

Enterprise Performance Management

Board of Administration Offsite | July 18, 2023



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Agenda

- Enterprise Performance Management System
- Measurements & Initiatives
- Insight Tool

Our Foundation

Vision

- A respected partner, providing a sustainable retirement system and health care program for those who serve California

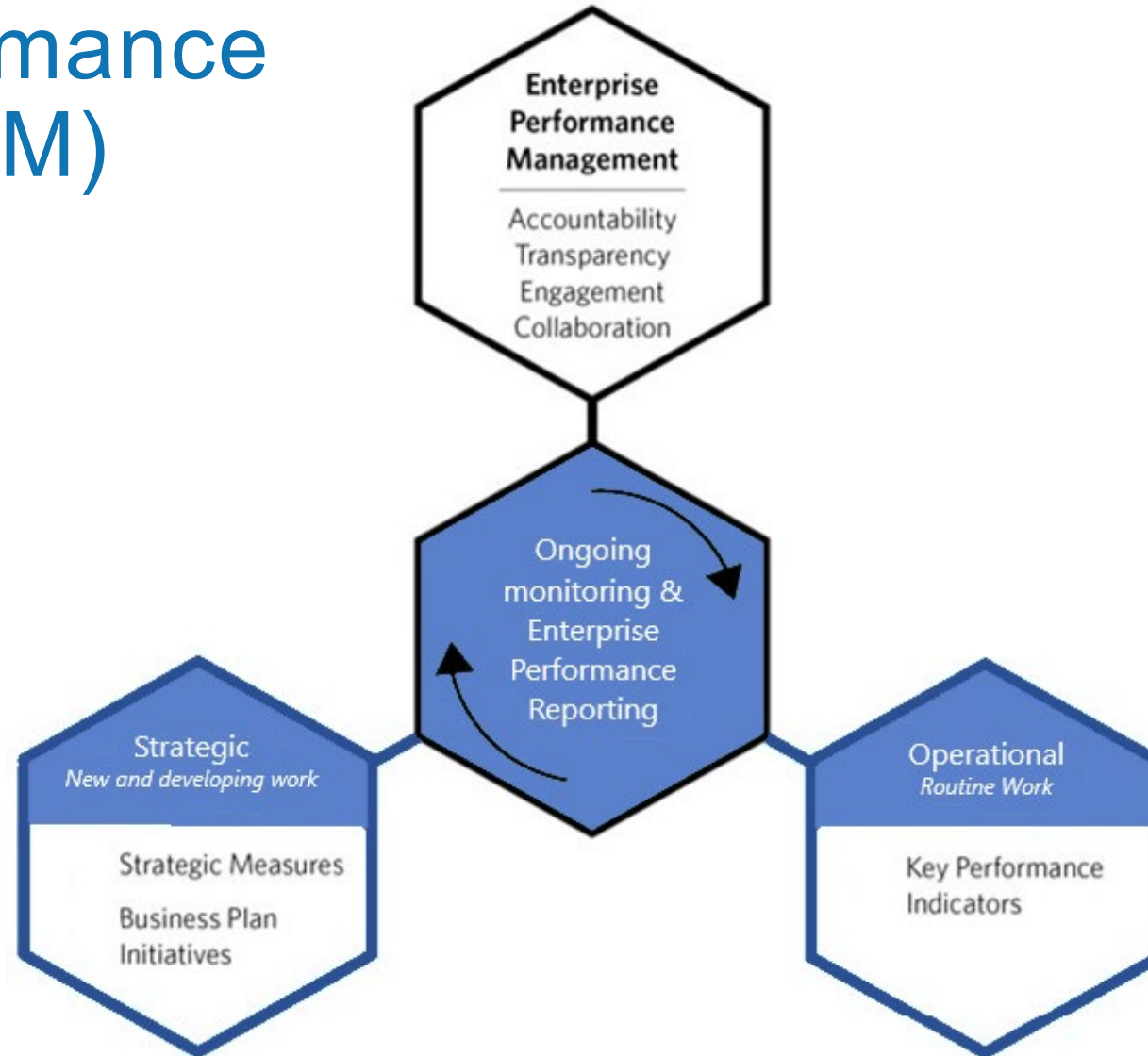
Mission

- Deliver retirement and health care benefits to members and their beneficiaries

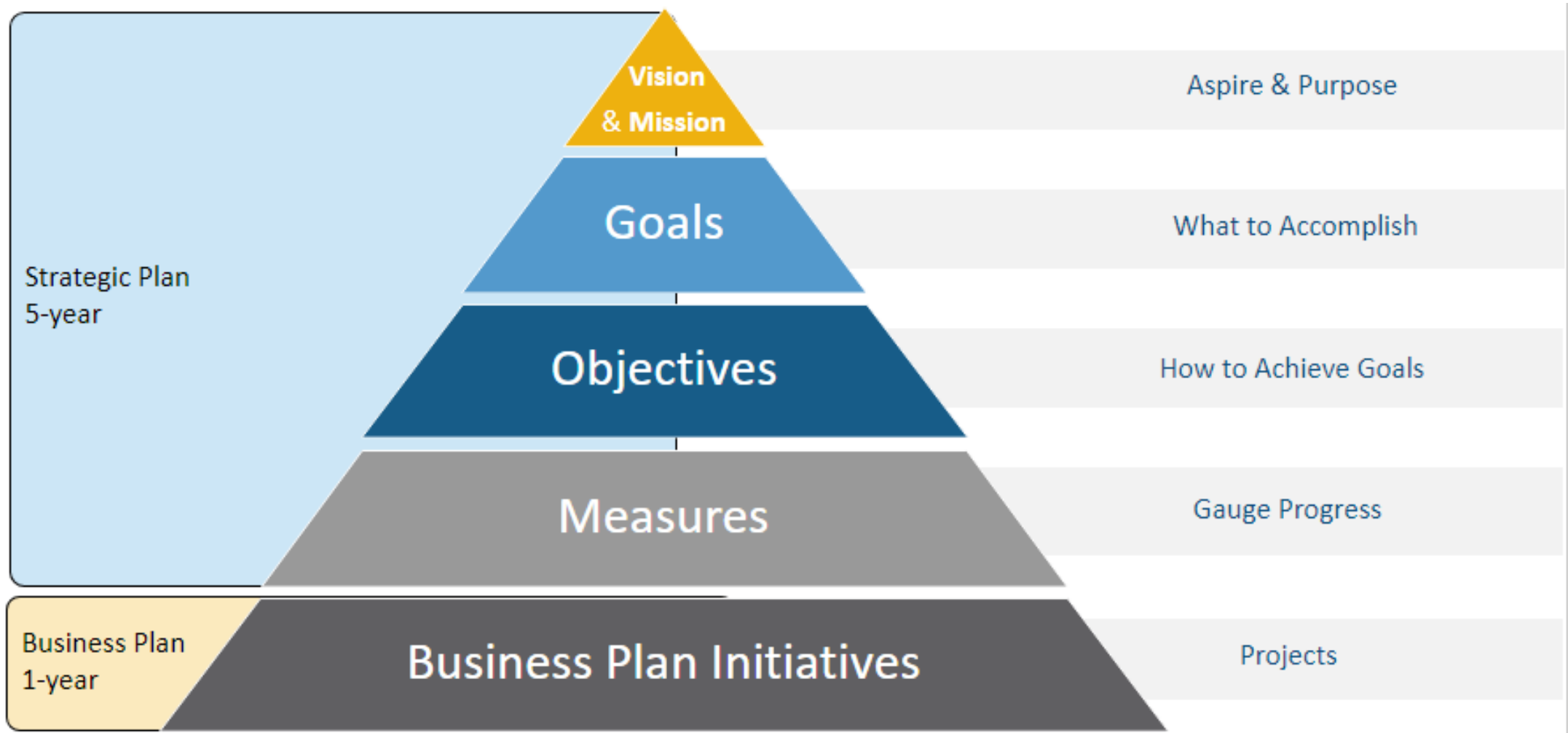
Core Values

Quality • Respect • Accountability • Integrity • Openness • Balance

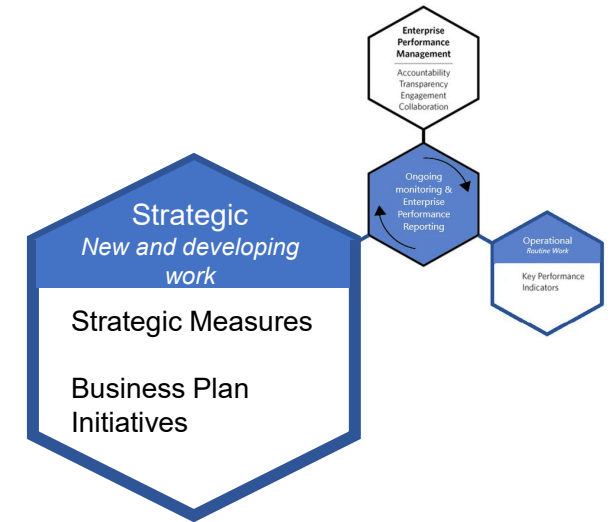
Enterprise Performance Management (EPM) System



