

Austin Energy's Strategic Plan and Monthly Performance Dashboard: Employee Engagement

March 2017

Austin Energy's Strategic Goals

Financial Health: Long-term financial resiliency that ensures cost recovery, provides market competitiveness, delivers operational excellence and creates value for customers and the Austin community

Customer Collaboration: New heights in customer satisfaction through increased collaboration, varied and high quality services, programs, and delivery methods and competitive pricing that strengthen customer loyalty

Environment: Minimized environmental footprint throughout Austin Energy's value chain

Employee Engagement: Employees are safe, healthy and engaged, and equipped with tools and training to effectively perform their work

Business Excellence: Best Managed Utility culture where customer needs are thoroughly and efficiently achieved through optimal use of resources

Grid Modernization: Innovative two-way grid utilizing customer and company infrastructure to deliver superior reliability and customer experience at the lowest reasonable cost

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Why Employee Engagement is Vital to Austin Energy

- All of the areas of the Austin Energy strategic plan are enabled by our workforce
- Austin Energy competes for talent across many sectors that are prominent in Austin and the energy industry
- Austin Energy's workforce profile indicates that the organization will have a significant wave of retirements over the next 3-5 years
- Recruiting, retaining and developing our workforce is essential to maintaining and improving the utility's competitive posture
- Focus areas for the utility are worker safety, engagement/satisfaction, and recruiting metrics.

Monthly Performance Dashboard

EMPLOYEE ENGAGEMENT

← Strategic goal panel

Listening to the Workforce Survey

OVERALL SATISFACTION

Austin Energy	70%
Target	80%

This chart will be updated with yearly results

Gallup Survey

EMPLOYEE ENGAGEMENT

Austin Energy	3.66
Target	4.00

This chart will be updated semiannually.

Employee surveys

Target set by management expectation

Safety Incidents

	FY to Dec 2016	Previous FY through Dec 2015	Industry Comparison	Target
Recordable Incident Rate*	1.20	2.62	2.40	0
Lost Time Incident Rate*	0.00	0.52	0.70	0

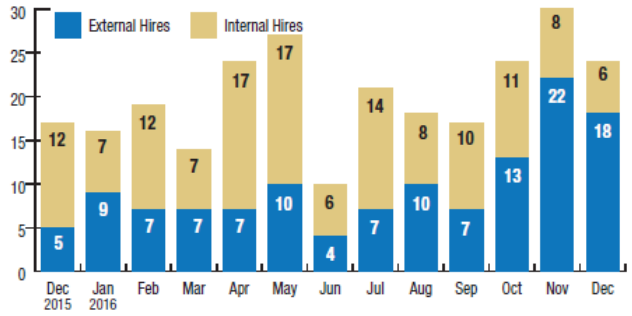
*per 100 employees

Employee safety metrics

Targets set by best practices

Austin Energy Hiring

Total Hires — External: 126 | Internal: 135



*Each internal hire results in a subsequent vacancy.

Employee hiring performance

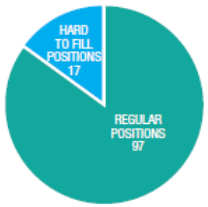
Trends measured by management

Vacancies

AVERAGE VACANCIES AND DAYS VACANT PER MONTH

	Oct	Nov	Dec	Target
Vacancy Rate per Month (%)	6.3	5.9	6.6	≤6.0
Average Days Vacant	177	193	178	≤120

