Item 4: Human Resources Operations Report – **REVISED***

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Vice President, Human Resources

Human Resources and Governance Committee Meeting

ERCOT Public
December 2, 2024
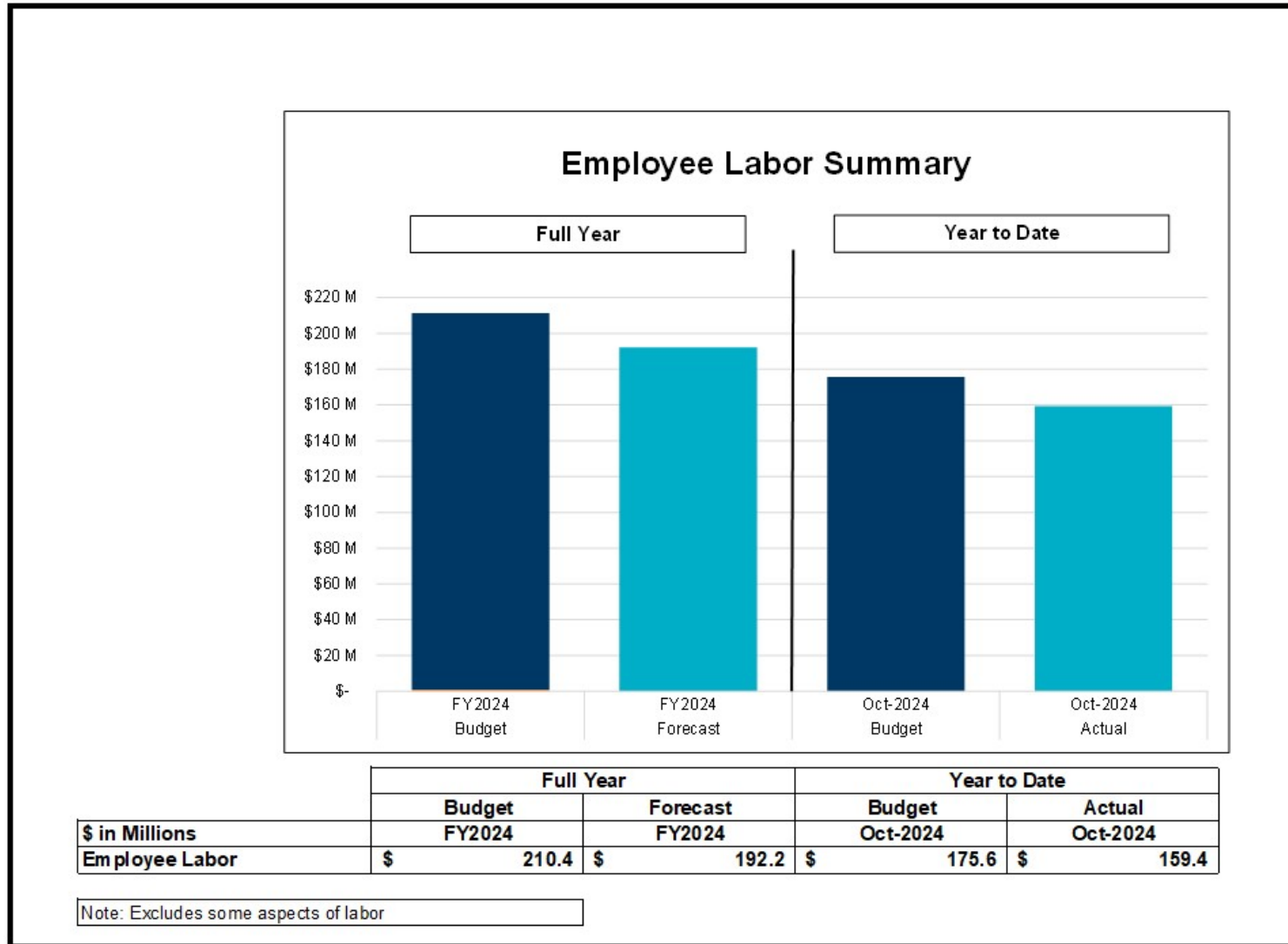
* Slide 11 revised 11/29/24

Overview

- **Purpose**
  Provide the Committee bi-annual update of HR activities and key staffing statistics.

- **Voting Items / Requests**
  No action is requested of the ERCOT Board; for discussion only.

- **Key Takeaways**

  – HR employee lifecycle operation activities remain high in 2024.

