

THE PRACTITIONER

A monthly newsletter of the Energy Facility Contractors Group's
Project Delivery Working Group



Issue 44

March 2023

Employee Retention Challenges

Greetings PDWG Practitioners! In our last newsletter we looked at “Supply Chain Challenges.” We focused on the current supply chain challenges with material and labor that should create a heightened sensitivity with respect to our processes for procurement, human resources, training, planning efforts, and lessons learned in considering the impacts we have already seen and will continue to see in foreseeable future.

This month we will take a deep dive into the labor resource aspect of employee retention. To tell the complete story we must first look at how we got where we are. Do you recall hearing about the “Great Resignation?” Below is a definition from [Wikipedia](#).

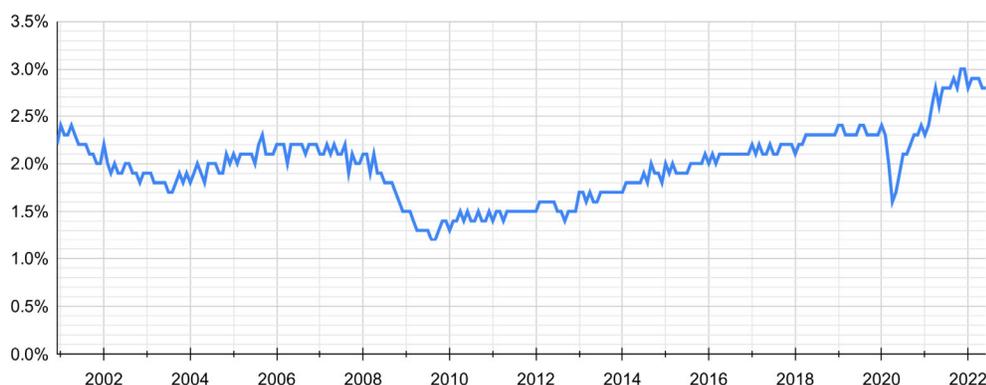
The Great Resignation, also known as the Big Quit and the Great Reshuffle, is an ongoing economic trend in which employees have voluntarily resigned from their jobs en masse, beginning in early 2021 in the wake of the COVID-19 pandemic. Among the most cited reasons for resigning include wage stagnation amid rising cost of living, limited opportunities for career advancement, hostile work environments, lack of benefits, inflexible remote-work policies, and long-lasting job dissatisfaction. Most likely to quit have been workers in hospitality, healthcare, and education.

Some economists have described the Great Resignation as akin to a general strike. However, workforce participation in some regions has recovered or even exceeded the pre-pandemic rate. This suggests that instead of remaining out of the workforce for extended periods (which can be financially difficult, especially at a time of high inflation), many workers have been simply swapping jobs.

The term "Great Resignation" was coined by Anthony Klotz, a professor of management at University College London's School of Management, in May 2021, when he predicted a sustained mass exodus.

At right: The resignation rate in the United States plummeted in the initial stages of the COVID-19 pandemic, reaching a nadir in April 2020, but it quickly rebounded, reaching record numbers beginning in March 2021. (Graphic from Economic Policy Institute)

Monthly quits in the United States, as a percent of total employment
(December 2000 to June 2022)



**Continues
on next
page**

Employee Retention

Continued from previous page

In an article titled “20 STUNNING GREAT RESIGNATION STATISTICS [2023]: WHY ARE AMERICANS LEAVING THEIR JOBS?” published by Jack Flynn on the careers website Zippia, there are multiple reasons for the workplace exodus provided. Let’s look at a few highlights:

- On average, 4 million Americans quit their jobs each month in 2022.
- In the month of August 2022, at least 4.2 million Americans quit their jobs.
- The month with the most American resignations was November 2021, when a whopping 4.5 million quit their jobs.
- Throughout 2021, an average of 3.98 million workers left their jobs every single month.
- Over 47 million Americans left their jobs by the end of 2021.

