. However, we identified opportunities to enhance the execution of three specific engagement activities: action planning, assessing employee comments on social media, and leveraging data correlation between employee engagement and business outcomes.

Postal Service managers and supervisors at 81 percent (35,664 of 43,900) of business units developed and implemented action plans to address the March 2015 survey results. However, in February 2016 there was a decrease to 50 percent (21,950 of 43,749). The decrease occurred because the Postal Service did not require action plans.

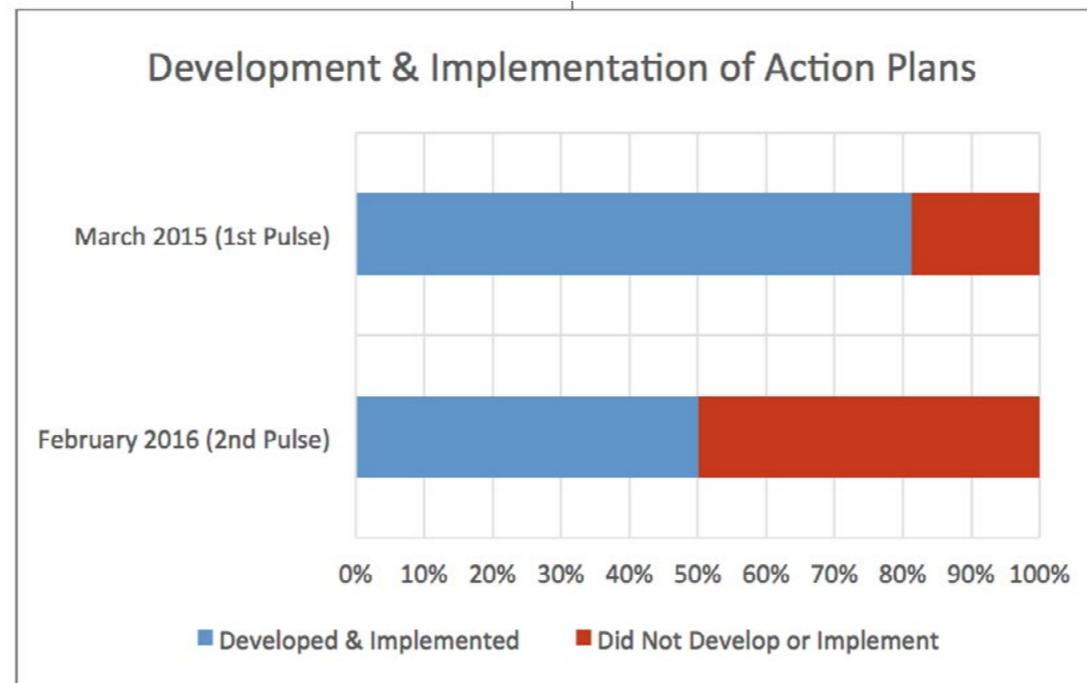
Management also did not monitor or respond to employee comments on external employee-focused social media sites. This occurred because the Corporate Communications group that oversees the Postal Service’s social media strategy focused exclusively on customer comments and did not include employee-focused social media platforms to monitor.

Finally, our analysis demonstrates a relationship between employee engagement and business outcomes. Employee engagement measured through Postal Pulse survey results impacted business and productivity outcomes. The OIG developed an interactive model to predict the potential impact on business outcomes as the engagement score fluctuates. This model will be included in our future risk analysis of Postal Service data.

### Action Planning

Action planning is an employee engagement activity developed by the employee engagement team, which is also an industry best practice. However, managers and supervisors were not required to develop and implement this employee engagement activity. After the initial Postal Pulse survey in March 2015, 81 percent (35,664 of 43,900<sup>3</sup>) of the managers and supervisors at business units<sup>4</sup> developed and implemented action plans. However, after the second survey (February 2016) only 50 percent of the units (21,950 of 43,749<sup>5</sup>) developed and implemented action plans<sup>6</sup> (see Figure 2).

**Figure 2: Action Plans Created**



Source: OIG analysis.

<sup>3</sup> Number of business units identified by the second Postal Pulse survey administered in March 2015.

<sup>4</sup> The formal name associated with an organizational identification number, which is a group of individuals with or without a leader, as classified by the Postal Service.

