Positioning utilities to win the battle for talent
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The evolving utility landscape

It’s a familiar scene: soon-to-be graduates are searching for their first job, something that will stimulate them intellectually while providing learning opportunities and room to grow. When they head over to their school’s job fair and survey the booths, the number is overwhelming. At the Boeing booth, they learn about the possibilities presented working in the aerospace industry. At Google, they learn what it is like to work for one of the world’s premier technology companies. At NASA? Well, the sky is the limit there. Then they pass a booth with a name that looks vaguely familiar, but usually is delivered to their mailbox or inbox once a month. Is that the local utility company’s booth? What could they possibly offer that is as exciting as the others?

A confluence of factors is shaping the future of the utility industry. Advances in smart grid, distributed generation, microgrids and energy storage are revolutionizing the energy business, which necessitates a new talent profile. Utilities need electrical engineers with an understanding of power and emerging technologies; technologists who are knowledgeable in software-based programming; and candidates who can adapt to change. Though industry insiders know that this is an exciting time for the sector, the industry maintains its static public image: old fashioned, lacking innovation and slow to adapt. This makes it difficult to attract and retain the talent of skilled technologists and technicians who are required not only to replace the rapidly aging workforce, but also to position utility companies to keep pace with the digital revolution and address future needs.

To thrive in this new world, utilities must compete with other industries for the same talent. Start-ups, government agencies like NASA, and well-established companies like Boeing are also looking for engineers and programmers—and are often perceived as better places to work. And it’s not just young technologists that are hard to come by; for tradespeople, the competition crosses borders. “It’s also not just a North American issue,” Doble CEO Dave Zabetakis notes. “This shortage of skilled electrical labor reverberates throughout entire world, which means this market for talent will be competitive. It’s not just one utility competing against another utility, but industry against industry, and country against country, with smaller size skilled labor pool.” (Kelly-Detwiler) By creatively addressing some common key challenges, utilities can position themselves to win this battle for talent.
The new talent profile

So what does the new talent profile look like?

With a rapidly aging workforce, it will be critical that utilities can identify the right talent pool and adequately recruit, hire, retain, and develop them. The top candidates should be educated in engineering, tech savvy, adaptable, and looking to be consistently challenged. Willingness to adapt and seek out challenges will be especially important as technology changes, constantly shifting roles and responsibilities both in the office and in the field. What makes someone successful in a particular role today will change tomorrow, so being ready and eager to adapt to something new will be a must in the industry. Because of this, utilities need to ensure that their employees and leaders don’t just have the right skills for the industry, but also that they can adapt and learn new ones. (Fernández-Aráoz)

Growing up in a time when technology is evolving almost daily, Millennials are well-adapted to help utilities through rapid changes. Millennials already represent an increasing share of the workforce, and a growing number now occupy senior positions. (The 2016 Deloitte Millennial Survey) Further, many more Millennials will soon enter the workforce, and they are expected to account for 50 percent of the workforce by 2020. (White) This group expects to be challenged and to perform work that interests them, which pairs well with an industry looking to propagate new technologies. (Span) Convincing this group that such opportunities can be found with a utility company will require the industry to challenge well-established preconceived notions. The reality is that utility companies are traditionally ill-equipped to recruit, retain, and develop the technologists and technicians they need for the future.
Potential solutions for success

To combat current talent inefficiencies and set themselves up to be the employer-of-choice, utilities should focus on the following four solutions to address all aspects of talent management and lifecycle.

- **Rebranding**: Adjusting the internal and external perception of the industry and utility organizations in an effort to attract and retain top talent.
- **Talent Development**: Focusing on Onboarding & Orientation, Training, Succession Management, Leadership Development and Knowledge Transfer to properly develop people.
- **Workplace Transformation**: Creating a more desirable place to work so employees can better develop, share, and execute on innovative ideas.
- **Performance Management & Rewards**: Taking a holistic look at compensation and benefits to give employees the type of incentives they are looking for.

