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*Is the Legislative Audit Council Doing All It Can to
Motivate and Retain Audit Staff?*

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STATE DOCUMENTS

CPM Project
Submitted February 2, 2004

Background

The Legislative Audit Council (LAC) is a small agency of 14 employees. We conduct performance audits of other state agencies at the request of the legislature. Over the years, staff size has dwindled from 26 full-time employees in 1989 to the current size. The question of why staff leaves the LAC for other opportunities is raised every time an auditor leaves for another position. I chose this project because our agency lost two high-level employees in the past calendar year and neither position could be filled due to budget constraints.

Management has always been interested in staff satisfaction and how to motivate staff so this project was of interest to senior management. Prior to this project, senior management had contracted with a national firm in 2001 and 2002 to survey and score employees regarding job satisfaction. These surveys included questions regarding the work itself, working conditions, stress levels, co-workers, diversity, supervision, leadership, pay, benefits, job security, planning, and general contentment. Since the budget was a primary concern to the agency again this year, management decided that the agency would not pay to have this survey conducted in 2003. This project addresses many of the same areas that were addressed by the national firm. As possible, comparisons will be addressed within the report.

Project Purposes

This project has three main purposes. The first purpose of this project is to determine what motivates LAC audit staff and determine why staff stays at the LAC. To make these determinations, a survey was developed and administered to all staff. A secondary purpose is to allow staff a free forum to relay specific concerns or suggestions

to senior management by answering open-ended questions. These responses were given to the LAC director without any identifying data; therefore, the director did not know if a response came from a new employee or one who had been with the agency over twenty years. Lastly, former employees were surveyed to determine the exact reasons why they were not retained by the LAC.

Survey Development

Two survey instruments were developed – one for current employees and one for former employees. The tool used for the current LAC employees asked questions about why employees would leave the LAC, what LAC management should do to try to keep them, what they liked about working at this agency, and what motivates them. (See Appendix A – Survey of Current LAC Employees)

The other survey was developed for former LAC staff who had left the agency within the past ten years. (See Appendix B – Survey Instrument for Former LAC Employees) This tool asked respondents to identify the top reasons why they left and to rank various aspects about their work at the LAC.

Each survey instrument was reviewed by top-level management to ensure that it addressed issues of importance to them. Suggestions were made for clarity. These instruments were also discussed with my project manager to ensure that they were in proper format. This meeting led to the deletion of many of the identification questions; therefore, prohibiting the comparison of responses from one group to another. It was decided that deleting the majority of identifying questions would allow the respondents more freedom in their answers.

Implementation of Current Employee Survey

After the survey instrument was finalized, it was sent by E-mail to all employees, excluding the director (See Appendix C). Responses could either be E-mailed back or printed and placed in my mail box, for anonymity purposes. A follow-up E-mail was sent one week later. All employees responded.

Methodology and Implementation of Former Employee Survey

I asked the LAC business manager to generate a list of all employees who separated from the LAC in the past ten years (July 1993 – July 2003). This produced a list of 16 employees who separated from the LAC, but did not include those who retired from the agency. The retirees were not included because I wanted to determine why employees left the agency to work somewhere else.

Letters were mailed to all 16 employees (except one who was E-mailed because we had no address) on August 19, 2003 (See Appendix D). That mailing generated seven responses. The follow-up letter (See Appendix E) was mailed September 4, 2003. The follow-up mailing generated an additional four responses for a response rate of 69% (11 of 16).

Results of Current LAC Employee Survey

Before presenting the results of the survey, it should be noted that because of the very small size of our agency, all questions which may have potentially identified a respondent were eliminated from the initial drafts of the survey instrument. Only one question, the number of years the employee has been with the LAC, remained on the survey. Additionally, because the numbers of respondents are so small, using percentages in the presentation of results may be deceptive.

The length of service of our employees is as follows:

- 0-7 years – 4 employees
- 7-15 years – 2 employees
- 15 or more years – 7 employees

This breakdown shows that the majority of our employees have invested over seven years with the LAC. When asked why they accepted their first positions with the LAC, the top two reasons were because they thought the work may be interesting and because they were offered a salary greater than their previous job.

