

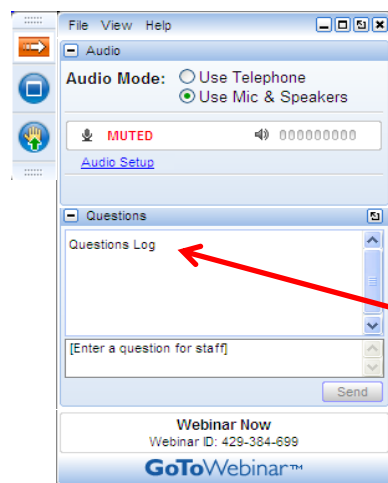
Strategic Workforce Plan/ Employee Value Proposition

Thursday, February 21, 2019
1:00 – 2:30 pm ET



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How to Participate Today



- **Audio Modes**
 - Listen using Mic & Speakers
 - Or, select “Use Telephone” and dial the conference (please remember long distance phone charges apply).
- **Submit your questions using the Questions Pane.**
- **A recording will be available for replay shortly after this web seminar.**



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Today's Moderator



Walter L. Graf, Jr.
Program Director – Asset Management & Intelligent
Water Systems
The Water Research Foundation



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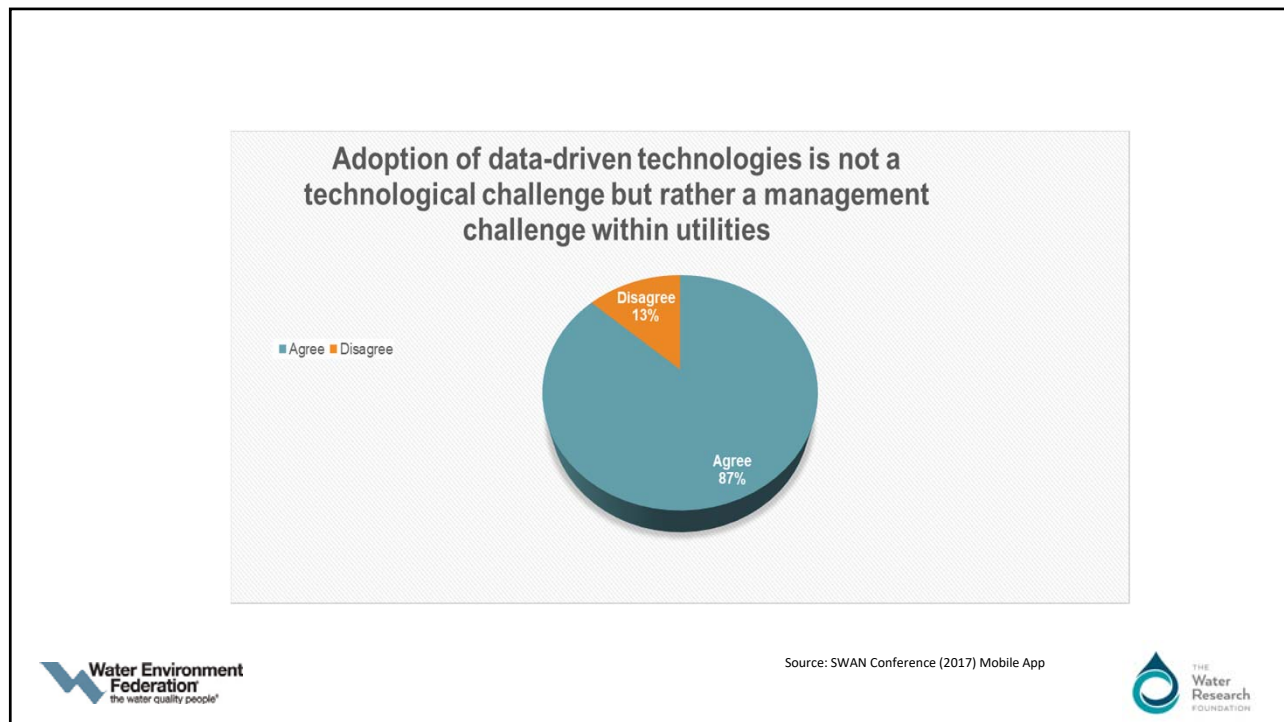
Today's Speaker



Matthew Campbell
Managing Director, Advisory – Talent + Organization
KPMG LLP



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WRF Recent Workforce Efforts

- Second in a series of WRF and the Water Services Association of Australia (WSAA) partnerships in future workforce topics for the water sector.
- The first collaboration was the *Workforce Skills of the Future* project
- Two key foundation programs - SWP and EVP
- The outcomes have the potential to shape how all subsequent initiative are taken in the sector

Water Environment Federation
the water quality people®

THE Water Research FOUNDATION

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Strategic Workforce Planning And Employee Value Proposition

Hosted by DC Water Thursday January 10-11, 2019

&

Hosted by San Francisco Public Utilities Commission Tuesday January 15-16, 2019



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Workshop Attendees

- In January 2019, in Washington, D.C. and San Francisco, over 50 attendees from 11 utilities attended workshops on Strategic Workforce Planning
- During this workshop hosted by the Water Research Foundation, in partnership with KPMG and WSAA, attendees were presented data and results from Australia's water sector and given an opportunity to explore the composition and needs of the future workforce for the water sector
- Attendees assessed the state of their current workforce planning efforts and brainstormed next steps for their individual utilities and the sector as a whole



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Strategic Workforce Planning

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Why are we here?

