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Report to / Rapport au:

Ottawa Public Library Board
Conseil d'administration de la Bibliothèque publique d'Ottawa

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SUBJECT: Semi-Annual Performance Measurement – July to December 2022

OBJET: Cadre de mesure du rendement semestrielle – Juillet à décembre 2022

REPORT RECOMMENDATION

That the Ottawa Public Library Board receive this report for information.

RECOMMANDATION DU RAPPORT

Que le Conseil d'administration de la Bibliothèque publique d'Ottawa prenne connaissance de ce rapport à titre d'information.

BACKGROUND

In keeping with the *Public Libraries Act, RSO 1990, c.P.44 (the Act)*, other relevant statutes, laws, and good governance practices, the Ottawa Public Library ("OPL" or "the Library") Board ("the Board") retains accountability for the full range of decisions affecting the organization. The Board has decided, however, to use a policy or strategic model of governance that focuses most of the attention of the trustees on setting

strategic direction and objectives, making decisions on major projects and monitoring performance.

The Board approved the inaugural Performance Measurement Framework (PMF) at its meeting in May 2013 (Board Report # OPLB2013-0052). The PMF ensures that Key Performance Indicators (KPI) are reviewed and re-aligned each term of the Board, with the organization's Strategic Plan and industry best practices. In June 2019, the Board approved a new Strategic Plan with one overarching statement: "By 2023, we will increase the number of active cardholders by 25 percent by improving OPL's community relevance."

Following the adoption of the new Strategic Plan, and in accordance with the PMF, on February 11, 2020, the Board approved an updated list of Key Performance Indicators (KPIs). The new indicators introduced a focus on client and employee experience as key influences in the client's journey to becoming an active cardholder.

The PMF monitors four employee (E) and four client (C) KPIs on a semi-annual basis. The list below identifies the specific measures in alignment with OPL's 2020-2023 Strategic Directions and highlights important client and employee trends. Document 1 further describes the intent for each indicator and Document 2 provides the definition as it relates to the Strategic Plan

- Redesign Library Experience

C1. Cardholder Growth Rate (Client Experience)

C2. Total Twelve-Month-Active Cardholders (Client Experience)

- Build Capacity

E1. Average Applicants per Job Posting (Employee Experience)

E2. Employee Turnover Rate (Employee Experience)

E3. Active Cardholder to Full-Time Equivalent Ratio (Employee Experience)

E4. New Employee Referral Ratio (Employee Experience)

- Promote OPL's Value

C3. Economic Benefit per Cardholder (Client Experience)

C4. New Cardholder Referral Ratio (Client Experience)

Measurement groups (C1-C4 and E1-E4) comprise a strategic view of important facets of client and employee journeys. Client and employees are central to the Library's Vision and Mission, and are the focus of the KPIs. This information was necessary to inform strategic decision making and marked a shift away from traditional Library metrics and toward strategic indicators, in alignment with the governance model.

Indicators C1 and E1 represent early touch points in the client and employee experience. Both KPIs focus on activation and acquisition to assist in evaluating if OPL is attracting new clients and employee candidates. Understanding changes in these measures can inform decision making as the library redesigns the experiences of clients and employees and builds capacity. "Cardholder Growth Rate (C1)" measures the activation of new cardholders as a percent change in comparison to the same period in the previous year. "Average Applicants per Job Posting (E1)" provides critical information about the acquisition of OPL candidates based on job postings.

Once visitors and candidates become employees or cardholders, monitoring retention becomes critical to ensure that OPL retains valuable skills and knowledge on the employee side and continues to provide valuable public services to client. "Total 12-Month Active Cardholders (C2)" includes any client who used online resources or physical services at least once in the previous 12-month period. "Employee Turnover Rate (E2)" provides an indication of whether permanent or part-time employees leave within a period of less than two years (referred to as regrettable turnover).

As clients continue to use services, economic benefit is created for the cardholder, community, and residents. Economic benefit is the estimated value generated through programs, activities, and services. Direct benefit is value created by the usage of free services provided by OPL in lieu of paid alternatives. Indirect benefit is value created through spending by OPL staff; that is, employee spending of wages at local shops and services, creating jobs and additional economic value. "Economic Benefit per Cardholder (C3)" focuses only on the direct added value clients receive. The measure accounts for traditional usage statistics related to the cardholder benefits (access to collections, registered programming, and online resources). Measure C3 is reported only in Period 2 (July-December). Period 2 reporting occurs annually each April.

