

# ***Employee Lifecycle: From Cradle to...***

## ***What is...?***

Presented by  
**Wanda Reder**, Vice President  
Power Systems Services  
S&C Electric Company



## ***What can be done from a supervisor's and an employee's perspective?***

Presented by  
**Diane Mansfield**,  
Vice President – Human Resources  
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# ***Managing the Talent Challenge***

**Wanda Reder**

**IEEE PES President-Elect**



*Vice President — Power Systems Services*  
**S&C Electric Company**



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## Numbers We Cannot Ignore *(United States)*

### ▪ Workers are getting older

- By 2010, one in three U.S. workers will be age 50 or older
- Utility executives estimate  $\frac{1}{2}$  of the technical workforce will reach retirement age in 5 – 10 years
- At 50+, utility craft workers have highest average age of any industry

### ▪ Demand is increasing

- In 2015, a 15% decline of ages 35 – 44; demand increases 25%
- 2010 demand for U.S. electrical engineers in construction will be up from 150,000 today to 175,000

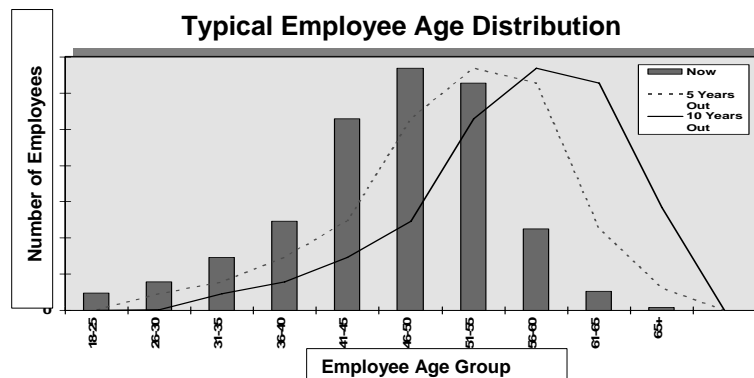
### ▪ Supply is decreasing

- Reduction in graduating engineers during the past 15 years
- Decrease in power engineering graduates

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## Workforce Overview

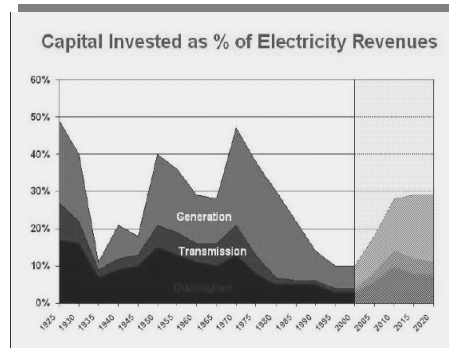
- Historic financial and plant focus: intellectual set aside
- Knowledge is leaving: average age is increasing



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## *Infrastructure Needs and Expertise Impact*

- **Emerging needs**
  - Maintenance
  - Technology
  - Increased spending
  - Environmental and political interests



*Will experience to do basic utility work be available?*

*Will infrastructure be available to attract and train enough talent?*

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## *Survey Participation and Approach*

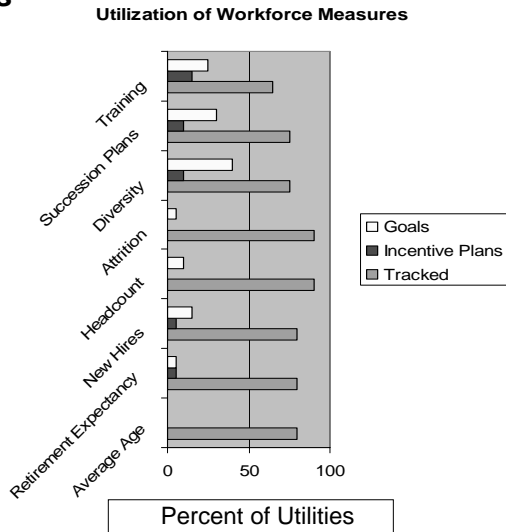
- **Surveys performed in Fall 2004 - Spring 2006**
  - Approximately 30 utilities participated
  - Targeted utilities in USA and Canadian
- **Gathered workforce trends**
  - Average age & retirement trends
  - Succession planning
  - Adequacy of hiring pool
  - Five-year availability

