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Talent Must Lead the Renewable Energy Revolution

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The discussions around how we confront climate change have accelerated in recent years among world leaders, governments, businesses, and the wider public. Cop 27 reaffirmed countries' commitments to limiting the global temperature to 1.5 degrees Celsius above pre-industrial levels. This was on top of strengthening action to cut greenhouse gas emissions and adapt to the impacts of climate change.

One of the main culprits of climate change are fossil fuels, such as coal, oil, and natural gas. As the pressure intensifies for governments to take action, renewable energy needs have grown. Greener and sustainable power sources such as wind, solar, and hydrogen are seen as the key weapon in the fight against climate change.

As the demand for these power sources grows, so does the need for talent to drive development and innovation within the industry. The heightened pressure and urgency on the sector to expand raises many hiring strategy questions for renewable energy organisations. How can businesses find and attract the talent needed to drive their business forward? What training and upskilling opportunities can businesses offer both existing and new employees? How can future generations be inspired to embark on a career within the renewable energy sector?

The Urgent Need to Fill 43 Million Jobs

The renewable energy sector is experiencing a job boom. According to the International Renewable Energy Agency (IRENA), jobs within the sector have reached **12.7 million**. However, due to the increased urgency to transition to renewable energy sources, IRENA predicts that jobs within the sector could reach **38.2 million by 2030 and 43 million by 2050** if ambitious investments and targets are made. The Biden administration's ambitious Inflation Reduction Act is predicted to create 1 million additional wind and solar jobs by 2035 in the US alone.

38.2 Million
by 2030

43 Million
by 2050

However, a renewable energy jobs boom has created a skills gap, and the numbers are extraordinary. McKinsey estimates that 1.1 million workers, such as electricians and engineers, will be required to develop and construct wind and solar projects and a further 1.7 million for maintenance and operation. It is also estimated that around 1.3 million are needed to fill 'white-collar' roles, including leadership and c-suite level roles, sales and origination, finance and senior data analytics roles.

In our recent client talent acquisition survey, we discussed recruitment challenges and strategies with several global renewable energy businesses from the following areas:

- Solar
- Wind
- Hydrogen
- Energy Storage
- EV Charging
- Power Systems

To add to the growing skills gap, The Global Energy Talent Index (GETI) reported in February 2023 that the surging fossil fuel prices are causing a skills exodus from the renewable energy industry to oil and gas. Due to the recent energy price rises, fossil fuel firms are experiencing bumper profits. As a result, oil and gas have become the destination of choice for 51% of renewable workers.

This is a significant step backwards for the needed growth of the sector and the battle against climate change. How can renewable energy businesses combat this skills exodus and avoid losing exceptional talent?

Seeking Talent for the US Offshore Wind Expansion

Insights from Tom Moriarty, Senior Consultant – Renewable Energy

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The US plans to significantly expand offshore wind farms as part of its IRA strategy. The goal is to deploy 30,000 megawatts of offshore wind turbines nationwide by 2030, providing enough power to generate 10 million homes.

However, the US is experiencing limited talent pools with candidates lacking the relevant skills and experience within offshore wind to support meeting this goal. This is particularly true when compared to Europe. Currently, Europe has 25 GW of offshore wind capacity generated by farms across 12 countries. The US only has one operational wind farm generating 30MW.

Due to this, Europe has developed high numbers of experienced offshore wind-specific engineers, and the US severely lacks this type of talent. However, with the US looking to significantly expand offshore wind farms, they must find professionals to drive progress within US wind power production.

One area to consider is candidates with experience in other offshore industries, such as Oil and Gas, located throughout the United States. For instance, connecting a drilling platform or a pipeline to the ocean surface is similar to connecting a monopile and cable to the ocean floor from a geotechnical and transportation perspective. Also, offshore or onshore substations are similar in principle when it comes to generating and transmitting electricity. Due to this, the experience can, in many cases, be transferred to specific roles.

To complicate matters further, another factor to contend with is that O&G engineers are rarely located in the areas where offshore wind farms are being developed. For example, the Northeast United States is currently the focus of offshore wind. In contrast, Texas has historically been the location for offshore O&G. Convincing a candidate to take a new role in a new industry in a new state presents many challenges. Many states have distinct attitudes and cultures, different tax policies, and even differences in weather, all critical factors that candidates consider.