Using a creative lens to approach some of the biggest real and perceived gaps can help give utilities an advantage on the talent battlefield.
Rebranding: from recruiting to retaining

Perhaps the most glaring challenge utilities face is branding. Deserved or not, utilities hold a reputation for having minimal development opportunities, out-of-date working environments, and poor performance awards. Utilities should shift the way people think about them not only to attract employees, but also to retain them.

Although public perceptions of the electric and gas utilities have risen slightly in the last year, the energy industry still ranks 16th out of 25 industries listed. Nearly a third of poll participants from all demographics viewed utilities ‘somewhat negative’ or ‘very negative.’ (Gallup)

On the other hand, companies like Google and governmental agencies like NASA have public perception on their side, helping them to gain the lead in attracting talent. To stay competitive, utilities should address their less-favorable perception through rebranding. In its Global Recruiting Trends 2016 report, LinkedIn found that:

• 62 percent of companies polled listed employer brand as a top priority,
• 59 percent invested more in branding efforts than the year prior, and
• 55 percent had a proactive branding strategy. (LinkedIn, n.d.)

Despite the industry’s reputation, utilities play a critical role in society and are often a key contributor to local communities. To recruit top candidates and Millennials specifically, utilities should develop a brand that emphasizes this collaborative presence in the community and demonstrates their impact on society.

And this impact should not be understated. Advances in technology are providing utilities the opportunity to solve some of the world’s biggest challenges, such as sustaining the economy, enhancing national security and addressing climate change and other environmental problems. For example, while natural resources are increasingly constrained by availability and regulation, utilities are on the forefront of innovative solutions to provide safe and reliable power to a growing population. (Jennifer Ginn) By highlighting this kind of impact and positioning themselves as innovators with a social conscience, utilities can attract Millennials who seek out companies that make a difference.

“The energy industry has an image problem. Though it is a high tech industry, public perceptions do not reflect this reality.”

US Department of Labor
Companies can appeal to Millennials and negate their technology-challenged reputation by using online platforms to promote a fun, positive, team-oriented company culture.

How do utilities share this message? Companies can focus their efforts in three primary areas: traditional market channels, online platforms and internal marketing.

Traditional marketing is key to brand excellence and also serves as an efficacious recruiting tool. In an industry with similar perception issues, GE’s recent advertising success serves as a great example: The company recently saw an uptick of 66 percent on their online recruitment site following a Millennial-focused ad campaign that poked fun at stereotypes while underlining the meaningful initiatives that employees contribute to. (Bort)

Beyond traditional online and on-air marketing, utilities should cultivate their brand through the use of social media, professional networks and online job boards. Companies can appeal to Millennials and negate their technology-challenged reputation by using online platforms to promote a fun, positive, team-oriented company culture. Just as the company partners with the community, it is important to show how employees team up and work together. Millennials seek out mentorship and learning opportunities, and social media is a great way to promote teamwork across the office and field.

Also, don’t underestimate the power of internal marketing and branding. Not only does positive employee perception of the industry and company play a part in retention, it can also boost recruiting in two ways. First, job applicants are likely to gravitate toward businesses with strong employee engagement and company culture. (Greenwald) Second, cultivating a good image internally increases the likelihood of employee referrals. Employee referral programs are a top source for quality hires, but only 8 percent of organizations consider their referral program “best in class.” (LinkedIn, n.d.)
In addition to its effects on recruitment and retention, rebranding can also have an impact on talent planning and pipeline. There are several opportunities for utilities to support education in the community, further cultivating a strong brand and presence, and to rewrite the conversation about careers in energy. Companies should consider promoting STEM programs in public high schools, as well as establishing partnerships with military schools, community colleges, trade schools, local veterans groups and unions. A good example of this type of outreach is the Institute of Electrical and Electronics Engineers’ Power and Energy Society (commonly known as IEEE PES), which is a society formed by utilities to cultivate interest in key technician positions. The society set up a scholarship program to encourage undergraduate students to pursue a career in electrical and power engineering. (IEEE, n.d.) Beyond education, utilities can strengthen the talent pipeline through customer engagement. Interactive social media campaigns, sponsorship of local events or teams, and customer feedback sweepstakes are just a few ways to develop the community-oriented brand and build a positive, collaborative reputation for the company keeping the lights on.