TOTAL VACANCIES AS OF DEC 2016: 114

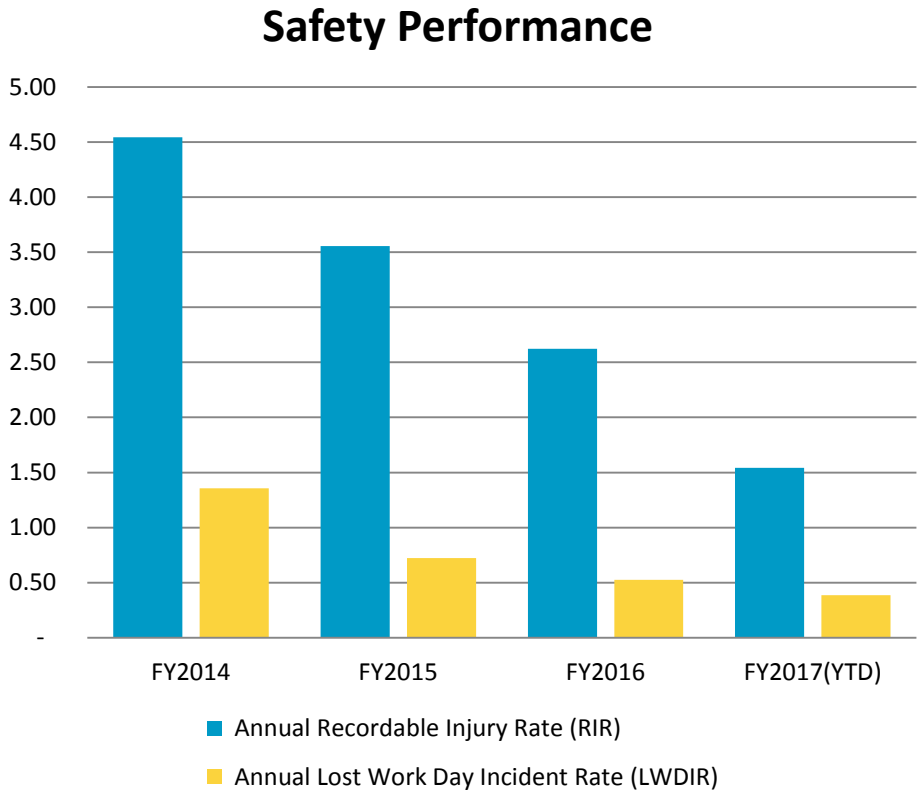


Vacancy metrics

Targets set according to Council's approved budget and management expectations

Measuring Safety

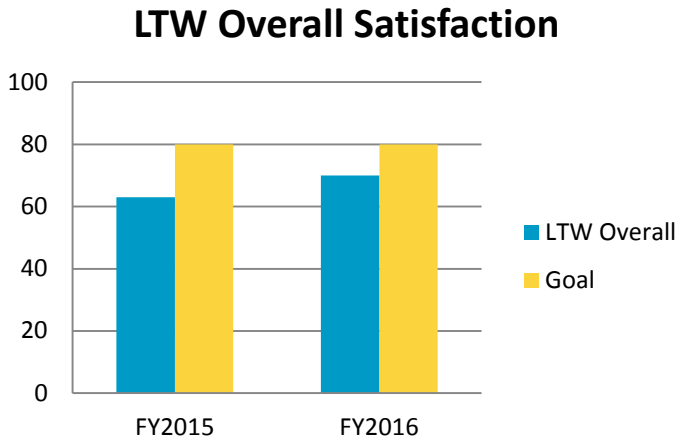
- Austin Energy strives to be injury free
- Safety performance has improved year over year
- Utility work is hazardous, frequency & severity both matter
- Focus areas for the utility
  - Near miss reporting
  - Training
  - Job preparation
  - ESD – grassroots teams, mobility program
- Target zero is our goal

