



# Dealing with an Aging Workforce: A New Vision For HR

By Richard Green

## News Flash >>

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### IRAQ POWER SHORT

**Iraq's power plants are capable of producing just half the power needed in the strife-torn country, says the U.S. Department of Defense.**

**Power plants are generating about 3,850 megawatts of electricity. Demand averages 8,000 megawatts. Prior to the war, it stood at about 5,000 megawatts.**

**The boosted power demand is a sign that the country's economy is rebounding, U.S. officials say.**

THE GRAYING OF the American workforce is not a new phenomenon, but it does seem to be getting a lot more attention lately. As *EnergyBiz* documented in its inaugural edition, the electric and natural gas utility industry is going to see upwards of 45 percent of its workforce reach retirement age within the next six to seven years. This can mean only one thing. Already in the process of reshaping itself after the demise of the energy trading and marketing business and swift movement away from energy deregulation, our industry faces yet another serious challenge.

At Aquila, where 37 percent of our employees are within five years of retirement eligibility, we have put several initiatives in place. On paper, they may look traditional. In practice, they are anything but.

One of our goals, of course, is to speed up the learning process for a large number of employees over a relatively short period of time. Another is not only to create a more collaborative work environment that inspires employees, but also to encourage employees to get to know their colleagues across our seven-state operating area. The goal is to create a work environment where individuals want to work together to solve both old and new problems. In short, we want to create an energized customer-service culture where our employees enjoy coming to work.

One endeavor designed to help nurture this environment is Aquila's team mentoring program named "Kaleidoscope." Borrowing from our corporate symbol, the kaleidoscope image has the ability to change, but in order to do so it needs to fully utilize all of its individual parts. That is the goal of the team-mentoring program, which is designed to increase cross-functional thinking, improve knowledge of organizational resources, foster collaboration, and facilitate personal, professional and organizational development.

Participants in the mentoring program represent all facets of the company, and every effort is made to assemble the most diverse environment possible (i.e., experience, job function, location, etc.). Individuals from across our seven-state footprint come together for day-and-a-half-long sessions for five successive months. Each session incorporates personal reflection, company and energy industry education, as well as group activities and feedback.

The focus is not on learning specific job tasks; nor does it follow a traditional one-on-one mentoring model. By fostering team learning, this approach strives to reach a symbolic objective: the development and enrichment of the individual and the organization. Each participant has traveled a unique path to get to this point — each has life, technical and interpersonal skills that contribute to the success of Aquila as well as their own personal goals.

Through interaction on personal and professional issues, members of the team develop relationships, gain knowledge of business issues, broaden their understanding of the impact they make, and better realize the available opportunities. All members of the team contribute information, influence discussions, generate ideas and mentor other participants using their unique expertise as it applies to session curriculum. The session topics include such matters as how a call center operates, the regulatory process (including a mock rate case hearing), work/life balance, and the importance of being an active participant in the community (including offsite volunteer work during business hours). In addition, the groups identify actionable business problems and offer solutions that have made an immediate impact on our business. This experience, which will include union members for the first time this year, demonstrates the importance of cooperation and collaboration across various work units and geographical areas.

Kaleidoscope is only one of our efforts to address the knowledge retention issue. Others we utilize may again sound traditional, but it's important that we engage in a number of approaches to create a better chance of achieving success during this transitional period.

- > **Apprentice program** — Aquila works closely with local colleges and technical schools to recruit individuals for its apprentice lineman and power generation training. The schools offer the students a mix of classroom training and simulation as well as an internship with a utility. Aquila's apprentice program builds on that initial knowledge through an additional four years of book study and on-the-job training.
- > **Aquila University** — This new resource for Aquila employees offers a combination of

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employee-led classes on industry topics (from “Electricity 101” to “Getting Your Business Case Approved”), as well as general skills training offered online by outside vendors (from “Handling Emotions Under Pressure” to “Proactive Listening”).

- **Business process improvement training** — To help ensure the success of numerous process improvement efforts taking place within the company, Aquila chose to train current employees in these special business skills rather than recruit outside experts. Through this “home-grown” approach, more than 200 Aquila employees have completed some type of formal process improvement training and participated in projects to fix problems and continually improve our business. We plan to make the process improvement tool part of our daily operations, embedding it in the culture of our company. One project team is specifically focused on the issue through a project titled, “Knowledge Retention of Skilled Employees.” This type of focus will help ensure that we maintain the ability to provide energy — both in the traditional utility sense and in the sense of an energized workforce.
- **Continuing education** — Aquila offers educational assistance funding to help its employees pay the cost of continuing education. During 2004, 110 employees took advantage of this benefit.

While programs and initiatives can help minimize some degree of knowledge loss that occurs as retirements begin, they are not the only things we have considered. For example, having a culture that is deeply rooted in shared values can allow for a tight resource network to develop that will offer ideas to augment current efforts. Here are two philosophies we consider most important:

- **Teamwork** — As an organization, we fully understand that no individual has all the answers. Open and robust dialog is a behavior we encourage at all levels. Teamwork is critical to help preserve knowledge, continually improve service and promote understanding.
- **Open communication** — To be successful, we must be focused on aligned objectives. Utility organizations are unique. The majority of our employees are out in the



Photo courtesy of: Aquila

community serving customers and don't sit at computer terminals with easy access to e-mail. Nevertheless, we still need to communicate with each other often and effectively. We do that in part by placing a virtual operating “dashboard” on the company's Intranet so that every employee can see at a glance where we are performing well and where we need to improve. We also believe a good part of that communication process is listening. Through listening, you can learn new ideas that are useful in developing solutions to problems and, more importantly, better ways to serve customers. We use a number of different means to deliver and receive information, including focus groups, employee lunches, conference calls, videos, traditional written communications and e-mails. Whether the communication is with employees or customers, shareholders or regulators, our focus is to step back and consider the issue from that person's point of view — an “in-your-shoes” approach. Like teamwork, communication is something leaders at all levels in the company must learn to do better.

▲ **Richard Green, right, consults with a worker about Aquila's power delivery system serving customers in western Kansas.**

As the year progresses, I am sure we'll identify other ways to engage our employees and address issues and problems created by the graying of the utility industry. The measurement, in today's business environment, is not so much what you accomplish, but what you overcome.

*Richard Green is the chairman and chief executive officer of Aquila.*

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