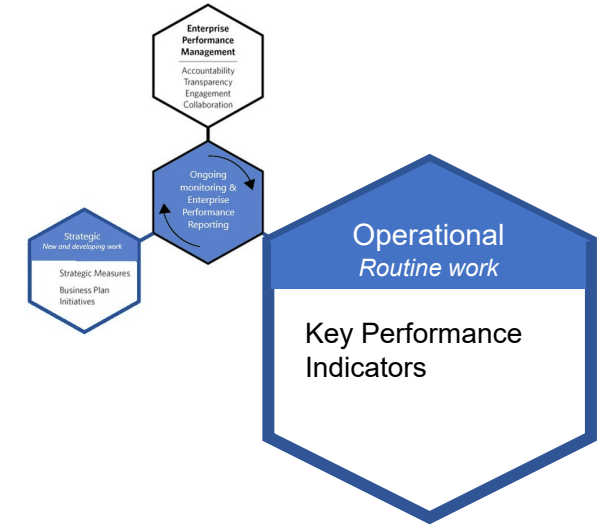
Strategic Framework



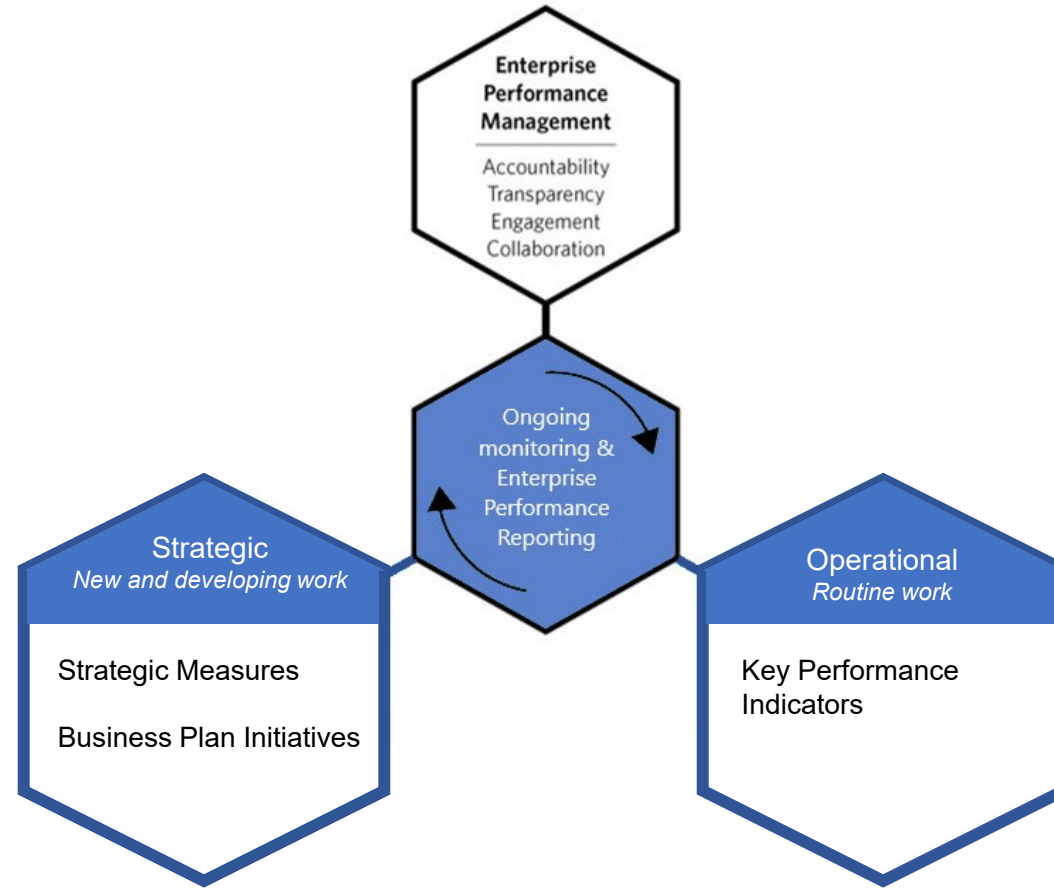
Strategic Plan Goals



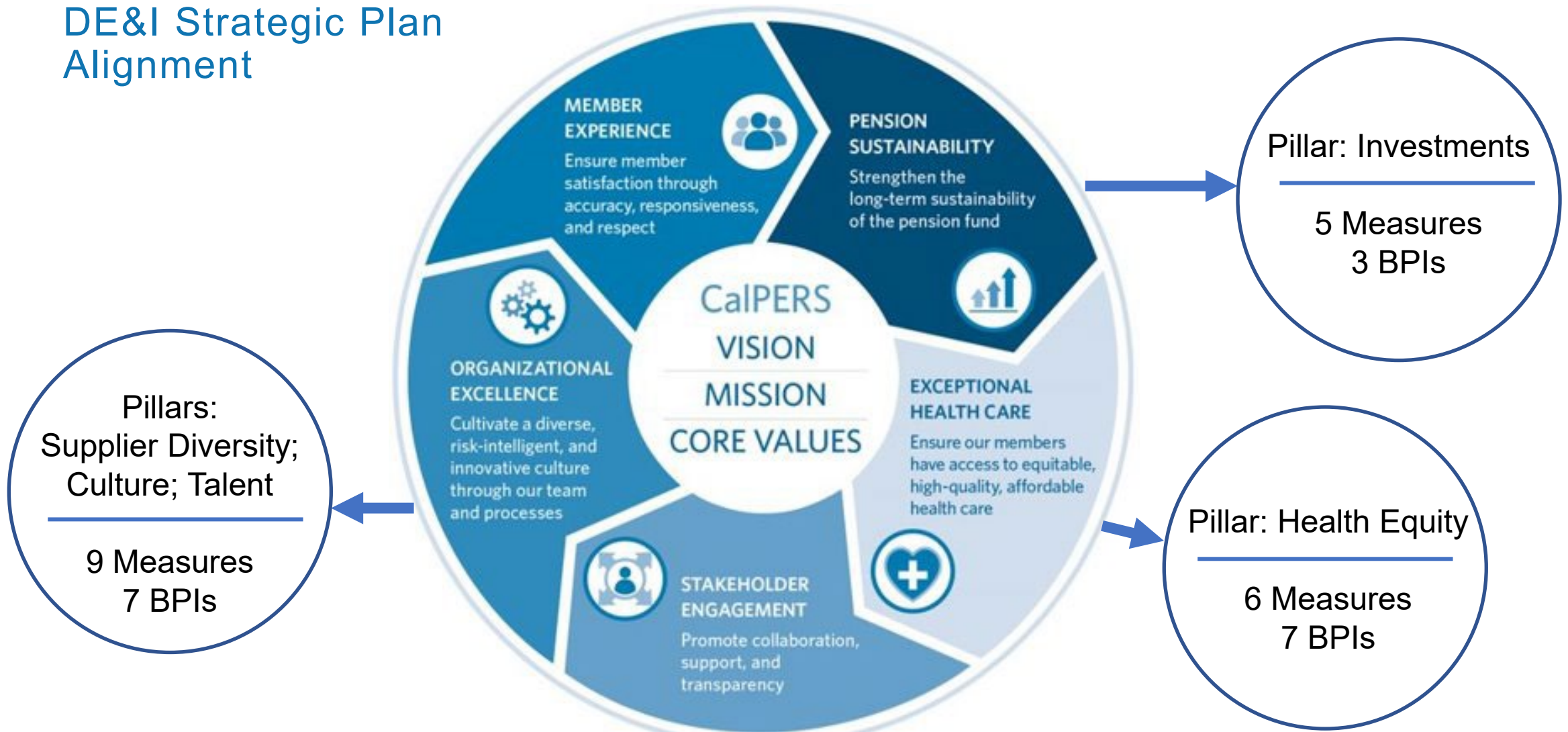
Operational Outcomes



EPM Focus



DE&I Strategic Plan Alignment



DE&I Strategic Plan Alignment

Five Pillars and Measures

Culture

- DE&I Engagement Survey Results

Supplier Diversity

- Small Business Requirements Compliance
- Disabled Veterans Business Enterprise Requirements Compliance

Investments

- Percentage of Diverse Managers
- Human Capital Management
- Just Transition to Net Zero by 2050
- Financial Markets Policy
- Private Assets Data Transparency

Health Equity

- Population Health Management
- Behavioral Health Screening and Treatment
- Health Care Member Experience
- Access to Care
- Health Care Affordability
- Achieving Health Equity

Talent

- Candidate Pool Outreach
- Participation and Results of Onboarding Survey
- Participation and Results of Exit Survey
- Workforce Demographics
- Employee Development
- CalPERS Leadership Competencies

Goal: Member Experience

Strategic Objectives:

- Deliver accurate benefits to our members and their beneficiaries
- Ensure that our members and their beneficiaries receive benefit payments on time
- Provide timely response and appropriate action to inquiries
- Enhance services, communication, and education tools for our members

Operational Outcome Measures:

- Open and Transparent Communication
- Customer Satisfaction Driven Organization

Strategic Measures:

- Benefit Payment Accuracy
- Benefit Payment Timeliness
- Customer Inquiry Timeliness
- Customer Satisfaction

