

Workforce planning at British Gas

Introduction

British Gas is part of the Centrica Group. It is the country's best recognised energy brand. Centrica is a multinational company, with businesses in many countries. Centrica was formed in 1997 and consists of eight separate energy-related businesses, ranging from the supply of gas and electricity to consumers and organisations in the UK and Europe, to storage of gas for other providers, and drain and pipe work maintenance.

The UK energy market is highly dynamic. Customers look for the best deals and are increasingly prepared to switch suppliers. In 2007, 900,000 customers switched energy providers. An energy company needs to show it is not just competitive on price, but that it can also provide the right levels of customer service to attract and retain customers.

British Gas does not only supply gas but also deals with the installation and maintenance of domestic central heating and appliances. It provides a maintenance and breakdown service for electrical white goods and home wiring. Through the Dyno brand, British Gas also offers drain clearing services, plumbing and home security services.

To deliver these services, British Gas needs high calibre staff. It employs more than 9,000 trained gas engineers to install and maintain central heating and gas appliances. This case study explores how British Gas manages the recruitment and selection of new employees.

The role of human resource management

Managing a successful large business involves acquiring, developing and maintaining a wide range of resources. These resources include materials, buildings, land, equipment, technology and, crucially, people. Any organisation needs good employees who have the right skills to achieve the company's **aims** and **objectives**. **Human resource management (HRM)** is the business function that focuses on the people aspects of an organisation. It ensures the efficient management of people in the business. It is responsible for ensuring that an organisation has the right people to deliver its overall business plan.

Centrica, the parent corporation of British Gas, has to deliver long-term profitability. Its **shareholders** expect the business to show a return on their investment by making profits, now and in the future. British Gas needs to contribute to these profits. This means consistently meeting the needs of its customers with competitively priced products and services that give good returns to the company. Residential consumers across the country are the core **customer base** of British Gas. These customers expect top-class service at keen prices. If British Gas does not meet this standard, the company may lose business to **competitors**.

To ensure customer satisfaction, British Gas engineers must have the technical skills to undertake work to the required standard and the people skills to deliver good customer service. Through its engineer recruitment team, the British Gas Academy must therefore ensure that the company attracts and retains the best engineers. This involves several complementary tasks. It requires planning to assess the future needs for skilled employees at British Gas. It requires a recruitment and selection programme to bring new people into the business. It requires a training operation to equip new recruits and existing employees with the right skills.



CURRICULUM TOPICS

- Human resources
- Training
- Workforce planning
- Selection

GLOSSARY

Aims: the general end purposes towards which an organisation focuses its activities.

Objectives: the desired outcomes for individuals, groups or organisations.

Human resource management (HRM): the management of employees within an organisation.

Shareholders: Persons owning or holding a share or shares of stock; a stockholder.

Customer base: the main basis of customers for a business.

Competitors: other producers supplying similar goods or services.





THE TIMES 100

www.thetimes100.co.uk

GLOSSARY

Workforce planning: looking ahead at factors inside and outside of the business to plan HR needs.

Importantly, British Gas must also ensure that it retains its best people. It is much more cost effective to retain trained and highly skilled staff than recruit and train up new people. British Gas seeks to retain people by offering a mix of financial and non-financial benefits. As well as good pay and a pension scheme, the company provides employees with the opportunity to buy shares in Centrica and it offers a great place to work and high-class training.

Training

As an expanding business, British Gas needed to increase its workforce to meet customer demand. At the end of 2002, British Gas established the British Gas Academy. The Academy has helped to develop and refocus training facilities to handle the extra training requirement in recruiting an additional 5,000 employees into the engineering workforce.

There are several training routes:



- British Gas runs an intensive apprenticeship programme. This is delivered in training centres. Trainees should expect to qualify by year five. All domestic gas engineers become fully acquainted with the latest computer-aided diagnostic technology.
- There are also traineeships, which provide a way for new recruits to learn about the gas industry and gain relevant skills and qualifications.
- British Gas provides technical training for all its engineers throughout their careers. This ensures that its employees are kept up-to-date with new information and technologies to enable them to provide the best service possible.

Training does not simply focus on technical skills and knowledge. Most employees have direct contact with customers, so it is important that they have good people skills. Awareness training is provided for employees across British Gas through an online learning package. Another programme is improving staff's cultural awareness, particularly to support the growing international operations at British Gas.