Growth in clients and evolving and innovative services require adaptive staffing models. Shortages in staffing can lead to longer wait times or fewer service offerings and decrease client and employee satisfaction. "Active Cardholder to Full Time Equivalent Ratio (E3)" helps OPL understand whether staffing models are responsive to changes in the active cardholder base. The measure looks at the Total 12-Month Active Cardholder figure as a ratio of staffing Full Time Equivalent positions.

Clients and employees who stay with OPL, and who typically derive benefits from services, often promote OPL's value by word of mouth. It is important to confirm whether new cardholders or employees were referred to OPL. Referrals can be an indicator of satisfaction and efficiency, and link directly to the creation of new 12-Month-Active Cardholders. "New Cardholder Referral Ratio (C4)" and "New Employee Referral Ratio (E4)" track the percentage of clients and employees that were created based on the referral of an OPL client or employee, respectively. Both measures required the creation of new data collection methods which began in Period 1 2020.

The purpose of this report is to provide the Board with a performance measurement update for Period 2: July – December 2022.

DISCUSSION

Table 1 shows the Period 2 2022 result and the difference compared to a three-year average result for the same period.

During July to December 2022 (Period 2), OPL's performance indicator trends remained positive. The results are positive indicators of the organization's recovery from the COVID-19 public health emergency that had altered many of the Library's operations and services to the community. General factors influencing performance during Period 2 2022 included concerted efforts in staff recruitment, and increased hours of operation, continued expansion of access to eBooks and online resources.

Below are summary tables for all key performance indicators for Period 1 and Period 2. Table 1 displays the results for Period 1 (January to June) 2019 to 2022. Table 2 displays the current measurement period, July to December 2022 and results from 2019 to 2021 for the same measurement period.

The tables are followed by a detailed discussion and analysis for each measure for Period 2.

Table 1. Period 1 (January - June) 2019 – 2022

Code	Measure Name	2019	2020	2021	2022
C1	Cardholder Growth Rate (%)	-6.08	-58.17	-73.33	**599.80**
C2	Total Twelve-Month Active Cardholders	239,390	231,217	232,959	**188,827**
C4	New Cardholder Referral Rate	N/A	N/A	23.68	**16.08**
E1	Average Applicants Per Job Posting	96.51	47.04	58.04	**137.52**
E2	Employee Turnover Rate	0.0074	0.0093	0.0040	**0.0061**
E3	Active Cardholder to Full Time Equivalent Ratio	516.03	498.54	502.78	**407.80**
E4	New Employee Referral Ratio	N/A	N/A	N/A	**N/A**

Table 2. Period 2 (July - December) 2019 - 2022

Code	Measure Name	2019	2020	2021	2022
C1	Cardholder Growth Rate (%)	-2.93	-81.67	334.28	**93.7**
C2	Total Twelve-Month Active Cardholders	244,336	214,241	233,378	**211,020**
C3	Economic Benefit Per Cardholder	498.44	286.54	473.46	**609**
C4	New Cardholder Referral Rate	N/A	18.96	17.47	**17.91**
E1	Average Applicants Per Job Posting	72.89	78.00	84.63	**135.71**

E2	Employee Turnover Rate	0.0093	0.0079	0.0074	**0.0089**
E3	Active Cardholder to Full Time Equivalent Ratio	526.55	461.71	505.22	**447.21**
E4	New Employee Referral Ratio	N/A	N/A	N/A	**N/A**

Results for the "New Employee Referral Ratio (E4)" measure are not available and are marked with 'N/A' in the summary tables. As described in the last Semi-Annual Performance Measurement report covering the period January to June 2022, an internal consultation by staff identified concerns with the significance and accuracy of the data source used to obtain the results. Staff will implement a new data collection approach starting in Period 1 2023, and will explore the ability to implement this approach retroactively to Period 2 2022.

Client KPI Summary:

C1- Cardholder Growth Rate
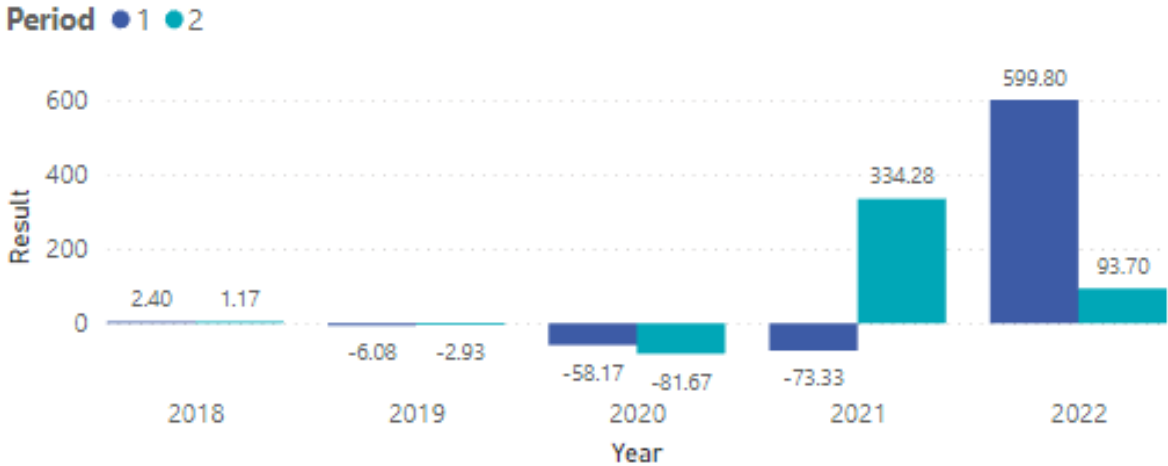
"Cardholder Growth Rate (C1)" decreased to 93.70 percent growth in Period 2 2022 compared to Period 1 2022. Growth in the first period of 2022 was an exceptional result of 599 percent as previous years were impacted by the pandemic. Period 2 2022 growth represents the creation of more than 26,000 new library cards. The measure

compares the current reporting period to the previous period in the same year and includes only new library cards.

During the reporting period, the creation of new cards was facilitated by several factors such as increased hours of operation comparative to pre-pandemic periods that remained consistent; the resumption of special branch programming associated with in-person initiatives like the TD Summer Reading Club; and, as per Board approval in the 2022 Annual Budget process, the addition of full-day Sunday opening hours at 10 branches and InfoService in September. The return of class excursions in September also greatly contributed to an increase in in-person visits to OPL resulting in the creation of new cards.

Throughout October 2022, OPL celebrated Canadian Library Month. Library Month highlights the valuable role libraries play in communities and provides an opportunity to show appreciation to clients in a memorable way. OPL's 2022 theme was a reminder and call to action: "Read between the lines". Over the course of four weeks, OPL highlighted its important role in countering misinformation and disinformation and in supporting information literacy skills. October was the third most active month of Period 2 for new cardholders.

In-person outreach programs and events have proven to be a driving force for new cardholder creation. These activities are offered in higher numbers during the summer and as school restarts in the fall, when OPL typically sees its highest growth in new memberships. A normal seasonal dip in card creation occurred during the December holiday period.

While the total number of new library cards created did not reach pre-pandemic levels during Period 2 2022, new cardholder growth continues to remain positive, indicating a desire for access to a vast collection of Library resources and services. This, in turn, helps to enhance knowledge, support education, and promote personal growth, and contributes to the overall well-being of the community.

C2 - Total Twelve-Month Active Cardholders

"Total Twelve-Month Active Cardholders (C2)" includes any account that has been accessed or updated at least once within the measurement period. Logging on to the website, card renewals, online resource usage, borrowing items, and other activities will prompt an update in the account's last activity date. As of the end of the reporting period (December 31, 2022), there were 211,020 cardholders that were active in the previous twelve months.

Over the past four measurement reporting periods (two years), "total twelve-month active cardholders" experienced a surge in membership, which was the result of the implementation of the Materials Recovery Model (MRM) in 2021. Following the MRM surge in membership re-activation, OPL saw a decrease in active cardholders who had been subsequently auto renewed in 2021. While total twelve-month active cardholders have decreased when compared to July to December 2021 results, OPL continues to see a steady increase of in-person client activity when compared to Period 1 (January to June) 2022 results.

Library activities, such as circulation and program participation, tend to contribute to the retention of active cardholders. Since the beginning of 2022, circulation has returned to approximately 80 percent of 2019 levels, with total digital circulation (streaming and downloads has increased 20 percent since 2019). Although other in-branch library offerings such as access to public computers, Wi-Fi, and programming have significantly increased and continues to climb from 2021, total usage remains below pre-pandemic measurement periods. Historically, in-branch visits have contributed to increased cardholder renewals and new cardholder growth as mentioned above in section C1.

As branch hours of operation return to normal and upcoming programs such as the much-anticipated TD summer reading club get underway, client activity is expected to increase.