Focus on workforce development

Professional development and opportunities for advancement are among the most important factors Millennials consider when accepting a job offer. (White) This must continue to be a focus of organizations as, currently, more than six in ten Millennials say their “leadership skills are not being fully developed.” (The 2016 Deloitte Millennial Survey) Taking a closer look at onboarding and orientation, training, succession planning, leadership development and knowledge transfer can promote strategic development within the current workforce while addressing the top concerns of those candidates the utility industry aims to attract.

Although training has historically taken place in the classroom or via computer-based modules, training can be more dynamic and occur on the job through mentorship, shadowing, and/or developing a more established rotational program.

Mentoring leverages the organization’s current talent to help high potential employees understand leadership roles while also developing young talent.

Succession planning enables organizations to anticipate and negate potential talent gaps and loss of critical employees.
Onboarding & orientation:
Once employees are hired, a comprehensive onboarding experience is critical to introduce employees to the company culture and their job responsibilities. Moreover, it provides an opportunity for employees to learn about the internal training and development offerings that can jump start their career within the company. Consider, for example, including field training in the onboarding process for all employees, regardless of their function. (Bauer) This would enable increased visibility and a deeper understanding of relationships and processes that exist between different areas of the business.

Training:
Focusing on learning and development opportunities can incentivize potential candidates while also strengthening the current workforce. While onboarding addresses the need for new hires to add value as quickly as possible, training refers to the ongoing learning opportunities offered to individual employees. Today, employees at all levels expect dynamic, self-directed, continuous learning opportunities from their employers. (Deloitte University Press) Although training has historically taken place in the classroom or via computer-based modules, learning and development can be more dynamic and occur on the job through mentorship, shadowing, and/or developing a more established rotational program. Aided by technology, learning is further being transitioned to the context in which the job is performed, such as in the field or through a scenario-based role play of real life interactions with customers. These types of experiences are sought after by the incoming workforce and will be an essential tool for engaging existing employees, attracting and retaining top talent, and developing long-term leadership for the company. (Deloitte University Press)

Succession planning:
An aging workforce makes succession planning urgent, and preparing employees for net-new positions is becoming more and more crucial. Succession planning enables organizations to anticipate and close potential talent gaps and loss of critical employees. Organizations should identify potential employees to develop, train, and mentor in advance to create a pipeline of future leaders. (Deloitte) “[Organizations] should seek to apply rigorous, structured scientific approaches to succession planning and development, aiming to identify potential leaders earlier and fast-track them into leadership positions.” (Deloitte University Press)

Leadership development:
To create a strong leadership development culture and strategy, organizations should focus on building versatile leaders earlier in their careers through training and mentoring; forming leadership teams that mix different generations and varieties of leaders; and developing leaders deeper in the organization. (Deloitte University Press) Unfortunately, the hierarchical structure of P&U companies means that a leader often needs to vacate his / her position in order to make room for a lower level employee to advance within the department. Further, even if a leadership position becomes available, employees generally lack the appropriate leadership development opportunities to become successful leaders. Implementing formal training and mentoring programs can help develop and grow employees, preparing them to face the complexity of the incoming technology and leadership challenges. (Reisner, n.d.) Mentoring leverages the organization’s current talent to help high potential employees understand leadership roles while also developing young talent. Where it exists, mentoring has a positive impact: six in ten Millennials currently benefit from having somebody to turn to for advice, or who helps develop their leadership skills. (The 2016 Deloitte Millennial Survey)

