EVERY UTILITY NEEDS A KNOWLEDGE RETENTION PLAN

By Julie Ryan

The electric utility sector is one of the more stable industries from a workforce perspective. Yet we are seeing more vacancies, partly from retirements, but also from a contracted U.S. workforce, fierce job competition, and employees spending less time in jobs. Annually, the Poole College of Management at North Carolina State University and the global consulting firm Protiviti conduct an enterprise risk management survey. In the 2022 survey of 1,453 international board members and executives, they found that workforce challenges were one of the top risks facing organizations.

"People and culture risk issues dominate the top list of risks for 2022, suggesting those issues are a top concern on the minds of this year's respondents as they navigate the war on talent," the report noted.

The U.S. Department of Energy tracks workforce trends in electric power generation, transmission, distribution, storage, energy efficiency, and motor vehicles in its annual U.S. Energy and Employment Report (USEER). In "A Snapshot of Key Findings From the 2021 Energy & Employment Report," the DOE noted the energy sector had a higher annual growth rate in energy jobs than the broader economy did. Before the pandemic, energy sector job growth was 3% per year, compared to 1.5% in the general economy, according to the report. This job growth was chiefly in renewable energy, battery storage, and electric vehicles. In its 2022 report, the industry growth was even more significant.

"The 2022 USEER analysis shows that energy jobs have rebounded, after sharply declining in 2020 due to the COVID-19 pandemic and subsequent economic fallout. In 2021, energy jobs grew 4.0% from 2020, outpacing overall U.S. employment, which climbed 2.8% in the same time period. The energy sector added more than 300,000 jobs, increasing the total number of energy jobs from 7.5 million in 2020 to more than 7.8 million in 2021," the report stated.

In this environment, utilities need a proactive knowledge retention plan. A successful utility operates as a team of collaborative people, not as a collection of solo players. Therefore, the first knowledge retention guiding principle is that the organization and its people will prosper even if a key employee departs. The second guiding principle is making job movement more efficient, which should increase employee retention. We all know colleagues who recently started new jobs and said, "I came into this without any prior training," or "If only I had had some help when I started this job." Utilities can build internal practices to help people get a running start in new roles.

Some industry sectors are very effective in knowledge retention. For example, consider how global consulting firms have prospered for decades. Their businesses rely exclusively on intellectual capital. And yet they have a revolving door workforce as professionals come and go. But they have developed knowledge retention practices and have built an internal culture focused on knowledge transfer. For example, they retain excellent records of client profiles, client deliverables, expert witness testimony, economic studies, statistical analyses, and models. In addition, their organizational design facilitates knowledge transfer. Senior consultants typically form teams to complete client projects. Then, they delegate the work and mentor the team members.

Knowledge retention strategies vary by industry sector and organization. But all organizations can follow several steps to develop their knowledge retention strategies.

The first step is to assess the organization's knowledge retention vulnerabilities by identifying the critical systems, processes, and operations where the utility has limited bench strength or depth of knowledge.

The next step is to consider two aspects of knowledge transfer: explicit knowledge and implicit knowledge. Explicit knowledge refers to the information easily captured in repositories, such as contracts, vendor information, maps and figures, and data. Implicit knowledge is knowledge inside a person's head. It can run the gamut from how a machine operated under different scenarios to how a complex settlement with stakeholders was successfully negotiated. The knowledge stemming from personal experience is challenging to retain in an organization. Some avenues to capture implicit knowledge include interviews, demonstration videos, written procedures, and activity logs.

After considering vulnerabilities and defining explicit and implicit knowledge,

Customized
- One-on-one training
- Job shadowing
- Job sharing
- Mentoring
- Internal and external peer networking
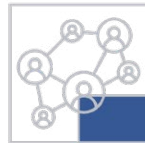
General
- Shared data and systems
- Activity logs
- Procedure manuals
- Compliance filings
- Training guides and programs
- Recordings

the final step is brainstorming knowledge transfer strategies. Here, utilities should consider two approaches. The first is customized knowledge transfer to specific individuals, and the second is general organizational knowledge transfer.

Customized knowledge transfer is appropriate for knowledge transfer to a specific individual. Often there is advance notice when an employee assumes a position vacated by someone transferring internally or retiring. Therefore, supervisors have time to plan a customized knowledge transfer in these circumstances. Examples of customized knowledge transfer include one-on-one training, job shadowing, job sharing, mentoring, and internal and external networking.

However, customized knowledge transfer is not always possible, such as when an employee is leaving the organization or if an individual's employment is terminated. Not surprisingly, there is little motivation for the departing employee to help with customized knowledge transfer. As a result, there is minimal advance notice for the supervisor to plan the knowledge transfer. Another example where customized knowledge transfer is less prevalent is in entry-level jobs that turn over often or when the organization hires multiple people simultaneously.

Therefore, when customized knowledge transfer is not viable, organizations turn to general knowledge transfer practices. Both explicit and implicit knowledge fit in general knowledge transfer. For example, explicit knowledge would be available in archived plans, schemata,

contracts, and data for employees in new roles. And implicit knowledge may come from activity logs, procedure manuals, training programs and guides, and video and audio recordings. However, explicit and implicit knowledge transfer must be planned in advance for the general knowledge transfer to be effective. But this will require employee cooperation and commitment.

Effective communication is essential to engaging employees. Supervisors should ascertain how their direct reports feel about sharing knowledge to assuage concerns. Initially, they can explain the knowledge-sharing culture and associated initiatives to set the context. And they will want to promote professional development opportunities for their direct reports. Occasionally they may need to debunk inaccurate internal myths about knowledge transfer. Finally, supervisors can explain that training your replacement is part of moving into a new role. When employees understand the collaborative approach and the opportunities for further learning and growth, they will be more likely to invest time in supporting knowledge retention initiatives. NWPPA

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May 31

Increase Employee Engagement
June 14

Recruiting Is Everyone's Job
June 28

Upgrade Training and Development
July 12

Manage Differences in the Workplace
July 26

Improve Knowledge Retention
Aug. 9