

White Paper

The Fujitsu Energy, Utility and Built Environment Skills Survey 2016

An Industry Perspective



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Growing a skills base for the future

The energy, utility and built environment industries base their foundations on the assets they have. These assets should include their workforces and the knowledge they have developed over years of experience.

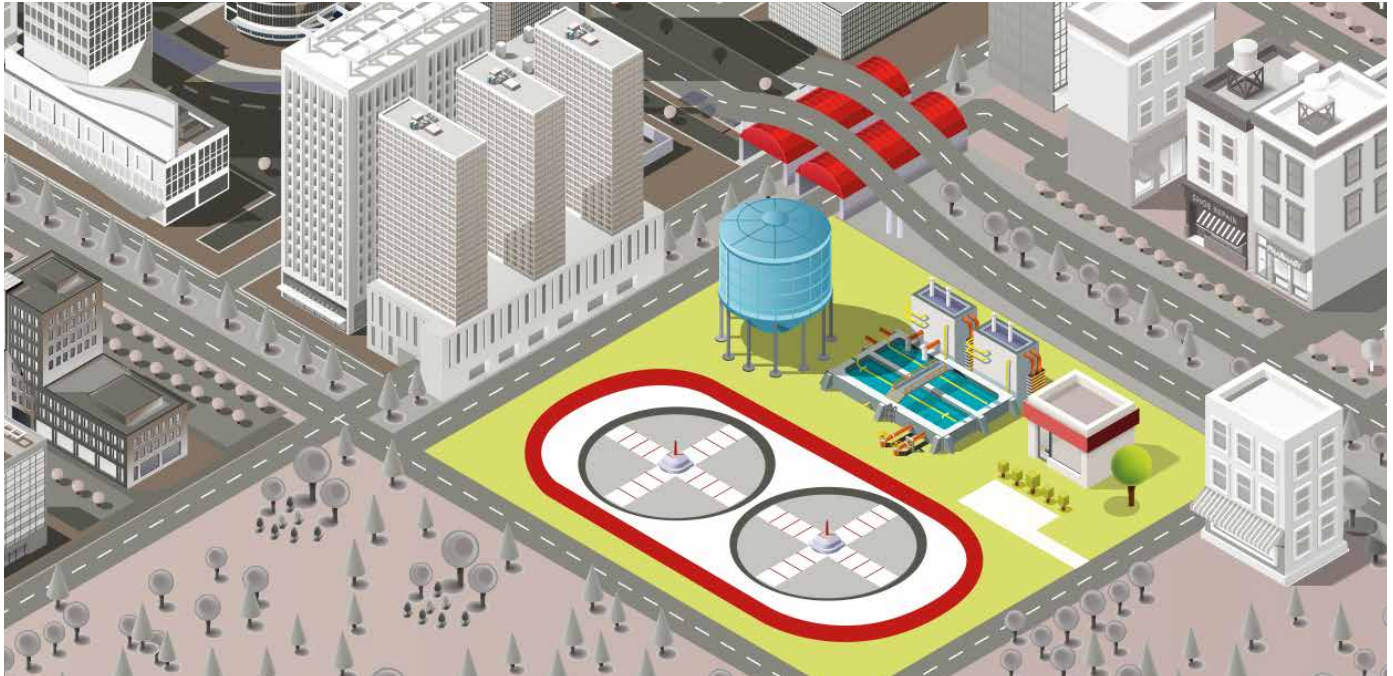
To examine workplace attitudes to this, Fujitsu has conducted research on employer perceptions of skill and employee acquisition in these sectors. Our aim is to lead the debate so that together we can create better outcomes for skills and growth. Achieving this ultimately leads to better return on assets and drives operational effectiveness.

This white paper presents our findings and offers actionable advice. I hope you find it useful and informative.



