

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

COMPENSATION COMMITTEE

MAY 25, 2023

MEETING TRANSCRIPTION

[COMPENSATION COMMITTEE MEETING BEGINS AT 1:39 P.M.]

David:

Very good [inaudible 01:11:10] you're important. All right. So we are meeting as a compensation committee. The first item is the approval of minutes. What's your pleasure?

Catherine:

So moved.

David:

Moved by Catherine. Second?

Suzanne:

Second.

David:

Suzanne. All right. All those in favor signify by saying aye.

Committee:

Aye.

David:

An exciting report we have from Liz Calo. There are some good things [inaudible 01:11:31] engagement, which was nice. So I'll hand it over to Larry first if you want to start.

Larry:

No, I'll let Liz pick it up from here and-

Liz:

Okay. Hi everyone. So I just want to give an update on some of the good things that we have going on at the RWA to encourage employee engagement. So we'll talk quickly about a new platform we rolled out, some new surveys that we have going into place and to drive the employee engagement.

So when you think about employee engagement, most of us all think about the culture and the employee experience and job satisfaction. So at this point since the pandemic, we thought about what we need to do to re-energize our employees and using past data on some of the things and assets they've had. Employee engagement is the connection employees have feel toward their work and their

teams and their organization. So at the RWA we have four types of employees. We have the highly engaged, we have the moderately engaged, barely engaged, and then the disengaged employees.

And so with that combination, there's some that really drive the culture and what we're looking for, but then how do we engage those that have lost that luster to come to work and what's driving them not to be happy?

So I did some research on some platforms that kind of tied into where we are today, how to drive recognition, what does the team and want. So this platform is a cloud-based platform. It's called COOLEAF. We wrote this out on March 6th. The COOLEAF platform has team recognition in it, pulse surveys, rewards programs, employee experience, meaning it brings people together because it's like a social media page drives community and performance incentives. So it's just one platform that incorporates all the things that we were looking into.

So it's called the RWA Connection, and this is what the COOLEAF page looks like. It's pretty cool. You can use it on your desktop. You can all the employees who have work cell phones, they have the app on their cell phone. So this COOLEAF supports the RWAs workforce. So we do have onsite employees that are about 70%, the hybrid is 20, and then we have those remote that come to work maybe once a month, or those that don't come at all. With this platform, it enables all of our teams to connect. So it's a pretty cool and exciting way to change the way we recognize and engage our teams.

What else? What is I going to say? Employees want to be recognized when they contribute, so they're really finding it's nice to be able to put on a wall, "Hey, thank you for going above and beyond for certain projects." The recognition is tied to the company's values and our stars rewards. So this is great. And the platform allows for employees, managers, supervisors to recognize their employees real time. So if they just did something that day, they can automatically go on from their cell phone and nominate the employee and say, "Hey, good job." We tie it to a star's value and they also get some points to it, which drives even more to go above and beyond because they're building towards these buckets.

So this is what we call the Automated Global Rewards Catalog, which is a pretty awesome, it has hundreds of reward options. So as I mentioned, as the employee participates in activities or gets recognized by their manager or their peers, they earn these rewards and they go into this bucket. Inside this bucket, they can earn as many points as they want. They can use them to buy gift cards for \$5 of Starbucks or if they can save it up if they want a new pair of shoes or something from DSW or work boots or something. So it gives a lot of different options and encourages our total population at RWA to get involved.

he other thing we started looking at is employee survey. So RWA has always done employee surveys. However, what we were challenged with what we were doing with the data. So how do we create a workforce that sees that we're actually taking these surveys and using the feedback and making positive change, the things that these employees are asking for.

So right now we're looking to create employee surveys that fit the RWA culture. We're going to use the engagement data and identify where to focus and monitor commitments for improving engagement. So that's going to incorporate committees and with the employees at the RWA to help give the feedback and drive the things that we're doing to change the culture and the environment at RWA. And then we're going to compare results over time across groups and demographics. So we do have a large population that have been here 30 plus years, and then we have those that have been here as little as six months. So we really need to see what are the engaging factors, what drives the happiness of our teams and how we're using this to make it a better place.

