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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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Submitted by / Soumis par:

Danielle McDonald, Chief Executive Officer / Directrice générale

Contact Person / Personne ressource:

*Anna Basile, Division Manager, Corporate Services / Directrice, Services
organisationnels*

(613) 580-2424 x32335, Anna.Basile@BiblioOttawaLibrary.ca

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SUBJECT: Semi-Annual Performance Measurement – January-June 2022

OBJET: Cadre de mesure du rendement semestrielle – Janvier à juin 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

The Ottawa Public Library (OPL) 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 Performance Measurement Framework (PMF), on February 11, 2020, the Board approved an updated list of Key Performance Indicators (KPIs). The new indicators introduced a focus on customer and employee experience as key influencers in the customer's journey to becoming an active cardholder.

The PMF monitors four employee (E) and four customer (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 customer and employee trends:

- Redesign Library Experience

C1. Cardholder Growth Rate (Customer Experience)

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

C4. New Cardholder Referral Ratio (Customer Experience)

Measurement groups (C1-C4 and E1-E4) comprise a strategic view of important facets of customer and employee journeys. Customers and employees are central to the Library's Vision and Mission, and the focus of the new set of KPIs. This information is necessary to inform strategic decision making and marks a shift away from traditional Library metrics and toward strategic indicators. Additional background information about the KPIs is available in the February 11, 2020, Board report (OPLB-2020-0202).

Indicators C1 and E1 represent early touch points in the customer and employee experience. Both KPIs focus on activation and acquisition to assist in evaluating if OPL

is attracting new customers and employee candidates. Understanding changes in these measures can inform decision making as the library redesigns the experiences of customers 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 customers. “Total 12- Month Active Cardholders (C2)” includes any customer 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 employees leave within a period of less than two years (referred to as regrettable turnover).

As customers 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 customers 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 customers and evolving and innovative services require adaptive staffing models. Shortages in staffing can lead to longer wait times or fewer service offerings and decrease customer 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.

Customers 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 customers and employees that were created based on the referral of an OPL customer 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 the January – June 2022 period. In accordance with recommendations presented in the 2020 Semi-Annual Performance Reports (OPLB-2020-1006, OPLB-2021-0405), it remains that Period 1 2022 results should not be used for benchmarking “normal” Library operations compared to future KPI results.

DISCUSSION

January to June 2022 was the fifth semi-annual reporting period to occur during the Coronavirus pandemic. In the following sections, discussion and analysis is provided for each measure. Measures that are not available are marked with 'N/A'. The data source for the measure “New Employee Referral Ratio (E4)” was reviewed during the period based on results from previous measurement periods. The review was focused on the data source used to determine the measurement results. Details of the review are presented in sub-section E4.

Below are summary tables for the key performance indicators. Table 1 displays the current measurement period and results from the previous three (3) years. Table 2 shows the results for July to December 2019 to 2022.

Table 1. Period 1 (January-June) from 2019 to 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