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## Workforce Measurements

### Workforce-readiness is being measured....

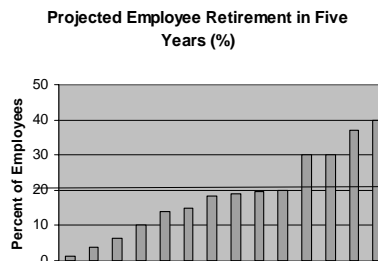
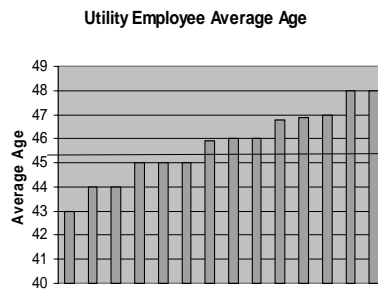
- Used for modeling, bench strength analysis, and knowledge transfer planning
- Few measures are incorporated into goals and incentive plans



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## Average Age & Retirement

- **Average age**
  - Ranged from 43 to 48
  - Increasing
  - Similar results for craft, management, and technical
- **Forecasted retirements**
  - Averaged 20% in five years
  - Responses varied greatly
  - Models are being created



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## *Changing Needs and Expectations*

### **Baby Boomers**



- 20+ years experience
- Comfortable with print
- Well established networks
- Take work seriously
- Loyal, employed for life
- Serve as mentors
- Less diverse

### **Generation X**



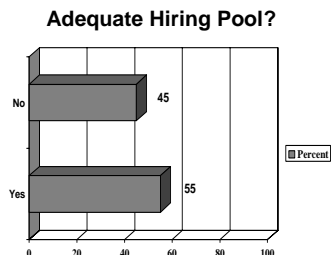
- Upwardly mobile
- Computer savvy
- Prefer on-line media
- Strive for life-balance
- Expect job shifts, training
- Varying needs, flex time
- More diverse

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## *Hiring Pool*

### **Is there an adequate hiring pool of qualified candidates?**

- 55% yes, 45% no
  - Tradesman are in short-supply nationwide
  - Some problems with technologists and engineering skills
  - Preparing for more difficulty in the future
  - Increasingly difficult to find technical skills with experience



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## Five-Year Availability

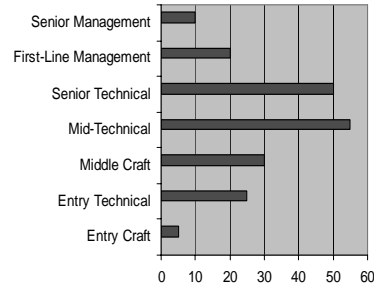
- **Demand may increase for:**

- Middle career engineers
- Senior engineers
- First-line management
- Senior management

- **Talent shortage prediction:**

- Middle career technical
- Senior career technical
- Middle career craft
- Entry technical

Percent of respondents predicting availability shortage in five years by career type



Percent Predicting Availability Shortage

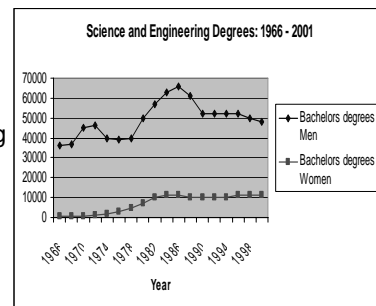
## Students in Science and Engineering

### Women

- 50% of workforce
- Are unrepresented in engineering
  - 11% of engineering workforce
  - 20% of the undergraduate engineering degrees

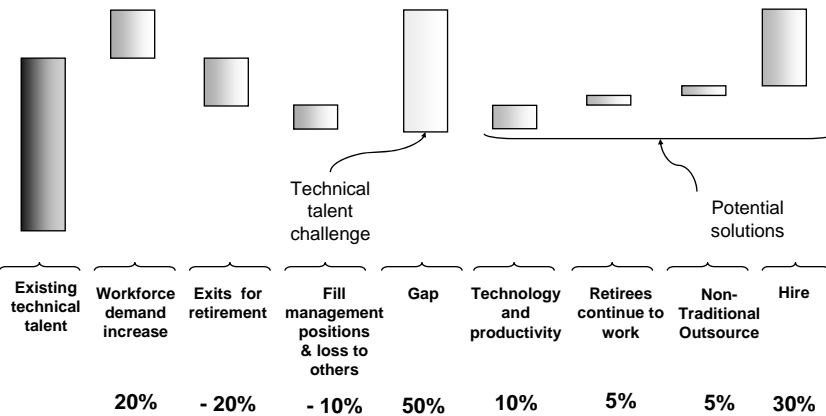
### Men

- Enrollment in engineering is declining



# Estimated Five-Year Technical Gap

## Workforce Challenge and Potential Solutions



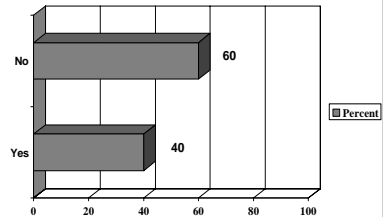
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# Relations and Image

