



# 2008 Employee Engagement Survey Results

**Survey: October, 2008**  
**68% employee participation**  
**(465 out of 685 total)**



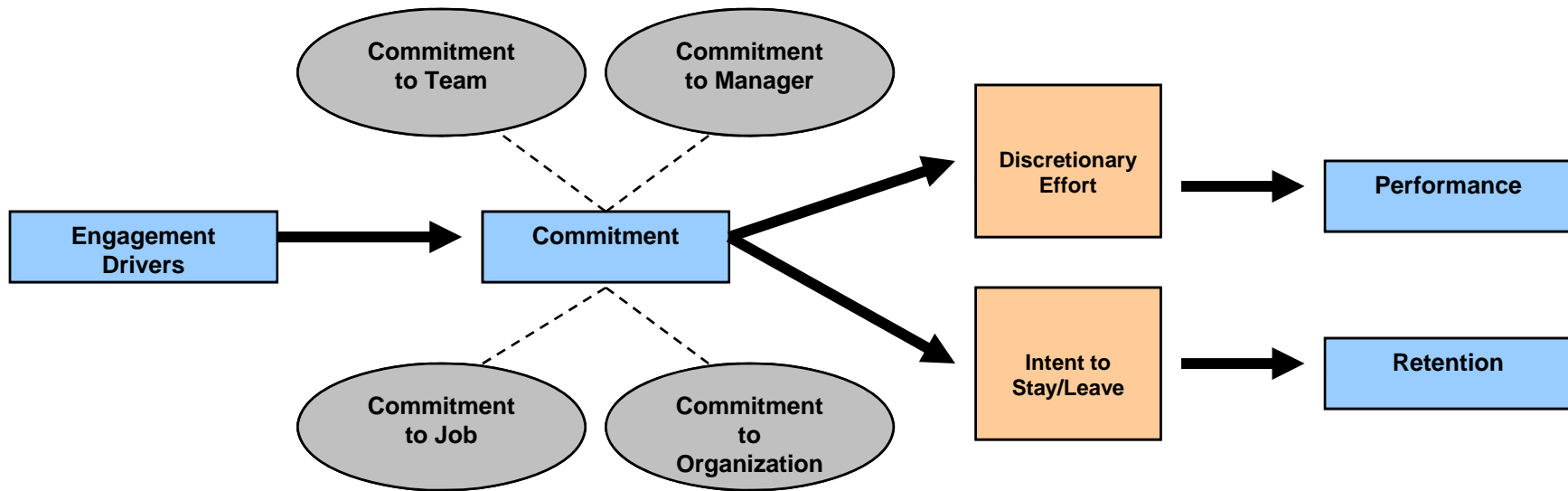
# ENGAGEMENT DEFINED

Employee Engagement is...

...commitment to job, team, manager, and organization...

...which drives effort and intent to stay...

...resulting in improved performance and retention...



## The “10:6:2” Rule

- Every **10%** improvement in commitment can increase an employee’s effort level by **6%**
- Every **6%** improvement in effort can improve an employee’s performance by **2 percentile points**

## The 10:9 Rule

Every **10%** improvement in commitment can decrease an employee’s probability of departure by **9%**.

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# SURVEY OVERVIEW

The Employee Engagement Survey provides a map of how engaged or disengaged employees are in the ways that matter most to performance and retention.

## Survey Baseline...

### **30 Statistically Tested Questions**

30 baseline questions align with eight core engagement indices:

- Benefits and Compensation
- Career Development
- Communications
- Employee Commitment
- Employee Retention
- Innovation and Risk-taking
- Manager Quality
- Work Environment

## Survey Customized...

### **ERCOT Customized Questions**

Unique to our organization, drilling deeper into select indices including:

- I believe ERCOT Officers display and promote ethical behavior.
- I feel comfortable reporting ethical violations in Ethics Point.
- I am proud to work for ERCOT
  
- If I could change one thing at ERCOT, it would be...  
(free form text)

# CATEGORIES

- **Administrative:** Audit, Corp Admin DPO, Exec Admin, Facilities & Site Dev
- **Customer Service:** Comm Ops Data Integrity & Admin, CMO Admin, Energy Analysis Aggreg, Retail Customer Choice, Settlements & Billing Ops, Settlement Metering
- **Finance:** Acctg & Budget, Contract Admin & Procurement, ICMP, Treasury & Credit Admin
- **HR**
- **IT**
- **Legal**
- **Marketing:** Mkt Ops – DPO, Rules & Stakeholder Support, Testing, Retail Mkt Analysis, Retail Client Svcs, Wholesale Client Svcs
- **Operations:** System Ops, Grid Ops, Network Modeling, Regional Plng, Outage Coord, Advanced Network Apps, Ops Engineering, CRR, Stds, Planning, Training, System Assessment...
- **Other:** TRE

# RATING SCALES

## Agree / Disagree Scale

- 7 = Very Strongly Agree
- 6 = Strongly Agree
- 5 = Somewhat Agree
- 4 = Neither Agree Nor Disagree
- 3 = Somewhat Disagree
- 2 = Strongly Disagree
- 1 = Very Strongly Disagree