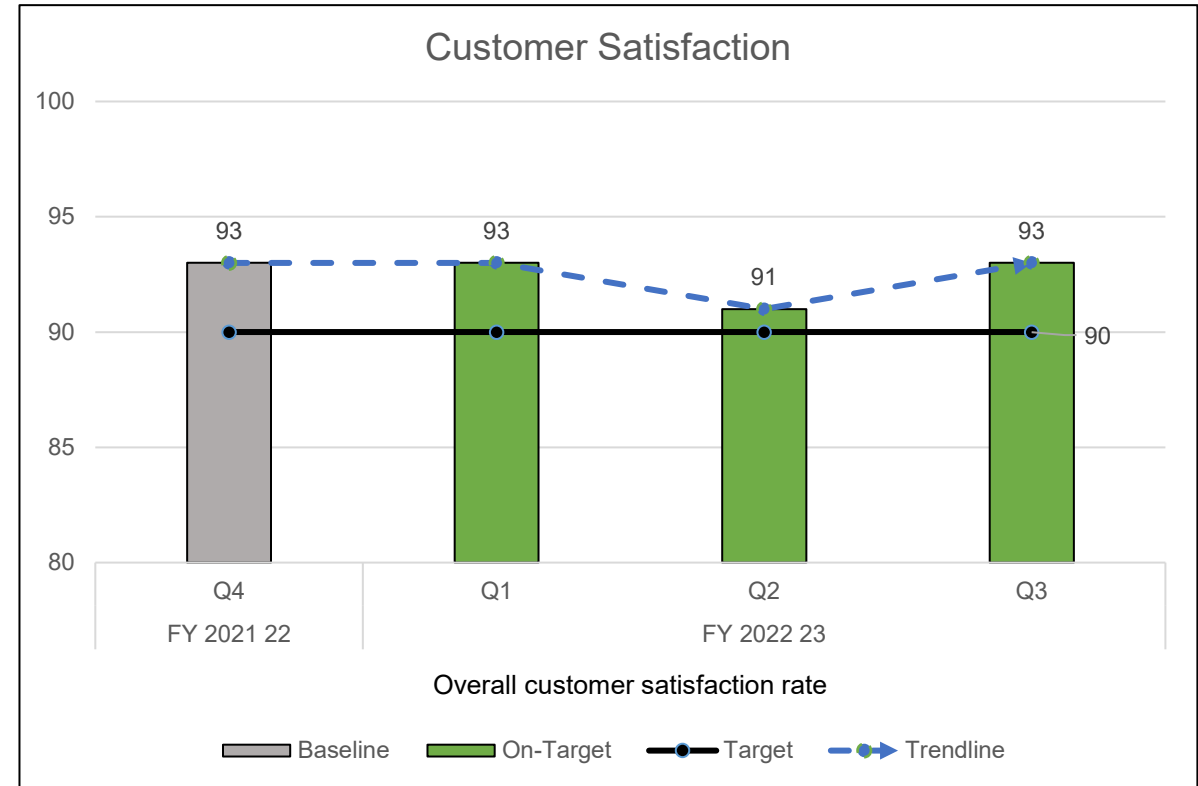
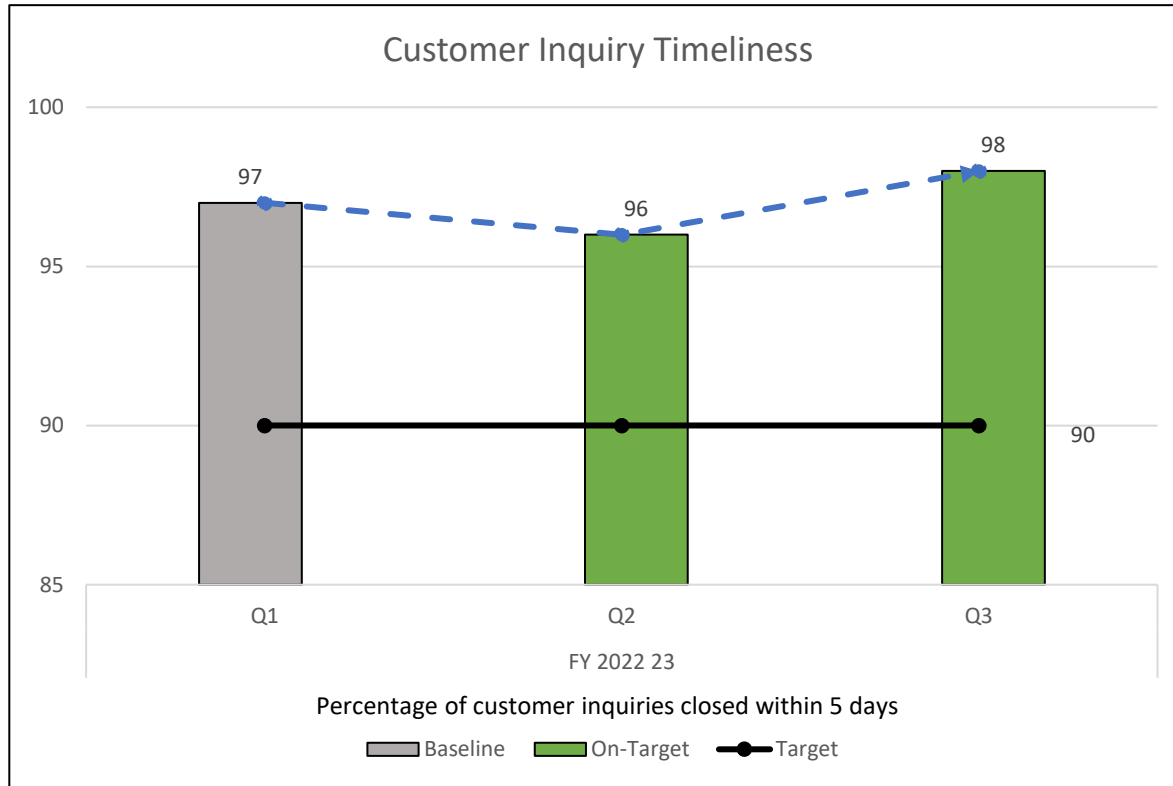
Business Plan Initiatives:

- Customer Service Projects
- Improve Communication Channels

Key Performance Indicators:

- Member Education Satisfaction
- Employer Education Satisfaction

Goal: Member Experience



Goal: Organizational Excellence

Objective:

Improve processes, operations, and advance technologies to gain efficiencies and effectiveness

Strategic Measures:

- Enterprise Operational Effectiveness
- Operational Efficiencies
- CEM Benchmarking - Information Technology Capability Score
- Annualized (5-Year) Excess Investment Returns Relative to Total Fund policy benchmark
- Cost Advantage vs. Peers
- 5-Year Net Value Added

Business Plan Initiatives:

- Mature Targeted Information Technology Capabilities
- Operational Process Improvements – Phase II
- Total Fund Processes
- Data Retention
- Enterprise Project Services
- Enterprise Performance Reporting (EPR) Enhancements
- Identity-Based Business Access
- Mature Observability of Information Technology Assets

Operational Outcome Measures:

- Efficient & Effective Organization
- Reliable steward of funds

Key Performance Indicators:

- Project Portfolio Health
- ITSB Service Performance
- Lean Adoption
- Strategic Asset Allocation Ranges (if outside approved ranges)
- Cash Forecasting Accuracy

KPI- Workload Metrics Initiative

What did we do:

- Identified need for metrics across the organization
- Established a review and reporting process
- Each team developed and implemented program specific metrics
- Conducted review & feedback sessions with Executive team

Considerations:

- Assigned and completed full-time work
- Quality of work meeting expectations

Why is this important:

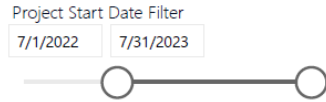
- Striving to be accountable and transparent.
- Demonstrate high-quality outcomes.
- Improve resource planning and workload allocation.