  – 2024 HR work focused on Strategic Objective 3 in the ERCOT Strategic Plan to "Advance ERCOT Inc. as an independent leading industry expert and *an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission.* "

HR Statistics & Trends

2024 Employee Labor Budget to Actuals

Employee Labor Summary

	Full Year		Year to Date	
	Budget	Forecast	Budget	Actual
$ in Millions	FY2024	FY2024	Oct-2024	Oct-2024
Employee Labor	$ 210.4	$ 192.2	$ 175.6	$ 159.4

Note: Excludes some aspects of labor

Key Takeaways: Employee labor is $16.2 M below 2024 YTD budget. The year end forecast is $18.2 M below budget.

Headcount Overview

Total Headcount
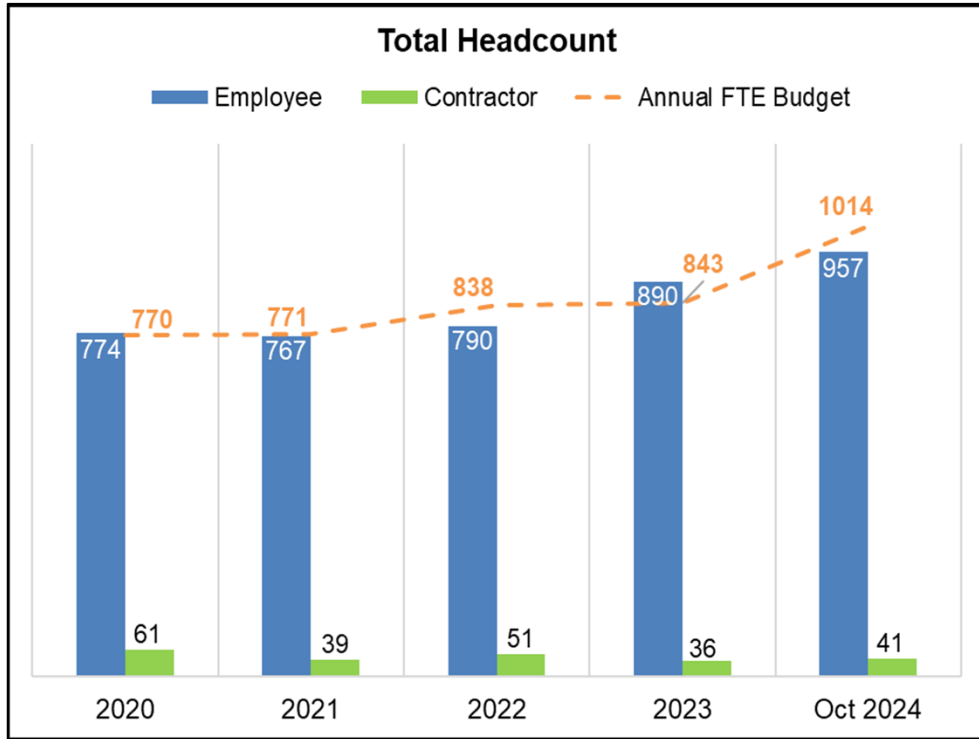
YTD October 2024 Headcount Summary		
Business Area	Employee	Contractor
CEO	7	
CFO	28	3
CIO	133	20
Com Ops	101	
COO	4	
DevOps & Grid Transformation	178	9
Enterprise Risk & Strategy	15	
HR	18	4
Legal	44	
Public Affairs	40	1
Security & Compliance	94	2
System Ops	161	
System Planning/Weather	134	2
	957	**41**

Key Takeaways: Current headcount is comprised of 957 employees and 41 contractors.