Another way to alleviate these problems and overcome the skills gap in the growing market is for companies to be more flexible with working arrangements by making roles hybrid or remote.

The Burning Question: Are Transferrable Skills the Answer?

"As a business, we always seek to hire people within the industry. We are growing very fast, entering a lot of new markets and we require experienced renewable energy talent who have the right level of expertise and skills to help us break through and succeed in those markets."

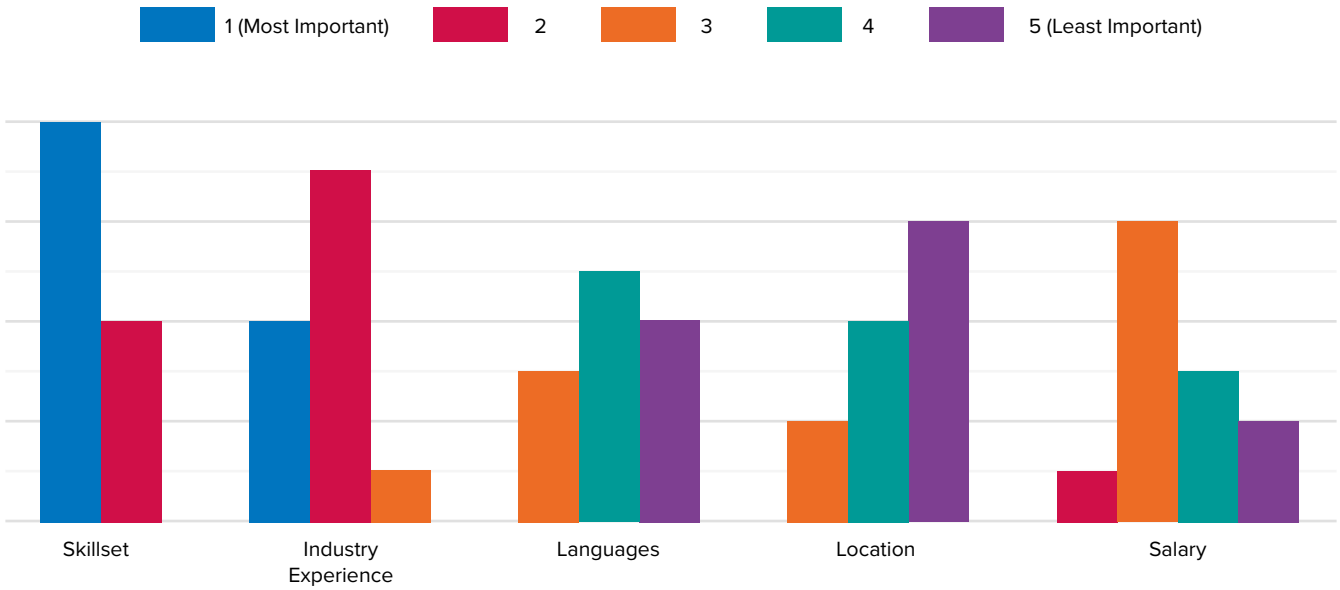
TA manager at a Global Solar PV Company

Renewable energy jobs require individuals with a mixture of diverse technical skills, industry knowledge, and experience. However, the industry is in its relative infancy, so finding talent within the sector with these qualities can be extremely difficult. One obvious solution to the skills gap would be for renewable energy businesses to look at allied industries and talent with similar skill sets.

However, many renewable energy businesses are not considering those from sectors such as oil and gas, engineering, and mining, as they want employees who already have experience with renewables. Even if an individual has many relevant commercial and technical capabilities, they are simply not seen as the right fit.

In our client talent acquisition survey when asked, 'What are the most important factors when evaluating candidates for your organisation?', a candidate's skillsets and industry experience were the clear significant priorities for businesses.

What are the most important factors when evaluating candidates for your organisation?



Exceptions are made when it is a job role with a very niche skill set, such as geotechnical engineering. Also, senior-level roles in more general areas, such as finance and HR, don't necessarily need industry experience and knowledge as their skills can usually be applied across various industries. Therefore, renewable energy organisations should widen their talent pools by considering other sectors to attract high-quality talent for these types of roles to combat skills shortages within renewable energy.

Nevertheless, the significant issue for many businesses is that they lack the resources and time needed to effectively train these individuals to adapt to working within renewable energy, highlighting the need to attract talent from wider talent pools.

