



Washington State Ferries

Workforce Planning Report

September 2022

JTC



Report Organization

Background and Context

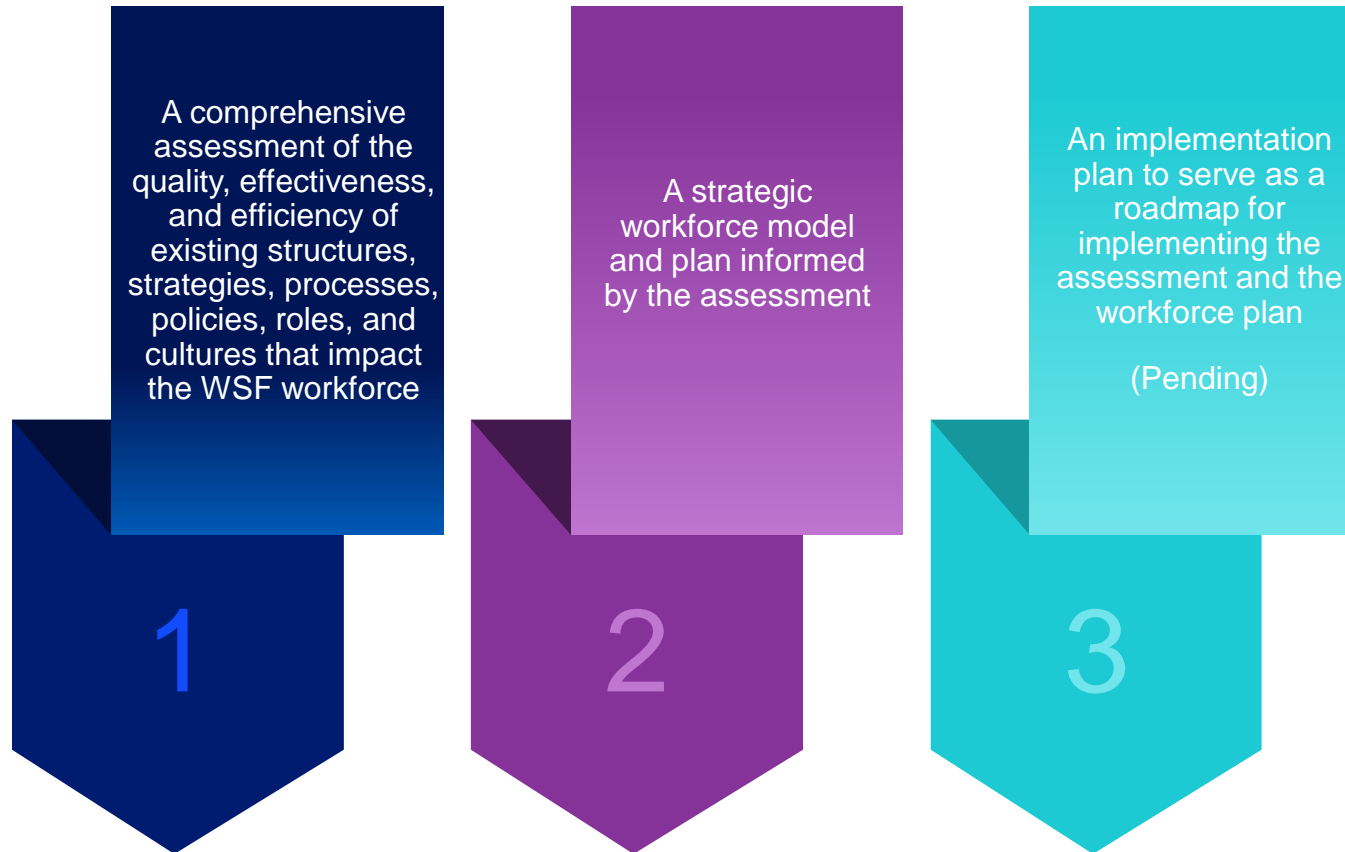
Assessment Findings

Workforce Planning Analysis

Recommendations

Methodology and Approach

- In the fall of 2021, the JTC engaged Seattle Jobs Initiative (SJI), EMSI, and Segal, jointly as external consulting partners, to develop the following:



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Assessment Findings

Thematic Summary

Clear and consistent views on organizational strengths and challenges were surfaced during the assessment.



