

North American Business Leaders' Forum: Attracting & Retaining Talent

Outcomes and notes

Virtual panel & roundtable meeting, 12 January 2022



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About

Environment Analyst hosted the latest in our series of North American Business Leaders' Forums on January 12, 2022. It was a closed session via Zoom, with no audience – a chance for our members to connect with their peers and to freely discuss some of the challenges and solutions for attracting and retaining skilled talent.

The discussion focused on:

- The business impacts of COVID-19 and employee turnover leading to 'The Great Resignation'
- The challenges faced in recruiting and competing for talent
- Where is the competition coming from?
- Flexible working and other impacts on staffing / projects
- Retaining talent - engaging a younger workforce
- Training programs for management
- Salary offers for switching jobs - 20% more compensation is typical

Recommendations and key takeaways:

- Develop a new company culture that engages all employees in a post-pandemic – largely virtual office environment – many new hires joined their companies during the COVID lockdown, and have never been into an office
- Support longer term senior staff to develop training and engagement skills targeting the specific needs of a new generation of employees
- Focus on staff retention more than profit margins – the industry is booming, profits will grow, but not without staff

- Realise that there is record global growth in demand for consultancy services – that comes with increased leverage and status
- Aim to have a strong cohort of junior staff that are all well connected to managers
- The new generation needs regular check-ins – the onus is on supervisors and project managers to connect with the team in a way that is meaningful to them
- Staff led affinity groups foster an inclusive atmosphere
- Bid for the right kind of projects for the right kinds of reasons – including to retain employees

Like learning a new language – navigating the war for talent

The consensus of the forum was that the participants had all faced very similar struggles during the past year. Some of the problems were not exactly new but definitely exacerbated by the pandemic.

The Forum began with opening perspectives from three industry executives:

- Diane Woodall, Vice President, People & Organization, Wood
- Lisa Kay, Chief Operating Officer, NV5
- Priya Jain, Chief Growth Officer, Atlas

The new normal? 17% to 20% staff turnover

Diane Woodall, vice president of people & organisation at Wood, said in her opening remarks, “We’re three years into a pandemic and who knew that we were going to be dealing with a war for talent during this time of ‘the great resignation?’”

“At the beginning of 2021, the industry projected that we were going to see staff turnover at between 17% to 20%. To be honest, I didn’t believe it. But here we are. I just looked at our final numbers and we are at 17%.”

“It has been a very tough year. We hired more people than ever, but we also lost a record number - and probably to some of you on this call... I think we might currently be fighting over the same talent. It’s a really hot market for job seekers. People getting offers of 20% more in compensation is typically what we’re hearing.”

“We do see opportunities. Remote working is now so possible. We can hire from anywhere and they can work on anything - everyone is not needed onsite. But there are definitely challenges as well. People in general are seriously re-evaluating their lives and how work fits into their vision - considering for example, whether this is the kind of industry they want to work in - it is quite gruelling, and clients can sometimes be demanding.”

Big challenge

“We all sort of knew that this was going to be the challenge in our industry as we were going into the pandemic,” said Lisa Kay, chief operating officer at NV5. “We expected our industry growth to suffer from an availability of talent, but some of us perhaps crossed our fingers and hoped it wasn’t going to happen.”

“It should be noted that there has been an emotional and physical strain on our employees during this time that has been more brutal than normal. Our job is to be cognizant and understanding of that.”

Is it a ‘race to the bottom’ or a ‘new era of increased leverage’?

Despite a record global growth in demand for environmental services, the industry is now facing a critical battle between eroding margins versus the ability to attract future skilled workers.

The challenge: to increase salaries in order to retain staff, and then passing those increased costs on to the client. One participant said, “Something always gives and typically it's the margin.”

“Demand for consultancy services is extremely high,” said one participant, “there's not enough supply to go around. It's a fortunate position to be in, for us. Historically, environmental services have been perceived as lower in the pecking order, than the management consultants or the financial side, for example. But now sustainability is becoming a fundamental project component.”

A well deserved elevation in status

“This is a scenario that we didn't anticipate 12 to 18 months ago,” said one participant. “As an industry, we need to realise that we've got more value and leverage now than we had five years ago. Now, for the first time, clients are seeing that they really do need consulting, support, ESG and EHS.”

Balancing act to become more critical

“We have to get through this without losing our staff,” said Priya Jain, chief growth officer at Atlas, “while at the same time, setting realistic expectations around profitability and revenue growth. We are seeing the same challenges in terms of turnover as well as beginning staff. That balancing act is going to become even more critical in this coming year.”

The consensus was that the first, and most critical, step to remaining profitable and competitive is to evolve the business, the culture, and the corporate environment in a way that works to retain the right staff. The profitability expectations of a thriving industry should be able to drive the investment in people.

“Considerations like margins are secondary. If we don't have the people then it doesn't really matter about the margin.”

Generational divide

The participants discussed how managing a new generation of recruits might be challenging for some old guard professionals. The solution is training for both long term staff as well as new hires.

Teaching emotional intelligence

“People don't leave companies, they leave managers. Our goal is to have a strong cohort of junior staff that are all well connected to managers, who are in turn equipped with the skills to engage them. The onus is on management to up-skill and learn how to engage. It is a skill that can be trained and developed.”