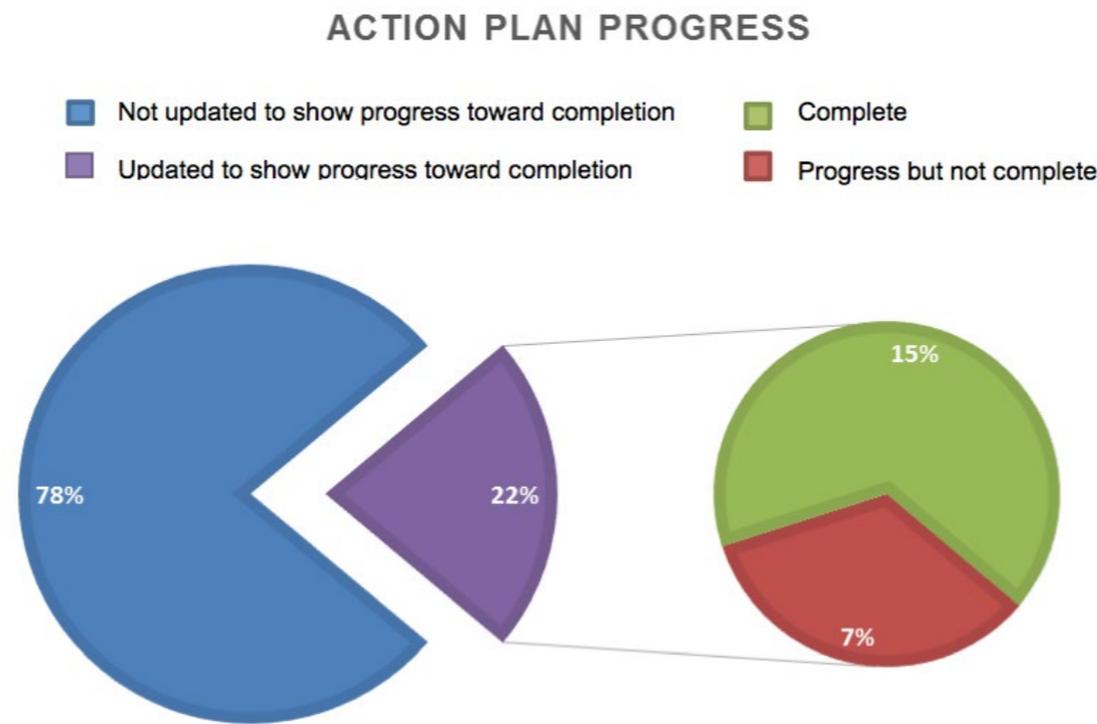
<sup>5</sup> Number of business units identified by the second Postal Pulse survey administered in February 2016.

<sup>6</sup> As of July 17, 2017, the Postal Service had created 18,857 action plans since the third Postal Pulse survey (October 2016). However, managers and supervisors have until the administration of the next Postal Pulse survey, tentatively scheduled for August 2017, to submit action plans for the October 2016 survey results.

The Postal Service’s action planning process involves managers and supervisors of each business unit holding a “State of the Team”<sup>7</sup> conversation. This conversation provides managers and supervisors an opportunity to discuss survey results with employees and collectively develop action plans by selecting specific survey results to focus on and using them to identify areas needing improvement. After action plans are developed, managers and supervisors should enter them into Gallup’s online database and then use the database to update progress and record completion.

Of the 33,591 action plans voluntarily submitted after the February 2016 (second) survey, which represented 21,950 business units, managers and supervisors did not consistently execute or record progress for the action plans. For example, we reviewed 74 percent (25,000 of 33,591) of the action plans developed and identified 78 percent (19,400 of 25,000) that did not show any progress or completion as of January 26, 2017. Of the remaining 22 percent (5,600 of 25,000), 7 percent were marked to show progress but not completed and 15 percent were noted as completed (see Figure 3).

**Figure 3: Status of Action Plans Sampled**



Source: OIG analysis.

This condition occurred because the Postal Service did not require action plans but made them voluntary and contingent on local management’s decision to participate. According to Gallup, a study of organizations across 13 industries indicates that the development of “online action plans generally achieved double the growth in engagement in comparison with those that did not document an online action plan.”<sup>8</sup> Gallup’s research has demonstrated that surveying employees and not acting on the results can lead to decreased employee engagement.<sup>9</sup>

<sup>7</sup> U.S. Postal Service Employee Engagement, Introduction to Engagement for USPS Managers, page 9, August 2015.

<sup>8</sup> Gallup, *Engagement in the U.S. Postal Service Executive Analysis, Third Administration*, pg. 40, December 2016.

<sup>9</sup> Earl, J., Dunn Lampe, M., & Buksin, A. (2006, August), What to Do With Employee Survey Results. *Business Journal*, Gallup.

Survey results are only useful to the extent that they influence meaningful actions and improvements across the organization. Without action plans, the Postal Service cannot assess the progress of corrective actions or activities implemented to increase employee engagement timely or have a measurement of accountability for management. The action planning process demonstrates to employees that management is dedicated to taking action to address issues identified in Postal Pulse survey responses. Making action plans mandatory and implementing a process to actively monitor progress helps focus corrective action activities and promote team concepts and accountability, which should ultimately enhance employee engagement.