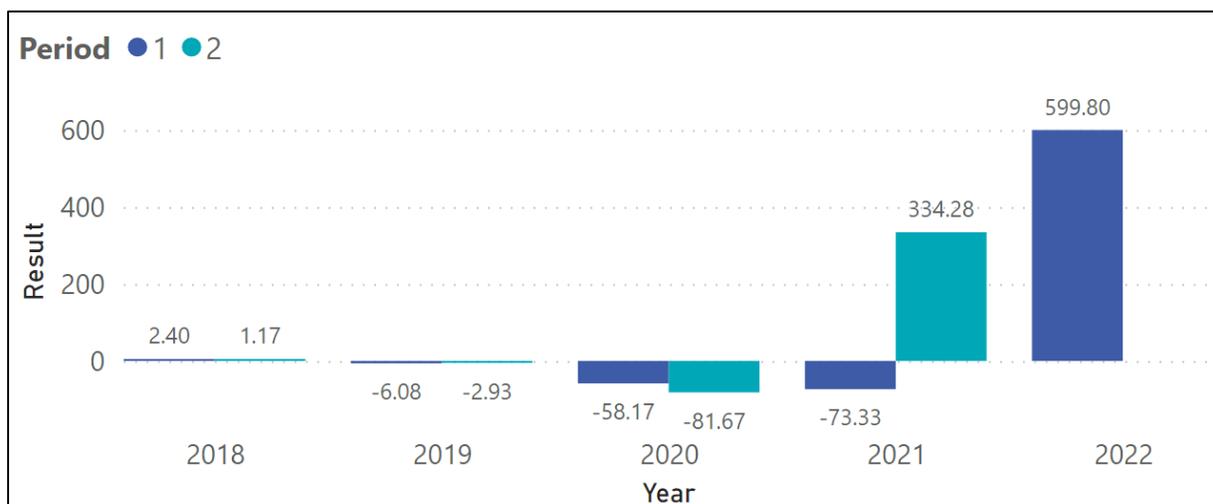
Table 1. Period 1 (January-June) from 2019 to 2022

Code	Measure Name	2019	2020	2021	2022
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) from 2019 to 2022

Code	Measure Name	2019	2020	2021	2022
C1	Cardholder Growth Rate (%)	-2.93	-81.67	334.28	N/A
C2	Total Twelve-Month Active Cardholders	244,336	214,241	233,378	N/A
C3	Economic Benefit Per Cardholder	498.44	286.54	473.46	N/A
C4	New Cardholder Referral Rate	N/A	18.96	17.47	N/A
E1	Average Applicants Per Job Posting	72.89	78.00	84.63	N/A
E2	Employee Turnover Rate	0.0093	0.0079	0.0074	N/A
E3	Active Cardholder to Full Time Equivalent Ratio	526.55	461.71	505.22	N/A
E4	New Employee Referral Ratio	N/A	N/A	N/A	N/A

C1- Cardholder Growth Rate



During January to June 2022 (Period 1), the result for the measure “Cardholder Growth Rate (C1)” was 599.80 percent. During Period 1 2022, more than 14,500 new cards were created. The measure compares the current reporting period to the same period in the previous year and includes only new cards that are not temporary.

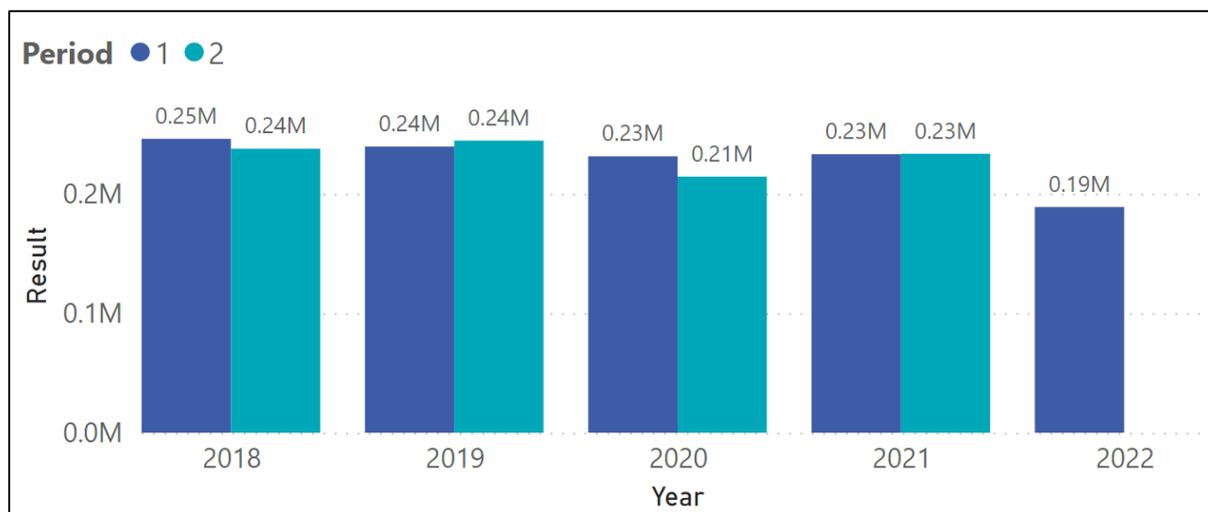
During Period 1 2021 a little more than 2,000 library cards were created. During that period, the library offered curbside pickup due to the Provincial public health mandates. At the time, online registration was not yet available. Impacts such as these resulted in a decrease in new customer creation and are responsible for the significant fluctuation in the measurement.