## Satisfied / Dissatisfied Scale

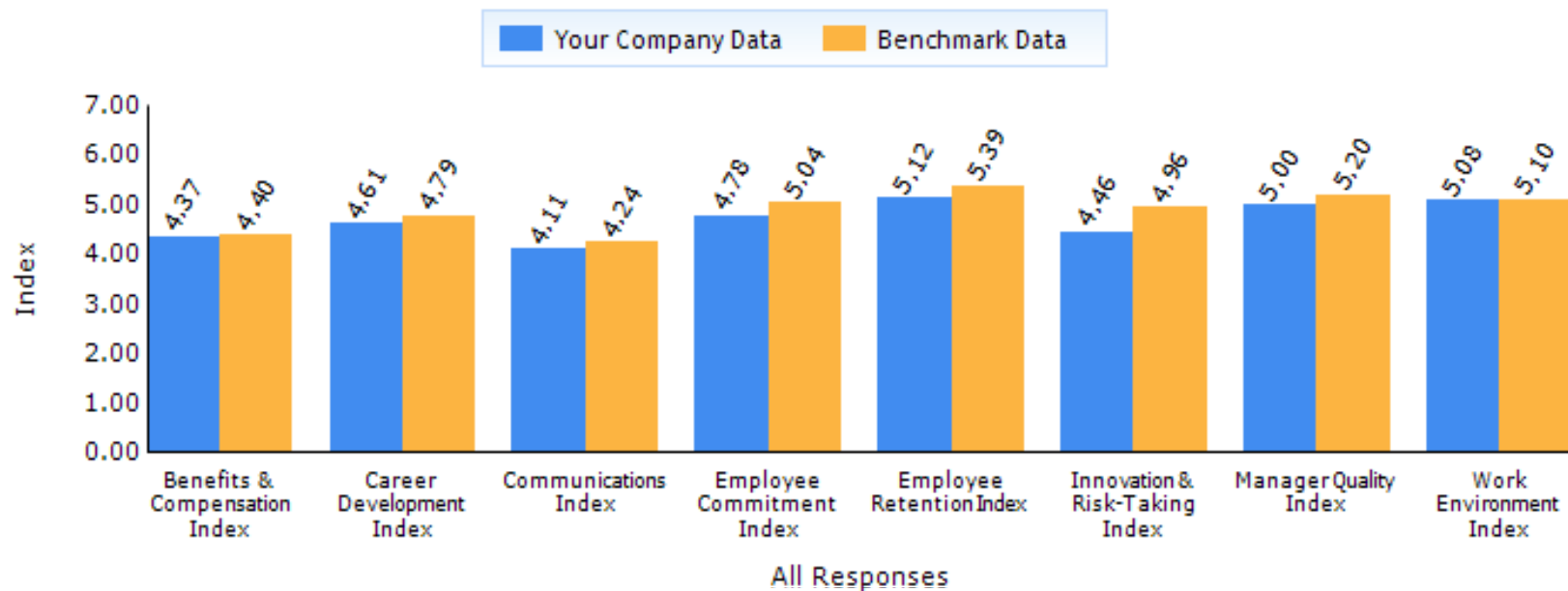
- 7 = Very Highly Satisfied
- 6 = Highly Satisfied
- 5 = Somewhat Satisfied
- 4 = Neutral
- 3 = Somewhat Dissatisfied
- 2 = Highly Dissatisfied
- 1 = Very Highly Dissatisfied

# BENCHMARKING

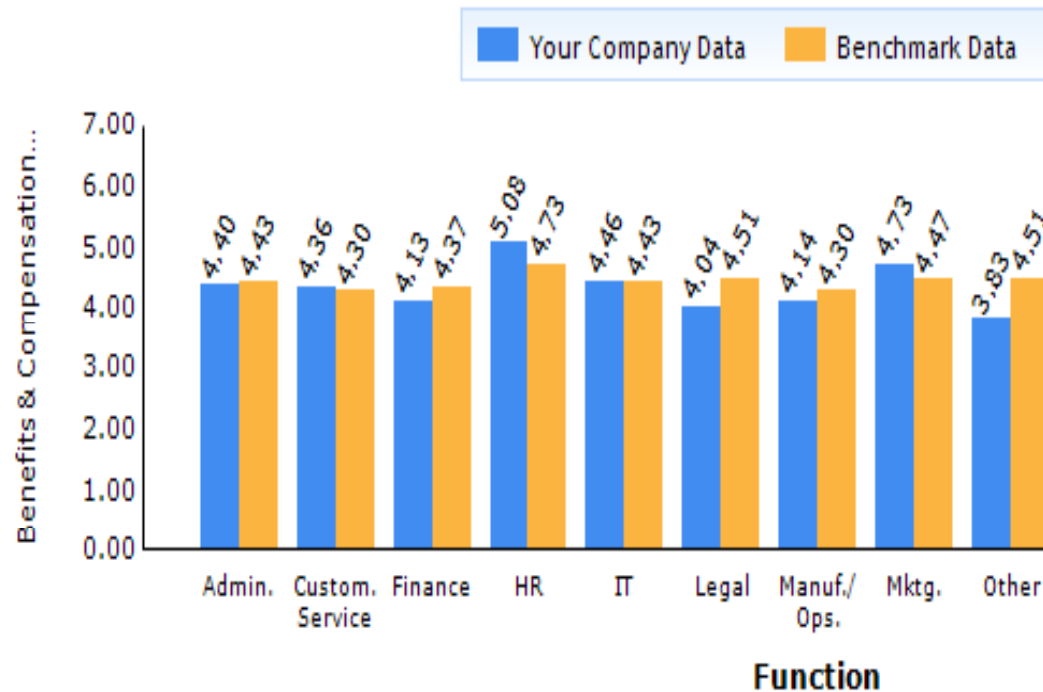
## INTERNAL BENCHMARKING AGAINST MID-SIZE COMPANIES (500-999 EMPLOYEES) REVEALS SUCCESS AREAS AND AREAS FOR IMPROVEMENT

