The three “R’s” of talent management for power and utilities
Overview

It’s not what you think

The three words you commonly hear when talking about workforce challenges facing the power and utilities industry are retirements, recruiting and retraining. You know that the industry is taking a hard look at its talent and taking steps to ensure that team members have the right skills needed for the future of the industry. This includes those with science, technology, engineering or mathematics (STEM) backgrounds and highly sought-after data analytics and customer skills. In Unlocking your workforce as a Utility Platform Player, we explored how your peers are working to move the industry forward to meet the ever-changing needs of the customer, business and society. Power and utility leaders know that there’s much more work needed. And, they face stiff competition from other industries. PwC’s 22nd Annual Global CEO Survey found that leaders around the globe are facing a shortage of workers trained in data and other coveted skills.

The “other” three key words

While retirements, recruiting and retraining are key factors impacting power and utility companies, there are three other “R” words that may be equally as important when it comes to talent management:

Rethinking
Reimagining
Reigniting

Here, we examine three additional focus areas power and utilities should consider as they move the industry forward, embrace a more integral role and address the challenges of talent availability in this increasingly digital age.
Rethink:
Align your business and talent strategy

More and more power and utility leaders are refreshing their business models and strategies to better meet customer needs, according to a survey of your industry peers. For some, this includes building out certain organizational and technical capabilities to enable a more agile, and innovative culture.

To drive the required cultural transformation, power and utilities can't neglect aligning their talent strategy with the refreshed business model and organizational strategy. Being successful requires a strong partnership between business leaders and human resources. Together, they must rethink their talent strategy, with a focus on defining new skill requirements, identifying creative sourcing channels to attract new talent and deploying real-time learning solutions that increase job performance and expedite skill acquisition.

These targeted efforts are critical to ensuring organizations have employees that reflect the changing workforce demographics and the diversity of thought needed to succeed in this new environment.

Planning is paramount

Power and utilities will also see increased value from strategic workforce planning efforts to facilitate having the right talent in the right roles, while making sure key expertise does not leave the organization, but rather, transitions to those individuals taking on critical roles. Leaders will encounter talent gaps between existing skills and the specialized knowledge or abilities that are required to execute on the refined organizational strategy. As technological advances and increased automation continue to disrupt how organizations get work done, new talent or employees retrained in data analytics and advanced technologies, like artificial intelligence and blockchain, will be required.

Reimagine:
Fueling performance management with innovation

Traditional performance management with reviews once or twice a year is not an effective option for the digital-age workforce. By some estimates, more than one-third of US companies from Silicon Valley to New York, and across the globe, are replacing annual reviews with frequent, informal check-ins between managers and employees. Today, leading organizations are re-evaluating their performance management approach and moving from once-a-year formal sessions to innovation-fueled and career-driven performance management programs.
For example, a leading technology company recently rolled out a new system that allows employees to set short-term goals that are anchored by quarterly check-ins. The single year-end performance measure was abolished, as were relative rankings. And, it’s not just this company, many others are also revolutionizing their performance review policies.

Since utilities are competing for the same talent and digital skills, they will need to make a shift to reimagine their approach to performance management, shifting the primary focus from the documentation of the previous year’s activities to the forward-looking development of the leadership attributes and critical competencies that will advance people’s careers and strengthen the company’s competitive position.

These types of innovations speed up and simplify talent-related actions for employees and leaders so they can dedicate more time to growing the business, creating customer value and focusing on more meaningful developmental coaching conversations.

**Reignite:**
Improving the employee value proposition

To close the talent gap, power and utilities can expect to find cross-industry competition for new skills and capabilities that are often found in other industries (e.g., data analytics, coding, strategic pricing, digital strategy and customer experience). Competing effectively for talent with companies across industries will require leaders to reconsider their employee value propositions. This includes how they attract new talent in an increasingly competitive talent market, while also retaining high-performing team members.

**Upping the game**

Talent strategies must reflect a diverse, multi-generational employee population – one that is motivated by different goals, values and career experiences. To drive innovation, utilities must not only attract and integrate new talent which brings fresh ideas, but also provide current employees with opportunities to learn new skills and ways of working. This requires new technology and tools that the next generation of talent is accustomed to in their everyday life – tools that are easy-to-use, real-time accessible and mobile friendly. Ultimately, delivering an employee experience that engages and empowers people will have a direct impact on both business performance and profitability.
Promoting industry attributes

As we explored in Closing the power and utilities skills gap, utilities have many sought-after attributes often desired by the growing number of millennials and generation Z employees in the workforce, including:

- Advancement of “green” technologies, like wind, solar and electric vehicles
- Commitment to the community and environment
- Flexible work environment that fosters work-life integration

The industry also offers the opportunity to explore technologies, including smart grids, artificial intelligence, augmented reality, robotics, drones and more. Promoting these attributes and opportunities is more important than ever.
### Talent needs for utilities at a glance

<table>
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<tr>
<th>Change: Grid modernization</th>
<th>Change: Data / platforms</th>
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</thead>
<tbody>
<tr>
<td><strong>New Skills:</strong> IT, security, understanding of technology, engineering, architectural technologists, analytics</td>
<td><strong>New Skills:</strong> IT, security, data and analytics, understanding of technology, communication</td>
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<th>Change: Energy Storage</th>
<th>Change: Renewables</th>
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<tr>
<td><strong>New Skills:</strong> Engineering, understanding of the technology</td>
<td><strong>New Skills:</strong> Construction, understanding of technology, implementation, energy policy</td>
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<th>Change: Customer experience</th>
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<tbody>
<tr>
<td><strong>New Skills:</strong> IT, security, customer service, understanding of technology, marketing, communication</td>
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By reskilling employees, utilities benefit by helping both employees and the company stay relevant to the technology, social, and demographic disruptions that are speedily coming into play. This will also help to improve the employee value proposition by indicating to potential recruits that the industry is investing in its employees.
What do you think?

You’re seeing the role of your power and utility company evolve right before your eyes. The pace of change can seem overwhelming. However, while the industry landscape is changing, talent management is at least one area that utilities can take proactive steps to influence action and move your company closer to seizing a new role for the future – what we’re calling a Utility Platform Player.

Top priorities

We can help you move the industry forward by advising and help you facilitate the development of:

- Talent strategies aligned with business strategies
- Digital tools to drive real-time performance management
- Resources that are right for attracting the right talent

Through this, power and utilities can re-emerge as employers of choice, while also helping to move the industry forward.

Reach out

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