INTERNATIONAL project: **WSAA, WRF** and **UKWIR**

OCCASIONAL PAPER published in December 2017

Key **WORKFORCE TRENDS** and **FUTURE SKILLS** required in the Water Sector

Key **GLOBAL DRIVERS** for change and enablers for success

Focus on **CUSTOMER TRENDS** and **FUTURE OF WORK**

Two key foundation programs:

1 **STRATEGIC
WORKFORCE PLAN**

2 **EMPLOYEE VALUE
PROPOSITION**

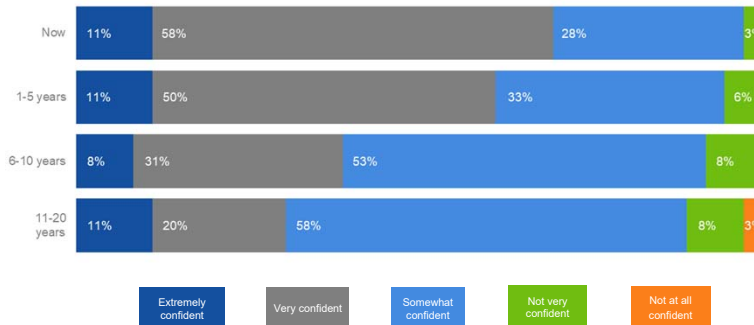


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Context

Recap from Future Skills project- **United States results**

“Considering the skills and capabilities of your workforce, how confident are you that these will enable you to deliver against your current, medium, and long term business objectives?”



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Why are we here?

From a June 2018 report from the Metropolitan Policy Program at the Brookings Institute:

“The economic opportunity stems from the urgent investment needs across the country’s water infrastructure assets...With \$655 billion in capital investments needed nationally over the next 20 years”

“Collectively, the water workforce fills 212 different occupations”

“The changing nature of work in the [water] sector, including new types of field work, new design guidelines, and increased automation, only add to the breadth of skills needed.”

“On average, water workers use 63 different tools and technologies each, compared to the 6 tools and technologies typically used by workers in all occupations nationally.”



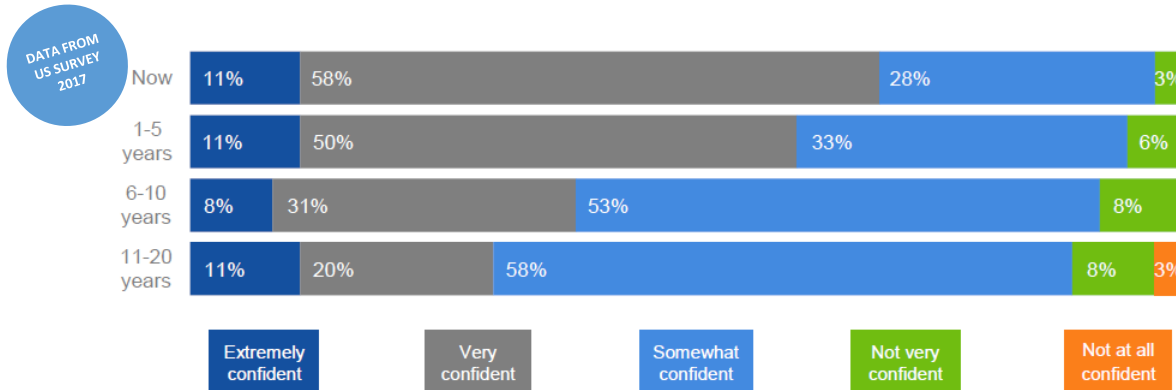
Source: Kane, Joseph and Tomer, Amie. Metropolitan Policy Program at Brookings Institute. [“Building the Water Workforce: Improving water infrastructure and creating a pipeline to opportunity”](#). June, 2018.



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Confidence in skills and capabilities

Considering the skills and capabilities of your workforce, how confident are you that these will enable you to deliver against your current, medium, and long term business objectives?



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Trends in Strategic Workforce Planning



Growing demand for labor, and shortages in key and specialist skills



Cost pressures, excessive spend on freelance staff, and concerns regarding redundant skills



A constant evolution of technology advancements and cognitive intelligence along with customer demands

