

Unleashing the People Power at CPS Energy

Gallup Final Report Out February 27, 2023









CPS Energy

2022 Culture Project

PROJECT OVERVIEW

CULTURE & VALUES

LEADERSHIP & COMMUNICATION

OPERATIONS

Q&A





2022 CPS Energy Culture Project Overview

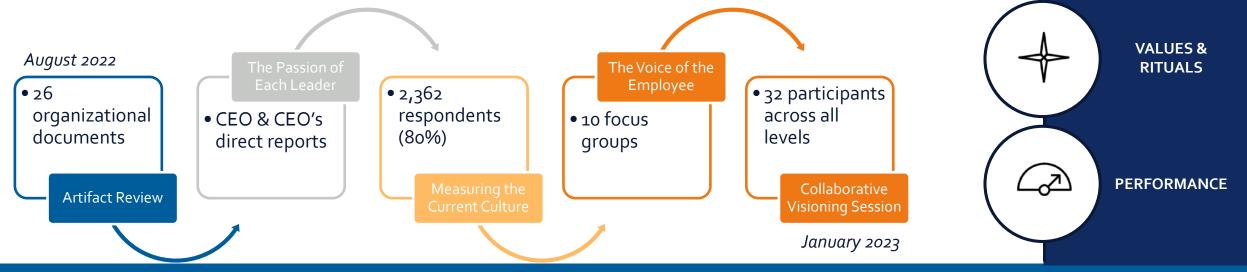
GOAL

In 2022, Gallup was chosen to help CPS Energy conduct a review of the current culture, workforce development policies, programs and practices.

PHASES

GALLUP

Gallup designed the project to gather both quantative and qualitative research across all levels of the organization.





LEADERS $\rightarrow \dot{}$ HUMAN OOOCAPITAL WORKSTREAMS 占古正 **& STRUCTURES**



Project Overview: CPS Energy Collaborative Visioning Session







Project Overview

DELIVERABLE

Final Report includes:

- Executive Summary (Pages 3-5)
- Overview of Work Conducted (Pages 6-9)
- Observations, Gaps and Opportunities (Pages 10-11)
- Recommendations on Next Steps (Pages 12-19)

Executive Sum	iniary			
CPS Energy partnered w the organization. The (prioritization of safety, leadership, decision-maki of the organization. It is in of transition. Project Overview and Aj Galiup's understanding c	Project Overview The 2022 CPS Energy Culture Project kicked off in August 2022 and lasted through January 2023. The project consisted of six phases and took place during a time in which the organization was experiencing a great deal of transition.			
determined based on gu leaders. The project inclu business processes of the the CEO and CEO's dire in the organization. 2,36 quartative aspect of the Gallup led 34 CPS Energ two-day Collaborative \ organizational values, vis findings and align on a w	Phase 1 - Artifact In September, Ga understanding of Informed the resear conducted a detail Energy's onboard Important aspects c		ct, the Gallup team had the oppo through varying viewpoints. The	following observations were
- Approximation	Based on the artifa a great deal of em and community-ork needs and interact process, core value thorough in their w statement in the str	Leadership and Commun CPS Energy leaders feel Internally focused on impn though they are apart of a are experiencing the chang also feel the change. Ho change and more employe leadership. There is a rem	employees, Gallup has identif	work conducted in partnership with CPS Energy leaders and fied key gaps and opportunity areas. Addressing these gaps and will help CBS Energy evolve the strong culture and reiterate the
Observations, Gaps and Based on work conducter While the organization ha and leaders consistently also recognized that the c This highlights the need with the workforce and community's input into t increase employees' awa	All Training and I Core Values Critical Roles Joi Employee Demo Employee Surve Executive Onbo: Overview	past year, and a general s the right direction Despite leaders' intention: about big initiatives as the true for front-ine or field managers but may not be r the executive learn. Culture and Values Obse Based on the internal doci has a customer-centric (or their work and sepast to un	GAPS CPS Energy ne organization's and values wit and communit	Recommended Next Steps To close the gaps and address the key opportunity areas, Galup recommends CPS Energy take a number of key actions over the next couple of years. Some of these actions may aiready be taking place within organization. In these cases the recommendation is to improve the consistency? CPS Energy needs to align the organization's mission, vision and values with the workforce and community. An organization's mission describes how the purpose, why an organization exists, will be
Copydyl 8 2033 Golig, Iw. Af Anna	5 Ogydyn 8 200 Oddyn Iwra	has on their triends, tamity values, employees don't commitment to the values what those values mean it the organization is commi- addressing any behavior th Operational Observation Leaders and employees t within the organization. Ei rudimentary request. Lead teaders involved in the de- trom leaders' ability to misailgnment between the	2 Leaders must in communicatio organization, sc effective and cc	achieved. It describes the organization's current and future business. A vision statement says what the organization wishes to be like in some years' time. Values describe the desired culture. CPS Energy has a mission statement that states 'to serve our community through reliable, competitively priced, and sustainable energy services in an equitable manner. The living core values are stately and weibeing: transparency; one team; accountability; integrity; and excellence. This mission and values are accessible to the community and workforce. At this time, the organization does not have a cleany defined vision statement. Given the importance of these elements to the organization's brand, CPS Energy must ensure there is alignment with key stateholders like the workforce and San Antonio community. CPS Energy an address this by intentionally including community input into the final versions of the organization's miscing. Vision at vision the organization wision wision wision and values; defining a clear vision theory and the set the statement wision theory and the set wision theory and the set share the set of the organization's brand.
		promotions and recognition Copylet 9 202 Sinks, by Midda nor	CPS Energy per en	statement and optimizing the mission statement; and by increasing employee awareness The statement and by increasing empl