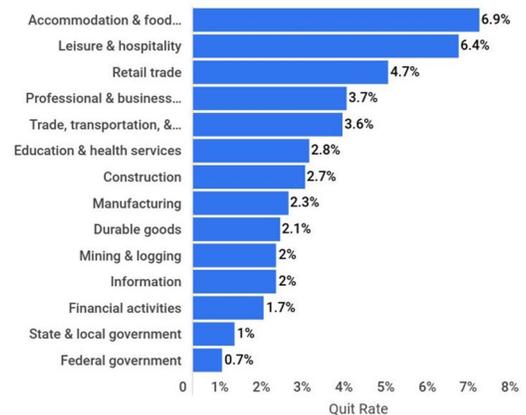
When we look at rates by industry we see the Federal Government comes in with the lowest “Quit” rate at 0.7%, and even that rate has not been without painful consequences.

And then of course there are the reasons for quitting: Note that COVID is at the bottom of the list at 18%

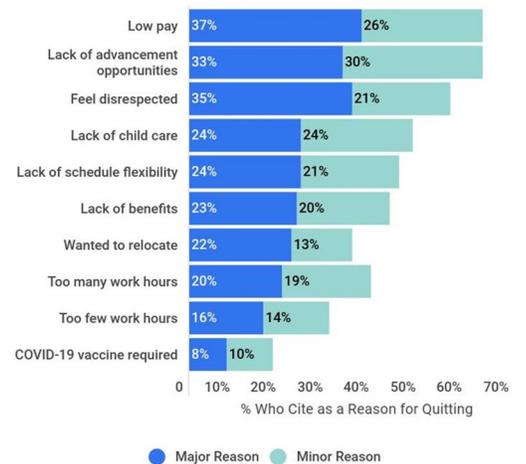
Finally, there the “Number of Resignations by Age” which is both interesting and revealing with respect to the complexities of retention. With the 65+ age group the chart shows below as the least likely to quit, one could reason that they are closer to retirement and will stay in place for a period of time. However, in the government contract arena that is the category of employee that often is the greatest concern given the loss of expertise.

And for the 18 to 29 age group with the greatest percentage of loss they happen to be the government contractors target in recruiting employees that will stick around long term. For government contractors each age group (18 – 29 and 65+) represent a dichotomy in strategy versus statistics. It

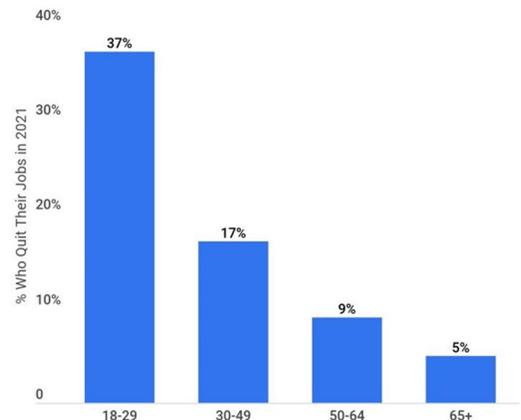
QUIT RATES BY INDUSTRY IN 2021



TOP REASONS FOR QUITTING



NUMBER OF RESIGNATIONS BY AGE



THE PRACTITIONER

Published monthly for the EFCOG’s Project Delivery Working Group by:

Craig Hewitt

(writer/editor)

(509) 308-2277

Craig_T.Hewitt@rl.gov

Adam Russell

(writer/publisher)

(509) 376-5742

Adam_Russell@rl.gov

Tony Spillman

(managing editor)

(509) 372-9986

Anthony_W_Spillman@rl.gov

For questions, comments, story ideas or other correspondence, call or e-mail Craig Hewitt at the contact information above.

Continues on next page

Employee Retention

Continued from previous page

would seem recruiting the 30 – 50 age group would provide the most stability for long term contractor employment.

