



Leading the social enterprise: Reinvent with a human focus

2019 Deloitte Global Human Capital Trends A Power & Utilities Perspective

2019's 10 human capital trends

This year's selected human capital trends leverage findings from Deloitte's [2019 Global Human Capital Trends survey](#), which had nearly 10,000 respondents across 119 countries. The 10 individual trends align to the theme of leading the social enterprise with a human focus, and are bucketed into three categories:

The future of the workforce: How organizations should adapt to the forces restructuring job and work design, the open talent economy, and leadership

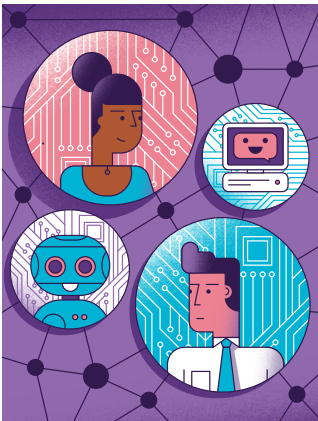
The future of the organization: How teams, networks, and new approaches to rewards are driving business performance

The future of HR: how the function is stepping up to the challenge of redesigning its capabilities, technologies, and focus to lead transformation in HR and across the enterprise.

The 10 individual human capital trends for 2019 are bucketed into three categories

Three Categories

2019 Human Capital Trends



The Future of the Workforce



The alternative workforce:
It's now mainstream



From jobs to superjobs



Leadership for the 21st century:
The interaction of the traditional and the new



The Future of the Organization



From employee experience to human experience:
Putting meaning back into work



Organizational performance:
It's a team sport



Rewards:
Closing the gap



The Future of HR



Accessing talent:
It's more than acquisition



Learning in the flow of life



Talent mobility:
Winning the war on the home front



HR cloud:
A launchpad, not a destination

Executive summary

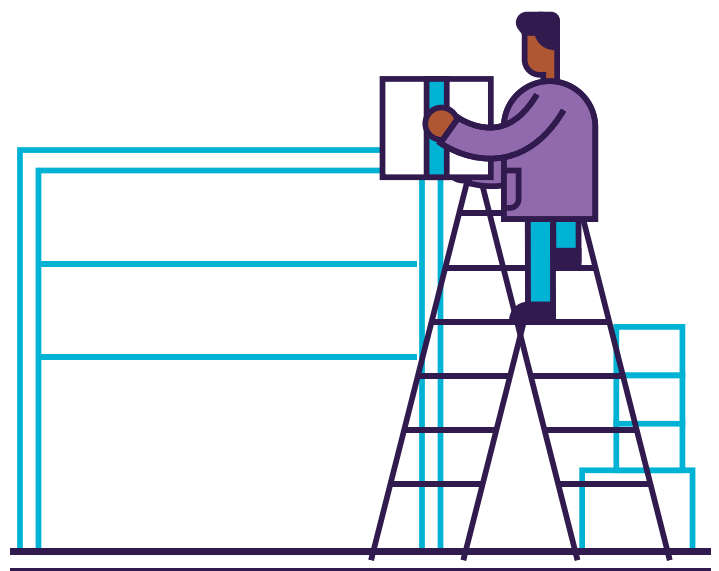
The top human capital issues facing the Power & Utilities industry are arising in a whole new context: the social enterprise. In 2018's [Global Human Capital Trends report](#), we described the rise of the social enterprise—organizations whose mission combines revenue growth and profit-making with the need to respect and support its environment and stakeholder network. This year, we believe the pressures that have driven the rise of the social enterprise have become even more acute. They are forcing organizations to move beyond mission statements and philanthropy to learn to lead the social enterprise—and reinvent themselves around a human focus.