The increase that occurred in Period 1 2022 was driven by online registrations as hours of operation remained consistent. Online registration became available in June 2021 and has continued to play an increasingly significant role in cardholder growth. Although new cardholder growth rate has been trending upwards since Period 2 2021, total new cardholders remain 20 percent lower when compared to pre-pandemic periods

In pre-pandemic periods, the library acquired more than 40,000 new cardholders annually. This number of new customers helped compensate for normal customer turnover and supported growth in the active cardholder base. Over time, the Library expected to see a decrease in active cardholders if the number of new customers fell

below this value. Instead, active users increased in 2021. The reason for the increase in active users in 2021 is discussed in the next section (C2).

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 trigger an update in the account’s last activity date. During the reporting period there were 188,827 twelve-month active cardholders.

The 2020 pandemic has caused a significant impact on the availability and consumption of library services across Canada. At the start of the pandemic, OPL experienced a decrease in cardholders accompanying the stay-at-home mandates. As 2020 ended, staff anticipated further decreases in cardholders given the lower number of new cards being created (see section C1) and the public health uncertainty. However, 2021 reversed expectations and there was a rebound in usage which was attributed to the introduction of the Materials Recovery Model (MRM). Tens of thousands of inactive customers regained access to library services and in-branch resources as their library cards were updated, auto renewed, and fines were forgiven, as a result of the MRM. Following the MRM surge in membership re-activation, OPL saw a decrease in cardholders who were subsequently auto renewed.

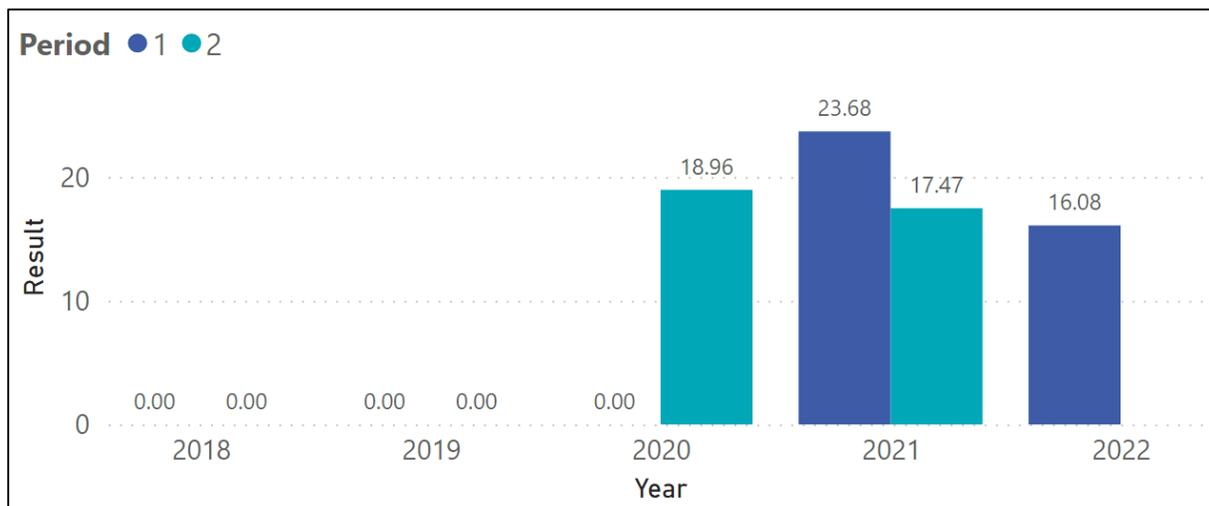
Library services, such as circulation, tend to contribute to the retention of active customers. Since the beginning of 2021, circulation has returned to approximately 80 percent of 2019 levels. The usage of other in-branch library services such as Public Computers, Wi-Fi, and Programming, has displayed a slower return to pre-pandemic measurement periods. This result can be linked to a combination of factors that include modified hours of operation and limited offerings of in-branch programming due to staffing shortages. As a result of these circumstances, fewer in-branch visits have occurred over the measurement period. Historically, in-branch visits have contributed to increased cardholder renewals and new cardholder growth as mentioned above in section C1.

