

Recruitment & Retention Study

Joint Transportation Committee

Presented By:

Jeff Pelton, Director of Human Resources & Safety

Russ Branson, Director, Public Financial Management

Roger Millar, Acting Secretary of Transportation

Keith Metcalf, Acting Deputy Secretary of Transportation

Scope and Purpose

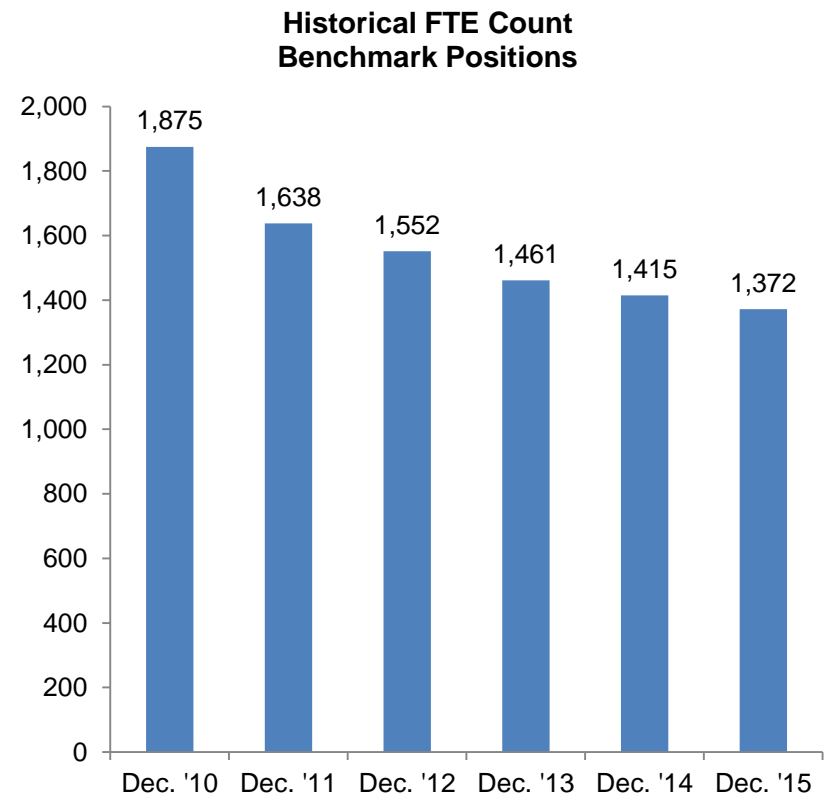
- **Purpose:** The Connecting Washington package directed WSDOT to provide a report regarding preliminary engineering employee recruitment and retention issues.
- **Scope:** The report considered issues affecting program oversight and delivery by looking at compensation issues that might hinder recruitment and retention of a quality, core workforce in the engineering segment of these programs:
 - Right of way
 - Design
 - Construction

Workforce Background

Summary

- WSDOT has nearly 7,000 employees who design, build and manage the state's transportation system.
- Approximately 2,000 engineers and technical employees perform or oversee this work.
- As Nickel and TPA funded projects were nearing an end, the Legislature mandated (ESHB 2190) that WSDOT reduce its engineering and technical services workforce.

