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CENTER FOR ENERGY WORKFORCE DEVELOPMENT

Reinventing the Utility Employee Experience

A framework for a new work environment

Accenture in collaboration with the Center for Energy Workplace Development (CEWD)

Foreword

The utility workforce is in the early stages of what we believe will be a deep and lasting transformation, accelerated by the COVID-19 pandemic, but reflecting major shifts in the way people think about their providers of heat and electricity.

The traditional view of utilities—as companies providing steady, if unexciting, jobs leading to a comfortable retirement—is disappearing fast. The pandemic has helped people realize not only the importance of keeping the lights on, but the dedication of utility workers to serving the public. What is also becoming clear is the critical role utilities will play in the energy transition, with a commitment to providing affordable, clean power to customers. In fact, 62 U.S. utilities already have publicly stated carbon and/or emissions reduction goals.[1]

Despite these changing views, more than three-quarters (76%) of U.S. utilities report difficulty in the ability to hire new employees.[2] The reason? Negative perceptions of the utilities industry, which include a lack of room for career growth, a slow-moving industry culture and a view of the industry as unexciting. While several factors are at play, one issue we have seen is a continued lack of critical focus on the part of utility companies to unlock the potential of their workforce. Prior to the pandemic, Accenture interviewed 3,200 senior executives (50% decision-makers in human resources, and 50% other C-suite executives) as well as more than 15,000 workers spanning 15 industries and 10 countries in a comprehensive, first-of-its-kind study to determine how companies can capture and maintain employee trust by meeting the needs of what matters most to them.[3]
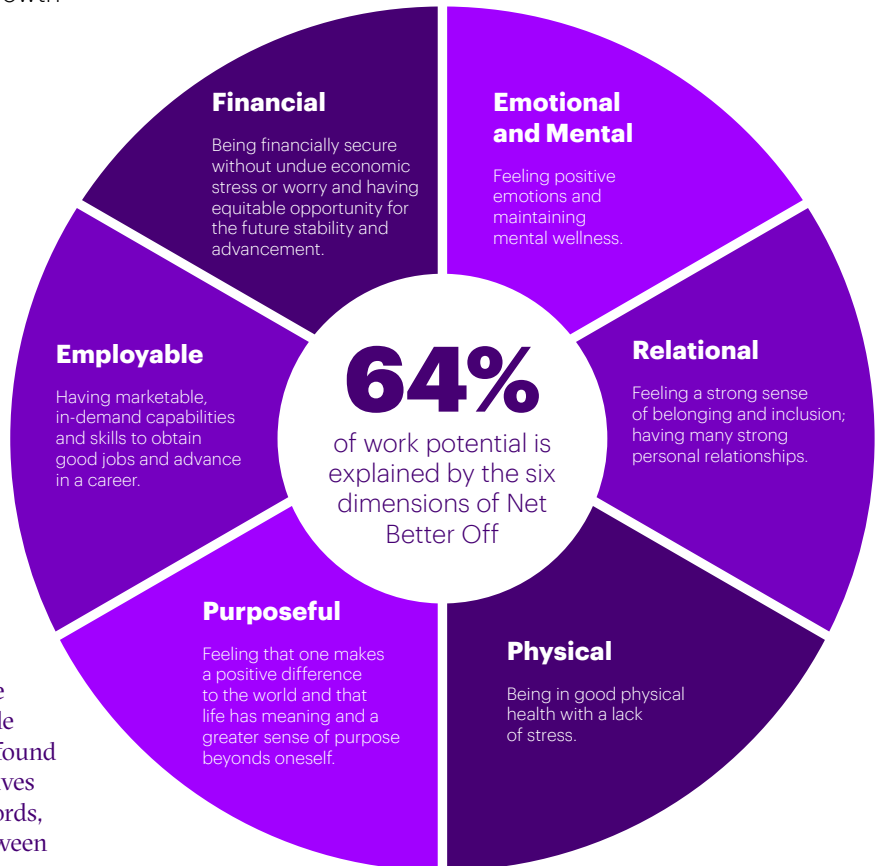
A groundbreaking new model: Net Better Off

The research enabled us to develop a new model called "Net Better Off." We found that nearly two-thirds of an individual's potential—as defined by the skills, strengths and capabilities they bring to work each day—is influenced by whether they feel better off across six key dimensions (see Figure 1).

