

Human Resource Challenges at National Grid

Company: National Grid PLC

Assignment Title: Human Resource Challenges at National Grid

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Module Code: [Module Code]

Module Title: [Module Title]

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1. Introduction

Human Resource Management (HRM) is an important part of organisational success because employees provide the skills, knowledge and experience needed to achieve business objectives. Modern organisations are facing several challenges, including technological development, competition for skilled workers and the need to create diverse and inclusive workplaces. These challenges can affect employee performance, motivation, organisational costs and long-term sustainability.

This report focuses on **National Grid PLC**, a major energy infrastructure organisation operating in the UK and the United States. National Grid plays an important role in connecting energy sources with customers and is investing in energy networks to support the future energy system. The organisation is also changing its workforce and skills as technology and the energy sector develop. ([National Grid](#))

The report examines three important HR challenges for National Grid: adapting to technological change, attracting and retaining talented employees, and improving diversity, equity and inclusion (DEI). It evaluates contemporary HR practices that could help National Grid respond to these challenges. The report also considers how managers can implement these practices effectively through leadership, communication, monitoring and organisational culture.

2. Key Factors Affecting National Grid

2.1 Adapting to Technological Advancements

Technology is changing the energy industry very quickly. National Grid needs to use new technologies to improve the reliability, efficiency and safety of its energy networks. The move towards cleaner energy, digital systems, data analytics, automation and artificial intelligence means that employees will need new technical and digital skills.

National Grid's careers information shows that the organisation is looking for people with digital and technical skills. Its UK recruitment areas include IT and Digital, Engineering, Data, Analytics and Insights, and other specialist roles. ([National Grid Careers](#))

Technology can provide several benefits for HR. Digital HR systems can make recruitment, training, employee records and workforce planning faster and more efficient. Workforce analytics can also help managers understand employee turnover, absence, performance and skills shortages.

However, technological change can create difficulties for employees. Workers may be worried that automation or artificial intelligence could change their jobs or reduce the need for certain skills. Employees may also find new systems difficult to use if they do not receive enough training.

For National Grid, this is particularly important because mistakes in the energy sector can have serious consequences for safety and service reliability. Therefore, employees need both technical skills and the ability to adapt to change.

Armstrong (2020) explains that HR needs to make sure organisations have people with the right skills to meet changing business requirements. National Grid should therefore treat technological change as a people issue as well as a technology issue.

2.2 Talent Acquisition and Retention

Attracting and retaining skilled employees is another important challenge for National Grid. The energy industry requires engineers, project managers, digital specialists, data professionals and other highly skilled workers. Competition for these employees can be strong because other energy, engineering and technology organisations also need similar skills.

National Grid itself recognises the importance of its people. The company describes its employees as central to achieving its energy goals and invests in attracting and retaining a workforce where people can do their best work. ([National Grid](#))

The energy transition is also increasing the need for new skills. National Grid has highlighted the importance of developing skills for the future energy system. It has identified concerns about the availability of engineering and technology skills in the UK. ([National Grid](#))

Recruitment alone cannot solve this problem. National Grid must also retain existing employees and develop their skills. Employees are more likely to stay when they receive fair pay, career opportunities, training, recognition, flexible working and support from managers.

National Grid has established career opportunities, apprenticeships and graduate programmes. Its careers website shows opportunities for school leavers, students, graduates and people changing careers. ([National Grid](#))

However, retaining skilled employees can still be difficult. Competitors may offer higher salaries or different career opportunities. Employees may also leave if they do not feel valued or cannot see opportunities to progress. Therefore, National Grid needs a strong employee value proposition that includes pay, career development, purpose, wellbeing and an inclusive culture.

2.3 Diversity, Equity and Inclusion

Diversity, Equity and Inclusion (DEI) has become an important part of modern HRM. Diversity means having people from different backgrounds and experiences. Equity means providing fair access to opportunities and support. Inclusion means creating an environment where employees feel respected and able to contribute.

DEI is particularly important for National Grid because the organisation needs a workforce that reflects the communities it serves. Different backgrounds and experiences can bring new ideas and different ways of solving problems.

National Grid states that it wants to create an inclusive workplace where people are treated fairly, respected and supported to reach their full potential. The company also has 17 employee-led Employee Resource Groups covering areas such as LGBTQ+, disability, gender, veterans and new starters. ([National Grid](#))

National Grid has made progress in workforce diversity. Its 2025 data showed that women represented 24.4% of the workforce, while women represented 39.9% of senior management. Ethnically and racially diverse employees represented 18.7% of the workforce and 15.8% of senior management. ([National Grid](#))

However, the figures also show that there is still a challenge in achieving greater diversity across the workforce. The energy and engineering industries have traditionally had lower

female representation. National Grid has recognised this issue and has programmes aimed at improving diversity and supporting women in the energy industry. ([National Grid](#))

Therefore, DEI needs to remain a long-term HR priority rather than being treated as a short-term project.