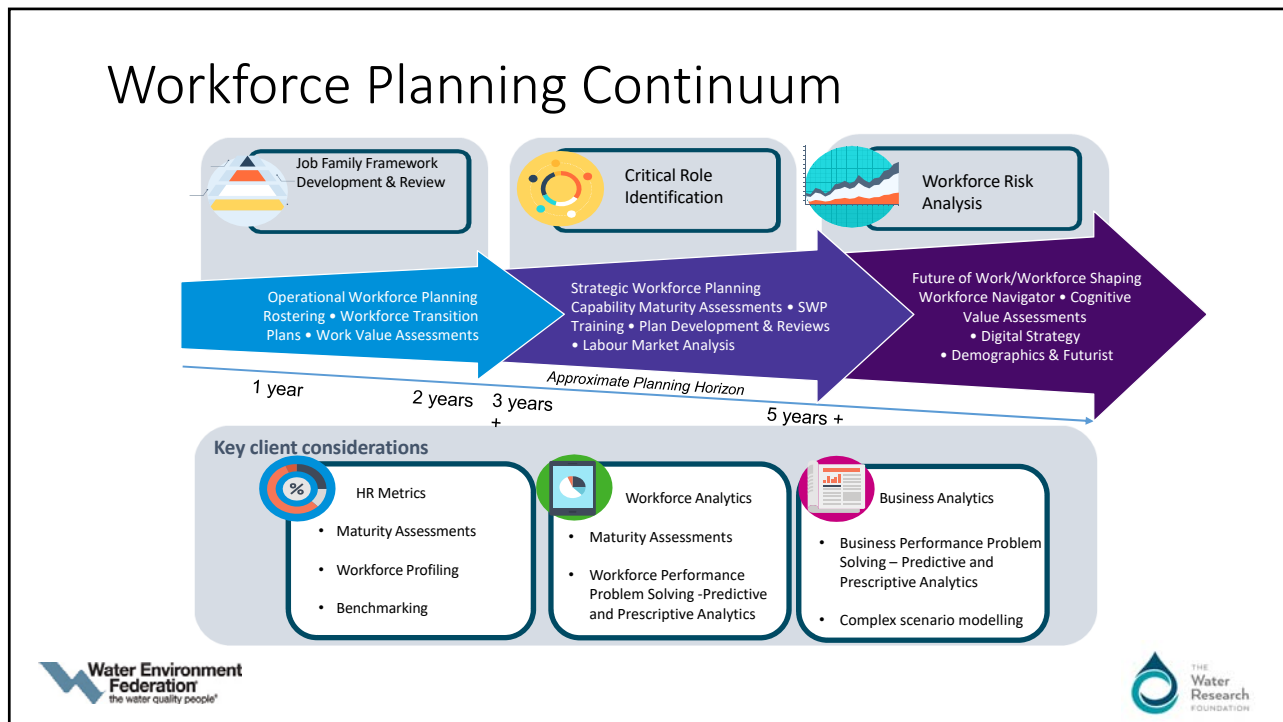


Increased mobility of people and need to consider global talent pools



Developing and retaining great talent

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Strategic Workforce Planning Maturity (San Francisco)

KPMG's Strategic Workforce Planning Maturity Model

Criteria	Level 1: Incomplete	Level 2: Established	Level 3: Developed	Level 4: Advanced	Level 5: Excellence
Workforce planning approach	No formal SWP approach or process Any activity is ad-hoc	SWP is carried out in response to business requests Planning is captured manually	SWP process is implemented in parts of the organisation Spreadsheet tools used to capture plans	Whole organisation approach to SWP In-house or proprietary tools used SWP	SWP seen as an integrated element of business strategy and planning processes Technology enabled
Integration with talent management	Recruitment, training & development, and internal moves managed in response to line manager or employee requests	Recruitment, training & development, and internal moves implemented as required to meet business needs	Talent management initiatives driven by SWP process in parts of the organisation	Talent management initiatives driven by SWP process across the organisation	Talent management initiatives driven by predictive workforce analytics and SWP processes used across the organisation
Impact	Lack of or limited SWP leads to ineffective matching of workforce supply to demand and high cost solutions being implemented	HR and resourcing solutions seen as reactive rather than strategic and proactive	Parts of the organisation seen as approaching resourcing more strategically Limited ability to provide joined up solutions across business units / regions / divisions	SWP proactively drives effective resourcing processes and decisions linked to organisation's strategy and business planning	SWP and predictive analytics improves ability of organisation to forecast likely scenarios and ability to anticipate resourcing requirements
Workforce data	People data is fragmented, incomplete and inaccurate Requires cleansing for use for effective SWP No or high level measures only	People data complete but skills data not collected Historical workforce reporting and simple measures available (e.g. attrition, recruitment KPIs)	People data includes ability to report on key skills Dashboard of agreed workforce measures used in reporting	People data includes contingent workforce Advanced reporting on people and skills against workforce measures	People data integrated with business data allowing integrated reporting on people and business measures
Demand forecasting	Manual high level estimates, limited analysis Difficult to translate to impact on resource requirements	Manual estimates, basic analysis Links to core skills	Technology enabled, basic analysis Covers range of skills	Technology enabled, range of demand scenarios Covers range of skills, front and back office	Technology enabled, supports prediction of most likely scenarios Covers most skills
Workforce supply forecasting	Forecasting limited to current financial year	Forecasting based on previous 12 months data on recruitment, leavers and internal moves projected forward	Forecasting based on assumptions for recruitment, leavers and internal moves based on changes expected within the organisation and in the external environment	Using rules to build forecast of joiners, leavers and employee movements between organisation units and/or workforce segments	Using predictive analytics to forecast joiners, leavers and employee movements between organisation units and/or workforce segments

