

Column: Do millennials pose a retention risk?

According to GAO, it's reasonable for agencies to consider it in evaluating quotes

By Cy Alba, partner, PillieroMazza PLLC

The topic of millennials in the workforce is no stranger to anyone in the working world. A plethora of articles, blogs, reports, polls and studies have been devoted to the subject. The issue has been debated for years, and a main point of the discussion is how frequently (whether perceived or actual) millennials move from one job to the next. The common assumption is that millennials move quickly between jobs, never truly laying down roots for the long-term.

But is this a fair assessment of millennials or a stereotype? The longstanding debate recently reached the bid protest realm.

GAO protest

On Dec. 20, the Government Accountability Office denied a protest from IPT Associates LLC, a service-disabled veteran-owned small business based in Billerica, MA.

IPT had protested a Defense Dept.'s task order awarded to a competitor. IPT claimed that DOD's Washington Headquarters Services & Pentagon Force Protection Agency (WHS) had incorrectly evaluated its proposal submitted under a Request For Quotations.

Of most relevance here, the agency said it would evaluate a "management and staffing plan factor," giving most weight to the level of risk.

As part of proposal submissions, potential offerors were required to submit detailed recruiting information, including their flow process from selection to hiring and through orientation, a timeline, and a strategy description.

Following its evaluation of IPT's proposal, the agency deemed that the offer presented medium risk for the management and staffing factor. WHS evaluators noted multiple "areas of concern," including that "where candidates are sourced via job postings that active recruiting appears to come from college recruiting and employee referrals . . ." from a single college.

WHS then provided that "[t]his is a concern due to the lack of diversity in the vendor's approach to active candidate outreach where [in the proposal] it shows that three quarters of the incumbent staff are millennials who as

the [proposal] show[s] indicates spends the shortest amount of time retained."

WHS concluded that the proposed referrals come "from a demographic with a high rate of turnover." The Source Selection Authority ultimately adopted this evaluation and emphasized that, based on the offeror's own information, it sought to rely upon "referrals . . . being provided by the individuals with the highest exit rate . . ."

IPT lost the contract.

IPT's argument

In its protest of the agency's evaluation under the management and staffing factor, IPT argued that referrals from millennials have no connection to millennial turnover and, moreover, that the assumption that millennials even have a higher turnover is unreasonable and constitutes a stereotype. IPT even provided multiple studies showing that this stereotype lacks validity.

In response, the agency pointed back to IPT's proposal, noting that its workforce consisted of a majority of millennials, that many referrals would come from those millennials, and that they had the highest turnover rates.

GAO's decision

After examining the arguments, GAO sided with WHS, holding that WHS' conclusions, when based on information from the offeror's own proposal, were not unreasonable and that it reasonably considered the information regarding millennials to constitute a staffing risk.

This decision is not surprising, and offerors should heed its simple lesson: when it comes to proposing staffing approaches with millennials, do not provide the agency with data that reinforces millennial retention stereotypes. Instead, offerors should provide facts that do not raise risks, and if those facts aren't favorable, offerors should readjust the staffing approach.

GAO study on millennials

Depending on the age group and type of job, data either paints a poor picture of millennials or, more commonly, reveals that the situation is not as bad as the perceived concern. The

GAO conducted its own study in 2016 (<https://www.gao.gov/products/GAO-16-880T>), which focused on employee engagement and attrition. The study found slightly higher rates of attrition for millennials, which decreased as groups increased in age, which, for the oldest of the millennial groups, was only a 1.3% different from non-millennial groups. Overall, GAO's study showed that millennial attrition rates were not as dire as many perceive them to be. Yet, the stereotypes regarding millennials continue to perpetuate themselves.

Labor law

Government contractors don't just have to worry about submitting the best proposals. A host of other federal and state laws and regulations apply to government contractors, including the Age Discrimination in Employment Act, affirming that employers cannot discriminate against people aged 40 or older. Employers can, however, favor an older employee over a younger one. Luckily for contractors, because the first millennials were born in the early 1980s, they do not fall into this category—yet. Within a few years, however, millennials will be turning 40, which could open up employers that base their hiring decision on stereotypes to potential liability. Moreover, some states (such as MI, MN, NY and OR) have laws that protect younger workers from age discrimination and already cover millennials. More states could (and, indeed, likely will) pass laws protecting workers under the age of 40 from age discrimination.

When it comes to proposals that require detailed staffing plans, offerors would benefit themselves by providing accurate information regarding millennial retention rates and avoid information or data that plays up disproved stereotypes. Furthermore, as millennials age, contractors must keep anti-discrimination laws in mind when making their hiring decisions, both at the federal and state levels.

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