

EMPLOYEE SENTIMENT WORKFORCE REPORT

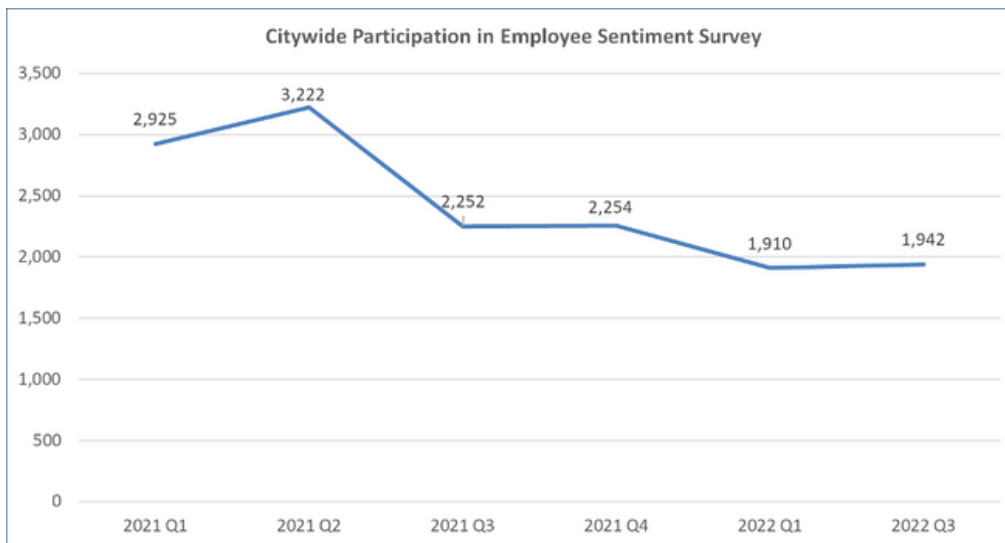
2022 | Executive Summary

PERFORMANCE & ANALYTICS DEPT.



Overview

The City of San Diego uses Medallia, a third-party employee and customer engagement tool, to conduct rapid, frequent, and highly analyzable surveys. The surveys that collect employee sentiment are collectively known as the **Employee Engagement Program**. The purpose of the program is to gauge employee sentiment and collect actionable feedback for managers, directors, and members of the Executive Team. Leadership can use these insights to craft more relevant employee-focused policies, which drive meaningful change within the organization. Over time, these changes will be measured as increases in the likelihood that an employee would recommend the City as a place to work, overall employee satisfaction, as well as improvement in Citywide retention and vacancy rates. In time, we expect that a more engaged and empowered workforce will provide higher quality services to our residents.



Participation in the Employee Sentiment Survey declined in 2022 compared to 2021.

Despite a decline in participation, each survey round provided enough responses for *statistically significant* representation at the Citywide level.

Recruitment & Onboarding

Overall recruitment and onboarding satisfaction scores are **higher** than what employees report in almost all of the Employee Sentiment Survey questions.

In 2022, the City made some improvements to the recruitment process, with the goal of increasing both the quantity and quality of job applicants. This year, we hope to use this information to set baseline expectations and new targets for recruitment and onboarding.

