

# Improving employee engagement in an environment of uncertainty

**CAPITAL POWER IS A PUBLICLY TRADED (TSX: CPX), GROWTH-ORIENTED NORTH AMERICAN POWER PRODUCER HEADQUARTERED IN EDMONTON, ALBERTA. THE COMPANY CREATES DEPENDABLE, COST-EFFECTIVE AND INNOVATIVE ELECTRICITY SOLUTIONS TO POWER A SUSTAINABLE FUTURE FOR GENERATIONS TO COME.**

As a group of experts and innovators in the energy field, Capital Power works to deliver responsible power for communities across Canada and the U.S. The company develops, acquires, owns, and operates power generation facilities using a variety of energy sources. Currently, they own nearly 6,000 megawatts (MW) of power generation capacity at 25 facilities.

## **Understanding Employee Engagement at Capital Power (2014)**

Capital Power's first employee engagement survey conducted with TalentMap was in 2014. The survey results were very similar to other medium sized organizations, especially those with a history in the public sector. Employee engagement levels were in line with the industry benchmark average and revealed similar challenges related to teamwork, collaboration, entrenched silos, and a conservative culture that was resistant to change, and fearful of taking risks or making mistakes. The phrase "we've always done it that way" was quite common.

Initially, the organization had very little experience with engagement surveys and how it impacted their culture. To assist the organization, TalentMap partnered with the HR team to help them develop effective action plans with their various business units in response to the survey results.

## **Facing the Challenge of Uncertainty (2015-2016)**

As Capital Power proceeded with action planning and improvements based on their survey results, the organization was faced with significant regulatory uncertainty in their key operating market of Alberta in 2015. On November 22, 2015, the Government of Alberta announced the Alberta Climate Leadership Plan for the province, which included phasing out coal-generated electricity, implementing a new carbon price on greenhouse gas emissions, and developing more renewable energy by 2030. While Capital Power was already investing in renewable energy, including wind and solar, this regulatory shift challenged the status-quo of the organization and how they were operating.



In June 2016, when Capital Power conducted its second employee engagement survey with TalentMap, engagement had increased marginally due to progress on key engagement drivers previously identified, such as teamwork and innovation.

While Professional Growth was identified as the most important driver of engagement for Capital Power in this survey, Organizational Vision came in a close second. Employees clearly expressed that they felt uncertainty due to a downturn in the Alberta economy and the Climate Leadership Plan and that it was largely impacting their level of engagement and their optimism regarding the future of the organization. This resulted in the percentage of those feeling optimistic about the organization's future dropping by eleven percentage points (-11%).

Moreover, while the Executive Team was viewed favourably by two-thirds of employees in the 2016 survey, another one-in-four indicated they were 'neutral' which also signaled that employees felt uncertain where the organization was headed.

### Responding to Employee Engagement Needs (2016)

A fundamental change took place in the leadership approach to employee engagement after the 2016 survey – the leadership team recognized the challenges highlighted by the survey results and took ownership to address the engagement needs of their employees. Fostering greater connections to employees and communicating their vision became a strategic imperative for the organization.

Capital Power focused their efforts on addressing the three key drivers of employee engagement: Organizational Vision, Professional Growth and Innovation.

### Improving Visibility and Addressing Uncertainty

From the announcement of the Alberta Climate Change Plan in November 2015 to June 2016, Capital Power's leadership team focused on communicating the complex issues the organization was facing and addressing the perception of a lack of communication and transparency surrounding these issues which magnified the feeling of uncertainty among employees. Following the 2016 survey, the leadership team began tempering their messages by saying "we don't know, but we'll let you know as soon as we know" to keep the lines of communication open with employees even when there were no concrete answers to be shared. And, perhaps most importantly, a series of presentations by the Strategy group to share the strategy and direction of Capital Power with employees.

Additionally, a comprehensive roll-out plan was developed and implemented which included 1:1s between HR and each of Capital Power's business units, followed by large and small group meetings to discuss survey outcomes. Leaders also travelled to different locations to give in-person presentations which allowed for greater interaction with employees. As a result, individual groups addressed and decided upon key action items that they would implement to improve engagement.

Many leaders and managers became more visible to their employees. With increased interaction with their teams, leaders and management addressed all questions or concerns employees had regarding the organization.

## 2014

Overall Employee Engagement Rates: 68%

## 2018

Overall Employee Engagement Rates: 78%



### On Professional Growth

Notwithstanding the concerns regarding the immediate regulatory challenges the organization faced, Professional Growth and Organizational Vision are still the most important drivers of employee engagement.

In response, Capital Power implemented several measures directly aimed at improving employees' view of their learning, career development, and growth prospects:

- There was an added focus on growth and development plans for employees, including training on how to create personal development plans;
- Job posting guidelines were developed and most positions are now posted;
- More transparency regarding hiring and promotions was encouraged, so employees could realize the possibilities that were available;
- Stretch assignments, job rotations and lateral moves within the organization for employee development was encouraged and supported by leaders.

### On Innovation

Key investments were made in renewable energy to position the organization for long-term success and address the challenges posed by a new regulatory environment. From an employee standpoint, there was greater communication of successes through an internal newsletter, a series of “show and tells”.

### The Result: Improved Engagement and Organizational Performance

Capital Power conducted a third employee engagement survey in the summer of 2018, and it was crystal clear that the concerted effort on improving engagement by focusing on the key engagement drivers determined by previous surveys had paid off!

The 2018 engagement survey showed:

- An overall improvement of employee engagement of +10% from 68% in 2014 to 78% in 2018;
- An increase of +12% of employees who stated they are optimistic about the future of Capital Power;
- A decrease in the percentage of employees who were thinking of leaving the organization;
- Increases in percentages of employees with favourable views towards Organizational Vision (+9%), the Executive Team (+8%), and Professional Growth (+2%) with many employees commenting positively about improved employee development opportunities.

During this time, Capital Power also saw significant improvement in financial performance with increases in revenue, profitability and dividend growth – which was reflected in a stock price that recovered, and then some, from lows hit at the end of 2015. <sup>1</sup> All of which to say that improving employee engagement contributes to improved organizational performance and success – and that success also drives higher engagement. Employee engagement and organizational performance are both mutually reinforcing of each other.

#### Percentage increases of employees views after 2018 engagement survey

**+9%**

**Organizational Vision**

**+8%**

**Executive Team**

**+2%**

**Professional Growth**

<sup>1</sup>[http://quote.morningstar.ca/Quicktakes/Stock/s\\_ca.aspx?t=CPX](http://quote.morningstar.ca/Quicktakes/Stock/s_ca.aspx?t=CPX)



## LOOKING BACK ON SUCCESS

In looking back, the Capital Power team attributes the improvements to several key success factors:

### Capital Power's leaders took ownership

The true momentum and positive change began in earnest when leadership took ownership of employee engagement and decided to make it a strategic priority.

### HR supported the process and action planning

It was important that leaders received proper support to understand the survey results, the story that they are telling, and most importantly, where to focus efforts to truly improve employee engagement and not yield to paralysis by analysis.

### Walked the talk

All involved, with the full support of the executive team, leadership and HR, made commitments and stuck to them with visible changes taking place. This improved the confidence of employees in leadership and the direction of Capital Power as a whole.

## About TalentMap

With over 17 years of conducting thousands of different surveys in every type of organization across North America, TalentMap offers you the insights, context, and experiences of those organizations alongside sophisticated post-survey services and support.

Dedicated to helping organizations act on employee survey results to create meaningful change, TalentMap offers a large suite of full-service and Do-It-Yourself survey solutions that are flexible and configurable.



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