Executive Summary

Consumers Energy’s low turnover of 2% has made them look at who is leaving and why are they. When finding out that the majority of the 2% is females, they knew they would have to look into this further to find out why. When researching this grouping, it was also discovered that the females were minorities. This raised a huge concern with the Diversity and Inclusion department. At the end of 2017’s 4th quarter, the diversity was broken down as followed: 62.4% Caucasian Male, 23.4% Caucasian Female, 9.1% Minority Male, and 5% Minority Female. Consumers Energy was just named the most diverse company in Michigan. Being in a male dominate industry, the percentages are expected, but Consumers Energy wants to continue to be the number one employer for employees to want to work for. When the females were asked why they are leaving, the answers included that they were leaving their supervisors not the company. It is important that the leadership of Consumers Energy is trained to be the best leaders in the industry. To do this, the company has reached out to the training and development department to help.

There are three new trainings that Consumers Energy is incorporating into their leadership training and their new employee process. These three trainings include a new and improved leadership training that will incorporate empowering employees along with emotional intelligence. The second training is more of a new process, the onboarding process. This is a four phase onboarding to take the new employee from the recruiting stage to three to four weeks into their employment with Consumers Energy. The last training will be focused on diversity, inclusion, and culture. This will be group based and case-based training to show that when a diverse group gets together and work together, amazing ideas and connections happen.
An Organizational Plan to Retain Employees

Allison Matthew

CMU

Directed Administrative Portfolio

MSA 698

Dr. Gerald Becker

February 4, 2018

This MSA 601 paper is in partial fulfillment of the requirements for MSA 698, Directed Administrative Portfolio.
Table of Contents

Introduction .................................................................................................................. 5
Body ............................................................................................................................. 5
Conclusion ................................................................................................................... 13
References .................................................................................................................. 14
An Organizational Plan to Retain Employees

When a company has only a 2% turnover rate, they may want to find out who and why these 2% are leaving. It will come as a shock when a majority of the 2% is mainly minority females and the question may arise, why are these minority females wanting to leave the company?

In today’s business world, companies focus on becoming more diverse and attracting new hires. But when hired, what are the factors of the organizational dynamics and culture that makes the new employee a good fit? Hiring an employee can be a difficult task for a company and once hired, retention can also be difficult. This can take up a large amount of time for not only a hiring manager but also everyone involved in the onboarding process. After this process, a company only hopes that the organizational culture, social atmosphere, and co-workers will blend well with this new employee. “Management is a lot like juggling” for example, “Everything is constantly in motion, with several things up in the air at any given time. Strategically speaking, managers juggle human, financial, material, informational, and technological resources. Each is vital in its own way” (Kinicki & Fugate, 2012, p. 8). With close to 8,000 employees, it is important that Consumers Energy’s management is on point when bringing in new employees.

Consumers Energy strives on being the best in the business in all aspects of the energy industry. With ongoing competitiveness and being in the spotlight daily, Consumers Energy is striving for excellence in all areas, diversity and inclusion being part of that vision. Currently, Consumers Energy has over 8,000 employees, but the diverse makeup is not where they want to be as a business right now.

There are several factors to consider when looking at the organizational dynamics and culture. In today’s world, diversity is one important factor that an organization should capitalize
on. Once inside the company, leadership should recognize and expand on the employees’ differences. These differences can include not only gender and age but also their ethnicity, education, communication style, and even conflict resolution techniques. Being a diverse workforce, it will put Consumers Energy at the top of some job applicants lists for potential employers.

Consumers Energy has made great strides to create a more diverse workforce, but being in a Caucasian, male dominated workforce, it can be hard to recruit and then retain employees, especially diverse individuals. There are not many individuals that are going into the labor or trade field at this current time. Consumers Energy has an ongoing Line Worker referral program for current employees to try to bring in new employees before current line workers retire.

The total headcount as of 03/31/2014 was 7,159 and 61% was Caucasian males, 26% Caucasian female, 8% Diverse male, and 5% Diverse female (Cecconie, 2014). As of 12/31/2017, Consumers Energy has 8,006 employees, of which 71.5% are male and 62.4% are Caucasian. Leaving 28.5% being females and only 5% of those females in a minority grouping (Consumers Energy Workforce Profile Sheet, 2018). In the energy industry, there has not been much change in gender and sex as one can see by the numbers above. One difference that has changed over the years is the generation groups.

Consumers Energy has seen Traditionalists and Baby Boomer numbers go from over half the company to less than a quarter to almost none. Currently there are only three generations that show up on the Consumers Energy Workforce Profile Sheet (2018). Those three generations are the Baby Boomers, Generation X, and Millennials. The Washington Post mentioned in July of 2014 that “Each day, 10,000 baby boomers retire” (Kessler, 2014). As this transition happens, jobs are getting posted daily and new employees are onboarding constantly.
As the recruitment team looks for people with all types of education, backgrounds, and experiences, putting these new employees in the right job is extremely important. Not only to the company, but definitely with that individual. When an employee is joining the workforce, managers do not assume that an employee will only be at the company for a short time. Normally, an employee will see a business and industry, such as Consumers Energy, as a place to have a lifelong career and retire from. But like every business, there is a turnover rate. Hom, Shaw, Lee, and Hausknecht (2017, p. 530) stated that “turnover disrupts various productivity related outcomes”. With this type of information, most businesses would like to know their turnover rates and why is there turnover?