Cardholder retention remains critical to OPL's mission and strategic plan. While the pandemic has altered the operational environment, OPL continues to see a steady increase of in-person customer activity. Much of this is attributed to the reintroduction of programming and resumption of outreach activities throughout the second half of 2022. As branch hours of operation are expanded in October along with the commencement of the October Library Month campaign, customer activity is expected to increase.

C3 - Economic Benefit per Cardholder

As noted above, the measure "Economic Benefit per Cardholder (C3)" is reported annually in the Period 2 PMF report in April of each year.

C4 - New Cardholder Referral Ratio



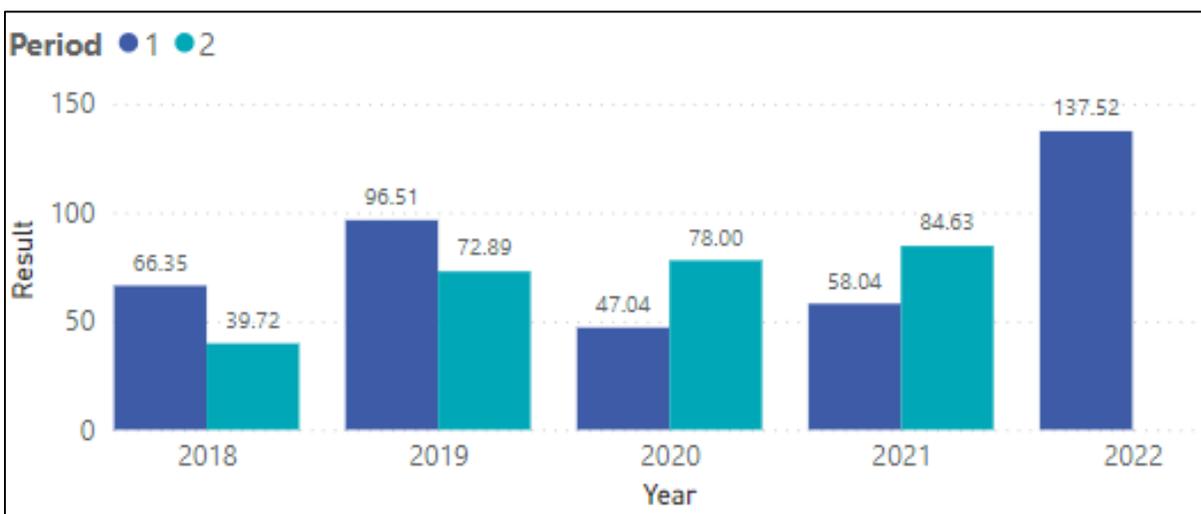
During the reporting period, the result for the measure “New Cardholder Referral Ratio (C4)” was 16.08 percent. Customer referral information is provided on a voluntary basis by customers during online or in-person registration. During the reporting period there was a decrease in the customer referrals when compared to previous periods. In Period 1 2022, approximately 36 percent of new cardholders responded to this question.

