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Title of entry:	<i>PG&E@Work</i>
Division and category:	Division 2 – Category 19: Communication Skills – Publications
Entrant's organization:	Pacific Gas and Electric Company (PG&E)
Time period of project:	December 2004 through 2005
Brief description:	Monthly employee print newsletter (three-color, tabloid size) to communicate key messages about PG&E's business and cultural transformation and the company values that will help drive the change.

1. Need/Opportunity:

After Pacific Gas and Electric Company (PG&E) emerged from bankruptcy following the California energy crisis, it began a massive business and cultural transformation that would fundamentally change business operations and processes, and would thus require a significant mindset shift by employees. At the beginning of 2005, a new vision of becoming the leading utility in the United States was rolled out to guide the transformation efforts and to unite employees around a common aspiration during a time of major change.

Benchmarking showed that industry standards and customer expectations were rising, but PG&E was not keeping up. The company's infrastructure was aging and there was room to achieve cost efficiencies that could be reinvested in the business. Employees also expressed the need for better communication, tools and resources to do their jobs more efficiently and to better serve customers. Overall, PG&E needed to improve its performance across all areas that impact customer satisfaction, including customer service, power quality and reliability, price and value, billing and payment and company image.

Despite the need for change, internal research showed that many employees were suspicious of the company's transformation effort, viewing it as a "flavor of the month" on par with previous reorganization efforts that were never fully mobilized—and synonymous with downsizing.

It was clear from the outset that the Internal Communications Department would play a key role in the transformation. This was emphasized when the new CEO announced, at his first all-employee meeting in January 2005, his goal to institute "world-class communications" at PG&E.

Employees in the areas most affected by transformation were also the ones who were the most difficult to reach due to lack of email and intranet access, and the fact that they were dispersed across multiple locations. Therefore, the Internal Communications team determined that PG&E's print newsletter, *PG&E@Work*, would be one of the best communication vehicles for communicating to the broadest possible audience. Through regular articles in *PG&E@Work* and periodic special editions on transformation efforts, the team was able to:

- Communicate key transformation messages to all employees quickly and effectively.
- Share employee stories about transformation successes that brought the complex subject matter to life and exemplified how individuals and small groups were impacted.
- Help connect and unite geographically dispersed employees to the company's larger vision and values.

2. Intended Audience(s):

- 20,000-plus PG&E employees, working at hundreds of locations throughout the company's 70,000-square-mile service area. Functional backgrounds include executive, management, clerical, customer service, engineering, field and construction workers. Approximately two-thirds of employees are bargaining unit-represented (unionized).

- Average age and tenure are 46 and 18 years, respectively – older than the general workforce. Many employees have never worked anywhere else and some are second- or third-generation PG&E employees.
- PG&E employees take great pride in going “above and beyond” to serve customers; however, employee morale was damaged in recent years by negative public opinion resulting from lawsuits, the California energy crisis, bankruptcy and senior management retention bonuses.
- Approximately 40% of the employee base has little or no access to online communication, compounded by the fact that there is limited opportunity for face-to-face communication with field employees. Audience background is continually analyzed through research and internal reporting. This analysis is done in order to remain up-to-date on employee segmentation in terms of tenure, demographics, age, ethnicity, location and other key indicators that are useful to know when communicating.

3. Goals and Objectives:

Goals

- Support PG&E’s transformation by informing, engaging and motivating employees, so that they embrace the changes that will enable the company to achieve its vision of becoming the leading utility in the United States.
- Communicate PG&E’s values and demonstrate the values in action so that employees have clarity around the day-to-day behavior that will unite the company and drive both the business and cultural transformation. The values are:
 - We act with integrity and communicate honestly and openly.
 - We are passionate about meeting our customers’ needs and delivering for our shareholders.
 - We are accountable for all of our own actions: these include safety, protecting the environment and supporting our communities.
 - We work together as a team and are committed to excellence and innovation.
 - We respect each other and celebrate our diversity.

Objectives

- Raise employee awareness and acceptance of PG&E’s business and cultural transformation.
- Educate employees on the changes associated with transformation and the impact it will have on business processes.
- Strengthen employee understanding of and support for the company’s vision, values and goals.
- Increase senior management visibility and rebuild employee trust of senior management through regular newsletter interviews and features that paint a picture of each leader’s business and personal qualities.

4. Solution Overview:

To achieve its goals and objectives, the team made the following significant improvements to *PG&E@Work* in 2005:

- **Managed content:** Because space in the newsletter is always at a premium, one of the biggest challenges has been to provide balanced news coverage across the company. A rigorous editorial process was instituted that methodically identified stories that supported the overall objectives of the newsletter, provided equilibrium between corporate news and human interest stories and ensured publication deadlines were met so that employees could rely on regular updates featured in the newsletter.
- **Increased senior management visibility:** The newsletter provided thorough coverage of officer visibility program events – officer field visits, “Coffee With an Officer” gatherings, Extended Leadership Team meetings – to increase senior management visibility and rebuild employees’ trust.
- **Supported the company’s vision, values and goals:** *PG&E@Work* was a key tool used to communicate messages regarding PG&E’s vision and values by highlighting leadership and employee behaviors that both support the achievement of the vision and reflect the values of the company.
- **Explained the business and cultural transformation:** The success of PG&E’s three- to five-year business and cultural transformation effort largely depends on employees understanding and