Consumers Energy has always maintained a low turnover rate for non-retirement leaves. In 2017, the turnover rate is at 2% (Consumers Energy Workforce Profile Sheet, 2018) and while this is quite low compared to other companies and industries, Consumers Energy wanted to know why their turnover was even at 2%. When looking at the data to find out who these 2% are and to see if there was a pattern, Human Resources found something specific. What they saw was that a majority of the 2% leaving was minority females, and they were between year one and five of employment. With an already low number of minority females (5%) at Consumers Energy, this was something that the business wanted to look at. If the goal is to create a diverse and inclusive workplace, how do they retain minority females? Consumers Energy knows they want a better female representation in their company.

Looking at the industry as a whole, the energy industry is more of a male dominant workforce. At Consumers, 40.8% is a Union workforce, and in this case the union are employees in more of a labor type of job such as linework, gas service work, plant work, or a trade. The energy industry is one of the male-dominated occupations that have 25% or fewer women that
www.Catalyst.org names (Catalyst, 2017). With knowing this information, Human Resources decided to ask the group of minority females that have left, why did you leave? When all the responses came back, they found that these minority females left not because of the company itself, but because of the supervisor and/or their leadership. This response did not come by much of a surprise. Employees have said that supervisors are sometimes given their position, it is not always earned in a way that some people think it should be. Another response that came back was that they felt there was no directions given at the start of their job placement and they did not know what their supervisors expected. They felt that they had no direction and the culture was not good fit for them.

Pearl-Martinez and Stephens (2016) states that in the energy industry having women in the workforce as this industry goes towards renewable energy is very important. They also state how critical it is to know that women are not very involved with the energy workforce and making decisions regarding the energy industry. The industry wants to change this. Gender diversity will “promote more sustainable energy practices, accelerate energy innovation, expand opportunities for women, and encourage greater social engagement in energy-system change” (Pearl-Martinez & Stephens, 2016).

The benefits for having a greater gender diversity in the workplace, including the energy industry, enhance environmental, economic, and cultural aspects. Having women on the board of directors, companies seem to invest in renewable energy (Pearl-Martinez & Stephens, 2016). Consumers Energy is constantly looking into investing in this renewable energy sector, not only for political reasons, but also for environmental reasons and customer wants. Rochlin (2016, p. 8) explain that higher costs lead to high electric rates and customers will see lower rates if they leave the utility grid. Going to a renewable source would be the customers option. Women tend
to support and express environmental concerns, including environmental protection. Overall, it is said that smart economics and high economic growth is connected with gender diversity. Having women in groups or teams have shown that there are more effective and inclusive outcomes and bring social awareness about energy to this sector (Pearl-Martinez & Stephens, 2016). Based on all this information, increasing Consumers Energy’s female representation is a must.

There are three recommendations to help solve this issue of retaining minority females and creating a workplace where employees want to stay and make a lifelong career. It is recommended that Human Resources and Diversity and Inclusion contact the Training and Development department to create and design the training to focus on their leadership to help with the full development of a new employee. They will have to create a structured on-boarding process that will help new employees transition into their new position. And the third recommendation is to work with leadership to work with their employees at a higher level that will include working with a diverse team.

Leadership is more just being a supervisor in a workplace. In *Organizational behavior*, Robbins and Judge (2017, p. 383), defined that leadership as “the ability to influence a group toward the achievement of a vision or set of goals”. Anyone can be a leader, they do not have to be a manager or supervisor. It is important that Consumers Energy has good leadership within their organization to create the visions of the future and to bring the employees to that vision. The leadership training will provide Emotional Intelligence awareness as well. Being self-aware and being able to empower your employees can increase “personal, interpersonal, or political power so that individuals can take action to improve their life situations” (Gutierrez, 1990). Including this in the training will help develop one’s sense of personal power, the ability to affect others and work with others.
To help communicate and interact with their team, leaders will learn techniques that will be used to help empower their team including the females. These techniques include when an employee is communicating with them they listen and accept the problem or issue, they will learn to identify and build on the employee’s strengths, and they will engage in the employee’s power analysis of the situation. The leaders will also learn to teach specific skills to help empower and mobilize resources and advocate for the employees (Gutierrez, 1990). By working with the leaders and teaching these skills, it will help build the relationship between the leaders and employees.

