



Europe's renewable energy sector and the HR function

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A sector as immature, yet fast growing as renewable energy is bound to throw up a few juicy challenges for HR managers. The sector is not new, nor is it an unknown quantity, but only in the last few years has the global stage been transformed to such a degree that major energy firms are investing seriously in alternative energy technology. The EU's reliance on imported energy is growing (and it's a well documented fact that natural reserves will soon be running on empty); we're committed to meeting challenging targets for the reduction of carbon emissions, increased energy efficiency and increased dependence on renewable sources – all of which clearly indicates it's time we embrace a new energy landscape.

So, what are these challenges and how can the HR function tackle them successfully?

Skills shortage

As with the IT boom of the 1980s, emerging technologies can be exciting and revolutionary to witness, but they can also highlight a potential lack of expertise. What can employers do to bridge the gap?

Once the required skills and competencies have been identified, training is the first port of call. Training and development programmes are widely available across Europe and have been for some time.

In 2002, a consortium of European universities was established to develop the first European Masters in renewable energy, and organisations will now be experiencing the fruits of this initiative.

Private consultancies have, not surprisingly, been swift to jump on the bandwagon, setting up residential training courses specialising in systems and technologies such as wind, solar, marine and biofuels (often at considerable expense). Charitable organisations, for example, the Centre for Sustainable Energy and the National Energy Foundation in the UK, are also on hand to help businesses cut emissions and explore alternative energy sources.

What's more, specialist recruiters are emerging from the woodwork advertising services in search and selection; their USP (they claim) is that run-of-the-mill recruitment agencies will not understand the market sufficiently to be effective in tracking down the right people.

The unfortunate downside to the skills shortage dilemma is the financial expectations of an employee in possession of the perfect blend of technical know-how, prior specialist experience and other skills such as foreign language requirements.

Retaining employees

Once you've found the perfect employee, how do you keep hold of them? Clearly, this isn't a problem specific to the renewable energy sector, but it is one that they, perhaps more than others, should be aware of.

As mentioned above, employees bringing specialist training with them will be aware of their marketability and their intrinsic value to companies keen to expand a renewable energy division. Employment

packages are likely to be generous, particularly when recruiting from a competitor, so a carefully constructed and well executed employee relations strategy should help to reduce churn.

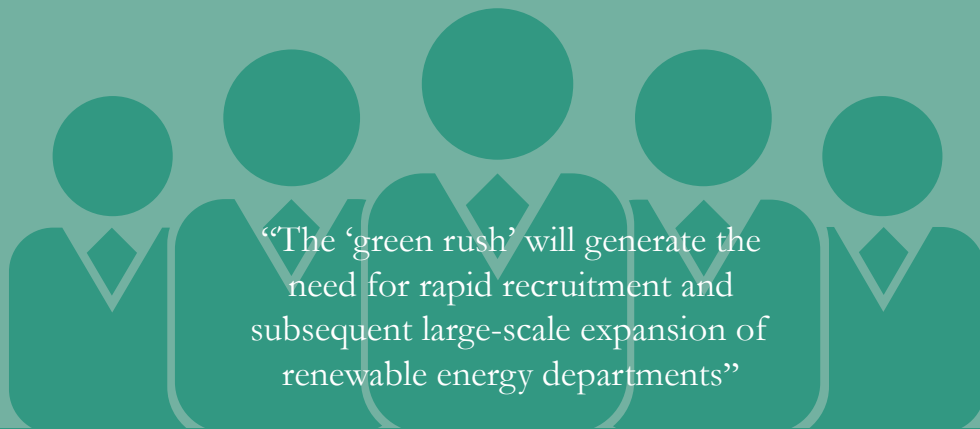
On the flip side, employers should ensure they safeguard their own investment too. As employees start to develop new technology and innovations, the intellectual property rights must be legally protected. Thus, it seems there must be a balance between a psychological contract that motivates and nurtures the employee and the legal contract that guarantees IP protection.

Managing a growing workforce

Few industries will grow as rapidly over the coming years. This 'green rush' will generate the need for rapid recruitment and subsequent large-scale expansion of renewable energy departments. Various employment rights come into play as the workforce grows. A good HR manager will be aware of the associated problems this can create and act ahead of time to ensure teething problems are kept to a minimum.

There are two main aspects to managing a growing workforce: legal and practical. For organisations with several European hubs, EU law will apply as well as individual domestic law, which will differ from territory to territory.

For example, the regulations which govern the information and consultation of employees will differ between countries but will also have some overarching principles in common.



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Trade union involvement can kick in when the workforce reaches a set limit and this too will vary. In the UK, any organisation with 21+ employees is open to a union’s request for recognition.

On the practical side, the following should be considered:

- Internal communication – is it adequate for the type/size of organisation, does it address company objectives, and are employees fully engaged with it
- Remuneration arrangements – salaries and benefits may have been dealt with on an ad hoc basis once upon a time, but as the workforce grows, they will need to be more consistent and equitable
- Changing culture – many small organisations engender a close-knit, familial atmosphere among employees, but over time it’s inevitable that a corporate culture will emerge where it is no longer appropriate or practical, say, to wander into someone’s office for a chat. In addition, a de facto two-tier workforce may spring up between those employed at the outset and those recruited later on
- As expertise within the organisation grows, highly skilled employees such as scientists and technicians (knowledge workers) may require more creative methods of being managed and engaged than the rest of the workforce

Loss of jobs

Ironically, the development of the renewable energy sector is dependent on the decline of the existing energy industry, as our supply of fossil fuels dries up. We’ve already witnessed the demise of the coal industry in the UK and it won’t be long before oil and gas workers are similarly affected.

Employers should seek to redeploy wherever possible, giving employees training and support so that other opportunities within the company become available. It makes sense to build on skills that may have taken years to acquire and if job cuts are on the horizon, be prepared for union intervention.

Let’s also not forget the impact that new agreements on climate change will have on industry in general. Business leaders and trade unions have recently expressed concern that EU plans to cut carbon

emissions could cause European job losses as employers move to countries with less strict environmental regulations.

Dealing with the unions

Membership of the unions has declined, but they still wield a significant amount of power in the UK and across Europe. There are no pan-European unions, so organisations that operate across several territories will need to implement structures that can handle this. A few simple guidelines to dealing with trade unions can stand employers in good stead.

- Adopt a co-ordinated approach and deliver the same message to all the unions you need to deal with, even if they’re in different countries
- Ensure managers are given adequate training to negotiate with union representatives
- Don’t get fooled into thinking it’s a job you can palm off onto a junior employee. Treat unions with respect and you’ll reap the rewards
- Don’t neglect non-union employees: continue to engage with the entire workforce

Corporate Social Responsibility

The “green revolution” has become the term of the 21st century. Once the preserve of hippies, we are now accustomed to reading about climate change and environmental issues in the media.

But in this rush for brands to wipe the slate clean and appear greener than green, some are guilty of simply paying lip service to the great debate and of rolling out convincing marketing campaigns that suggest their CSR policy is more comprehensive than it actually is.

So, for the renewable energy sector which in essence is a green product, there can be no whiff of “greenwash”. The CSR chain of custody must be utterly transparent right down to the organically grown, FairTrade coffee beans in the communal kitchen. ■

Thanks to Andy Cook. For further information about Marshall James HR, please visit www.marshall-james.com