Board Staff Interrogatory #278

Interrogatory

Reference:
Exhibit F4 / Tab 3 / Schedule 1 / p. 15

Preamble:

OPG noted that the limits on OPG's management compensation have resulted in compensation benchmarking at, or below, the broader labour market for most positions. OPG further stated that the limits on salary increases, while reducing the growth of management compensation costs, have created internal equity issues and impact OPG's ability to attract and retain talent:

- Salary compression exists across OPG with approximately 220 managers currently earning less than the staff they supervise, making it difficult to attract qualified represented staff into management positions. The future salary cap is expected to exacerbate this situation.

- The talent market for skilled management has become highly competitive. OPG's ability to retain and attract into management positions continues to be at risk.

Question(s):

a) Please provide the number of current vacancies that OPG has at the management level.

b) Please explain how the talent market for skilled management is any more competitive today then it was in the past.

Response

a) OPG had 43 regular vacancies for management roles at March 31, 2021.

b) The talent market for management roles has shifted over the past number of years and is constrained in some cases, such that it is currently supply or candidate driven. This is coupled with the uncertainty resulting from the Pickering shutdown, which is a consideration for prospective employees' outlook on stability and career growth at OPG. Based on recent experiences, OPG observes the following trends:

- Prospective management candidates report receiving offers from multiple organizations.
- Sourcing passive candidates that are gainfully employed is challenging, particularly during the pandemic.
- While OPG is competing within the electricity sector for certain segments of talent, it is also competing with all industries for skill sets such as project management.

In addition to targeted external sourcing of talent, OPG prioritizes enterprise succession strategies to grow and retain talent internally. For example, OPG's recent organizational realignment purposefully moved leaders to different parts of the business to gain cross functional experience. OPG's revised approach to segmentation as discussed at Ex. F4-3-1, pp. 23-24 supports this strategy. OPG will continue to focus on internal talent through succession, targeted development and transfer opportunities.