Staffing Model

Systemic issues within the current staffing model contribute to the overtime issue

Staffing Shortage

Staffing shortages require WSF to assign OT hours to meet operational needs

Career Advancement and Retention

Career advancement is slow and difficult, greatly impacting retention and the pipeline of workforce talent

Recruitment and Hiring

Hiring practices are not generating sufficient pools of qualified maritime candidates

Cultural Issues

Culture was frequently cited as a factor negatively impacting retention

Report Organization

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Assessment Findings

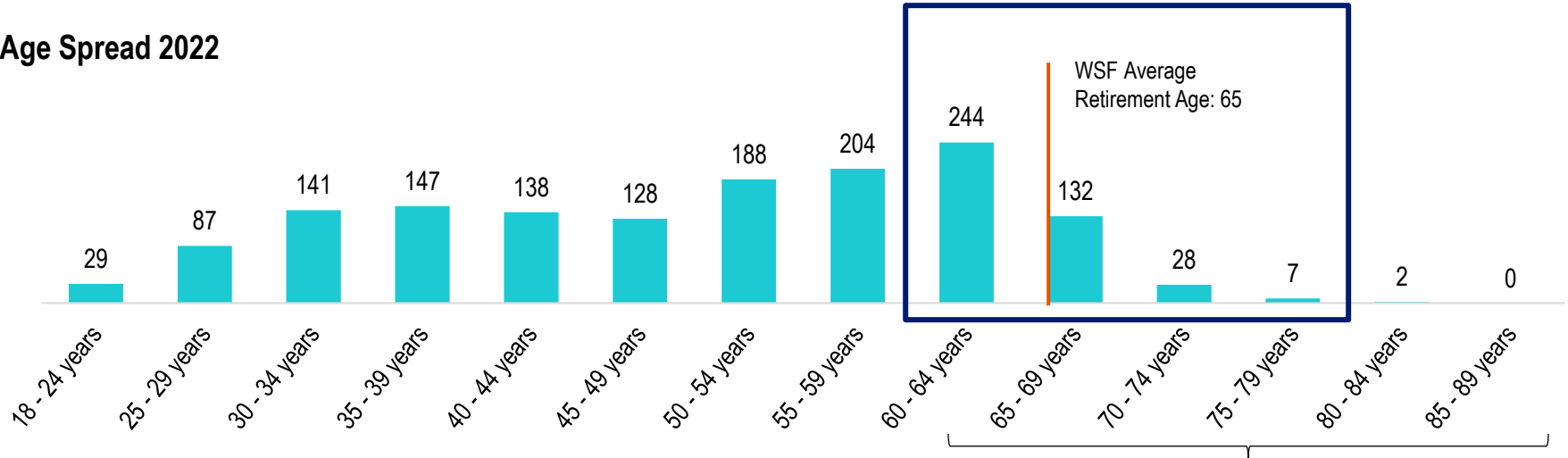
Workforce Planning Analysis

Recommendations

Workforce Planning Analysis

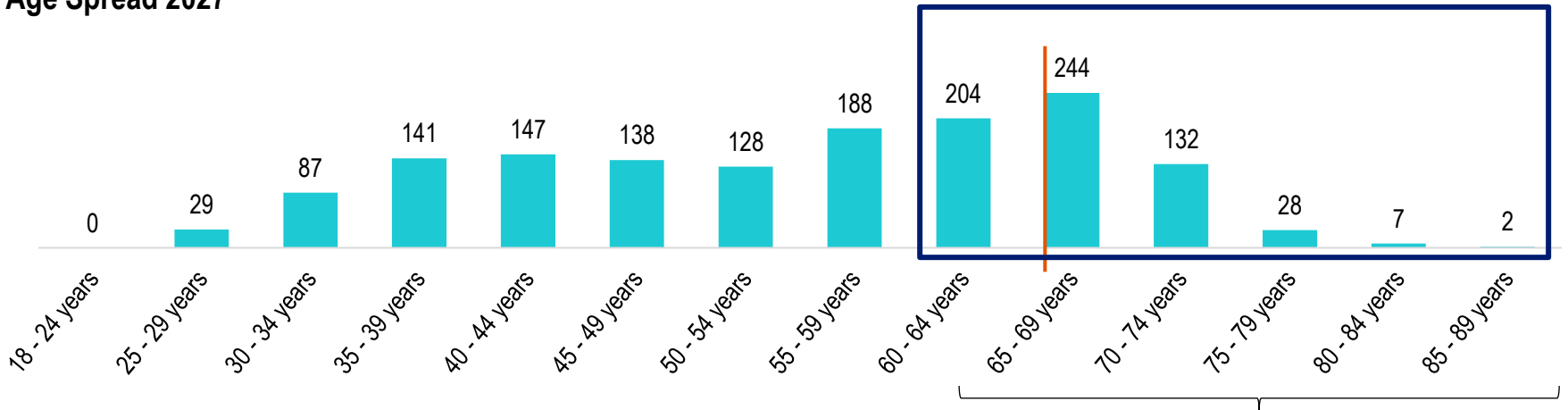
Retirement Analysis

Age Spread 2022



Currently, 28% of the workforce is either within 5 years of or are already at or above the avg. retirement age

Age Spread 2027



By 2027 41% of the workforce will either be within 5 years of or are already at or above the avg. retirement age

¹ Does not include Eagle Harbor, Administrative, or Temporary roles

² Data is effective as of June 30, 2022

Workforce Planning Analysis

Retirement Analysis

