

Employees Are the New Customers

HOW TO FIND TOP TALENT & RETAIN LOYAL EMPLOYEES IN CLEAN ENERGY

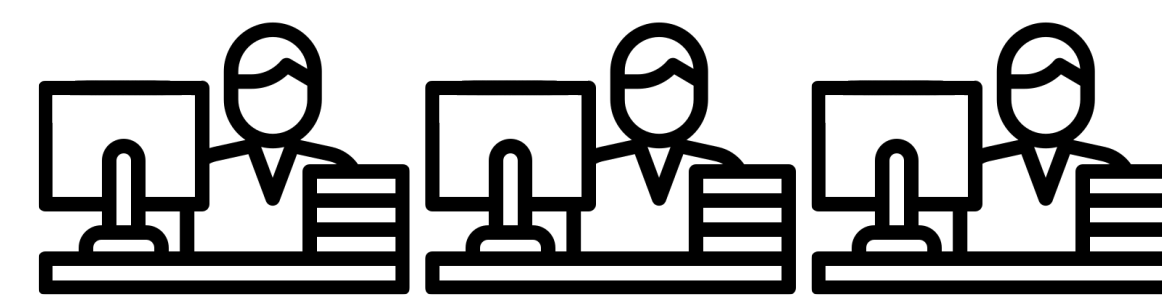
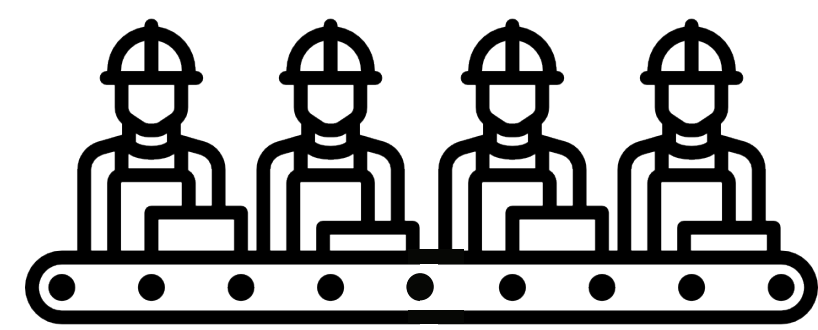
IHI terrasun

A clear parallel can be seen between the evolution of the energy industry and the employment industry:

The energy industry was founded on unsustainable environmental practices, then gradually, out of necessity and greater awareness has worked to correct. Our lightbulbs that were once lit by burning fossil fuels are now lit by the absorption of sun's rays. The renewable energy industry is the direct result of the need to correct unsustainable environmental and business practices.

The employment industry was founded on unsustainable employment practices and over the past century, has worked to correct them. A sustainable work environment, free from the exploitation of its employees, and the movement toward a mutually beneficial relationship will be the only way to create a culture of sustainability and retain employees.

EMPLOYMENT IN AMERICA: How did we get here?



01 Pre-Industrial Revolution (prior to 1850):

Defined by local environment, family, and culture, as well as the lack of advanced technology: most workers were farmers and slaves. People worked within a few miles of where they lived and were constrained in education and mobility.

Work hours and labor needs were determined by nature (weather, geography, sunlight hours, etc.).

Almost no standards or rights for employees and workers. The familial or community relationship was far more common than the established employer labor relationship.

02 Industrial Revolution (1850 - 1914):

Defined by technological advances, mechanization, railways, automobiles, and electricity. The abolition of slavery, rapid urbanization, and massive immigration to America led to an abundance of unskilled labor and employers hiring employees they do not know from family or community.

Factory work consisted of grueling and dangerous labor. Working conditions were mostly unregulated. In factories, workers stood in a specific order to do very specific tasks. In the fields, the "tenant farmer" aftermath of slavery dictated harsh working conditions for many.

03 Post-Industrial Revolution & Dawn of the Internet (1914 - 1993):

Defined by growing mobility of the workforce, globalization & increases in office and clerical work through computers. The US sees tremendous economic success, globalization, and increased diversity of its workforce by being a "melting pot" to the world. Employers not only see the sizes of their workforces multiply, but global conglomerates also start to emerge. Employers begin to see pressure to have a "Duty of Care" to their employees and more workers' rights are established by law.

Office work starts with the same factory mentality of the previous industrial era: employees are organized by strict hierarchy; institutionalized biases from factory and farm work were applied to office work; productivity output continues to be equated to work hours.

As more workers take office jobs, organizers also started to focus more on rights of office workers. Laws stemming from child labor laws and unionized labor were used to build protections for the rights of the diverse workforce: civil rights, occupational safety, disabled workers, family caretakers and pregnant women's rights were all established.

