

A monthly resource for members of IMEA's Safety, Education & Training program.

The Electricity Workforce -Key Elements for Employee Retainment & Hiring

#### Workforce Size

The Bureau of Labor Statistics (BLS) reports that nearly half a million people are employed in electric power generation, transmission, and distribution.

#### Skills and Training

The electricity industry offers diverse jobs, which require a variety of skills. One ongoing challenge for maintaining the electric industry workforce is the amount of time required to train new workers. For example, training to become a journeyman line worker can take up to 7 years if enrollment in apprenticeships and training programs increases during a period of worker shortage, the new employees would not be prepared for the full range of line worker duties for several years. The electricity industry appears to have made progress on maintaining a pipeline of skilled labor; the number of pre-apprenticeship training programs has more than tripled since the 1990s.



# From the Desk of Duane Richardson

#### Employee Turnover and Retention.

There is a difference between Turnover and Retention. Turnover is the proportion of employees that leave your workforce during a period of time (usually per year). Retention is the proportion of employees who stay.

Employee turnover is costly, and it's a problem in municipal utilities all across the state. Each time an employee leaves, they take their knowledge and expertise with them. You can work to compensate for the loss, but it takes years to get it back in full.

Hiring new, untrained employees to train and replace experienced employees is like trying to stop the leaking dike by putting your finger in it.

It makes a difference, but not enough. You need to stem the flow at the source. Unfortunately, the source more times than not is monetary and for municipal utilities that's not an easy source to fix.

Employees leave for all sorts of reasons, and there are hundreds if not thousands of surveys that will point out the reasons for increased employee turnover. I like the surveys that suggest employers, "place more importance on non-monetary motivators". Put 50 employees in a room and try to convince them more money will not make them happy. Good Luck!

Of course, there are non-monetary satisfiers that cost little to nothing; however, those are rarely the satisfiers that are going to improve your turnover ratio. January 2019

### IMEA CALENDAR

## **F**ebruary

- 7-8 Transformer Theory and Connections Workshop (Auburn)
- 14 Brown Bag Workshop:
  What You Do Not Know
  Can Hurt You! An
  Overview of Pole
  Inspection and
  Treatment Options
  (Embassy Suites,
  Noblesville, IN)

#### March

- 7 Distribution Devices Workshop (Lebanon)
- 18-29 610 Wood Pole Climbing Workshop Class # 031819 (Lebanon)





#### 6 Steps to Developing an Effective Hiring Strategy

The decision to hire a new employee is one of the biggest investments a company can make. And yet it is usually the one that is given the least amount of time and attention. A bad hiring decision can cost companies thousands of dollars, along with time, momentum and even morale. You can choose to simply refill the open slot and run the risk of repeating past mistakes, or you can use the hiring process as an opportunity to take inventory and give your department a much-needed checkup that will improve the overall health and direction of your Utility.

#### There are six major causes of hiring failure:

- Poor understanding of job function and responsibilities
- · Poor definition of job-related objectives
- Poor communication with candidates regarding expectations
- Poor culture/personality match
- Inadequate initial screening, including poor reference checking
- · Overselling of company, career and income potential

#### But this doesn't have to be your story.

To determine what you are looking for in a candidate, what your staffing objective is, how you will recruit, and what kind of budget you have to work with, you need to create an orderly, common-sense approach to evaluating what you need and how to get it. As any athlete will tell you, a winning performance is measured by the effort exerted before the event. The extra sweat you put into addressing these issues now will greatly impact future hiring success.

With the right game plan in place, you can make the hiring process a strategic boost for your company. Here are the six steps to hiring success:

#### 1. Define the position

Defining the job is essential to recruiting and screening talent. The goals and objectives outlined in the position description will allow you to evaluate talent effectively and to communicate clearly and precisely what the job expectations will be. Being clear and forthright with candidates regarding their responsibilities and how their success will be measured is an integral part of any hiring strategy.

#### 2. Know your company and department

Make sure you have a clear idea of the company and department, their primary business objectives, the work culture, the performance expectations, etc., so you can effectively evaluate talent for placement within these boundaries. What is the company's mission statement? How do employees interact? What are the relationships like between departments, employees and clients? You might also consider the current weaknesses and strengths of the department. Did the opening evolve out of department growth or was it part of a pattern of turnovers that indicates a more serious internal problem? The answers to these questions will impact your overall hiring strategy.



#### 3. Determine your timeframe

What is the absolute latest date the new hire should be on board? What is the ideal start date? You will need to allot time for recruiting, evaluating and hiring. The length of this process will affect your recruiting options and how much manpower and money you will need to accomplish your goals. You should also recognize that a new hire is not going to be at peak performance the first day of the job. You'll need to account for acclimation and training time. The new hire also may need to give several weeks notice to his or her previous employer. All of these time factors must be considered during the planning process.

