



## **REPORT**

### **COUNCIL MEETING**

**MEETING DATE: APRIL 4, 2016**

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**FROM:** Human Resources Department

**DATE:** March 22, 2016

**SUBJECT:** 2015 Employee Engagement Survey

**LOCATION:**

**WARD:**

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#### **RECOMMENDATION:**

That the report on the 2015 Employee Engagement Survey from the Human Resources Department dated March 22, 2016, be received.

#### **KEY FACTS:**

The following are key points for consideration with respect to this report:

- Research undertaken by federal, provincial and municipal governments in Canada has shown a high level of correlation between employee engagement and customer satisfaction and higher trust and confidence in government.
- The town conducts surveys of citizens and employees to track this correlation.
- Ninety-three percent of full-time staff participated in the employee engagement survey and the town compared favourably to the municipal sector database. In fact, 19 out of 27 comparable areas were at least five per cent above the municipal database average.
- The top 3 highest scores were in the areas of customer service, co-worker interaction and workplace safety. The lowest scores were in the areas of communication, employee involvement and team recognition and reward.
- Compared to the 2012 survey, results went up in 21 categories and down slightly in 6, so the overall direction of change and the results themselves are positive.
  - Areas with the greatest increases included opportunities for advancement at 4.7%; organizational satisfaction at 3.7%; and resources and supplies and pay satisfaction were both at 2.9%.
  - Areas that decreased were all less than 0.4% with the exception of training satisfaction which decreased by 2.1%.

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## BACKGROUND:

The town engages the services of Metrics@Work to conduct its employee engagement survey. The first survey was conducted in 2008 and was followed up in 2010 and 2012. A three year cycle is now being used to measure ongoing progress. Metrics@Work is a leading provider of employee surveys for the municipal sector and has completed similar surveys for several municipalities across the GTA and the Niagara Region. This allows for the comparison of results against other municipalities and tracking progress over time.

The 2015 survey measures 30 key indicators of employee engagement (defined as a combination of staff satisfaction and staff commitment) to provide an overview of strengths and development areas.

Overall, the results of the survey are favourable and demonstrate that the town's employees are committed to the values and vision of the organization. John Yardley, President of Metrics@Work will attend the April 4, 2016 Council meeting to present an overview of the town's results. These results will provide Council with an ongoing comprehensive overview of the health of the organization.

## COMMENT/OPTIONS:

In their 1997 book, *The Service Profit Chain*, James Heskett and his colleagues at the Harvard University Business School demonstrated the relationship between staff satisfaction and financial performance at some of the largest corporations in America. Major service-based companies such as Sears, Delta Hotels, Telus and IBM have incorporated the service value chain into their companies' management strategies and systems. The simplified service profit chain takes the following form:

Staff satisfaction                      >                      Client satisfaction                      >                      Bottom line profit

In 2006, Canadian researchers Ralph Heintzman and Brian Marson proposed a similar causal relationship for the public sector. Numerous federal, provincial and municipal governments have since conducted research that demonstrates that this relationship does exist, although the outcomes are also influenced by other factors, including perceived benefits to citizens and fair and ethical practices. The public sector value chain takes the following form:

Employee                      >                      Citizen/client                      >                      Trust/confidence in  
 Engagement                      Service satisfaction                      Public institutions

While there are many drivers of employee engagement, the Metrics@Work survey instrument identifies 30 quality of life criteria that drive employee engagement, including:

- Support for the goals and mandate of the organization;

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- Satisfaction with supervisors and management;
  - Supportive colleagues and work unit;
  - Tools, authority and independence to do the job;
  - Physical work environment and workplace safety;
  - Career progress and development; and
  - Workload.

Metrics@Work provides the town with analysis on the key drivers of employee engagement and is also able to use results from its database of municipalities in Ontario to compare against Oakville.

92.6 percent of full-time staff took part in the survey. This is an increase of nearly 15 per cent from the 2012 survey. Most municipalities similar in size to Oakville achieve an average survey response of 67.9 percent, meaning the town can be very confident in its results.

The top 3 highest scores were in the areas of customer service, co-worker interaction and workplace safety. The lowest scores were in the areas of communication, employee involvement and team recognition and reward.

In every category, the town scored a satisfaction rating between 57.4 and 84.1 per cent. This is considered a strong and positive finding; an average score of 75 percent or above indicates that responses were within the “agree or strongly agree” range and average scores of 41.6 per cent or lower are in the “somewhat disagree or strongly disagree” range.

When Metrics@Work compared each of the town’s category results to its municipal sector database, the town scored higher in 25 out of 27 comparable categories. In fact, 19 out of those were at least 5 per cent above the database average, with satisfaction with senior management team, benefits satisfaction and workload manageability as the three highest scores. Only two areas scored lower, however, the difference is considered negligible.

When comparing to the 2012 Town survey, results went up in 21 categories and down slightly in 6 so the overall direction of change and the results themselves are positive. Areas with the greatest increases included opportunities for advancement at 4.7%; organizational satisfaction at 3.7%; and resources and supplies and pay satisfaction were both at 2.9%. Areas that decreased were all less than 0.4% with the exception of training satisfaction which decreased by 2.1%.

Corporate results reflect average scores across all departments so there does not tend to be a significant change in any score. It is important to note that results in some departments were higher than average, and others are lower than average. These differences are being broken down for every department as significant change is more likely to take place at the departmental level.

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Corporate results will be shared with all employees. Directors, managers and supervisors are now engaged in the roll-out of individual departmental results to staff. Staff in every department will be engaged in developing action plans for their own department.

Communications with staff has been a priority throughout the survey process. Once again the theme of the town's engagement survey campaign was "You Matter". A "You Matter" newsletter provides ongoing updates to ensure all staff is aware of the action plans that are being developed to address areas of concern. In addition, tool kits are available to assist managers and supervisors in their role in sharing results and developing action plans with staff.

### **CONSIDERATIONS:**

**(A) PUBLIC**

The 2015 Employee Engagement Survey targeted staff only.

**(B) FINANCIAL**

Council has approved funding to conduct the survey every three years.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

The employee engagement survey is a critical tool in helping the corporation and individual departments evaluate the health and well-being of the workplace. Action plans will be developed at both the corporate and departmental levels.

**(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS**

This report addresses the corporate strategic goal to:

- continuously improve our programs and services
- be accountable
- treat everyone with respect

**(E) COMMUNITY SUSTAINABILITY**

High levels of employee engagement have been demonstrated to lead to higher levels of customer satisfaction and result in higher levels of trust and confidence in government.

### **APPENDICES**

Appendix A – What was measured in the Survey?

Submitted by:  
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