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Recruitment & Retention Of Executives

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I began working in this industry 34 years ago – as a young US Naval Officer, assigned to work as liaison to Morrison Knudsen and Brown & Root in the Middle East.

Over the years, while working with numerous E&C firms -from the small, family owned to the majors, such as Bechtel and Kiewit - I have observed dynamic changes. These changes impact not only Recruitment & Retention of executives, but also corporate success or failure.

Recruitment & Retention of executives today is made difficult for reasons we cannot control - we work in a reactive industry - reactive to the needs of clients.

We cannot control * Market instability * Low cost foreign competition * Colleges graduating 15% fewer engineers than in 1996 * Corporate failures * Reduction of available projects on which to bid and * Low bid survival practices.

This scenario is not new – it's been going on for over 50 years. Business dynamics create new strategic opportunities. {Examples}

Strategic change not only impacts profits but is also impacted by who is recruited and retained to sell, estimate, procure, engineer, and execute projects. To succeed today, companies need Bench strength - That requires people who get things done. It also requires "Guts" to get rid of marginal performers.

Companies that do well adjust their business model – they adjust to get a share of a changing market by adjusting executive talent. *You can't use the crew of a minesweeper to run a nuclear submarine.*

High performance executives migrate toward companies that are successful financially and, more importantly, companies that have performance driven leadership that is respected.

It is easy to recruit and retain for a team of competent players – motivated to win – who make minimal errors and give their best everyday.

Some companies recruit & retain very well – such as Kiewit, Bechtel, Skanska, Jacobs, Parsons Brinckerhoff, and others. – Why?

My observations are that the companies that are most successful in Recruitment & Retention have:

- ♦ Proven & respected leadership with vision & spirit
- ♦ Cultures that are a source of value & purpose
- ♦ Trusted management
- ♦ Strong & open internal communications
- ♦ Minimal tension & confusion
- ♦ Performance accountability
- ♦ A strategic business plan that is clear and understood throughout the organization
- ♦ Management teamwork
- ♦ Meaningful rewards
- ♦ Integrity & Honesty.

{Examples}

Leadership starts at the TOP and Leadership at all levels is the key to success in Recruitment & Retention.

“There is an enormous difference between leading an organization and presiding over it.”

*- Larry Bossidy, General Electric
now Chairman of Honeywell*

Another critical factor is:

- ♦ **The most successful contractors, engineers, & service firms all have the President working very closely with the Head of HR & Administration.** {Examples: Bartlett @ MWK, Bradley @ Fluor}
- ♦ If you hire the best HR executive you can find and put that person on your Executive Committee, your Recruitment & Retention issues will be minimal.

- ♦ Some companies in our industry merely tolerate HR as a necessary overhead. – These companies always remain 2nd tier players.
- ♦ An experienced HR executive, well versed and professionally connected in the engineering/construction industry has access to the best current Recruitment & Retention Practices through organizations such as CII {Construction Industry Institute}, and the Construction Personnel Executives Group.

Chairmen and Presidents, who desire excellence in Recruitment & Retention, recognize that it starts with leadership which motivates *mentors * teaches and * rewards those in organizations who lead effectively.

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Ed founded American Executive Management, Inc. {AEM} in 1976. AEM has conducted over 2,000 retained executive searches and has been selected by industry publications as one of the top international executive search firms. Over the past 25 years, he has conducted over 100 management consulting assignments in 41 countries, for over 70 of the World's leading engineering & construction corporations involved with power, biopharmaceutical, transportation, commercial building, industrials and infrastructure. Representative clients include ABB, Bechtel, Black & Veatch, Bovis, CCC, Exxon, General Electric, IBM, Kellogg Brown & Root, Monsanto, Pacific Gas, Shaw Group, and UOP. Ed holds a degree in Mechanical Engineering from the University of Massachusetts. He is a member of the National Society of Professional Engineers. Prior to entering the consulting profession, he served as an Officer in the United States Navy.