- Image perceived to be old fashioned

- Publicity is needed

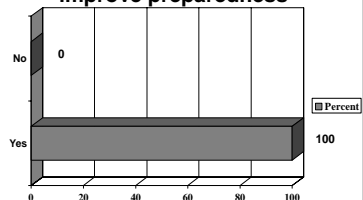
Percent of respondents Building relations with schools



- Industry can improve preparedness

- Communication with schools
- National awareness
- Alert regulators: training, development costs, recruiting

Percent of respondents thinking organizations can improve preparedness



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## Supplier Capability

**Will suppliers have adequate expertise to deliver?**



*“The issue of seniority/retirement will impact the supplier community as well. Neither the utility or suppliers have done enough to mitigate risk”*

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## Challenges

- Significant forecasted attrition
- Increasing workload
- Declining expertise and practical knowledge
- Limited workforce pipeline
- Declining academic and training infrastructure
- Impacting suppliers and utilities alike
- Suffering from industry image
- Shifting to address long-term needs

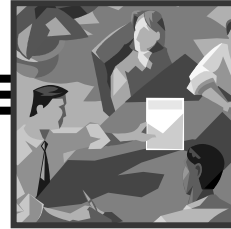
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## *Business Implications*



# Managing Talent Opportunities

## *What Can be Done From a Supervisor's and an Employee's Perspective?*

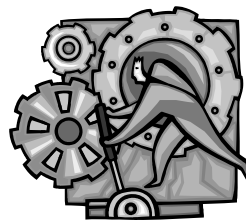


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## Statistics Tell the Story

- Aging workforce
- Talent demand exceeds supply
- Challenging generational issues



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## **Not All Doom and Gloom**

- **Aging population with training, knowledge and experience wants to work longer**
- **Can attract and retain employees across generational lines to address supply issues**
- **Generational differences bring value to the workplace**

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## **Opportunities to Successfully Manage Talent**

- **Employer's Role**
- **Leader's Role**
- **Employee's Role**



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## **Employer Actions to Achieve Success**

- **Promote industry image**
- **Develop a talent management plan that includes knowledge transfer**
- **Implement a succession planning process**



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## **Employer Actions to Achieve Success (continued)**

- **Become an employer of choice**
  - **Provide continuous learning**
  - **Create a culture that promotes generational diversity**
  - **Select, train and develop great leaders**
  - **Offer retention-oriented compensation and benefit programs**

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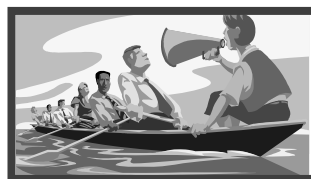
## Keys to Success at Employer Level

- Top management commitment
- Accurate assessment of current workforce demographics and data
- Actions that match culture
- A clear vision of future workforce needs
- View diversity as a business need

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## Leaders Play a Key Role in the Employer's Actions

**“Leadership is the art of accomplishing more than the science of management says is possible.” (General Colin Powell)**



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# You'll be Sorry!

- If you don't focus on the new rules for attracting and retaining key employees



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## Leader's Role Recognize the Generations

- Matures -- age 60 and older
- Baby Boomers -- age 41 to 59
- Generation Xers -- age 26 to 40
- Millennials – age 25 and younger
- All bring value to the workplace

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## **Leader's Role Recruit a Boomer/Mature**

- **Recognize age and experience as assets**
- **Explain value of company's health benefits and retirement programs**
- **Emphasize company stability**
- **Offer part-time work alternatives/  
flexible work schedules**

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## **Leader's Role Recruit a Boomer/Mature**

- **Offer project-oriented work**
- **Use words like experience, maturity, loyalty**
- **Ask questions about how they like to be managed**
- **Explain how they can contribute and make a difference**