So when I talk about some of these surveys, it's called Lifecycle Surveys. So what we're incorporating into these is onboarding, which will be the new hire experience. So we want to know, do you have the tools and the resources needed for when you start? Were your managers engaged? These are the questions we're going to be asking and diving into so we can make positive change. The 30, 60, 90 is going to be the walkthrough. How was your onboarding? How was your new hire event? What can we do better to make it a better place to work with training and resources. And then of course, the exit interview, why is that important? Well, ideally, why are you leaving? Is it another job? Was it a lack of training? Was it a lack of opportunity? That's going to give us a lot of information to help with retention and drive what's necessary to keep our teams here.

The pulse survey is we're going to do quarterly, so that's where we gauge the temperature of our teams. So we utilized COOLEAF, which is part of the platform, and we send out surveys. And it's minimal. It's little questions here and there about what are some things that RWA can do to better the workplace. We get real feedback from our teams and we use this to gauge and make changes.

The full engagement survey will be due. We're not ready to do that yet, but we're going to do that annually going forward and ensure that the teams see and are communicated on all the changes that we're making because they're asking. So we're using the water cooler, we're using our TVs to say, "Hey, we heard what you asked for, and these are the changes." Some of the things that they're talking about are learning and training and development. So we're implementing an LMS that's in progress right now. They asked, "Hey, why can't family members work here?" We did update the policy with some guidelines surrounding it. So we hear what they're saying and we're trying to make these positive changes.

So this was the initial rollout. So again, we rolled it out on March 6th. So it was right in the beginning. The first 30 days we did this pulse survey. It was pretty interesting. So although we have 200 and something employees and we only had 55 responses, keep in mind it was three weeks in and it's a change for the team and the field. So we have to spend a lot of time getting them used to going online, using it on their phone and getting in a habit of using it. But the average score of positiveness was 75.5, which was good to see. So keep in mind these 55 responses are probably most likely are highly engaged employees. These are the people that are eager to learn. They want to give feedback, they want to help RWA move forward to the employer of choice that Larry and team are working towards.

So I don't know if you can see it. It's pretty small. I got to put on my readers. So if you can see, most of them were all the seventies. But take a look at number, the third bar I received appropriate recognition when I do good work. So that was the lowest scoring thing. So again, they're asking for being thanked and recognized for the things that they're doing. So this is one of their asks, this platform will help do that. But then if you notice the fourth bar down, which was a very positive note, my manager appreciates me and recognizes me for doing good work. So that was 81.82%. That is a very good sign that our managers are doing a good job appreciating our team. So we're going to continue to use our managers as they are key to recognizing and driving this culture of employee engagement.

So employee onsite activities. So we have always had onsite activities, but now we want to tie it into some of the program. So we're tying it to COOLEAF points. So they are able to earn some rewards on some of these activities. And we're working with leadership and with Larry on collaboration days. So we're bringing people into the team building events. We're having onsite trainings, employee committees, appreciation lunches, all these things to drive the interaction.

Some of us have the opportunity to work from home. How do we get them into work and how do we utilize that time that they're together. So we're encouraging, maybe they have lunch with one of their coworkers or they set up a onsite meeting, just really drive that partnership and that team building. And

then we're tying this all to the health and wellness and DE and I. So we're trying to use a diversity calendar and drive events around DE and I currently, we just had a health and wellness event where we did a biometric screening, we had great participation to it. So that was great to see. And then next week we're doing a blood drive if anyone's interested in giving, sign up.

So all these great things are going on right now. Employee engagement is the key element of creating productivity and a healthy workplace. So increasing the number of events we'll work toward the direction of the CEO and strategic goals to become the employer of choice and drive employee engagement through all these onsite activities.

So how do we drive progress and success commitments? So we can have all these surveys we want and we can drive these platforms. If we're not using it and committing to it, it's never going to work. So we're making sure that we have ongoing strategic initiatives. We're placing measurable goals. So I'll be using the data to ensure that we're continuously improving in our culture and change in the requests of the employees. We're going to communicate progress and timelines. So I think that's a key piece is that our teams are aware of what we're doing, what we're working on. And even if it's an ask and we can't do it, we're going to be upfront and tell them the why we can't. We're going to create lasting and meaningful change. So we're going to make it aware that we are working on things to improve the workplace based on their feedback. So every person in our organization impacts employee engagement through the quality of relationships they've built. Typically, everyone thinks employee engagement is just an HR thing. It is not, everyone plays an important part in this activity.