Next Steps:

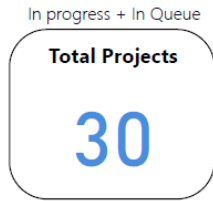
- 2023-24 EPR Enhancements Initiative
- Establishing an internal Senior Leader quarterly reporting forum for 2023-24

KPI- Workload Metrics Initiative- Examples

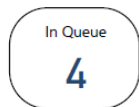
Example 1: Project-Based Work



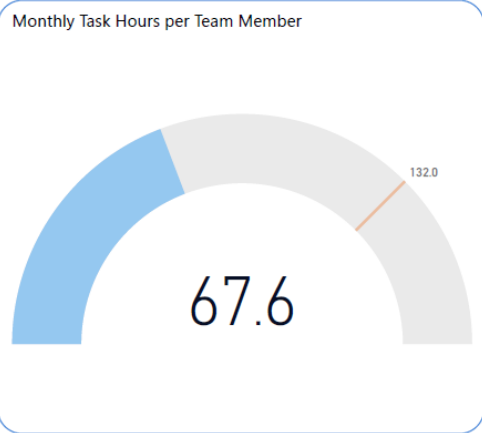
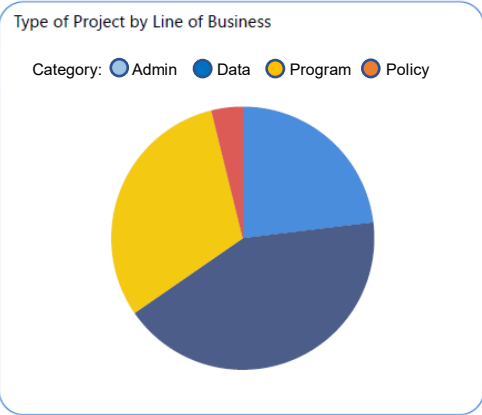
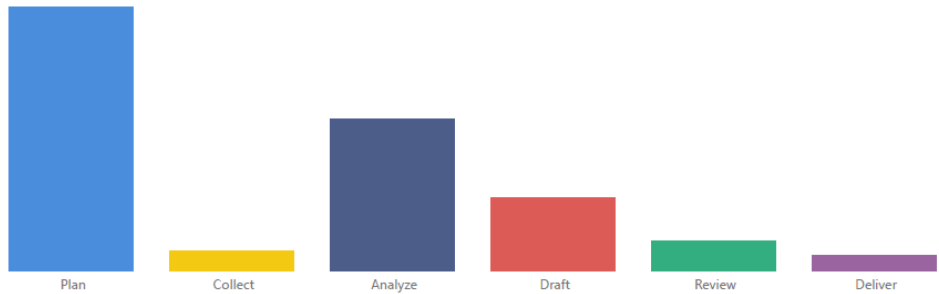
This month



Upcoming

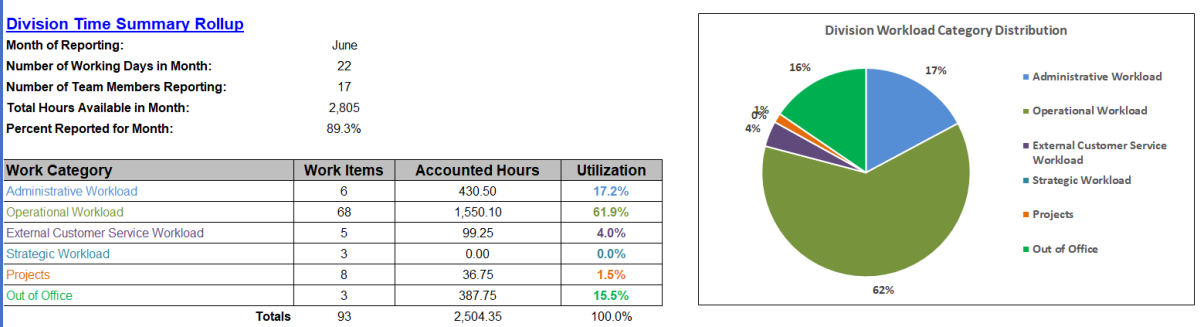
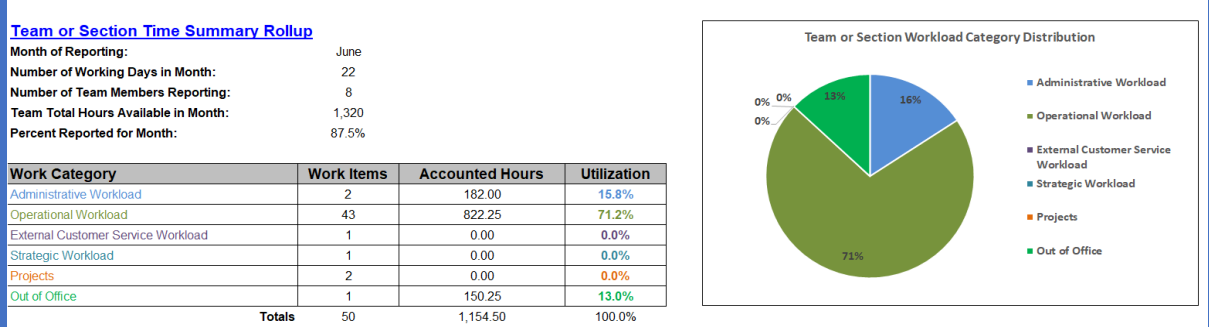