### Employee Comments on Social Media

The Postal Service received below average ratings<sup>10</sup> from visitors to Glassdoor® and Indeed® external social media sites. We selected these two sites because they are popular sites for employees to review and rate their employers and give employers the opportunity to respond to comments. To draw a comparison of ratings, we selected five organizations, including the Postal Service, to assess. We benchmarked the Postal Service with two organizations that provide similar services and two public sector organizations. The Postal Service’s average rating was the lowest among the five organizations we reviewed (see Figure 4).

**Figure 4: Glassdoor and Indeed Average Ratings**

	AVERAGE RATING	
	glassdoor®	indeed® one search. all jobs.
	 3.0	 3.7
	 3.5	 3.9
	 3.8	 4.0
 U.S. Department of Veterans Affairs	 3.3	 4.0
	 3.2	 4.1

Source: OIG analysis.

<sup>10</sup> The average company rating on Glassdoor is 3.4.

***A Glassdoor survey shows that 62 percent of job seekers say their perception of a company improved after seeing an employer respond to a review.***

We also found that Postal Service management did not monitor or respond to employee comments on these sites. Our analysis of 100 Glassdoor and Indeed comments showed no responses from the Postal Service to comments from individuals who identified themselves as employees.

Both the Glassdoor and Indeed sites are widely recognized for giving job seekers access to millions of jobs and, importantly, providing employer reviews. During July 2016, each had about 10 million employer reviews. These sites represent not only a potential recruitment tool, but also a valuable opportunity to gather insight and improve an organization's brand appeal. The Postal Service received about 4,500 reviews from employees on Glassdoor and over 10,200 reviews on Indeed during June 2017. This demonstrates an opportunity for the Postal Service to increase interest in vacant positions and improve its brand appeal to a wide audience.

The Postal Pulse survey data suggests that the employee's voice is a challenge for the Postal Service workforce, with only 36 percent of employees indicating that they feel their opinions matter at work. The Postal Service's engagement team has addressed this concern by implementing an engagement call-in line, an engagement mailbox, and the Postal Service's internal employee intranet suggestion box. However, as social media has become an increasingly relevant communication avenue in today's society, management should explore opportunities to respond to comments received on social media, as appropriate.

The Postal Service did not monitor or respond to Glassdoor or Indeed comments because the Postal Service's social media strategy focused exclusively on customer comments and did not include employee-focused social media platforms to monitor. The Postal Service's Corporate Communications group, which oversees the Postal Service's social media strategy including monitoring customers' postings to its social media platforms at the Social Media Operations Center, did not monitor employee comments on Glassdoor and Indeed. However, management stated that Corporate Communications had acquired social media management software in May 2017 to monitor Glassdoor and Indeed comments.

It is critical that employers take employee comments seriously and respond to them in a way that shows they value the employee's opinion and commitment.<sup>11</sup> According to best practices, employers can help protect their brand and reputation by responding to comments.<sup>12</sup> Additionally, a Glassdoor survey<sup>13</sup> shows that 62 percent of job seekers say their perception of a company improved after seeing an employer respond to a review. Similarly, Indeed completed a survey and found that 83 percent of job seekers were likely to base job applications on company reviews.

## **Impact of Engagement to Business Outcomes**

There is a relationship between the Postal Service's employee engagement results and 21 Postal Service business outcomes (see [Appendix B](#)). We conducted the analysis by comparing Postal Service data evaluated in six OIG risk models<sup>14</sup> along with additional data sources, such as the National Performance Assessment scores, to the Postal Pulse survey results. As employee engagement has an impact on a multitude of business outcomes, we assessed how employee engagement influences business outcomes across the Postal Service (see [Figure 5](#)).

<sup>11</sup> DeMers, J. (September 9, 2014), *How Negative Online Company Reviews Can Impact Your Business and Recruiting*. Forbes.