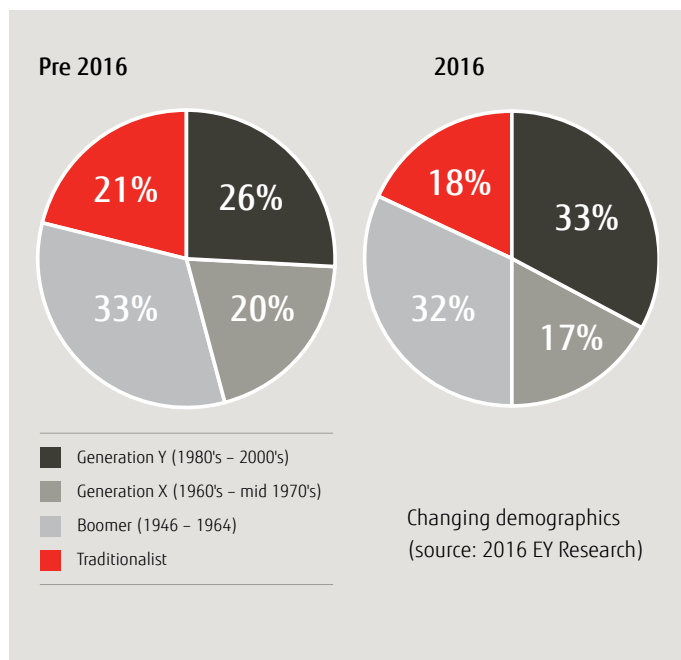
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Executive summary



Baby Boomers are retiring, Generation X is sitting at the top of the corporate tree and Generation Y has entered the workplace – both will account for 50% of the UK workforce by 2016. This presents employers with a number of recruitment and talent management challenges.

Fujitsu has commissioned research to identify and investigate these challenges as well as provide employers with practical ways to address them.



THE RESEARCH PANEL

- 250 directors, senior managers and business owners in energy, utility and the built environment.
- All panellists are in companies of 50+ employees, holding job roles across departments such as HR, sales and marketing, operations and service delivery, engineering, finance and administration, IT and innovation.

Key findings

The challenges

The research identified the following as the top recruitment and talent management challenges:

- Attracting enough young people.
- Retaining good employees.
- Transferring knowledge to new recruits from the established team.

Attracting and inspiring the next generation

- Only a third of respondents think they definitely have enough young people in the company.
- Departments such as HR and people managing teams – who are closer to the issue – feel less confident that there are enough young people in the sector as a whole.
- The majority of senior managers (and above) feel that their workplace is attractive to a younger workforce. However, only 47% think they have done enough to identify and engage with them.
- Apprenticeships and training ranked highly as ways to engage young people.

