



## Retaining Talent

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TRADE SHOW EDUCATION

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- Supply Chain Management
- Design Standards
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### Corporate Finance Advisory

- Mergers & Acquisitions Advisory
- Equity & Debt Financing
- Ownership Transition
- Management Succession
- Captive Insurance



CFO asks CEO:

“What happens if we invest in developing our people and they leave us”

CEO:

“What happens if we don’t, and they stay?”

## Questions to Ask Yourself

- How often do we check in with the top talent?
- What do we discuss in our talent review meetings?
- Are we progressing our top talent at an appropriate pace for their development and retention?
- Do we own their development or do they (pull vs. push)?

Without a systematic way to review your program and its effectiveness, that program will never live up to its promised expectations.



## Agenda

- Hire the Right People
- Employee Onboarding and Training
- Employee Engagement
- Career Path Mapping
- Incentive and Deferred Compensation



## Hire the Right People

Keys to Finding the "Right Fit"

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## Elements of a Role Description

- Role Title
- Senior Purpose
- Manager and Manager Once Removed
- Key Result Areas
- Tasks and Activities
- Accountabilities





## Sample KRA (1 of 7)

**Title:** Business Unit Leader (BUL).

**Senior Purpose:** To develop and maintain client relationships. To oversee the creation of project proposals, negotiations of Contracts and the execution of projects. Establishes project objectives; maintain liaison with prime client contract; monitors construction activity through the use of our Project Management platform and Primavera scheduling system; monitors financial activities through on-site Project Manager and utilizing Coins TI software.

**Manager and the Manager-Once-Removed (MOR)**

- Manager is the Divisional Vice President
- Manager Once Removed (MOR) is the President.

**Key Result Areas (KRAs) for this role:**

- Safety
- Backlog
- Net Operating Income
- Field Labor Productivity Index
- Zero fades from Revised Budget
- Positive Cash flow
- Oversee and Manage the P&L of the Healthcare Division
- Manage a Team of Direct Reports that meets the Divisional Budget Goals
- Review Project Proposals
- Implement Production Tracking on Healthcare Projects



## Sample KRA (2 of 7)

**What is the name of KRA #1, its tasks and activities? What is the primary accountability for KRA #1?**

**Safety - Zero Lost Time Accidents.** This is accomplished by making sure all project managers and superintendents are in compliance with the company wide safety program, the safety programs of respective clients and the active involvement in the safety reward and recognition program.

**Accountability.** Monthly the safety results for the division are posted by the Safety Director. There are to be no lost time incidents for which XYZ Contractor is at fault.

**What is the name of KRA #2, its tasks and activities? What is the primary accountability for KRA #2?**

**Backlog -** Minimum of 6 months backlog at a minimum \$15-25,000,000 annual run-rate. This is accomplished by actively pursuing additional opportunities from existing client base. New clients will only be pursued to acquire a strategically attractive project or once the Division VP and shareholders have approved growth.

**Accountability -** The Controller issues a monthly Work In Process (WIP) report and Income Statement (P&L) for the division. The backlog is derived by taking the Cost To Complete Subtotal and adding it to the remaining Margin. The Sum is the Backlog. The Backlog divided by the sum of the past three months revenue will determine the number of months remaining in backlog which should be 6 or greater. The run rate is determined by taking the last three months revenue in total and multiplying times 4.



## Sample KRA (3 of 7)

**What is the name of KRA #3, its tasks and activities? What is the primary accountability for KRA #3?**

**Net Operating Income > than 5%.** Aka Earnings Before Interest and Taxes (EBIT)

**Accountability -** Net Operating Income is Revenue minus all costs including Labor, Material, Equipment, Sub Contractors, Project Management, Indirect Overhead (division specific overhead) and Home Office Overhead at a rate of 10% of Revenue. This accounting is also reflected in the Monthly WIP and P&L.

**What is the name of KRA #4, its tasks and activities? What is the primary accountability for KRA #4?**

**Productivity Index of > 1.00** (earned budget hours/actual hours) is planned during the Preconstruction phase. The Manager shall cause the project management team to have an "Estimating Hand Off" meeting. In this meeting the project management team and the estimating staff will review the plans, specifications, contract and estimate. The project management team will then have thirty days to create Change Order Zero to the estimating budget.