Knowledge transfer:
Knowledge transfer is not necessarily top-of-mind for an employee who is retiring from the organization. Therefore, it is critical to define an official and structured capability transfer protocol, technology and processes to ensure that important information and skills are captured on an ongoing basis. Mentoring programs are an informal alternative that can augment the official knowledge transfer process.
Winning talent with workplace transformation

Companies now compete to win “best place to work” surveys, an indicator of the escalating competition to design great workspaces, provide flexible benefits, and create great corporate cultures. (Deloitte University Press) To that end, companies around the world are transitioning from cubicle farms to open-floor concepts and free-flowing atmospheres. According to Yahoo Finance, 93 percent of Americans working in cubicles said they would prefer any other arrangement, and cube farms have become iconic of drab and outdated office space. (Korn)

Workplace transformation is a valuable tool for increasing productivity and attracting and retaining the new talent profiles. To accommodate flexibility and move away from cubes, physical office spaces should be adaptable, digital, and offer shared working areas. (Gebski)

Sought-after Millennials have come to expect these innovative office spaces, which were previously a differentiator for highly esteemed tech companies.

“While office space redesign seems costly, building adaptable office space can provide financial benefit,” states the Work Environment Redesign Report. “In many cases, companies will incur lower rent expenses as modular desk arrangements often require less floor space than cubicles and, in adaptable work models, more employees may choose to work from home, requiring less overall square footage.” (John Hagel III)

These redesigned spaces can also enable high-impact connections between employees. Creating an environment and culture that allows individuals to form challenge-specific teams rather than functional silos can improve problem solving and save money. By leveraging remote collaboration technology and having an adaptable work space, utilities can enable chance encounters and introduce opportunities for iterative experimentation, engaging employees in low-risk prototyping where failure is quick and inexpensive.
Similarly, providing social spaces helps to foster a culture of inclusion and community. In the field in particular, it’s not always easy to bring employees together – from a proximity and timing perspective as well as the simple fact that many may not consistently access email for coordinating community events. Redesigning field offices to be more inviting and productive can unite a well-dispersed workgroup and foster organic in-person interactions.

As cube farms are being replaced with open concept layouts, the workplace is also becoming increasingly mobile with technology making it easier to work remotely. With mobility expected to increase by 50 percent by 2020, the traditional work-life balance will be replaced with 24-7 connectivity, which necessitates flexible work arrangements. (Gebski) A flexible approach to work helps businesses retain their best talent as they are giving their employees an option to do great work, but in a way that fits their lifestyle; Deloitte’s 2016 Global Human Capital Trend Report found that today’s workers place a higher premium on flexibility, creativity, and purpose at work. (Deloitte University Press)

Flexibility programs can generate cost savings, talented worker pools, increased efficiency, and improved employee satisfaction according to Jeanne Meister, author of The 2020 Workplace: How Innovative Companies Attract, Develop, and Keep Tomorrow’s Employees Today. Her research found that 66 percent of American Millennials believe companies with a flexible, mobile, and remote work model have a competitive advantage over the traditional 9 a.m. – 5 p.m. model. (Meister)

To enable this remote work model, the physical office space will need to adapt to incorporate digital collaboration technologies, and remote workers will require mobile support in order to ensure the work-from-home population can still effectively contribute to problem solving. Company strategy around talent management will also need to accommodate this flexibility, while continuing to offer incentives for in-person collaboration.
“Performance management as practiced by most organizations has become a rule-based, bureaucratic process, existing as an end in itself rather than actually shaping performance. Employees hate it. Managers hate it. Even HR departments hate it.”

Laszlo Bock
SVP of People Operations at Google (Duggan)

Redefining performance management & rewards

Most utilities today follow a traditional performance management process that relies heavily on numerical rankings, annual review cycles, and formalized meetings with a manager. This type of system is often characterized by a lack of just-in-time feedback and results in minimal opportunity for employees to understand what their development areas are, or more importantly, how to improve their performance in time for their next performance review. Furthermore, performance in the field is particularly strenuous and infrequent feedback or guidance could put employees’ safety at risk.