3. Evaluation of Contemporary HR Practices

3.1 Digital HR Systems and Workforce Analytics

National Grid could use digital HR systems and workforce analytics to improve HR decision-making. These systems can collect information about employee turnover, recruitment, absence, skills, training and engagement.

For example, if National Grid discovers that employees in a particular technical department are leaving at a higher rate, HR managers can investigate the reasons. Employee surveys and exit interviews could then be used to understand whether the problem relates to pay, workload, management or career development.

Workforce analytics could also help National Grid identify future skills gaps. This is particularly useful because the energy industry is changing rapidly.

The main advantage is that decisions can be based on evidence rather than assumptions. Managers can identify problems earlier and use data to plan the workforce.

However, there are limitations. Employee data must be accurate and handled responsibly. Managers should also avoid depending completely on numbers because data does not always explain why employees behave in a particular way.

Therefore, National Grid should combine workforce analytics with employee feedback and managerial judgement.

3.2 Strategic Workforce Planning and Training

Strategic workforce planning involves identifying the employees and skills an organisation will need in the future. This is highly relevant to National Grid because the energy system is changing and new technical skills are becoming more important.

National Grid should regularly compare its existing skills with the skills it expects to need in the future. Where gaps exist, the organisation should provide training and reskilling.

Training existing employees can be more effective than relying entirely on external recruitment. It can reduce recruitment costs and give employees opportunities to progress within the organisation.

National Grid already provides apprenticeships, graduate programmes and other career development opportunities. Its focus on building future skills also shows the importance it places on developing the workforce. ([National Grid](#))

The main limitation is that training requires time and money. Employees may also leave after receiving training. National Grid can reduce this risk by connecting training with career progression, internal promotion and recognition.

This approach can help the company build a workforce that is prepared for future technological and energy-sector changes.

3.3 Employee Engagement and Retention

Employee engagement is another important HR practice. Engaged employees are more likely to be motivated, committed and willing to contribute to organisational success.

National Grid reports an employee engagement score of **81%**, while its wellbeing index is **77%**. The company also reports that 73% of employees feel it is safe to speak up. ([National Grid](#))

These results suggest that National Grid has a generally positive employee environment. However, the company must continue monitoring employee opinions because engagement can change when organisations experience restructuring, technological change or increased workloads.

National Grid can improve retention through competitive pay, career development, recognition, wellbeing support and flexible working. Managers should also have regular conversations with employees about their career goals.

Employee surveys are useful, but simply collecting information is not enough. Employees need to see that management takes action after feedback is received.

Therefore, National Grid should use engagement surveys to identify problems and then clearly communicate what actions are being taken.

3.4 Inclusive Recruitment

Inclusive recruitment can help National Grid attract a wider range of candidates. This is particularly important because the engineering and energy sectors have traditionally had difficulties attracting women and some underrepresented groups.

National Grid states that it wants its workforce to reflect the communities it serves. It also provides reasonable adjustments during recruitment for candidates who need additional support, including people with disabilities and neurodiverse conditions. ([National Grid Careers](#))

The company can strengthen this approach through structured interviews, clear job descriptions and objective selection criteria. Recruitment managers should also monitor recruitment data to identify whether certain groups are being disadvantaged.

The advantage of inclusive recruitment is that it increases the potential talent pool. It can also improve the company's reputation and employer brand.

However, recruitment alone cannot solve DEI problems. If employees do not experience an inclusive culture after joining, they may leave.

For this reason, National Grid needs to connect inclusive recruitment with inclusive leadership, fair promotion and employee development.

3.5 Inclusive Leadership and DEI Development

Managers have a major influence on whether employees feel included. National Grid should therefore continue developing inclusive leadership skills among managers.

Managers should be trained in areas such as unconscious bias, fair recruitment, respectful communication, reasonable adjustments and handling discrimination.

National Grid already has a DEI strategy based on increasing awareness, improving workforce diversity and developing leadership skills. ([National Grid](#))

This is a positive approach because it makes DEI part of management rather than leaving it only to the HR department.

However, training alone may not change behaviour. Managers need to be held accountable for creating inclusive teams. DEI objectives should therefore be included in management performance reviews.

Employee Resource Groups can also help employees feel supported and give management information about employee experiences. National Grid already has 17 employee-led groups, which provides a useful foundation for this approach. ([National Grid](#))

4. Critical Evaluation of Managerial Implementation

Managers are responsible for turning HR policies into everyday workplace practices. A strong HR strategy can fail if managers do not understand it or do not have the resources to implement it.

4.1 Leadership Accountability

Senior leaders at National Grid should make HR issues part of business performance discussions. Managers should have clear responsibilities for employee engagement, retention, training and DEI.