Executive Summary

Area of Focus: Culture & Values

OBSERVATIONS

- CPS Energy has a customer- and community-centric culture.
- Employees have a lot of pride in their work and know the importance of their work and the impact it has on the city.
- Employees' perceptions vary when it comes to feeling like their coworkers and leaders show a commitment to company values through their behavior.
- Employees interpret the values differently and it influences how they serve the mission of the organization.
- CPS Energy excels at emphasizing the importance of physical safety.
- Employees are the most empowered when it comes to enforcing safety protocols.

GAP

CPS Energy can better align the organization's mission, vision and values with the workforce and community. **OPPORTUNITY AREAS**

Define a clear vision statement and optimize the mission statement.

Incorporate more community input into the organization's mission, vision and values.

Increase employee awareness and understanding of the values.

RECOMMENDED ACTIONS

- Conduct a pulse survey with employees to get alignment on the vision/mission statements.
- Host a Collaborative Visioning Session follow-up session where leaders continue to refine the vision statement.

- □ Conduct qualitative research with the community to comprehend their understanding of CPS Energy.
- Leverage customer service encounters to gather customer feedback.
- Host a community day/public work session to showcase the mission, vision and values.

- Create button/stickers/badges of company values for managers to give to employees who demonstrate the values.
- Continue to place mission, vision and values (MVV) signage throughout the organization.
- □ Encourage managers to have team value discussions where they discuss the meaning and impact of values.





Area of Focus: Leadership & Communication

OBSERVATIONS

- There is a sense of renewal and a focus on improving employee morale among leaders.
- Employees recognize the change taking place and are more enthusiastic about the future.
- There is a renewed sense of hope and pride in what has been accomplished in the last year.
- General sentiment changes will help lead CPS Energy in the right direction.
- Not all employees are feeling fully informed about big initiatives, but they do feel informed about daily work and safety precautions.
- Employees have regular contact with direct managers and not as much contact with leaders as they would prefer.

GAP

Leaders can continue to improve communication within the organization, so it is more effective and consistent.

OPPORTUNITY AREAS

Train leaders to be good storytellers and collect stories to reinforce desired behaviors.

Look for more opportunities to extend the reach of communications from leadership to the front line.

Continue to focus on making collateral brief and smart, and ensuring it reaches the intended audience, particularly field employees and the younger generation.

RECOMMENDED ACTIONS

- Conduct storytelling workshops to help leaders improve their communication skills.
- Continue to highlight employees living out the values on the company intranet and social media channels.
- □ Share stories during townhalls of employees who demonstrated the values and mission.

- □ Review internal communications to better gauge which channels are more engaging for employees.
- □ Have leaders conduct regular skip-level meetings with employees to share key information and answer questions.
- Set expectations about what directors and supervisors should be communicating to their teams.

- Create a communications panel.
- □ Roll out communications via new channels.
- Include employees in messaging.



Area of Focus: Operations

OBSERVATIONS

- Leaders and employees recognize the importance of changing how decisions are made within the organization.
- Employees expressed some frustration with the long process to get approval for basic requests.
- CPS Energy leaders understand the current decision-making process could be more efficient.
- The time leaders spend on the lengthy decisionmaking process takes away from their ability to focus on more strategic objectives.
- Employees feel there is some misalignment between the behaviors they are told are expected and the distribution of promotions and recognition.

GAP

CPS Energy can continue to invest in helping people leaders develop a coaching mindset.

OPPORTUNITY AREAS

Create an environment that encourages action with accountability.

Optimize the performance management system to align with desired outcomes.

Empower employees in the decision-making process.

RECOMMENDED ACTIONS

- Create a values recognition program to measure and reward success while also promoting the right behaviors.
- □ Emphasize the importance of managers meeting with their teams to discuss expectations and obstacles to success.
- Upskill managers on how to have better performance management conversations with direct reports.

GALLIP

- □ Audit the current performance process to ensure it is equitable and consistent.
- □ Evaluate performance management measures for subjectivity and add objective measures where needed.
- Launch Boss to Coach cohorts to upskill people leaders.

- Delegate decision making and provide employees with constructive coaching.
- □ Launch 360 evaluations with directors and above to create a feedback-rich culture.
- □ Finalize the approval process and communicate the "why" and "how" behind the process to employees.



Questions

Thank You





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