A new onboarding process will be available to all new employees once they are hired into Consumers Energy, but this will not last only one day, it will actually go into their first week of employment. “The objective of the onboarding procedure is to develop a long haul relationship between the business and the worker while encouraging a sentiment having a place and a confirmation of settling on the right decision” (Kumar & Pandey, 2017, p.198). This will not fall just on Human Resources, like some people may think. This will be an effort from Human Resources and the first line supervisors, team leaders and of course, the employee. We will be introducing a four-phase onboarding process starting at the recruitment stage. Phase two will include the first day of work and lasting till the end of the first week, with the possibility of going into the second week. This will mainly include transferring knowledge from previous position holder or training of the new position from a current employee. Phase three will include the expectation lay out from supervision to the employee. It will include development thoughts from the employee and feedback expectations from the supervisor as well. Lastly, phase four will bring in Human Resources to discuss the onboarding process with the employee to obtain
feedback of their first few weeks. It will also include feedback, training and development thoughts of both the employee and team supervisor and/or lead.

Part of the onboarding process, Consumers Energy will introduce their seven Employee Resource Groups individually and give the new employee to learn about each one and join them as well. These seven groups include Women’s Advisory Panel (WAP), Women’s Engineering Network (WEN), GENEnergy (Embracing Generations), Minority Advisory Panel (MAP), Pride Alliance of Consumers Energy (PACE), Veteran’s Advisory Panel (VAP), and capABLE (embracing all disabilities). The membership that is already established with these seven ERGs make up for 12% of the current workforce and the Diversity and Inclusion is looking to make that percentage a larger amount (ERG 2017 4th Quarter Newsletter, 2017). Introducing these during the onboarding process will help employees understand that their voice is heard and the company respects and cares for all. This introduction to the ERGs will also help understand how diverse Consumers Energy is.

One thing to know “about diversity is that is can be difficult” (Philips, 2014). It is shown through research and study that some of the biggest companies spend a large amount of money to both attract and manage diversity, and “yet they still face discrimination lawsuits, and the leadership ranks of the business world remain predominantly white and males” (Philips, 2014). Guillaume, Dawson, Otaye-Ebede, Woods, and West (2017, p. 293) explained that the effects of workplace diversity is all about not only leadership and human resources, but also strategy and culture. The Training and Development department has set up a new and improved diversity training that uses case studies to show that diversity will increase creativity and innovation. It will be group based to show that when a diverse group of people get together, problems get solved because they all bring different information, perspectives and opinions. Just recently,
Consumers Energy was named the best employer in diversity in Michigan by Forbes and number 13 in the nation (Consumers Energy, 2018). This will show the new employees that they are working for one of the best Michigan based companies out there.

Another issue that will be discussed during diversity and inclusion training will be the culture in the workplace. It is said that Consumers Energy has a specific culture and within departments and then even in teams. “People choose their cultural identity” for example “they also choose how closely they observe the norms of that culture” (Robbins & Judge, 2017, p. 527). In an organization, culture can include the innovation and risk-taking abilities of the employees, as well as their attention to detail. Focusing on results and outcomes and how these effect people and their teams is also part of a culture. Aggressiveness and stability are two more characteristics that you may see in a culture as well. “Appraising an organization on the strength of each provides a basis for the shared understanding members have organization, how things are done in it, and the way they are supposed to behave” (Robbins & Judge, 2017, p. 527). If newer employees are leaving due to culture, Consumers Energy should be asking what kind of culture does their business contain? Not only at a high level but also at a team level.

If it is found that there is a weak culture, or negative culture, Consumers Energy will need to focus on creating a strong culture. One way to do that is to have employees accept the company’s core values and commit to them. “The more members who accept the core values and the greater their commitment, the stronger the culture and the greater its influence on member behavior” (Robbins & Jude, 2017, p.529). Consumers Energy’s core values are actually called “Our Guiding Principles”. The Guiding Principles are as followed:
We Act with Integrity – We believe integrity is a cornerstone of business success.

We Earn Our Customers’ Business 24/7- We believe serving our neighbors, friends, family is an honor and privilege that must be earned every day.

We Cross the Finish Line Together- We believe success is achieved when we work together.

We Put Points on the Board – We believe success depends on delivering meaningful results.

We Leave It Better Than We Found It – We believe lasting value is created through making improvements every day.

It’s a Great Place to Work – We believe in an environment where we can contribute our full potential.


Each of these have beliefs and behaviors and practices attached to them. Concentrating and having a conversation about these guiding principles will help set up the new employees and existing employees to be successful at Consumers Energy and know what is expected of them.

In conclusion, the low turnover rate of 2% for Consumers Energy can be worked on by focusing on their training and development for their supervision and their leaders. The majority of the 2% leaving is found to be minority female and because this is a unique grouping, training and development will include recruiting and retaining in new training sessions. Training and Development will be introducing three new training aspects to their supervisors and employees. These three trainings will help with the onboarding process, leadership and supervision roles, and also a diversity and culture training for all employees. Consumers Energy has been named one of the best diverse companies to work for in Michigan and they want employees to stay and create a life long career there.
References


Cecconie, A. (2014). Valuing Our Differences. [PowerPoint Slides]. Retrieved from C:\Users\aahartle\Documents\VOD\VOD81004351\pptxNEW.pptx


In MSA 601 Organizational dynamics, Special edition for Central Michigan University.
Mount Pleasant, MI: Central Michigan University.