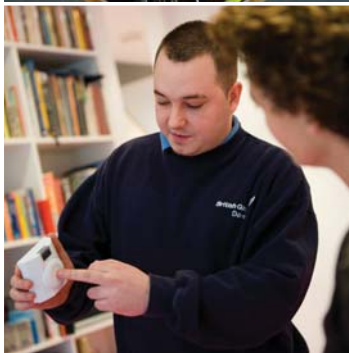
Workforce planning

Workforce planning is the process of assessing a company's current and future labour needs. The British Gas Academies must consider not just overall employee numbers but also the skills that will be required within the business. Workforce planning also involves managing any training and recruitment process to ensure the organisation has the right staff in place.

Managers at British Gas conduct a programme of forecasting to predict how much the UK market for domestic gas engineering services will grow. This helps the company decide how many additional engineers it will need in the future. British Gas makes detailed forecasts of its demand for engineering personnel for one year in advance and makes more general estimates for a further two years into the future.

At British Gas, workforce requirements are driven by two different demands. First, there are contract customers that have service agreements with the company. Second, there are customers who call for one-off assistance if they have a specific problem. Demand for both these services has grown. In the last three or four years, the need for engineers has expanded accordingly. This has meant that it has had to recruit more staff.

There are several other factors that influence workforce planning for British Gas. Engineering skills need to be constantly updated. Health and safety issues are also critically important in the gas industry. Health and safety regulations are changing all the time and EU regulations must also be considered. Apart from regular formal training to close skills gaps to ensure engineers stay up to date with technical matters, British Gas can alert engineers about technical changes via field radio or text messaging.



Engineers can work all their careers in the field until they retire. Qualified engineers may spend up to 10 years gaining their skills, qualifications and experience. They have valued practical skills that are needed to deal with equipment and customers. However, British Gas also needs suitable people for promotion to higher roles, such as management jobs. It needs managers to plan, organise and co-ordinate the teams of engineers. It therefore needs to attract and recruit a wide range of people into the organisation.

Recruitment

As part of its workforce planning, British Gas implements a **diversity** and inclusion strategy using tailored action plans. This means it actively seeks new recruits from a wide range of backgrounds.

The need to recruit a diverse engineering workforce is seen as critical by British Gas. It plans **recruitment** to ensure it has a **socially inclusive workforce**. This is important as it will enable British Gas to reflect the diversity of its customer base. For example, it is useful to have employees from different nationalities and backgrounds to communicate with customers that do not speak English as a first language. Recruiting more women engineers may help to attract female customers.

To dispel the myth that only men can be good engineers, British Gas runs a Georgina and the Dragon campaign. This has had some success. The British Gas Academy has won an award from Women into Science and Engineering as well as a national award from the Council for Registered Gas Installers (CORGI) for its efforts to encourage and attract women into the engineering workforce and into plumbing and associated trades. In May 2008 the recruitment team at British Gas was recognised by Opportunity Now, winning the prestigious award for 'Inspiring the workforce of the future'.

British Gas tries to appeal to a varied and diverse audience when promoting its apprenticeships. To advertise opportunities widely, British Gas uses specialist Sky channels like Parliamentary Projects TV, which focuses on careers, and Passion TV, which is aimed at the black community. In print media, it uses women's magazines, publications targeted at ethnic minorities such as *The Muslim Weekly* as well as other careers directories for the same reason. Other channels include radio, newspapers, British Gas website (www.britishgasacademy.co.uk) and a DVD for schools.

Recruiting gas engineers of the right level is important. Candidates for a British Gas apprenticeship must be at least 17 years old, have a minimum of four GCSEs at grade C or above or equivalent (e.g. NVQs) and hold at least a provisional driving licence. However, they need more than academic qualifications, they must be able to show some aptitude for customer service, such as being able to listen to customers and understand their requirements.

British Gas uses an online application form. To help British Gas decide an applicant's suitability, this includes a value-based questionnaire. This requires responses to a series of statements about attitudes to work. There are 90 statements in all, and an applicant's overall responses are rated either green, amber or red. The colour reflects the attitudes the applicant has about work and people. This helps to show which roles a person is best suited to. British Gas does not take applicants with red ratings further as they may not show a 'fit' with the company requirements. However after an initial **screening**, green and amber applicants are invited to an interview and assessment centre for the final selection process. Here, candidates must show evidence of qualifications, ID and driving licence.

Selection

At the British Gas assessment centre the emphasis is very much upon 'core competencies' and 'life skills'. **Life skills** are personal skills that are likely to affect the customer experience when someone is working in the field. British Gas engineers need to show courtesy and politeness, for example. These are personal qualities that have a direct impact upon customer perception. **Core competencies** involve team working, interpersonal skills (such as dealing with people), motivation and responding to change. These are crucial skills that can affect the way an individual fits in and works within an organisation.



THE TIMES 100

www.thetimes100.co.uk

GLOSSARY

Diversity: workforce that contains people from a wide range of backgrounds, races and sexes.