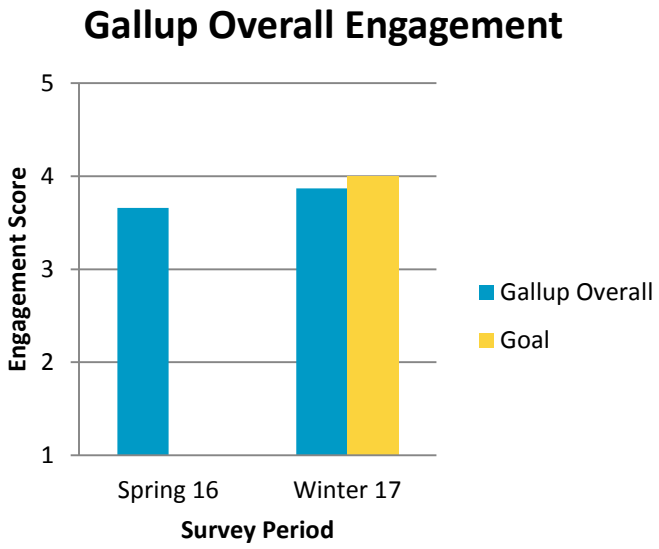


SAFETY WITH ME STARTS

Measuring Employee Engagement

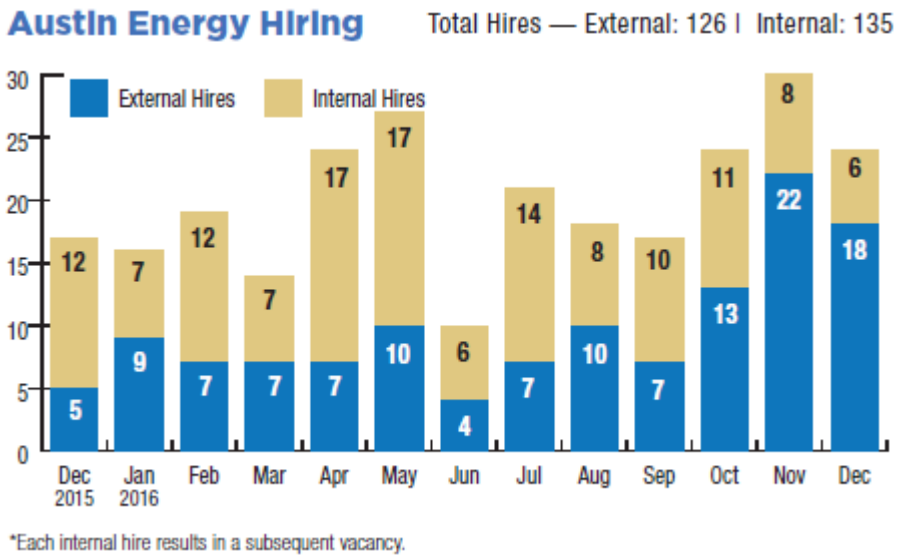
- Listening to the Workforce
  - Annual survey conducted for all COA employees
  - Measures many attributes of city employment (85 questions)
  - COA goal to improve employee satisfaction
- AE Employee Engagement Survey by Gallup
  - AE Semi-annual survey focusing on 12 elements of employee engagement
  - Measured against other surveyed companies
  - Gallup found correlation between these 12 questions & better performance in safety, retention, profitability, performance, etc.
  - AE uses workgroup results to form action plans to drive improvement
- Tools for management to identify and improve areas of workplace satisfaction & employee engagement





Austin Energy Hiring

The role of Austin Energy's Human Resources division is to recruit and retain a well-qualified and engaged workforce.



Reasons for Employees Leaving Austin Energy	
Deceased	2
Resigned	30
Retired	61
Discharged	3
Transferred to other COA departments	31
Promoted	101
Total	**228**

Austin Energy's Human Resources

- Works in unison with the City of Austin Human Resources Department (HRD)
- Work groups include:
  - Workforce Recruitment
  - Employee Relations
  - Benefits
  - Payroll (manual timesheets)
- Austin Energy has 1,718 full-time positons and 122 part-time/temporary positions located at 8 major work locations

- 44% of Austin Energy vacancies are the result of internal promotions
- 27% are the result of retirements

Vacancies

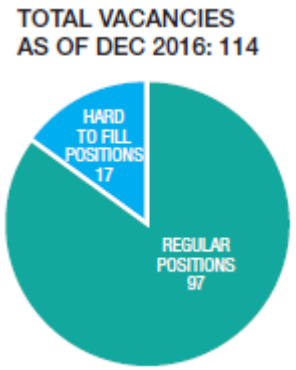
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- Vacancy Rate = Filled Positons / Authorized Positions
  - Adjusted to reflect recent terminations and hires
  - Target is ≤ 6%
  - Austin Energy's labor budget assumes a 6% vacancy
  - Internal hires do not change the vacancy rate
- Average Days Vacant = Sum of days vacant / total number of vacancies
  - Target is ≤ 120 days
  - Based upon hiring process timeline
  - Greatly influenced by hard to fill positions