**Accountability -** Change Order Zero becomes the base lien against which labor productivity will be measured. The Coins TI Argon Job Status report can be run after every payroll to check the Labor Productivity Index and the Monthly Job Status Meetings will highlight Productivity index.



## Sample KRA (4 of 7)

**What is the name of KRA #5, its tasks and activities? What is the primary accountability for KRA #5?**

**Zero fades from Revised Budget.** Once Change Order Zero is established the NOI and Gross Margin planned must not fade.

**Accountability -** Change Order Zero becomes the base line against which Margin will be measured. The Coins TI Argon Job Status report can be run after every Project Summarization initiated at any time by the BUL to check the Margin and the Monthly Job Status Meetings will highlight Productivity index.

**What is the name of KRA #6, its tasks and activities? What is the primary accountability for KRA #6?**

**Positive Cashflow throughout project lifespans.** Positive Cashflow is achieved by creating a Schedule Of Values that will take into account all project costs, margin and the terms of payment such that the amount of working capital needed to execute the project will be approximately neutral to an amount not to exceed one month's average revenue for each project.

**Accountability -** The Job Status Report monitors Billings, Revenue incurred and cash disbursed. At the very least the difference between Billings and Cash Disbursed shall remain neutral to one month's average billings.





## Sample KRA (5 of 7)

**What is the name of KRA #7, its tasks and activities? What is the primary accountability for KRA #7?**

*Oversee and Manage the P+L of the Healthcare Division:* The BUL will maintain a diligent review of the Division's P+L. The BUL must use XYZ Contractor's accounting system (COINS) to manage both direct cost and divisional overhead cost. The BUL will need to supply revenue stream's monthly for all projects in the Division. The BUL must review and advise on the Divisional aging report.

*Accountability* – Prior to the end of each month, the BUL will have reviewed the revenue stream and will have been within 2% of accuracy at the final month's end. The BUL will average a "when paid" for the Division of 45 days or better for the year.

**What is the name of KRA #8, its tasks and activities? What is the primary accountability for KRA #8?**

*Manage a Team of Direct Reports that meets the Divisional Budget Goals:* The BUL will manage a team of direct reports sufficient enough to effectively perform on this business unit's revenue. The direct reports will consist of project managers, assistant project managers, project engineers, and/or administrators.

*Accountability* – Every October the BUL will meet with VP of Commercial Construction to develop the DG divisional budget for the following year with a 4% NOI% minimum goal. Every month the BUL will review this budget with PNL and maintain or make corrections as necessary to achieve this goal.



## Sample KRA (6 of 7)

**What is the name of KRA #9, its tasks and activities? What is the primary accountability for KRA #9?**

*Review Project Proposals:* The BUL will review all Proposals with the chief commercial estimator before they "go out the door." The BUL will review the RFP, scope, conceptual design, take off, etc and be comfortable with the proposal, so that if the project is awarded, it will meet the Divisional NOI% goal.

*Accountability* – The BUL will weekly review the DG estimating pipeline. The BUL will review monthly the DG pipeline and maintain a 15% or better hit ratio.

**What is the name of KRA #10, its tasks and activities? What is the primary accountability for KRA #10?**

*Implement Production Tracking on Healthcare Projects:* The BUL will roll out the XYZ Contractor Production Tracking system developed in the Commercial Electrical Division to the Healthcare Division team.

*Accountability* – every new Project valued over \$100,000 will fall under the Production Tracking System. Insure that the superintendents on Projects are getting the production reports weekly.



## Sample KRA (7 of 7)

**What other requirements are there, for this role?**

*Reinforcing the Corporate Culture* - This is accomplished by understanding the Vision, Mission and Principles of XYZ Contractor and ensuring that our Culture is maintained and enhanced where possible. It is expected that the Division Manager will play a leadership role by example with his/her team.

*Business Development and Marketing efforts* - Participation at industry events attended by existing and potential clients at least twice a month. This is in addition to the normal undertaking of maintaining existing client relations during the day to day course of each project.