Benchmark Reductions



Methodology

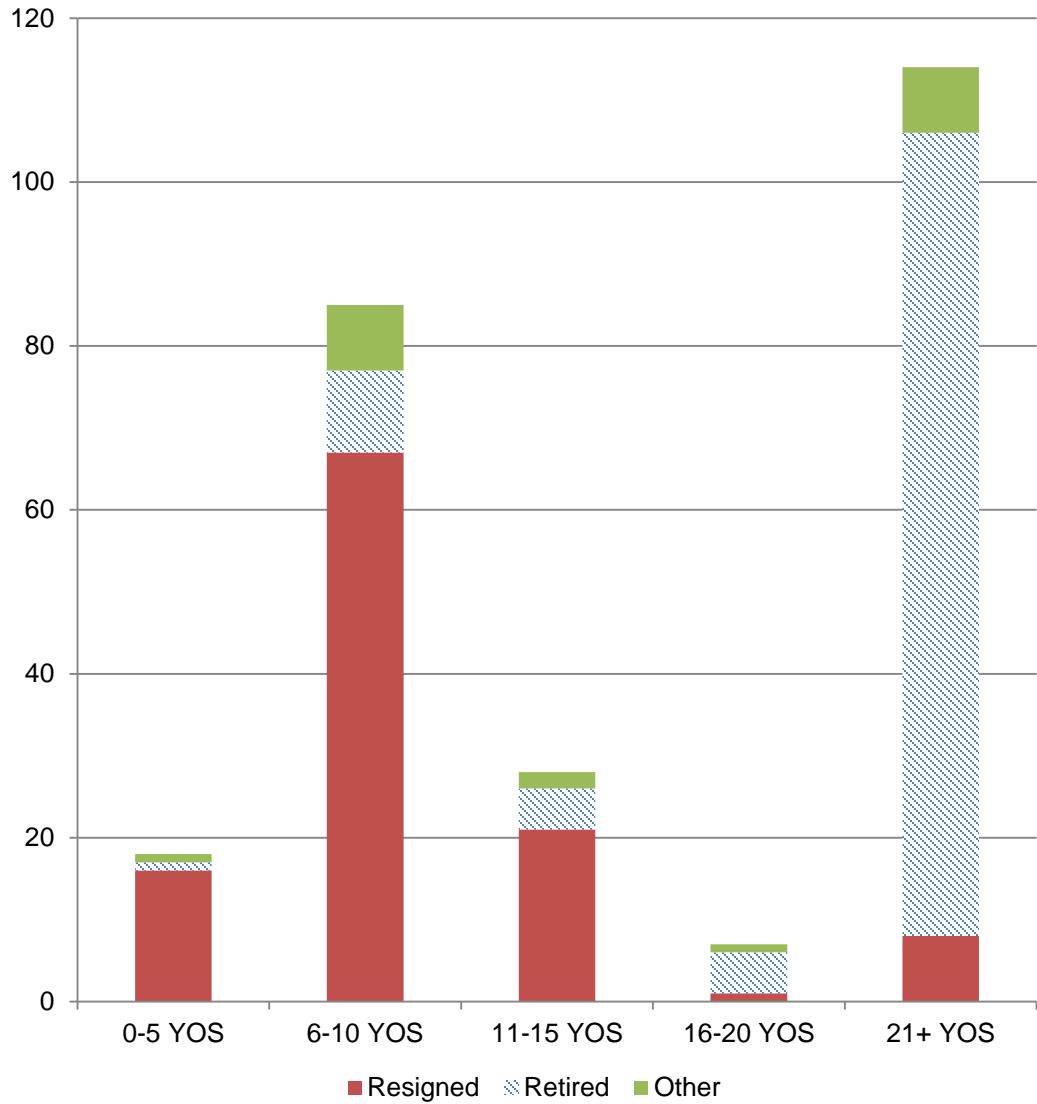
Multiple Data Sources & Perspectives:

- Over the course of the study, the project team used a variety of tools to evaluate WSDOT's recruitment process, retention experience, and competitive market position.
- The tools used in this study included:
 - Interviews with WSDOT staff
 - Focus Groups of employees in the benchmark classifications
 - WSDOT Human Resources & Recruitment staff
 - Office of Financial Management (OFM) State Human Resources
 - WSDOT Regional Administrators & Assistant Regional Administrators
 - Review of data provided by the WSDOT Office of Human Resources and the OFM State Human Resources
 - Benchmark compensation surveys of local public sector employers in Washington State
 - Survey of WSDOT former employees in the benchmark classifications who separated from the agency between January 1, 2013 and December 31, 2015

WSDOT Attrition by Tenure and Reason
(1/1/2013 - 12/31/2015)