"We don't have the infrastructure in place to train and upskill talent from outside of industry, this drastically reduces our talent pool."

TA manager at a Global Solar PV Company

Oil and gas workers, in particular, are being excluded from consideration for jobs with renewable energy, not just because of their lack of sector experience but due to the perception that they have come from an industry that has contributed significantly to climate change. However, a review by Robert Gordan University found that 90% of the oil and gas workforce have medium to high skills transferability and are well positioned to work in allied energy sectors.

Are renewable energy companies missing out on valuable talent by excluding oil and gas talent and candidates from other sectors such as engineering, finance, automation, and IT? As the climate crisis rages on and scientists globally proclaim we are literally running out of time to save our planet, is there a moral responsibility for these organisations to open their doors and train talent from allied industries?

Inspiring the Next-gen for a Greener Tomorrow

While recruiting talent from other sectors should be considered a valuable short-term solution to meet the increasing demand for renewable energy expertise, it cannot be the sole long-term strategy. As a result, it is crucial to focus on inspiring the next generation of renewable energy professionals as another step in addressing the talent shortage.

Gen Z are the climate change generation, and the statistics prove it. 76% say climate change is one of their biggest concerns, and two-thirds of undergraduates are interested in sustainability. In employment, 49% would accept a lower wage to work for a purpose-driven company. These facts show an incredible potential for the future workforce in renewable energy.

The UK government's Sustainability and Climate Change Strategy has emphasised the importance of nurturing the next generation of talent to meet the demand for future renewable energy jobs. They aim to leverage young people's enthusiasm and interest in the education system towards climate change and sustainability. This approach will better equip them to pursue rewarding careers in the renewable energy sector. Examples of these apprenticeships and training opportunities set out in the strategy include:

- The National Energy Skills Accelerator (NESA)
- Engineering Construction Industry Training Board (ECITB)
- All-Energy Apprenticeship (AEA)
- Green Jobs Delivery Group

Whilst these strategies won't address the immediate skills gaps, are there further opportunities for national governments and businesses to work in unison to inspire future talent to ensure these drastic skills gaps do not reappear? The widespread availability of apprenticeships, educational courses, and training opportunities for young people will help create a talent pipeline for future industry leaders.

These strategies should now be strongly considered by business leaders as part of their long-term recruitment strategies to ensure that there is a steady flow of skilled and passionate talent entering at all levels of the business, from entry-level to C-suite, helping to avoid the skills shortage we are seeing today.

Drax Group, the UK's largest renewable energy generator, is one of the firms within the sector leading the way in educating the next generation. They invite schools and colleges for public tours as an initiative to encourage young people to study STEM subjects, boosting skills across the region and creating talent pools for the future. Could increasing collaborations with educational settings be one of the solutions to ensuring the talent pool we need to continue to grow the sector well into the future?

Driving Innovation through Tech Talent

As well as considering talent from other energy industries, candidates from the technology world will help drive innovation in the sector. The increasing digitalisation of the renewable energy space has created a demand for digital skills, with the industry experiencing major growth at the forefront of future energy technology. An emerging generation of tech talent values self-actualisation and innovation, making them a perfect fit for this industry.

This presents an opportunity for businesses to seek talent from allied industries who don't have industry experience but acquire the technical and digital skills required to drive innovation and new technologies forward.

With a diverse portfolio of technologies and software applications, renewable energy businesses should increasingly explore talent from software companies, fintech firms, and other relevant industries, such as data centres and energy storage. This approach allows them to recruit individuals who can assume roles such as product managers and software specialists, leveraging the expertise and insights from these aligned sectors.

Additionally, this cross-pollination of talent helps bridge the gap between different industries and fosters a more interconnected approach to addressing critical global climate challenges.

The challenge for renewable energy businesses is how they attract this talent from these cutting-edge and highly-regarded tech brands in places like Silicon Valley, which have great cultures and benefits. When targeting potential candidates, as well as offering a competitive salary and benefits packages, businesses should highlight the following examples:

Emphasis on their potentially life-saving impact: Companies can highlight their work's positive impact on the environment and society. Many tech professionals are motivated by a sense of purpose and want to contribute to meaningful projects that address global challenges like climate change. Emphasising the opportunity to make a difference and their vital support for saving the planet will resonate strongly with tech talent.