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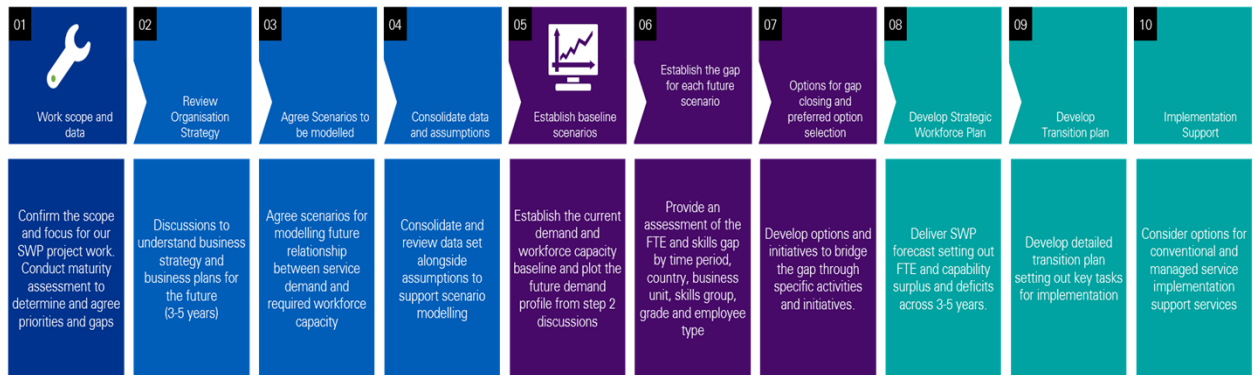
● Current State of organization

● Ideal Future State of organization

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KPMG's Strategic Workforce Planning Approach

Scope – Project definition and maturity assessment. **Prepare** – Strategy review, scenarios to be modelled and data collection. **Analysis** - Modelling workforce requirements to align with current and future demand requirements and identification of FTE requirements and skills gaps. **Planning and integration** – SWP forecast based upon preferred option for gap closing, transition planning and implementation support.



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SWP Uses Scenarios to Understand Supply and Demand Requirements

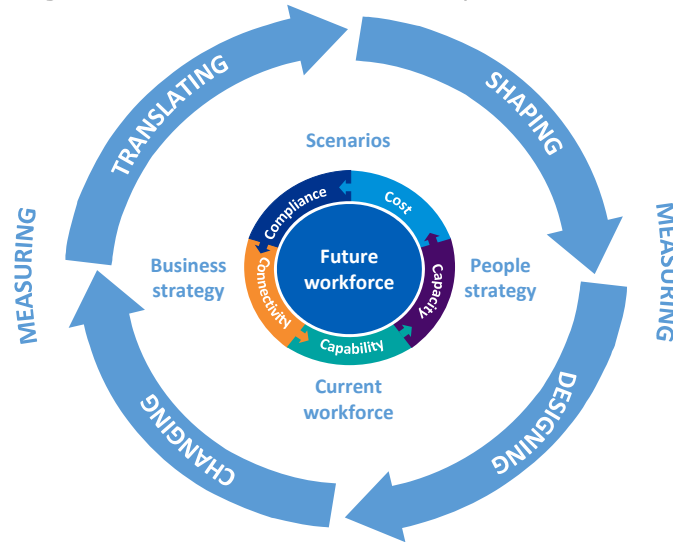


- Analysis of current supply and demand profiles
- Visualise outputs by job family, capability, skill group, location or division
- Consider FTE and cost views, and the bottom line impact of every option
- Ability to “slice and dice” data using any combination of filters
- Generate and analyse a range of demand and supply scenarios



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Navigating Workforce Disruption



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Show and Tell

- What skills and capabilities are you prioritising in your current Workforce Plans?
- What are the critical roles/workforce groups that will enable success?
- Is your Workforce Planning operational or strategic?



Attendees discussing current workforce planning activities and future needs



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Current Workforce Planning Maturity

Top 10 Workforce Planning Activities currently being undertaken across the US Water Sector:

1. Development & Mentor programs (team, leaders, entry-level employees)
2. Strategic business planning to meet budget requirements
3. Improving recruitment (Accelerated; Expanding outreach to Millennials and Veterans)
4. Career Pathways and increased interior mobility
5. Performance management systems
6. Retirement projections and turnover analyses
7. Strategic workforce planning to satisfy fiscal planning
8. Training (Cross training, shift study, internships, apprenticeships)
9. Job Description assessments and reviews
10. Rewards & Recognition programs

Top skills and capabilities currently being targeted across the US Water Sector:

1. Trade skills and programs (electric, mechanical, engineering)
2. Leadership skills
3. Technical skills
4. Operators (Waste water)
5. Entry level workers
6. Information Technology: security, GIS, programming; Data Analytics
7. Veteran workforce
8. Management skills
9. Change management
10. Automation



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First steps in applying SWP – Identifying Scenarios

Participants discussed the known and emerging needs of 5 stakeholder groups, which would create scenarios causing future strategic workforce skills demand

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Customers & Technology

Customers & Technology

1. Real time data to customers
2. Mobile devices to get shift out (ex, system on device)
3. Predictive O&M
4. Career ladders in place
5. Total Operators
6. Unlimited access to (w) workforce
7. Virtual staff
8. Unlimited \$