Innovation & Risk and Employee Retention demonstrate the largest gap to the benchmark

Summary Chart - All Responses



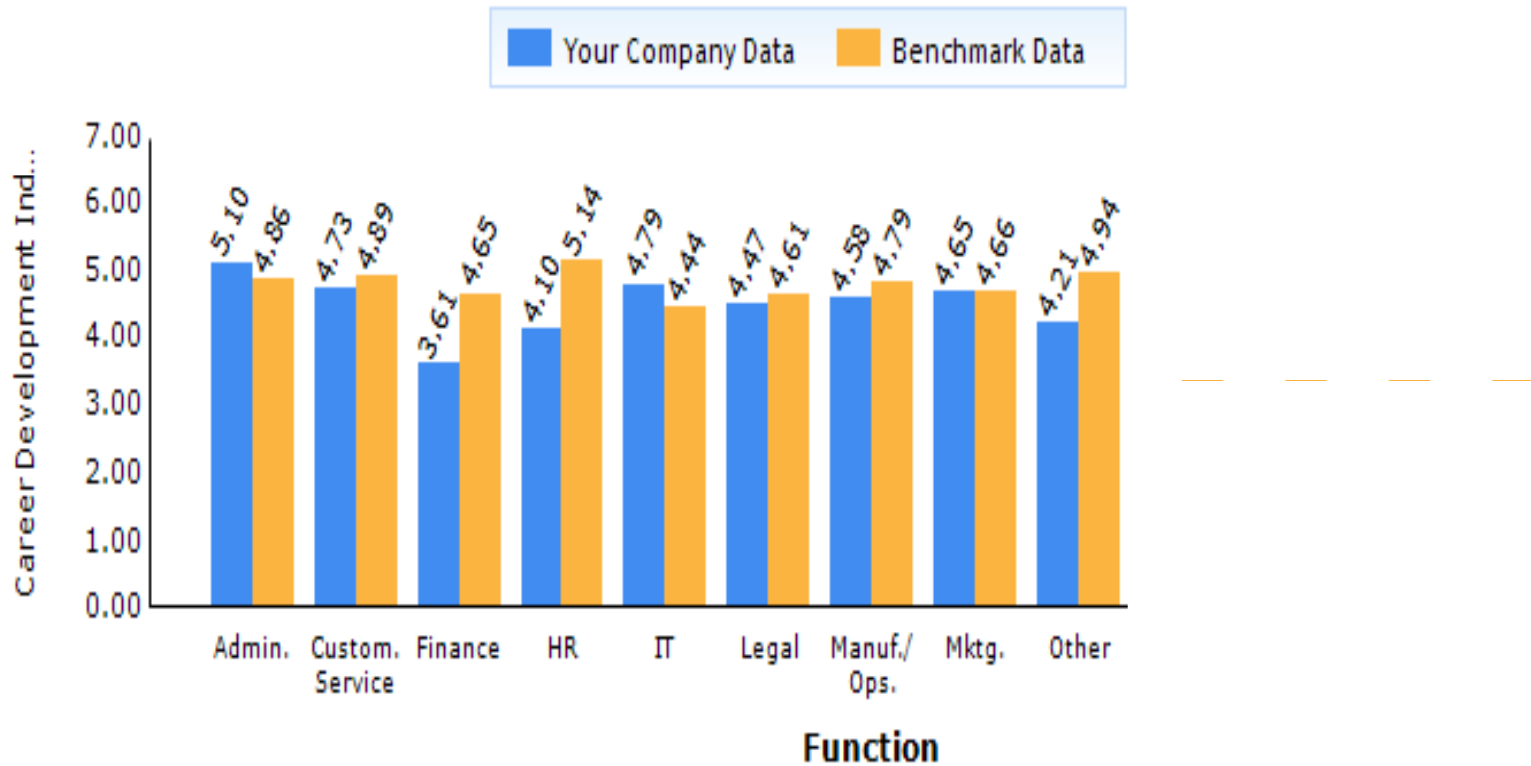
# Benefits & Compensation



How satisfied or dissatisfied are you:

- 1) with how much our company typically pays relative to the “market rate”?
- 2) overall, with how much high-performing associates are paid relative to lower-performing associates at your company?
- 3) with the health benefits provided by your company?