RECRUITMENT SATISFACTION **66%**
Q4 2022

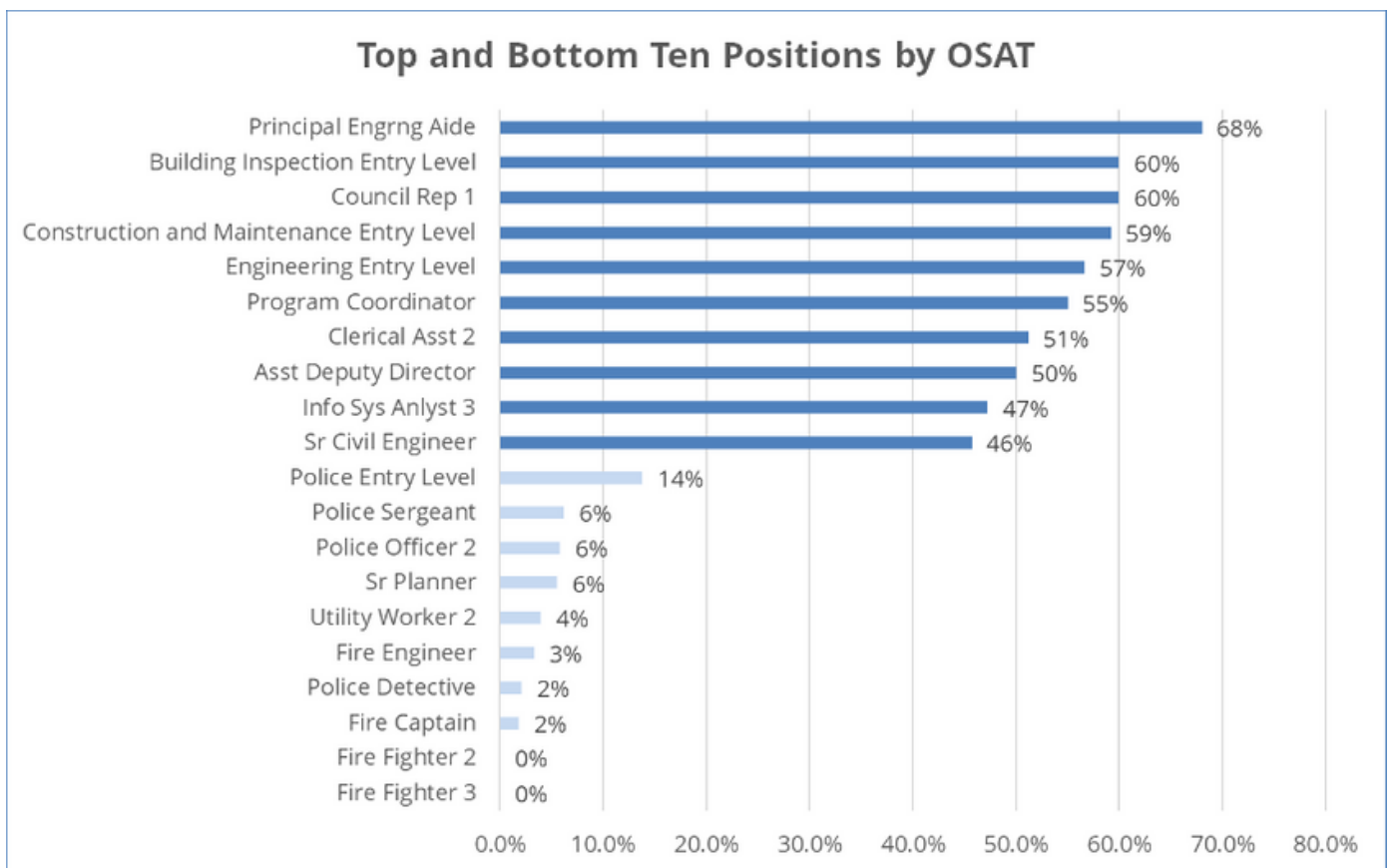
ONBOARDING SATISFACTION **77%**
Q4 2022

Employee Satisfaction



As the chart on the left demonstrates, a negative Net Promoter Score (NPS) score indicates that there are *more* employees who would not recommend the City as a place to work than employees who would recommend the City to their friends and family. NPS scores were not consistent over the course of the year.

Overall satisfaction (OSAT) scores remained fairly constant throughout 2021 and 2022, with a high OSAT of 32.2% in Q3 of 2021 and a low of 26.5% in Q1 of 2022. As seen below, OSAT across positions - like overall satisfaction across departments (not pictured) - varied: a wide range of satisfaction scores highlights diversity in sentiment, work conditions, and job types across the City. The graph below shows the ten top and bottom ranked positions by overall job satisfaction.



