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Utility Leadership: The Next Generation

The biggest requirement for leaders in the industry is to become outstanding leaders of change.

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How critical will new utility leadership be to the success of utilities in the future? What traits and characteristics will these new leaders need to possess? Of current utility leaders, which ones are modeling these attributes today?

As an industry, it is appropriate for us to reflect on these questions, focus on finding meaningful answers and take the steps necessary to build those leadership capabilities.

First, we need to acknowledge that the industry continues to go through significant change. This has been the case throughout my career. It seems now though, that the rate of change and the dimensions of change are far greater than they have been in the recent past. They also appear to be accelerating at a rate that we have not seen in this generation. The changes are both technological and policy or regulatory and are driven at least in part by desire on the part of our customers.

So, in answer to the first question, leadership will not only be essential for the success of utilities. Without strong and effective leadership helping to lead the organizations

through the continual changes, the utilities as companies and as an industry will likely fail, or, in the best case, be relegated to a shell of their former selves.

Utilities do not accept change easily, and that is understandable. For most of their history, utilities have been focused on the long game, with investments based on meeting the needs over 30 to 50 years. Change brings uncertainty and uncertainty becomes problematic in a regulated environment that is dependent on certainty for investor support that in turn fuels the capital that enables the investments.

What we need to recognize is that customers, technology developers, our work forces and now even the regulators are moving at a much faster rate, and the long view is no longer valued or safe. In many jurisdictions, the fundamentals of the industry and our structure are being rewritten. So, in essence, the biggest requirement for leaders in the industry is to become outstanding leaders of change. It is critical that leaders fully accept and embrace that 'change' is necessary ... to not change may mean we don't survive.

Many organizations already focus on change management, which implies that we are actively managing the change. In truth, change is happening around us, to us and in many cases without any direct input from us. To believe that we can control change is naïve. What we can do as leaders is lead and help our organizations make sense of the changes and see how they can be successful in the face of change or as a result of the change. Our efforts to control, to push, to dominate are based on assumptions that don't serve us as effectively as others might.

We lead people, we manage tasks and things.

Effective leaders recognize that our organizations, the collection of human beings, are 'up to something' together, be it in our businesses, in our charitable work, in our

community, etc. Our goal as leaders is to open new futures, to be an example for others and to move forward always knowing fully that change is a constant and our only endeavor is to change proactively and successfully (versus trying to hold it off and ignore it). We can take the perspective that the organization as a 'living system' includes wholeness (versus parts), listening to the environment (versus isolation), experimentation (versus doing only what we know), relationship (versus separateness) and agility (versus rigid structures).

It is also critically important that we recognize that leaders are made by people choosing to follow. We all know of people in leadership roles that are not leading, and we all know of people in our organizations that lead without being in leadership roles.

So what will it take to lead utilities into the next generation? We suggest the following characteristics, believing that to lead change is to:

- Be trusted as a leader by our people – in our sincerity and in our competence
- Be trusted as a leader by our people that we act in accordance with what matters to them (as well as to us)
- Attend to the questions: Who are we? Where is the world going? Who are we going to be in a world that is changing? What do we need to do to become who we want to be?
- Have a clear picture of where we are headed and be able to make that clear to our people as well, showing how this connects to what's important to them
- Produce alignment with the new direction and know when this has not been produced and also know what action is possible next (alignment is not buy-in, we are not selling, we are leading)
- Declare a future that is compelling, not an extension of the past, a future that draws us and our people towards it
- Engage and work with others in ways that recurrently produce value and reduce waste, and serve as a role model to others
- Make strong declarations about not only the future destination, but also about strategies, accountabilities and resources available that enable the gap to be closed
- Manage impeccably the 'things' ... these include (and not limited to) ensuring all key processes are present and aligned for the organization, ensuring all the HR processes

support the goals of the organization, designing best structure for fulfillment, ensuring the needed IT processes are in place and that the assets are managed effectively.

- Communicate in a manner that focuses and remembers at all times that it is what our people hear and interpret that matters
- Learn to change ourselves continuously and with courage. This involves re-examining our assumptions, our beliefs, our thinking, our habits. Looking to where we are producing value for others and where we are not, and wherever not, finding new capabilities that better enable us as leaders. This also entails seeing that when we face a problem 'out there', we look first 'in here' for what needs changing.

We, as leaders, must look first at ourselves for personal learning and change. Only then can we reasonably invite others to learn, grow and change. Leaders recognize that change is a choice that is made by the individual. We cannot change others. We can lead them and invite them to change through our example.

Leading — particularly in times of change — is a practice of agility and of building strong networks of relationships throughout our organizations as well as with customers, partners, stakeholders and adversaries. It is about caring for those we are leading and about tuning to the world around us for windows of opportunity through which we can move forward.

Please share your thoughts on this issue in the space below.

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