Power & Utility leaders have recognized the issue but haven't solved for it. That's because leading a social enterprise is not the equivalent of practicing corporate social responsibility. Nor is it about engaging in social impact programs or defining a purpose or mission statement—though all of these are also important in their own right. Leading a social enterprise is about recognizing that, while businesses must generate a profit and deliver a return to shareholders, they must do so while also improving the lot of workers, customers, and the communities in which we live. And in today's world, with today's societal challenges, fulfilling this aim requires reinvention on a broad scale: This is not about tinkering at the edges. Why? Because with regard to work, the workforce, and the workplace, there is much work to be done.

This paper provides a Power & Utilities (P&U) industry-specific perspective on the [2019 Global Human Capital Trends report](#). Of the 10 trends presented in the full report, six are of utmost importance to the survey's P&U respondents. Tied for the highest-rated trend are addressing the human experience by connecting employees' work to the impact it has on the organization and society as a whole; and weaving learning into every facet of employees' lives, both at work and at home.

Other high-priority trends include developing an employee rewards strategy that is aligned to company strategy; and developing leaders who can draw on critical new competencies to lead through change, embrace ambiguity and uncertainty, and understand digital, cognitive, and AI-driven technologies.

We recognize that reinvention can be a daunting prospect, especially when our survey shows that many organizations are not ready to address the changes our 10 trends describe. That is why, this year, we have focused not only on the *why* and the *what*, but also the *how*. Depending on your organization's readiness and need to change, reinvention can happen in one of three ways. You can *refresh*: Update and improve the way things happen now. You can *rewire*: Create new connections that change the strategic direction. Or you can *recode*: Start over and design from scratch. Either way, there are two aspects of the reinvention that remain constant: (1) it must involve technology in some way—there is no path to reinvention without it; and (2) it must be a bold enough change to meet the challenges that the social enterprise presents.



Top human capital trends in Power & Utilities

The global longitudinal Human Capital survey included 1,157 Energy, Resources & Industrials (ER&I) industry respondents across 100 countries, of which 282 were Power & Utilities respondents across 57 countries.

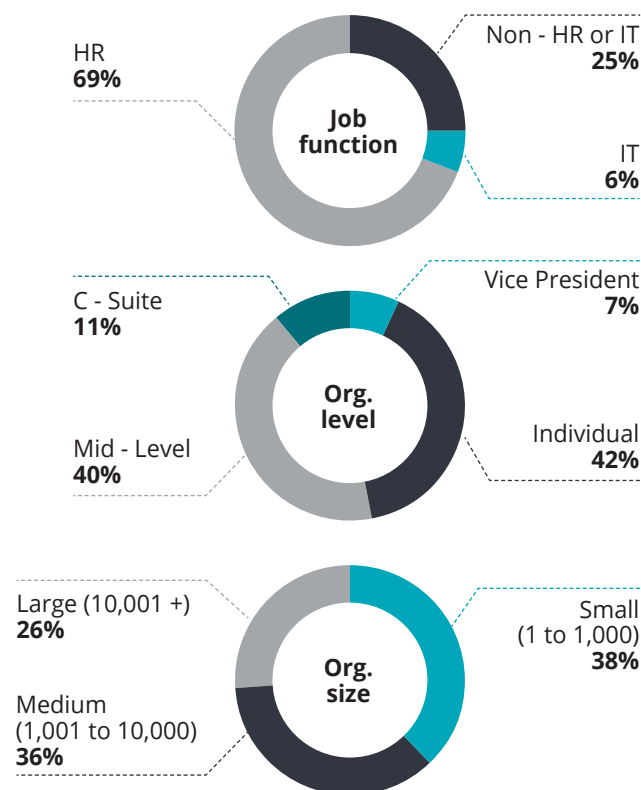
2019 HC Trends Report: Power & Utilities



The global longitudinal Human Capital survey included **282 Power & Utilities** respondents across **57** countries

Human Capital Trends Survey

Total respondents for Power & Utilities = 292



P&U survey participants identified six 2019 trends that are of utmost importance to their organizations.