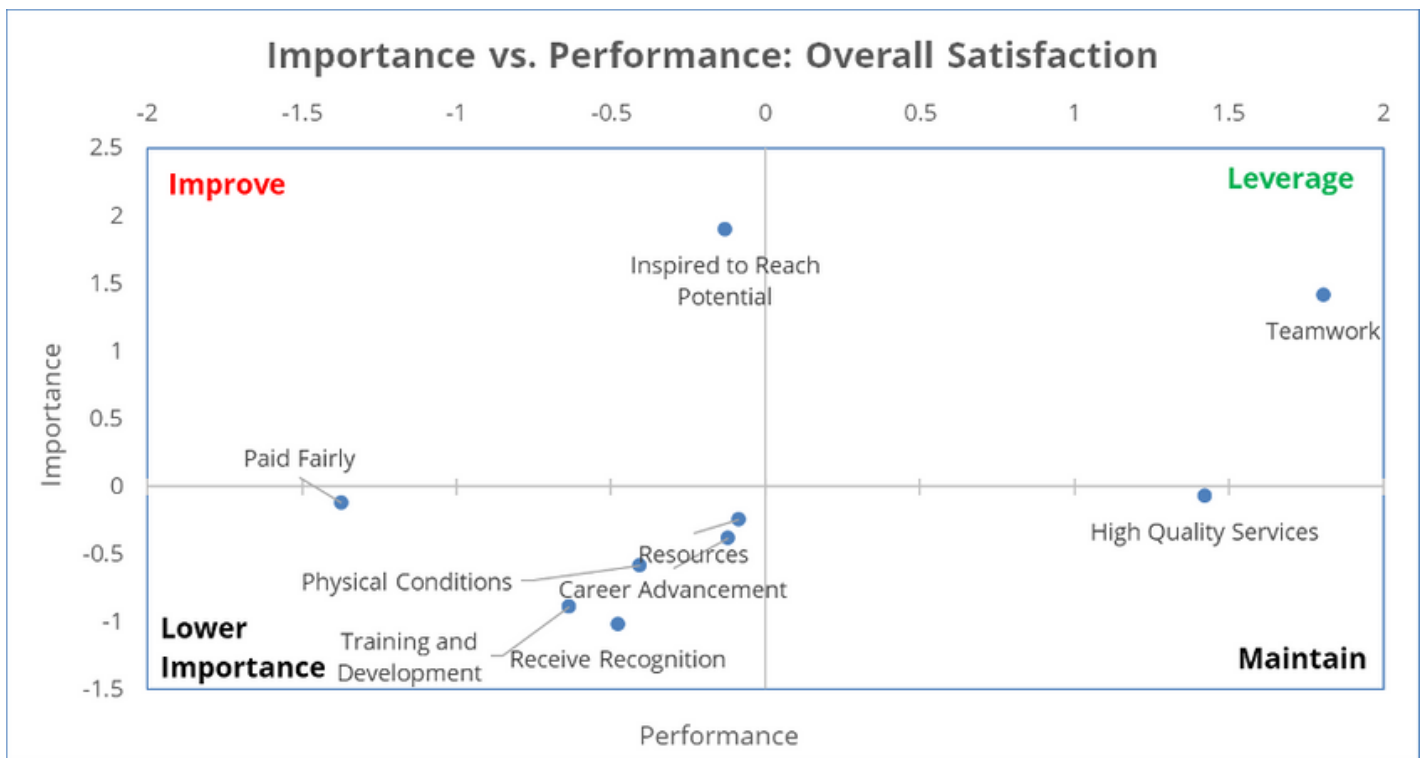
Maximizing employee satisfaction is a priority for City leadership because our hypothesis is that **overall satisfaction plays a key role in both the quality of services delivered to customers and the overall turnover rate among employees.** Employee turnover is costly to the City and lowers employee morale, as greater turnover increases reliance on overtime and/or require heavier workloads for remaining staff.

Employee sentiment surveys provide indicators of what is most important at given moment in time. **Key driver metrics** represent the core ingredients for a positive work experience.

