

# Monitoring and Reporting Community Outcomes (MARCO) Meeting

**Friday 5 November 2010, 10.30 – 2.00pm**

*Waikato Room, Environment Waikato, 401 Grey Street, Hamilton East.*

## MINUTES

### Present

Beat Huser (EW), Michelle Hawthorn & Niall Baker (Matamata Piako DC), Maria Edgar, Sally McComb (Waikato DC), Helen Gilbert (Taupo DC), Sandra des Forges (Waipa District Council), Tony Chandler (Hamilton City Council), Jason Theobald (Waikato DHB), Anji Davies & Sandra Barns (EW), Katy Hurd (Hauraki DC), Desiree Cull & Erin Wilson (EW), Nathan Kennedy (Hauraki), John Dennis (International Research Consultants Ltd), Garry McDonald (Market Economics Ltd).

### Apologies

Terri Kew (TCDC), Nova Caie & Ellerie Bennett (WDHB, Population Health), Carol Henry (EW).

### Up-date of Current Work Programme 2010/11

*[Note: Presentation and Work Programme on CFW website \(members area\)](#)*

All tasks progressed as planned.

The review of the current MARCO Indicators has been awaiting the outcomes of TAFM (LGA Review). A workshop is scheduled on 25 February to discuss the future of the MARCO indicators and any changes that may be required in response to TAFM and councils needs.

### MARCO Waikato Regional Perception Survey

*[Note: Presentation and Work Programme on CFW website \(members area\). All reports plus questionnaire and media release are here <http://www.choosingfutures.co.nz/Publications/>](#)*

John Dennis presented a detailed overview of the survey undertaken in July.

Recommendations for changes for the next survey (2013) were discussed, including:

- standardising the scales (currently four different scales are used – satisfaction, agreement, safety, happiness).
- review of some questions, especially those about governance (council's decision-making, participation and understanding)
- including demographics analysis with the two new questions about issues, i.e. breakdown of results by gender, ethnicity, income, age etc

There was some discussion about how to deal with 'don't knows' and 'no answers', in order to meet Audit requirements. [See Appendix 1 for details.](#)

### Waikato Genuine Progress Index (GPI)

*[Note: Presentation and Work Programme on CFW website \(members area\)](#)*

Garry McDonald (Market Economics Ltd) presented an overview of the results from the first Waikato GPI. This followed the methodology used for the National GPI (to be published end of November) and for the Auckland Region. While the overall Index provides an overall figure that can be compared with the GDP ('adjusted GDP'), the discussion highlighted that some of the (20) sub-components could be useful on their own as indicators. It was also mentioned that some of the components might be particularly useful for TAs. This will be further explored at the MARCO workshop next February.

**[Next MARCO Meeting: Friday 25 February 2011](#)** (review of the MARCO indicators)

## Appendix 1                    Include 'don't knows' or 'no answers' when calculating scores?

-----Original Message-----

**From:** John Dennis (International Research Consultants) [mailto:john@internationalresearch.co.nz]

**Sent:** Friday, 5 November 2010 2:38 p.m.

**To:** Beat Huser

**Subject:** Audit Email

Hi Beat,

The following is the response I sent to Mark Brougham re the Auditor's Office comment in regard to 'no answers'. Mark forwarded this to the Audit Office (after getting my permission – emails at bottom). Please note I have removed the charts which proved some of the points as these are HCC's information although they have copies of the reports on their website. However, the concept is still valid without the charts. **In the end the Audit Department were happy for HCC to leave their reporting the way it is.**

The following are the relevant emails.

**From:** John Dennis (International Research Consultants)  
**Sent:** Thursday, 26 August 2010 5:58 p.m.  
**To:** 'Mark Brougham'  
**Subject:** RE: Residents Survey Request from the OAG

Hi Mark,

I am surprised that the Office of the Auditor General is asking Hamilton to readjust the CSI scores to include respondents that answer 'don't know' or 'no answer' as it does not make any sense. I am not sure what the Auditor General is hoping to achieve with this suggestion. However, I would think that encouraging Council's (or their agents) to manipulate the results would be totally counter-productive.

I am aware that some organisations use a simple measure of 'percent who are satisfied' in their Annual reports. I am also aware that some Council's obtain a higher percent who are satisfied by changing their results to be based on percent who answered the question rather than percent of the sample e.g. if you have 100 respondents and 20 did not answer the question and if 60 of the 80 were satisfied there are two ways of looking at the result e.g. 60% of the total sample are satisfied or 75% of those who answered this question are satisfied. However, even in this example the latter measure is more correct provided the wording is changed to reflect the changed base.

I suspect that this is what the Auditor General is alluding to. However, if the Auditor General is suggesting that the answer to the above example should be 60% then they are wrong. We do not know what 20% of the sample think so saying that only 60% of the sample is satisfied infers that all the 20% who did not answer this question are not satisfied. This is clearly incorrect and there is no justification for this assumption.

I also suspect that the Auditor Generals' staff do not understand what a CSI score is although the reports clearly explain how we define a CSI Score. The following is an extract from the latest report we completed for HCC i.e. the report we forwarded to Audit New Zealand.

