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Critical Human Infrastructure

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*Check against delivery*

Good Morning and welcome to Toronto!

Before I begin my remarks, I would like to thank the Sector Council for the invitation to speak today.

I would like to begin by acknowledging the work of the Sector Council. They have been instrumental in profiling our collective issues and advancing them in various forums.

I think you will agree they have put together an outstanding agenda for the Conference and I trust that you will take every opportunity learn from your colleagues and to advance issues important to our sector.

Forums such as these are critical to our mutual success. I am proud to be part of an industry that places such a high value on its people and Hydro One is pleased to be a major sponsor of this event.

I think the title of your conference is very timely, particularly for those of us in Ontario.

You have just heard Minister Smitherman and I am sure you will agree that there is a brighter and greener future for our sector in this province because of the Green Energy Act.

For my remarks today, I wanted to focus on Hydro One's workforce renewal program and our strategy to establish a new talent pool of electricity professionals for Ontario and the sector at large.

### **The Context**

At Hydro One, we expect to see more than 30 percent of our workforce depart in the next few years.

Add to that the fact that we haven't been hiring, to any great extent, for decades.

We are facing the spectre of having an incredibly adept and skilled workforce walking out the door - at precisely the time we need them to mentor a new generation of workers *and* to transfer 30-40 years of knowledge to those workers.

Also contributing to our current situation, over the next ten years, Hydro One expects to renew its transmission and distribution systems to enable the Green Energy Act.

That will translate into many person years of direct and indirect employment throughout our sector and for manufacturing and construction sectors as well.

Unlike other parts of the economy, we're facing the likelihood of a severe shortage of trained staff over the next five to ten years, coupled with an ever increasing workload.

This is not a simply an issue for the HR professionals – it extends well into our businesses, across the country and throughout the world. It will not be resolved by recruitment ads in the paper.

To realize our Province’s vision will require not only significant investments in physical infrastructure, but also huge investments in our critical human infrastructure.

The good news is that this sector, through the work of the Sector Council, is positioning itself for this new future. Today, I’d like to talk about how we’ve built upon that work and put in place a proactive and strategic plan to renew our workforce.

When I became the CEO of this Company in 2006, I was fortunate to be able to rely on the good work of Tom Goldie’s and the Electricity Sector Council.

As a long-serving employee of our Company, it was clear to me that people had to be the absolute priority for Hydro One because it goes without saying that you need great people to run your business.

That sounds a little trite but it really did cause us to stop and think about where we were heading. So as part of our people strategy, we decided we wanted to move the Company from being a sporadic recruiter to a Company with a Human Resources Strategy integrated throughout our business – and we did just that.

I would describe our integrated strategy as having three separate but connected areas of effort:

- First, we developed our distinct employment brand and use it all the time, whether we’re recruiting or not
- Second, we work proactively and creatively with educational institutions to launch the future leaders of the sector
- And finally, we place a high value on employee engagement and capitalize on our multi-generational make-up to address the issue of knowledge retention

## **Recruitment**

In the early 90’s and up until 2000, we went through a significant downsizings.

We not only reduced our headcount, we stopped recruiting almost completely, leaving a large hole in our organization. We lost both experience and youth.

This served some short-term economic imperatives, but hurt us in the long-term, the impact of which we are still feeling twenty years later.

The mistake we made was taking a short-term view to our Human Resource requirements without considering the long-term implications of our decisions.

The irony of it for me is that we are a planning organization and we failed to plan for our human infrastructure. We know from our business that planning and building transmission infrastructure requires a long-term view and very long lead times.

Why would we not take a similar view to our workforce planning?

We know now that we simply cannot turn the employment tap on and off, just as we as can't deliver just-in-time electricity systems.

We recognize that we must plan for our human assets and that planning requires us to be in recruitment mode on a continual basis.

Our HR strategy now considers what is coming five, ten and possibly twenty years down the road.

Even when we enter quiet periods with a smaller demand for people, we know that we will still need to be conditioning the soil for future growth.