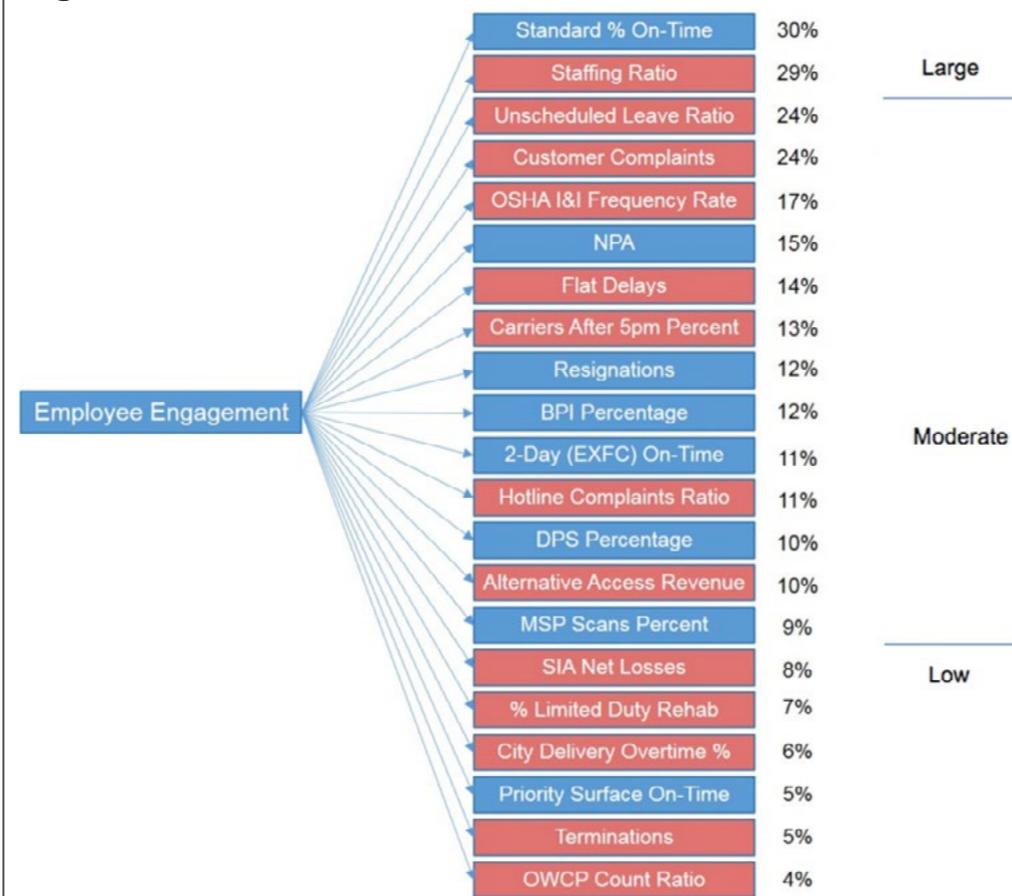
<sup>12</sup> O'Donnell, R. (April 2006) *How Negative Employee Reviews Hurt Your Employer Brand - and How to Stop Them*; retrieved from <https://www.recruiterbox.com>.

<sup>13</sup> Glassdoor U.S. Site Survey, January 2016.

<sup>14</sup> Performance and Results Information System (PARIS) risk models created by the OIG provide information on areas of emerging risk to the Postal Service and identify Postal Service locations at risk.

***A positive relationship between employee engagement and the business outcome indicated that as employee engagement increases, the outcome will increase. Conversely, a negative relationship between employee engagement and the business outcome indicated that as employee engagement increases, the outcome will decrease.***

**Figure 5. Business Outcomes**



Source: OIG

Of the 21 business outcomes we assessed, employee engagement was predicted positively by eight (shaded blue) and negatively by 13 (shaded red). A positive relationship between employee engagement and the business outcome indicated that as employee engagement increases, the outcome will increase. Conversely, a negative relationship between employee engagement and the business outcome indicated that as employee engagement increases, the outcome will decrease. The percentages to the right of the business outcomes illustrate the percentage of variance, with a greater than 25 percent variance indicating that employee engagement has a large impact on that outcome and 9 to 24.9 percent variance represents a moderate impact.

Our analysis measured and described the strength and direction of the relationship between the risk models and survey results. The percentages to the right of the business outcomes illustrate the percent of variance, with a large percentage indicating that engagement has a larger impact on that outcome.

