



Board of Administration

Agenda Item 10b

June 16, 2021

Item Name: Annual Stakeholder Perception Survey

Program: Communications and Stakeholder Relations

Item Type: Information

Executive Summary

The Office of Stakeholder Relations monitors and assesses CalPERS' reputation with key stakeholder segments to help support, shape, and implement the Strategic Plan goals and initiatives for the organization. An anonymous online survey was distributed to active, retired and inactive members, employers, and key stakeholder leaders over three weeks during the month of March 2021 (March 9-29). The overall survey results indicate that the general perception of CalPERS remains positive among stakeholder segments, despite a near-total transition to remote work for the entirety of the year by CalPERS team members. Customer service is viewed as a strength for the organization with a strong correlation to positive views in other areas.

Strategic Plan

This item supports the Fund Sustainability, Health Care Affordability, Reduction of Complexity, and Risk Management strategic goals.

Analysis

The survey uses quantitative analytical methods to gain accurate, timely, and actionable information about CalPERS' standing and perception among its target stakeholders.

Survey Structure

- Eight long-term trend questions
- Seven perception statements on ethics, compliance, transparency, and health care cost and quality
- Two statement questions on how well CalPERS acts as an effective policy advocate

- One question on overall perception
- Opportunities for open-ended comments and suggestions
- Demographic questions

Survey Group	Surveys Distributed	Surveys Completed	March 2021 Response Rate	Previous Year Response Rates
Active Members	56,307	4,594	8.16%	7.00%
Retirees	17,694	3,959	22.37%	19.95%
Inactive Members	16,466	748	4.54%	4.80%
Employer Leaders	2,228	125	5.61%	6.37%
Employer Bulletin	9,871	462	4.68%	3.04%
Stakeholder Leaders	75	35	46.67%	17.24%
TOTAL	102,641	9,923	9.67%	8.62%

Summary of Key Findings

General Perception of CalPERS is Positive

Overall, most respondents hold favorable perceptions of CalPERS:

- The 9,923 respondents generated a total of 70,435 cumulative responses for the eight “Long-Term Trend” questions, and 60,335 of these responses (85.66%) were ‘Yes’.
- Over half of the respondents (5,054) answered ‘Yes’ to all eight questions.
- Respondents averaged a 5.25 (*Somewhat Agree*) on the 7-point Likert scale perception statements.
- Respondents averaged a 7.35 on the 10-point Likert scale perception statements.

Customer Service is a Key Indicator of Overall Perception

- Respondents who believe CalPERS’ customer service is being managed well (Question 2) are more likely to feel positively about other aspects of CalPERS.
- Responses to the customer service management question were most strongly correlated with responses regarding satisfaction with services provided (Question 5), CalPERS’ sensitivity to needs (Question 3), and confidence in CalPERS providing future quality customer service (Question 7).
- This is the fourth consecutive annual survey which has shown that customer service remains the dominant metric in shaping stakeholders’ overall perception of CalPERS, and perceived positive management of customer service significantly influenced this year’s positive responses.

Highest Confidence Scores in Overall Organization Management and Overall Positive Perception

- Of all the “Long-Term Trend” questions, respondents answered ‘Yes’ over 90% of the time when asked if CalPERS was being managed well overall (Question 1).
- Across all perception statements, respondents had the highest mean score in agreeing that their overall perception of CalPERS was positive (Statement 14).

Lowest Confidence Scores in Retirement Money Security and Balancing Health Cost with Quality

- Overall, respondents’ confidence in their retirement contributions (Question 6) is less positive than all other “Long-Term Trend” questions.
- Across perception statements using a Likert scale, CalPERS being an effective voice in ensuring a balance between health care costs and quality of care (Statement 9) had the least favorable response.

Demographic Analysis

While all responses in general were positive (higher than *Neither Agree nor Disagree*), differences existed in the degree of how positive or favorable respondents rated a statement by survey group and demographic. The following sub-sections highlight these differences:

By Survey Group

- Throughout the entire survey, Employer Leaders had the least favorable opinions while Retirees had the most favorable opinions. Holding the most favorable opinions is a yearly trend for the Retirees. Employer Leaders having the least favorable survey group position this year was a shift, as Inactives usually hold that position.
 - Retirees ranking the highest is most likely a direct reflection of their survey group being the *only* survey group that is already collecting pension benefits.
 - Employer Leaders ranking the lowest is most likely due to increasing CalPERS employer contribution rates
- Out of all eight “Long-Term Trend” questions, Employer Leaders responded least positively to feeling confident in their retirement money being safe and secure, with only 57.98% answering ‘Yes’.
 - All other groups maintained a 72.94% or higher ‘Yes’ answer rating for this question.

By Professional Level

- While Executive Directors/Senior Executive Officers across all survey groups responded positively to most of the “Long-Term Trend” questions, their overall score was the lowest among all professional levels. Across all 7-point and 10-point Likert scale perception statements, except for the statement about actively following CalPERS in the media (Statement 17), this group also had the lowest scores of all professional levels.