Getting the Net Better Off model right is important for unlocking employee potential but is also vital for unlocking the potential of the business. Employers that create meaningful and trusting relationships with their employees see an increase in business performance. Although anticipated global GDP was set to have shrunk by 4.9% in 2020, with average company revenues decreasing by 4.7%, our economic value modeling found that organizations that make people net better off expect to achieve 5% revenue growth in 2020, for a revenue swing near 10%.[4]

Figure 1. Net Better Off addresses fundamental human needs.

Financial
Being financially secure without undue economic stress or worry and having equitable opportunity for the future stability and advancement.

Emotional and Mental
Feeling positive emotions and maintaining mental wellness.

Relational
Feeling a strong sense of belonging and inclusion; having many strong personal relationships.

Employable
Having marketable, in-demand capabilities and skills to obtain good jobs and advance in a career.

64%
of work potential is explained by the six dimensions of Net Better Off

Purposeful
Feeling that one makes a positive difference to the world and that life has meaning and a greater sense of purpose beyonds oneself.

Physical
Being in good physical health with a lack of stress.

Source: Care to Do Better: Building trust to leave your people and your business Net Better Off, Accenture, 2020, www.accenture.com.

Building trust through Net Better Off

We found that each of the six dimensions of Net Better Off were significantly correlated with people trusting their employer. Also, we found that Net Better Off statistically drives people's trust at work. In other words, you are unlikely to have trust between an employer and employees without first addressing the Net Better Off dimensions.

1

The employer/employee relationship paradox

Employers seek specific behaviors from employees. They want their people to recommend them to others, trust the company as an employer, remain loyal, stay inspired and motivated, and apply their full range of skills.

Employees, on the other hand, seek emotional, physical and personal connections to the workplace. But these are exactly the needs for which employers feel least accountable. Companies are often neither aware of nor focused on providing employees with what they really want.

Our research findings illustrate this problem:

- Only slightly more than half (54%) of non-managers in the utilities industry said their potential is being fully utilized at work.

- Six in 10 (61%) of utility employees believe their employer is responsible for helping them become net better off.

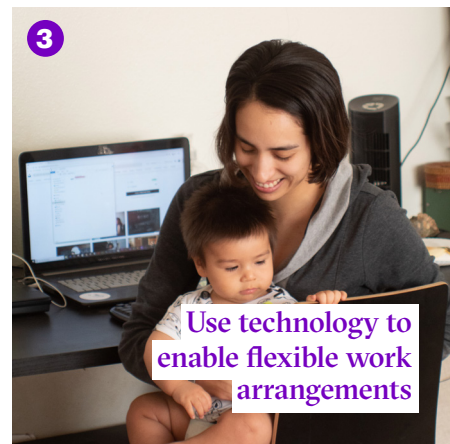- Only 42% of utility company leadership acknowledge this responsibility.

We can see that people want company leadership to help them become net better off, but leadership still needs to catch up. Fortunately, there are ways to transform the employee experience to leave people feeling net better off in the workplace.

Leading practices for a new work environment

In the COVID-19 environment, employees come to work trusting their employers to take care of them. Their friends and family members trust those employees will come home safely at the end of the day, in a positive physical and mental state, and that they will keep their own friends and families safe.

In this new environment, utilities have taken several steps to limit the risks associated with customer and employee interaction. We have identified five leading practices that can be integrated and incorporated into these measures to create a Net Better Off workplace.

1 Enable continuous learning

2 Listen to what your people need

3 Use technology to enable flexible work arrangements

4 Champion workforce well-being and equality

5 Set and share people metrics

1

Enable continuous learning.

Organizations often focus on ways to develop workforce capabilities that are needed right now. However, it is just as important to anticipate and train individuals for emerging needs. Leading businesses are using data and analytics to identify the skills that will be required in the future.

Learning at utility companies generally falls into two categories: safety/compliance training and basic skills courses offered via a learning management system. Employees can search for training and take it on their own time, but true continuous learning needs to be intentional. This means utility companies should identify skills and subjects that employees need to learn, then provide opportunities for them to gain this knowledge via training, reskilling and apprenticeship programs.