According to this article's author "There are four major causes of the Great Resignation." These include:

1. **Job Openings.** Many industries, especially those in accommodations, food service, leisure, and hospitality, have seen many new job openings. This is because many jobs that were suspended or lost during 2020 returned in 2021. This gives employees many options for where they want to work.
2. **Burnout.** For many industries, and especially the healthcare industry, the COVID-19 Pandemic caused massive amounts of burnout and a lack of work-life balance. Ultimately, this resulted in many people wanting to leave their jobs.
3. **Remote Work.** Many employees realized that they prefer to work remotely, so when companies began requesting that their employees return to in-person work environments, many didn't want to.
4. **Priority Re-evaluation.** Being forced to stay home and other changes caused by the Pandemic caused many people to realize they wanted to re-prioritize their life. Many employees ended up feeling like they were overworked, underpaid, and undervalued, causing them to want to switch jobs.

The author concludes: "With over 47 million people resigning from their jobs in 2021, the Great Resignation is a historical trend that will have an impact on the job market for years to come. Many workers are not only changing jobs but also their entire careers. Plus, not only has this caused shifts in where people work but also where they live and how they choose to create a work-life balance."

So the "Great Resignation" is how we got here and employee retention is our best opportunity to meet the challenge. Let's look at some employee retention stats, provided by the TeamStage blog.

Companies spend big on recruiting the best of the best. And when they finally find the employee of their dreams, they are ready to make the proposal of a lifetime just to hire them.

However, the candidate-to-employee transition can be a slippery slope and does not always have a happy ending. Eventually, all separation expenses—that can go as high as 33% of the employee's annual income — are covered by the employer.

Read on to get ahead on the latest employee retention statistics and understand what it takes to keep your best talent and mitigate the negative impact of employee turnover.

Top Employee Retention Stats: Editor's Choice

- 75% of US staffers have no intention of staying at their jobs for more than five years.
- For 87% of HR managers employee retention is a top priority.
- 25% of people belong to a high employee retention risk group.
- 40% of employees leave their jobs because of the poor performance of their seniors.
- 96% of employees believe empathy is important to retain them.
- Clear onboarding processes improve retention rates by 23%.
- Over 70% of employees are compelled to leave for the sake of career advancement.
- Almost half of the employees would take another job for a 20% pay raise.
- Inadequate employee training accounts for 40% of resignations.
- 30% of millennials will jump ship for a better job offer.

Continues on next page

Employee Retention

Continued from previous page

What is employee retention?

Employee retention is a set of practices implemented by organizations in a bid to maintain a positive workspace with the ultimate goal of retaining employees over a given period. Employee retention is a key factor in the operation of any business, as investments in it have a higher ROI than the initial investment made in recruitment.

Why is employee retention important?

Employees are at the bottom of success for any company, which is not only measured in profits, growth, and customer satisfaction. Retaining your talent is critical, as good employees are hard to find, the cost of losing them is high, and employee tenure is priceless. Furthermore, high employee turnover hurts corporate morale, leading to lower levels of productivity and motivation.

What are retention strategies?

A successful retention strategy aims at decreasing employee separations and attrition by engaging and motivating employees in the long run. The key to a successful employee retention strategy lies in its harmony with your company's business goals. Some of the elements of a great strategy include:

- Competitive salary and benefits
- Transparent onboarding process
- Work-life balance support
- Productive leadership
- Open communication culture
- Employee engagement

What is an employee retention policy?

Employee retention policy is a dynamic document or rather a list of preferences for a company's top-performing employees. To be successful, employee retention policies should be based on employee feedback. Retention policies comprise the techniques an organization is willing to employ to meet the needs of its employees.

Who is responsible for employee retention?

Every time an employee resigns, initially the responsibility falls on the HR department to find out the reason behind the decision. The fact of the matter is, all members of the organization are directly or indirectly responsible for employee retention. And it is up to the leadership of the company to be committed to highlighting the importance of their talent and maintaining a healthy workspace.