The Future of the Workforce

The Alternative Workforce: It's now mainstream
 Leadership for the 21st Century: The intersection of the traditional and the new

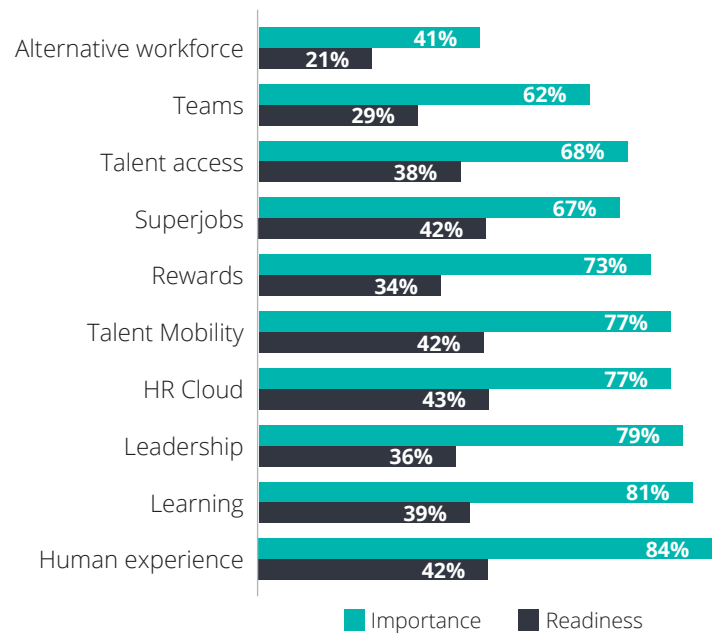
The Future of the Organization

From Employee Experience to Human Experience: Putting meaning back into work
 Rewards: Closing the Gap

The Future of HR

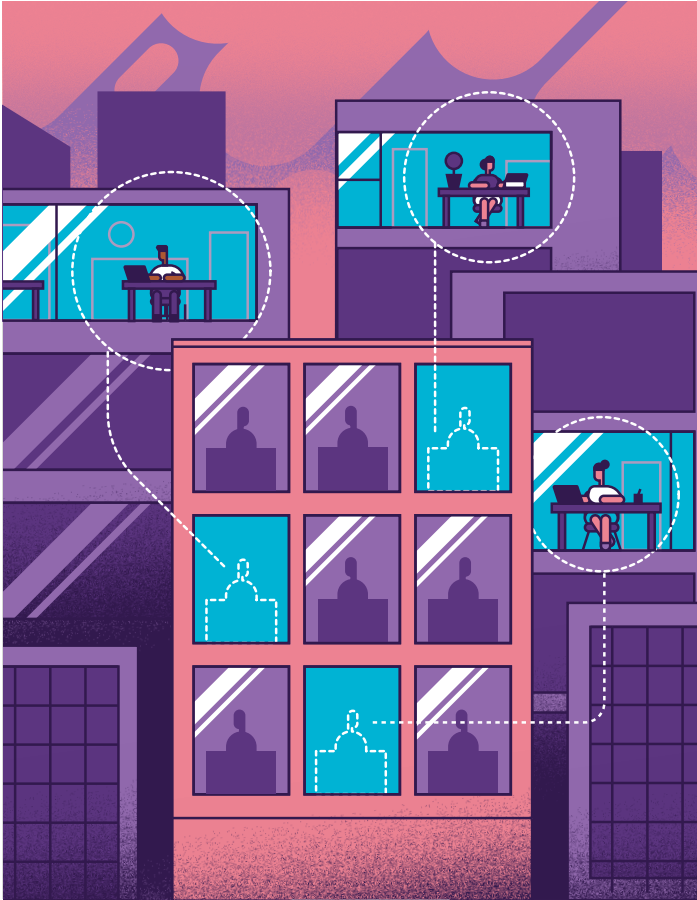
Learning in the Flow of Life
 Talent Mobility: Winning the war on the home front

Top 10 Human Capital Trends: The perspective of Power & Utilities



The Future of the Workforce

The alternative workforce: It's now mainstream



P&U organizations that want to grow and access critical skills for the future will need to look strategically at all types of work arrangements, from full-time employment to alternatives including contract, freelance, and gig positions.