#### 4. Develop a budget plan

In most cases, a hiring manager is provided with a budget to allocate to hiring new talent. Within these budget parameters, it is important to determine what the outreach strategy is going to be, the related costs and the anticipated ROI. Determine where and how you will get the most out of every budget dollar spent. Are your expectations realistic? List all of your hiring resources, such as the HR department, outside recruiters, affiliations, peers, etc. and develop a marketing plan that considers ways to communicate effectively leverage them.

## Other recruitment opportunities to consider and factor into your budget include:

Industry-related events (networking events, conferences, targeted job fairs in your Community)
Print and web advertising
City / Town website
Educational institutions

Staffing agencies

Referrals

Once you have researched the cost and the potential ROI of these resources, you can determine the path you will pursue. The extraordinary cost of recruiting is an important reminder not to make "knee-jerk" or emotional hiring decisions.

#### 5. Assess your hiring options

When reviewing the position requirements, it is always a good idea to look internally first. More than one company has been known to spend thousands of dollars on recruitment, only to realize later on that what they were looking for had been right under their noses all along. A current staff member who can be promoted to the new opening can provide much value to an organization. Since they already know the company, they be easier to get trained and get acclimated faster. Consider also rearranging tasks among your existing staff to make room to bring in a weaker or stronger candidate depending on your needs. Depending on your budget and long-term goals and objectives, it may also make more sense to hire contract or temporary help.

#### 6. Collaborate across departments

Hiring talent is not a one-person operation. It requires the deployment of resources across the organization.

## **Employee Retainment**

Retaining talent can be a challenge for small utilities. Experienced linemen especially, normally transitioned to hire by bigger utilities that pay more or provide better growth opportunities.

Smaller utilities can be hampered by their revenues, as they serve a smaller customer base with limited opportunity to bring in new customers and businesses. This tends to cause a definite impact considering the constant cycle of hiring, training and losing lineworkers is expensive.

A high turnover rate means having to devote already scarce resources to repeatedly training apprentices, not to mention dealing with the safety implications and related insurance implications. An advantage for all smaller utilities would be to consider allocating the money they were losing in retraining apprentices, to increase linemen's minimum salaries, the smaller utilities would be more likely to retain employees by these guidelines.

Lack of career advancement opportunities is another reason smaller utilities lose experienced people. Some utilities are solving this problem by identifying different ways for their employees to find personal and professional growth. They are encouraging staff to cross-train, engage in community organizations and decision-making, to broaden their horizons outside their job descriptions, and become cross-functional. The younger generation sees this as an investment in them, and that makes them more committed to the organization, rather than if they felt like an expendable cog in the wheel.

## Focusing on excellence

If you consider between retirement of the aging workforce as well as high turn over rates devastating the municipalities nationwide, what are the best results in attracting new employees? By focusing on improving themselves. Take the time to examine your strategy, leadership, customers, workforce, data management and processes, identifying gaps and ways to work on continually improving. Becoming a better organization makes the utility more attractive to job seekers. Let's say you're a top person at your retail job, and you've got two opportunities — one with Walmart and one with Kmart. As a top guy, you're going to pick Walmart because they're doing well, they're growing, they're getting better. So, as we're preparing ourselves for the future and improving, getting awards, that in itself attracts people. Focusing on excellence will help your utility gain efficiency and do more with a same-sized workforce. To employees, both existing and potential, this demonstrates that, despite their size, you need to be pushing the envelope and always looking for ways to do things better. It's a rare exception that someone doesn't want to be a part of such an environment.



## Appealing to the new generation

Millennials are on track to make up 50 percent of the U.S. workforce by 2020 and 75 percent of the workforce by 2025. Close behind them, members of Generation Z are starting to graduate from college and are joining the workforce. Just as workers belonging to the baby boomer generation helped to shape the current culture and values of what is now perceived as the traditional utility, the emerging workforce can help shape the culture of the utility of the future.

Small public power utilities can offer an environment that resonates well with the values of some members of the emerging workforce. For example, workers might be eager for careers that offer opportunities to grow and be challenged; they might want flexibility with scheduling and work location; they might look to be involved in strategy, not just told what to do; and they might want to do work that is socially conscious or that allows them to give back to their community.

This last trait in particular presents an opportunity for public power utilities to shine. There's no better definition of an entity that's about giving back to the community than a public power utility. But historically, public power utilities haven't focused on self-promotion or made a concerted effort to highlight our fundamental value to the community, so most customers don't think about a lineworker as a type of first responder, which they are.

The remote location of many small utilities, usually thought of as a hindrance in attracting talent, can be an advantage. A larger culture shift might be required to attract millennials and members of Gen Z, one that smaller utilities have been slower to adopt.

Much of the focus right now, across the industry and within smaller utilities, is on utilities reinventing themselves through the way they engage with technology and their customers. Managing the workforce is an important part of that endeavor.