The “People Plan” Concept for Contract Closure – 12432

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ABSTRACT

The U.S. Department of Energy’s (DOE) first-of-a-kind closure project at the Hanford Site in Richland, Washington, still has more than 3 years to run, but its contractor, Washington Closure Hanford (WCH), has already started its plans for going out of business. It will be the first contract that closes in increments and, paramount to its success, will be its ability to provide a disciplined and positive approach to release personnel while at the same time retaining personnel critical to timely and safe completion of the work scope. In May 2011, WCH produced the people plan, a program that maximizes communication and support for employees being released, provides an incentivization strategy to retain personnel to the end of their assignments, and reflects a sensitivity to the long-term goals of the contract and WCH’s parent companies.

INTRODUCTION

In April 2005, DOE awarded the Hanford River Corridor Closure Contract (RCCC) to WCH, a limited liability company owned by URS, Bechtel National, and CH2M HILL. The contract, designed to be completed in 2015, involves the cleanup of 572 km$^2$ (220 mi$^2$) of the Hanford Site along the Columbia River. This area includes 300 facilities and 7,400 waste sites and burial grounds. Between WCH and subcontractors the contract employs approximately 1,200 people.

In February 2011, as the project approached 75% completion, a team committed to closure (Closure Team) was established. The goal of this team was to facilitate the collection of the major business practices that impact the “people side” of the business. This information became the genesis for the people plan.

METHOD

The people plan was developed around the following objectives:

- Support the safe, cost-effective completion of the mission of the RCCC
- Retain the necessary talent until the right time
- Assist employees in moving to the next phase of their career or life
- Provide each employee with an early estimate of his/her exit schedule.

Changing the Paradigm

Layoffs at the Hanford Site have traditionally been associated with budget shortfalls and/or contract transition. This paradigm brought with it negative human emotions related to job and morale loss.
One of the biggest challenges is the strategic thinking required to see how the people will endure the change from running day-to-day operations to going out of business. Going out of business is as much an emotional challenge as it is a technical challenge. Many employees harbored the belief that processes will run just the same to closure and then just be turned off. To combat this thinking the Closure Team applied the question, “How is the going out of business process different than the day-to-day operations process?”

Foremost, employees will not be “laid off” to achieve a budget limitation; but rather, individuals are released as the need for their particular skill, function, or expertise is no longer required to complete the remaining scope of work required to complete the contract. This is easier to understand for employees who have moved from project to project. In contrast, employees who have had, for example, 20 plus years of service and survived multiple contract changes and layoffs see the idea of reaching the end of an assignment as new. It is this emotional concept that accompanies the technical emersion of the “people” problem.

Changing the paradigm from a single point-in-time layoff to a steady reduction that culminates in release of all employees is one aspect of the challenge. Other aspects include maintaining the level of performance during the remaining years and balancing the intent to assist people with moving on with the need to retain people until the company-specified point where that skill type is no longer needed to close the contract.

Building the Program

The diversity of thinking developed on the Closure Team combined forces with the Human Resources Department to design the vehicle to accomplish this paradigm shift. Fortunately and unfortunately, there were no off-the-shelf handbooks, models, or check sheets on how to handle a disciplined trajectory from reduced operational status to ultimate closure.

The Closure Team interviewed employees from some of the most successful DOE closure projects including the Mound Site and the Fernald Closure Project in Ohio, Rocky Flats Environmental Technology Site in Colorado, and the Idaho Cleanup Project in Idaho. An eclectic approach was used to gather and utilize the best practices from vast experiences and from the parent companies’ past experiences.

The resulting people plan addresses the site-specific needs for considering the employees during the closure process. It details a forward-looking, strategic-closure approach and a high-level summary of how change would be implemented through the life of the project.

Placement Support

In the Placement Assistance Model used, employees maintain control of their future. This, coupled with the advanced notice of pending change, builds trust between the company and the employee. The company takes the position that if the employees are to take control of their futures they will need all of the information that is available with as much advanced notice as possible in order to make informed personal decisions.

As shown in Figure 1, there are five major participants: Employee, Closure Coach, Human Resources, the employee’s manager, and WCH’s parent companies. The employee’s manager becomes critical and charged with working on developing and strengthening the employee’s marketability throughout the life of the project. The opportunity for internal mobility decreases as the project winds down. The need to retain key expertise is in competition with placing and
retaining key personnel within the parent companies. The manager’s primary role in placing employees is to identify emerging jobs within the parent companies and match the timing of openings to availability.

Managers monitor positions within the parent companies, make contacts and assist in transition to new projects. The complexity increases as the manager balances placing the employee and getting the work done. There comes a tipping point in the contract where the right time is driven by the difficulty of placing the employees. This cannot come at the cost of the contract, so the manager develops a critical knowledge and skills retention plan in order to pass the work on to a qualified outside resource.

As noted, the parent companies are also participating in the placement of employees. The local availability list is matched against the corporate needs. In addition, the parent companies provide recruiters or key points of contact to be able to facilitate the potential matches and smooth transition.