Termination Overview

Employee Terminations

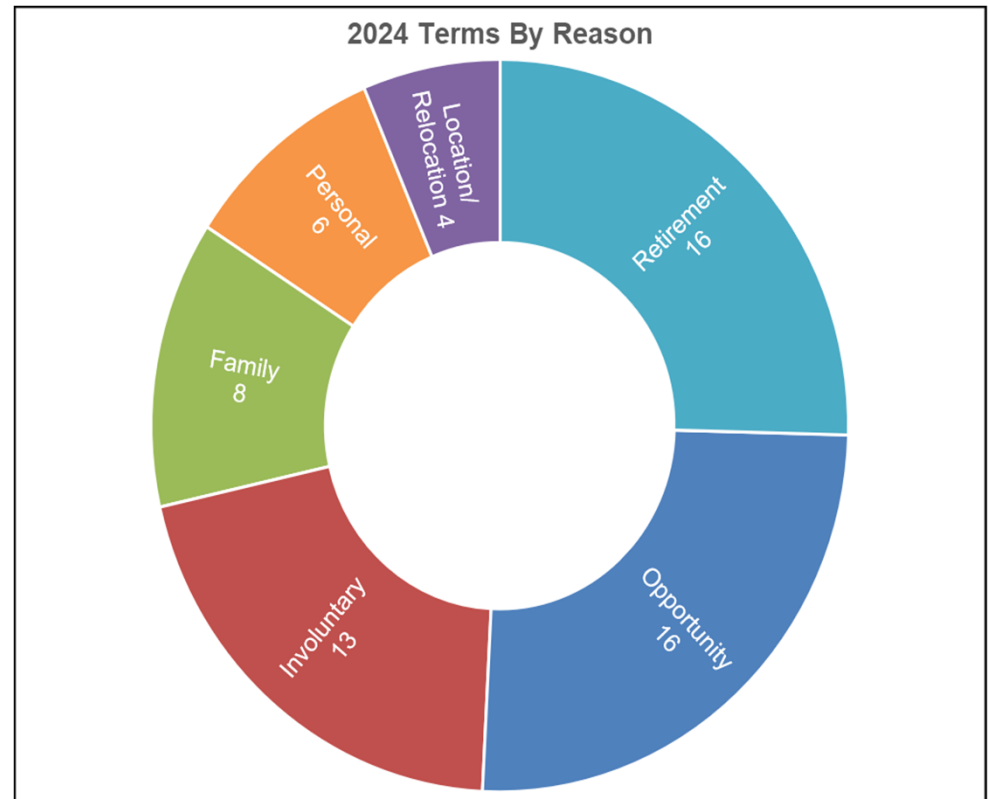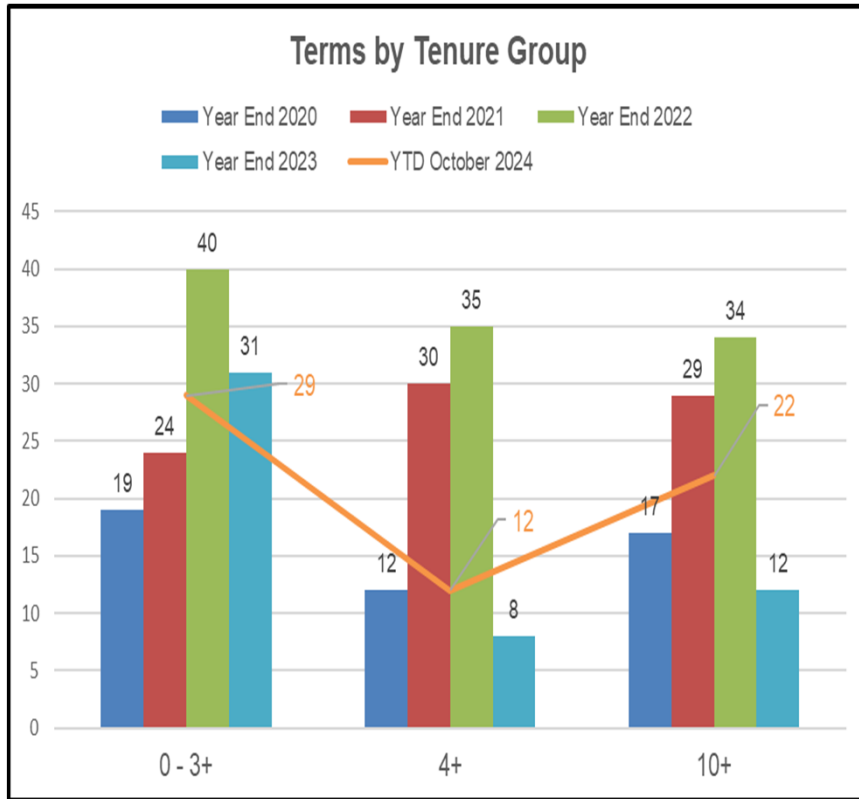ERCOT - Attrition Rate
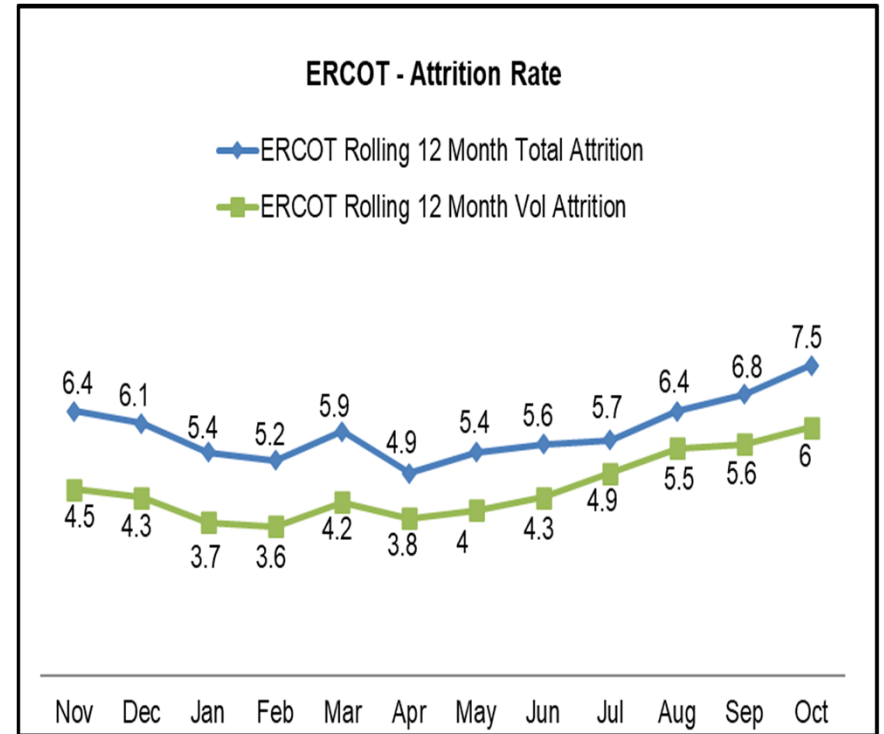