Plugged In: COVID-19 and the reshaping of the power and utilities workforce

Actions to attract and preserve talent

The public health response to COVID-19 and related economic challenges are changing the nature of work across all industries. However, power and utilities is uniquely impacted due to the characteristics of the sector and its employees. Matt Campbell and Paul Lipinski of KPMG discuss how to enhance employee recruitment and engagement activities to build a power and utilities workforce of the future.

When COVID-19 began to spread across the United States in early 2020, the power and utilities (P&U) industry was already trying to manage disruption from outside competitors, digital technologies, and changing customer and regulatory demands. Now stay-at-home orders and the resulting business and economic impacts are piling on to challenges that, when combined with the distinct characteristics of P&U work, are affecting the employee base in ways that are unique to the sector.

P&U workforces tend to be highly unionized, even in nonpublic utilities, which have among the highest union membership rates in the private sector at more than 23 percent. The sector also has an aging workforce with specialized skills, particularly for field work, that is not easily replaced. Their departure, while relatively predictable due to structured retirement benefits, has nonetheless been an issue that industry leaders have been grappling with for some time.

Now the requirements to work remotely, the reduced staffs and adjusted shifts to promote social distancing, and the increased risk of coronavirus complications to older employees are all putting a spotlight on the need to act sooner. P&U organizations have several compelling opportunities to preserve that important knowledge, and attract and retain the right talent.

Putting employee health and safety needs first fosters long-term loyalty

Understand the new risks

P&U employees are accustomed to working long hours and spending time away from their families during crises, usually caused by extreme weather events. Whether they are field workers on the road in affected locations, or critical employees hunkered down in control rooms, they are proud to provide necessary services in times of great need.

With COVID-19, there is potential for greater personal health sacrifice than is typical in other circumstances. Employees who are asked to work and travel in teams, and ordered to sequester in distant locations, face a new and different risk. As much as 40 percent of a utility company’s employees could be out sick, forced to quarantine, or at home caring for sick family members.

Work closely with unions

Regardless of the industry, companies that do right by their employees are the ones that lead the competition in recruiting and retaining talent. P&U company and union leaders should coordinate to make sure that not only are all precautions taken, but that employees truly feel comfortable and safe.

Actions could include securing direct access to testing before sequestering, making sure masks and other personal protective equipment are readily available, organizing employees in rotating teams to isolate potential infection, and spreading out field workers in separate vehicles. Some utilities have started to offer bonuses to employees who must engage with the public where their risk of exposure is higher.

The challenging economic environment presents opportunities to promote the benefits of working in the P&U sector

Capitalize on the relative stability of P&U companies

Unemployment in P&U has increased since the start of COVID-19, but not nearly to the level of many other industries given the essential services it provides.

In a downturn, and during what could be a slow recovery, utilities represent welcome job stability and a defined career path with steady pay and benefits to those with the desired technical abilities. This includes candidates who may have been lost to start-ups or higher-paying sectors pre-COVID-19.

Highlight locations offering quality of life

It used to be difficult to draw skilled employees to small-town and more rural locations where a number of P&U companies operate. However, U.S. big-city population growth that began to stagnate even before COVID-19 now has even less appeal.

Utilities with regional operations far outside major metropolitan centers can offer field careers in areas with low-density and often lower-cost living. And for employees in corporate roles, an expected increase in remote work arrangements can attract a new pool of employees who live greater distances from the office.

---

Enhance data analytics capabilities

P&U organizations that make building predictive analytics capabilities a strategic priority can in turn better attract talent that in the past would have chosen other technology-driven industries.

Recruiting and talent management leaders can consider adding data analytics as a capability to assess potential and current employees, and develop a strategy for data analytics training. Summer internships and rotation programs offer a great source of candidates, as well as university STEM programs, the Women’s Energy Network, and Young Professionals in Energy chapters.

Appeal to different generations of workers

As P&U organizations try to recruit employees, it is important that their talent strategy takes into consideration generational differences. For example, baby boomers and Gen X are often motivated by training and leadership opportunities; millennials seek interesting work and increasing responsibility; and Gen Z looks for exciting, fast-paced environments.

Younger generations also tend to crave workplace camaraderie and social engagement. It’s hard for employees to connect personally with one another without sharing a physical space, and now they’ve been asked to distance themselves even further. Collaboration tools can help bring employees closer together, virtually, while also driving the creativity, problem-solving, and innovation that working in teams can foster.

Emphasize P&U’s contributions to society

Utility workers are often the unsung heroes in a crisis, but more than ever, they are being recognized for the risks they are taking to keep power, water, and other essential services available for citizens and critical industries.

P&U organizations can highlight their important role as a means to attract potential employees, especially from younger generations that countless studies have shown prioritize community service and “doing good” in choosing careers.

Business strategy and talent management practices need alignment

Prioritize critical roles

Even when utilities are successful attracting new talent, they may not be able to mobilize them fast enough to replace the decades of knowledge retiring from the workforce. Many field roles require technical skills certifications, which take time to attain.

By prioritizing skills and roles according to both short-term operational needs to handle disruption and long-term goals to sustain the business, organizations can focus resources where they’re needed most. This can include upskilling current employees to learn digital technologies and transition to new roles, as well as training new talent. Online learning tools can be deployed to help shorten the certification and accreditation cycle.

Also, utilities with renewable operations should look there for talent, as underutilized staff can be transferred to more traditional power-generation roles while oil prices remain low and green energy demand is stagnant.

Update performance management processes

Given the changing demands on the sector and the potential for a shortage of experienced workers, organizations should shift to training employees in a broad range of skills that can be applied to multiple roles.

This requires a good performance management system and process to identify talent, including continuous feedback rather than the traditional, once-a-year performance review. Companies also can use data analysis to better understand the core capabilities of their current workforce, and then use the findings to design or improve training programs and reward performance.

Knowledge sharing and succession planning ensure a pipeline of capable employees

Now is the time to capture the knowledge from experienced workers, assess and address skills gaps in the field workforce, and develop clear career paths.

P&U companies should support efforts to prepare employees who not only demonstrate the required skills, but who also have the institutionalized knowledge to perform their work according to the standards and culture of the organization. Technical mentoring and job shadowing can help the transition from one generation of field workers to the next.

Prepare the regulatory staff

Another unique aspect of the P&U sector is that it’s highly regulated. As such, all the experience that longtime employees responsible for maintaining government relationships also needs to be captured. These employees understand the intricacies of legislation and the details of specific rate cases past and present. Their knowledge needs to be collected and stored in a systematic way that up-and-coming or new regulatory personnel can access in order to drive the best outcomes for the organization.

Finally, P&U organizations should include succession and workforce planning in their strategic plans. The goal is to identify and develop a deep bench that can manage their functions and, perhaps more importantly, to groom leaders who inspire the workforce to tackle challenges like we’re experiencing with COVID-19 today.

By increasing the focus on employee recruitment, training, and management now, P&U companies can weather the current situation while building a talented workforce for the years to come.

KPMG Global Energy Institute

Launched in 2007, the KPMG Global Energy Institute is a worldwide knowledge-sharing forum on current and emerging industry issues. This vehicle for accessing thought leadership, events, and webcasts about key industry topics and trends provides a way for energy executives to share perspectives on the challenges and opportunities facing the energy industry, arming them with new tools to better navigate the changes in this dynamic arena.

To receive timely updates and insights relevant to the P&U industry, register for the Global Energy Institute.