How Does the Work Change

1. More IT, IT Professionals
2. More P.R.
3. Artificial Intelligence
4. "Part" Maintenance Skill Set
5. Skill Set for Technology
6. Infrastructure: Development Focus (Revenue Generation)
7. Research: Innovation

Customers & Tech

App - to ✓ their status/act. request service: ask 24 - Customized Dash Board

Low Rates - No interruption of service

What you are spending money on - transparency (capital project)

Environmental Stewardship? sustainability

Water Quality

Innovation - using new technologies - efficiency

Fiscal - Responsibility - transparency Profiles

Industry Jobs - People + their jobs

Education about water system and the people - understanding the cost of service

Websites that navigate easily - seamless especially job section for people looking for jobs

Community involvement - agency citizenship



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Management & Technology

Management

Technology

- Process efficiencies
- Real time data to customers
- Mobile devices to get shift out (ex, system on device)
- Predictive O&M

Staff Mgmt

- Career ladders in place
- Total Operators
- Unlimited access to (w) workforce
- Virtual staff
- Unlimited \$

Management & Tech

- Workforce development through use of
- Increase automation
- Increase AI + robotics
- Improve data collection for programmatic
- Increase efficiency through technology + training
- Outreach to our customer base to explain improving infra-structure to preserve the environment
- Observe political trends to influence change
- Increase synergy



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Regulators & Environment

Regulators & Environment

- Climate Solutions
- Sustainability of Infrastructure Assets
- Increasing Resilience
- Climate Change
- Hazardous Chemicals
- Population Changes
- Market Changes
- Energy Independence/Climate
- Emergency Contaminants / EPC
- LABOR Regs / Min Wage
- Shrinking GOVERNMENT Funds
- Shifting Markets → DGB

Regulators & Environment

- Nutrients in Bay [Infrastructure Cost increase]
- Drinking Water regulations
- Drought impacts [Conservation Cost increases, rate increases]
- Fires / runoff [Water Quality demands]
- groundwater regulations
 - Delta - salt water intrusion
 - gas.
- State Politics / water management
 - Fed → - state costs - public scrutiny
 - Lobby impacts

Economic Regulator - Rate control



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Employees

Employees

- Above avg pay - flexible hours
- Work/life balance/flex
- Career advancement / opp
- Job Rotation
- Recognition, Merit, Bonus

Work changes:

- Technology - to allow work arrange
- Increase in LTD / staffing needs
- additional training
- Increase efficiency
- (create positions to reduce on job)

Employees

- more → engagement & input
- encouraging growth, esp in an employee
- INVESTING IN TRAINING, OPPORTUNITY ACROSS "SECTOR" from various credentials
- SHIP (better understanding) TRAINING PROVIDERS

Increased competency also increases compensation

- choice for involvement on business or leadership feedback
- value vs recognition (obligatory?)

Appreciation for level of contribution

- Allowing student investments & debt (more consideration for early career career)
- regarding "frontline" problem solving that can be adopted across the organization
- "I feel my work is meaningful" → by treatment from leaders, peers.

PART 2 ... new ways of working

- 1) employees become organization's ambassadors
- 2) employees will have reinforced "meaningfulness"
- 3) A "TECHNOLOGY READY" capable organization



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Parent Organization

Parent Organization (regulation)

- Increase compliance
- Daily brand & customer support
- Compliance Leadership
- Sustainability Goals
- Community Leadership - Get together
- High customer satisfaction
- Competitive Take Awards
- Employee Safety
- Happy with operational work flow
- Compliance - Regulatory - Safety
- Support needs to continue

New types of work

- Workforce Planning
- Efficiency Programs
- Tech enabled - Chatbots
- On-site Employee Training
- Asset Management (Advanced)
- Community Involvement
- Diversity

Stakeholder / Parent Organization

- 1) Predictable Expenditures (short long-term)
- Full Compliance
- Customer - Centric
- Less emergencies to elevate to board
- 2) More collaboration across the industry
- Better relationship between board & staff

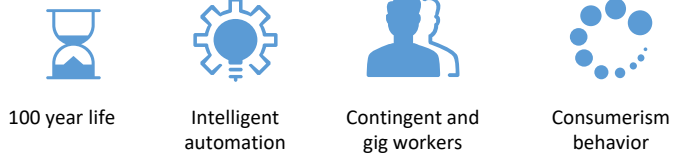
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Employee Value Proposition

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Why are we here - A view of disruption

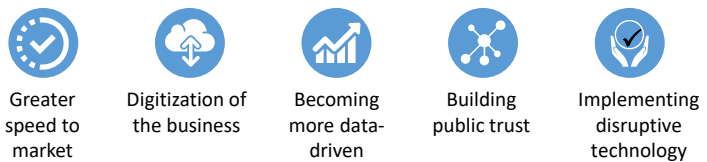
Macro trends are predicted to have the greatest impact on the workforce. Organizations must address both industry disruptions and workforce challenges.



72%

of CEOs say that rather than waiting to be disrupted by competitors, their organization is **actively disrupting** the sector in which they operate.