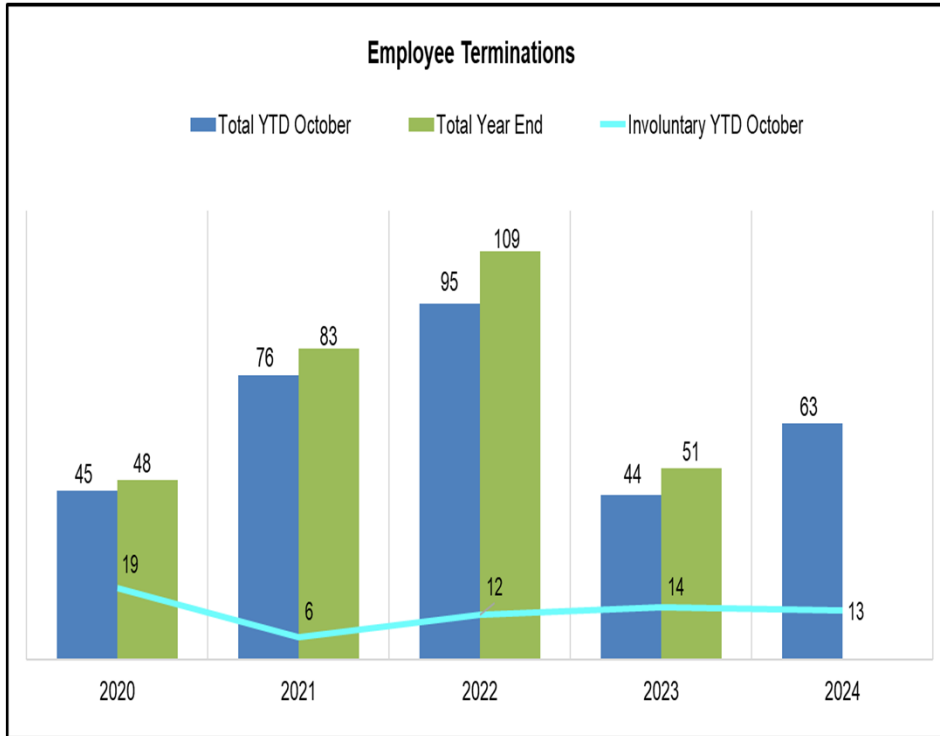
Key Takeaways: Total employee terminations have increased since 2023. Total and voluntary attrition is at highest point in last 12 months.

