



Agenda Item 5a

October 15, 2013

ITEM NAME: Stakeholder Assessment Project Report

PROGRAM: External Affairs

ITEM TYPE: Information

EXECUTIVE SUMMARY

CalPERS is engaged in a three-year stakeholder assessment project being conducted from 2013 through 2015. Staff will present key findings from the first phase of the stakeholder assessment, including follow-up interviews to the online surveys, an analysis of recent media coverage and stakeholder interviews.

STRATEGIC PLAN

This item supports the Strategic Plan's Goal C to engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs. By measuring CalPERS reputation and credibility among our key stakeholders, we will be able to more effectively communicate, and accomplish, our policy objectives with the partnerships and assistance of these stakeholders.

BACKGROUND

The Board Governance project of 2010 first recommended a holistic reputational risk assessment of stakeholders' views of CalPERS reputation and credibility. The initial assessment included online member and employer surveys, in-depth interviews with all CalPERS Board members, executives and numerous key stakeholders. Additionally, it included an analysis of media coverage about CalPERS. The baseline assessment was concluded in 2011. One of the key recommendations to come out of the baseline assessment was to enhance our communication and stakeholder efforts and to continue to assess those efforts to gauge for improvements or needed adjustments.

As part of staff's enhanced communications and stakeholder outreach, CalPERS is currently engaged in the first phase of a comprehensive stakeholder assessment project. The three-year project started in 2013 and will continue through 2015.

There are three main components to the stakeholder assessment project:

1. An online survey of thousands of members, employers and CalPERS staff for quantitative responses to many broad questions, with follow-up interviews of a qualitative nature with individuals who volunteered to provide additional insights.

2. In depth interviews with key stakeholders, selected from seven stakeholder categories, and all answering the same basic questions about CalPERS, our effectiveness, our communications, our leadership and our roles. The stakeholders were selected from academia, industry partners and employer groups, labor, state and national policy makers, peer pension funds, and taxpayer and pension reform groups.
3. A media analysis covering the past two years, 2011-2013.

CalPERS partnered with Risk to Reputation (RiiR) to conduct the baseline assessment in 2010-2011 and again in 2013 for the media analysis, the stakeholder interviews and the follow up interviews to the online survey. CalPERS partnered in 2013 with Michael Strategic Analysis (MSA) for the online surveys.

ANALYSIS

Analysis of Media Coverage

The primary goals of the media analysis were:

- Identify and examine how key topics are being framed in the media and the impacts on CalPERS reputation and risk profile;
- Compare CalPERS coverage and share of voice with a public pension fund peer group; and
- Assess the favorability of CalPERS media coverage compared to the general coverage in the pension and retirement industry.

Parameters

More than 3,600 news articles and blogs in the United States media market were analyzed, including coverage from the Sacramento Bee, Reuters, Bloomberg, Wall Street Journal, Los Angeles Times, Pensions & Investments, Contra Costa Times, San Francisco Chronicle and the San Jose Mercury News. Blogs reviewed included Inlandpolitics, Calwatchdog, Calpensions, PublicCEO and Reuters. Selected articles included at least two mentions of CalPERS or a member of the peer group.

Online Surveys and Follow-up Interviews

The online surveys were administered to 18,004 members, 884 employers and 458 CalPERS employees. Follow-up interviews were conducted, via telephone, with 40 employers, 20 members and 20 CalPERS employees. These follow-up interviews were to further explore the quantitative data gathered via the online surveys.

Stakeholder Interviews

Interviews were conducted with 80 key stakeholders, via telephone, in order to answer basic questions about CalPERS, our effectiveness, our communications, our leadership

and our roles. The stakeholders were selected from academia, industry partners and employer groups, labor, state and national policy makers, peer pension funds, and taxpayer and pension reform groups.

KEY FINDINGS

The results of the first phase of the Stakeholder Assessment project showed that:

- The favorability of CalPERS news coverage has incrementally improved but negative reporting continues to contribute as much as positive reporting to the CalPERS news profile;
- In spite of earlier challenges with customer service by employers, our members and employers both have a strong level of satisfaction and good will towards CalPERS.
- Stakeholders see CalPERS as being effective in delivering the benefits promised by employers to members, but they still look to CalPERS to improve its outreach, engagement and leadership on pension policy issues.

RECOMMENDATIONS

- With ethics issues mainly resolved, CalPERS leadership should engage more visibly with stakeholders on relevant issues while focusing on its fiduciary responsibilities.
- CalPERS should continue to improve customer service for employers by increased channels of access to knowledgeable staff.
- In order to significantly enhance CalPERS reputation and effectiveness with its partners, it should provide additional communication, education and engagement with the media and other key stakeholders.

BUDGET AND FISCAL IMPACTS

Not Applicable.

ATTACHMENTS

Attachment 1 – Stakeholder Assessment Project

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