- embracing the company's vision, values and goals. Through monthly features and special editions, *PG&E@Work* has been an important channel for sharing updates, explaining how transformation works and highlighting early wins and success stories.
- **Key messages and themes are reinforced through repetition.** *PG&E@Work* provides a venue for underscoring the important messages that employees need to know. Reinforcement of these messages throughout the issues emphasizes their significance and alleviates confusion about what's important and what's not. Some of the key themes include:
 - Changing the business through transformation is how PG&E will reach its vision.
 - Industry leading companies are on the move, employing new technologies, new tools and new services to refocus and position for the future. We have all the ingredients and the opportunity to transform PG&E into an industry leader.
 - PG&E's senior leadership is committed to keeping employees informed and engaged in the transformation process.
 - Transformation initiatives are directly tied to the three pillars of the transformation effort – delighted customers, energized employees and rewarded shareholders.
 - PG&E leaders and employees live company values and they can be seen “in action” every day.
 - Employees and the company care about doing the right thing for the customer.
 - Feedback and innovative thinking is encouraged, especially during times of major change.

5. Implementation and Challenges:

The 2005 budget for *PG&E@Work* was \$138,500, which covered layout and design, printing, freelance writing and photography, stock image fees, internal distribution charges and postage for mailing the newsletter to employees on long-term disability. The team stayed on budget by:

- Carefully tracking contract writers' charges and finding opportunities to multipurpose their contributions.
- Foregoing a formal redesign and instead tweaking the existing design to improve readability.
- Engaging News Department colleagues to repurpose news releases into suitable employee-oriented features.
- Creating a centralized “pitch” email box with guidelines on how submit content for newsletter articles.
- Forming a network of company-wide employee contacts.

The challenges for *PG&E@Work* included:

- Striking the right balance between what employees perceive as too little and too much communication. Internal surveys, as well as industry studies, show that employees feel they don't know enough about company strategy and activities; at the same time, they feel overwhelmed by the sheer volume of information they receive. In developing each month's edition of *PG&E@Work*, the team used an editorial calendar process to find the right mixture, balancing “need to know” with “nice to know,” and educational with motivational content.
- Finding adequate resources to provide content for the monthly newsletter. The Internal Communications Department staff was reduced by half in June 2004, and by attrition, went down even further over the next six months. Those who left had the most long-term institutional knowledge, so the employees – and contractors – who remained in 2005 had to re-establish sources and quickly get up to speed on the organization and operations.

6. Measurement/Evaluation of Outcomes:

The Internal Communication team used several measurement tools to assess its success in achieving its objectives for *PG&E@Work*:

- Newsletter Readership Survey (conducted in December 2005)
- Towers Perrin Communication Effectiveness Consortium Survey (conducted in April 2005, with 2,400 randomly selected PG&E employees)
- PG&E's annual climate-measuring Premier Survey (sent to all employees in September 2005)

The following are samples of feedback from these various measurement tools:

Newsletter Readership Survey:

- 77% of respondents agree or strongly agree that *PG&E@Work* delivers timely information
- 87% of respondents say that *PG&E@Work* delivers useful information about company issues most or all of the time
- 50% agree or strongly agree that they know more about the transformation from reading *PG&E@Work*, and 56% said the same about PG&E's vision and values
- 70% of respondents say that reading *PG&E@Work* has had an impact on their perspective on the company
- Verbatim comments:
 - "Reading *PG&E@Work* helps me understand more of what the 'top brass' is up to and how it affects my job."
 - "I understand the long-term goals of the company better and why they are making the decisions they are making."
 - "It gives me a more well-rounded understanding of our business, our challenges and insight into why some decisions are made."
 - "Reading *PG&E@Work* has broadened my knowledge and perspective of the company."
 - "I feel more informed and, therefore, feel that the company is doing its part to keep all its employees by showing them that they are truly important to the company."
 - "*PG&E@Work* is where I usually get my information. There is a lack of communication in my area and I truly rely on *PG&E@Work*. Reading and finding out about what's going on in the company is a stress relief and I find myself looking at the positive side."

2005 Towers Perrin survey:

- The company newsletter is high quality: 73% favorable, vs. 67% in 2004
- I trust information received from the company more than from external media: 60% favorable, vs. 55% in 2004
- In the past two years, company communications have become better or significantly better: 43% favorable, vs. 31% in 2004
- Senior leadership has communicated a clear vision for our long-term success: 42% favorable, vs. 34% in 2004

This survey was administered in April, before several officer visibility and transformation communication initiatives were fully operable. Therefore, we suspect many results would have scored much higher had the survey been administered later in the year.

2005 Premier Survey:

- How satisfied are you with information from management on what's going on at the company: 51% favorable, vs. 41% in 2004
- Senior management gives employees a clear picture of the company's direction: 43% favorable, vs. 27% in 2004
- The future business direction of my company is clear to me: 48% favorable, vs. 35% in 2004
- I am proud to be a part of PG&E: 80% favorable, vs. 76% in 2004
- I am committed to the success of my company: 95% favorable, vs. 94% in 2004