Termination Categories

Terms by Tenure Group

2024 Terms By Reason
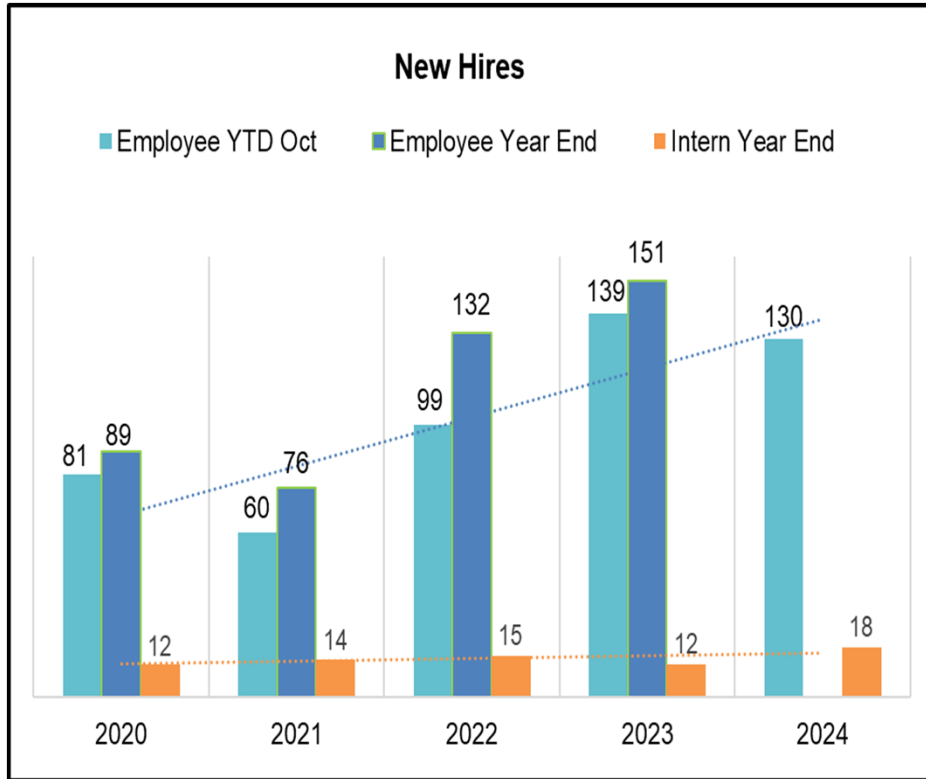
Key Takeaways: The largest number of terminations in 2024 have less than 3 years tenure. The top reasons employees left ERCOT in 2024 are for retirement and to pursue other career opportunities.

New Hire Overview

New Hires

YTD October 2024 New Hire Summary		
Business Area	Employee New Hires	Intern New Hires
CEO	1	
CFO	2	
CIO	6	4
Com Ops	13	1
COO	1	
DevOps & Grid Transformation	15	2
Enterprise Risk & Strategy	1	
HR	4	
Legal	6	
Public Affairs	1	1
Security & Compliance	10	1
System Ops	34	6
System Planning/Weather	36	3
	130	**18**

Key Takeaways: HR onboarded 130 new employees through October and hosted the largest summer internship class in 5 years.