During the past two reporting periods, there was an increase in the number of non-responses. If non-responses were removed, 45 percent of respondents indicated that they were referred. Null responses have been included and treated as ‘No’ in previous reporting periods. Factors such as form submission errors or question skipping during card creation can produce null responses, thus impacting this result. OPL is currently investigating ways to increase the number of respondents to help improve the sample size and accuracy 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 customer retention. While higher referral rates can be an indicator of active customers who are more likely to be long-term users.

Employee KPI Summary

E1 - Average Applicants per Job Posting:

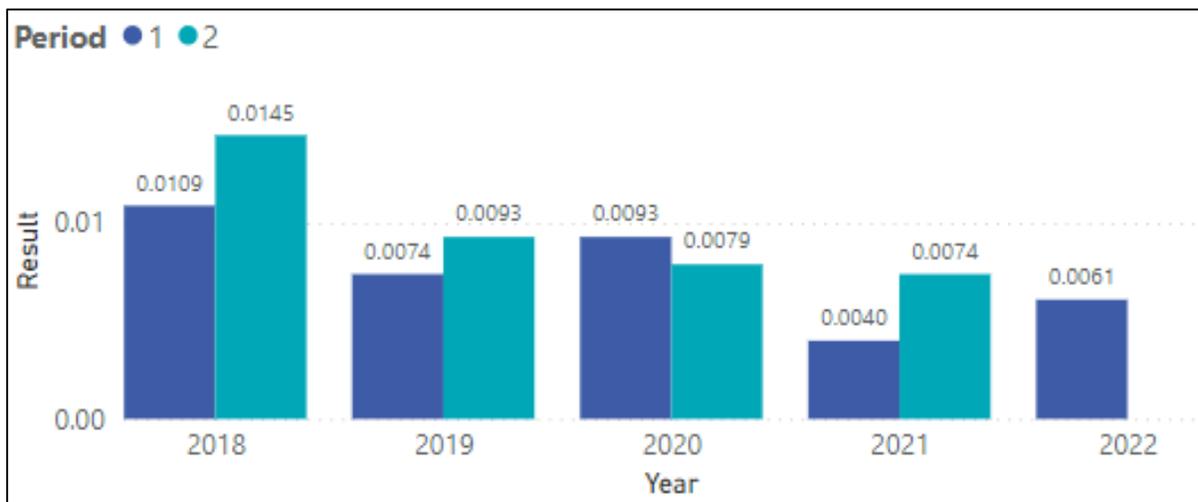


During the reporting period, the result for the measure “Average Applicants per Job Posting (E1)” was 137.52. In Period 1 2022, there were 60 job postings online. Accordingly, more than eight thousand internal and external applicants.

The result for the period is indicative of an upward trend that began in 2021 as services began to return to normal with a strong interest in library jobs and employment with OPL. The current number of positions and applicants represents a concerted effort to fill the vacancies that exist in the organization. In addition, the larger than anticipated growth can be attributed to the new hiring recruitment platform which simplifies the application process.

The number of applicants represents all persons who applied and does not represent candidates who progressed to the final stages of the competition. Given the changes in the reporting platform, the increased volume of applicants does not adequately capture the number of qualified candidates. The Library is currently investigating ways to capture candidates that proceed further in the recruitment process to better support the analysis of the measure.