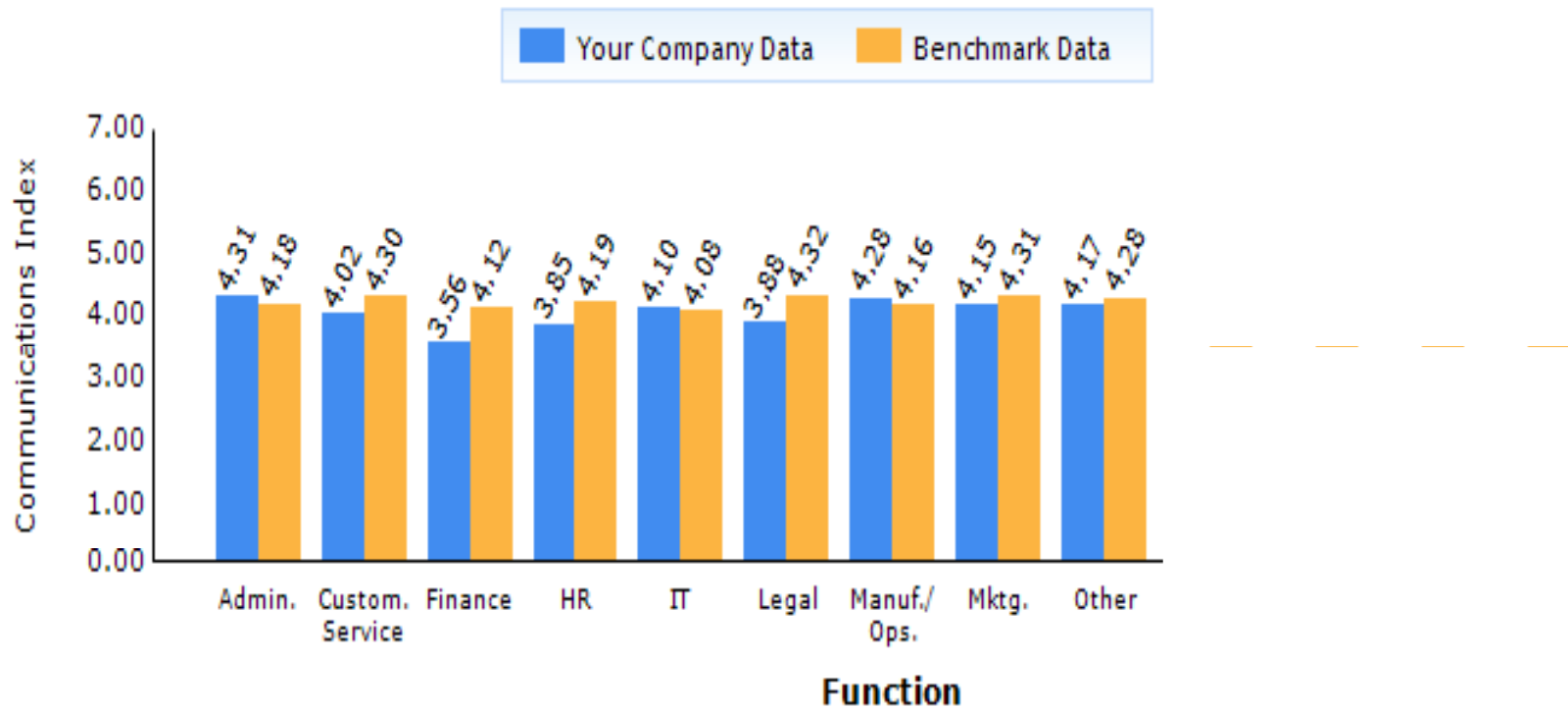
# Career Development



- 1) Because of the training my organization provided I was better able to perform my current job.  
My organization provides:
- 2) opportunities for my personal development
- 3) opportunities for my career development
- 4) opportunities to work in a variety of different roles.