The alternative workforce has evolved from its traditional role of supplementing full-time jobs to become a primary source of valuable skillsets in a tightening talent market. Yet even as P&U organizations increase the size and scope of their alternative workforce, it may be challenging to integrate the segment into their overall organization.

P&U survey results about the alternative workforce trend were mixed: Respondents ranked the trend lowest for overall readiness (23%) but they also ranked it low in importance (39%)—perhaps because companies feel they have been properly managing contingent workers for years. However, the landscape is changing; best practices to access and deploy today's and tomorrow's alternative workers are just now being invented. P&U companies have much to learn as they move beyond managing contractors and freelancers to optimizing and leveraging the alternative workforce deliberately and well.

Opportunities

- Introduce flexibility into operating and employment models to adapt to new work arrangements that can help fill current and anticipated skill gaps.
- Identify where technology (e.g., bots) can create opportunities for all employees to pursue roles (beyond manual tasks) that align with what motivates them.
- Enlist representatives from multiple internal functions (HR, IT, etc.) to collaboratively establish management policies for the organization's alternative workforce.
- Create a sense of belonging for alternative workers. Equip them with the appropriate tools, training, and security clearances so they are truly viewed as company employees.

Nearly a quarter (23%) of P&U respondents report that they have little to no processes in place to manage the alternative workforce, and only 13% of respondents indicate that they have best-in-class processes in place for managing the alternative workforce.

Leadership in the 21st century: The intersection of the traditional and the new

More than three-quarters (79%) of P&U survey respondents said that 21st century leaders face unique and new requirements: They must take a nuanced approach to pursuing traditional business goals and draw on critical new competencies, including leading through change, embracing ambiguity and uncertainty, and understanding digital, cognitive, and AI-driven technologies. In addition, P&U leaders are being pressured to take a position on social issues; C-suite executives are being asked to work more collaboratively across functions; and line leaders must learn to operate in networks of teams, even as they are still being evaluated on traditional business operational outcomes.

P&U companies should be developing skills and metrics today that will help their leaders effectively engage with external and internal stakeholders and manage the workforce of the future.

Opportunities

- Consider transitioning from traditional hierarchical management models to flatter, more flexible options that can integrate rapid workforce and technology changes into daily operations. More than half (56%) of P&U respondents said the primary driver of why leaders were not effective at managing teams is because hierarchy drives performance management.
- Provide education, experience, and exposure to help leaders: gain different perspectives on the organization's people and processes; manage a diverse, multi-generational, and complex workforce; and be inclusive, connected, and agile to drive collaboration among functions and the business.
- Look to P&U peer companies and other industries for innovative performance measurement programs.

Leading through more complexity/ambiguity (86%) and leading through influence (66%) were P&U respondents' highest-rated new leadership requirements.



The Future of the Organization

From Employee Experience to Human Experience: Putting meaning back into work



Improving what is often called the “employee experience” was rated as the most important human capital trend among P&U respondents (83% rated it as Important or Very Important). But the concept of employee experience falls short in that it fails to capture the need for meaning in work that people are looking for.

Given the significant impact P&U companies have on the societies in which they operate, employees are very passionate about their organization’s mission and goals; however, they may not feel that their work directly impacts either. Many workers are not satisfied with their current job design because, they say, leaders have not looked at what employees need and what they do, and have not tied work back to what they value.

Opportunities

- Refresh and expand the concept of “employee experience” to address the “human experience” at work—building on an understanding of worker aspirations to connect work back to the impact it has on not only the organization, but also society as a whole.
- Remove people, process, and technology obstacles so workers can perform their jobs effectively.

Only 42% of P&U respondents said that employees in their organization were satisfied or very satisfied with their current job design, and 43% indicated that their organization was only somewhat effective or not effective at creating meaningful work for their employees.

