



Finance and Administration Committee Agenda Item 8b

May 16, 2017

Item Name: Annual Stakeholder Perception Survey Report

Program: Communications and Stakeholder Relations

Item Type: Information

Executive Summary

The Office of Stakeholder Relations monitors and assesses CalPERS' reputation with key stakeholders to help support, shape, and implement the strategic plan goals and initiatives for the organization. An online survey was distributed to active, retired and inactive members, employers, and key stakeholder leaders over six weeks during the months of January and February 2017. The overall survey results indicate that the general perception of CalPERS remains positive among stakeholders. Customer service is viewed as a strength for the organization with a strong correlation to positive views in other areas. Confidence in the long-term security of the system showed a downward trend among stakeholders.

Strategic Plan

This item supports the Strategic Plan, Goal B - Cultivate a high-performing, risk-intelligent and innovative organization.

Background

The Board Governance project recommended CalPERS conduct a reputational risk assessment of stakeholder views.

Beginning in 2013, CalPERS initiated the first of a six phase Stakeholder Assessment Project (SAP) to gauge the perception of stakeholders on a broad range of topics including ethics, transparency, customer service, management of the system and stakeholder engagement. Updates were provided through an annual report each October and a mid-year status review in April. The original project included a total of six phases; however, the project team eliminated the fifth phase to avoid repetitive survey requests of stakeholders and reduce consultant costs. Staff conducted the last phase of the project in November of 2015 and the final project results were reported to the Finance and Administration Committee in April 2016.

CalPERS stakeholder team recommended that the survey continue annually with the following changes:

- Streamline the survey and administer electronically
- Eliminate the reliance on external consultants
- Eliminate the project's media analysis and state and federal representative interviews that repeated core work already performed by team members
- Partner with program areas to analyze survey results

In January 2017, an online survey was sent to more than 135,000 active, retired and inactive members, employers, and stakeholder association leaders seeking experience and opinions on CalPERS. The survey ran for six weeks from January 10, 2017 through February 21, 2017. The survey response rate was approximately 12.5 percent.

The Retirement Research and Planning Division analyzed the final survey results and provided the analysis below.

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
- Six perception statements on ethics, compliance, transparency, and health care cost and quality
- Two perception statements tied to the new strategic plan goals
- Opportunities for open comments
- Demographics questions

Summary of Key Findings

The general perception of CalPERS remains positive.

- Overall, 81% of survey respondents gave favorable ratings across the eight Long-Term Trend questions, demonstrating that most respondents hold favorable opinions on CalPERS on issues such as quality customer service, sensitivity to member needs, and keeping stakeholders informed, etc.

Strong customer service scores drove favorable opinions in other areas.

- Respondents who believe CalPERS' customer service is being managed well were more likely to feel positively about other aspects of CalPERS, including how well CalPERS is being managed, and how well CalPERS is being sensitive to the needs of its stakeholders.

Highest favorability scores came from employer middle-management representatives, members nearing retirement, and retirees. Lowest scores were seen from employer senior leaders (City Managers, Finance Directors, etc.)

- Retirees provided the most favorable opinions on all core perception statements
- Respondents who have been (or were) in their current (or pre-retirement) position for 20+ years and those within one year of retirement had the most favorable responses to all core perception statements.
- Senior employer representatives had the least favorable perceptions of CalPERS about the security of the system but agreed that CalPERS is doing a good job in keeping stakeholders informed.
- Middle level employer managers and non-managerial staff had more favorable perceptions.

Members and employers had less confidence in the long-term security of the system in comparison to previous surveys.

- Confidence in the “safety” of their money was lower for members and employers

Budget and Fiscal Impacts

By reducing reliance on external consultants, the survey yielded a one-time savings of approximately \$300,000 in comparison to prior survey years.

Benefits and Risks

The Stakeholder Perception Survey effectively identifies areas of satisfaction and concern from CalPERS stakeholders. Review and evaluation of the data allows CalPERS leadership to develop initiatives that positively impact our reputation among stakeholders, as well as generate confidence in the system and in our services and operations. 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 – Stakeholder Perception Survey Overview

Brad W. Pacheco

Deputy Executive Officer

Communications & Stakeholder Relations