The Attrition

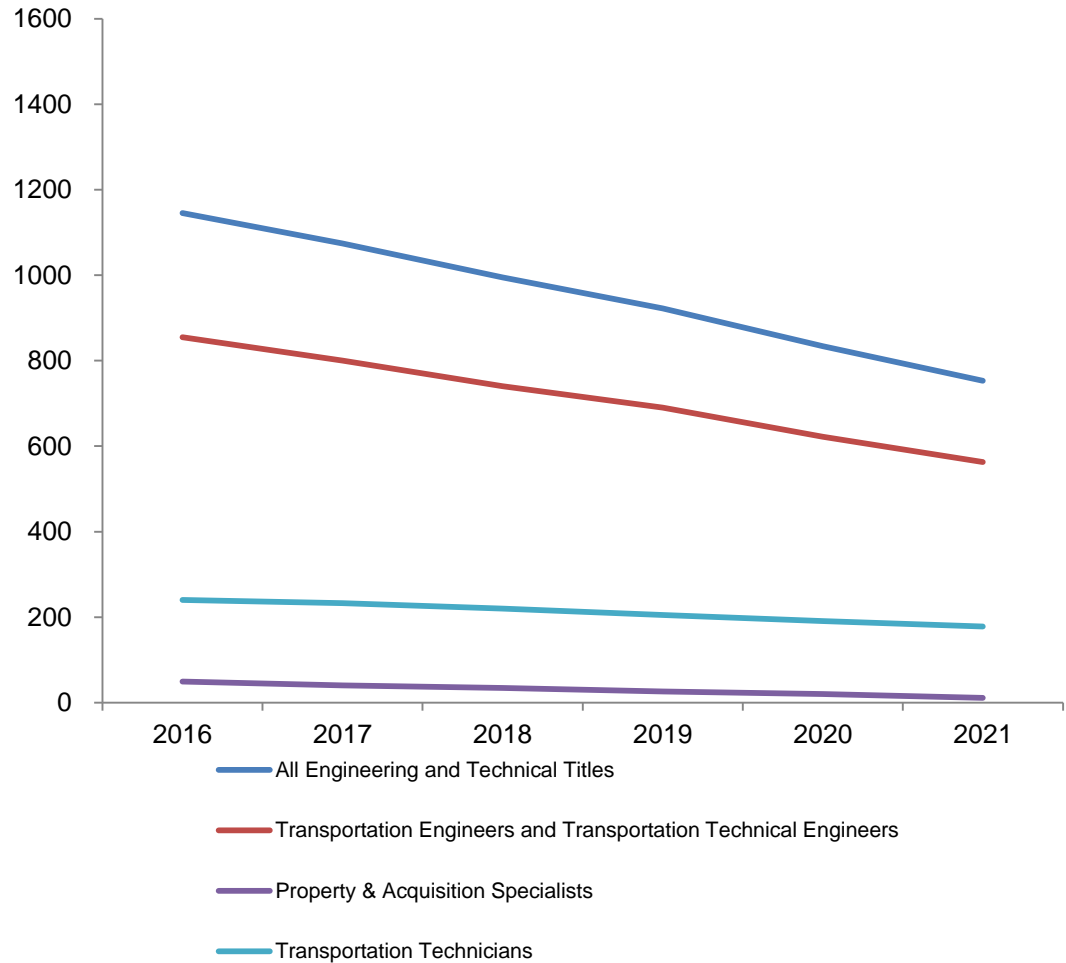
- WSDOT is experiencing increasing attrition in mid-career and late-career workers
- 6 to 10 years of service through resignation for other jobs
- 21+ years of service through retirement
- Survey findings of separated employees concluded *compensation* emerged as a primary driver of attrition



Engineering and Technical Positions Vacancies CY2016-2021

The Need

- During the next five years, WSDOT is projected to lose more than 45 percent of its engineering staff through attrition
- This means WSDOT will be in the labor market for the next 5 years trying to attract new talent to meet the demands of program delivery