Rewards: Closing the Gap

P&U organizations are exploring an array of perks and rewards to motivate their people, but efforts are falling short of the mark. Historically, P&U leaders have benchmarked their rewards strategy and programs against industry competitors; however, according to survey respondents, they do not understand what their employees truly value and provide appropriate rewards and benefits. Only 6% of respondents reported that rewards were very effective at accommodating the diverse needs of their full-time employees—this number drops to 2% for part-time employees.

How can P&U organizations close the gap and develop rewards that align with more agile models for performance measurement and also address workers' legitimate expectations and needs?

Opportunities

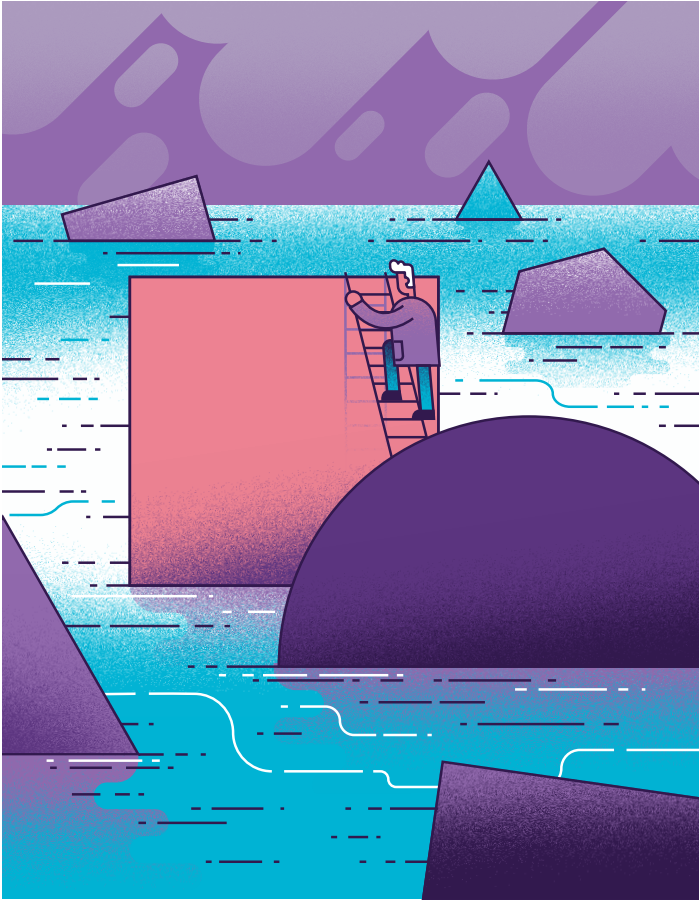
- Focus on building relationships with workers to identify what they value; include employee representatives in reward program planning, budgeting, and execution.
- Eschew external benchmarking in favor of curating a differentiated suite of rewards that map to organization and employee values.
- If there are no regulatory constraints, leverage unions to gather information from workers to understand how to better meet their needs, recognize and reward performance, and provide value to their jobs.

Half (53%) of P&U respondents indicated that their organization's reward strategy was only somewhat aligned or not aligned to their company goals. The highest-rated barrier to changing their organization's reward strategy? According to 29% of respondents, it is union restrictions/legislative requirements.



The Future of HR

Learning in the Flow of Life



Learning is becoming more integrated with work, more personal, and shifting—slowly—toward lifelong models. Yet most P&U organizations still use a traditional approach of driving employees to formal learning management systems to take prescriptive, web-based training. Effective reinvention requires a culture that supports continuous learning, incentives that motivate people to take advantage of learning opportunities, and a focus on helping individuals identify and develop new, needed skills.

New digital platforms and tools that facilitate experiential learning on the shop floor, on the road, and at home can help P&U organizations encourage learning in the flow of life.

Opportunities

- Put employees in control by providing access to training programs both inside and outside the workplace, and allowing them to choose the time, location, and pace of learning.
- Develop experiential learning platforms that use digital technologies such as 3-D modeling and virtual reality so that employees can navigate real-life situations (e.g., building a virtual nuclear facility) without safety risks.
- Position learning so that employees view it as a reward because it will provide them with the skills and capabilities they want and need to succeed in the future workplace.