Responses to why a current employee would leave the LAC tomorrow for another job varied quite a bit; however, the response most often noted was if they were offered a job making more money. If the respondents chose that reason, they were asked the amount of an increase for which they would leave. These responses varied from \$4,000 to \$10,000 more per year. Most respondents answering this question indicated that they would accept another position for a \$5,000 per year raise. Another top reason why employees would leave the LAC was for a job with better advancement opportunities.

Question 4 asked what the LAC would have to offer to make the individual stay instead of taking another position. Most respondents indicated that the LAC would have to either offer an increase in pay or offer to match the pay being offered by the prospective employer. Other popular responses, which ranked in the top three categories, were allowing the employee to telecommute and a promise to promote or to promote the employee.

The next question asked more specifically what the LAC's director should offer to retain highly-qualified staff who have been offered another position. Six employees

indicated that the director should do nothing but wish the person well. However, five employees indicated that the director, in order to retain good staff, should offer the person more money.

Surveyed employees were asked to identify the top three things that they like about working at the LAC. The top reason most often given was the flexibility in schedules. The second most frequent response to this question was the atmosphere or work environment. The third most popular response was the type of work.

Conversely, the things that employees like the least about working at the LAC are the limited opportunities for advancement and lack of communication. Seven respondents specified other things they least liked about working at this agency. Those responses primarily indicated a desire for better pay.

Question 8 asked “what motivates you to do good work?” Without exception, the number one answer to that question was “self pride”. In response to Question 9 regarding the amount of work required of the employees, the majority of respondents indicated that the amount of work required of them was “about right”. Most respondents think that if their timelines were shorter, they would be able to have a similar product; however, two respondents disagreed and the remainder of them did not have an opinion or did not know.

When asked about management’s (director and managers) responsiveness to issues regarding motivation, the majority of employees felt that management was somewhat responsive.

Question 12 asked what kind of acknowledgement employees would most want if they felt they had done a particularly good job on an audit finding. Most respondents

indicated that a written acknowledgement in their evaluation or a verbal acknowledgement from their supervisor would be what they would want the most.

Lastly, the employees were asked how important receiving a favorable evaluation was in regards to motivating them. While it was not important to two employees, three employees thought it was “very important”. The remainder felt it was “somewhat important” or “important” to receive a favorable evaluation.

Open-Ended Questions

The primary purpose for including open-ended questions on the survey of current employees was to provide an anonymous format for employees to make suggestions and comments to LAC management. Responses to these questions were shared with the director. The following is a synopsis of the general themes which emerged in the responses to each question.

- ***Please list things that you would implement to motivate staff if you became the director tomorrow. Please be specific and be reasonable by considering general constraints of state government.***

Staff was concerned with addressing what they perceived as inequities in pay. Respondents stated that salary increases should be given when possible. Also, many mentioned that they would appreciate a bonus if a salary increase was not feasible. *(Staff may have felt this was possible because a member of management had recently accepted a position at another state agency and that position had not been filled).* Other comments included the need for more frequent staff meetings and general improved communication.

- ***Please list things that LAC management (director/managers) should consider changing to better motivate staff.***

Motivators identified included bonuses, incentives, and salary increases based on performance. Also, staff responded that improvements could be made in communication between the staff, managers, and the director. Additionally, some respondents believed that the LAC should take a more active role with the General Assembly. (*Members of the General Assembly are requestors of audits to be performed by our agency.*) There was also mention of implementing ways for staff to evaluate managers' work in addition to the evaluations already conducted.

- ***Do you know of ways that other state agencies motivate staff?***

While not all of the respondents commented on this question, those who did mentioned recognitions such as employee of the month or year and recognition ceremonies for staff. Additionally, motivators involving money and promotions were noted.

- ***Why do you think the majority of people leave the LAC? Please be specific.***

Overwhelmingly, the responses most often cited were that people left for better opportunities for advancement and higher pay.

- ***What specific things should be done to try to retain staff?***

The same themes continued in the responses to this question. Staff felt, for the most part, that LAC management should offer salary increases and promotions, when possible. Also, management should try to instill the feeling that all employees are valuable to the organization in as many ways as possible.