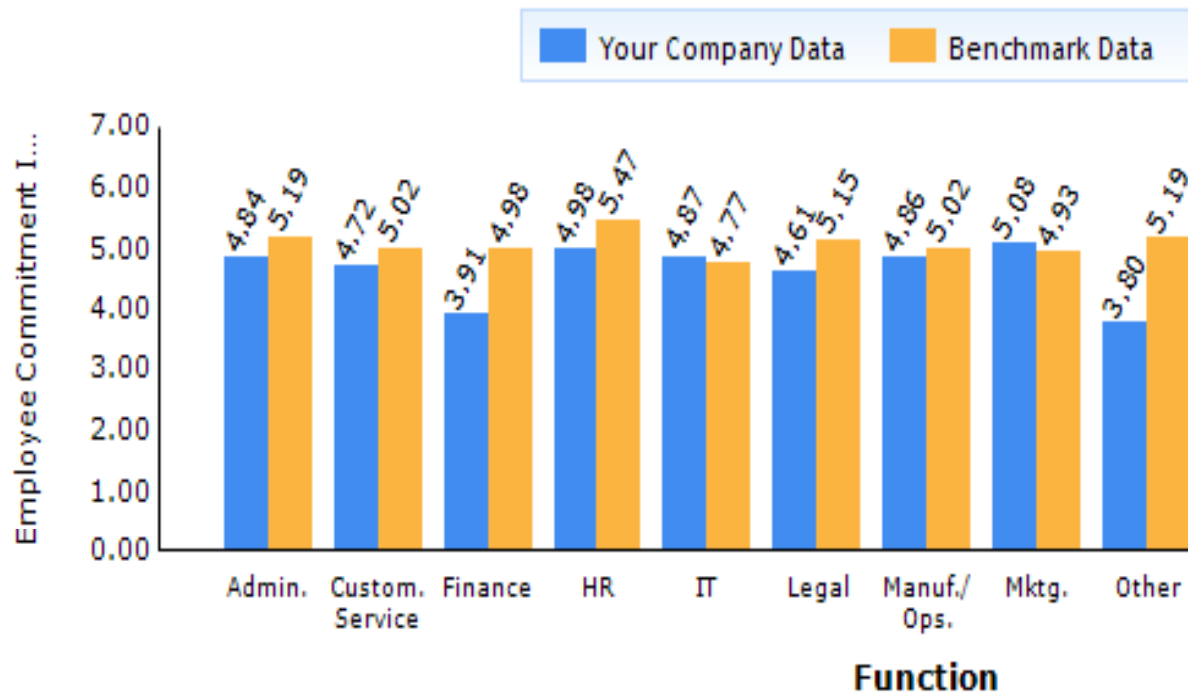


# Communication



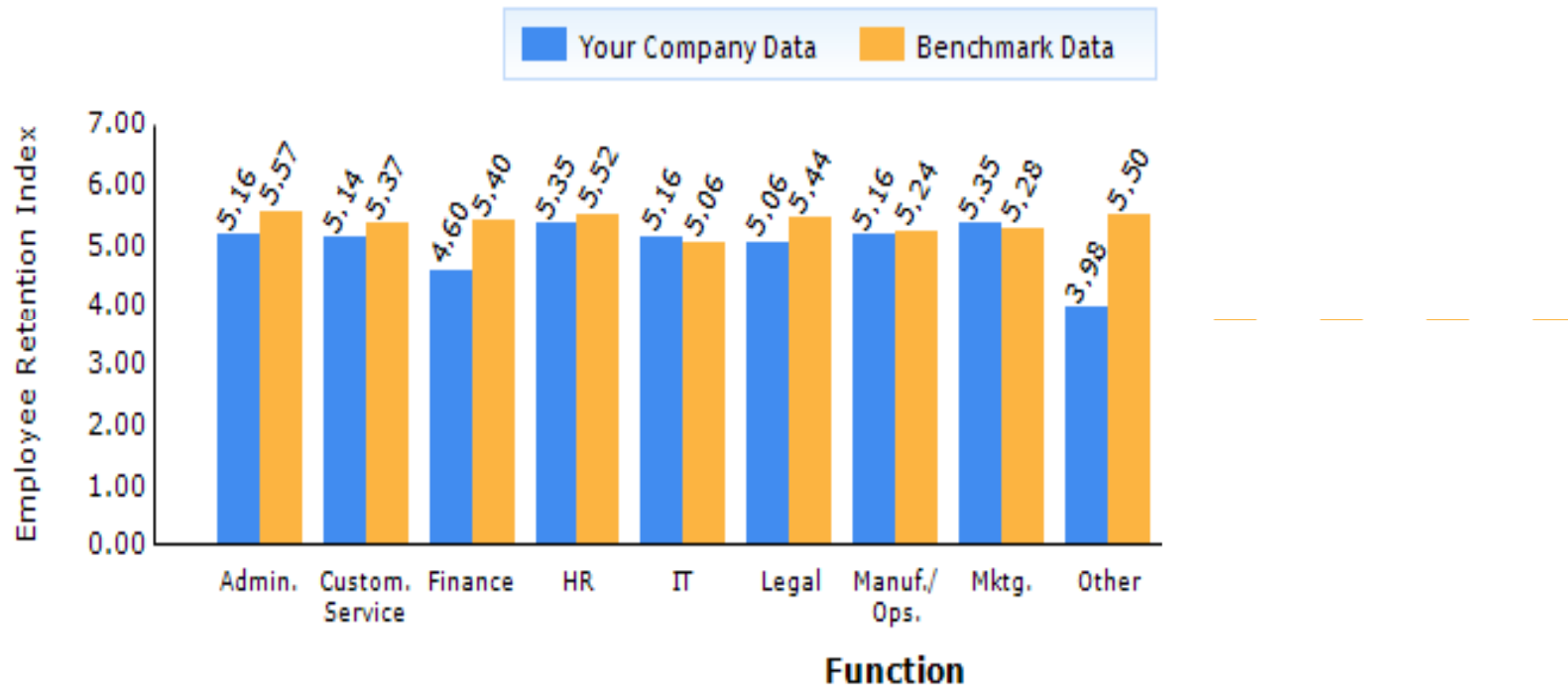
- 1) Managers in this organization are willing to share all relevant information with their employees.
- 2) Communications between peers in this organization is excellent.
- 3) There is very little upward communication from employees to managers in this organization.
- 4) The direction of information flow in this organization is mainly downward from managers to employees.

# Employee Commitment



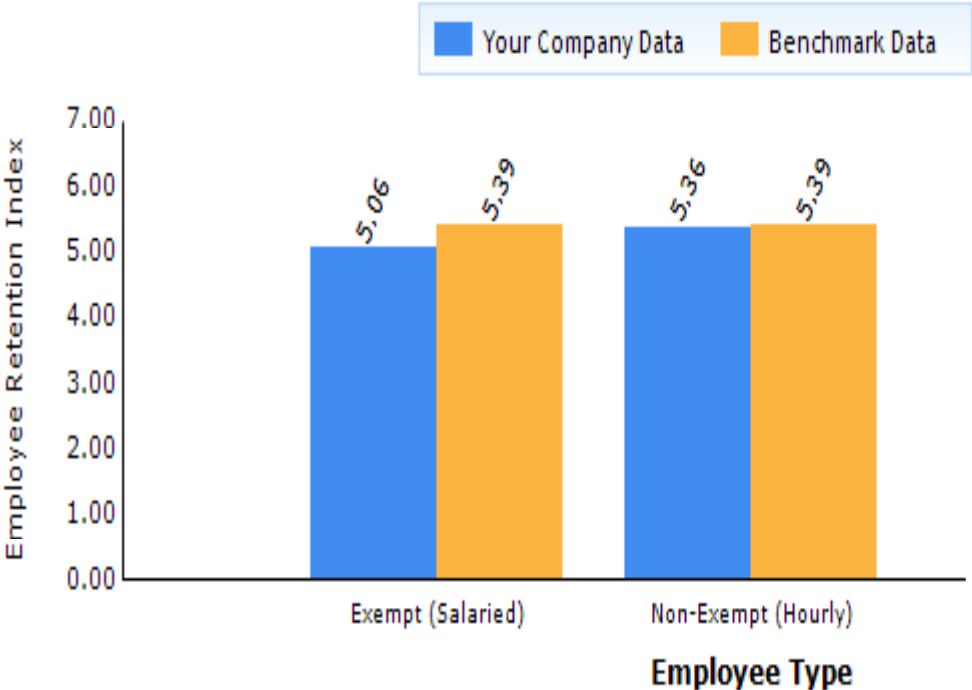
- 1) I would be happy to spend the rest of my career with this company.
- 2) I am "emotionally attached" to this company.
- 3) I would recommend this company as a great place to work.
- 4) I find my job satisfying.
- 5) I frequently tell others how much I enjoy my job.

