



# Managing Workforce Transition

Keeping the Plant Operating  
when the Boomers Retire

# [ Discussion Topics ]

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- Workforce demographics
- Succession planning
- Replacement planning
- Bridging the generation gap

# [The Workforce is Aging]

- ~153 million workers in U.S.
  - 20% employed in the manufacture of finished goods, including energy utilities
  - 6% employed in utility sector
- Nearly 16% of the manufacturing workforce is over 55
  - 18% of the utility workforce is over 55

# [ Science & Engineering ]

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- From 1950 – 2000, employment increased from fewer than 200,000 jobs to ~4.8 million
- ~26% of the workforce with science/engineering degrees is older than 50

# [ What is the Impact? ]

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- Shrinking skilled labor workforce pool
- Loss of internal knowledge – where are the drawings? Where is the pipe buried? How did this X get to here?
- More mobile workforce

# How will you meet your labor needs?

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- Succession planning
- Replacement planning
- Transitioning workforce
- Training programs

# Succession and Replacement Planning

- Succession and replacement planning are *not* the same
  - Succession planning focuses on development of leaders
  - Replacement planning focuses on “backups”

# [ Transitioning Workforce ]

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- When the Boomers are ready to retire:
  - Leave full-time employment
  - Leave the workforce
  - Retire from a particular job
- Can employers bridge the gap through a transition “part-time” contract role?
  - Challenges (strategic vs. tactical)



# [ Training the Next Generation ]

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- Utilities have identified replacement of the aging workforce as a challenge
- Partnerships or job training programs to build the skilled workforce needed

# Workforce Development Programs

- Centralia (WA) College Center of Excellence for Energy Technology
  - Coordinates certificate programs at several west coast colleges
- PG&E: “PowerPathway” training
- PSEG: Energy utility technology degree program
- Lansing Board of Water & Light: First STEP
  - Targets high school seniors to work part-time
  - Connects with mentor for career development
- Private training and certification programs

# [ Which Generation Represents YOU? ]

<b>GENERATION TIMELINE</b>			
<b>1922–1945</b>	<b>1946–1964</b>	<b>1965–1980</b>	<b>1981–2000</b>
<b>Veterans, Silent, Traditionalists</b>	<b>Baby Boomers</b>	<b>Generation X, Gen X, Xers</b>	<b>Generation Y, Gen Y, Millennial, Echo Boomers</b>

# [ The Mindset (Class of 2004) ]

- The Kennedy tragedy was a plane crash, not an assassination
- A "45" is a gun, not a record with a large hole in the center
- There have always been ATM machines
- Lawn darts have always been illegal
- They have no clue what the Beach Boys were talking about when they sang about a 409, and the Little Deuce Coupe

# [ Bridging the Generation Gap ]

- This is the first era when *four* generations have been in the workforce
- Impacts:
  - Recruiting
  - Retention
  - Change
  - Motivation
  - Management styles

# Generation Gap 1: Size of the Workforce

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- 76 million born between 1946 and 1964 – the Baby Boomers
  - Largest generation in history
  - Expected to retire in their mid-60s
- 46 million Generation X'ers
  - One of the smallest generations in history

# Generation Gap 2: Needs of the Workforce

## ■ Boomers

- Workaholics
- Stability
- Want money, title

## ■ Gen-X

- Work/life balance
- Structure & direction
- Freedom is the reward

## ■ Gen-Y

- Work is a means to an end
- Meaningful work

# [ Options for Bridging the Gap ]

- Build the mentoring and training skills of the Boomers, then use them to grow the succession plan employees
- Keep the retirees in the communications loop with existing employees – retain the KNOWLEDGE base