The Market

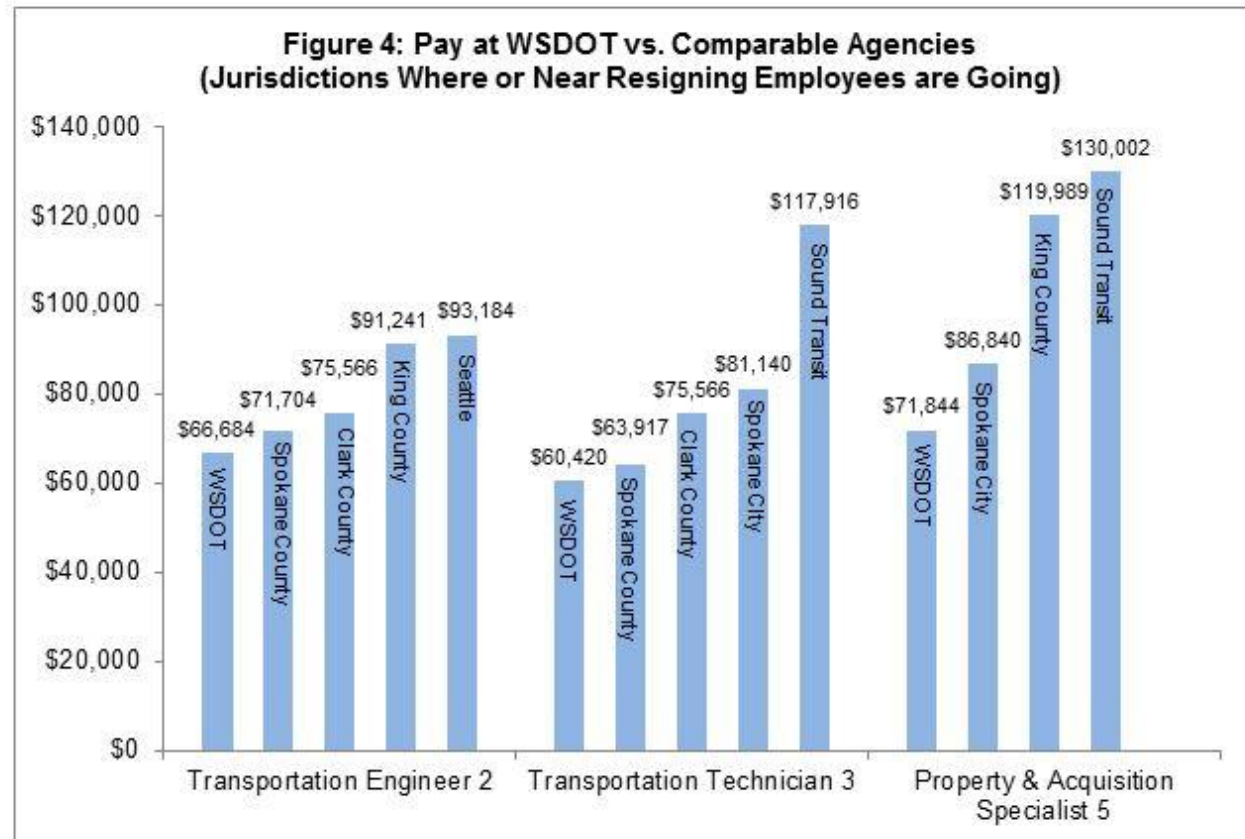
- The competition for engineering and technical talent is strong
- WSDOT pay lags other public sector and private sector employers by significant margins
- Pay differences are greatest in the heavily-populated, high cost-of-living Northwest region
- Less competitive wages put WSDOT in a difficult position from a recruitment and retention perspective

Table 1: Summary of Local Public Sector Employers Wage Comparisons

	WSDOT Variance from Median	Rank
Transportation Engineer 1	-13.5%	6 of 6
Transportation Engineer 2	-24.2%	6 of 6
Transportation Engineer 3	-21.6%	7 of 7
Transportation Engineer 4	-28.4%	8 of 8
Transportation Engineer 5	-29.0%	7 of 7
Transportation Technical Engineer	-0.3%	3 of 3
Transportation Technician 1	-16.2%	6 of 6
Transportation Technician 2	-18.2%	7 of 7
Transportation Technician 3	-25.5%	6 of 6
Property & Acquisition Specialist 1	-32.0%	4 of 5
Property & Acquisition Specialist 2	-33.9%	5 of 6
Property & Acquisition Specialist 3	-32.0%	6 of 7
Property & Acquisition Specialist 4	-29.3%	5 of 5
Property & Acquisition Specialist 5	-21.4%	7 of 7
Property & Acquisition Specialist 6	-13.9%	3 of 3

Overview

- Compensation for engineering and technical workers is significantly under market.