Open Position Overview

Headcount Budget vs Filled

Budget — Filled

	COO	CIO	Legal	CEO	HR	CFO
Budget	435	323	187	3	20	46
Filled	401	312	179	2	19	44

Positions being Recruited

COO · CIO · Legal · HR · CFO

35

COO 23 · CIO 8 · Legal 2 · HR 1 · CFO 1
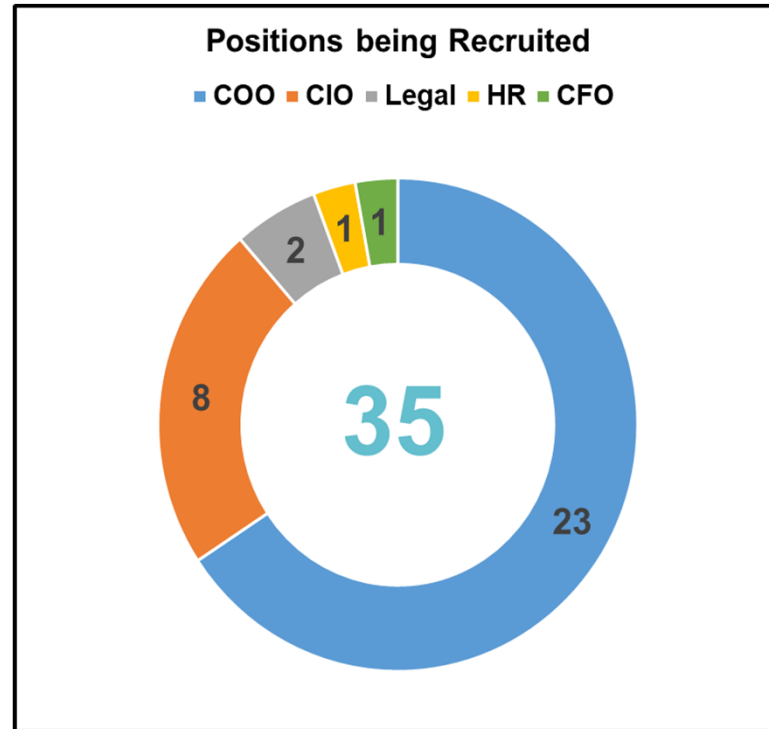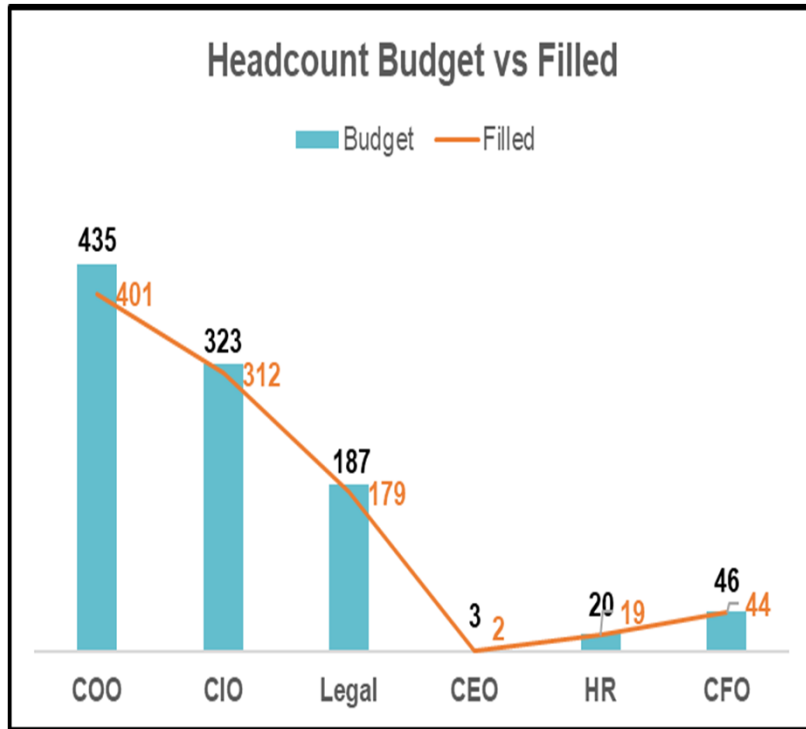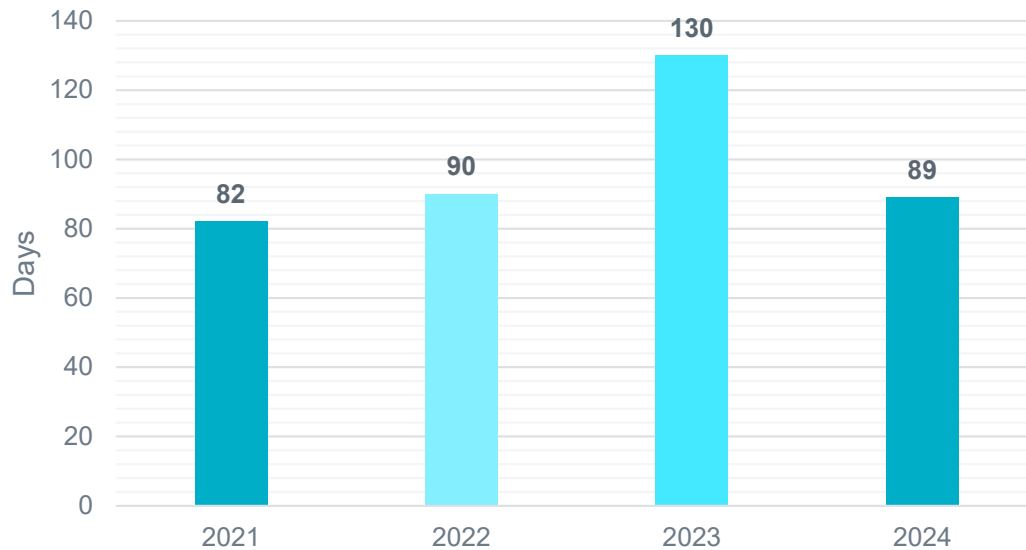
Key Takeaways: Employee headcount is 57 below budgeted headcount, of which we are actively sourcing for 35 positions.