Survey results indicate that P&U companies need to strengthen their learning culture: 42% of respondents stated that learning in their organization is not positioned for future success; 52% rated their learning function's ability to quickly identify and meet evolving work needs as fair or inadequate; and only 9% said their company had an excellent learning culture.

Talent Mobility: Winning the war on the home front

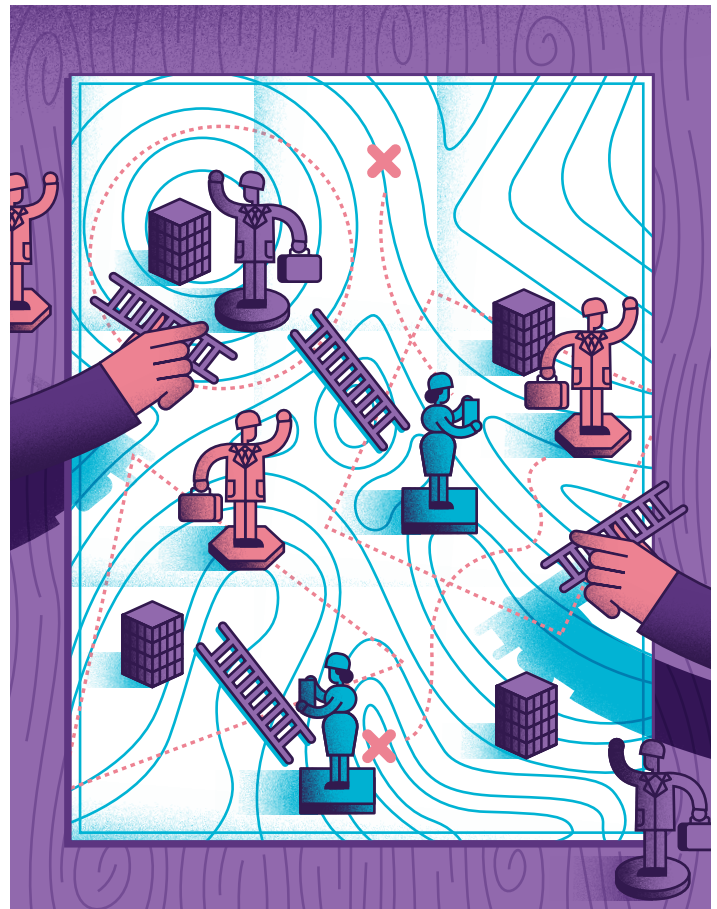
P&U organizations can no longer expect to source and hire enough people with all the capabilities they require now and in the future; they must develop people internally to thrive. Unfortunately, talent mobility is not a cultural norm for P&U companies. Career progression is not seen as moving from one area to another, but only as moving up through the ranks in one area. In fact, 60% of P&U survey respondents indicated that it is easier to find a new job in another company than a new role in their current organization.

The P&U industry needs a new set of norms governing talent mobility. It should be perceived as a natural, normal progression rather than a major change in one's career; opportunities to move should be extended to workers at all levels, not just managers and team leaders; and technology should enable a streamlined mobility process for moves between functions, jobs, and projects as well as geographies.

Opportunities

- Eliminate common barriers to talent mobility: Lack of consistent processes for moving employees within the organization; lack of internal employees to fill roles; lack of willingness of current leader to move employees.
- Reward leaders for being talent exporters; encourage departments to share information on current talent needs and opportunities.
- Develop technology-enabled tools to help managers identify what capabilities their employees have and provide employees visibility into mobility opportunities (e.g., a gaming app for employees to find projects outside their scope of work).

Nearly three-quarters (73%) of P&U respondents said they expect the need for talent mobility to increase in their organization over the next three years. However, 62% of respondents rated their organization's effectiveness in enabling talent mobility as fair or inadequate.



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Reinvention starts here



Visit the Deloitte Human Capital Trends app for exclusive access to the insights and tools you need to reinvent with a human focus.

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