*Community Service* - Participated in company function charity events and individual efforts to give back to the community. Examples would be representing XYZ Contractor at a Career Day, teaching a Junior Achievement class or event, participating in a charity 5k with the company participants, participating in Blood Drives, etc...

*Internal Leadership* - Taking an active interest in developing in house future managers and career paths by actively mentoring potential future "starters".



## Definition of Time Span

- Time-span is the length of time a person can effectively work, without direction, into the future, using their own discretionary judgment, to achieve a specific goal.

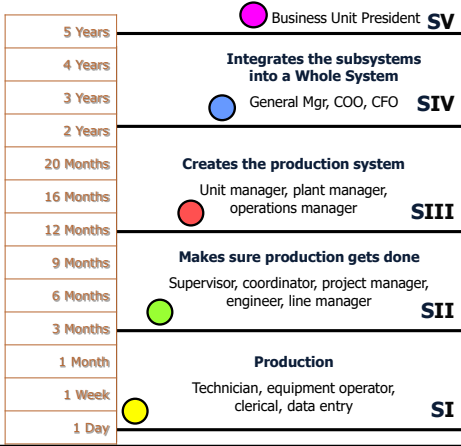


## Identifying the Level of Work

- Decisions
  - What are the decisions that have to be made, to effectively complete the task prior to the deadline?
- Problem solving
  - What are the problems that have to be solved, to effectively complete the task prior to the deadline?
- Time-span of the task
  - What is the length of time to complete the task?



## Time Span – Levels of Work



## How Hard is it to Find Good Talent?

Age Groups	21-70	21-50	Stratum
●	0.5%	0.07%	<b>SV</b>
●	1%	0.5%	<b>SIV</b>
●	7%	4%	<b>SIII</b>
●	40%	40%	<b>SII</b>
●	40%	40%	<b>SI</b>



## Defining Levels of Work

	Role Description
<b>Stratum IV</b>	This role in the organization is to integrate our sub-systems into a <b>whole</b> system.
<b>Stratum III</b>	This role in the organization is to create the system.
<b>Stratum II</b>	This role in the organization is to make sure production gets done.
<b>Stratum I</b>	This role in the organization is Production



## Roles

Accounting	S	Plant Production	S
CFO	IV	Production Manager – Plant Manager	III
Full Charge Bookkeeper, Contoller	III	Line Manager	II
Payroll Compliance	II	Line Lead, Line Worker	I
AR, AP, Billing Clerk, Filing	I	Quality Control	
Product Development		VP Quality	III
Director of Research	III	QC Manager	II
Research Program Manager	II	Inspector	I
Research Associates, Testers	I	Project Management	
Sales		Sr Project Manager	III
VP Sales	IV	Construction Manager	
Sales Manager	III	Project Manager	II
Account Manager	II	Foreman	
Sales Associate, Order Taker	I	Team Leader, Direct Labor	I



## The Four Absolutes

- With the level of work identified, the focus shifts to find the most effective candidate. There are four key elements to be discovered about each candidate:
  1. Capability – matched to the level of work in the open role
  2. Skill – technical knowledge and practice related to the open role
  3. Interest, passion – value for the work in the open role
  4. Reasonable behavior – connected to the open role

These are absolutes. Any one of these four elements can disqualify the candidate.



## Beware!

- Reasonable behavior DOES NOT include being:
  - Arrogant
  - Self-absorbed
  - Perfectionist
  - Micro-manager
  - Defensive
  - Control Freak
  - Stubborn
  - Pig Headed
  - Abrasive
  - Rude



## Onboarding and Ongoing Training

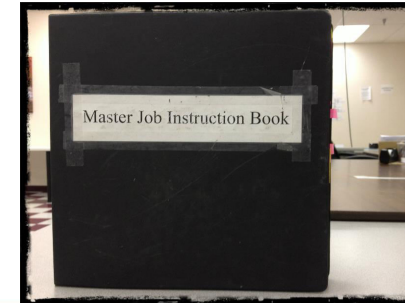
How It's Done With the Greatest Impact

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## Employee Training Gone Wrong