Showcase advancements: Tech talent are fueled by innovation. By spotlighting the state-of-the-art technologies and solutions your company is creating or applying, you showcase your unwavering dedication to leading the way in renewable energy progress. You can offer examples such as groundbreaking large-scale wind or solar farm implementation.

The Ultimate Power belongs to Candidates

Another significant challenge renewable energy organisations face when attracting talent is that candidates can hold a lot of power and influence in the final decision. As already seen, the number of vacancies in the sector far outweighs the available talent. Candidates often talk to multiple businesses regarding different vacancies and even receive counteroffers from their current company, meaning that businesses must ensure their overall package meets the needs of the available talent.

Through the relationships built with candidates across the sector, our renewable energy consultants gain in-depth insights into the factors that drive their decision to choose a new employer.

Key areas in which candidates will seek to get the best package include:

Salary and Benefits

When talent is in short supply, candidates can seek out the best compensation packages and have a position of power in negotiation. Key areas in which candidates will seek the get the best deal include:

Salary

Candidates will be fully aware of the desperate need for skilled and experienced professionals to fill vacancies within the sector. They can use this situation to ask for higher wages, and businesses must ensure budgets are agreed before the interview process.

Work-life balance

Companies can expand their talent pool and retain highly skilled employees who prioritise work-life balance by providing sought-after flexible working options like remote work or flexible hours.

Green employee benefits

In addition to conventional employee benefits like stock investments, bonuses, and employee recognition, many companies are offering more long-term incentive initiatives, such as equity options tied to recently developed solar and wind projects. Businesses must be prepared to match or better these incentives and continue gaining talent and competitor insights to ensure their packages align with the market and candidate expectations.

Name and Branding

As is the case across industries, many candidates are attracted to market leaders and those who have significantly impacted the industry. Organisations such as NextEra, Orsted A/S, and Vestas Wind Systems are leading the way towards a more sustainable future. Their strong presence and significant impact on the industry and the battle against climate change mean they have major appeal to candidates in the market.

On the other hand, some senior candidates are attracted to young, agile start-ups starting to make waves within the sector, as they find it an exciting prospect and challenge, supporting and leading a new business to impact the future of our planet.

Company Culture

Many candidates, particularly those with industry experience, will understand the reputation of names within the sector. If a company's reputation, culture, and values don't match their own, they will often choose not to pursue career opportunities with that company. On the other hand, having a strong reputation with an inclusive culture for all will increase the chances that candidates will feel aligned and want to join.

Proven Impact on Climate Change

Due to the relatively small market, many senior candidates understand what is happening behind the scenes at organisations and their work and impact. Therefore, businesses cannot talk a good game and be unable to back it up. Many individuals want to work for companies that can provide evidence of their impact within the sector and on the planet.

With these demands in mind, a strong Employee Value Proposition (EVP) can be a powerful tool to attract candidates and improve the commitment of new hires by up to **29%**. As well as offering the obvious competitive salary and benefits, here are key ways a robust EVP can encourage potential candidates to join renewable energy businesses:

Mission and Impact

Highlight the company's mission and its positive environmental and societal impact with tangible evidence and results. Candidates passionate about sustainability and climate action will be drawn to an organisation that aligns with their values, offers a chance to contribute to meaningful work, prove their influence on climate change, and play their part in implementing significant change.

Sustainable Workplace Practices

Illustrate the company's dedication to sustainability beyond its core business. This should form part of a company-wide effective ESG strategy and should include eco-friendly office practices, green initiatives, and support for employees in adopting sustainable lifestyles.

Sustainable Workplace Practices

Highlight the company's strong leadership and vision for the future of renewable energy. Candidates want to be part of an organisation that has a clear direction and is committed to making a long-term impact on the health of our planet.

Innovation and Cutting-Edge Technology

Candidates in renewable energy are future-focused and passionate about innovation, so emphasise the company's focus on groundbreaking technology and research in the sector. Demonstrate how employees will have the chance to work with state-of-the-art technologies and contribute to groundbreaking solutions.

Embracing a Strong Female Workforce

"If women are not advancing in the energy sector, there will be fewer female role models and mentors to attract more women..."

According to data from the World Economic Forum, the energy sector is one of the worst industries for women in leadership.

Only one in five leadership roles are held by women in the energy sector, and that is after 14 years of consecutive year-on-year increases, according to gender gap data provided by the International Energy Agency (IEA). The IEA commented on the importance of addressing the imbalance to make the sector more innovative and agile.