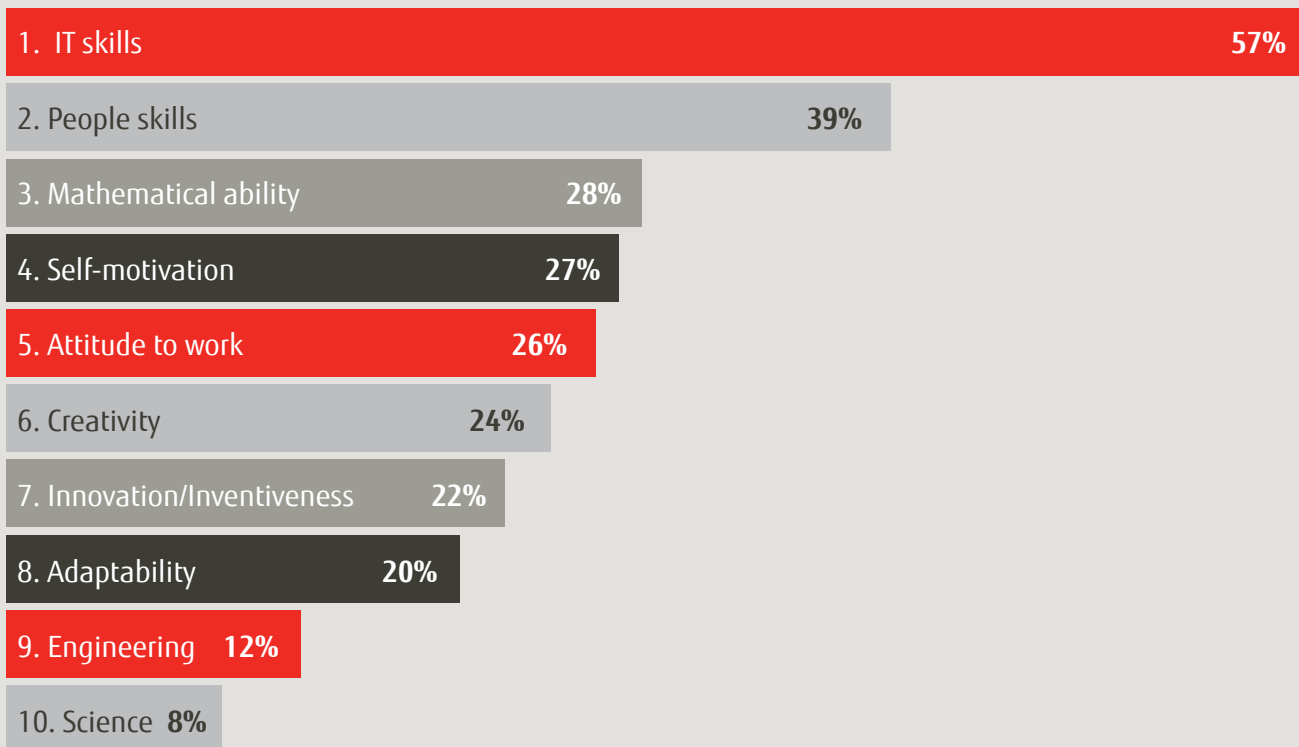
Perception versus reality

Are organisations taking the skills gap seriously? Our research shows that while the majority of organisations believe they are doing enough to attract younger people, those at the coalface (those involved in recruitment and training for example) are less convinced. Perceptions are an important thread as they can impede positive change.

Are young people workforce ready?

The majority of respondents don't think so and have highlighted that schools are responsible for this and could still do more to prepare young people.

Top 10 most in demand skills



Understanding the challenges

The energy, utility and built environment sectors support hundreds of thousands of jobs. However, with an aging workforce and projections that 24% of the technical workforce in the energy industry alone will retire by 2024 – with 80% of these at higher skill levels¹ – a growing skills gap will inevitably emerge. This will lead to a loss of corporate knowledge, affecting operational effectiveness and even health and safety.



Fundamental to addressing this challenge is identifying the issues and gaining a deeper understanding of them. Our report starts to unpick the issues by revealing the top three:

1 <http://www.ey.com/UK/en/Industries/Power--Utilities/Powering-the-UK-2013>

Top 3 recruitment and talent management issues



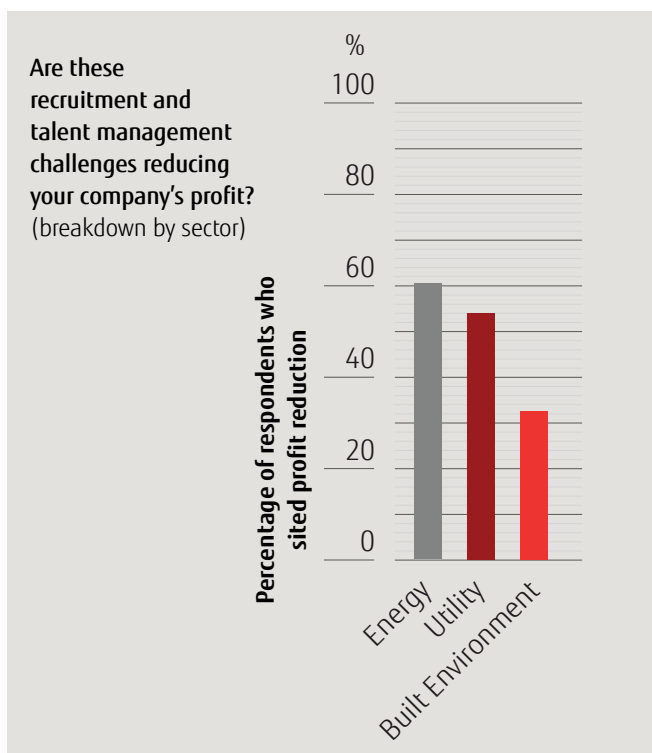
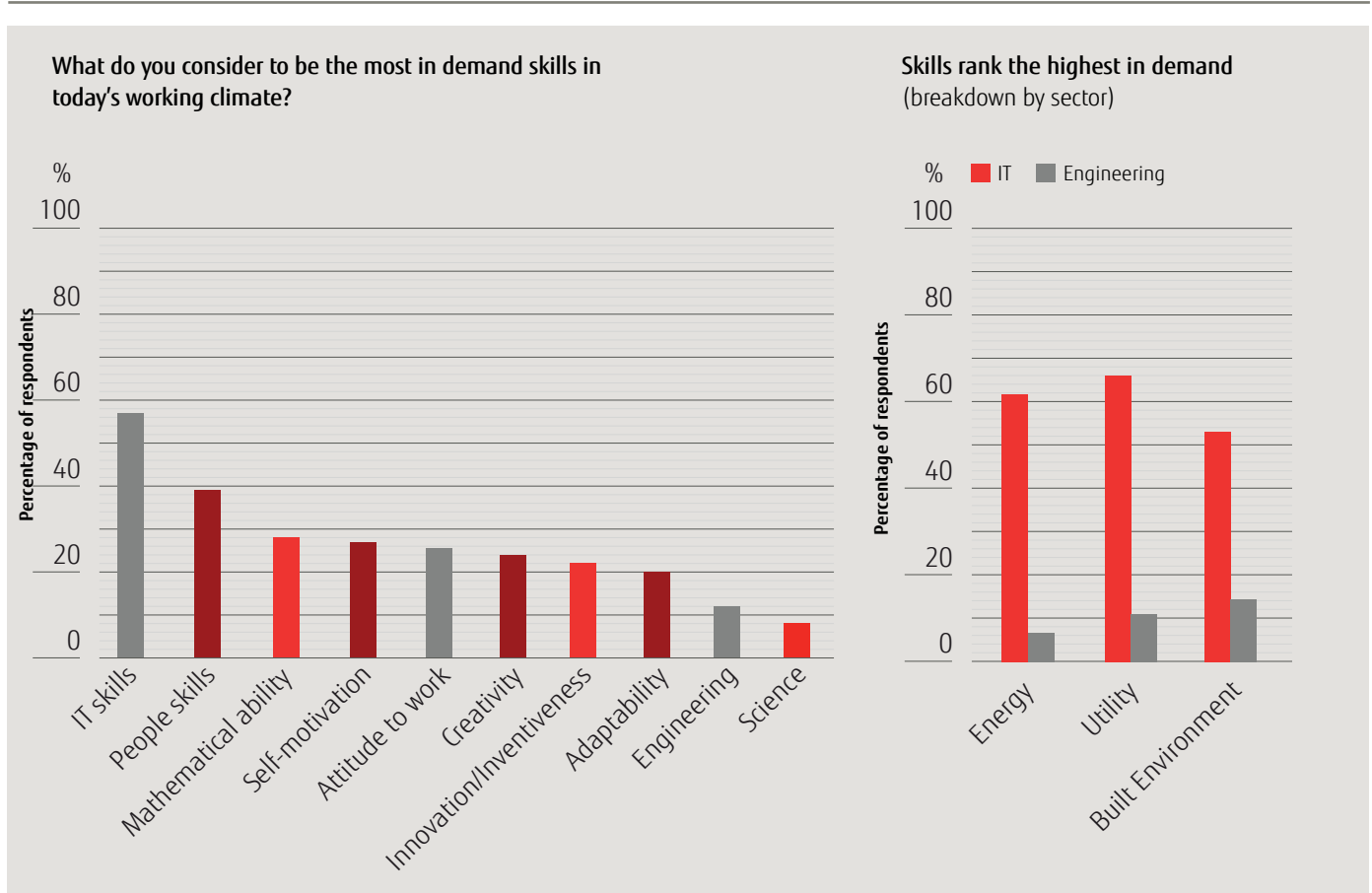
We can surmise that the ultimate goal is maintaining a well-skilled workforce, especially through a significant personnel change over the next 10 years.

To this end, the report paints a picture of old and new – keeping hold of skills and transferring them to new employees, while ensuring enough young people are recruited.

Supplying the highest demand

Key to addressing the skills gap is prioritising which skills are needed most. IT ranked top of the list across the board – particularly in the largest companies and those in the energy sector. Interestingly, engineering is relatively low down the scale. While the need for greater creativity ranked relatively highly, particularly by those in human resources.

This section explores industry recruitment challenges, highlights emerging skills gaps and suggests actionable steps for overcoming them.



The business cost

Inevitably, addressing the skills gap leads to an increase in recruitment costs. However, our report has highlighted a number of other outcomes, such as lower profits.