## Defining a New Path Forward



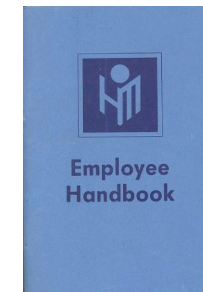
## Transferring Knowledge

Verbal



## Transferring Knowledge

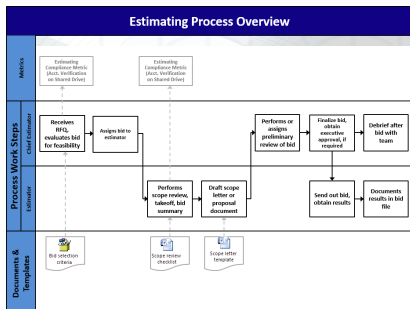
Written





# Transferring Knowledge

Visual

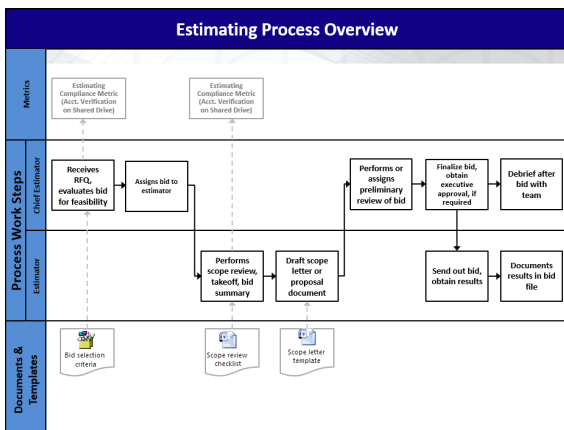


# Transferring Knowledge

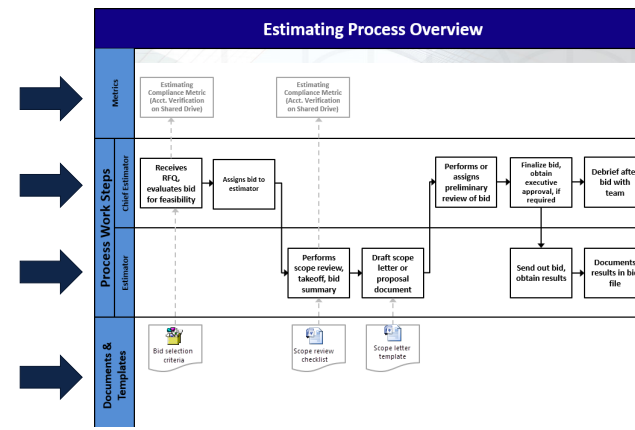
Video



# Defining Standards



# Documentation Basics – Swim Lanes





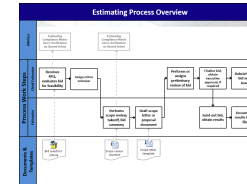
## Video Capture

- GoToMeeting
- Demo Builder
- Formal Videotaping



## Best Practices – It Takes Three

- Coaching/Mentoring
- Visual
- Video



## Who Provides Training

- For Management and Staff?
- For Project Managers?
- For Field Managers?

*Beware of the Dictatorship Model!*



## Employee Engagement

The Why, How, and Who

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## Why Do We Need Engagement?



## Why Do We Need Engagement?

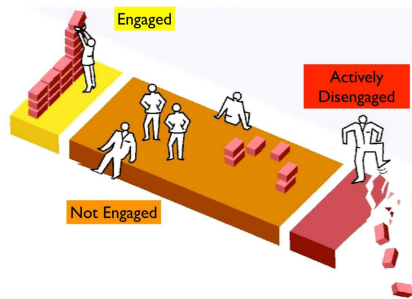
TWO WORDS...

