

If you're looking for an example of workforce development in action, you couldn't do much better than Margaret 'Peggy' Pego. Currently SVP and HR Officer for New Jersey-based energy company PSEG, Pego began her career with the organization as a secretary some 30 years ago. Since then she has risen through the ranks with the constant support of her employer. "I completed my undergraduate degree while I was working at PSEG and they paid my tuition," she tells us. "I completed my MBA and utilized the tuition benefit program that we still have in place. We have a number of employees every year who take advantage of that."

The importance of workforce development is perhaps more pronounced in the energy industry than in other sectors. It's a 24/7 business that delivers critical products, and workers have to be ready to respond to challenges as soon as they happen. This requires an employee base that really knows what it's doing. Not only that but the industry, in common with many others, is facing a looming crisis in staffing. "We have a lot of baby boomers who are planning to retire," Pego explains. "We need to find a way to fill that gap to ensure that we have workers to take the place of those who will be leaving." Some statistics say that about half of the 550,000 power industry workers, largely baby boomers, are eligible to retire within the next five to 10 years. This would be a headache for any business, but for a company with so many hi-tech, safety-critical positions, it is a major challenge. "Our industry requires very specialized skills, especially in our nuclear

and fossil plant operations and our people have knowledge that can't be learned overnight," continues Pego. "We invest a lot in our people—sometimes spending years getting them up to speed—so it's important that we entice them to make a career of it."

Under Pego's leadership, PSEG is devoting significant energy to not only ensuring their existing workers are well trained but also to finding and attracting the next generation of employees. For those already with the company, there are many opportunities to develop skills and gain new insights on the business. "We have a supervisory academy and a leadership academy to ensure that our supervisors, our managers and our leaders are trained and have the tools that they need to excel," says Pego. "We have also mandated development goals for all of our non-union employees. It's one of the things that we measure on our enterprise scorecard as far as what percentage of development goals have been completed. Managers work with employees throughout the year, and progress on developmental plans is tracked in a computer system and measured on a company-wide scorecard."

Key to the success of programs like these has been the increasing influence of technology. "We've been very focused on bringing in a more integrated HR system than we had in the past," Pego recounts. "We now have a system called 'emPower' and it's the first time that we've ever had our performance management, our goal management and our succession planning management in the same place and we are now implementing the compensation module tied together. In addition, it has an employee profile

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THE POWER TO IMPROVE

HRM sits down with **Margaret 'Peggy' Pego** of PSEG, to find out how the energy company is training to beat the looming skills shortage.





Margaret 'Peggy' Pego joined PSEG in 1974, and has held a variety of management positions in the HR department. She holds a Bachelor of Arts degree in business administration from William Paterson College, and a Master of Business Administration degree with a concentration in management and labor relations from Seton Hall University. She holds a certificate in EEO studies from Cornell University, and has also completed the Human Resources Executive Program at the University of Michigan. She is also certified as a senior professional in human resources.

where an employee can go in and view their profile and update it. Once we implement the compensation and variable pay modules, all of our major HR processes will be linked. That is a tremendous step forward.”

Quite aside from the direct benefits to the company that this focus on development brings, it's also extremely popular with the workforce. “We recently completed an employee engagement survey and learned just how much our employees value training and development,” Pego explains. “That's an important validation, since we've long believed that development is one of the key components to retaining talent.” With skilled workers at a premium, such retention is immeasurably valuable.

But Pego and PSEG have not focused their efforts solely on their own affairs. Realizing that the workforce challenge affects the entire industry, the company has taken a leadership role on the national level to ensure that the talent base will be wide enough for everyone. The company is heavily involved with an organization called the Center for Energy Workforce Development, so much so that PSEG CEO Ralph Izzo acts as chairman, while Pego herself is the chair of executive committee. “CEWD helps energy companies recruit and train prospective employees,” Pego tells us. “We focus our energy on sharing best practices and working on marketing materials aimed at getting young people excited about opportunities in the industry.”

While Pego's attention is clearly focused on the travails of her own sector, she is clear that her experience can be applied right across the business spectrum. “I think it can be useful to other industries,” she states. “We've placed a much greater focus on our workforce, both those that are coming in as well as those that are here and those that are leaving. We implemented a phased retirement program to help us with knowledge transfer and to keep some of our more experienced individuals engaged part time if that's to their choosing. Any industry could do something like that. The key is convincing high level business leaders to make workforce development a high priority. With that, you're on the right track.” ■



GOING GREEN

Pego's thoughts on people planning for the future of energy

We look at our workforce holistically. We want to be sure that we have a focus on ensuring the skills to power a green future, not just the current jobs that we need to fill but the green jobs that are coming

down the pike. We've developed initiatives in several areas including developing a source of diverse, well trained and prepared candidates. We've done a lot to retool and retrain our current workforce, and we've looked at the other end of the spectrum, which is how we go about reinventing retirement. We launched a Green Energy Academy at a local vocational school. The program exposes high school students to green energy by combining

classroom and experiential learning to equip them to follow a particular career path. Upon graduation, students can either enter the workforce immediately or go into one of the college degree programs we've helped to develop in partnership with various local schools. They participate in classroom sessions at the college but then they also come to our training facility and do hands on training and summer internships with us. That has proved very helpful to us to get a qualified group of students that we eventually recruit at the end of the two-year program.