Respondents also noted that recruitment and talent management has led to competitive disadvantage, which is of concern given today's competitive landscape.

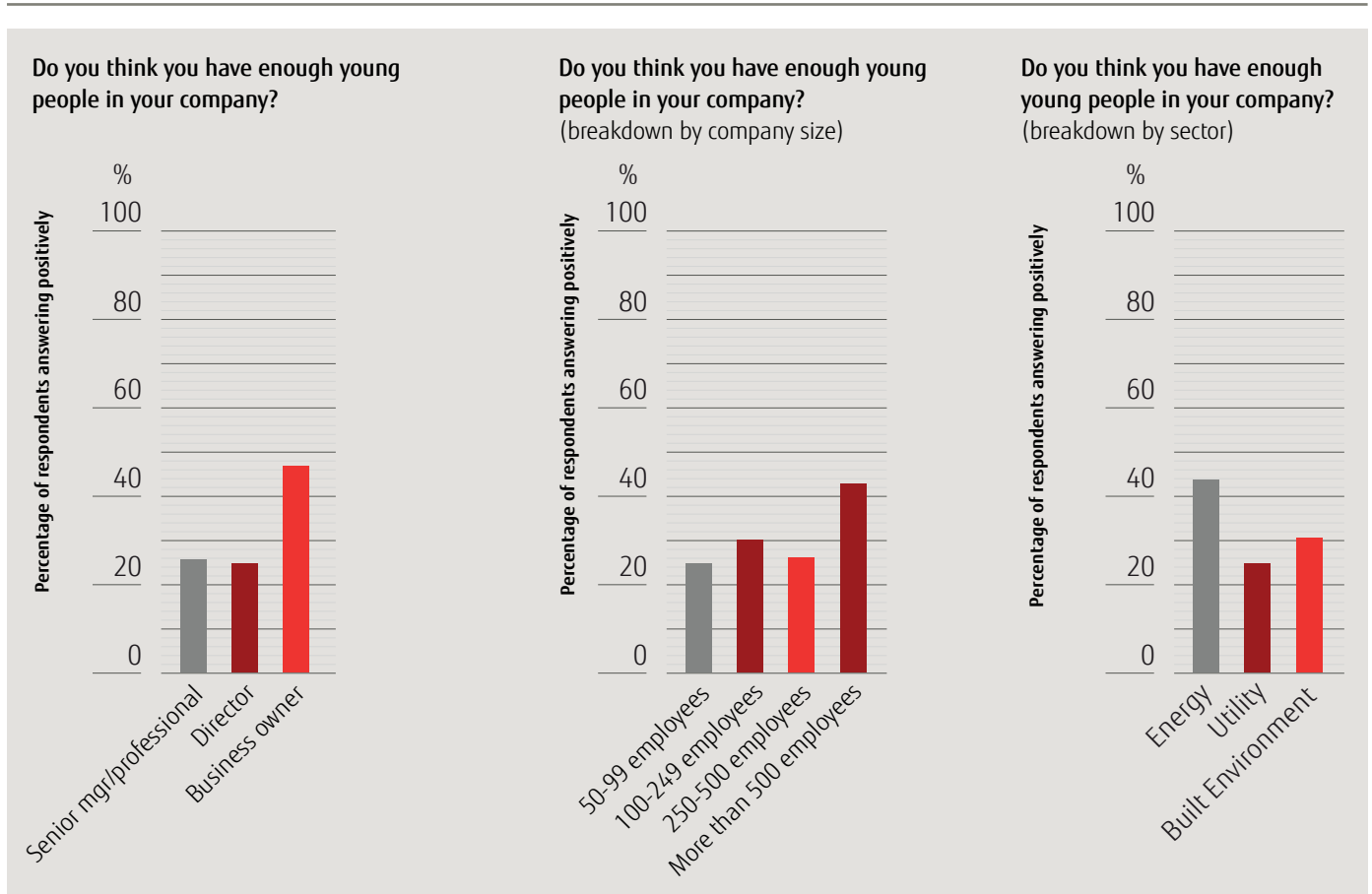
Perception versus reality

Perceptions are also a factor. Are organisations taking the skills gap seriously? Our research shows that while the majority of organisations believe employers are doing enough to attract younger people, those at the coalface (Human Resources for example) are less convinced. Perceptions are an important thread as they can impede positive change.