FY Project Task Hours by Phase



KPI- Workload Metrics Initiative- Examples

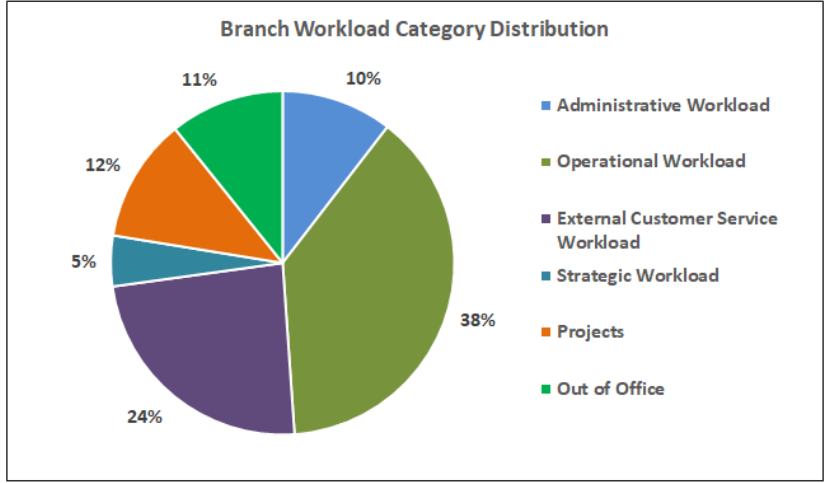
Example 2: Task-Based Work



Branch Time Summary Rollup

Month of Reporting: June
 Number of Working Days in Month: 22
 Number of Team Members Reporting: 152.0
 Total Hours Available in Month: 25,080
 Percent Reported for Month: 97.3%

Work Category	Work Items	Accounted Hours	Utilization
Administrative Workload	36	2,552.65	10.5%
Operational Workload	343	9,384.50	38.4%
External Customer Service Workload	108	5,837.75	23.9%
Strategic Workload	25	1,162.50	4.8%
Projects	131	2,847.25	11.7%
Out of Office	16	2,630.50	10.8%
Totals	659	24,415.15	100.0%



Goal: Organizational Excellence

Objective:

Cultivate compliance and risk functions throughout the enterprise

Operational Outcome Measure:

Efficient & Effective Organization

Strategic Measures:

- *Information Security Assessment Score**
- Organizational Compliance Effectiveness
- Risk Management Effectiveness

Business Plan Initiatives:

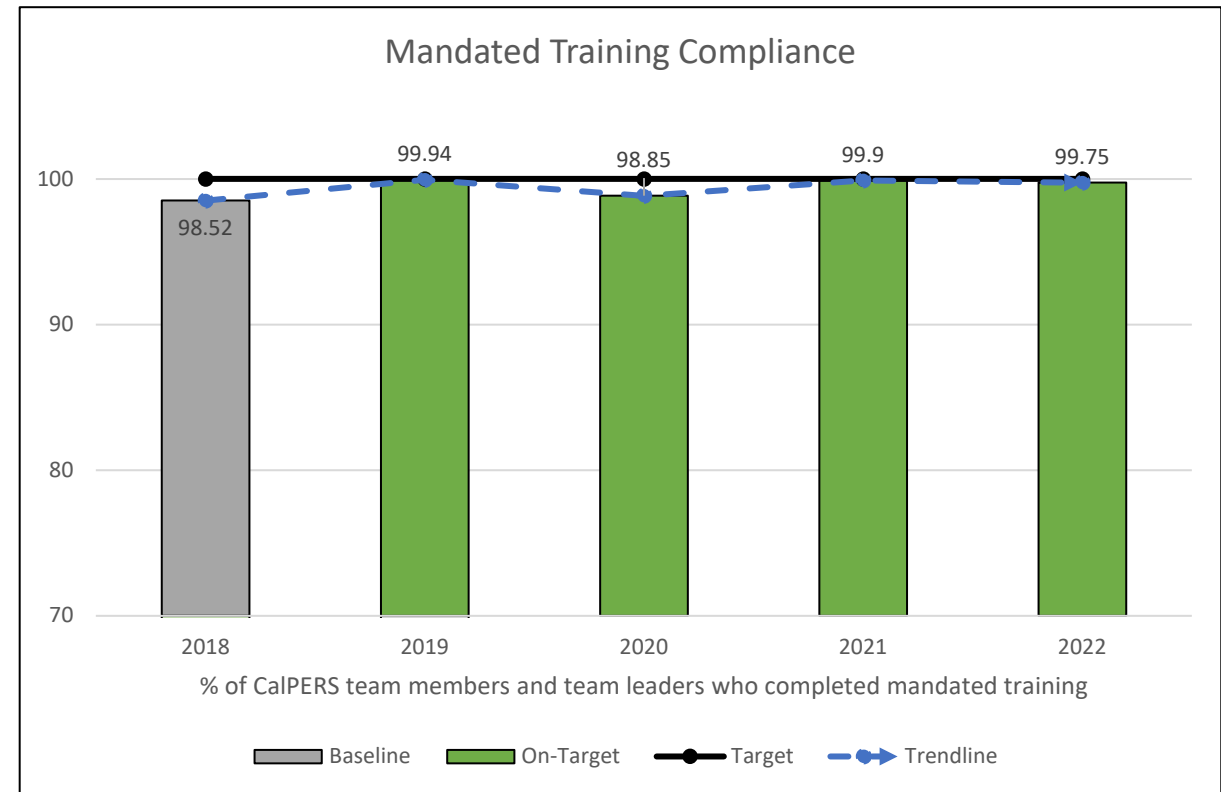
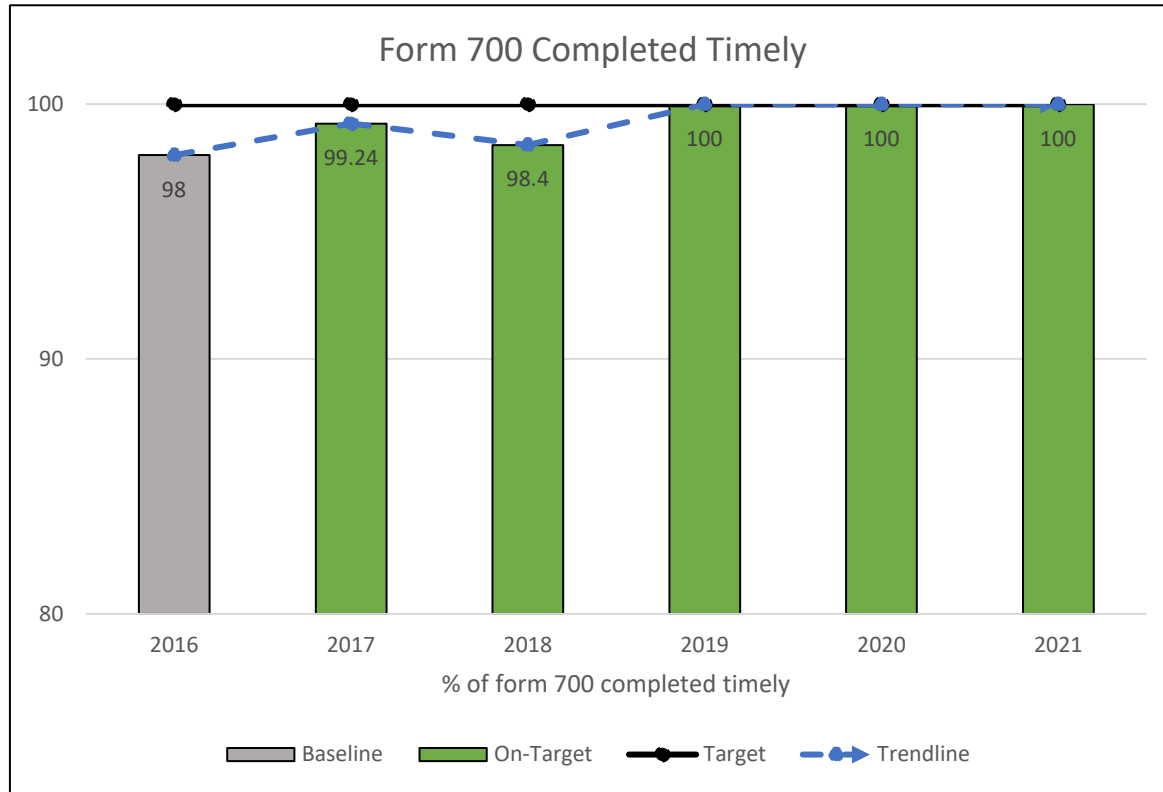
- *Information Security Strategy**
- Organizational Compliance and Risk Management Effectiveness