| Job Category | Total Count | Below Retirement Risk Range and Age | | | | Within Retirement Risk Range + At or Above Avg. Retirement Age | | | |
|---------------------|-------------|-------------------------------------|------------|------------|------------|--|------------|------------|------------|
| | | 2022 | | 2027 | | 2022 | | 2027 | |
| | | N | % | N | % | N | % | N | % |
| Captain | 74 | 35 | 47% | 16 | 22% | 39 | 53% | 58 | 78% |
| Mate | 75 | 61 | 81% | 52 | 69% | 14 | 19% | 23 | 31% |
| 2nd Mate | 28 | 26 | 93% | 23 | 82% | 2 | 7% | 5 | 18% |
| Ablebodied Sailor | 234 | 164 | 70% | 134 | 57% | 70 | 30% | 100 | 43% |
| Junior Deckhand | 245 | 203 | 83% | 176 | 72% | 42 | 17% | 69 | 28% |
| Chief Engineer | 110 | 73 | 66% | 51 | 46% | 37 | 34% | 59 | 54% |
| Assistant Engineer | 74 | 60 | 81% | 53 | 72% | 14 | 19% | 21 | 28% |
| Oiler | 186 | 159 | 85% | 142 | 76% | 27 | 15% | 44 | 24% |
| Terminal Supervisor | 39 | 16 | 41% | 12 | 31% | 23 | 59% | 27 | 69% |
| Ticket Seller | 134 | 77 | 57% | 47 | 35% | 57 | 43% | 87 | 65% |
| Ticket Taker | 33 | 25 | 76% | 22 | 67% | 8 | 24% | 11 | 33% |
| Terminal Attendant | 179 | 120 | 67% | 100 | 56% | 59 | 33% | 79 | 44% |
| Janitor | 6 | 3 | 50% | 2 | 33% | 3 | 50% | 4 | 67% |
| Total: | 1417 | 1022 | 72% | 830 | 59% | 395 | 28% | 587 | 41% |