Often with contrived distribution rankings, these performance management models drive competition amongst colleagues utilizing a practice that is ineffective at boosting performance. (Nisen) It can even discourage collaboration and damage culture in a time where teamwork is becoming an increasingly popular and necessary working style.

To successfully attract and retain the talent they need to remain competitive, utilities can rethink aspects of performance management. In a recent survey conducted by Deloitte, nearly 70% of 1,700 HR executives surveyed said their company has reviewed or is currently reviewing their performance management systems. (Nabaum) Multiple Fortune 500 companies within other industries have successfully completed the re-engineering process and can serve as an example for utilities to follow. While these models may need to be tailored for the utility industry, at its core, a re-engineered performance management system should encourage frequent touchpoints with managers and real-time, unbiased feedback that fosters consistent development. (Duggan)

Increasing the frequency of conducting feedback sessions will be a particularly important component to build into the new performance management model for utilities as they try to appeal to Millennials and a younger workforce. In a recent survey to Millennials, Trinet revealed that “nearly nine out of 10 (85 percent) would feel more confident in their current position if they could have more frequent performance conversations with their manager.” (Trinet)

In 2012, the software giant Adobe transitioned from a performance management model that featured annual discussions to one that emphasizes frequent check-ins where managers provide employees with targeted coaching advice when they needed it, as opposed to months after teachable moments had passed. Since moving to the frequent check-in model, Adobe has realized nearly a 30% decrease in voluntary employee turnover. (Sutton)

Several other companies, including Dell and GE, have also recently revamped their annual review process. Under the previous model used by these large organizations, in order for a person to move into a higher performance category on the ranking curve, another had to be moved out, leaving employees feeling as though they were being pitted against one another. (Colvin) In 2015, GE launched a pilot of the new model across a few of their teams. The model depends on consistent dialogue, regular informal touchpoints with managers, and encourages collaborative cross-functional empowered teams. GE used it to drive a fivefold productivity increase over a twelve month period. (Baldassarre)
It is imperative that utilities recognize that employee performance should be acknowledged through rewards packages that extend beyond just compensation. While transforming the annual review process is critical for future success, it is just one piece of the performance management puzzle. It is imperative that utilities recognize that employee performance should be acknowledged through rewards packages that extend beyond just compensation. To remain competitive with other industries, rewards should be tailored to different employees and feature creative methods to recognize accomplishments. In a recent study conducted by Bersin, companies with a rewards program in place saw a 14% improvement in employee engagement and productivity. (Cava) As opposed to only monetary rewards, companies can offer unique experiences that their employees will truly remember.

While trips, prizes and experiences may be appealing to some employees, a day of relaxation or partaking in an activity that someone is passionate about may sound better to others. In a recent survey, HNI found that 51% of Millennials look for employers that place a value on community involvement. (co.tribute) Deloitte’s 2016 Millennial Survey echoed this point when it reported that, “Millennials judge the performance of a business on what it does and how it treats people.” (The 2016 Deloitte Millennial Survey) Creating opportunities and a culture that values community involvement has a positive impact on both the employee’s morale while further solidifying the company’s commitment to community collaboration. A successful rewards program can give utilities an edge in the battle for talent by providing strong incentives for new hires and boosting retention through meaningful investment in employees, and by extension, the community.

**Winning the battle**

This is a truly exciting time to be a part of the utility industry. To successfully compete in and win the battle for talent, utilities should take measured and creative steps to address some of the key perceptions and realities of the sector within the talent lifecycle. Shaping their reputation, addressing workforce development, transforming workspaces and rethinking performance management and rewards can address the sector’s talent issues and help attract and retain the utility talent of the future.
Works cited