Talent Acquisition Overview

TIME TO FILL : 2021-2024

Chart showing Days (y-axis) by year:
- 2021: 82
- 2022: 90
- 2023: 130
- 2024: 89

Opened Requisitions: 134

Filled Requisitions: 173

    Full Time: 155
    Interns: 18

Internal/External Hiring

    80% Filled External

    20% Filled Internal

Leadership Hires

    68% Filled Internal

    32% Filled External

    Leadership: Any role Supervisor and above

Applicants & Sources
Total Applicants: 14,367

    LinkedIn: 3,709
    Indeed: 3,963
    ERCOT Website: 6,342
    Other: 353

Key Takeaways: The average time to fill a position has decreased 46% since 2023. The top source for identifying new talent are candidates who apply directly to ERCOT's career website. Internal hires fill a significant number of openings promoting new employee career and development opportunities.
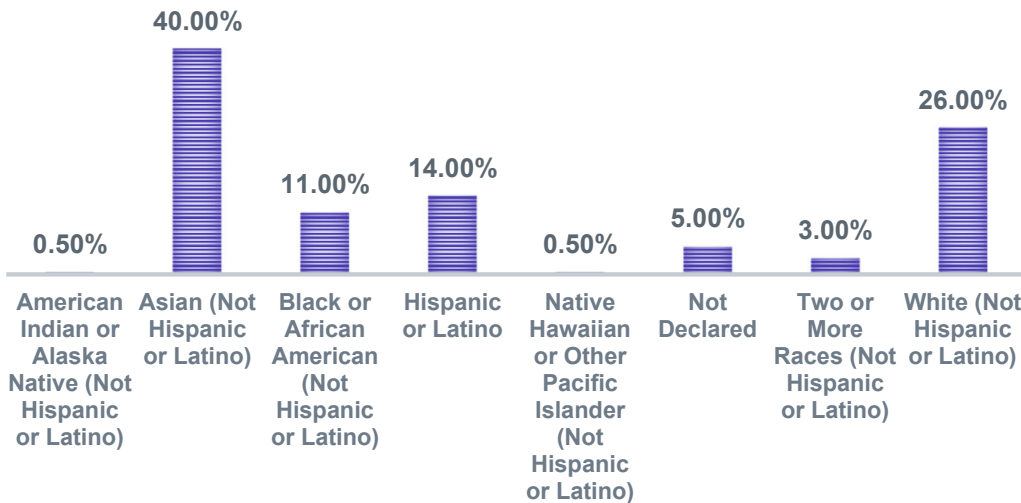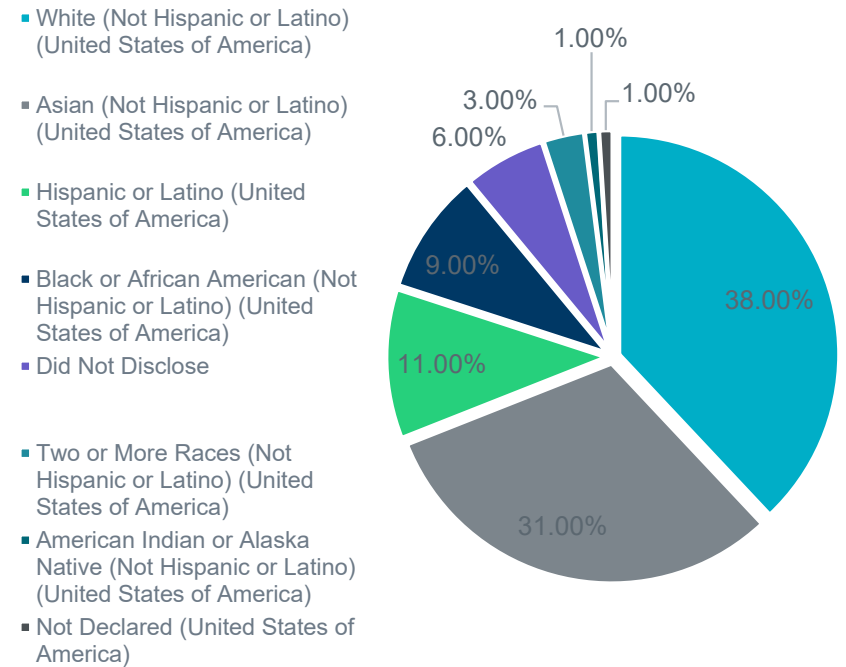
Applicant & New Employee Diversity