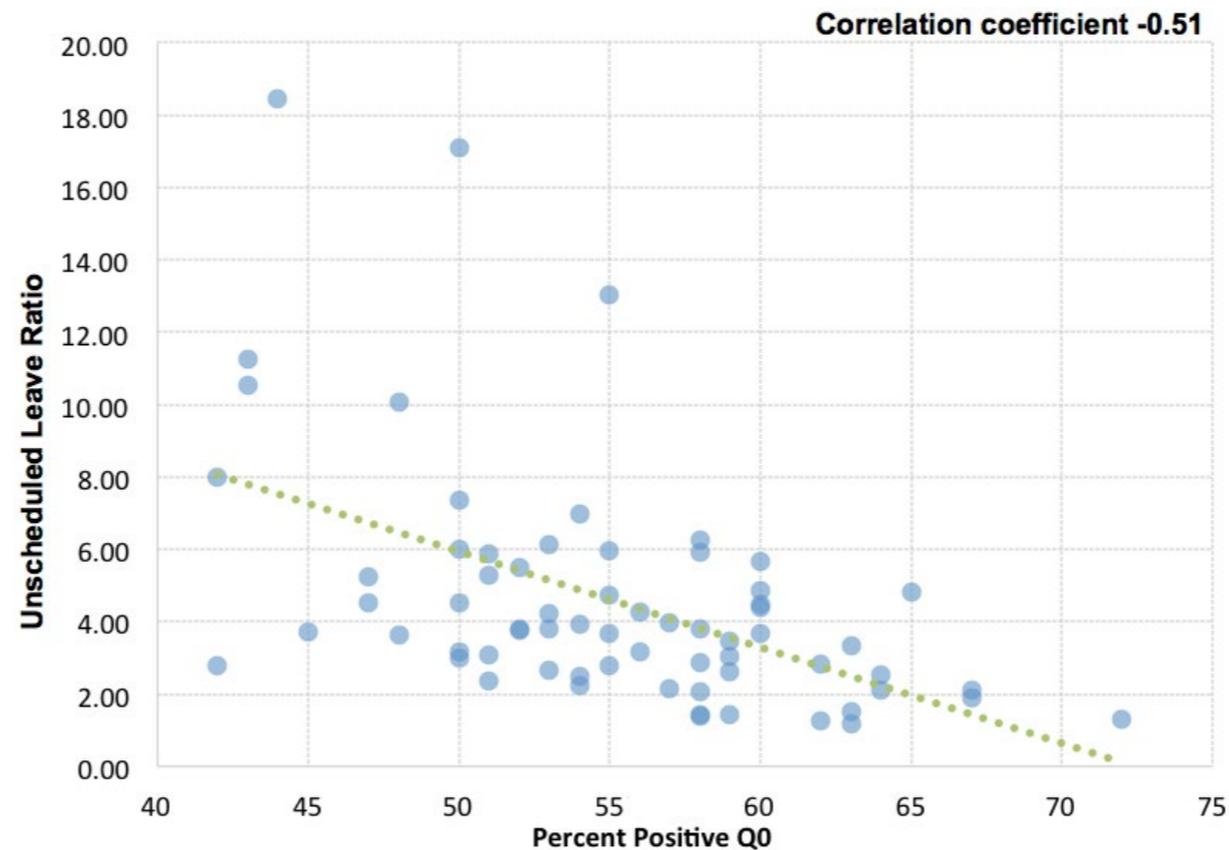
For example, 30 percent of performance related to standard on-time mail was driven by how engaged employees were in their district, indicating that districts with highly engaged employees deliver standard mail on-time at a higher percentage of the time compared to districts employees with low engagement. We acknowledge the remaining 70 percent could have been driven by factors beyond engagement, such as equipment, weather, or other employee characteristics; however, a 30 percent impact on a business outcome from one driver could be significant in that business outcome's performance. Employee engagement also had strong correlations with staffing ratio and unscheduled leave with 29 and 24 percent, respectively. This suggests that districts with highly engaged employees are able to accomplish their work using fewer carriers per route and experience less unscheduled leave, which are both efficiency indicators.

***The correlation between employee engagement and business outcomes provides evidence that a more engaged workforce can have a positive impact on productivity and on the Postal Service’s ability to carry out its mission to provide prompt, reliable, and efficient services to customers.***

The correlation between employee engagement and business outcomes provides evidence that a more engaged workforce can have a positive impact on productivity and on the Postal Service’s ability to carry out its mission to provide prompt, reliable, and efficient services to customers.

In addition, as a product of this audit, we developed an interactive model to predict the potential impact on business outcomes as the employee engagement score fluctuates. For example, if the Engagement Score (Q0: How satisfied are you with your organization as a place to work?) improved from 55 percent positive to 60 percent positive, the unscheduled leave ratio could improve from 4.27 to 3.30. In this example, unscheduled leave has a correlation coefficient<sup>15</sup> of -0.51 which denotes a negative correlation, meaning that as engagement increases, unscheduled leave will decrease (see Figure 6).

**Figure 6: Unscheduled Leave Ratio – Scatter Diagram**



Source: OIG analysis.

While this interactive model is based on data and relationships from the 2016 risk model metrics and the results from the second Postal Pulse survey, the interactive model allows for new data to be added as they become available. This model serves as a platform that could help the Postal Service and other stakeholders quantify the benefits that improved engagement could have on various business outcomes across the organization. Additionally, we will include this model in our future risk analysis of Postal Service data.

<sup>15</sup> The correlation coefficient measures the robustness of the relationship between two variables. The value of the correlation coefficient, ranges from -1 to +1, which gives the strength of the relationship and whether the relationship is negative or positive.

# Recommendations

***We recommend management require managers and supervisors to develop action plans, implement a process, and expand the social media strategy.***

We recommend the Chief Human Resources Officer and Executive Vice President:

1. Require managers and supervisors to create action plans to address Postal Pulse Survey results and implement a process to monitor and assess progress on the activities identified in action plans.

We recommend the Vice President, Corporate Communications:

2. Expand the Postal Service's social media strategy, which is currently customer-focused, to include a process to monitor and respond to employee comments on employee-focused social media websites.

## Management's Comments

Management agreed to all findings and recommendation 2; however, they disagreed with recommendation 1.

Regarding recommendation 1, management stated they have invested greatly in efforts to improve employee engagement through methods and means that create an atmosphere of empowerment. Mandating action plans would detract from the genuine nature of engagement and result in "check the box" behavior that the organization has experienced before. Management stated their preferred method of compliance for this endeavor is through cascading leadership conversation, motivation, and accountability. In addition, they stated that over 34,000 leaders have received training on the principles of engagement and agreed that team conversation and action planning is an effective practice; however, they felt that making it mandatory would be contradictory to the culture change they are working to achieve.