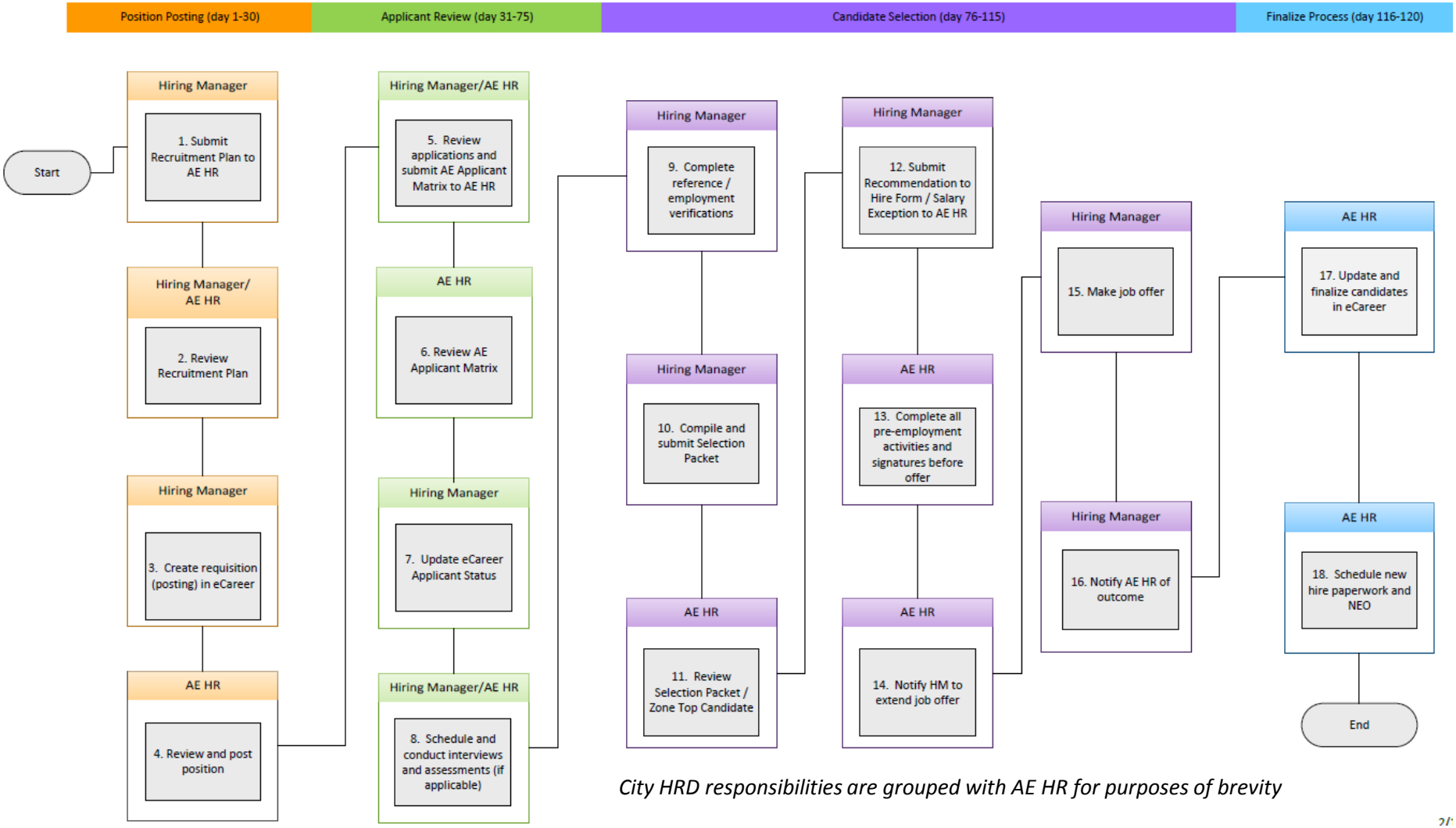
Hard to Fill Positons

- Account Representative
- Account Representative Senior
- Distribution Electrician III
- Energy Market Analyst Sr.
- Engineer A, B, C
- Program Manager, Environmental Conservation
- Financial Analyst IV
- Accountant IV
- Power System Engineer
- Power System Engineer Sr.
- Power System Managing Engineer
- Power System Principal Engineer
- Project Manager Operations/Compliance