Comparisons to Previous Employee Surveys

Responses to the surveys conducted in years 2001 and 2002 were basically the same both years for the areas employees scored high (good aspects of working at the LAC) and low (bad aspects about working at the LAC). The category receiving the highest score both years was “working conditions”. Questions in this category asked if the employee had the proper equipment, a pleasant work space, and good conditions. The second highest scored response was the “stress free” category. The questions in this category addressed whether employees who were experiencing stress could talk to someone at work about the problem, whether the pace was so demanding that mistakes often happen, and whether the employee constantly felt under tension or stress. In the responses to my survey, one of the top reasons given by respondents as to why they liked working at the LAC was also the atmosphere or work environment.

Categories employees gave low scores to were job security and pay. For both years of the previous surveys, job security was the biggest concern of employees with pay being a close second. It should be noted that the 2001 survey was completed right after the agency was written out of the Governor’s budget and the 2002 survey was completed during the layoffs in state government. In the responses to my survey, job security was really not addressed; however, pay was a recurring theme throughout the responses.

Results of Former LAC Employee Survey

Overall, former employees were very complimentary about their time at the audit council. They responded positively about being treated fairly, having good relationships with supervisors and team members, communication, and training opportunities. These

employees primarily left the LAC because they were offered higher pay and better chances for advancement.

It is worth noting that, excepting two employees (outliers in service time), the average period of time an employee in this group worked at the LAC was approximately 4.9 years. A conclusion may be drawn that the LAC is a good “training ground” for various types of work because of the nature of the work we do.

Of the 11 former employees responding, the answer most frequently given as a top reason for leaving the LAC was that they were offered higher pay. Other responses often given in the “top 3” reasons for leaving were that they had a better chance for advancement, wanted a different type of work, or there were family circumstances causing them to leave. No one responded that they left the LAC because of too much job pressure, working conditions, job security, or inadequate training.

Some (5 of 11) auditors who left the LAC in the past ten years went to work for state government. The other types of work they went into included private business, a non-profit organization, county government, and a community college. Two respondents did not work after leaving the LAC.

Seven of the 11 respondents stated that, given the opportunity, they would consider working at the LAC again. Two respondents stated that they would not work at the LAC again and two others responded that they did not know if they would or not. The overwhelming majority (10 of 11) of the respondents, however, stated that they would recommend the audit council as a good place to work to others.

When asked what the LAC could have done to retain them as employees, the most frequently stated reason in five of eleven responses (45%) was that there was nothing the

LAC could have offered to retain them. Other answers marked by at least two respondents each were: offered an increase in pay, allowed to telecommute, and promised to promote.

In the question asking to rate the LAC as a place to work, the LAC was rated as “excellent” or “good” in the overall category by 10 of the 11 respondents, with the remaining respondent ranking the LAC as “fair” overall.

The LAC ranked “excellent” or “good” in the following categories from the majority of respondents:

- Fair and equal treatment by management.
- Relationship with your supervisor(s).
- Cooperation and team work.
- Management communication with employees.
- Communication on your team(s).
- Training opportunities.
- Management’s responsiveness to your ideas.

In line with the top reasons why these employees left the LAC, their ratings for “rate of pay” and “chances for advancement” fell primarily in the “fair” to “poor” categories. It is encouraging to note that employees who have left the LAC think highly of it as an agency. It is discouraging that the audit council has dwindled in staff size over the years and we have only 10 auditors conducting fieldwork. Our size limits an employee’s chances for advancement at the agency.

Findings and Recommendations to Motivate and Retain Audit Staff

The two recurring themes in the responses from current and former employees were rate of pay and opportunities for advancement.

In the past several years, the LAC has implemented or continued various recommendations of staff and ideas for improving motivation and, therefore, trying to retain staff. They include:

- Employee of the Quarter Recognition
- More frequent staff meetings to improve communication
- More relaxed dress code (if working in the office)
- Monthly birthday celebrations
- Continued “open door” policy of director

The budget constraints continue to be the primary prohibitive factor in addressing the top two concerns of staff. If there are no additional funds, higher salaries cannot be offered. Additionally, if staff size cannot be improved, there will continue to be limited opportunities for advancement.

Of course, management is always looking for ways to increase funding for the agency and has acknowledged that, when possible, staff salaries will be adjusted.