- In response to if CalPERS is an effective voice in ensuring a balance between health care costs and the quality of care (Statement 9), the Executive Director/Senior Executive Officer group gave their lowest rating of all the Likert scale perception statements.
 - The mean score of 4.87 was also the only mean score below 5.00, amongst all Professional Level ratings, throughout all 7-point Likert scale perception statements.
 - One reason their score was lower could be because the Executive population may be observing how much health care is impacting their personnel budgets.
- The Non-managerial Staff Professional Level group ranked the highest on “Long-Term Trend” questions with an average overall ‘Yes’ answer 86.44% of the time.
 - This group also held the highest average score of all professional levels for the 10-point Likert scale perception statements, while Senior Management held the highest average score for the 7-point Likert scale perception statements.

By Years to Retire

- “Long-Term Trend” question responses show that members nearing retirement generally hold CalPERS in higher regard than those several years out from collecting their retirement benefits. Active members moving closer to retirement may perceive diminished long-term financial risk and increased engagement with their forthcoming retirement.
- Respondents within one year of retirement had the highest favorable response average to 7-point and 10-point Likert scale perception statements, including their overall perception of CalPERS (Statement 14).
- The statement about CalPERS ensuring a balance between health care costs and quality (Statement 9) had the lowest mean score of all perception statements, ranking lower than a 5.00 with all survey groups except for the group retiring ‘Within 1 year’.
 - Statement 9 and the statement about actively following media, articles, and issues regarding CalPERS (Statement 17) were also the only statement within an overall mean score below 5.00 (when averaged for all groups by ‘Years to Retire’).

By Membership Years

- Overall, respondents of all CalPERS membership years answered favorably to most of the eight “Long-Term Trend” questions. Generally, as membership years increase, so does the number of ‘Yes’ responses.
- The Likert scale perception statements also exhibited the trend of favorability increasing with membership years, except in the “4–7 years” category, where the average rating dipped.
 - The “0–3 years” and “4–7 years” categories had the least favorable responses on 7-point Likert scale perception statements, while the 10-point Likert scale perception statements (Statements 15 and 16) had the least favorable responses in the “4–7 years” and “8–11 years” categories.
 - Less favorable responses may be associated with less membership years because of the Public Employees’ Pension Reform Act (PEPRA). Since it was

effective January 1, 2013, it is possible that many in the '4-7 years' group was newly affected by PEPRA and therefore may have a more negative opinion overall.

By Recent Contact with CalPERS

- The majority of Active, Inactive, and Retired members engaged with CalPERS three or less times within the last year. Across all contact categories, most individuals responded favorably to “Long-Term Trend” questions. Those with no contact had more favorable perceptions; as the number of interactions with CalPERS increased, the favorability scores *generally* decreased.
- Respondents who had no contact with CalPERS within the last year had the highest approval score for how CalPERS was being managed overall (Question 1).
- Respondents that engaged with CalPERS 10 or more times within the last year had the lowest average scores across all “Long-Term Trend” questions. Specifically, the highest disapproval score was for confidence in the information and answers they receive from CalPERS (Question 8).
 - Respondents who had 10 or more interactions may have less favorable opinions overall due to the complexity of their questions and the required involvement of multiple divisions and team members to resolve their issues. Lower average scores for this group may also be indicative of the time and number of interactions it took to resolve their issue(s).

By Geography

- Responses for county of residence were combined into nine economic statewide regions and “Out of State” for those who live outside of California (see Appendix for the counties included in each region). Table 2 lists these regions:

Table 2: Economic Statewide and Out of State Region Names

Region Name	
Bay Area Region	Sacramento Region
Central Valley Region	Southern Border Region
Coastal Region	Southern Region
Eastern Sierra Region	Out of State
Northern Region	

- Overall, all regions responded in the ‘*Somewhat Agree*’ to ‘*Strongly Agree*’ ranges across all 7-point Likert scale perception statements. Out-of-State respondents ranked the highest in favorability scores across all “Long-Term Trend” questions and Likert scale perception statements, *except* for customer service being managed well (Question 2) and confidence in information and answers received from CalPERS (Question 8).
 - The Eastern Sierra region had the most favorable opinion on Question 2 and Question 8.

- Sacramento Region residents had the least favorable “Long-Term Trend” combined overall average score as well as the lowest mean score for the 10-point Likert scale perception statements combined.
 - The Northern Region had the lowest mean score for the 7-point Likert scale perception statements combined.
- All regions responded favorably on the 10-point Likert scale perception statements regarding CalPERS being an effective policy advocate (Statement 15) and effectively communicating with stakeholders (Statement 16).
 - This favorable consensus may be attributed to CalPERS using various communication channels (e.g., social media and newsletters) to reach out and provide information to members and stakeholders across all geographic locations.

Budget and Fiscal Impacts

The survey is administered by CalPERS team members in Stakeholder Relations and the analysis is completed internally by the Policy Research & Data Analytics division.

Benefits and Risks

The Stakeholder Perception Survey identifies areas of satisfaction and concern from CalPERS stakeholder segments. Review and evaluation of the data allows CalPERS leadership to develop initiatives that ensure consistent communication with stakeholders, enhance confidence in the System and help members and employers make informed decisions. The survey also provides baseline data for two Strategic Measures in the 2017-22 Strategic Plan, in the areas of risk and compliance.

Attachments

Attachment 1 – Annual Stakeholder Perception Survey

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