Austin Energy Hiring

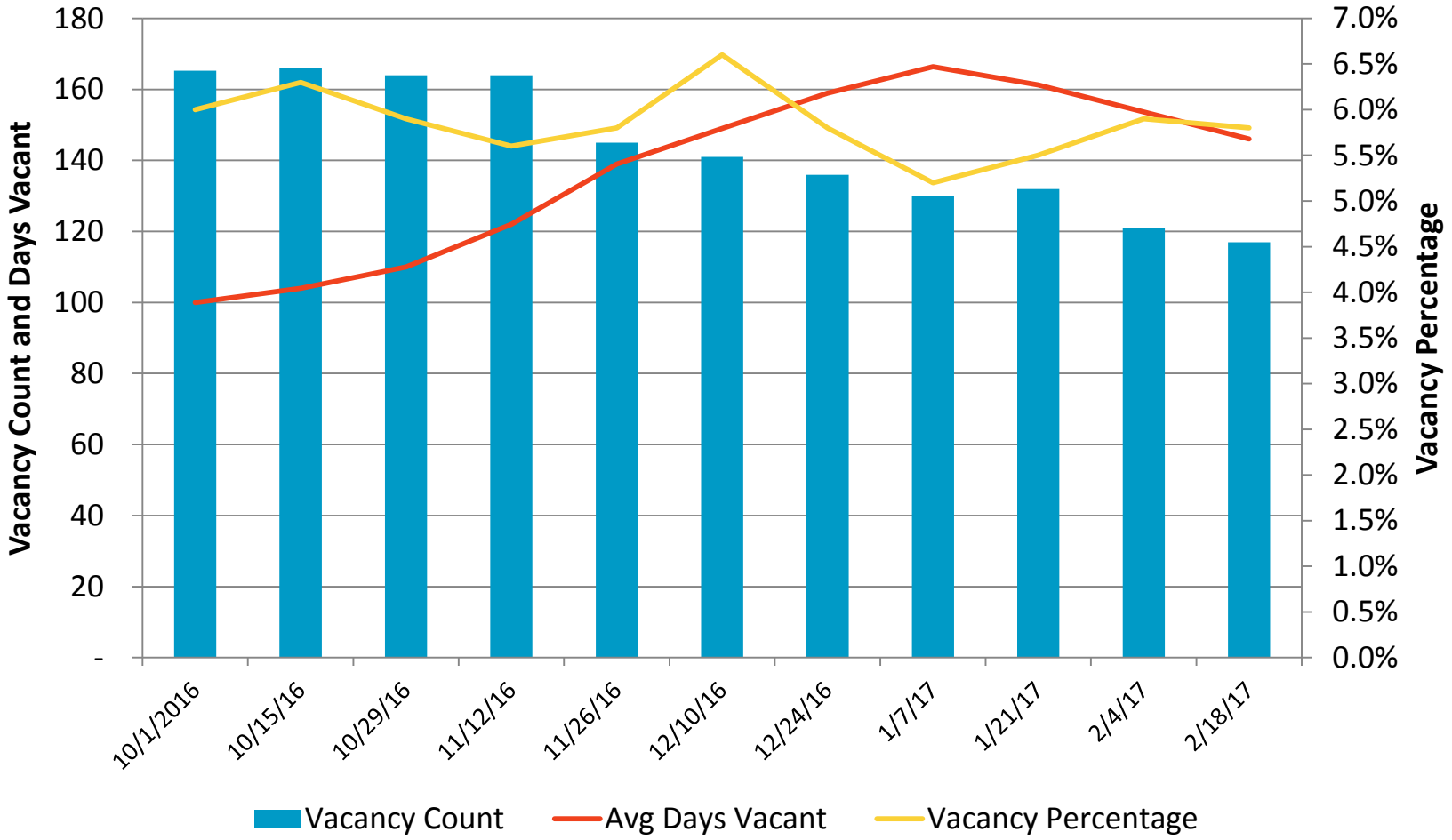
- Hiring process must comply with Civil Service and City of Austin policies
- Very manual process due to lack of a Human Capital Management (HCM) system



City HRD responsibilities are grouped with AE HR for purposes of brevity

Austin Energy Vacancy Trends

- Austin Energy added 45 positions in FY17 and all have been filled
- Austin Energy has seen improvement in all metrics but sees continued challenges with hard to fill positions



Source: City of Austin Banner system

Strategies for Improving Recruitment and Employee Engagement

- Ensure Austin Energy's pay is competitive with industry leaders
- Improve the flow of information from Austin Energy HR to HRD
- Improve Austin Energy's recruiting capabilities in specialized skill sets, especially in hard to fill positions
- Establish Career Progression Programs, especially in the engineering, financial and information technology job families
- Develop more active recruiting programs and develop relationships with colleges and universities, trade schools, and area high schools
- Improve the efficiency of our hiring process to ensure well-qualified candidates aren't lost to competitors
- Support the selection and implementation of a Human Capital Management (HCM) system for the City of Austin