### **Employment brand**

And this brings me to the need to know, understand and articulate employment brand.

Managing employment brand means building a base of knowledge about our company so that we are seen not only as a possible employer, but more importantly, as an employer of choice.

It simply isn't good enough to attract on the basis that our company is a source of steady, good-paying jobs.

The competition is too fierce, even if it dies down for a bit during this economic downturn, and young workers are looking for so much more from their places of work.

We need to define our employment brand and articulate it to new generations of communication savvy employees.

Hydro One believes, as I'm sure you do, that our people underpin everything we do and we are deeply committed to our employees.

We believe that a Company that cares about its employees, will have employees that care about its customers.

We believe that an engaged and loyal workforce will put our customers and the communities we serve at the centre of everything we do.

We value technical excellence, innovation and safety and take pride in our ability to demonstrate leadership in our field.

We also see ourselves as stewards of a critical provincial asset and of the environment.

Our employment brand is not just a tool for recruitment, it is also a statement about how we want our employees to see us – as an employer of choice.

But there is another aspect to our employment brand – and that’s the way that our employees represent the Company.

For example, our employees live our brand when they are providing evidence at rate hearings - by giving open and transparent and expert testimony.

When our forestry workers go to schools during Arbour Week to talk to young people about the high value we place on the environment and safety, they are leaving an impression on our children about the kind of Company we are.

Our employees live our brand when they give back to the communities in which they live and work through countless acts of charity.

Our employees live our brand when they leave their homes for extended periods of time, battling terrible weather conditions and challenging terrain to get our customers’ lights back on.

We want everyone who interacts with one of our employees to say, “Now that is the kind of Company I would like to work with one day”.

Which brings me to my next point.

### **Working Proactively and Creatively with Educational Institutions**

Making our Company an employer of choice is an important step, but we have to make sure that when potential employees consider us, they have the right educational background and skill sets.

In developing our strategy to renew our workforce, we understood that one of our biggest challenges was that the best schools with the best engineering programs were simply not generating graduates with power systems acumen.

So we set out to work with some of these schools to develop just the type of employees we wanted to hire by establishing some creative relationships.

### **Relationship with Western University**

Hydro One and the University of Western Ontario Faculty of Electrical and Computer Engineering have enjoyed a very productive relationship since 2001.

At the basis of this partnership was the desire to develop and maintain Western’s leading edge in power systems engineering.

This, in turn, supports Hydro One’s need to address an expected shortfall in power engineers in the very near future.

Through our various agreements and funding, Western maintains a Chair in Power Systems Engineering and we are able to fund collaborative research projects.

Hydro One also provides scholarships annually to worthy fourth year students enrolled in the Power Systems Option of the Electrical Engineering program.

Hydro One has opportunities for Western Engineering students for engineering co-ops and internships – our goal being to provide students with meaningful work experience and create interest in a career with Hydro One.

This important relationship provides Hydro One with solutions to its technical problems and also gives professors and students at Western an opportunity to research and publish meaningful and relevant studies.

But going back to our employment brand, we provide potential employees insights into a Company that values excellence, innovation and collaboration.

A strong, collaborative relationship has also been established between professors at Western and at the University of Waterloo to deliver courses in the Advanced Training Centre in Electrical Power Engineering.

Hydro One has invested in the Centre to provide courses delivered via the internet to students world-wide and leading to a Masters of Engineering degree. Many of our new engineering recruits continue to upgrade their skills and training through this program.

While I've focused on our relationship with the University of Western Ontario, we are also working with other universities and colleges to support our workforce renewal goals.

For example, we have concluded MOUs with Ryerson and McMaster Universities.

Through these MOUs, Hydro One commits to taking 10 qualified students amongst electrical, mechanical and civil engineering programs as development students. Between the two schools, that represents a total of 60 students from various years.

Over a three summer work-term, we offer these students in-house courses delivered each week by Hydro One staff in several subjects, including environment and electrical structural operations.

At the end of the three-year period, students will earn a Power Utility Program Certificate and will be encouraged to apply for employment with Hydro One.