To better understand which metrics have a stronger relationship to overall satisfaction, a method called *logistic regression* was used. The results of the analysis indicate that the following key driver metrics have the strongest influence on the likelihood of an employee being satisfied:

- “I feel inspired to reach my full potential”
- “I enjoy working with my team”
- “My department provides high quality services”

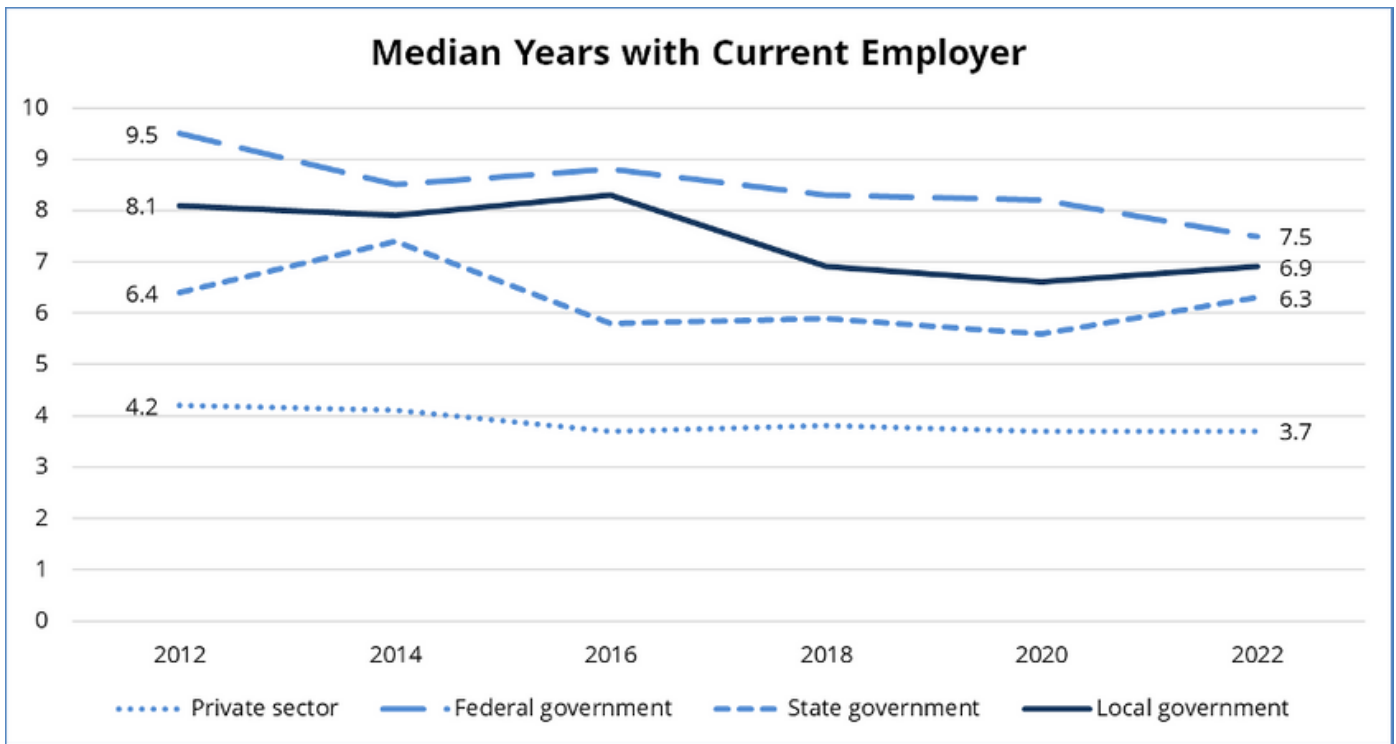
The chart below provides a visual representation of where efforts may be focused. Metrics landing in the **Improve** quadrant have the strongest relative relationship with overall satisfaction (OSAT) and the lowest overall performance. The metric “*Inspired to reach my full potential*” has the most impact on overall satisfaction and is relatively low performing. It should be a goal to **move this metric** into the upper right **Leverage** category because metrics in that category have a strong influence on OSAT and are high performing (meaning, employees are scoring that metric highly).



Employee Retention, Turnover & Vacancies

Historically, much of the local government workforce nationwide has consisted of long-tenured employees; many employees work their entire career with their local jurisdiction. Today, across each type of employee group, **average employee tenure is on a downward trajectory**.