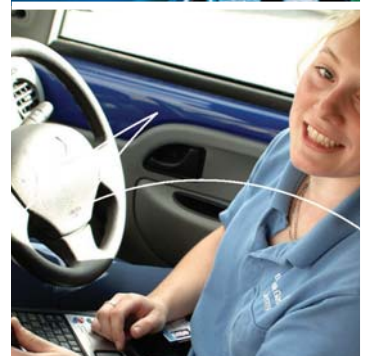
Recruitment: the process of attracting people to apply for jobs.

Socially inclusive workforce: ensuring through recruitment that a company does not exclude any particular group in society from its staff.

Screening: initial checks to see that applicants meet the basic requirements for employment.

Life skills: social, communication, decision making, goal achievement, and problem solving skills.

Core competencies: strengths and abilities of an organisation that enable it to provide goods or services that customers want more than those of close competitors.



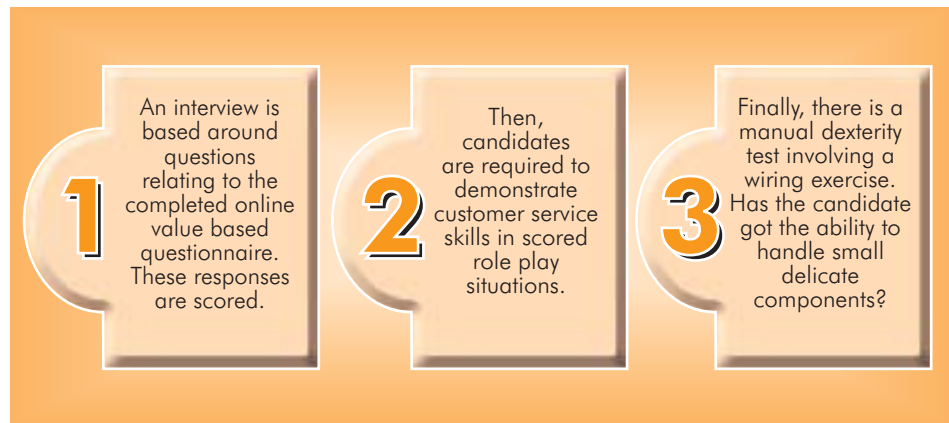
British Gas



THE TIMES 100

www.thetimes100.co.uk

Candidates attend the centre for a half-day assessment. This has three elements:



The total scores from the three-part assessment help British Gas to decide who receives a job offer. Candidates are notified of the outcome within 14 days. All candidates can receive feedback.

For those candidates offered a job, British Gas provides the usual job benefits including a van from the outset and a competitive starting salary. The new recruits then go on to benefit from the comprehensive programme of training through its Academy. This ensures that they are given the best start in their new careers. It also builds employee motivation and commitment to the company.

Recruiting and selecting staff is an expensive process. By following a robust selection programme in this way, British Gas is able to ensure it gets the right people with the right skills. It also means it maximises the benefit from its investment.

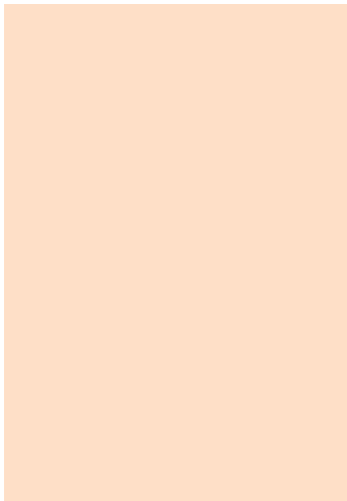
Conclusion

Recruitment and selection at British Gas is driven by the need to maintain the competitive position of the company within the energy market. Domestic gas customers demand the very highest standards of service. They can be assured that British Gas engineers have high-level skills and expertise through its careful specification of entry qualifications followed by top quality training. British Gas also assesses the personal attributes of staff through role play and questionnaires as these influence customers' perceptions of the service and the company.

Great care is taken in determining the organisation's future staffing needs. This drives the recruitment and selection process to ensure British Gas is seen as offering dynamic and exciting career paths for people of all backgrounds. By developing and nurturing its people, British Gas ensures that new recruits have the right qualities to help the business to compete.

Questions

1. What is the main purpose of workforce planning at British Gas?
2. To what extent is workforce planning important in helping British Gas achieve its aims?
3. What benefits do British Gas application, recruitment and selection processes give to both applicants and the company?
4. It could be said that recruitment is the most important function within British Gas. What arguments would you use to support this view?



The Times Newspaper Limited and ©MBA Publishing Ltd 2009. Whilst every effort has been made to ensure accuracy of information, neither the publisher nor the client can be held responsible for errors of omission or commission.