Plugged In: Talent Risk

Connecting with what matters to power and utilities workers

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In this edition of KPMG Energy Institute's *Plugged In*, we asked Matt Campbell and Angela Gildea to share and discuss some of the findings of the KPMG 2020 CEO Outlook and American Worker Survey and implications for power and utilities organizations.

What was one of the most interesting findings of the latest KPMG CEO Outlook?

The KPMG 2020 CEO Outlook underscored that leaders realize the upheaval from COVID-19 is weighing on their workforces. CEOs actually cited talent risk as a top threat to business growth—ahead of supply chain risk and a return to territorialism. It's just one of many complex challenges for CEOs as the pandemic continues to present a tremendous test of leadership abilities and personal resilience.

CEOs in the power and utilities industry are running businesses that, in many ways, are as essential as hospitals. In addition to powering healthcare facilities, these organizations are responsible for delivering energy to workers now connecting from their homes. And, as always, they're tasked with protecting the health and livelihoods of both employees and customers.

This is a moment to lead with even more purpose and impact, to embrace empathy and humanity—and that starts with an understanding of what matters to the workforce.

During this crisis, how have employees in the energy industry perceived their company's response? Do employees feel supported?

To complement our flagship CEO Outlook survey, we also fielded the KPMG American Worker Survey in July to get the viewpoints of people working in multiple industries—including energy. We wanted to take their pulse on what's happened so far and what lies ahead.

The great news is that 9 in 10 energy workers (88 percent) reported being satisfied with how their organization responded to COVID-19 (compared to 84 percent of all workers surveyed). Eighty-six percent said their organization acted quickly to create a safe working environment for everyone, and 88 percent said their employer effectively communicated about updates and changes to the business.

A similarly high proportion of energy workers (88 percent) said they trust their organization will do whatever it takes to ensure employee safety when they return to working in the office or other physical location. This finding—higher than the all-sector average of 84 percent—may reflect the energy industry's long-standing safety culture. Such a culture, in which employees are already accustomed to following numerous safety measures, gives power and utilities organizations an advantage when it comes to fully reopening.

An episode of the KPMG Current Conversations podcast anecdotally reinforced the value of a safety culture. In the discussion, Jim McHugh, CEO of Constellation and executive vice president of Exelon, spoke at length about the steps his organization has taken to implement sophisticated business continuity plans and ensure that employees are safe when they are working on-site—whether in an office, in the field, or especially in customers' homes.

Where are opportunities for power and utilities leaders to better understand and address talent risk?

Although they gave generally high marks to their organizations, energy workers are still feeling some strains from virtual work. Two-thirds (71 percent) indicated that the demands of their job have increased in the four months leading up to the survey (slightly less than the overall average of 76 percent), and almost half (48 percent) told us that their mental health decreased over the same period.

When we asked what their organization did to provide mental health support, less than half of energy workers reported that their organization had taken these measures:

— Provided flexible work schedules to meet nonwork needs

— Encouraged employees to focus on mental health or to take time off

— Surveyed employees to gauge how they were feeling

— Provided access to mental health professionals.

The lack of mental health support may explain why more than one-third of energy workers report worsening experiences across the board—in some cases, even more so than other American workers we surveyed. For example, compared to all workers surveyed, those in the energy sector were more likely to cite a decline in their organization's culture (40 percent versus 32 percent) and their team's ability to collaborate (39 percent versus 32 percent) from the onset of the pandemic through July.

During the COVID-19 pandemic, social and political issues have heated up across the country. How are energy workers thinking about these topics?

Interestingly, energy workers reported being largely satisfied with their organization's response. A recent episode of the KPMG Current Conversations podcast featured Mary E. Kipp, president, and CEO of Puget Sound Energy. Kipp wrote a powerful letter to employees about the organization's commitment to the fight for racial justice. Our survey found that three in four (77 percent) energy workers believe their organization wants to positively address workplace inequality. Yet less than half indicated that their employer has been as bold as Puget Sound Energy in terms of taking specific actions, such as:

— Making a commitment to address inequality in the organization (39 percent)

— Encouraging conversation surrounding inequality (38 percent)

— Providing resources on how to educate themselves on inequality (29 percent)

— Matching employee donations to organizations fighting racial inequality (16 percent).

Any other significant lessons from the survey of energy workers?

Across the board, one crucial lesson emerged from our American Worker Survey: Employees are not just a line item on a spreadsheet or a project plan. They are humans. The pandemic has reinforced this fundamental truth, demonstrating the importance of considering and caring for talent as individual people, not just business resources.

Final thoughts

During times of continued uncertainty and change, stay tuned in to employee sentiment. With an understanding of employee needs and preferences, leaders can better mitigate talent risk— and achieve goals for business growth.

KPMG Global Energy Institute

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