



Performance, Compensation &
Talent Management Committee
Agenda Item 6

November 15, 2016

Item Name: Organizational Health Index (OHI) Survey Update

Program: Human Resources Division

Item Type: Information

Executive Summary

The purpose of this agenda item is to provide an overview of the results of the 2016 OHI survey. This will include a comparison of our survey results from 2013 and our plan of action following the 2016 survey results.

Strategic Plan

The OHI survey supports Goal B in the Strategic Plan to “cultivate a high-performing, risk intelligent and innovative organization.” The survey results will be used to develop new strategic performance measures in the future.

Background

The OHI is a confidential employee opinion survey used to assess the health of an organization. It measures outcomes and practices that contribute to CalPERS overall health score. These measures help us understand what we are doing well and where we can improve as an organization.

CalPERS first administered the OHI survey in September 2010, again in 2013, and recently in April 2016. For the 2016 survey, CalPERS achieved a participation rate of 69 percent across the organization.

Results from the survey illustrate how CalPERS has evolved significantly since 2010 to realize substantial improvement in overall health. Following an organizational redesign in 2010, CalPERS began to stabilize its health in 2013, and showed continued improvement in 2016.

The OHI survey, based on academic research and direct expert input, has been administered to more than 1.25 million respondents at private and public institutions. This allows us to compare our results with a large database of private and public sector organizations.

Analysis

Similar to the results from 2010 and 2013, our results in 2016 show CalPERS remains above average when compared to other public sector organizations who participate in the OHI survey.

Highlights from the 2016 OHI results include:

- An overall health score of 69 - seven points higher than our score in 2013

- Improvement on eight of the nine health outcomes measured
 - The only area that does not show improvement is Motivation. This year, our score is 58; in 2013, the score was 64. This is because this year's survey included a question about CalPERS offering attractive financial incentives to motivate employees. With the exception of a few positions at CalPERS, the majority of employees are not offered financial incentives. If this practice is removed, the score for Motivation would remain the same as in 2013.
- The areas of Innovation & Learning, Culture & Climate, and Direction are driving CalPERS increase

On June 3, 2016, Executive staff participated in a workshop with McKinsey & Company to discuss survey findings and determine areas of focus for action planning. Executive staff will focus on making improvements in the following areas:

- Increasing employee involvement in shaping the direction of CalPERS and ensuring a shared vision and strategic clarity
- Accountability for results
- Developing talent and skills – enhancing development resources for our employees

In June, a town hall was held using the Spark, our internal social media tool, to collect employee feedback about the strategic themes under consideration for the CalPERS 2017-22 Strategic Plan. Employee assistance will also be elicited in the other focus areas identified and there will be more opportunities for employees to provide their ideas, comments, and recommendations.

The next step for OHI will involve action planning to develop recommended strategies and tactics to help us improve in the three aforementioned areas. Each Executive has been provided results for their individual Branch, including comparisons to their 2013 results.

Doug McKeever is the 2016 OHI Executive Sponsor, and he will communicate out to the enterprise on a regular basis to keep employees informed on the progress that is being made in each of these areas, as well as opportunities where employees can participate.

Budget and Fiscal Impacts

There are no Budget and Fiscal impacts associated with this item.

Attachments

Attachment 1 – OHI Summary of Results

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