C3 - Economic Benefit per Cardholder
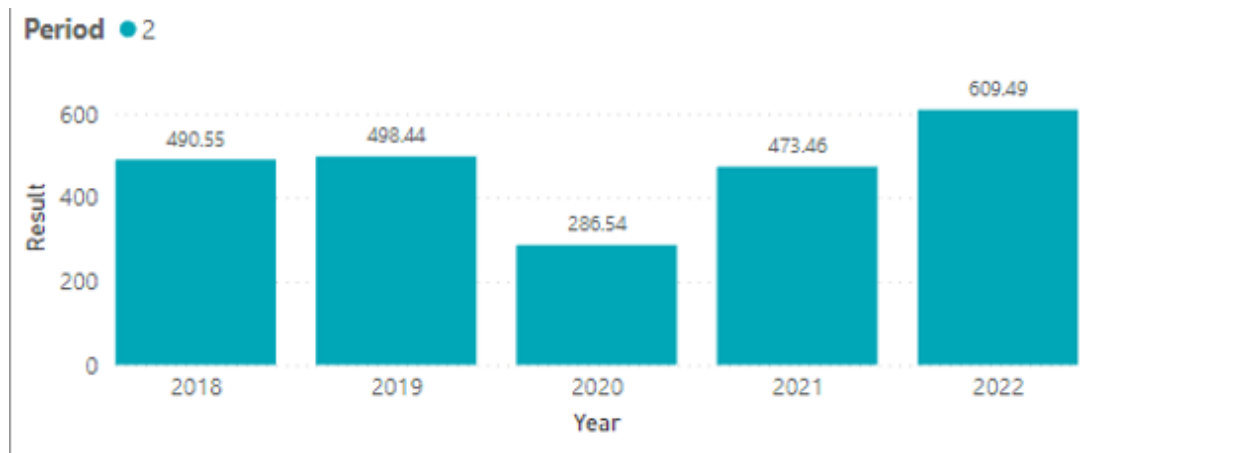
The measure "Economic Benefit per Cardholder (C3)" is reported annually in the Period 2 PMF report. The economic benefit per active cardholder in 2022 was $609.49. This is a significant increase from 2021 ($473.46). The growth increase is the result of an increase in the cost associated with the market value of services delivered, coupled with the increased usage of OPL's physical circulation. The increase is noteworthy, given the current economic situation in Canada, including inflationary pressures and the associated rising costs of living. Borrowing books from OPL's physical and digital collection, downloading and streaming movies and music instead of buying them, can significantly reduce a cardholder's expenses, while access to online databases and research materials can help avoid costly subscriptions and membership fees.

Physical and digital circulation of OPL collections accounts for 90 percent of the economic benefit. The remainder of the total impact is divided between the value of the other library services that include online resources usage, the timely availability of requested materials, and library programs and other services.

The factors that have contributed to this positive outcome include the continued investment in, and expansion of, access to OPL's physical and digital collections, programs, and services. Specifically, electronic access to the collection remains high

and continues to grow. Efforts to promote greater access and utilization of these resources by all members of the community remain a priority for OPL.

In 2022, OPL generated $127M in direct benefits and delivered a 215 percent return on investment (ROI) to the community when compared to the total annual budget. This result continues to highlight the primary importance of circulating materials in OPL's physical and virtual collections.

**C4 - New Cardholder Referral Ratio**
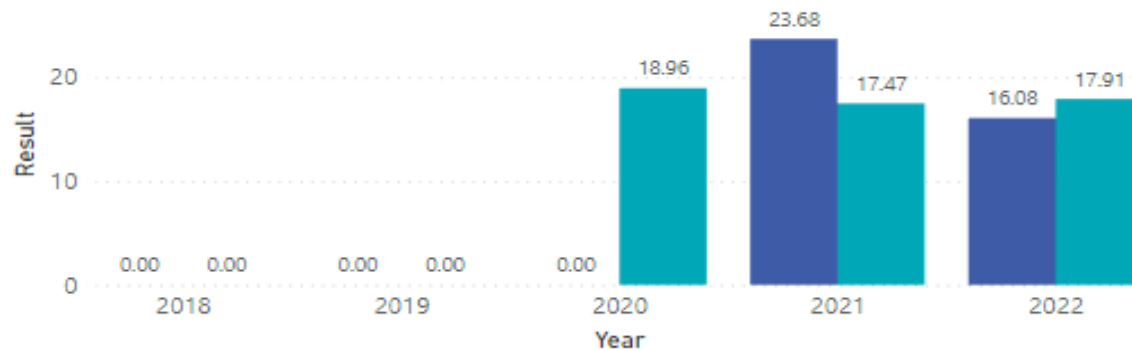
During the reporting period, the result for the measure "New Cardholder Referral Ratio (C4)" was 17.91 percent. Client referral information is provided on a voluntary basis by clients during online or in-person registration. During the reporting period there was an increase in the client referrals when compared to previous periods.