04 Globally Connected Sustainable Workforce (1994 -)::

Defined by the technology revolution with computing, telecommunications, and the internet as well as increased globalization and tight high-skilled labor forces, employees in the US now have much more choice of employer. Employers must compete to attract and retain highly skilled labor.

For highly skilled office workers, employees no longer need to be physically in the office to do most of the work. The COVID-19 pandemic supercharged the transition of remote work. As the pandemic lifted, studies showed that productivity remained steady or even increased when workers were given the flexibility to work from home.

Employees are demanding the rights to their geography and time, and equal work for equal pay and increasing the desire for productivity to be measured in output, not hours. They want to identify with their company values and "Vote with their Employment", as well as find community with their fellow employees. Employees want further protections against discriminatory practices highlighted by remote work, such as gender-neutral parental leave, reasonable disability accommodations, alternative non-college training programs, and mental health rights.

"Cheap" abundant labor led to the exploitation of employees to gain customers.

Due to an urbanizing workforce, employers started to employ hundreds or thousands of workers, leading to companies and corporations to grow to unprecedented sizes. Due to the abundance of unskilled labor, abusive and exploitative practices by employers became rampant. As a result, workers' rights issues started to gain traction along with other related social issues: labor unions started organizing; women's suffrage movement & child labor reform gained momentum.

The competitive, global market led to "The Customer is Always Right" mentality, placing customers above employees in almost all interactions.

With a tight labor market in renewable energy, business leaders now need to see their highly skilled, highly specialized employees as the new customers.

Sustainability, Growth, Reliability, and Adaptability matter as much to the renewable energy employees as they do to the renewable energy customers, thus your value proposition for your employees must be as strong as the one for your customers.

| CUSTOMER VALUE PROPOSITION | EMPLOYMENT VALUE PROPOSITION |
|--|--|
| SUCCESS: Customers need to believe you are in it for their success, not just your own. They must see it as a mutually beneficial relationship. | SUCCESS: Employees need to believe you are in it for their growth and success as well as the company's. They must see it as a mutually beneficial relationship. |
| ACCOUNTABILITY: The customer needs to trust you and know how to hold you accountable for the products & services they purchase from you. When done well, this creates loyalty and repeat business. When done poorly, they go to your competition. | ACCOUNTABILITY: Employees need to trust you and know how to hold you accountable for treating them and others right. When done well, this partnership creates trust and loyalty. When done poorly, the company will have a retention problem. |
| KNOW WHAT THEY NEED: Identify the problem you need to solve to gain your customers' business. This goes beyond the price tag. When you provide added value that others cannot provide, you win. | KNOW WHAT THEY NEED: You need to know why your employee is working for you. This goes beyond compensation. When you can give your employees purpose, community, and an inclusive work environment, hiring and retention become easier. |
| BUSINESS ANALYTICS: Track metrics on sales, customer experience, net performance scores, pricing, and a host of other metrics to know if you are competitive in the market. | HUMAN RESOURCES (HR) ANALYTICS: Track metrics on performance, employee engagement, net employer recommendation scores, benefits, and market compensation to know you are competitive in the employment market. |
| EVOLUTION & INNOVATION: To stay competitive, business processes must evolve and innovate to meet the customer's needs. | EVOLUTION & INNOVATION: To stay attractive, companies must change HR policies to meet employee's needs, for example adding remote/hybrid work policy; paid parental leave; and unlimited Paid Time Off (PTO). |
| MARKETING & IDENTITY: Attracting customers goes beyond flashy logos and promotional videos: you must show what makes you different from the competition. When marketing, give real stats, and promote real accomplishments in your publications. Otherwise, customers will be disappointed and your reputation will suffer. | MARKETING & IDENTITY: Attracting good talent goes beyond easily purchasable perks like foosball tables. It's giving employees a sense of identity, community, and purpose. When marketing your company, give real stats and promote real people in your publications. Your representation of work culture must reflect reality, otherwise employees will leave and your reputation will suffer. |
| RESULTS MATTER: At the end of the day, you expect a customer to pay you for your products and services at the fair price you quoted. You don't expect them to pay less based on anything but business results, and they want to know they are paying what is competitive in the market. | RESULTS MATTER: Employees expect to be paid fairly for their performance, not the number of hours they put in or the biases in the system. Focus on results and your employees will respond. |
| VOTING WITH THEIR POCKETBOOKS: Values-focused customers want to know they are working with a company that does not exploit workers, nor ruin the environment, and acts with integrity. | VOTING WITH THEIR EMPLOYMENT CHOICE: Values-focused employees want to know they are working for a company that does not exploit workers, nor ruin the environment, and acts with integrity. |