By 2027 Captains, Chief Engineers, and several terminal positions will be most impacted by turnover from retirement

¹ Does not include Eagle Harbor, Administrative, or Temporary roles

² Data is effective as of June 30, 2022

Workforce Planning Analysis

Turnover Analysis

Turnover analysis for separations from FY 2019 through FY 2022.

| Job Category | Total Population | 4-Year Average Involuntary Turnover | | 4-Year Average Voluntary Turnover | | 4-Year Average Retirement | |
|---------------------|------------------|-------------------------------------|------|-----------------------------------|------|---------------------------|-------|
| | | N | % | N | % | N | % |
| Captain | 287 | 4 | 1.4% | 1 | 0.3% | 37 | 12.9% |
| Mate | 279 | 5 | 1.8% | 3 | 1.1% | 9 | 3.2% |
| 2nd Mate | 96 | 0 | 0.0% | 1 | 1.0% | 1 | 1.0% |
| Ablebodied Sailor | 1121 | 17 | 1.5% | 8 | 0.7% | 55 | 4.9% |
| Junior Deckhand | 967 | 39 | 4.0% | 53 | 5.5% | 19 | 2.0% |
| Chief Engineer | 391 | 10 | 2.6% | 0 | 0.0% | 34 | 8.7% |
| Assistant Engineer | 302 | 5 | 1.7% | 2 | 0.7% | 4 | 1.3% |
| Oiler | 783 | 30 | 3.8% | 27 | 3.4% | 18 | 2.3% |
| Terminal Supervisor | 141 | 1 | 0.7% | 1 | 0.7% | 11 | 7.8% |
| Ticket Seller | 489 | 4 | 0.8% | 4 | 0.8% | 36 | 7.4% |
| Ticket Taker | 67 | 0 | 0.0% | 0 | 0.0% | 4 | 6.0% |
| Terminal Attendant | 613 | 45 | 7.3% | 44 | 7.2% | 16 | 2.6% |
| Janitor | 22 | 1 | 4.5% | 2 | 9.1% | 0 | 0.0% |

Junior Deckhands, Terminal Attendants, and Janitors have the largest percentage of turnover

¹ Does not include Eagle Harbor, Administrative, or Temporary roles

² Data is effective as of June 30, 2022

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Recommendations

Segal recommends the following transformation recommendations to address the findings surfaced in the organizational assessment and workforce model:

| | | | | | |
|--|--|---|---|--|---|
|  |  |  |  |  |  |
| <p>Staffing Model</p> | <p>Staffing Shortage</p> | <p>Career Advancement & Retention</p> | <p>Recruitment and Hiring</p> | <p>Cultural Issues</p> | <p>Succession Planning</p> |
| <p>Reimagine the staffing model for deck and terminal staff and allocate support resources to account for more accurate staffing needs</p> | <p>Expand staffing in areas where understaffing exists in order to lower costs and re-establish full vessel operations</p> | <p>Create an employee engagement and retention strategy and plan</p> | <p>Enhance talent acquisition to include strategic recruiting efforts and strategic pipeline development and adding resources</p> | <p>Conduct an engagement survey and in-depth cultural assessment with resulting action plan to remediate cultural concerns</p> | <p>Develop a formal succession planning and knowledge transfer approach and model</p> |

Staffing Model

Methodology

Variables:

1. FY 2022 census data as of June 30, 2022
2. FY 2022 planned leaves (e.g., training, school, bid vacation)
3. FY 2022 unplanned leaves (e.g., sick day, FMLA, PFML, on the job injury)
4. FY 2022 sailing schedules for each route per day

Assumptions:

1. All engine room staff work an extra 104 hours per year at a time and a half rate, as per CBA
2. Blended weighted labor rates were used to calculate current and proposed costs
3. An actual 7% overtime rate was applied to calculate current costs for both deck and engine
4. An “operational overtime” percentage, 4% for deck, 7% for engine, was applied to account for typical ferry operational needs that cause a measure of overtime, regardless of staffing levels (e.g., vessel delays)
5. The staffing model is based solely on bringing WSF staffing up to Coast Guard minimums
6. All relief positions are included in the analysis
7. The analysis does not account for healthcare benefits for new or existing employees