We have our most senior and experienced staff working with the next generation to pass on their skills and knowledge.

Our senior staff are so energized by this opportunity – and why not as they proposed, designed and deliver the program!

We have also established partnerships with four Ontario colleges (Mohawk, Algonquin, Northern and Georgian) to fund curriculum development and ensure that graduates will leave school with the skills we need.

The company contributes to scholarships, program development and equipment over four years for programs that will train people as technicians, technologists and trades positions in the electricity sector.

Our educational partners are so pleased with the Company for taking a proactive and leadership role in curriculum development, and have seen enrollment increase substantially. We were recently honoured with a Colleges Ontario Award for our work in this area.

It is safe to say that the investments we are making in Colleges and Universities not only contributes to our employment brand, but is also ensuring a constant stream of qualified employees – some of whom may not have ever considered electricity as a field of study or a possible career.

This influence and access is very powerful and the returns have been amazing.

### **Engaging your workforce by capitalizing on your multi-generational make-up**

Turning now to my final point, I would like to talk about how we are engaging our workforce by capitalizing on our multigenerational make-up.

For the first time in a long time, three and sometimes four generations are working together, side-by-side.

Each has its own value sets and communications styles.

We need to maximize the skill sets of these different generations and in a way that responds to their very different approaches to their work and careers.

We see this as a golden opportunity to manage the huge knowledge retention gaps which will result from the exodus of boomers from our workplace.

The great news is that what started as a workforce renewal strategy is invigorating, motivating and engaging our employees in ways we had not expected.

Our younger workers love feedback and want to be a part of decision-making.

They are impatient to learn.

Our more experienced workers are experiencing a great sense of pride by imparting years of wisdom and experience.

What we've learned is that we need to capitalize on this unique opportunity to have new employees interact as often as possible with our more senior staff.

The chemistry is truly energizing - for both generations. I'd like to focus on a few examples.

### **Apprentices**

Skilled trades represent a significant part of our business, and Hydro One has undertaken an ambitious trades apprenticeship programs.

Since 2002, almost 800 people have been hired into apprentice jobs in our various trades.

The renewal of our trades workforce has created a huge opportunity to ensure our newest and youngest workers begin their careers with an absolute commitment to safety in the workplace.

They work shoulder-to-shoulder with our most experienced employees, who can ensure we are developing the best safety habits in our newest recruits.

### **New Grads**

In 2008 alone, Hydro One hired 160 new grads in the electrical engineering field and we plan to hire at least 40 more grads each year for the next few years.

Our new grads have the opportunity to do protection and control work both in a headquarters and field settings, and work with our asset management group, which plans new transmission and distribution.

We have opportunities for the engineer who wants to do the purely technical work or one who wants to pursue business or management opportunities.

Through their two-year training and development program, which includes rotations through different business units, they work with the best and the brightest from across the Company.

Staff working with our new grads give them top marks for their attitude and ability while our grads drink up every bit of experience and wisdom passed along to them.

I believe that active on-the-job coaching and relationship-building with both our apprentices and new grads builds on our employment brand and helps lay the groundwork for engagement.

I will leave my comments there.

### **Concluding Comments**

I would like to close by leaving you with a couple of thoughts.

At Hydro One, we believe in the importance of making a significant commitment to the development and renewal of our workforce.

We believe that investing in our people is a strategic infrastructure investment.

We have dealt with the pending retirement issue facing the industry in a proactive and strategic fashion, by defining and articulating our employment brand, working creatively with educational institutions, and by capitalizing on all the benefits of having a multi-generational workforce.

With a focus on these key areas of effort, I believe we will be able to maintain a well-trained and motivated workforce, well into the future.

I also believe that if we want to attract and retain tomorrow's energy professionals then we have to move beyond recruitment and become a sector of choice.

I also believe that our strategic workforce renewal plan will contribute not only to Hydro One's success, but to the success of the entire sector since we will all benefit by raising the profile of this great industry.

My thanks to you for your kind invitation to share my thoughts on a most important and urgent subject – critical human infrastructure.