"The findings suggest a lack of career mobility and advancement for women in energy jobs compared to those in other sectors, which will affect both the attraction and retention of a diverse workforce.

If women are not advancing in the energy sector, there will be fewer female role models and mentors to attract more women. Furthermore, if women working in the energy sector are unable to advance in their careers, they will be motivated to change sectors."

To add to the issue, wages for women in the energy sector are also 19% lower than for men, which is a larger gap than for those in the non-energy sector. Data shows that the gaps remain the same when ability, education, and potential experience is accounted for, which implies that the gap is not because of gender differences in skill levels. It is also important to note that, perhaps unsurprisingly, women are more likely to leave the sector than men for other industries.

The gender gap is exacerbated by disparities in education access, limited opportunities for women to acquire technical skills and training, and inequitable company policies, among other contributing factors.

Steps the renewable energy sector can take to encourage women into the sector:

- Inclusive recruitment practices can be implemented, such as adopting a common practice of using gender-neutral language in job descriptions.
- Supporting coalitions that promote gender, from international women's networks and associations to championing advocates of all gender identities who uphold gender equality.
- Developing and implementing quotas to make women more visible in leadership positions creates role models that portray different ethnic, cultural, social, or gender traits.
- Investments in training and scholarships to encourage more women to pursue STEM disciplines at all education levels and provide support through skills development, mentorship, and knowledge-sharing.

The Time for Action is Now

The escalating climate emergency has become a pressing global concern, driving increased urgency for action to combat climate change. As countries reaffirm their commitments to limit global temperature rise and transition to renewable energy, the sector faces unprecedented growth and job opportunities.

However, the renewable energy industry is grappling with a significant talent gap, requiring a massive influx of skilled workers to meet the demand. While the sector offers tremendous potential for career growth and development, businesses face challenges in finding individuals with the right mix of technical skills and industry knowledge.

Due to the relative infancy of the renewable energy sector, it is becoming more apparent that the job vacancies far outweigh the talent available within the industry.

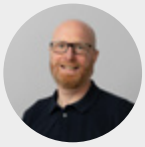
So, to address the urgent skills gap, has the time come when businesses need to begin considering reskilling and upskilling talent from allied industries, such as oil and gas, which possess transferable skills?

As well as opening the doors to external talent, the sector needs to start thinking long-term and capitalise on Gen-Z's interest and concern about the growing threat of climate change. Inspiring the next generation of renewable energy professionals is crucial for long-term sustainability. Governments and businesses must work in tandem to provide apprenticeships, educational courses, and training opportunities to create a talent pipeline for the future.

Moreover, the sector must actively address its diversity problem, particularly the underrepresentation of women in leadership roles. By implementing inclusive recruitment practices, supporting gender-inclusive coalitions, and investing in women's education and mentorship programs, the renewable energy industry can pave the way for a more inclusive and innovative workforce.

A strong Employee Value Proposition (EVP) becomes instrumental in attracting candidates in this competitive talent landscape. Companies can showcase their mission, positive impact, competitive compensation, positive work culture, and strong leadership to entice potential talent to join their cause.

The pressure on renewable energy companies to close the skills gap is growing by the day. With the global impacts of the climate emergency clear to see all around us, finding the talent needed to fill these roles is critical.



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"The time for action is now. Together, we must close the skills gap, drive innovation, and make a profound impact on climate change. At CSG Talent, we strive to source talent for our clients that will contribute to positive change as the energy transition progresses. Gaining insights and in-depth understanding into the innovative projects our clients are working on and introducing candidates to job opportunities that can reshape the future allows us to play a key part in the process.

Mike Isle - Head of Renewable Energy at CSG Talent

Get in Touch

Michael Isle

Mike leads the Renewable Energy Recruitment Team at CSG Talent, with vast experience across the energy sector and the full recruitment cycle. Mike has extensive knowledge and success managing international executive search campaigns, supporting business growth of clients by sourcing high calibre, senior level talent and leaders. The team specialise within solar and wind energy, hydrogen power, energy storage and EV charging, supporting businesses and candidates across the globe.

If you are looking to grow your company, explore progressive career moves, or you'd simply like to know how the hiring market is shaping up at the moment, please feel free to contact Mike at:

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