Staffing Model

Proposed Staffing Levels

Deck:

| Position | Current Headcount | Proposed Additional Headcount | | | |
|-------------------|-------------------|-------------------------------|------------|------------|------------|
| | | Low | | High | |
| Captain | 70 | 3 | 5% | 4 | 5% |
| Mate | 79 | 14 | 17% | 15 | 19% |
| 2nd Mate | 23 | 21 | 92% | 23 | 102% |
| Ablebodied Sailor | 277 | 40 | 14% | 44 | 16% |
| Junior Deckhand | 255 | 62 | 24% | 69 | 27% |
| Total: | 704 | 113 | 20% | 125 | 22% |

Engine:

| Position | Current Headcount | Proposed Additional Headcount | | | |
|--------------------|-------------------|-------------------------------|------------|-----------|------------|
| | | Low | | High | |
| Chief Engineer | 105 | 24 | 22% | 26 | 25% |
| Assistant Engineer | 72 | 23 | 31% | 25 | 35% |
| Oiler | 188 | 29 | 16% | 33 | 17% |
| Total: | 365 | 76 | 21% | 84 | 23% |

Staffing Model

Outcomes

1. Labor Cost Savings¹

- With the addition of **140 – 158 deck staff**, WSF could realize **\$6.5 – \$7.4M** in labor cost savings
- With the addition of **30 – 36 engine room staff**, WSF could realize **\$1.6 – \$2M** in labor cost savings
- Altogether, with the addition of **170 – 194 staff**, WSF could realize **\$8.1M – \$9.4M** in labor cost savings

2. Organizational and Operational Benefits

- Improve customer service experience and overall ferry maintenance
- Reduce burnout and morale challenges among existing staff
- Enable staff members to acquire more sea hours to more quickly advance their careers
- Increase bench strength for critical roles that have significant succession risks
- Provide staff members the opportunity to participate in more workforce development/training

Recommendations

Staffing Model



Reimagine the staffing model for deck and terminal staff and allocate support resources to account for more accurate staffing needs

- Leverage the staffing model to implement an operational model that is more accurate for operational staffing for the deck and terminal employees
- Conduct a comprehensive review of WSF data management practices and establish a data governance approach
- Procure technology to support the staffing model
 - Stand up a cross-functional task force to oversee the documentation of business and system requirements and research of technology vendors
 - Earmark budget to procure technology that will fully meet the operational needs of Ferries
- Identify resources with the requisite skills and competencies to support the new staffing model and technology
- Create a change management strategy and communications plan to support the staffing model and technology

Recommendations

Staffing Shortage



Expand staffing in areas where severe understaffing exists in order to lower costs and re-establish full vessel operations

- Create a short-term staffing plan to add additional full-time positions to the deck, terminal, and engine crews to the areas where the workforce staffing model demonstrates there is severe understaffing and a high level of overtime being used in order to be able to resume the full vessel crewing and schedule
- Allocate budget to support the short-term staffing plan
- Continue to model data and anticipate staffing levels on an annual basis taking into consideration turnover and unplanned absences in a manual fashion until a new model and technology can be put in place
 - Provide administrative and operational support resources to collect data and update the model on an ongoing basis
- Continue to offer on call resources a stable amount of hours

Recommendations

Career Advancement & Retention



Create an employee engagement and retention strategy and plan

Performance Management and Career Development

- Revise the performance management and career progression process

Compensation

- Address compensation concerns by conducting a formal compensation analysis for the engine room

Diversity and Inclusion

- Create a comprehensive DEI strategy for the organization

Recommendations

Recruitment and Hiring



Enhance talent acquisition to include strategic recruiting efforts and pipeline development and adding resources