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## **Leader's Role Recruit a Gen Xer, Millennial**

- **Discuss the company vision**
- **Create a picture of what you can accomplish together**
- **Emphasize available technology and online media**
- **Use terms like high energy, fast paced, state of the art**

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## **Leader's Role Recruit a Gen Xer, Millennial**

- **Describe time-off benefits in detail**
- **Give a realistic picture of the job duties – pleasant and unpleasant**
- **Explain family-friendly policies**
- **Describe workplace flexibility**
- **Describe changes occurring in the workplace**

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## **Supervisor's Role Recruit a Gen Xer, Millennial's**

- **Describe training and development opportunities**
- **Explain the multi-task job duties**
- **Stress the company's image in the community**

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## **Remember:**

- **Supervisory role has changed for recruiting and retaining**
- **Retention means different things to different generations**



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## **Leader's Role Retain a Boomer/Mature**

- **Motivate with recognition**
- **Compliment value at work**
- **Praise work ethic**
- **Enrich job duties to avoid stagnation**
- **Mentor and give them mentor roles**

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## **Leader's Role Retain a Boomer/Mature**

- **Appreciate their loyalty**
- **Give extra training on technology, if needed**
- **Offer a flexible work schedule**



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## **Leader's Role Retain Gen Xer, Millennial**

- **Ensure great leaders are supervisors**
- **Focus praise and compensation on individual rewards and team awards**
- **Be open, honest and realistic in assigning job duties**
- **Show interest in their personal lives**

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## **Leader's Role Retain Gen Xer, Millennial**

- **Offer flexible work schedules**
- **Give them the best technology**
- **Talk openly about their career interests and potential**
- **Provide training opportunities**
- **Celebrate milestones in projects**
- **Validate their creative contributions**

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## Retention for All

- **Develop the boss**
- **Keep great leaders in the organization**
- **Studies show people leave bosses and not necessarily organizations (Correlation between age and tolerance level)**

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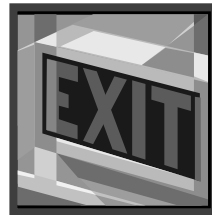
## Retention for All

- **Not just pay**  
**8 of the top 10 retention drivers fall under work environment and base salary is number 3**
- (Towers Perrin 2005 Global Workforce Study)**

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## If You Are Losing High Potentials at Any Age:

- **Make sure the exit is not final**
- **Possible return**
- **Future recruitment source**



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## Remember ACORN (Leaders)

- **Accommodate employee diversity**
- **Create workplace choices**
- **Operate with a flexible style**
- **Respect competence and initiative**
- **Nourish retention**

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## Employee's Role

- First and foremost, dispel the myths
- Different is not wrong
- Embrace the benefits of diversity

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## Boomers Believe Xers are:

- Slackers
- Self-absorbed
- Lazy
- No work ethic



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## Truth About Xers:

- **Do a great job when motivated**
- **Creative**
- **Strive for work life balance**
- **Understand and prefer technology – enjoy change**
- **Upwardly mobile**
- **Expect job shifts, training**

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## Truth About Xers:

- **Look for the best fit in a job**  
**The average 20- to 30-year-old worker changes jobs every three years**

**(Workforce Management, March 27, 2006)**

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## **Xers Believe Boomers are:**

- **Technologically inept**
- **Workaholics**
- **Inflexible**
- **Ready to check into retirement**
- **Boring, stuck in the old ways**

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## **Truth About Boomers**

- **Loyal, hard working**
- **Want to work beyond retirement age (Retire = Refire)**
- **Mentors**
- **Experienced and knowledgeable**
- **Can adapt to change if they understand why and how**

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## **Truth About Boomers**

- **Work in Retirement**  
**64% of retirees between 60 and 70 years old work to stay mentally active, 54% to stay physically active**

**(Employee Benefit News, May 18, 2006)**

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## **Generations Can Work Together**

- **Values compliment each other**
- **Each can learn from the other**
- **Teams can be even more successful**
- **Employers need all generations engaged to address supply issues and meet business goals**

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## **Remember ACORN (Employees)**

- **Appreciate diversity**
- **Communicate and consider others' ideas**
- **Operate with flexibility and patience for change**
- **Respect competence and initiative**
- **Nourish new ideas**

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## **Talent Management**

- **“Imagine what a harmonious world it could be if every single person, both young and old, shared a little of what he is good at doing.”**

*Quincy Jones*

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