



## **Agenda Item 7b**

December 15, 2015

**ITEM NAME:** Perception in the Media and Perception Among Stakeholders

**PROGRAM:** Enterprise

**ITEM TYPE:** Information

### **EXECUTIVE SUMMARY**

This agenda item is an update on the organization's progress toward meeting the goals of the California Public Employees' Retirement System (CalPERS) 2012-17 Strategic Plan as measured through a suite of CalPERS Board of Administration (Board) affirmed Strategic Measures (Attachment 1). Specifically, this item examines the Strategic Measures that evaluate funded status and CalPERS' perception in both the media and among stakeholders.

### **STRATEGIC PLAN**

This agenda item supports the CalPERS Strategic Plan Goal A to improve long-term pension and health benefit sustainability and Goal C to engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs.

### **BACKGROUND**

In August 2012, the Board adopted the CalPERS 2012-17 Strategic Plan. In July 2013, an initial set of Strategic Measures were developed as part of a larger effort to support the use of enterprise-wide measurements to guide the organization. In July 2014, the Board affirmed the suite of Strategic Measures which included the three Strategic Measures covered in this item.

### **ANALYSIS**

#### Strategic Measure: CalPERS' Perception in the Media

The CalPERS Office of Public Affairs has been tracking the perception of CalPERS in the media since 1996 and provides a strategic communications report to the Board monthly on the progress and tone of the media coverage. At the July 2014 Board offsite, three distinct categories were developed by the Board to begin tracking subsets of CalPERS news in the areas of Asset Liability Management, healthcare and wellness, and investments and global governance. The performance measure was further defined as the number of positive, negative, or neutral articles that mention or feature CalPERS programs, policies, or work in these topic areas.

In Fiscal Year 2014-15, there were more than 8,000 state, national, and international news articles, editorials, and columns that either featured or mentioned CalPERS. Staff

worked with an external service provider to track CalPERS news and staff provided the tone designation of positive, negative, or neutral.

The majority of CalPERS media coverage typically falls into the neutral category where CalPERS is simply cited in an article. Last fiscal year, positive and negative stories were largely generated by the following CalPERS actions, decisions, and initiatives:

Positive Media Topics:

- Investment return of 18 percent
- Environmental, social, and governance initiatives
- Legal settlement recoveries
- Reduction in cost and complexity (investment managers and fees)

Negative Media Topics:

- Ongoing placement agent stories
- Pensionable compensation
- Municipal bankruptcies
- Pension costs and pension reform

Additionally, staff has developed a strong foundation to support the complex demands of a changing news model. Specifically, staff shares information on social media channels including Facebook and Twitter. CalPERS has more than 12,000 followers on Twitter and over 11,000 followers on Facebook.

Strategic Measure: CalPERS' Perception Among Stakeholders

This performance measure assesses CalPERS' effectiveness engaging with stakeholders and our reputation and credibility among our stakeholder audience. As part of this effort, the Stakeholder Assessment Project (SAP) began with a baseline assessment in 2011 that served as the standard by which CalPERS would measure its reputational risk for three years between 2013 through 2015.

The SAP is a formal, multi-faceted assessment project that gathers information from a wide cross-section of stakeholder groups through the analytical methods of online surveys, specialist stakeholder interviews, and media analysis.

In 2013, the three primary recommendations for improvement were customer service to employers, leadership engagement and visibility, and greater engagement with our stakeholders. These recommendations led to a number of improvement initiatives including CalPERS Employer Response Dialogues, the Employer Response Team, and an expansion of Benefit Education Events throughout the state.

Emphasis was also placed on providing more opportunities for engagement with stakeholders through regular meetings and roundtable discussions, as well as generating featured content on CalPERS leaders in state and national press.

In April 2015, staff reported the results from the SAP based on surveys and analysis completed in the 2014 calendar year. As reported to the Board, the results showed upward trends since the start of the project in engagement with stakeholders and stakeholder views of CalPERS as an effective policy advocate. Staff recommended that CalPERS continue to increase relationship building and communication efforts with the leadership of our employers, communicate our achievements and advancements in customer service, and further promote outreach and engagement opportunities. In response, staff launched CalPERS Employer Executive Visits and has completed visits with more than 20 cities, counties, and special districts in the last year.

Staff is scheduled to provide a final report on the SAP in April 2016 and will outline next steps to continue to assess stakeholder views.

#### **BUDGET AND FISCAL IMPACTS**

Not Applicable.

#### **BENEFITS/ RISK**

Measuring CalPERS' perception in the media and among stakeholders is necessary to understanding, maintaining and improving CalPERS' reputation. A positive reputation for an organization translates into trust, credibility, reliability, and loyalty among stakeholders and the public. A negative reputation limits CalPERS' ability to proactively shape the conversation around the enterprise's activities.

#### **ATTACHMENTS**

Attachment 1 – Strategic Measures Summary

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