Applicant Diversity

- 69% of applicants were diverse by race/ethnicity

- 26% of applicants were female

Hiring Diversity

- 56% of new hires were diverse by race/ethnicity

- 22% of new hires were female

Applicant Diversity bar chart:
- American Indian or Alaska Native (Not Hispanic or Latino): 0.50%
- Asian (Not Hispanic or Latino): 40.00%
- Black or African American (Not Hispanic or Latino): 11.00%
- Hispanic or Latino: 14.00%
- Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino): 0.50%
- Not Declared: 5.00%
- Two or More Races (Not Hispanic or Latino): 3.00%
- White (Not Hispanic or Latino): 26.00%

Hiring Diversity pie chart legend:
- White (Not Hispanic or Latino) (United States of America): 38.00%
- Asian (Not Hispanic or Latino) (United States of America)
- Hispanic or Latino (United States of America): 11.00%
- Black or African American (Not Hispanic or Latino) (United States of America): 9.00%
- Did Not Disclose: 6.00%
- Two or More Races (Not Hispanic or Latino) (United States of America): 3.00%
- American Indian or Alaska Native (Not Hispanic or Latino) (United States of America): 1.00%
- Not Declared (United States of America): 31.00%, 1.00%

HR Strategic Support

HR Initiatives Support ERCOT Strategic Plan

HR's work in 2024 aligned to ERCOT's overall 2024-2028 Strategic Plan

- Sourcing top talent

- Improving candidate experience and reducing time to fill for vacant positions

- Soliciting and listening to employee feedback

- Creating new programs to support professional development, innovation, and the overall employee experience

- Planning for ERCOT's workforce needs into the future

Advance ERCOT, Inc. as an independent leading industry expert and an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission

3.1 Cultivate a highly skilled workforce creating a rewarding work environment and driving success for the organization

3.2 Implement a workforce and learning strategy creating greater capacity for developing internal expertise and thought leadership

3.3 Strengthen ERCOT, Inc.'s culture by improving internal communications and enhancing employee experience

3.4 Continue building credibility and trust with all stakeholders through proactive and transparent communications of policy objectives, grid and market conditions, and organizational achievements

3.5 Expand ERCOT, Inc.'s position as a leading industry expert by increasing external collaboration and leveraging knowledge transfer

Enhancing the Candidate Experience

- Engaged an external vendor to work through each step of the recruitment process.

- Created a 2-phase project approach to implement changes.

  - Phase 1 was completed and deployed in Q4 2024.

  - Phase 2 began October 2024.

- Identified over 30 different opportunities for improvement within Workday HRIS.

- Re-designed the phone screening process to elevate identification of candidates' soft skills and work experience to align with the organization's needs.

- Implemented a more succinct process as candidates move through the review, screening, interviewing and offer stages.

Key Takeaways: 2024 HR Talent Acquisition efforts reduced time to hire new talent, and enhanced and modernized the recruiting process and candidate experience.

Listening & Responding to Employee Feedback

- HR engaged an external vendor, Perceptyx, to survey employees on their experience at ERCOT.

    - Annual comprehensive surveys

    - Every-other-month short pulse surveys

- New programs were created and launched in 2024 to provide employees more professional development opportunities, and new collaborative and innovative forums to solve problems.

Bright Idea Network	Professional Development	Talent Pool
Developed new program for employees to come together from across the enterprise for idea incubation and innovation.	Introduced new courses that develop employees to successfully navigate today's rapidly evolving business dynamics.	Piloted executive talent pool with Individual Development Plans as a first step to introducing development planning throughout the enterprise.

Planning for the Workforce Needs of the Future

> Initial work between HR and Management identified 2 priority role groups as challenging to fill. Action plans were created and implemented resulting in staffing level improvements.

> Corporate Workforce Planning survey was launched in November. Resulting data is being reviewed to develop a 2-year workforce strategy and plan.

Key Takeaways: Enhanced workforce planning process prepares the enterprise to deliver on future business objectives with an engaged, skilled workforce.

Workforce Planning

Workforce Planning is an exercise that supports management by examining workforce trends to identify current and future requirements. It is your opportunity to assess your team's (1) workload volume, (2) size, and (3) skill level needs today and up to five years in the future. It also helps you consider your 2025-2026 staffing needs as you prepare your budget request.

DEMOGRAPHICS

1. Please indicate your Job Level.

○ Supervisor

○ Manager

○ Director

○ Vice-President

2. What is your Team or Department name?

[   ]

3. Do you manage individual contributors?

○ Yes

○ No

CURRENT STATE

4. The size of my team is appropriate for our current workload.

Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
○	○	○	○	○

5. Each person on my team has the skills to complete their work at an acceptable level.

Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
○	○	○	○	○