In Period 2 2022, approximately 46 percent of new cardholders responded to this question during registration. Null responses are counted and treated as "No." Factors such as form submission errors or question skipping during card creation can produce null responses, thus impacting the result. OPL is currently investigating ways to increase the number of respondents to help improve the sample size and reliability of the measure.

Despite the data collection challenges described above, which are common with surveying data, general patterns of usage can still be derived from these results. A decrease in referral rates may correlate with fewer account renewals and lower client retention, while higher referral rates can be an indicator of active and highly satisfied clients who are more likely to be long-term users.

Employee KPI Summary

**E1 - Average Applicants per Job Posting**
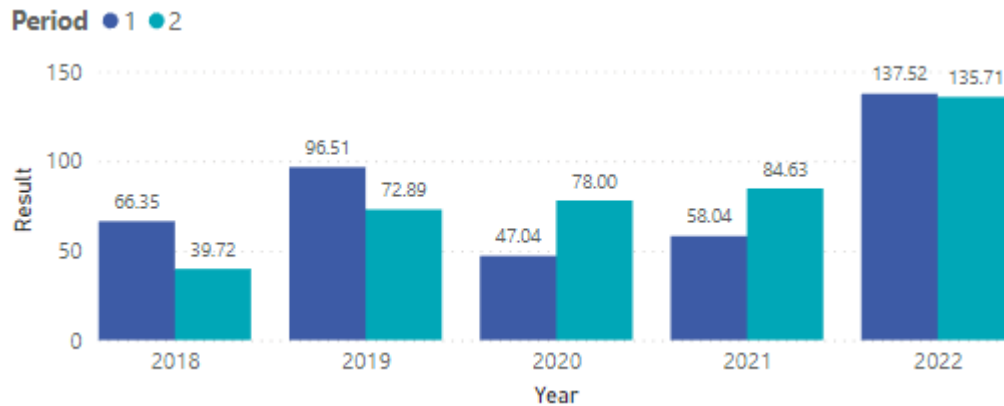
During Period 2 2022, the "Average Applicants per Job Posting (E1)" remained steady at 135.71 when compared to Period 1 2022 results (137.52). In Period 2 2022, there were 69 job opportunities, resulting in more than 9200 internal and external applicants. The number of applicants represents all individuals who applied, including those not screened out and does not represent candidates who progressed to the final stages of the competition. Representing a particularly elevated level of recruiting activity compared to previous periods.

The result for the period is indicative of an upward trend that began in 2021 with a strong interest in library jobs and employment with OPL and a concerted effort to fill the vacancies that exist in the organization. Furthermore, the larger than anticipated growth can also be attributed to the launch of the new online hiring recruitment platform which has greatly simplified the application process.

The Library is currently investigating ways to obtain information on candidates that proceed further in the recruitment process to better support the analysis of the measure.

E2 - Employee Turnover Rate
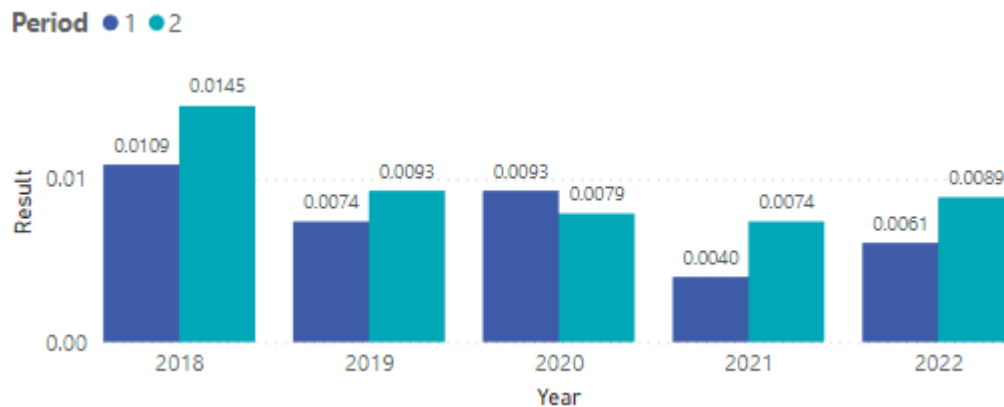
Period ● 1 ● 2

During Period 2 2022 (July to December 2022) the measure "Employee Turnover Rate (E2)" increased from 0.0061 to 0.0089 and is comparable to 2019 results. Employee turnover rate considers permanent full-time and part-time employees whose tenure with the organization was less than two years. In Period 2 2022, there were five individuals who met this criterion resulting in a total of 558.7 employees (headcount).