**PROFITABILITY**

and

**RETENTION**

## Why Do Employees Disengage?



## Engagement Statistics

- Only 18% of worldwide workers are engaged
- Only 32% of US workers are engaged

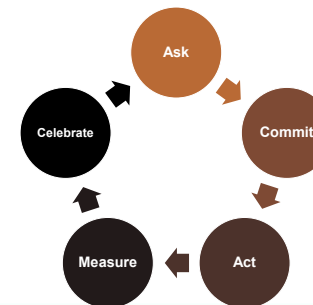
## Link Between Engagement and Profit

Companies with highly engaged employees outperform their competitors by a whopping:

**147%**



## Keys to Employee Engagement



## Asking The Tough Questions

True or False?

1. I know what is expected of me at work
2. I have the materials and equipment to do my work right
3. At work, I have the opportunity to do what I do best every day
4. In the last seven days, I have received recognition or praise for doing good work
5. My supervisor, or someone at work, seems to care about me as a person
6. There is someone at work that encourages my development



## Asking the Tough Questions

7. At work, my opinions seem to count
8. The mission or purpose of my company makes me feel my job is important
9. My associates or fellow employees are committed to doing quality work
10. I have a best friend at work
11. In the last six months, someone at work has talked to me about my progress
12. This last year, I have had opportunities at work to learn and grow



## What the Assessment Tells Us – Level 1

1. I know what is expected of me at work
2. I have the materials and equipment to do my work right

These questions are about an employee's primary needs



## What the Assessment Tells Us – Level 2

3. At work, I have the opportunity to do what I do best every day
4. In the last seven days, I have received recognition or praise for doing good work
5. My supervisor, or someone at work, seems to care about me as a person
6. There is someone at work that encourages my development

These questions are about an employee's contributions and how they are viewed in the company



## What the Assessment Tells Us – Level 3

7. At work, my opinions seem to count
8. The mission or purpose of my company makes me feel my job is important
9. My associates or fellow employees are committed to doing quality work
10. I have a best friend at work

These questions discover whether an employee feels like "they belong."



## What the Assessment Tells Us - Level 4

11. In the last six months, someone at work has talked to me about my progress
12. This last year, I have had opportunities at work to learn and grow

These questions identify employees who wish to innovate, learn, grow, apply new ideas



## Commit then Act

Identify the gaps, commit to filling them properly

Act on your commitment!



## Measure Progress

Evaluate actions taken and their impact on employees. Targeted actions should have specific results



## Celebrate Success



## Re-Run The Survey

Annually, re-evaluate and track trends and celebrate improvements






# Career Path Mapping

NECA PHILADELPHIA  
SEPT 29-OCT 2, 2023

Creating Transparency and Interest



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## Evaluation of the Now

Team Member	PROJECT MANAGEMENT PROCESSES															Percentage			
	Cost Codes	Budgeting	Schedule of Values	Preconstruction Planning	Bulk Buy	Prefabrication and Kitting	Submittal Process	PTS	Projections	Change Orders	RFIs	Billing and Collections	Spectrum	Bluebeam	McComick		Sales/Customer Relationships	PHE Culture	Community and Volunteerism
Insert Name																			
Date																			


- Level 0 - Untrained
- Level 1 - Understand major steps
- Level 2 - Can perform entire proc. with oversight
- Level 3 - Can perform entire proc. without oversight
- Level 4 - Certified Trainer

## Evaluation of the Now

PM Name	PROJECT MANAGEMENT PROCESSES															Percentage Complete			
	Cost Codes	Budgeting	Schedule of Values	Preconstruction Planning	Bulk Buy	Prefabrication and Kitting	Submittal Process	PTS	Project Review (Same as Projection?)	Projections	Change Orders	RFIs	Billing and Collections	Spectrum	Bluebeam		McComick	PHE Culture	Community and Volunteerism
PM1																			92%
PM2																			83%
PM3																			79%
PM4																			25%

- Level 0 - Untrained
- Level 1 - Understand major steps
- Level 2 - Can perform entire proc. with oversight
- Level 3 - Can perform entire proc. without oversight
- Level 4 - Certified Trainer