Key Performance Indicators:

- *Member Self-Service Fraud Resulting in Financial Loss**
- *Unauthorized Member Self-Service Account Changes**
- *Time to Detect Cyber Security Threats**
- *Reportable Privacy Violations**
- Form 700 Completed Timely
- Mandated Training Compliance
- Personal Trading Monitoring
- Health of Enterprise Performance Reporting (EPR) Framework

* Italic with asterisks identify closed session discussions

Form 700 and Mandatory Training



Goal: Organizational Excellence

Objective:

Recruit and retain diverse talent

Operational Outcome Measure:

- Supportive and Engaged Leadership
- Team member engagement

Strategic Measures:

- Candidate Pool Outreach
- Participation and Results of Onboarding Survey
- Participation and Results of Exit Survey
- Workforce Demographics
- Employee Development
- Team Member Engagement

Business Plan Initiatives:

- Develop 2023-28 Workforce Plan Strategies
- Establish and Implement a Diverse Outreach Strategy
- Talent Management Strategies
- Total Fund People

Key Performance Indicators:

- Average Time to Hire for Hard to Recruit Positions
- Retention Rate
- Recognition Perceptions
- Employee Empowerment Perceptions
- Team Member Perception of Growth and Development
- Response Rate of Employee Engagement Survey
- Emerging Leader Program
- Team Member Perception of Leadership – Manager Relationships

Workforce Demographics

Generational Diversity at CalPERS (FY 2021-22)



CalPERS Demographics (FY 2021-22)

- 18 race and ethnicity groups
- 5 generations
- 26 languages

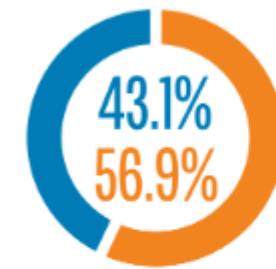
Team Members with Disabilities at CalPERS (FY 2021-22)



Gender by Classification for CalPERS (FY 2021-22)

Class Group	Female	Male
Executive	33.3%	66.7%
Division Leader	45.7%	54.3%
Section Leader	57.6%	42.4%
Team Leader	56.8%	43.2%
Team Member	57.3%	42.7%

Overall Gender at CalPERS (FY 2021-22)



- Male
- Female

Goal: Organizational Excellence

Objective:

Enhanced team member engagement and employment experience

Operational Outcome Measure:

- Supportive and Engaged Leadership
- Team member engagement

Strategic Measures:

- Team Member Engagement
- Net Promotor Score
- Response Rate of Employee Engagement Survey
- Candidate Pool Outreach
- Participation and Results of Onboarding Survey
- Participation and Results of Exit Survey
- Workforce Demographics
- Employee Development

Business Plan Initiatives:

- Implement Engagement Survey Action Items
- Talent Management Strategies

Key Performance Indicators:

- Retention Rate
- Recognition Perceptions
- Employee Empowerment Perceptions
- Team Member Perception of Growth and Development
- Emerging Leader Program
- Team Member Perception of Leadership – Manager Relationships

Rapid Recruitment – Update and Outcomes

Primary Goals

- Fill vacancies
- Streamline processes
- Improve candidate and hiring manager experience
- Expand outreach
- Reduce bias in recruitment process

Rapid Recruitment – Update and Outcomes

Primary Considerations

- Maintain integrity of merit system
- Use existing resources
- Use technology tools in new ways
- Increase reach and diversity of thought
- Build candidate pools for future vacancies and backfills

Rapid Recruitment – Diversity

Used OnGig to reduce biased language in:

- Duty statements
- Job bulletins
- Interview questions

296 Interview Panelists trained on:

- Rapid Recruitment process
- Panel Interview best practices
- Unconscious Bias in recruiting and interviewing