Top five strategic priorities in next three years



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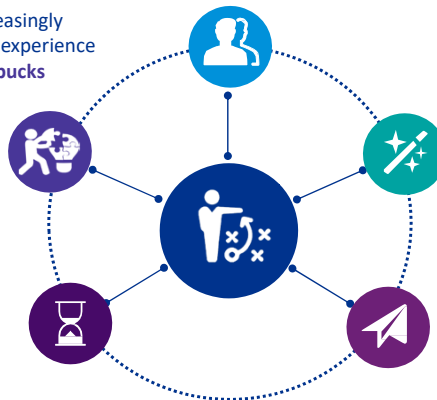
Workforce expectations have changed

End-to-End experience

Customers see products as increasingly commoditized— an end-to-end experience is what differentiates, e.g., Starbucks and Tesla.

Instant everything

Customers expect on-demand access to information—24/7 consumer service—enabled by mobile access, e.g., PayPal and Amazon Prime.



Customized convenience

Rather than incumbent providers, consumers are turning to new “entrants” that are more innovative and convenient, e.g., Netflix, Uber and WhatsApp.

Everyday magic

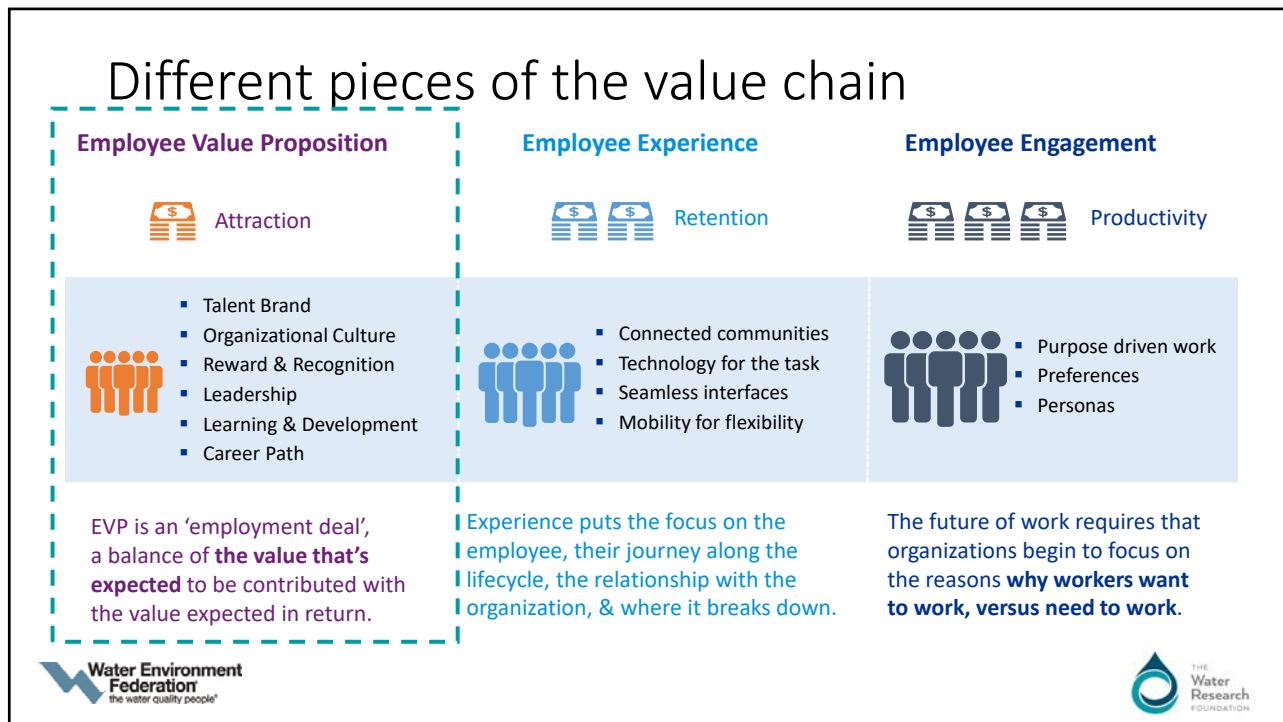
Consumers are now conditioned to expect products and services to gauge their wants and needs, and learn, then adapt to improve the experience, e.g., Nest and T-Mobile.