The measure is an indicator of "regrettable turnover." Regrettable employee turnover, as a subcategory of turnover, is historically low at OPL and occurs most frequently in entry-level positions.

The turnover for the measurement period was consistent with previous periods and remains below one percent. OPL historically has had a low regrettable turnover in permanent full-time and part-time employees. High employee turnover rates can be reflective of recent organizational changes or environmental factors of job satisfaction. contributing to low employee retention.

E3 - Active Cardholder to Full-Time Equivalent Ratio
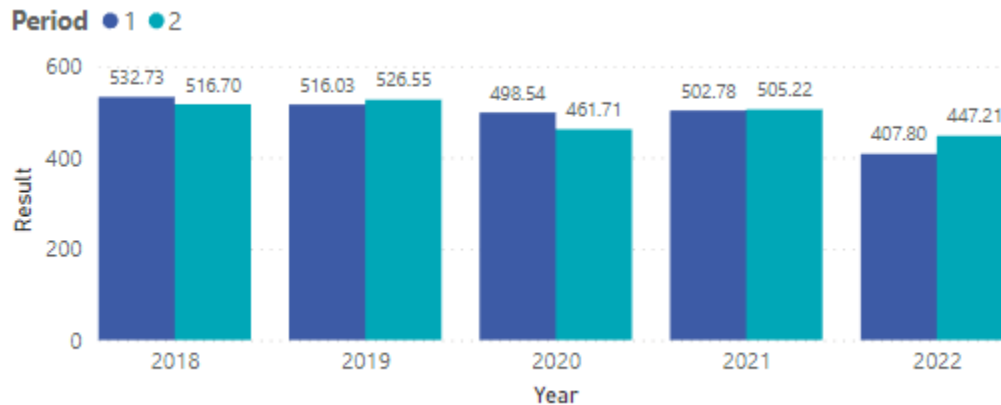
During the measurement period, "Active Cardholder to Full-Time Equivalent (FTE) Ratio (E3)" increased from Period 1 2022. FTEs are the metric through which the Board may be asked to approve additional employees or positions and are more directly relatable to finance. A decrease in the measure "Active Cardholder to Full-Time Equivalent Ratio (E3)" can be attributed to either an increase in FTE's or a decrease in active cardholders which is described above in section C2.

During this period, OPL experienced growth in new memberships, active cardholders, and in FTEs with the September implementation of increased Sunday hours. Continued efforts in recruitment also decreased the number of vacancies across the organization. All these circumstances together still resulted in a ratio that returned more towards a traditional average value of between 490 and 510.

E4 - New Employee Referral Ratio

As previously stated, results for the "New Employee Referral Ratio (E4)" measure are not available and are marked with "N/A" in the summary tables. An internal consultation by staff identified that the data collection method was not accurate. Staff will implement a mandatory feedback requirement, supported by hiring managers, for new employees. This added level of accountability to data collection for the measure should result in a more effective data collection process.

CONSULTATION

The development of this report required internal consultations to determine compensatory actions taken by staff to improve services and measurement results.

ACCESSIBILITY IMPACTS

Ottawa Public Library complies with the *Accessibility for Ontarians with Disabilities Act, (2005)* in its operations. There are no accessibility impacts associated with this report.

BOARD PRIORITIES

This report is prepared in compliance with OPL Board Policy OPLB-0010 CEO Reporting and Board Monitoring.

BUSINESS ANALYSIS IMPLICATIONS

The business analysis implications included an analysis of the data source for the measure "New Employee Referral Ratio" (E4) that identified concerns with the accuracy of the current data source. For additional information, please refer to the discussion section (sub-section E4).

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

LEGAL IMPLICATIONS

There are no legal implications associated with this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

SUPPORTING DOCUMENTATION

Document 1 – KPI Alignment Diagram

Document 2 – Customer and Employee KPI Definitions and Rationale

DISPOSITION

The next Semi-Annual Performance Measurement Report will be brought to the Board in October 2023 and will present results from January 1, 2023 to June 30, 2023.