The author concludes "A company failing to retain its most valuable brand ambassadors could trigger a chain reaction leaving it hemorrhaging for talent. Losing an employee could have long-term negative consequences, particularly on the morale and productivity of other team members. Building stellar employee

Continues on next page

Employee Retention

Continued from previous page

retention strategies save organizations both time and money. And our list of employee retention statistics offers some compelling data for employers who want to be on the side where the grass is always greener.”

Managing for Employee Retention

Overview

Managing for employee retention involves strategic actions to keep employees motivated and focused so they elect to remain employed and fully productive for the benefit of the organization. A comprehensive employee retention program can play a vital role in both attracting and retaining key employees, as well as in reducing turnover and its related costs. All of these contribute to an organization's productivity and overall business performance. It is more efficient to retain a quality employee than to recruit, train and orient a replacement employee of the same quality.

(Editor's note: From the first sentence above "...involves strategic actions to keep employees motivated and focused so they elect to remain employed and fully productive for the benefit of the organization..." may indicate a primary glitch in many retention strategies. We suggest it should have been written as such: "...for the benefit of the organization *and the employee.*")

Fairness and transparency are fundamental yet powerful concepts that can make a lasting impression on employees. According to SHRM's *Employee Job Satisfaction and Engagement: The Doors of Opportunity are Open* research report, employees identified these five factors as the leading contributors to job satisfaction:

1. Respectful treatment of all employees at all levels.
2. Compensation/pay.
3. Trust between employees and senior management.
4. Job security.
5. Opportunities to use their skills and abilities at work.

Employee job satisfaction and engagement factors are key ingredients of employee retention programs. The importance of addressing these factors is obvious, but actually doing so takes time and these tasks are often left for another day. However, the payoff of focusing on employee retention — in terms of increased performance, productivity, employee morale and quality of work, plus a reduction in both turnover and employee-related problems — is well worth the time and financial investment. The bottom line is that by managing for employee retention, organizations will retain talented and motivated employees who truly want to be a part of the company and who are focused on contributing to the organization's overall success.

Key Retention Strategies and Best Practices

Practices that contribute to retention arise in all areas of HR, and all roles within an organization will need to work together to develop and implement multifaceted retention strategies. Broad-based and targeted strategies, or a combination of both, may be appropriate depending on the circumstances.

EFFECTIVE PRACTICES

Effective practices in a number of areas can be especially powerful in enabling an organization to achieve its retention goals. These areas include:

Continues on next page

Employee Retention

Continued from previous page

- **Recruitment.** Recruitment practices can strongly influence turnover, and considerable research shows that presenting applicants with a realistic job preview during the recruitment process has a positive effect on retention of those new hires.
- **Socialization.** Turnover is often high among new employees. Socialization practices—delivered via a strategic onboarding and assimilation program—can help new hires become embedded in the company and thus more likely to stay. These practices include shared and individualized learning experiences, formal and informal activities that help people get to know one another, and the assignment of more-seasoned employees as role models for new hires.
- **Training and development.** If employees are not given opportunities to continually update their skills, they are more inclined to leave.
- **Compensation and rewards.** Pay levels and satisfaction are only modest predictors of an employee's decision to leave the organization; however, a company has three possible strategies:
 1. Lead the market with respect to compensation and rewards.
 2. Tailor rewards to individual needs in a person-based pay structure.
 3. Explicitly link rewards to retention (e.g., tie vacation hours to seniority, offer retention bonuses or stock options to longer-term employees, or link defined benefit plan payouts to years of service).
- **Supervision.** Several studies have suggested that fair treatment by a supervisor is the most important determinant of retention. This would lead a company to focus on supervisory and management development and communication skill-building.
- **Employee engagement.** Engaged employees are satisfied with their jobs, enjoy their work and the organization, believe that their job is important, take pride in their company, and believe that their employer values their contributions. One study found that highly engaged employees were five times less likely to quit than employees who were not engaged.