Regarding recommendation 2, management agreed to expand the Postal Service's social media strategy to include a process for monitoring and responding to comments on external employee-focused social media websites. The target implementation date is September 30, 2018.

See [Appendix C](#) for management's comments in their entirety.

## Evaluation of Management's Comments

The OIG considers management's comments to recommendation 2 responsive and planned corrective actions should satisfy the intent of the recommendation; however, management's comments to recommendation 1 are nonresponsive as they did not provide an alternative action to address the issue identified.

Regarding management's disagreement with requiring managers and supervisors to develop action plans and implement a process to monitor and assess their progress, the report highlights the significance and benefits of conducting such actions. According to Gallup — the vendor who administers the survey for the Postal Service — managers who develop action plans generally double the level of employee engagement compared to those who do not develop action plans. The report highlights an overall decrease in management developing action plans since the initial Postal Pulse survey. The 35,664 business units that developed actions plans after the March 2015 survey decreased to 21,950 after the February 2016 survey. As of July 2017, there were only 18,857 business units that completed action plans after the October 2016 survey. Although not a direct correlation, the survey results of 3.16 (March 2015), 3.24 (February 2016), and 3.25 (October 2016) have shown only slight improvement in employee engagement with the biggest score increase occurring after the most business unit participation in action planning.

As management asserts their preferred method of compliance for this endeavor is through cascading leadership conversation, motivation, and accountability, without executing action plans, there is no formal method for holding managers and supervisors accountable, as desired, for meeting prescribed goals. While we acknowledge the value of the methods incorporated by management, research demonstrates the positive relationship to action planning and improving employee engagement. While action planning is a best practice management has incorporated, without execution it's ineffective; therefore, management should ensure there are adequate practices in place to sustain continuous progress in employee engagement and promote management accountability.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendation 1 will remain open as we coordinate resolution with management. Recommendation 2 should not be closed in the USPS follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed.

# Appendices

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## Appendix A: Additional Information

### Background

In 2015, the Postmaster General emphasized employee engagement in a memo to Postal Service leaders as a top priority. The Postal Service implemented a number of activities related to employee engagement. The #PostalProud twitter hashtag was designed to tap into employees' professionalism, dedication, and pride in their mission and began with a focus on letter carriers. The Postal Service's Marketing team also has employee engagement programs, which is an umbrella of employee initiatives designed to identify new business opportunities and leverage customer relationships to generate new revenue. These initiatives include: 1) Business Connect, 2) Clerks Care, 3) Customer Connect, 4) Mail Handlers Leads, 5) Rural Reach, and 6) Submit a Lead.

The Human Resources *Strategic Plan 2015-2020* includes a goal for the Postal Service to have employees who are enabled, involved in, and committed and motivated to doing their best work. To achieve these goals, activities within the Ready Now Future Ready<sup>16</sup> 53: Build a Culture of Engagement Initiative include: 1) creating an employee engagement culture, 2) improving overall employee health and wellness, 3) increasing speed and transparency of organizational changes, 4) onboarding and retaining City Carrier Assistants, and 5) onboarding and retaining Rural Carrier Assistants.

To emphasize the focus on employee engagement, the Postal Service transitioned to the Postal Pulse survey in FY 2015 from the Voice of the Employee (VOE) survey, which had been used since 1998. The Postal Pulse survey was first administered in March 2015, and most recently administered in October 2016. Results from the Postal Pulse survey are used to develop action items that should establish distinct and achievable short-term goals at the working group level. Participation in the Postal Pulse survey has fluctuated from about 179,000 to over 292,000 over the three surveys administered (see Table 1).

**Table 1: Postal Pulse Survey Results**

Measures	First	Second	Third
	March 2015	February 2016	October 2016
Response Rate	47%	30%	49%
Number of Responses	270,092	178,753	292,294
Grand Mean (Score) <sup>17</sup>	3.16	3.24	3.25
Engaged	17%	22%	22%
Not Engaged	43%	40%	40%
Actively Disengaged	40%	38%	38%

Source: Postal Service analysis.

In January 2016, an employee engagement team was created within the Human Resources function which subsequently developed the following eight engagement eight activities:

1. Postal Pulse Survey — a survey that measures employee engagement, which the Postal Service administers twice a year. The Postal Pulse is the Gallup Q12 survey with one additional question about job satisfaction.

<sup>16</sup> Ready Now Future Ready is a Postal Service management process to improve business strategy, development, and execution. This process includes a portfolio of strategic initiatives that will help the Postal Service meet performance and financial goals at an accelerated pace.

<sup>17</sup> The grand mean is the average rating of the 12 Gallup questions.