Quiet simplicity

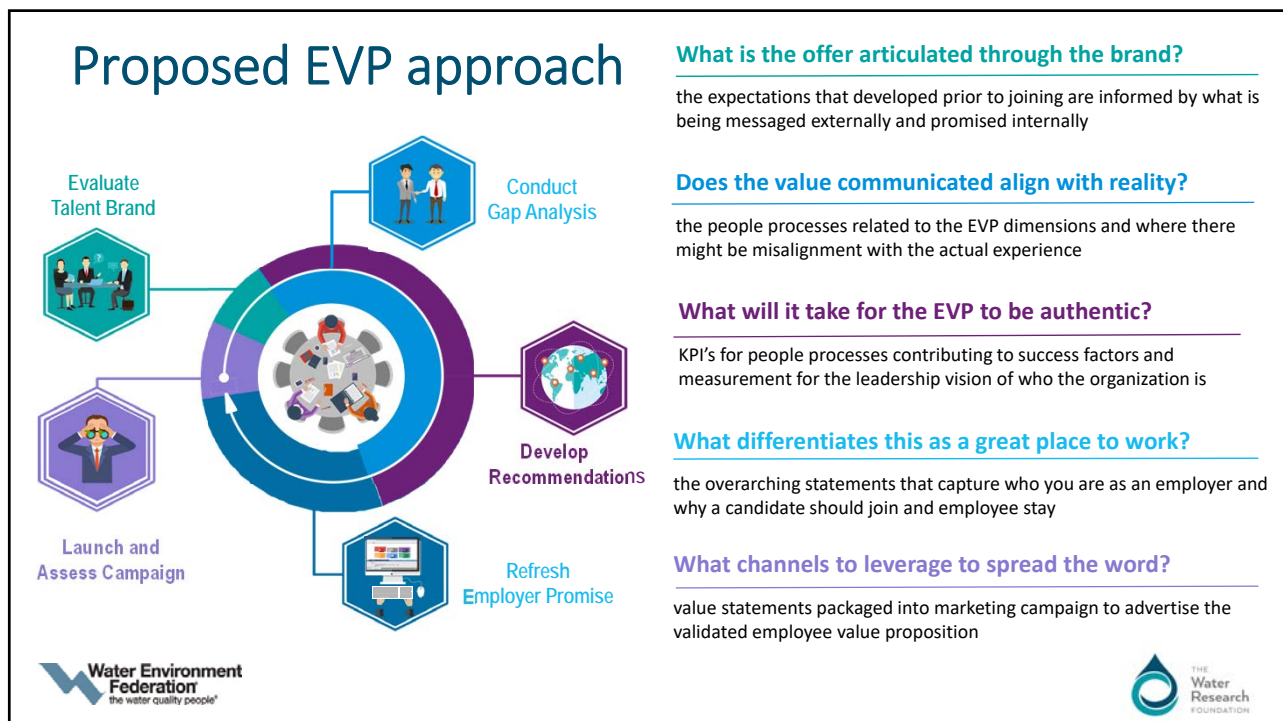
Time-pressured consumers are looking for providers to help make the daily 'noise' of simple transactions disappear, e.g., Apple, Samsung and AlertMe.



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Sample EVP

Choice

Supporting you to exercise choice and flexibility over how you work to best suit your personal style, workload, and collaboration needs.

Team

A social, collegiate and connected team underpinned by a conversation culture.

Technology

Leading technology that enables you to do your best work.

Facilities

State of the art facilities, including breakout and recreation spaces.

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Water Sector Visioning Exercise

Attendees shared components of their utilities' visions that could be applied to the US Water Sector; then worked together to brainstorm what a sector vision should communicate and how it could be unique

Attendees' responses to visioning exercise

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Defining an EVP Vision for the Water Sector

-Rewarding work environments	-Creating the future of water	-Work assignment flexibility	-Appreciation for work	-Advocacy	-Make a difference
-Job stability	-Challenging work	-Develop critical thinking skills	-Bringing communities together	-Learning and development opportunities	-Opportunity to contribute
-Autonomy	-Uniting the community	-Environmental impact	-Full utilization of skills	-Dynamic projects	-Innovating for high quality water
-Working together	-Relationship building	-Stewarding water	-Being a change agent	-Diverse thinking	-Educating consumer

Draft statements for a water sector EVP

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Employee Value Proposition – Draft Statements



Leveraging Innovation for Community Impact:

- “Bringing the community together to create the future of water through innovation...”

Autonomy and Challenge:

“You’ll want to work here because the water sector provides opportunities to utilize your skills to address challenges while being able to work autonomously.”

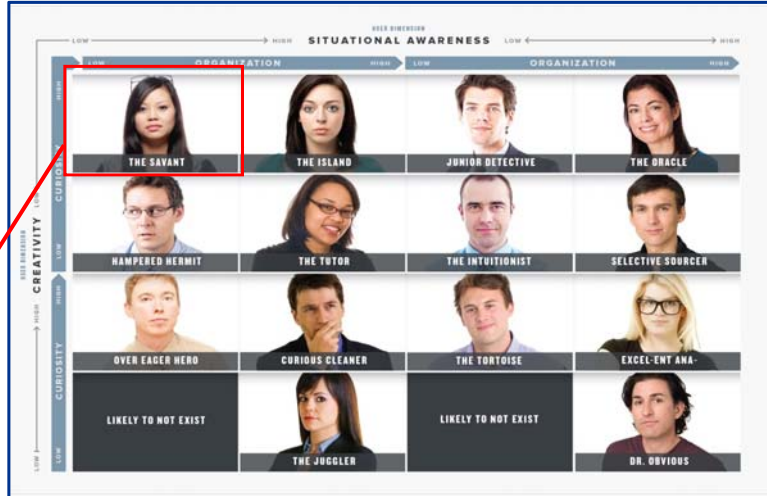
Leadership Interaction:

“You’ll want to work in the water sector for our learning and development opportunities, ability to interact with leadership, and the dynamic projects you’ll work on.”

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Employee Personas

- Personas emerge from a mix of qualitative and quantitative research, data analytics and subsequent analysis.
- Based on this information, people are segmented into groups and plotted across a persona grid.
- The themes on each axis will depend on the requirements associated with the project.
- The visual representation of the research aids in discussion about which group to target change and communication strategies toward.

