INTRODUCTION

When an organization begins an intensive self-examination of its operations, a policy of employment continuity can experience the acid test. To accommodate rapid growth in some parts of the organization and declining activity in others, managers often want to retain the flexibility of layoffs. Employees, on the other hand, experience some nervousness when the source of their livelihood is in doubt. Mild jitters can, and often do, lead to active resistance unless managers can convince employees that their jobs are not in jeopardy. The bottom line is that organizations need a committed and productive work force to compete.

This paper describes how Ontario Hydro is reshaping its work force to accommodate evolving customer needs and a changing regulatory environment. It examines the steps taken by the Corporation to prepare for a comprehensive staff redeployment. This action would eventually involve as many as 2,500 employees from one end of the province to another. When restructuring became economically necessary, Ontario Hydro expedited the change process by:

- Living up to a long-standing philosophy of continuing employment;
- Providing employees with the means to take charge of their own career choices and job change;
- Introducing a process to facilitate continuing change;
- Providing career transition services focused internally and externally; and
- Using a blend of internal and external resources.
Ontario Hydro is a financially self-sustaining corporation with broad powers to generate, supply and deliver electricity throughout the province of Ontario. Its primary objective is to supply the people of Ontario with electricity at cost while maintaining high standards of safety and service. The corporation operates 80 hydraulic, fossil and nuclear generating stations and an extensive power grid across Ontario to meet the province’s demands for electric energy. With headquarters in Toronto, the Corporation employs more than 25,000 people in 130 stations and office locations across the province.

Ontario Hydro sells wholesale electric power to municipal utilities in urban areas which, in turn, retail to customers in their service areas. The corporation also directly serves more than 100 large industrial customers and 835,925 rural retail customers in areas or communities not served by municipal utilities. In 1987, approximately 3,344,000 customers were served by Ontario Hydro and the municipal utilities in the province.

Since the mid 1980s Ontario Hydro has been shifting its focus and energies to meet the evolving needs and expectations of customers and a changing regulatory environment. While all customers continue to expect the corporation to provide energy cheaply, safely and reliably, different groups of customers have varying expectations. Institutional customers, for example, want a budget advantage while retail consumers demand advice on how to cut their energy bills.

Both customers and regulators alike expect the corporation to protect the environment; improve efficiency and operating technology; increase capacity; and replace or refurbish existing generating facilities that come to the end of their normal operating span.

Ontario Hydro’s desire to be responsive to changing customer needs, satisfy regulatory requirements and enhance the Corporation’s reputation as a concerned corporate citizen led to a major redirection of resources. The new direction began with three initiatives in early 1988:

- Restructuring of the corporate organization designed to remove unnecessary reporting levels;
- A major productivity review to evaluate the need for, and effectiveness of, a broad range of work activities; and
- Approval of a major strategy intended to reinforce the philosophy of customer responsiveness.

In mid-1988, under the direction of a new President, Robert Franklin, Hydro began an examination of its operations, organization structure and corporate operating values. This review was conducted with the help of CRESAP, an outside consulting firm. It consists of several parts, each concentrating on a specific branch or function within Hydro.

PRODUCTIVITY REVIEW PROCESS

Beginning in October, 1988, the eighteen month review was designed to determine whether the corporation is correctly positioned, in terms of resources and staff, for the next decade. As each part of the review is completed through the end of 1989, Hydro’s organization structure is expected to change -- sometimes in small ways and sometimes dramatically.

In most organizations, a job is created to fill a specific need -- to