2. Action Planning — an activity facilitated by managers and supervisors to create action plans that consist of one action item the manager or supervisor can personally work on to improve engagement and one action item the team or business unit can work on to improve engagement together.
3. Engagement Training — done through the “Creating an Engaging Workplace” (CEW) course with the goal of training all leaders across the Postal Service. Once trained, the role of the leader is to implement course concepts in their business units.
4. Engagement Website — a central point for resources that contain information on most of the engagement activities.
5. Engagement Publications — includes a range of resources to help employees, managers, and supervisors learn more about Postal Pulse Q12 survey items.
6. Communication and Outreach Mechanisms — includes videos and weekly newsletters that communicate the mission and importance of employee engagement.
7. Award Programs — includes Engagement Leader of the Year and Engagement Most Valuable Player to recognize those who contribute to an engaging workplace.
8. Employee Feedback (phone/email) — mechanisms that allow employees to voice opinions and concerns. The engagement team, or an appropriate person, responds within 24 hours of receiving messages through email or voicemail.

In April 2016, 25 employee ambassadors selected from the field began to train 41,000 managers and supervisors on promoting employee engagement and tools to support engagement activities.

## **Objective, Scope, and Methodology**

Our objective was to assess Postal Service Human Resources’ employee engagement activities to determine whether they are effective in enhancing employee engagement. We also reviewed employee comments on social media sites to gauge employee social media sentiments. To accomplish our objective, we:

- Analyzed data from the three Postal Pulse surveys alongside metrics that serve as indicators of organizational performance identified by FYs 2014 through 2016 PARIS risk models. This analysis was performed to better understand the factors that impact employee engagement, as well as how survey scores and organizational metrics related to employee engagement changes over time and across business units.
- Analyzed the conversations of 35 social media platforms to identify positive and negative themes about working for the Postal Service.
- Reviewed 25,000 of 33,591 (74 percent) business units’ action plans from FY 2016 to identify the number of prepared or completed plans.
- Reviewed eAwards data for FY 2016 to identify and understand employee recognition.

- Reviewed training records for employees to identify who received CEW training from April 2016 through March 3, 2017.
- Interviewed 94 randomly selected managers and supervisors who attended the CEW training course to obtain their opinion of the course, as well as whether they had implemented items learned during the training.
- Interviewed Human Resources managers and ambassadors from Postal Service Headquarters and all seven Postal Service areas to understand their CEW training strategy and action plans.
- Interviewed the Postal Service employee engagement team to understand the overall employee engagement program.

We conducted this performance audit from August 2016 through September 2017, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on August 2, 2017, and included their comments where appropriate.

We assessed the reliability of the action plan data by interviewing agency officials knowledgeable about the data and tested for completeness. We determined that the data were sufficiently reliable for the purposes of this report.

### **Prior Audit Coverage**

The OIG did not identify any prior audits or reviews related to the objective of this audit.

## Appendix B: Business Outcomes

Business Outcome	Risk Model	Definition
Standard Percent On-Time	Network Processing	Measures Standard Mail (and selected flats) service performance. Public record scores are provided to the Postal Rate Commission (PRC) regularly. The PRC makes this data (down to the district level) available for public consumption.
Staffing Ratio	City Delivery Efficiency	Shows that routes have adequate coverage to ensure that delivery service occurs.
Unscheduled Leave Ratio	Human Resources	Unscheduled leave is any employee absence from work that is not requested and approved in advance. Unscheduled Leave Ratio measures occurrences of Unscheduled Leave per 100 employees.
Customer Complaints	Retail Customer Service	Ranks districts based on how many complaints are received in the quarter compared to the same period last year. Customer complaints may indicate that Postal Service personnel are not treating customers in a courteous and professional manner or responding adequately to their concerns.
Occupational Safety and Health Administration Injury and Illness (OSHA I&I) Frequency Rate	Human Resources	Ranks districts based on illnesses and injuries per hours worked. The OSHA I&I frequency rate is calculated by multiplying the total number of OSHA I&I by 200,000 hours divided by the number of all employee workhours.
National Performance Assessment	Not Applicable	A 15-point measurement system for postal business success indicators in customer service, workplace environment, productivity, and financial performance.
Flat Delays	Network Processing	Comparison of delayed volume to total pieces handled volume.
Carriers After 5 p.m. Percent	City Delivery Efficiency	Percentage of carriers who returned to the station from delivering the mail past 5 p.m. This is determined by the total number of carriers returning after 5 p.m. divided by total carriers.
Resignation	Not Applicable	A separation at the employee's discretion that must be accepted once submitted. There are various reasons for resignation.
Breakthrough Productivity Index Percentage	Network Processing	An initiative that evaluates operational process improvements to standardize operations, increase efficiency, and reduce costs.
2-Day Express First-Class (EXFC) On-Time	Network Processing	Measures 2-day service performance. Public record scores that are provided to the PRC regularly. The PRC makes this data (down to the district level) available for public consumption.