Major Compensation Findings

- WSDOT compensation for each classification ranks at or near the bottom.
- Employee contributions to health benefits are among the highest.
- Employee pension contributions are among the lowest of those jurisdictions that offer a retirement plan other than PERS.

Region	Variance Median for all Titles
Northwest	-33.2%
Olympic	-25.3%
Eastern	-4.9%
Southwest	-15.5%

Recommendations Overview

- Management needs to develop a service-delivery plan for the recently-approved construction program.
- Determine how much of the upcoming design and construction management work will be done in-house or how much will be contracted out. (2ESSB 5997 & RCW 47.01)
- This will drive hiring needs on what skillset to hire.



Recruitment: Findings & Recommendations

Staffing Plan

- The staffing plan through 2019 is to maintain current levels of FTE allocations.
- WSDOT will work with partners to develop the Construction Program Business Plan required by 2ESSB 5997.
- Plan will utilize mixture of WSDOT staff and consultants.

Recommendation

- WSDOT management should develop a plan for how they are going to staff projects.
- Regular and scheduled meetings between top WSDOT staff and recruitment staff would help identify staffing needs.

Recommendations Overview

- Recruitment processes need to utilize more proactive methods to find and attract qualified candidates
- Experienced engineers are unlikely to come to WSDOT without adjustments in compensation first.



Recruitment: Findings & Recommendations

Training

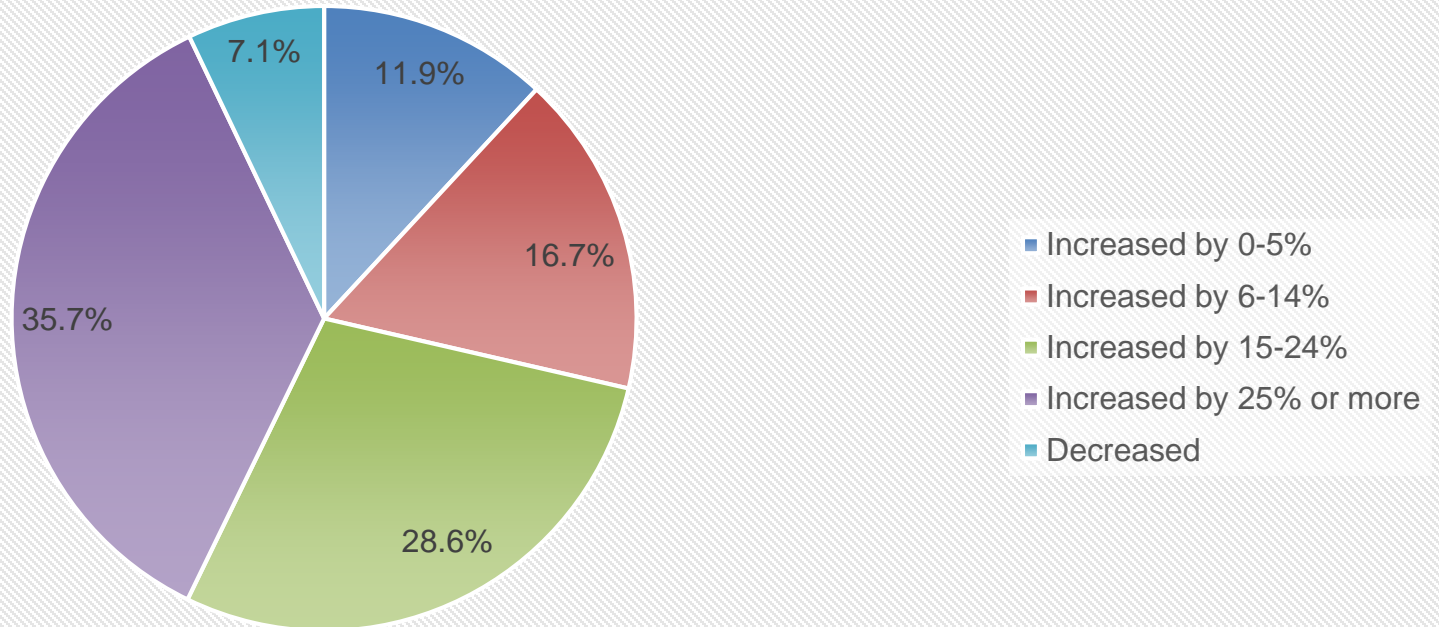
- There is a need for training of new employees that will be difficult to meet.
- The reduction in allocated positions over the last several years affected lower-tenured employees the most.
- WSDOT has fewer trained lower-level employees and a looming retirement bubble that will further drain experienced engineers.