“I have two daughters in their 20’s, and they have become my sounding boards. I ask them, ‘what are you guys looking for? How do I deal with people who are in this generation?’
When I was coming up, I knew I was doing a good job when no one told me I was doing a bad job. That is very different from what folks coming up now expect, which is consistent, regular performance feedback.”

“It was a paradigm shift for me to make sure that I was giving them what they needed. Those regular check-ins. ‘This is where we’re good’. ‘This is where we need some more effort’, and also helping them identify their career paths. And then making sure that path is possible for them at our company.”

As we’re all increasingly working remotely, how do people form friendships? How do they form the human connections that make you feel part of an organisation? The consensus was that the onus is on supervisors and project managers. It is your responsibility to connect with your team in a way that is meaningful to them.

Setting up a new culture

The forum participants agreed that companies need to up their game in order to be attractive to the new generation of workers.

- To engage and motivate staff
- To manage expectations of the working environment
- To evolve staffing policies

Office dynamics

Many new hires joined their companies during the COVID lockdown, and have never been into the office. One participant opined that, “The older generation wants to be back in the office and seeing people, while the younger generation is used to working from home and communicating online.”

How can a workplace culture evolve to be more engaging for the workforce when a good portion of it is working remotely without typical day to day interactions?

Affinity groups and connections

Some participants noted that they had identified key focus areas related to performance evaluation, engagement, and recognition.

“Going into the pandemic, we were already starting to ramp up employee resource groups - staff led groups looking at inclusion and diversity.”

For example:

- Women’s networks
- Latin heritage networks
- Pride networks

The participants discussed looking at the cross sections of how staff connect, identify, and organise. Due to remote working, groups like this are not just tied to one physical location, making them much easier to mobilise.

“We might lose some of the old “water cooler moments” but from a retention perspective personal relationships formed with co-workers in affinity groups can be just as rewarding.”

Mental wellbeing

Many firms have implemented mental well being check-ins, such as one company’s, ‘What’s behind your mask’ programme - checking how staff are dealing with the pandemic.

“We have a lot of coffee meetings, town halls, happy hours after work - getting people together, having a drink, talking about how we’re all doing.”

Generationally, the emotional quotient has become vital to leadership and the ability to actively listen and empathise with people - to see the world through their eyes - whether from an inclusion, diversity spectrum perspective socially, or just understanding how to be a good leader and how to grow your people.

Retirement age

“One of the issues that we are facing is people getting ready to retire. The knowledge that they have is walking out of the door. How do you make sure that that knowledge doesn't go away? There's great value in hands-on training from a seasoned professional.”

“The opportunity to focus on is to get the people with lots of experience to not only learn how to engage the new hires, but to also start training people in a way that is different from what it has been historically.”

Bid for the right kind of projects for the right kinds of reasons

“The feedback that we’ve been getting, especially from the early career staff, is that they prefer work that makes a sustainability impact. From a retention perspective, we've got a duty to try to win work that they see as valuable. That then moves us away from some of the commodity type jobs. It's making us more selective in our bidding.”

Competition for staff is fierce - from outside of the industry as well

“The regulatory agencies are competing with us for the services of our retired or retiring employees,” said Lisa Kay. “We’re not only competing with each other, but even more than ever, we're competing with the regulators.”

Priya Jain, chief growth officer at Atlas, agreed: “We are seeing the same challenges in terms of turnover as well as beginning staff. Some of our clients, the regulatory agencies, are going through the same challenges in terms of losing their staff.”

“Another trend that we are seeing,” Jain continued, “is that some of our clients are looking to us to train their early career movers, which can become very challenging. We're creating another talent pool, and we're not only competing with our industry peers, but also with our clients. This puts us in a conflicting situation.”

Roundtable participants

Bob Beinstein	Vice President, ESG Market Lead, Americas	AECOM
Elizabeth Aramowicz Smith	EHS Senior Consultant and Health and Safety Practice Leader	Antea Group USA
Brooke Bonkoski	Senior Vice President, Operations Director	Arcadis
Joshua Northwang	Global Solutions Director, Sustainability Advisory	Arcadis
Priya Jain	EVP, Chief Growth Officer	Atlas
Brenna Stevens	Vice President Human Resources	Atlas
Todd Grosshandler	Chief Commercialization Officer	Montrose Environmental
Don McCallum	Vice President, Environment	Morrison Hershfield
Jennifer Kohlsaet	Senior Vice President & Regional Practice Leader - Environment	Mott MacDonald
Lisa Kay	COO	NV5
Nick Howard	Principal	Ramboll
Kovid Saxena	Principal Director, Environmental Planning	Sam Schwartz (a Dar Group company)
Amy Sackaroff	Infrastructure Sector Leader for Environmental Services, US East	Stantec
Raymond Steege	SR VP Director of Strategy and Development	Wood
Diane Woodall	Vice President, People & Organization	Wood
David Goershel	President - East US Operations	Wood
Nick Jarritt	Director - Sustainability Advisory Services	Wood
Julian Rose	Managing Director & Co-Founder	Environment Analyst
Ross Griffiths	Operations Director	Environment Analyst
Amanda Rafferty	Community & Events Director	Environment Analyst
Lisa Turner	Membership Development Manager	Environment Analyst
Brian Noer	Senior Analyst	Environment Analyst

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