For example, managers could be assessed on employee turnover, engagement results, completion of development plans and progress towards diversity objectives.

This creates accountability. However, targets should not become a simple box-ticking exercise. Managers need appropriate training, time and resources to achieve them.

4.2 Communication

Good communication is essential when National Grid introduces new technology or changes working practices.

Managers should explain why changes are needed and how they will affect employees. Employees should also have opportunities to ask questions and raise concerns.

Two-way communication is important because employees often understand operational problems that senior managers may not see.

National Grid should therefore use team meetings, employee surveys, digital communication and manager briefings to communicate important changes.

Communication should be honest. Managers should not promise that technology will have no effect on jobs if some roles are likely to change. Instead, they should explain how employees will be supported through training and reskilling.

4.3 Monitoring and Performance Measurement

National Grid should use clear measures to determine whether HR practices are successful.

Important measures could include:

- employee turnover;
- employee engagement;
- absenteeism;
- recruitment time;
- training completion;
- internal promotion;
- female representation;
- ethnic diversity;
- pay gaps;
- employee wellbeing;
- employee complaints;
- retention of critical skills.

These measures can help managers identify problems early.

However, managers should not rely only on numerical data. Employee interviews, focus groups and surveys can provide information about why particular problems are happening.

4.4 Organisational Culture

Culture has a major influence on employee behaviour. National Grid has stated that creating an inclusive culture and giving employees confidence to speak up are important priorities. (National Grid)

Managers should therefore demonstrate the behaviours expected from employees. They should treat people fairly, listen to concerns and challenge inappropriate behaviour.

A positive culture can improve engagement and retention. On the other hand, if employees see a difference between official HR policies and what managers actually do, trust can decrease.

National Grid should therefore make sure that managers' behaviour matches the organisation's stated values.

4. Barriers to Implementation

There are several possible barriers to implementing these HR practices. These include resistance to change, lack of digital skills, limited financial resources, management workload and concerns about new technology.

National Grid can overcome these barriers by involving employees in change, providing training and introducing new systems gradually.

Pilot programmes can be used before major changes are introduced across the organisation. Managers can then learn what works and make improvements.

The size and complexity of National Grid can also make implementation difficult. Different teams may have different needs. Therefore, managers should have some flexibility while still following common organisational standards.

Most importantly, the three HR challenges should not be treated separately. Technology creates new skills requirements, which affects recruitment and training. DEI is also connected because National Grid needs to attract talent from a wide range of backgrounds.

5. Recommendations

Recommendation 1: Develop a future skills programme

National Grid should identify the technical, digital and leadership skills it will need over the next five to ten years. Employees should then receive appropriate training and reskilling opportunities.

Recommendation 2: Increase workforce analytics

HR should use employee data to identify turnover, absence, skills shortages and engagement problems. Managers should receive simple reports that allow them to take action quickly.

Recommendation 3: Strengthen career development

National Grid should provide clear career pathways and increase opportunities for internal promotion. This can encourage talented employees to remain with the organisation.

Recommendation 4: Make managers accountable

Managers should have measurable objectives relating to employee engagement, retention, training and inclusion. These objectives should form part of their performance reviews.

Recommendation 5: Improve inclusive recruitment

National Grid should continue using fair and accessible recruitment methods. Recruitment data should be reviewed regularly to identify possible barriers affecting underrepresented groups.

Recommendation 6: Increase women's participation in technical roles

National Grid should continue apprenticeships, mentoring, outreach and career programmes aimed at encouraging more women to enter engineering and technology careers.

Recommendation 7: Act on employee feedback

National Grid should continue using employee engagement surveys but must communicate the actions taken as a result. This can increase trust and show employees that their opinions matter.

6 Conclusion

National Grid faces important HR challenges because the energy industry is changing rapidly. Technological development is increasing the need for digital and technical skills, while competition for skilled employees makes recruitment and retention more difficult. At the same time, National Grid needs to improve diversity and inclusion so that its workforce better reflects the communities it serves.

The organisation already has several positive HR practices. These include career development programmes, apprenticeships, employee engagement activities, inclusive recruitment and DEI initiatives. National Grid also reports positive employee engagement and has established employee networks to support inclusion. (National Grid)

However, HR practices must be implemented effectively by managers. Managers need to communicate clearly, monitor performance and create an environment where employees feel respected and able to speak openly.

The main recommendation is for National Grid to take an integrated approach to HR. Technology, talent management and DEI should be connected rather than treated as separate issues. Developing employees' digital skills can support technological change, while career development can improve retention. Inclusive recruitment and leadership can help National Grid attract and retain a wider range of talent.

If these recommendations are implemented effectively, National Grid can improve employee engagement, develop the skills needed for the future and strengthen its ability to achieve long-term organisational sustainability.

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