BROAD-BASED STRATEGIES

Broad-based strategies are directed at the entire organization or at large subsystems and are intended to address overall retention rates. Examples include providing across-the-board market-based salary increases, changing the hiring process to incorporate retention-related criteria and improving the work environment.

The data needed to help a company determine which broad-based strategies to implement typically come from three places:

- Retention research can shed valuable light on the primary drivers of turnover. Attendance at conferences and membership in professional associations such as SHRM can provide access to the latest research on turnover and retention.
- Effective practices encompass the strategies that other organizations are using and are finding effective or ineffective.
- Benchmarking surveys can provide information about how a company compares to competitors on issues such as pay, benefits, bonus plans and the like.

Concludes on next page

Employee Retention

Concluded from previous page

TARGETED STRATEGIES

Targeted strategies are based on data from several key sources, including organizational exit interviews, post-exit interviews, stay interviews, employee focus groups, predictive turnover studies and other qualitative studies. This information can lead an organization to determine more specifically where a problem exists and to develop highly relevant and linked strategies to address the issue. For example, if female professionals are departing the organization in significant numbers, a company could review common reasons that women give for leaving a company and develop strategies to specifically deal with this group of employees.

Practitioner Editor’s closing comments:

The three article snippets above are intended to provide insight and provoke thought into the most significant challenge faced by our projects today. The loss of critical resources (whose expertise and skill can make or break a project) should be the priority of the entire management team, versus just the project or human resource manager. Retention of resources for many of the reasons described in the article compilation above will need to be a top priority to mitigate the potential for negative impacts to our projects going forward.

To read the full articles, please visit the links below.

[Great Resignation](#)

[20 Stunning Great Resignation Statistics \[2023\]: Why Are Americans Leaving Their Jobs?](#)

[Employee Retention Statistics: A 2022 Overview](#)

[Managing for Employee Retention](#)

2023 PROJECT MANAGEMENT WORKSHOP

The DOE Office of Project Management (PM) is pleased to announce the 2023 DOE Project Management Workshop. This annual workshop continues the tradition of providing an opportunity to discuss projects and major challenges with senior DOE leadership, review best practices, share lessons learned, and to recognize excellence. The workshop is a designated training event and attendees will earn continuous learning points (CLPs) for each day’s participation.

When: Tuesday and Wednesday, April 11-12, 2023.

Optional: A project controls session will be conducted on Thursday morning, April 13, 2023. For more information see the link below.

[2023 Department of Energy Project Management Workshop | Department of Energy](#)

Check out the latest DOE Project Management newsletter!

(Click on the banner below)



Or have it delivered directly to your inbox every month!

1. Click [HERE](#) and a new email will open.
2. Just press SEND – Do not edit anything.
3. Click the provided link in the confirmation email you receive.

(An unsubscribe link is provided in each newsletter email.)

*Is your data and info **C**urrent, **A**ccurate, **C**omplete, **R**epeatable, **A**uditable and **C**ompliant®?*

It Is Not One World

Nine 'Facepalm' Construction Fails: Try Not to Laugh

Images compiled by Jonas Grinevičius for BoredPanda;

["Construction Fails": 45 Pics That Might Make You Break Out In A Cold Sweat | Bored Panda](#)

At one time or another we have all complained about compliance with those pesky rules, requirements, and procedures. While much could be said about the level of regulation across all industries, we would do well to remember that most regulations are the result of repeat issues, concerns, and findings.

If a picture is worth a thousand words, then the images below should be a novel!!! Enjoy a light hearted look at what some might call success.

Cornered the market!



The shortest distance between two points?



That first step is a doozy!



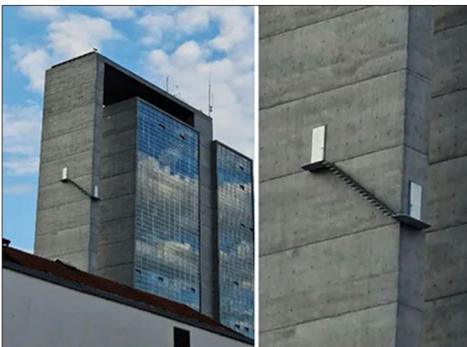
Early bird gets the worm!