# Employee Retention

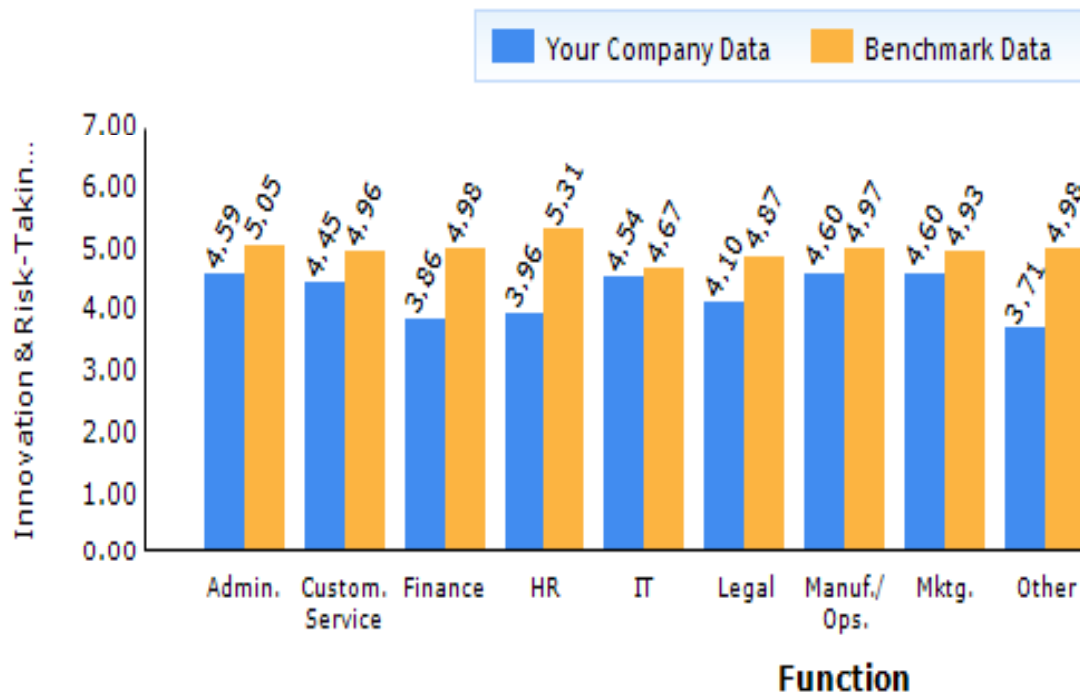


- 1) I intend to look for a new job with another organization within the next year.
- 2) I frequently think about quitting my job and leaving this organization.
- 3) I am actively looking for a job with another organization.
- 4) I have recently made phone calls or sent out my resume in order to find a job with another organization.

