

STARTING OVER: HOW TO REMAKE YOUR DEPARTMENT

PART 3 OF 3

In the last of their three-part series on the remaking of PG&E's internal communication department, the authors discuss what the reorganization accomplished and the challenges that still lie ahead.

In the last two issues of the *Journal*, we explained how the internal communications department of Pacific Gas and Electric Company first recognized the need to transform itself and then did so in a methodical way.

In this article, we will review what we've accomplished during the first year of our organization, our challenges to date and what we're planning to do next.

As background for those readers who have just joined us, our journey took off in earnest in June 2004 when our department switched to a centralized function serving the

company as a whole. Before then, we had a system of communication representatives. They provided tactical communication support at the direction of the heads of departments at no cost to the departments. Internal communications paid the bill for the representatives' salaries and benefits.

Because of this system, we didn't have many resources to offer the corporation as a whole. For example, we didn't have company-wide programs aligned with company objectives to help employees understand and contribute to the organization. Also, our executive team was not >



By **Virginia Stefan**

Virginia Stefan is director, internal and external communications, for Pacific Gas and Electric. Her e-mail is VCS4@pge.com.



By **Liz Guthridge**

Liz Guthridge is managing consultant of Connect Consulting Group LLC. Her e-mail is liz.guthridge@connectconsultinggroup.com.

aligned around company priorities and as a result, we did not do much coaching or advising of executives on company-wide issues and messages. In addition, our research efforts were very limited.

Yet almost overnight, we experienced several compelling reasons to change—new executives, new company structure, new budget constraints and the decision to undertake a business and cultural transformation on the eve of PG&E's 100-year anniversary.

We jumped at the opportunity to transform ourselves to support all of these changes. During the summer of 2004 we underwent an extreme—and successful—makeover. And while we still have a way to go, we are moving rapidly in the right direction.

We were able to achieve results quickly because we focused our resources, time and energy on four

interconnected main points: 1) leadership visibility; 2) tools; 3) our business and cultural transformation; and 4) research.

To keep and build on the momentum we've achieved, especially on officer visibility issues, we've got to continue and enhance our support. We're both encouraging our executives to celebrate their successes to date and also working closely with them to take their communications to the next level.

interconnected main points: 1) leadership visibility; 2) tools; 3) our business and cultural transformation; and 4) research.

1 Helping leaders be more visible

Before the transformation, our top executives concentrated more on meeting with our many external constituencies rather than with our employees. Because we weren't doing any employee research, we didn't have any proof that this strategy on the employee communi-

cation front would be so detrimental over time. Then we got the ammunition we needed to begin our own departmental transformation. During the spring of 2004, right before we changed our communication business model, we conducted our first quantitative employee research in a number of years. In this communication effectiveness survey, employees told us loud and clear that they didn't perceive the communication environment to be open, honest, two-way and timely. Furthermore, they were concerned that they did not know what executives were thinking or understand the company's vision for the future.

This feedback helped galvanize executives to view employees as one of their critical constituencies and work with internal communications. The executives realized that they needed and wanted

employee support for the upcoming multiyear business and culture transformation. Internal communications then developed an officer visibility communication program, which includes different types of face-to-face meetings, such as field visits, coffee with an officer and brown bag with the president. Our COO also does regular "TomTalk" messages that discuss time-sensitive, business critical issues.

2 Improving our communication tools

From our qualitative research, we also gleaned that employees thought our basic communication tools (company newsletter, intranet and e-mails from executives) were working. But there was room for improvement.

Over the past year, we've relaunched our intranet, which now includes more frequent updates and more content about the company strategy and business plans. We've also adjusted our editorial content for the newsletter to include more articles about the business.

We've introduced new tools especially designed for our newly named "extended leadership team." For the first time in many years, we're reaching out to managers, supervisors and superintendents and enlisting their support to help PG&E executives and internal communications talk with front-line employees, a majority of whom are unionized. These new tools include ELT meetings, a Web site and an electronic newsletter. We're also starting to work with our leadership development people to provide communication training to leaders who need it.

3 Supporting our business and cultural transformation

Besides keeping the lights on and the natural gas flowing, PG&E is focusing on an unparalleled company-wide business and culture transformation, designed to position the company to once again lead the utility industry. Over the past year, internal communications has been working with the company's new project management office to improve internal communication among the PMO team members and the company as a whole.

For example, we've been working closely with the PMO and executives to hold interactive

meetings with employees to share the business case for change and build buy-in. These meetings also further our goal of making our executives more visible.

4 Conducting research

Throughout, we've been measuring our communication efforts and fine-tuning our approaches. Besides the communication effectiveness survey we conducted in the spring of 2004 and repeated this spring, we reintroduced our employee opinion survey that we had suspended while in bankruptcy. We also are conducting short pulse surveys after all the officer visibility and extended leadership meetings.

On the qualitative side, we're conducting more focus groups, especially with the extended leadership team. We believe it's especially important to provide a forum for these individuals to talk with us.

And last, but not least, we've been benchmarking other companies in our industry and companies with high-performing communication departments to gauge how their work compares to ours.

What we've learned and achieved

Leadership visibility is working. Our results from the second-year employee communication effectiveness survey were better. Even more encouraging, the individuals who communicate with leaders face-to-face are more positive about their experiences than others based on our post-meeting surveys.

Other research results also show that we've made incredible progress in a year. However, when we analyze the benchmarking data of our peers, we know that we still have work to do.

What's next

To keep and build on the momentum we've achieved, especially on officer visibility issues, we've got to continue and enhance our support. We're both encouraging our executives to celebrate their successes to date and also working closely with them to take their communications to the next level.

For example, we've told them that employees have given them top marks for holding regular open-forum meetings that focus on two-way dialogue, including attempting to be more candid and straightforward. Yet employees also have said

that they want executives to provide more details about their plans and the way these changes will impact individuals. Employees have also expressed concern that even though executives are trying to be candid, they need to be more so considering the degree of ambiguity and tough issues the company is facing with our business and culture transformation.

And even more importantly for our long-term plans, we're working with executives on how we need to start engaging our work force in more meaningful ways. ■

CHECKLIST

If you're going to re-examine your department and consider a makeover, whether extreme or simple, keep these points in mind:

- 1 Executive support.** Make sure you have it. It's very helpful in taking actions and making them stick.
- 2 Mission.** Determine what you want to achieve with employee communications so you can be sure you're traveling in the right direction. For instance, to what extent are you facilitating an exchange of information to build understanding versus supporting decision-making and shaping behavior versus influencing business strategy and decisions and driving business performance?
- 3 Research.** Conduct research and apply the findings as appropriate. The data you gather can validate that you're traveling on the right road and building a strong business case for the changes you want to make. Research was invaluable in our situation.
- 4 Staff participation.** Involve your staff in making the changes even if you need them to focus primarily on keeping the department going and fulfilling your regular commitments. They will be more supportive of change if they have a role in shaping it.
- 5 Resource alignment.** Make sure you have the right types of resources available, either in-house or through external sources to deliver the types of services you've promised to senior leaders and others. This will help you build credibility and trust as well as deliver on your commitments.