Well, 1 outta 4 ain't bad...right?



The corporate ladder?



Wonder when the light came on for this solution?



What the what!?



Who needs bracing? The wind is not going to blow that hard!



Project
 "Defining a good project is dependent on how well you can define your needs. The better you specify your requirements, the better the results of a project are going to be."

~ Pooja Agnihotri, author of 17 Reasons Why Businesses Fail

Management

Just for Fun: March's Notable Events and Famous Birthdays

1 — The Salem witch hunt began (1692), the Articles of Confederation were ratified (1781), Yellowstone Park was established (1872), actor/director Ron Howard was born (1954), and the Peace Corps was established (1961)

2 — Congress abolished the African slave trade (1807), Texas declared its independence from Mexico (1836), author Dr. Seuss was born (1904), and Wilt Chamberlain scored an NBA-record 100 points in a game and rocker Jon Bon Jovi was born (1962)

3 — Congress passed the Missouri Compromise (1820), inventor Alexander Graham Bell was born (1847), the first U.S. wartime draft was approved (1863), and "The Star-Spangled Banner" officially became America's national anthem (1931)

4 — The first session of the U.S. Congress was held (1789), **football pioneer Knute Rockne was born** (1888), and comedian John Candy died (1994)



5 — The Boston Massacre took place (1770), Soviet leader Joseph Stalin died (1953), and the Hula-Hoop was patented (1963)

6 — Painter Michelangelo was born (1475), the Battle of the Alamo ended (1836), the Dred Scott case was decided (1857), aspirin was patented (1899), and basketball star Shaquille O'Neal was born (1972)

7 — Alexander Graham Bell patented the telephone (1876), and Hitler sent troops to the Rhineland in violation of the Treaty of Versailles (1936)

8 — The first U.S. Marines arrived in Vietnam (1965), Joe Frazier beat Muhammad Ali in the "Fight of the Century" (1971), "Beavis and Butthead" premiered on MTV (1993), and a Malaysia Airlines jet vanished with more than 200 people aboard (2014)

9 — Cosmonaut Yuri Gagarin (1934) and chess wizard Bobby Fischer (1943) were born, the Barbie doll debuted (1959), the first Adopt-a-Highway sign appeared (1985), comedian George Burns died (1996), and rapper The Notorious B.I.G. was killed (1997)

10 — The telephone first transmitted speech (1876), and tough guy Chuck Norris (1940), actress Sharon Stone (1958) and singer Carrie Underwood (1983) were born

11 — The Army Corps of Engineers was established (1779), **the Confederate constitution was adopted** (1861), the first cases of the flu pandemic were reported (1918), and Paul McCartney was knighted (1997), the Fukushima nuclear disaster in Japan occurred (2011), and the World Health Organization officially declared the COVID-19 outbreak as a pandemic (2020)



12 — FDR's first "fireside chat" was broadcast (1933), Germany annexed Austria (1938), singer James Taylor was born (1948), and Janet Reno became the first female attorney general (1993)

13 — The planet Uranus was discovered (1781), President Andrew Johnson's impeachment trial began (1868), and the Army established its K-9 Corps (1942)

14 — Albert Einstein (1879) and actor/comedian Billy Crystal (1948) were born, and 22 members of the U.S. boxing team were killed in a plane crash (1980)

15 — Roman emperor Julius Caesar was murdered (44 BC), President Andrew Jackson was born (1767), Maine became a state (1820), Bobby Orr became the first NHL defenseman to score 100 points in a season (1970), "The Godfather" opened in theaters (1972), and actress Eva Longoria was born (1975)

16 — President James Madison was born (1751), the U.S. Military Academy was established (1802), **the first liquid-fueled rocket was successfully launched** and actor/comedian Jerry Lewis was born (1926), and actor Erik Estrada was born (1949)