APPENDIX A

Survey of Current LAC Employees

1. Number of Years at LAC: *Please check the line beside the category which most closely reflects your time with the LAC.*

- 0-7 years _____
7-15 years _____
15-23 years _____
Over 23 years _____

2. Identify the top 2 reasons why you accepted your first position with the LAC and rank them with "1" being the reason that best describes why you came to work at the LAC:

- _____ No other job offers
_____ Thought work may be interesting
_____ Offered salary greater than previous job
_____ Intriguing advancement opportunities
_____ Other – Specify: _____

3. Identify the top 3 reasons why you would leave the LAC tomorrow for another job and please rank them "1" being the top reason, etc.:

- _____ Offered a job with better advancement opportunities
_____ Offered a job making more money
_____ *If offered more money, how much would the increase need to be to accept?*
_____ Offered a job closer to my home
_____ Offered a job for which I could telecommute
_____ Offered a job in another field
_____ Other – Specify: _____

4. If offered a better opportunity, what would the LAC have to do to make you stay? Please rank the top 3 things:

- _____ Offer an increase in pay
_____ Offer to match pay being offered by prospective employer
_____ Allow you to telecommute
_____ Promise to promote you
_____ Promote you to next level
_____ Allow you more flexibility in your schedule
_____ Other – Specify: _____

5. What do you think that the LAC management (director) should offer to retain highly-qualified staff who has been offered another position?

- _____ Nothing – Wish the person well
_____ More money
_____ Additional responsibilities/better title
_____ Other - Specify: _____

6. Identify the top 3 things that you like the most about working at the LAC and rank them accordingly. Please add to this list if you don't see what is important to you.

- Rate of pay
- Responsibility of position
- Type of work
- Teamwork environment
- Opportunities for advancement
- Atmosphere or work environment
- Reputation of agency
- Flexible schedules
- Other – Specify: _____

7. Identify the things that you least like about working at the LAC. Indicate and rank the top 3 things (if there are 3 things). Please add to the list if necessary.

- Occasional travel audits
- Working conditions
- Level of stress
- Lack of communication
- Atmosphere or work environment
- Limited opportunities for advancement
- Other - Specify: _____

8. What motivates you to do good work? Please indicate the top thing that motivates you with a "1". You may also indicate other motivators by ranking them.

- Self pride
- Recognition from others
- Possible pay increase
- Possible promotion
- Fear of being RIFed or laid off
- Other – Specify: _____

9. Do you think the amount of work required of you is:

- About right
- Too much
- Too little
- Comments: _____

10. Do you think if your timelines were shorter you would be able to have a similar product (quality, responsiveness, etc.)?

- Yes
- No
- No Opinion/Don't Know
- Comments: _____

11. Overall, how would you rate the LAC's management's (director/managers) responsiveness to issues regarding motivation:

- Very responsive
- Somewhat responsive
- Not responsive
- Hostile
- No opinion

12. If you thought that you had done a particularly good job on a finding, what kind of acknowledgement would you most want?

- Verbal acknowledgement from supervisor\manager
- Verbal acknowledgement from director
- Written acknowledgement in evaluation
- Star or other recognition on your door
- Monetary
- Acknowledgement to staff in staff meeting
- None
- Other – Specify: _____

13. How important is obtaining a favorable evaluation in regards to motivating you?

- Not important
- Somewhat important
- Important
- Very important

Please answer these open-ended questions as if this were a regular budget year. Also, if you would like to offer further clarification about your answers, please contact me for a short personal interview.

A. Please list things that you would implement to motivate staff if you became the director tomorrow. Please be specific and be reasonable by considering general constraints of state government.

B. Please list things that LAC management (director/managers) should consider changing to better motivate staff.

C. Do you know of ways that other state agencies motivate staff?

D. Why do you think the majority of people leave the LAC? Please be specific.

E. What specific things should be done to try to retain staff?

APPENDIX B

Survey Instrument for Former LAC Employees

Where did you go to work when you left the LAC?

- State government
- Private business
- Self-employed
- Volunteer
- Did not work following employment with LAC
- Other – Specify: _____

Please identify the top 3 reasons why you left the LAC and rank these 3 reasons with “1” being the reason that best describes why you left:

- Offered higher pay
- Better chance for advancement
- Different type of work
- Self employment
- Different philosophy than LAC management
- Family circumstances
- Too much job pressure
- Working conditions
- Travel reasons (out-of-town audits)
- Moved
- Job security
- Inadequate training
- Illness or physical condition
- Other – Specify: _____

How long did you stay at the first place of employment you went to after leaving the LAC?