So in summary, engagement is a strategy. It's not an activity. There is a lot of evidence and data out there that proves impact of employee engagement. So we're going to recognize and celebrate individuals and team performance. So we're appreciating our teams. We're identifying, discussing key engagement drivers. We're choosing focus areas, and we're going to brainstorm solution based on our team's feedback and with their ideas. We're going to commit to the change that will have the most impact and communicate the progress and hold everyone accountable for the results of our employee engagement strategies.

So as we move forward, we're going to ensure that everyone is driving these initiatives. Some of the data shows that when you have highly engaged employees, you have lower absenteeism, lower turnover, higher customer metrics, higher productivity. A disengaged employee costs the company quite a bit of money. So it's really a great opportunity. I'm excited about all these things that we're putting in place and re-energizing, bringing new faces to them, new ideas, and just really excited about the new platform and the new programs. Do you guys have any questions for me?

Larry:

Thank you.

David:

That was very good to hear.

Liz:

Yeah, lots of good stuff.

Suzanne:

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Yeah, so good luck with this. I think it's terrific that you're looking to get the employees who are engaged. So you mentioned some metrics at the end that are symptomatic of lack of engagement or the opposite, if they're very good that they indicate engagement, are you doing a benchmark of leading indicators on that front? And then [inaudible 01:26:54].

Liz:

So the poll surveys are going to help us. So we did the first poll survey. Like I said, it was minimal amount of employees in it, but yes. So we're going to, I'm benchmarking off of old data that we had from a 2018 survey, I think for the date. That was a full engagement survey, Suzanne. And then we're going to move forward and track some of the poll surveys inside of COOLEAF and rollout data that's going to come from our new platform that we'll use that's tied to the exit interviews and everything. So we'll be looking at one location with all the data there.

Suzanne:

I think I might be asking something different than that or I didn't understand what you were saying. Talking about it's not going to come from your platform. Data I'm talking about is employee absenteeism.

Liz:

Yep. So that data came from a Gallup report. So based off of information that I looked up and we were working with our COOLEAF account executives and information on how employees driving organizations.

Suzanne:

So my question to you is, as you launch this initiative, do you have a set of metrics that you have as your baseline, like those metrics and that are emblematic of good engagement or poor engagement? And then periodically check it so that if you don't know if it's a cause and effect from this platform, but you can see it improving and maybe you can make a connection between this platform and those indicators.

Liz:

Sure. So I'm using the old data that we have, so I'm going from that baseline, from the percentages from there. So yes, I'll be able to gauge it, but we don't have any real fresh data. So it's kind of a starting point here from...

Suzanne:

[inaudible 01:28:49] data things that are in the bar.

Liz:

Yeah.

Suzanne:

All right, these are employee perceptions, which I think are important for understanding engagement. I'm talking about more overall impact to the organization, again, like absenteeism and other countries.

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Liz:

Yeah, again, I don't have a benchmark right now, but hopefully I will have that data once I'm using a new platform that we're going to be able to have all the numbers into one spot. So to your answer, no, I don't have... I have these pulse surveys, but everything else is old data. So I don't really have a benchmark to gauge it against now, but that's what I'm starting currently. So it's fresh data. Am I not answering your question?

Suzanne:

No, I don't know. Because I don't know what data you have available and what... I don't know if you have something that's problematic that you're trying to fix. I don't know.

Liz:

No. So we don't have problem, we don't really have attendance issues. So what we do have, Suzanne, is the employees that are tenured. So we have employee morale that is lower be it from things that have happened year over year. And some of those things they're holding onto in terms of their... They can't move forward to it. So how do I change the perception, "Hey, that happened years ago, let's move forward." So we don't really have absenteeism issues. We monitor that turnover here and there, but again, they're tied to pensions. So the turnover... Those that have been here for some years will stay here because they have pensions tied to it. But the newer employees, why are they leaving?