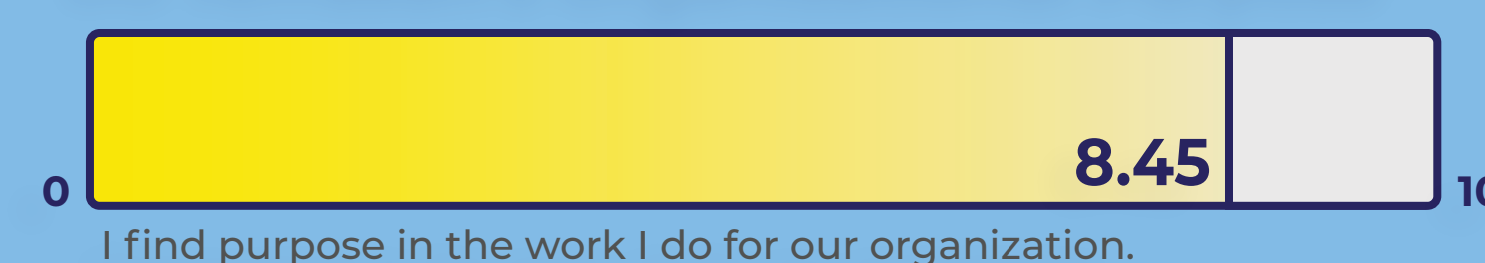
TREATING EMPLOYEES LIKE CUSTOMERS

In 2023, the HR team conducted a survey on employee sentiment.

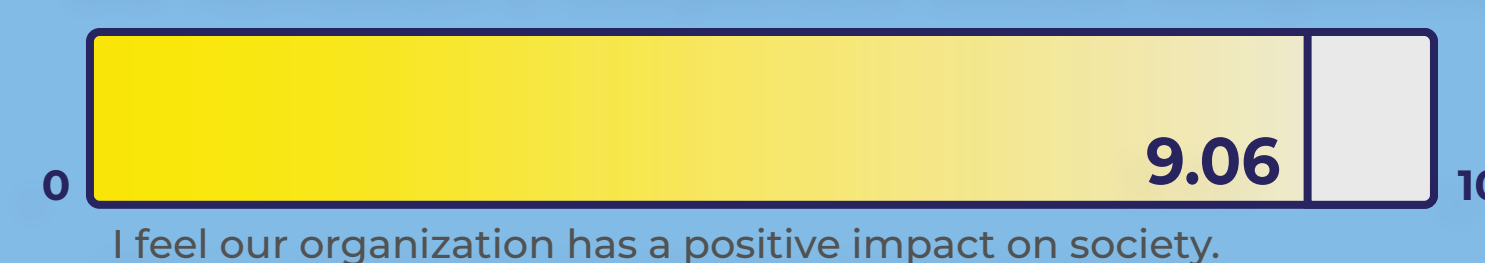
IHI Terrasun's Organizational Pride



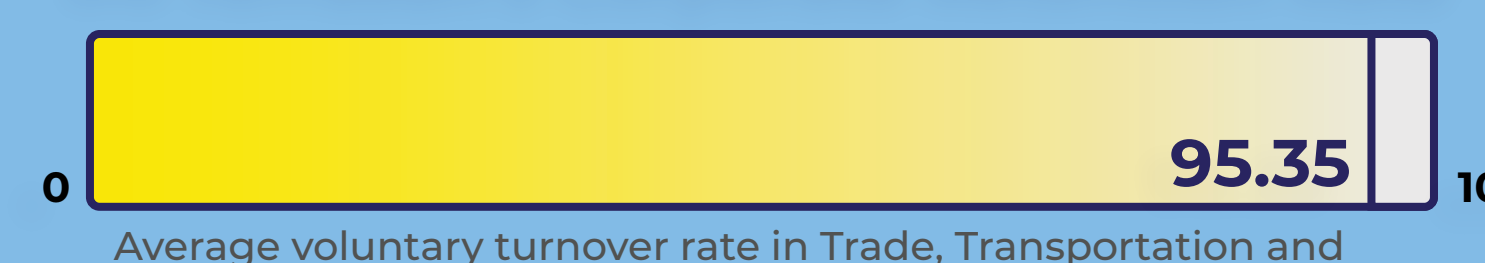
IHI Terrasun's Organizational Purpose



IHI Terrasun's Corporate Social Responsibility



IHI Terrasun's Corporate Retention Rate



In comparison, Terrasun's voluntary turnover rate is 4.65% over the last 12 months (retention rate 95.35%). Source: IHI Terrasun HR.

THE WORK ENVIRONMENT

Creating an inclusive, welcoming work environment where employees belong is essential. It allows them to bring their whole selves to work, creating a more cohesive and productive workforce. Employees who want to spend time with each other in the office and at events foster community, which then translates positively into working on projects together. All of these create a sense to a prospective employee that this is a good place to work.