*The Customer Satisfaction Index (CSI scores), (a weighted score across the satisfaction scale) is used to reflect respondent satisfaction with the various facilities and services provided by Council. The Customer Satisfaction Index (CSI) converts each respondents answer across the satisfaction scale to a score out of 100. The CSI score is 10 times the average individual score based on the 11 point satisfaction scale (0 = very dissatisfied to 10 = very satisfied)*

Note: We exclude the don't knows and no answers from our CSI score calculations but these are included in the calculations of percentages. Therefore the don't knows have no impact on the CSI Score.

A CSI Score does not equate to a 'percent who are satisfied' although the numbers can be very similar e.g. if 80% are satisfied then we would often expect a CSI score in the 80's but not always.

We have always argued that an Index based on the average is a far more detailed and realistic measure of performance. This takes into consideration all respondents and not just those who are satisfied. However, more importantly it allows Council to see small changes in the level of satisfaction. After all, progressive companies measure customer satisfaction not for reporting purposes (a secondary benefit) but to find ways of improving the service they provide to their customers. Moving customers from a score of 7 to a score of 8 will result in a significant improvement in the CSI score (satisfaction) although the percent who are satisfied may not change. The converse is also true and often service can slip but this does not show in the percent who are satisfied but this would clearly show using a CSI score. A CSI score is the most appropriate measure for monitoring customer satisfaction.

We have also argued that on a scale from 0 – 10 scores that reflect satisfaction are Scores from 7 – 10. We are aware that most other companies will include the 6 score as being satisfied but the reality is that a score of 6 does not reflect satisfaction. We define a score of 4 – 6 being neutral and a score of 0 – 3 being dissatisfied i.e. HCC review their results far more critically than most of their contemporaries. However, this is critical if you want to make a difference to your customers. International Research Consultants have completed many tens of thousands of interviews on some specific customer satisfaction monitoring projects and can prove this point.

It is important to remember that for the HCC analysis we include both percentages and indexes as this gives the total picture. Sometimes we will report as percent of the sample and also the percent who answered a specific question especially when we get a high proportion of people who did not answer (e.g. with the Night Patrol team 48% did not answer this question, presumably because they did not know enough about this to have an opinion).

It is important to remember that Market research works off the theory that a random sample will be representative of the population. We assume that the average score of the sample will reflect what the population thinks.

In a similar vein it is assumed that the average score of the respondents who do not answer a question will be the same as the average who did. It is impossible to assume that those who could not answer a question would have a different result to the average. There is no justification for this and this potentially opens up the results for manipulation.

Following the Auditor General's logic infers we should also include all those who have not used a service in our calculations e.g. if only 10% of the sample of 100 use a service like the Dog Control team and if 8 of those 10 are satisfied is the percent who are satisfied 80% of the users or 8% of the sample. I am concerned that the Auditor General is recommending the latter and that is clearly wrong and misleading.

It is important to remember that people do not answer questions for a number of reasons. For the HCC survey we are aware of the following reasons:

1. Respondents who have not used a specific service are usually not asked to rate that facility and therefore we do not have an answer. Non users are not included in any of our calculations.
2. Respondents who have no knowledge of a service will normally not answer those questions e.g. there is a higher proportion of no answers for satisfaction with the

Night Patrol team, Council's wastewater system, or Council's Elected Members. For some services like the Visitor Information Centre respondents will say they have used it but not rate their satisfaction. I suspect this is because many people may have been in the building but not used any service and therefore are not in a position to rate this service.

3. Respondents are asked to rate something that has not been resolved e.g. we ask those who have been involved in the Council decision making process how satisfied they are with the process used and with the outcome. A far higher percentage do not answer the later presumably because the outcome is unknown. Dog and noise complaints are similar.
4. Respondents do not want to give a score for some questions.

All of these are legitimate reasons for not answering a question or saying 'don't know' but there is no justification to say these people are likely to have a result different to the average that was obtained from those who did answer this question.

I think it is important to remember a few key points with the HCC project.

1. HCC have been using the current format of CSI scores for over a decade. They are using this because this is best practise.
2. The analysis includes a breakdown of the percentage who rated for each point on the scale and the reports include comparisons with previous years. Where a high percentage do not answer a question we will often refer to both percent of the subgroup and percent of those who gave a rating.
3. HCC is monitoring trends to see what is working and what isn't. Consistency in measurement is critical and they are using a system which is well proven.
4. HCC reports include the measures that show the CSI scores, the CSI score trends, the percentage who are satisfied compared to previous years and tables that show how the respondents were split across the satisfaction scale. This is the most comprehensive reporting that there can be in relation to these measures.

We do not normally show the percent who said Don't know or no answer in our charts although the data is included with the relevant columns hidden. The reason for this is for most services there is only a small percent who fit in the Don't know or no answer category. We have found that the more data that is placed on a chart the more likely it is for people to get confused and have found hiding the don't knows helps users to focus on those who did give an answer.

We have found that the proportion who answer don't know has been consistent for most questions and when this varies widely we show that in the chart

The trend data is useful because the measurement process has been consistent – changing the measurement process as suggested could potentially render the history useless..

I am seriously concerned with what the Auditor General's office are recommending. I would like to understand more in regard to what their motivation is. I have worked in this industry for nearly 30 years and this is one of the most concerning issues that I have been asked to comment on.

**The concept is clearly wrong.**

Let me know if you need further explanations.

Regards

John Dennis, Managing Director, International Research Consultants Ltd