Median employee tenure is generally higher among older workers than younger ones. In January 2022, wage and salary workers in the local government sector had a median tenure of 6.9 years, higher than the median of 3.7 years for private-sector employees. One factor behind this difference is age. About three in four government workers are 35 years old or over, compared with about three in five private wage and salary workers.



Broadly, this shift in tenure reflects new work and career preferences in younger workforce generations; and the City needs to account for these new workforce preferences for public service longevity. Simply put: **If we know that employees are going to stay less time than prior generations, what is our strategy for knowledge management, training, and redundancy of critical positions?** Developing these strategies will better serve employees who remain at the City, and encourage their long-term retention.

The City’s monthly turnover rate from 2018 to 2022 was 2.1 percent. For comparison, an average monthly turnover rate of 2.1 percent is slightly above the nationwide measure of separations from state and local government employment. In August 2022, the Bureau for Labor Statistics calculated a separations rate for state and local government of 1.8 percent. The City has set a turnover rate target of 1.8 percent by the end of 2025.

The vacancy rate among budgeted, full-time employees increased over the last five years from 10.4 to 17 percent between 2018 and 2022. Over the same time period, the City has increased its budgeted workforce by 12.3 percent to 12,144 full-time positions. The City has set a target for Average Daily Vacancy Rate of 13.5 percent. This is a moderate goal based on our current daily vacancy rate of 14.10 percent as of December 2023. However, it appears that the **Citywide vacancy rate peaked in January 2023. Since the start of calendar year 2023, the vacancy rate has continued to trend downward.**

In 2024, the Performance & Analytics Department will work with departments to determine the high vacancy position types with the most operational impact to City services. After determining the position types in most need of being filled, departments and Performance & Analytics will work with Human Resources and Personnel to develop a strategy for improving recruitment and/or retention in these critical roles.

Recommendations

1. Grow into the next phase of program maturity

“Does anyone actually read these surveys because I've never seen any results posted.”

People respond to workplace issues in two ways: they leave or they use their voice to make change. The City of San Diego’s Employee Engagement Program has given employees a space to express their voice—and since launching the Employee Sentiment Survey (ESS) in 2020, **the City has received 14,593 survey responses from 6,020 employees.** Now that a successful survey program has launched, City leadership has the opportunity to engage more meaningfully with employee feedback and grow the Employee Experience Program into its next phase.

The City needs a guiding body with decision-making and budgetary power to shape a cohesive response to employee concerns raised in the ESS. To drive program growth, the Employee Engagement Program needs an executive champion and working group with the capacity to implement Citywide improvements, coach department leaders on department-specific changes, and advocate for budget allocation to employee sentiment improvement programs.

2. The workforce is changing—so we must, too

The City workforce has witnessed a significant transformation in recent years, with an astounding **59 percent changeover in the City's employee base over the past half-decade.** This attrition has not only reshaped the composition of the City workforce but has also ushered in a younger generation of employees with distinct work preferences and a changing attitude towards employer loyalty. Coupled with now-permanent changes brought about by the pandemic, it is evident that the City’s traditional approach to recruitment, onboarding, and employee management must evolve.

The City needs to adapt and update key processes to better support its workforce. Changes to recruitment, employee support, and knowledge transfer are essential for retaining talent and ensuring that the City moves towards becoming an employer of choice in the San Diego region.

Based on feedback from the Employee Sentiment Surveys, the City took these Employee-focused actions in 2023:

- Citywide pay increases
- Citywide Telework policy launched
- Parental leave doubled by adding 160 hours
- Childcare subsidy pilot program launched in Fall 2023
- Annual Employee Appreciation Picnics in October 2022 and 2023
- A focus on filling vacancies to relieve department-wide workloads and backlogs (e.g. Citywide Career Fair in March)
- Updates to the Rewards & Recognition Program to go live by December 2023

Accompanying this report is the **Second Pay Equity Study (2022)**, an independent third-party report on the status of pay inequities in the City. Insights and recommendations from the Pay Equity Study will be incorporated into workforce improvement efforts in calendar year 2024.