Recommendation

- Using existing vacant FTE positions to bring on new hires as early as possible for training from more experienced staff that is likely to be leaving the agency.
- WSDOT should recruit qualified retirees who can help provide training on an ad hoc basis.

Retention: Findings & Recommendations

Survey Results: "Since leaving WSDOT, my monthly take-home pay has..."



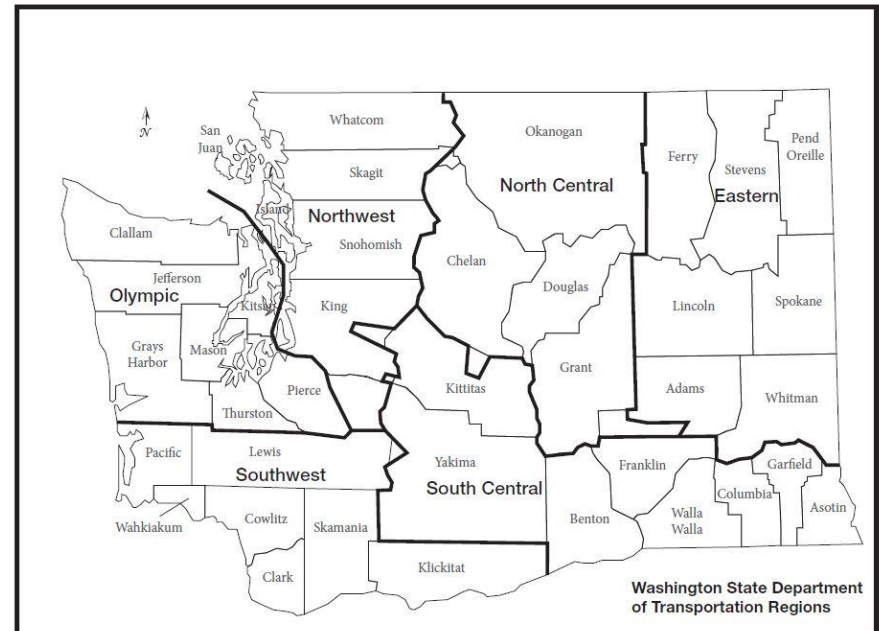
Retention: Findings & Recommendations

Geographic Pay

- Expanding the use of geographic pay to other titles would be effective in addressing WSDOT's low base.

Recommendation

- Geographic assignment pay should be expanded to include all benchmark classifications.
- The agency should consider setting this pay based on region



Conclusion

WSDOT will need to address the disparity in compensation for engineering & technical workers because:

- WSDOT is projected to lose nearly 45% of their current engineering workforce in the next 5 years.
- While the majority of employees at WSDOT are satisfied with their work - people continue to leave for better pay.
- Majority of employees leave WSDOT for better pay in the range of 15%+.
- WSDOT is last in the market on major compensation items.

Questions

For additional information on WSDOT's Recruitment & Retention Study, please contact:

Jeff Pelton, Director of Human Resources & Safety
(360) 705-7388 or PeltonJ@wsdot.wa.gov