<b>Business Outcome</b>	<b>Risk Model</b>	<b>Definition</b>
<b>Hotline Complaints Ratio</b>	Human Resources	Hotline Complaints measures the number of hotline complaints per 100 employees. Hotline complaints come from employees, customers, and the general public regarding fraud, waste, and misconduct.
<b>Delivery Point Sequence (DPS) Percentage</b>	City Delivery Efficiency	Percentage of letter mail sent from the plant to a delivery unit in walk sequence. It represents the total amount of letter mail in walk sequence divided by total letter volume.
<b>Alternative Access Revenue</b>	Retail Customer Service	Ranks districts based on the actual alternate revenue variance from the same period last year. The amount of alternate access revenue changes from one period to another may reflect the transition of revenue from the retail window to alternate access points.
<b>Managed Service Points (MSP) Scans Percent</b>	City Delivery Efficiency	Percentage of street performance for scans during street delivery.
<b>Segmented Inventory Accountability Net Losses</b>	Field Financial	A financial concept used where each unit consists of a unit reserve stock, cash credit segments, stamp stock segments, and a shared retail floor stock. This concept separates cash from stamp stock in retail credits with the appropriate controls and allows for improved customer service and satisfaction.
<b>Percentage Limited Duty Rehab</b>	Human Resources	Ranks districts based on the ratio of limited and rehab employees per total employees. Limited duty employees are temporarily unable to perform their regular assignments due to injuries sustained while on duty. Rehab employees have permanent partial disabilities resulting from injuries sustained while on duty.
<b>City Delivery Overtime Percentage</b>	City Delivery Efficiency	The amount of overtime used by city delivery in relation to total city delivery workhours.
<b>Priority Surface On-Time</b>	Network Processing	Looks at on-time arrival data for mail transported by truck.
<b>Terminations</b>	Not Applicable	Separation of an employee from a position at the expiration of the appointment because of lack of work or for other reasons.
<b>Office of Workers' Compensation Programs Count Ratio</b>	Human Resources	Shows which districts are most at risk for having high claims and costs activity.

## Appendix C: Management's Comments

JEFFREY C. WILLIAMSON  
CHIEF HUMAN RESOURCES OFFICER  
AND EXECUTIVE VICE PRESIDENT



August 30, 2017

Ms. Lori Lau Dillard  
Director, Audit Operations  
1735 North Lynn Street  
Arlington, VA 22209-2020

SUBJECT: Draft Audit Report - Assessing Postal Service Employee Engagement Activities  
(Report Number HR-AR-17-DRAFT)

Thank you for the opportunity to respond to the above-referenced draft OIG audit report. We appreciate and agree with the fundamental conclusions of the report, as well as the positive acknowledgement of our alignment with industry "best practices" with regard to employee engagement.

#### **Background**

The world's top-performing organizations understand that employee engagement is a force that drives business outcomes, which is why the Postal Service started this effort three years ago. We are committed to continuing our work on generating a culture shift that creates engaging workplaces and teams. Engaged employees work with passion, perform at consistently high levels, drive innovation and move the organization forward. Research shows that engaged employees are more than twice as likely to be thriving in their lives overall.

#### **Recommendation:**

Expand the Postal Service's social media strategy, which is currently customer-focused, to include a process to monitor and respond to employee comments on employee-focused social media websites.

#### **Management Response:**

We agree with the recommendation to expand the Postal Service's social media strategy to include a process for monitoring and responding to comments on external employee-focused social media websites. Our social media strategy includes an employee advocacy and outreach component, with a more robust focus on the employee component in our social strategy.

**Target Implementation Date:** September 2018

**Responsible Management Official:** Manager, Digital Communications

#### **Recommendation:**

Require managers and supervisors to create action plans to address Postal Pulse Survey results and implement a process to monitor and assess progress on the activities identified in action plans.

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**Management Response:**

We disagree with the recommendation to **require** Postal managers and supervisors to develop action plans.

Management has invested greatly in efforts to improve employee engagement through methods and means that create an atmosphere of empowerment. Mandating action plans will detract from the genuine nature of engagement and cause the type of "check the box" behavior that we have experienced throughout the organization before. Changing culture requires the elements of trust, ownership and empowerment over a sustained period of time. Dictating particular tasks tend to diminish the genuineness of those elements. Our preferred method of compliance for this endeavor is through cascading leadership conversation, motivation and accountability. We now have over 34,000 leaders trained on the principles of engagement and we agree that team conversation and action planning is an effective practice. However, we feel that making it mandatory would be contradictory to the culture change we are working to achieve.

In conclusion, the Postal Service takes its responsibility very seriously to provide each and every employee with a work environment that is safe, engaging, and inclusive.



Jeffrey C. Williamson

cc: Corporate Audit and Response Management  
Ms. Walker



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