## The Path for Growth

Personal Learning Plan for: [NEW EMPLOYEE NAME] Position: Superintendent

Date Developed: August 10, 2016  
Last Update: May 1, 2017

Category	Topic	Current Competency Rating	Competency Level Needed	When Needed	Class Offered	Resources	Subject Matter Expert (SME)
Environmental or Risk	SWPPP Requirements	Awareness	3	3 months	Contact Don Ely To Take Online Course	SWPPP Wiki Page	NAME 1
IT	Systems Overview	Awareness	3	3 months	IT Training Within First 2-3 Weeks of Employment	Knowledge Network	NAME 2
IT	Bluebeam	Awareness	3	3 months	Bluebeam Review Training	Bluebeam Page	NAME 3
IT	CMIC general information	Awareness	3	3 months		CMIC Knowledge Network Page	NAME 4
IT	HCSS Heavy Bid	Awareness	3	3 months		HCSS Heavy Bid	NAME 5
IT	HCSS Heavy Job	Awareness	3	3 months		HCSS Heavy Job	NAME 6
IT	iPad	Awareness	3	3 months		iPad Knowledge Network Page	NAME 7



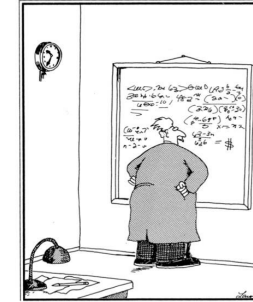



## Incentive and Deferred Compensation

Pay for the Behavior Desired

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## Bonus Calculator



Einstein discovers that time actually is money



## Incentive Compensation – Key Principles (1 of 2)



- All bonus systems incentivize certain behavior
- High impact systems need to tie into performance management systems
- Some plans reward either individual and group performance – high impact plans consider and measure both
- Task performance and “firm behavior” measured and rewarded weighted appropriately
- Still have flexibility for discretionary bonus



## Incentive Compensation – Key Principles (2 of 2)



- All incentive compensation programs should be connected to organization purpose and strategic plans for the business unit
- Incentive compensation includes spot awards, performance awards, bonus programs and longer term deferred compensation
- 8% or 1 month salary is an important threshold when considering bonus levels
- Variability of bonus amounts increases with complexity and responsibility





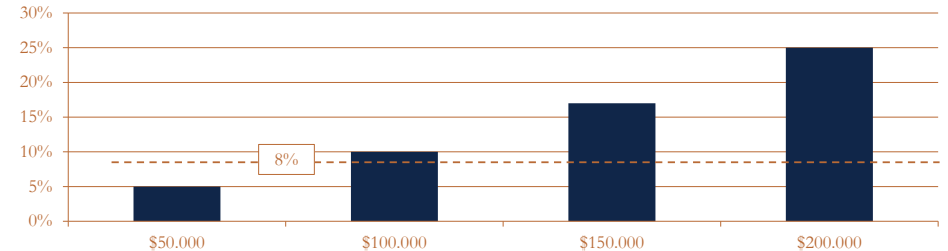
## Maximize the Impact of Incentive Compensation

Factors or Variables	Impact		
	Minimum	Medium	Maximum
Amount	Unknown	Fixed and/or tied to salary	Variable, funded from profits, uncapped
Individual Performance (competencies and culture)	Unrelated to performance	Related but very subjective	Measured, Objective and Trackable by Mgmt and Emp.
Tied to Performance Mgmt System	No formal PMS exists in the company	Disconnected by timing or measurement to the PMS	Same measurements are used and bonuses are paid relatively the same time
Frequency	Unpredictable		As close to the behavior as possible



## Variability Increases with Responsibility

Percent Average Bonus by Annual Salary



## Who Should be Involved

- Exempt and Nonexempt (Non-Management) – use of performance awards and spot recognition techniques
  - Variable pay increases tied to performance is also an incentive
- Entry to Senior Level managers – Incentive compensation tied to performance and behavior as part of the performance management system
- Executives - Same as Managers above but additional Deferred Compensation such as stock, stock options
  - Generally related to the attainment of longer range goals with the focus on exceeding objectives



Looking Ahead

NECA PHILADELPHIA SEPT 29-OCT 2, 2023

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## Successful Firms Focus On

- Creating cultures of learning
- Continuous development
- Teamwork
- Innovation

*Completely re-think talent development  
and treat it like a core business*



## Thank You!

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## Complete the Online Evaluation