The Closure Coach is a function that was developed as a specific means to accomplish much of the people plan. The creation of the Closure Coach combines networking, problem solving, and the ability to motivate and provide guidance to employees in outplacement. The Closure Coach integrates the efforts of the employee, the manager, and the companies to make one coordinated placement team. The Closure Coach is available at any time, but focuses efforts during the “Heads Up” period, 3 months before the employee is scheduled to reach the end of the assignment. The Closure Coaches, who are organized as a separate unit within the Human Resources organization, receive extensive training in job search strategies and techniques. Closure Coaches also are familiar with researching and leveraging local resources to support the employee’s job search strategy.

The goal of this aspect of the people plan is to 1) try to place every displaced employee, and 2) demonstrate a sincere and sustained interest in what has always been WCH’s strongest resource, the people.
**Advanced Notification Process**

The most visible expression of communicating WCH's interest in the employees is the comprehensive communication program known as the Horizons program. The following conversations are held each year with every employee to let each individual know their anticipated release.

- Horizon conversations explain that the employee has more than a year before layoff.
- The “Your Year” conversation lets an employee know that the company anticipates the employee will reach the end of the assignment sometime during the next 12 months.
- The Organizational Release Window conversation lets an employee know the layoff date will be within the next 6 months.

The conversations are understood to represent the thinking at the moment. Release time frames may be subject to change, as when other employees leave before their scheduled release dates, thereby creating longer-term vacancies [1].

Employees whose release is scheduled within the following 6 months receive what is known as an "Organizational Release Window" conversation. An initial notification is made two calendar quarters prior to the intended release date. It is at this point that each employee is assigned a Closure Coach. The first 3 months following notification is referred to as the Heads-up Period, with efforts focusing on defining and assisting employee placement (Figure 2).

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**Horizon (> 1 year)**

**Your Year (12 months)**

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**Fig. 2. Employee Horizon Conversations**

The following two issues slow down establishing this process and the notification periods:

- Once told, would employees leave the project too early?
- Would employees lose focus and become less productive>

The decision was made that allowing employees full knowledge of WCH’s plan out-weighted the potential impact. Two strategies to address the issues were put in place. The first was an enhanced communication program. This included developing two valuable communication tools: the Horizons newsletter and Just Ask, a web-based forum for getting a response to any
question that employees had about closure (Figure 3). The second included a substantive retention program.

![Horizons Newsletter](image)

**Fig. 3. The Horizons Newsletter**

**Employee Retention**

The RCCC was set up with an incentive program that encompassed all WCH employees: managers, exempt and non-exempt employees, and union employees. The people plan used this foundation to sculpt a plan to incentivize employees to stay through their Organizational Release Window (ORW) period. As shown in Figure 4, completing one’s assignment was tied to eligibility for the end-of-contract award and potentially to severance pay. Quitting in advance of an employee’s Heads-up Period disqualified the individual for an end-of-contact incentive; staying through the employee’s ORW period made the individual eligible for the incentive and severance.
End of Contract Award Eligibility

<table>
<thead>
<tr>
<th>Heads Up</th>
<th>ORW</th>
<th>Your Year</th>
<th>Horizon</th>
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<td>Negotiate</td>
<td>EOC Award</td>
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<td>Transfer (Corporate)</td>
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Fig. 4. End of Contract Award Eligibility

Tracking Progress

Placement metrics were established to track the types of support employees wanted and the company’s success in achieving those ends (Figure 5). These matrixes, and discussion about efforts in support of employees, are the focus of regular senior management meetings – a tangible demonstration that the people plan is understood as a corporate commitment, not a Human Resources document.

Employee Placement Metrics

<table>
<thead>
<tr>
<th>ORW Period</th>
<th>ORW Letters Delivered</th>
<th>Employees Who Want Assistance</th>
<th>Employees Who Do Not Want Assistance</th>
<th>Employees Willing to Relocate</th>
<th>Corporate Transfers</th>
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Fig. 5. Employee Placement Metrics
DISCUSSION

In support of the additional challenge added to managers by having to retain, motivate, and help place employees with special training, transition management is being provided. The training includes segmenting in the following areas:

- Building and maintaining a team during transition
- Supporting networking and employee placement
- Building internal and external relationships
- Maintaining employee productivity and commitment
- Communicating change
- Resolving differences and conflicts
- Managing fears and distractions
- Understanding reactions to change and how to manage them
- Maintaining a positive attitude, energy, and commitment
- Dealing with emotional situations
- Maintaining project standards of safety, performance, and behavior
- Aligning project goals with employee goals.

The process for placing employees started during the first Heads-up period in October 2011. It quickly became obvious that the time required to place employees could exceed the 3 month time period. As a result, a “Safety Net” was bolted on to the process providing employees with an additional 6 months of outplacement services with the Closure Coaches.

SUMMARY

The combination of all of these efforts equal one thing: treating employees with respect by providing specific information in a timely manner; respecting employees by sharing as much information as possible, as soon as possible, with as much detail as possible; and respecting each individual’s ability to be in control of their next step in their life or career.

The project is only in the second ORW and has 13 more before the end of the contract. That time remaining will continue to bring new challenges and unknowns, but the confidence and trust of the employees is proving to be solid. This is largely as a result of the stability provided by the people plan program. A success that can only truly be measured by the continued positive response it has already received from WCH’s employees.

REFERENCE