- Create a strong and compelling employer brand and articulate an Employee Value Proposition (EVP) for both current and prospective employees
- Add strategic recruiting and talent acquisition resources to reduce hiring timelines and improve talent acquisition approaches
- Develop a strategic recruiting and sourcing plan
- Evolve recruiting strategies and approaches for filling positions from a reactive model to fill vacancies as they occur, to a proactive recruiting model

Recommendations

Cultural Issues



Conduct an engagement survey and in-depth cultural assessment with resulting action plan to remediate cultural concerns

- Measure employee engagement through administering an employee engagement survey
- Institute a cultural action planning approach as part of a process that incorporates a coordinated and structured approach for addressing survey results in a meaningful way
- Address survey results and align resulting action plans with the EVP and employer branding efforts

Recommendations

Succession Planning



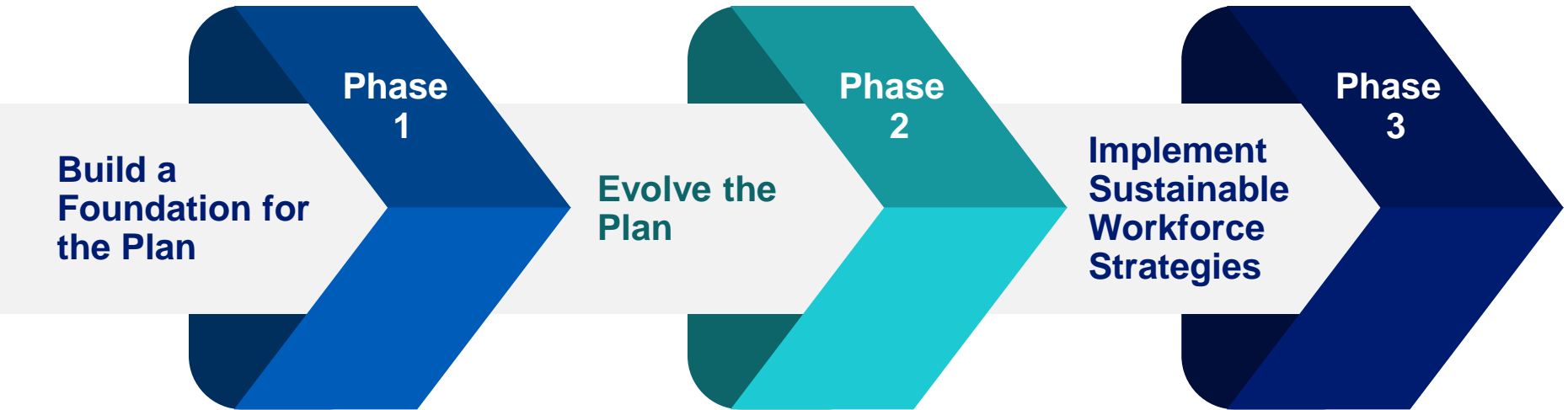
Develop a formal succession planning and knowledge transfer approach and model

- Adopt a formal succession model, such as the 9-box grid model, for leadership roles including Captains, Chief Engineers, and Terminal Supervisors

Performance

Prioritized Road Map

- Segal recommends WSF follow three phases to prioritize recommendations.



- Allocate budget and create a short-term staffing plan to address staffing shortages
- Continue to offer on call staff stable hours
- Continue to utilize the staffing model to forecast workforce needs
- Determine operational staffing needs for deck and engine
- Conduct a comprehensive review of WSF data management practices and establish a data governance approach
- Develop an employee engagement and retention strategy and plan
- Add more talent acquisition staff

- Procure technology to support the staffing model
- Identify resources with the requisite skills and competencies to support the new staffing model and technology
- Create an employer brand and EVP
- Develop a strategic recruiting and sourcing plan
- Establish succession planning for leaders
- Establish succession planning more broadly

- Create a change management strategy and communications plan to support the staffing model and technology
- Implement the EVP and strategic recruiting and sourcing plan
- Deploy knowledge transfer