# Employee Retention – Employee Type

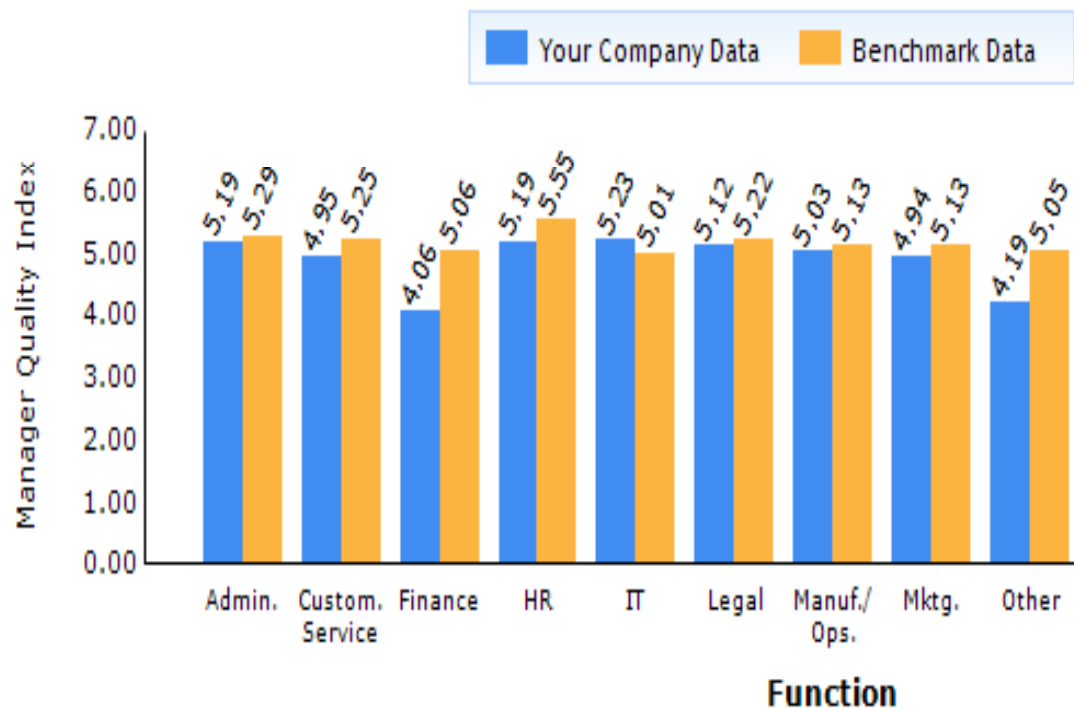


# Innovation & Risk



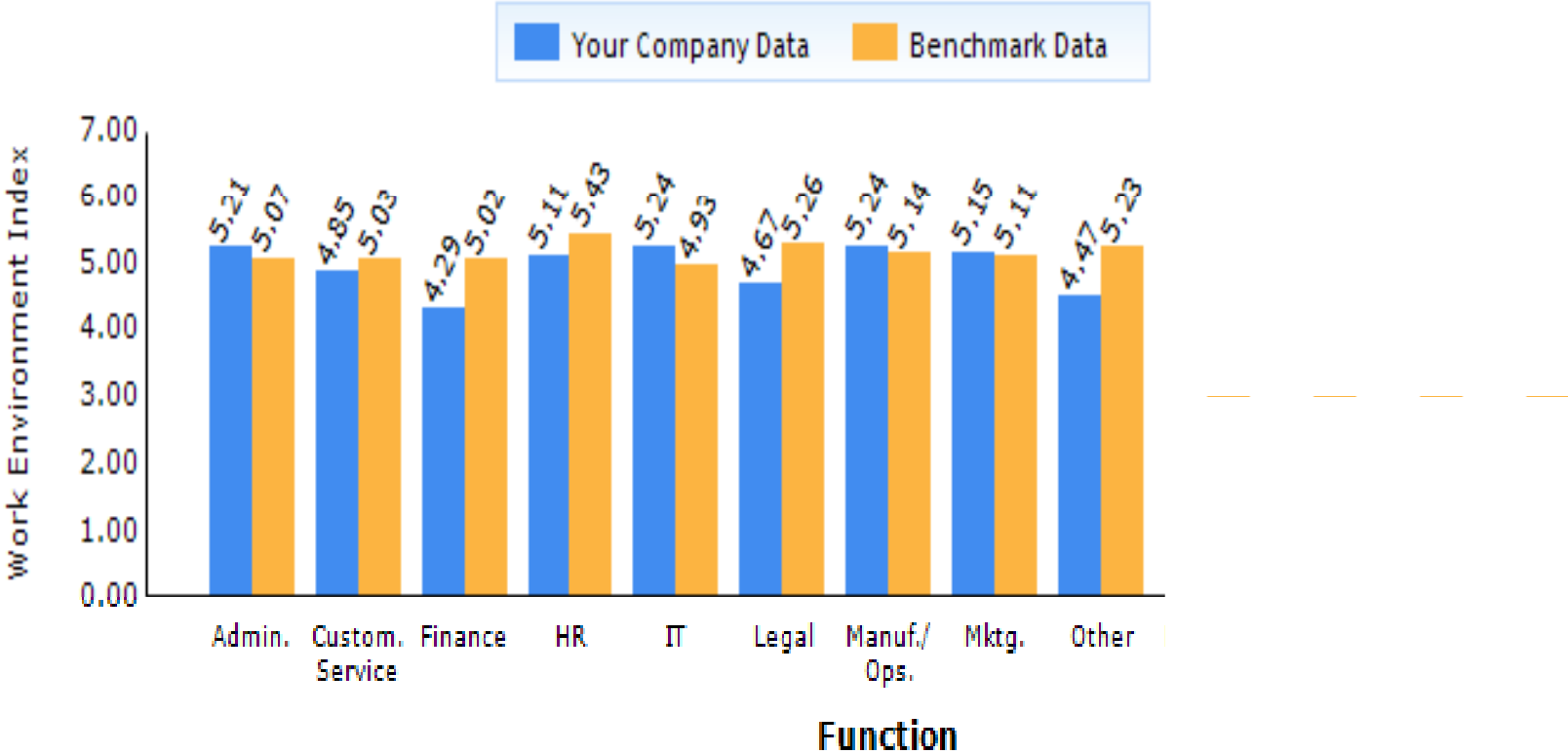
- 1) If I fail in the process of creating something new, my organization encourages me to keep trying.
- 2) My organization likes me to try new ways of doing things.
- 3) My organization can be described as flexible and continually adapting to change.
- 4) Employees are encouraged to share their opinion on important issues facing the organization.

# Manager Quality



- 1) I find that my direct manager's leadership and vision inspire me in my work.
- 2) My direct manager communicates well with me, giving me clear feedback on my work and performance.
- 3) My direct manager gives me informal feedback about my work performance that helps me do my job better.