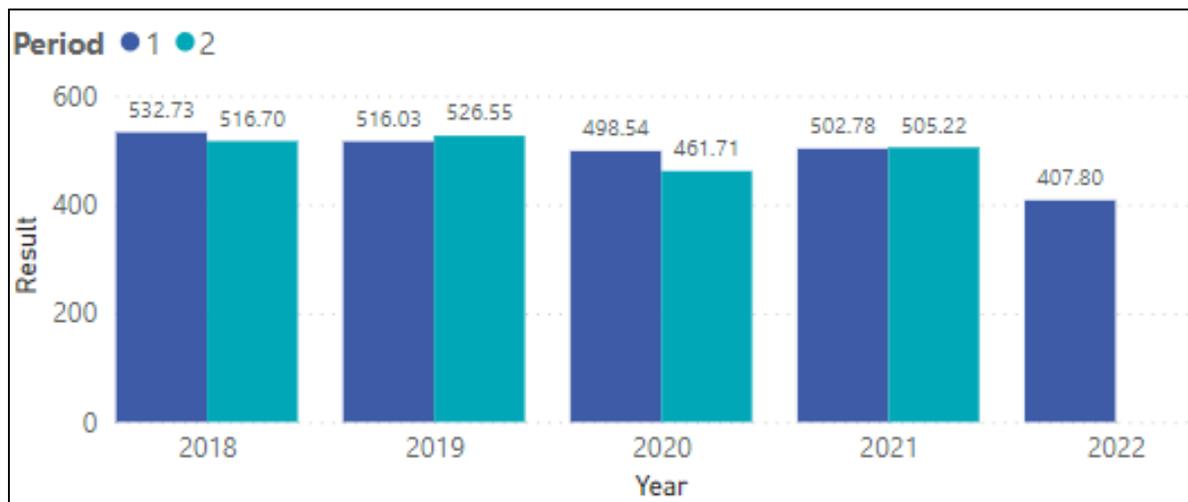
E2 - Employee Turnover Rate:



During January to June 2022 the measure “Employee Turnover Rate (E2)” increased slightly to 0.0061 over Period 1 results in 2021, however decreased compared to the last period of 2021. In total, there were three individuals who left the organization (holding various positions). The measure represents permanent full-time and part-time employees in the organization. Former employees are included if their tenure within the organization was less than two years. The measure is a subset of “regrettable turnover.”

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, the OPL full-time equivalents (FTEs) count remained stable. FTEs are the metric through which the Board may be asked to approve additional employees or positions and are more directly relatable to finance. The decrease in the measure “Active Cardholder to Full-Time Equivalent Ratio (E3)” can be directly attributed to the decrease in active cardholders which is described above in section C2.

In Period 1 2022, vacant positions remained high when compared to pre-pandemic periods. However, this did not impact the library budget for FTEs. The difficulty of filling vacant positions is not unique to OPL or public libraries in Canada. As services continue to expand in the second half of 2022 and cardholder counts change, this measurement will provide some indication of the employee to customer ratio and that financial provision for customer service is present.

E4 - New Employee Referral Ratio:

This is the third PMF report to feature the measure ‘New Employee Referral Ratio (E4)’. The first two measurement periods did not yield any information to report. After an internal consultation with hiring managers, it was identified that the current data source

may not detect information required for the measure. In response, a review of the data source was conducted to corroborate the result for Period 1 2022.

Data collected for the employee referral ratio measure is collected through the HR recruitment platform. Applicants select 'OPL employees' as the referral source during their application. Once hired, the application data is used to determine whether the new hire was referred. To verify the whether the data source was identifying new referrals, a separate survey of new OPL hires from January to June 2022 was conducted. Of the 36 new hires surveyed, 11 responded to an email survey asking whether they were referred by an OPL employee. From this sample of 11 responses, more than 45 percent indicated that they were referred. Two referrals were identified when examining the data source from the recruitment platform for Period 1 2022.

The results from the review have identified some concern around the validity of the current data source which may underestimate the number of employee referrals. Posing the question directly to new hires appears to identify a larger number of referrals. The form of the direct questioning, in contrast to a question as part of a longer hiring process, may be responsible for greater sensitivity. Staff will further implement specific sampling of new hires as a more suitable method for capturing the information required for the measure

CONSULTATION

Internal consultations were conducted 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

An analysis of the data source for the measure “New Employee Referral Ratio” (E4) 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.

INDIGENOUS AND GENDER EQUITY IMPLICATIONS

There are no specific Indigenous, gender or race equality implications associated with the 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.

DISPOSITION

Staff will implement a new data collection process for the measure “New Employee Referral Ratio” (E4) and report on the measure using the new data in the October 2023 Semi-Annual Performance Measurement Report.