The picture for young people today

We've looked at some of the issues, but what about the young people organisations want to attract? How are employers reaching these people? Are they doing enough or reaching them at the right time? The following sections examine these questions and more.

Inspiring the next generation



So far the research has shown that employers understand that they need to take steps to narrow the skills gap, such as encouraging the upskilling of employees, ensuring the transfer of skills and finding new (younger) talent. But what are employers doing to attract a younger workforce? The research paints a varied picture dependent on sectors and departments.

Only a third of respondents think they definitely have enough young people in the company – this figure increases in the largest companies.

Similarly, only 56% of respondents felt they had enough young people in their sector. Energy does fare better at 67% but they could be underestimating, especially as a recent investment in nuclear power will mean an increase in personnel.

However, this view varies dependent on department. With 30% of HR feeling that the answer was a definite 'no', compared to 20% overall. Today we are seeing forward thinking companies investing directly in educational facilities. Departments such as HR and team managers, closer to the issue, feel less confident that there are enough young people in the sector.

Connecting with young people

So how do energy, utilities and built environment industries inspire and attract the next generation of workers? Significantly, 95% of senior managers and above feel that their workplace is attractive for a younger workforce. However, only 47% think they have done enough to identify and engage with them. This topic is explored further in the next in this series of white papers.

Attracting more young people is vital for replacing the generation approaching retirement, but it's just as important to find the right people for the job. Larger companies and energy providers tend to be more proactive about finding younger generations to employ, whereas construction, sales and marketing are less so. Plus, only half of respondents felt that young people have an accurate perception of their sector.

Young and work ready?

Are young people today ready and equipped to enter the workforce? The majority of respondents think not. However, 32% are more confident that the next intake of young employees will be better prepared to enter the workforce. The majority of respondents also believe young people lack the right mindset to enter the workforce.

Careers advice: is it working?

So who has responsibility for preparing young people for work? The majority identified schools. However, only 53% of respondents felt that career information delivered by schools was even partially adequate. If schools aren't adequately preparing children, what can companies do? One solution is apprenticeships.

Creating a youth culture

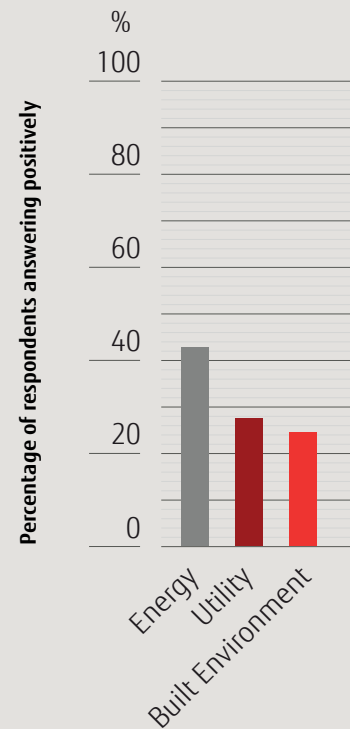
Recruitment into the sector is common at universities but apprenticeships were singled out by the research as something organisations realise they could do more of. This would help ensure the transfer of skills while instilling the mindset needed to nurture the right culture.

Equally, training was seen as the most prevalent mechanism for nurturing employees, scoring 63% and rising to 72% in the biggest companies (along with Flexitime). Incentivising young people was also seen to make a difference – bonuses were more important in smaller companies.

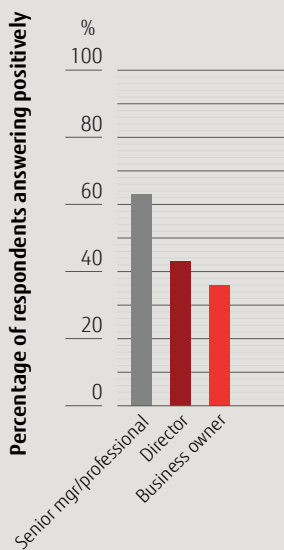
“The consensus in industry is that the education system and government must work harder to raise the standards of school leavers and deliver a new generation capable of keeping the country running. Universities are struggling to find students with suitable grades in key subjects such as maths and physics, while the utilities and construction face a chronic shortfall in engineers.”