David:

Sounds like maybe we don't have a lot of old data that they're using and she's taking a threshold we're starting [inaudible 01:30:49].

Suzanne:

Or particular problems that we're trying to solve.

Liz:

Yeah. The employee engagement and the teamwork is the number one issue that we're trying to solve. Absenteeism is not big, but the employee engagement, the teamwork, the employee morale is what we're trying to change.

David:

But also too, it's a workplace. It has a lot of work injuries on site that typically is an indicator of forward [inaudible 01:31:20]. Now we've been able to reduce ours from double digit down to the lower single digits. So that is end indicator.

Liz:

Right, yeah.

David:

Defects in a manufacturing facility. So we don't have that.

Suzanne:

The reason why I ask is because [inaudible 01:31:40] dealings are somewhat fickle from time to time. Big events like a Covid can change employee feelings and you have no control over Covid. And that sometimes some of the things that people are feeling about work are either out of our control or their choices about it. And so we do a lot to try to buoy morale and it may be dispositional of individuals and it may be problematic and systematic in the organization that we just don't say thank you enough. We don't do kinds of things and simple things could make a big difference.

But I'm always very curious about this because my observations of the organizations that I've had an oversight view of either because I'm in management, or I'm on a board, or whatever, is that people make choices about work. They have feelings about work, and the changing or doing something rarely changes their perspective about it in the long run. Unless there's a particular, it's a good employee and they're having a particular problem with something. So that's just my thoughts. I'm not trying to say this isn't important, it's just a little hard to...

Liz:

No, I understand. I think the increase of communication and awareness will change. We have a great team of employees, but again, with a high population of those that are staying because they either have a pension or not, how do we get them more engaged is I think the key in all of this. Drivers like communication and letting them know with having this board and information constant tells them what's going on within the organization, which would help drive the engagement piece and in turn happier employees if they know what's going on and why we're doing what we're doing,

Suzanne:

The reason why they're disengaged or not as engaged. Yep.

Liz:

Right. Yep.

Catherine:

I had some of similar thoughts that Suzanne had. Is there a correlation between an employee that's engaged and an employee that is high performing? Because sometimes you could have someone that performs, they go to work, they do their job, they do it well, they don't want to deal with anything else. This employee is disengaged, but is that necessarily engaged-

Suzanne:

In their performance but maybe not engaged in the climate for the environment?

Catherine:

They're not emotionally engaged.

Catherine:

Yes. They're not emotionally engaged with the people around them, but they're still high performing employees. Is that a bad thing, I mean...

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Liz:

No, but typically disengaged employees tend to have... Their attitude will play a big part in it too. So I think when we're working as a team, if they're disengaged and they're not working as a team, it drives the whole department down.

Suzanne:

[inaudible 01:34:58]. Well, I'd say someone who's engaged in doing their job doesn't show up in bad attitude.

Catherine:

You and I have worked in different [inaudible 01:35:07]. I've got some people in mind. Don't want to deal with them otherwise.

Suzanne:

Yeah, got it.

David:

All right. Other questions or comments, Kevin?

Kevin:

No, no comments. Thank you.

David:

All right. Well Liz, thank you very much.

Larry:

Thank you, Liz.

Liz:

Thank you.

Catherine:

Very interesting. I like that. [inaudible 01:35:39].

David:

You've got a new HR person that will give us a hint. [inaudible 01:35:46]. All right, so the work plan is the next item, just for review.

July is our big meeting for this committee. Thank you all for participating with Willis. Willis Towers Watson. Dave was very happy. All four of us participated in that. And I was sent a draft I have to open and look at the other day. So I'll send it up to you. And then we'll discuss it then I'll probably send it up before then so you can all look at it. I won't wait until the last minute. I'll be good. All right. Any other questions on our work plan?

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All right, then I will ask for a motion to adjourn its compensation committee and reconvene as the author.

Suzanne:

Second.

David:

All those in favor signify by saying aye.

Committee:

Aye.

[COMPENSATION COMMITTEE ADJOURNS AT 2:05 P.M.]