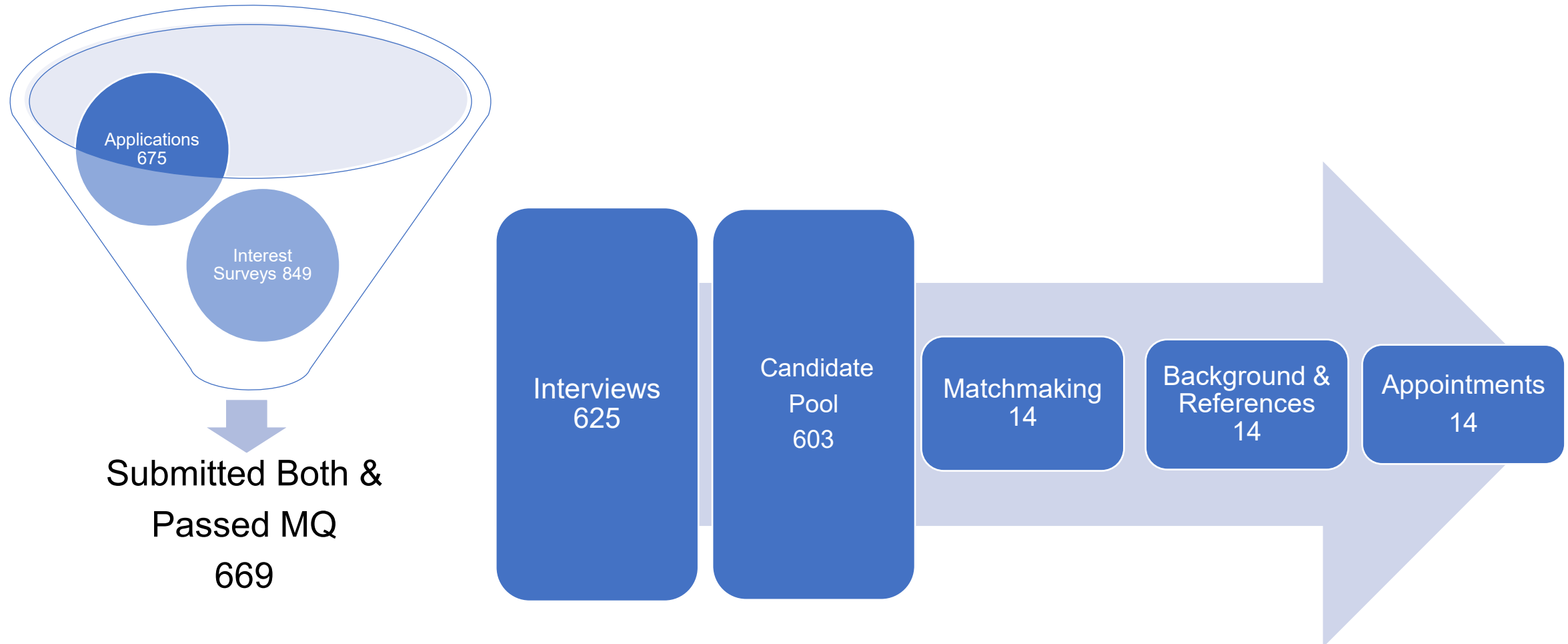
Rapid Recruitment – Equity

- Applicants reviewed for Minimum Qualifications (MQs):
- Eligible applicant interviews were scheduled when MQs were completed.
- Candidates interviewed using standard process by diverse panel members

Rapid Recruitment – Inclusion

- Approach based on occupational groups
 - Standard Minimum Qualifications
 - Worked cross functionally
 - Utilized interest surveys and interview questions
- Standardized interview questions and scoring via electronic tool
 - Records of interview scores and responses
 - Eliminate scoring errors
 - Scores reviewed in real time

Rapid Recruitment – Inclusion



Rapid Recruitment – Inclusion

- Enhanced New Employee Orientation
- Collaborated with ITSB to plan equipment and space needs
- Updated communications for Hiring Managers
- Incorporated New Team Member Speed Mentorship
- Onboarding Surveys to new team members at set intervals

Rapid Recruitment – Outreach

Branding & Messaging

- CalPERS website landing page
- Member News emails
- Instagram, Facebook, Twitter, LinkedIn
- Videos, graphics and fliers
- Event signage and materials
- In-person outreach events
- Engaged with 291,302 health members, and 442,871 non-health members

Rapid Recruitment – Outcomes

- Created a culture of trust through communication and feedback
- Emphasized innovation and a nimble mindset
- Adapted rapidly to new tools, ideas, and processes
- Used LEAN principles and practices to make data informed decisions
- Incorporated real-time tracking and data displays
- Vast knowledge transfer and development opportunities
- Collaboration across the organization

Rapid Recruitment – Next Steps

- Complete Rapid Recruitment appointments
- Data analysis
- Project participant feedback
- Lessons learned sessions
- Process improvements
- Create a report for future meeting
- Track success:
 - Engagement
 - Retention
 - Performance
 - Development

EPM Insight



Enterprise Performance Reporting
FY 2022-27

Quarterly Report

Strategic Goals

Member Experience

Pension Sustainability

Exceptional Health Care

Stakeholder Engagement

Organizational Excellence

Operational Outcome Measures

Reliable Steward of Funds

Customer Satisfaction Driven Organization

Open and Transparent

Quarterly Report

Quarter 3 - Fiscal Year 2022-23

Executive Summary

This report provides the third quarter report (January 1 through March 31, 2023) for the Enterprise Performance Management (EPM) framework, which is comprised of Strategic Measures (measures), Business Plan Initiatives (initiatives), and Key Performance Indicators. The measures and initiatives are part of the CalPERS 2022-27 Strategic Plan (Strategic Plan) and allow us to measure progress in achieving our strategic goals and objectives. The Key Performance Indicators serve as a collection of performance indicators that measure the effectiveness of our routine work at the operational level. EPM focuses on the ongoing monitoring and reporting of all three components and provides information as to how well the organization is progressing toward strategic goals and objectives, as well as operational targets.

This report focuses on At-Risk and Off-Target measures and initiatives. The reference material documents also include supplemental performance data for On-Target measures and initiatives, as well as Key Performance Indicators.

Strategic Plan

This report specifically aligns to our strategic goals and objectives, as we measure our strategic and operational progress throughout our 2022-27 Strategic Plan.

Background

We began developing the 2022-27 Strategic Plan in late 2019. This Plan is the result of a two-year process that yielded valuable information and feedback from a variety of external and internal stakeholders, including the Board. This input, along with rigorous analysis, showed that a refresh and expansion of the previous Plan was called for, instead of a complete overhaul. Our vision, mission, and core values were left unchanged, while the strategic goals and objectives were updated. The Board approved the updated Strategic Plan in April 2022.

The EPM framework provides a comprehensive view of strategic and operational performance through

<https://www.calpers.ca.gov/page/about/organization/strategic-business-plans/enterprise-performance-reporting>



In Closing:
Feedback, Questions?