Reskilling technology such as SkyHive[5] can help predict emerging skill needs in the labor market, and the jobs that call for those skills. This kind of analysis supports rapid workforce reskilling and accelerates learning to close critical gaps.

Our research indicates that utility employees who experience continuous learning are much more likely to recommend their employer, with 92% saying they would do so, compared to just 34% of those who do not have this type of learning. Yet only 20% of companies surveyed claim to be leading in this practice. There should be a clear focus on removing internal barriers that limit employees' development and potential. Utility companies can support continuous learning by funding learning programs, reimbursing tuition fees, and establishing cross-functional work assignments. Investing in employees can help prepare the utility for the future while making employees feel more valued—creating a win/win situation for all.

92% of utility employees who experience continuous learning would recommend their employer.

But only **20%** of companies surveyed claim to be leaders in this practice.

2

Listen to what your people need.

Many companies conduct annual employee engagement surveys. This is a form of listening, but there are other feedback channels, such as looking at the employees' actions. Two-way applications can enable individual workers to interact and iterate with their employer, supplementing data with context. These and other channels create continuous feedback loops through which companies can flag trends, and individuals can make their voices heard.

Employees at utility companies with active listening programs are more likely to be able to adapt to change, with 91% saying they can do so, compared to only 41% at companies without such programs. Only 15% of companies, however, say they are leaders in this practice.

Analytics tools can help turn employee data into actionable insights. In one example from the healthcare sector, a company facing a shortage of candidates for critical positions, along with high turnover, used analytics solution Visier[6] to automate the aggregation

of people data from multiple sources. The company was able to pinpoint areas of high turnover and then implement changes—including enhancing communications, improving employee appreciation and recognition, and increasing pay—that led to a 14% reduction in voluntary turnover. The company was also able to validate that a pay increase was a cost-effective solution to the problem of high turnover.

Utility companies can also empower their managers to take the pulse of their employees on a much more frequent basis and use their feedback to dive into immediate action. Similarly, regularly scheduled one-to-one meetings can be an opportunity to gain insights into employees' goals, frustrations and day-to-day needs.

91%

of utility employees at companies with active listening programs can more effectively adapt to change.

But only

15%

of companies surveyed claim to be leaders in this practice.

3

Use technology to enable flexible work arrangements.

The COVID-19 pandemic has transformed how utility companies conduct work. Many of the workers who have spent their careers in an office or service center have been transitioned to work remotely. Months later, many have a strong desire to continue working this way. The continued productivity of these employees has been enabled by technology. Companies have rapidly deployed collaborative technologies such as Microsoft Teams, Zoom and others to increase individual and business productivity.

As more employees move toward an ongoing remote-work world, they want to find ways for technology to help them maximize the value of their work.

To do this, forerunners in this leading practice select and apply technologies that allow for better human/machine collaboration. Their people are trained to partner with intelligent devices, so that both are equipped with data—providing more insights and opportunities for innovation. These companies are also transparent about what they are doing—this helps people set their own expectations and, in turn, builds trust.

Utility employees involved in these initiatives are much more likely to feel fulfilled in their work—85% compared to just 24% who are not involved in such initiatives. Yet, again, only 20% of companies define themselves as leaders in this practice.

Remote working environments may not be suitable for some positions. However, companies can employ technologies such as digital control rooms, artificial intelligence and machine learning, or use tools such as drones to help make employees more efficient, teach them new and relevant skills, and increase their safety.

85%
of utility employees who experience flexible work arrangements enabled by technology are more likely to feel fulfilled in their work.

But only

20%
of companies surveyed claim to be leaders in this practice.

4 Champion workforce well-being and equality.

This has been a major challenge for utilities during the pandemic, but many organizations have distinguished themselves though their commitment to keeping workers safe from COVID-19. Some companies, for example, have added to their fleets so that field workers can travel singularly in individual vehicles, addressing employee concerns about social distancing.