17 — St. Patrick died (461), the British evacuated Boston (1776), and actors Kurt Russell (1951) and Rob Lowe (1964) were born

18 — President Grover Cleveland was born (1837), Wells Fargo was established (1852), **a natural gas explosion at a Texas school killed nearly 300 students** (1937), and the War Relocation Authority was established (1942)



19 — Western artist Charles Russell was born (1864), the first U.S. air combat mission in was flown (1916), Nevada legalized gambling (1931), actress Glenn Close was born (1947), the Academy Awards were first shown on TV (1953), actor Bruce Willis was born (1955), and Operation Iraqi Freedom began (2003)

20 — The Black Death plague broke out in Europe (1345), the Republican Party was formed (1854), TV's Mr. (Fred) Rogers was born (1928), and terrorists attacked a Tokyo subway with nerve gas (1995)

21 — Composer J.S. Bach was born (1685), **the first rock concert was held** (1952), Alcatraz Prison closed (1963), the Alabama Freedom March began (1965), and the U.S. announced its boycott of the Summer Olympics (1980)



22 — The Stamp Act was imposed on the American colonies (1765), the first Stanley Cup championship was played (1894), actor William Shatner (1931) and sportscaster Bob Costas (1952) were born, the Equal Rights Amendment was passed by the Senate (1972), and a mudslide at Oso, Washington, killed 43 people (2014)

23 — Lewis & Clark began their journey back to the Midwest from the Pacific Coast (1806), actress Joan Crawford was born (1904), and the Fascist party was founded (1919)

24 — Magician Harry Houdini (1874) and actor Steve McQueen (1930) were born, Elvis Presley was inducted into the Army (1958), football star Payton Manning was born (1976), the Exxon Valdez ran aground in Alaska and spilled 11 million gallons of oil (1989), astronaut Shannon Lucid became the first woman to live in a space station (1996), and a school shooting in Jonesboro, Arkansas, killed five people (1998)

25 — A fire in the Triangle Shirtwaist factory killed 146 workers (1911), singers Aretha Franklin (1942) and Elton John (1947) were born, the European Economic Community was founded (1957), race car driver Danica Patrick was born (1982), the last U.S. troops departed Somalia (1994)

26 — Poet Robert Frost (1874) and actor Leonard Nimoy (1931) were born, the polio vaccine was announced (1953), star athletes Marcus Allen (1960) and John Stockton (1962) were born, and a peace agreement between Israel and Egypt was signed (1979)

27 — Oregon beat Ohio State to win the first ever NCAA men's basketball tournament (1939), Nikita Khrushchev became premier of the Soviet Union (1958), director Quentin Tarantino (1963) and singer Mariah Carey (1970) were born, and the FDA approved Viagra (1998)

28 — San Francisco was founded (1776), singer Reba McEntire was born (1955), General/President Dwight D. Eisenhower died (1969), the Three Mile Island nuclear disaster occurred (1979), and the Baltimore Colts moved to Indianapolis (1984)

29 — President John Tyler (1790), baseball star Cy Young (1867), basketball star Walt Frazier (1945) and football star Earl Campbell (1955) were born, **the last U.S. combat troops departed from Vietnam** (1973), and Mariner 10 became the first space probe to land on Mars (1974)



30 — Artist Vincent Van Gogh was born (1853), the U.S. bought Alaska from Russia (1867), the 15th Amendment granting African-American men the right to vote was adopted (1870), guitarist Eric Clapton (1945), rapper M.C. Hammer (1962) and singer Celine Dion (1968) were born, and President Ronald Reagan was shot (1981)

31 — The Eiffel Tower opened (1889), hockey legend Gordie Howe (1928), actor Christopher Walken (1943) and former vice-president Al Gore (1948) were born, the longest major league baseball strike ended (1995), and The Matrix opened in theaters (1999)