Utility Week 2016

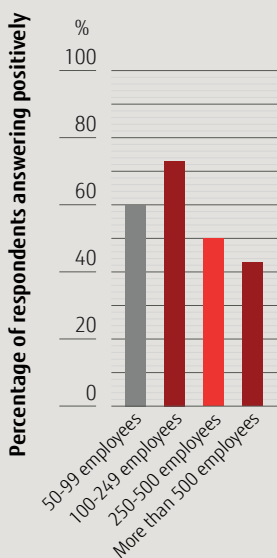
Do you think you have enough young people in your sector as a whole?



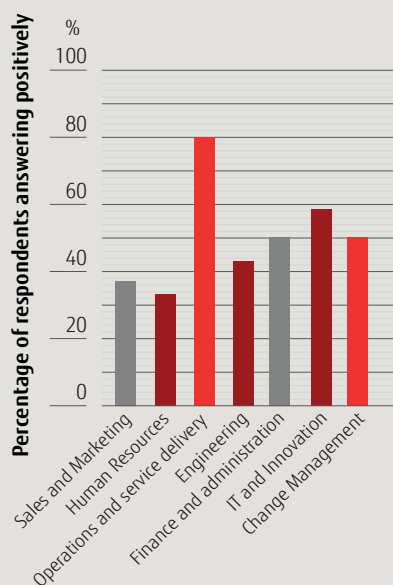
Should you run more apprenticeships?



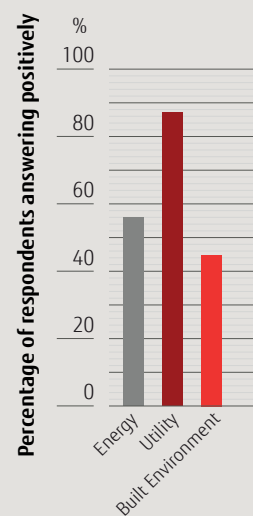
Should you run more apprenticeships? (breakdown by company size)



Should you run more apprenticeships? (breakdown by department)



Should you run more apprenticeships? (breakdown by sector)



Actionable advice: Go further than the competition

The skills shortage in the utilities, energy and built environment industries means companies are fishing from the same small pool of talent. One that other sectors, who are potentially doing a better job of recruitment, are also drawing from. Our research shows that there is clearly a need for an influx of talented and equipped young people to ensure the future development of businesses across the spectrum. It also shows schools and the Government alone are not doing enough to address the problem. So what can companies do now to start bridging the skills gap?

The future is people-centric

Generations X and Y will account for 50% of the UK workforce by 2016. Digital tools are key to their lives. They are also key to business as they now enable workers to engage far more deeply than in the past and achieve so much more. Competitive advantage belongs to those companies who act first to engage the next generation on their level.

1. Understand more

What is the skills flow inside your organisation? Involve HR and Change Management. As our research suggests, they have a good grasp of the skills reality.

2. Work smarter

Make communication and collaboration between departments as efficient as possible – a digitally connected workforce is central to enabling this.

3. Drive perception

Bring talent marketing into your core marketing to increase attractiveness and drive the right perception of your organisation.



Act now



Discover how Fujitsu can empower your people to effectively address the skills shortage and attract the workforce of tomorrow. Join experts including Graeme Wright for a roundtable discussion at a time convenient to you.

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ABOUT FUJITSU

With over 100,000 global patents registered and an annual R&D spend of over £1.2bn, Fujitsu is working with customers every day to deliver a truly connected society.

Fujitsu is a world class technology partner with a proven track record in integrating IoT for operational excellence and innovation.

Fujitsu enables businesses to become 'Always connected', leveraging all their assets and workforce, to unlock complexity, innovate and meet their business demands.

Fujitsu believes human centric ICT can help create a more intelligent society, a better place for human beings and a better place to conduct business.

This in turn creates a sustainable world where we can live and prosper.

RESEARCH METHODOLOGY

The survey examining the skills gap in energy, utility and built environment sectors was commissioned by Fujitsu and carried out by Census Worldwide, a research company.

The survey comprised of 250 directors, senior managers and business owners (in companies of 50+ employees), who have input in human resource management or people management, in construction and utility sectors, energy and engineering. It ran from 19th – 26th August 2016.

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