Mental health is an important issue, especially in this environment. Managers can help make organizational well-being a priority by building intentional, interpersonal connections with employees. Managers also need to facilitate ways for employees to connect and develop their own relationships. The benefits are significant: utility employees who experience this practice put significantly more effort into their work (87%) compared to those who do not experience it (37%). Only 17% of companies, however, consider themselves to be leaders in this area.

New tools designed to help companies deal with these issues are emerging. For example, Accenture has partnered with Thrive Global to launch a Mental Health Dashboard[7] that allows companies to visualize workforce resiliency, and so provide immediate assistance where needed.

87%
of utility employees whose companies champion workforce well-being and quality put significantly more effort into their work.

But only
17%
of companies surveyed claim to be leaders in this practice.

5

Set and share people metrics.

Utility companies should commit to publicly reporting on diversity, inclusion and equality metrics. Among many other benefits, a diverse workforce stimulates innovation and helps employees connect and empathize with their customers. Accenture research has found that the most equal and diverse company cultures are 11 times more innovative than the least equal and diverse.[8] And some companies are beginning to link executive compensation to achieving diversity targets.

Three key elements are commonly found in companies that excel in diversity, inclusion and equality:

- Bold leadership. A diverse leadership team that sets, shares and measures targets openly.

- Comprehensive action. Policies and practices that are family-friendly, supportive of all genders, and bias-free in attracting and retaining people.

- Empowering environment. A workplace that trusts employees, respects individuals and offers the freedom to be creative in the way work gets done.

Utility employees at companies with these practices in place have more positive experiences at their employer (69%) compared to those who do not have such practices (26%), but just 15% of organizations claim to lead in this area. Diversity, equity and inclusion have a significant impact upon morale and performance, so this is an area that utilities should address with conviction and immediacy.

69%
of utility employees whose companies set and share people metrics have more positive experiences at their employer.

But only

15%
of companies surveyed claim to be leaders in this practice.

Conclusion: The "big three" for utilities

More utilities are taking the kinds of action needed to build engagement with their workforce, encourage innovation and creative thinking, and foster commitment and a sense of purpose among employees.

We find it helpful for utilities to think about the "big three" audiences for these initiatives, each with its own specific concerns and requirements.

- ### Current employees

    The objectives here are to create a shared sense of purpose, pay attention to things that affect employees' physical and mental well-being, and proactively train and/or upskill employees in order to prepare them for rapidly evolving business conditions. Utilities are playing a lead role in carbon reduction, and this offers a significant opportunity for developing a shared purpose.

- ### New talent

    Shared purpose will also help attract new talent. Other key considerations include defining and publicizing diversity, inclusion and equality goals, and building partnerships with institutions of higher education, or other organizations that are well-aligned with company values.

- ### Managers of people

    Leaders want to support their employees, but to do so need the appropriate tools and technologies. This is a two-way street; managers also need to be held accountable for developing talent. People development should be a central element of every manager's scorecard.

The utilities workplace was already evolving rapidly prior to 2020. The pandemic then created its own disruptions, but also accelerated changes already underway. Employers, including utility companies, have recognized an increased responsibility to not only protect and compensate their employees, but also to help them reach their full potential as workers and as human beings. Using Net Better Off as a framework for specific, data-driven actions, utilities can improve their employees' experience while attracting the talent needed for a challenging future.

Interested in learning more about your company's Net Better Off score? **Take the diagnostic** for your personalized score, along with insights and recommendations.

Contacts

Scott Tinkler
Managing Director
Utilities lead, North America

Inge Oosterhuis
Managing Director
Utilities lead, Talent & Organization/Human Potential

Chris Manshio
Management Consulting Executive
Utilities, Talent & Organization/Human Potential
North America

Contributors

Ethan Butler
Tess Cannon
Dawn Davis
Chris Forbringer
Kay Lackey
Andrea Lippin

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About CEWD

Formed in March 2006, the Center for Energy Workforce Development (CEWD) is a non-profit consortium of electric, natural gas and nuclear utilities and contractors and their associations—American Gas Association, Distribution Contractors Association, Edison Electric Institute, National Rural Electric Cooperative Association, and Nuclear Energy Institute. CEWD was formed to help utilities work together to develop solutions to ensure a skilled, diverse talent pipeline.