- Less than two years
- Two to five years
- Over five years
- Did not work after leaving LAC

Given the opportunity, would you consider working at the LAC again?

- Yes
- No
- Don't Know

Would you recommend the LAC to others as a good place to work?

- Yes
- No
- Don't know

Rate the LAC on each of the following:

	Excellent	Good	Fair	Poor	No Opinion	Comments
Fair and equal treatment by management						
Relationship with your supervisor(s)						
Cooperation and team work						
Management communication with employees						
Communication on your team(s)						
Training Opportunities						
Rate of Pay						
Chances for Advancement						
Management's responsiveness to your ideas						
Overall						

Please identify ways the LAC could have retained you as an employee. (This list is to offer examples only. Please feel free to add additional items.)

- Offered an increase in pay
- Offered to match pay being offered by prospective employer
- Allowed you to telecommute
- Promised to promote you
- Better job security
- Allowed more flexibility in your schedule
- Was nothing LAC could offer
- Other: _____

APPENDIX C

E-Mails to Current LAC Employees

From: Lindsay, Marcia
Sent: Wednesday, September 03, 2003 10:42 AM
To: (Current LAC Employees)
Subject: Survey of Current LAC Employees

It's your turn! As most of you are aware, for my Certified Public Manager training, I have surveyed former LAC employees to find out where they went, why they left, and what their feelings are about our organization. (I can give you a copy of the survey if you are interested.)

Primarily, the attached survey is about motivation. There are several questions asking that you rank the responses. "1" will always be the top answer or the answer that best describes your response. If the question says to identify the top 3 reasons and you believe only 1 or 2 apply, it is not necessary to try to come up with a third reason!

If you don't find a response that expresses your answer, please feel free to fill in the "Other – Specify" blank and be sure to rank it appropriately, if ranking is involved.

Lastly, there are five open-ended questions. I would really appreciate it if you would give straight-forward responses. As noted on the survey, please answer these questions as if this were a regular budget year and considering that this is state government.

My project requires that I report my findings in a narrative form; however, I will not disclose individual information to anyone. In fact, you do not have to identify yourself. After you complete the survey, please print it out and put it in the folder in my box.

Please respond by Friday, September 12, 2003.
Thanks!

Marcia

P.S. When my project is finalized, I'll gladly provide a copy to all who are interested!!

From: Lindsay, Marcia
Sent: Tuesday, September 09, 2003 10:26 AM
To: (Current LAC Employees)
Subject: Survey Reminder

To those of you who have already submitted your surveys – thank you very much!

To those of you who have not, please take a few minutes and complete one. I'd like to receive them by Friday, September 12, 2003!

Thanks!

Marcia

APPENDIX D

Letter to Former LAC Employees

August 19, 2003

(Address)

Dear _____:

I hope this letter finds you doing well! I am writing to obtain some much needed information from you, as a former Legislative Audit Council employee. As part of a project I am doing for my Certified Public Manager training, I am contacting former employees to find out where they went when they left the LAC, why they left, and how they would rate different aspects of our organization.

My project requires that I report my findings in a narrative form; however, I will not disclose individual information to anyone. In fact, you do not have to identify yourself in your response. If you are receiving this survey instrument by E-mail, feel free to print it out and mail it back.

The survey instrument is just one page (front and back). If there is a question which does not list the answer which most accurately reflects your response, please be specific in the space provided. This should take only a few minutes of your time and it would help me out greatly. I would appreciate receiving your response by September 3, 2003.

If you have any questions about the survey, please contact me by any method listed below.

Thanks in advance for your assistance.

Sincerely,

Marcia Lindsay
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(803) 253-7639 (FAX)
mlindsay@sclac.state.sc.us

Enclosure

APPENDIX E

Follow-up Letter to Former LAC Employees

September 4, 2003

(Address)

Re: Former LAC Employee Survey

Dear _____:

If you have already returned your survey, you do not need to read the rest of this letter. Thank you!

However, if you have not returned your survey, I have included another copy for your convenience. Since this is part of my project, it is important and I would like to have a good response.

If you have any questions about the survey, please contact me by any method listed below.

Thanks in advance for your assistance.

Sincerely,

Marcia Lindsay
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Enclosure