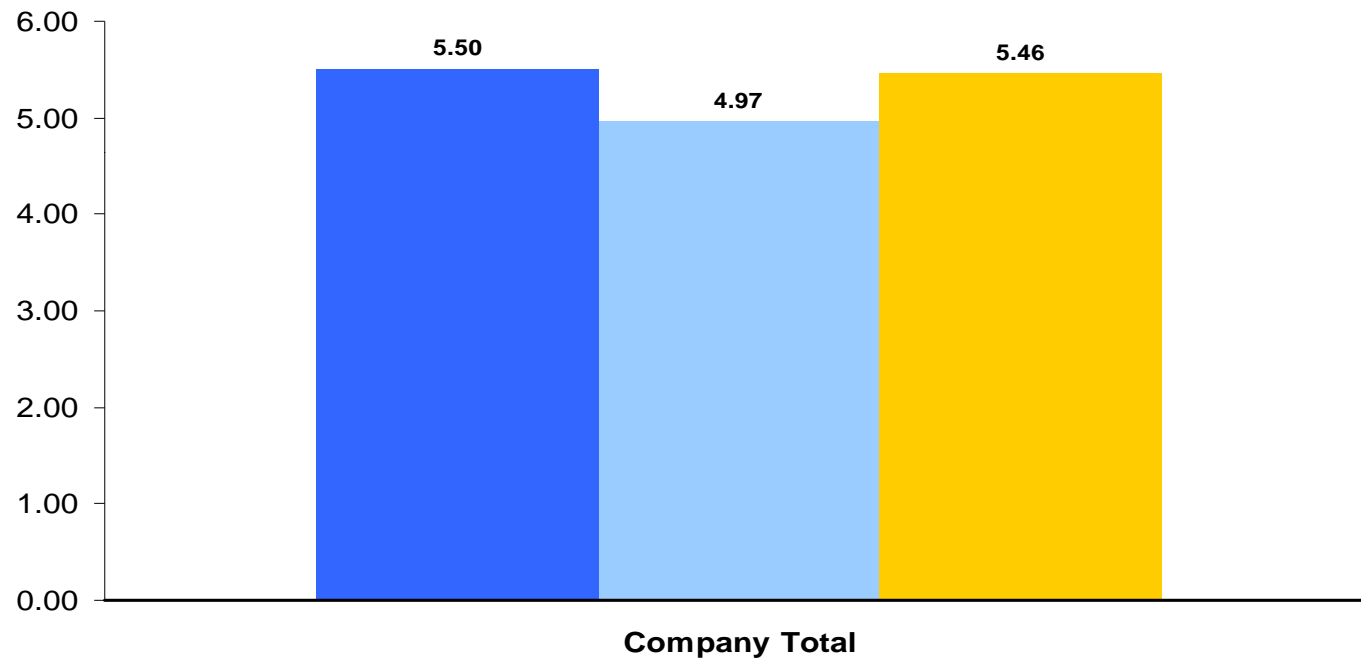
# Work Environment



- How satisfied or dissatisfied are you:
- with your opportunity to do challenging and “leading edge” work?
  - with your opportunity to make decisions and act on your own in your job?
  - with the amount of responsibility and accountability you have for important projects and accounts?

# CUSTOM QUESTIONS - SUMMARY

- I believe ERCOT Officers display and promote ethical behavior.
- I feel comfortable reporting ethical violations in EthicsPoint.
- I am proud to work for ERCOT.



Company Respondents = 465

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## IF I COULD CHANGE ONE THING AT ERCOT IT WOULD BE...

## ACTION

- **Flexible Work Schedule/Telecommute**
  - Flexibility with schedules; work from home; like contractors
- **Compensation**
  - Equitable to market & internal departments.; scales to be fair & consistent; better job linking pay to performance; bonus
- **Improve Communication**
  - Managers to employees & upward too; more timely from ET; promote interdepartmental communications; get rid of silos;
- **Promotional Opportunities**
  - Technical track; cross-training to allow more opportunities; Mentor Program for all staff
- **Staffing**
  - Decrease # of contractors; increase headcount—not enough people to support the work

- **New policy approved**
- **Annual evaluation of pay grades; participation in salary surveys; better linkage with goals and performance with Success Factors system, employee recognition**
- **On-going meeting with the CEO, quarterly meeting enhancements, skip level meetings to be expanded to all officers and directors**
- **Technical Career Track currently being developed for 2009; other development programs and expansion of Mentor program under consideration**
- **Reduced the number of contractors on the Nodal project by 113 since June 2008 and currently have 746 approved positions for 2009 and over 680 employees, not including the TRE**

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# 2008 EMPLOYEE ENGAGEMENT SURVEY RESULTS

(Presented by Nancy Capezzuti, VP, Chief Administrative Officer)

## IF I COULD CHANGE ONE THING AT ERCOT IT WOULD BE...

- Training/Leadership
  - Need for all levels of management; cross-training between departments.; department orientations
  
- Leadership / Management Issues
  - Corporate culture starts at top to create “trusting” environment; less management by committee; managers promoted on technical expertise-not ability to manage people
  
- Facility/Office Space Improvements
  - Need private area for calls; larger work space; noise levels disrupt work; jogging/walking path; gym: move to Austin
  
- Other Benefits & Leave
  - Increase tuition reimbursement; defined pension plan; retiree benefits; PTO: free snacks; fun environment

## ACTION

- Leadership Program for all levels of management to begin March, 2009; additional courses to be made available for all employees
  
- ERCOT is a very visible organization, we need to earn the trust of the PUC and Board by accomplishing objectives, progress is being made. Compliance is getting tougher
  
- As Nodal contractors leave, it will free up conference rooms and we will provide more individual cubes for employees but will be adding more staff in Taylor.
  
- ERCOT has a limited amount of funds for compensation and benefits, each year we will review the spending and work to provide the benefits for the majority of the workforce

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