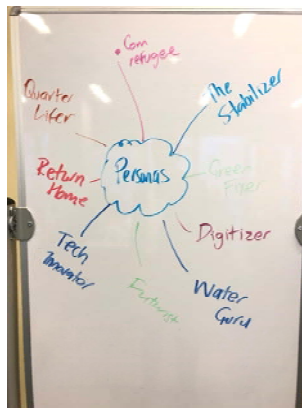


“The Savant” is high in creativity, but low on situational awareness.



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Key Water Sector Personas



Attendees presenting pitches to employee segments and personas



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Key Water Sector Personas

<p><u>Dot.Com Refugee</u></p> <ul style="list-style-type: none"> • Wants to serve community and protect the environment • Flexibility to work from home • Family, balance, own their own home • Wants formal learning • Complex interesting work • Modernize the sector technology and address future problems 	<p><u>Technologist</u></p> <ul style="list-style-type: none"> • Wants cutting edges technology • Wants student loan reimbursement over a pension • Wants new experiences and development through numerous methods • Wants autonomy • Wants to mentor others • Solution driven 	<p><u>Return Home</u></p> <ul style="list-style-type: none"> • Wants to be appreciated for their service • Building a personal life after their service • Preserve safety and use their skills • Seeks opportunities for advancement • Wants to work in collaborative environments 	<p><u>Quarter Lifer</u></p> <ul style="list-style-type: none"> • Wants to buy a home, take care of family • Benefits • New Technology • Innovate and be heard by team • What are people like • Choice about how to grow
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Attendees brainstormed key Water sector personas that could be critical in the future



Segment Name	Tech Innovator	Futurists	Water Guru	Technical/Technology
<p>Characteristics</p> <p>OUTPUT FROM US EVP WORKSHOP Jan 2019</p>	<ul style="list-style-type: none"> • Creative • Customer focused 	<ul style="list-style-type: none"> • Innovator • Strategist • Influencer • Creates value 	<ul style="list-style-type: none"> • Hands on • Skilled • Field expert • Collaborative • Mechanically inclined 	<ul style="list-style-type: none"> • Projects steps • Uses timelines • Process oriented • Results oriented • Attain solutions • Fix something
<p>Key Drivers / Considerations</p>	<ul style="list-style-type: none"> • Create value • Save resources • Able to find gaps and bring in new tech 	<ul style="list-style-type: none"> • Challenging assignments • Opportunity to learn new technology 	<ul style="list-style-type: none"> • Stability • Benefits • Machinery 	<ul style="list-style-type: none"> • Return on investment • Want closure/completion • Appreciation/validation

Segment Name	Innovators	Critical Thinkers	Social People
Characteristics	<ul style="list-style-type: none"> • Dreamer • Heavy thinker • Perceptive people 	<ul style="list-style-type: none"> • Analytical • Proactive • Engaged • Risk takers 	<ul style="list-style-type: none"> • Feedback seeking • Opinionated • Feeling • Consensus seeking • Check-Ins • Follow-Ups
Key Drivers / Considerations	<ul style="list-style-type: none"> • Not risk averse • Outside of box thinker • Early adopter • Challenges status quo • Creative thinker • Problem solver • Likes change • Resets processes • Needs stimulation 	<ul style="list-style-type: none"> • Needs challenging work • Needs time • Self-driven • Creative • Need people who can implement • Need to recreate boundaries • No micromanagement • Process oriented • Need some structure/rules of engagement • Need root cause analysis/consultation • Not afraid to rock the boat 	<ul style="list-style-type: none"> • High interaction • Harmony

OUTPUT FROM
US EVP
WORKSHOP
Jan 2019

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Initiatives to progress a sector EVP framework

Top 10 EVP Initiatives for the Water sector:

1. Branding the water sector (jobs, customer education, career pathways)
2. Developing a vision/mission for Water sector
3. Nationwide certification that is valid across utilities
4. Early outreach to students (middle and high school)
5. Leveraging data for storytelling, crafting value propositions, etc.
6. Competency framework and development for water sector
7. Recruitment (accelerated, by persona, by region)
8. Community college engagement: creating curricula and pathways into water sector)
9. Information sharing across sector (success stories, case studies, etc.)
10. Toolkit for Water Sector (EVP, SWP, job descriptions)

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Contact us about this project

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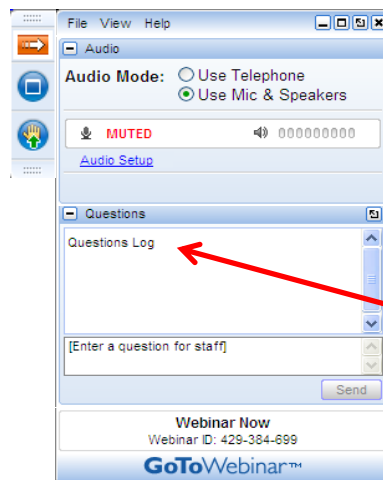
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Questions for Our Speakers?



- Submit your questions using the Questions Pane.

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Thank you!

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