

The Best Path Forward for Construction Recruiting

Written by: Brian May, Vice President of Channel Development, Arcoro

2023 is shaping up to be one for the record books. It's a perfect storm of a workforce shortage that's been years in the making coupled with historic planned infrastructure work plus other megaproject spending. The numbers are significant.

According to Associated Builders and Contractors (ABC), on top of normal hiring the construction industry needs to attract over 500,000 new workers this year to meet demand for large-scale building jobs. That's a tall order, considering ABC says the industry averaged more than 350,000 job openings each month in 2022, with unemployment rates just a tick above the record low of 4.5% in 2019.



An Employee Pool That Has Dried Up

Despite career and pay opportunities in construction and other hands-on technical fields, for years students have been conditioned to consider a four-year degree as the gold standard for success. In a Harvard Business Review article, Cengage CEO Michael Hansen said, "The U.S. may be one of the only countries where a stigma around vocational and technical training still exists." That point of view has had an outsize impact on the construction industry.

However, as investment in a four-year college education shows less return, other career options have become more viable.

Considering the potential burden of student loan debt, trade education and apprenticeships are increasingly enticing. In fact, while college enrollment has increased since 2000, so has the number of students attending trade school.

But even with millions of potential new employees in training, it's still not enough to cover the shortfall left by experienced workers retiring or leaving the industry. A recent survey by Procore, in partnership with Dodge Data & Analytics, found that a hefty one-third of specialty contractors worldwide are planning to retire in the next five years.

Add in the half-million-worker deficit, and you can see why companies are looking for even a few good men and women.

Considering the Options

No construction business owner I've ever met has said, "Sure, I'm OK just treading water." Universally, businesses are looking to bolster their bottom line and grow stronger and

more successful. That's especially true when there's so much opportunity out there.

Construction companies are effectively facing three potential organizational directions:

- 1. Surrender to the reality of a limited workforce, turn away potential projects, and accept slow or no growth.**
- 2. Overcommit and stretch while facing the possibility that projects won't be delivered on time or within budget.**
- 3. Focus internally to maximize recruiting and retention, and enhance the productivity and engagement of existing workers.**

I would argue the third option is the path of highest positive impact. It not only works in the short term, but it also has the added advantage of setting companies up for longer-term success with a solid workforce foundation. Great employees are an asset, and their value can't be overstated. All the technology and equipment in the world is useless if you don't have anyone to operate it or enough people to do the work. That's why it's vital to cultivate the employees you do have, helping them grow and advance and keeping them on your payroll. And it's equally important to continue to attract new talent.

The Importance of Company Culture

A company's culture is a strong factor in both recruitment and retention. According to a recent article in NAWIC Today: "All other things being equal – like pay, hours, and the type of work – a company's culture can often mean the difference between high turnover and open positions and an engaged and productive workforce." There is a direct and measurable correlation between recruiting and retention and culture. A Glassdoor study reported the following findings:

- » Almost eight out of 10 people consider a company's culture before applying for a job.
- » Just under two-thirds of employees say company culture is a main reason they stay in their job.

Of course you want experienced new hires, but recruiting emerging talent matters, so you need to understand what younger employees want. According to Gallup, younger millennials and Generation Z are looking for very specific culture attributes:

- 1. An employer that cares about employee well-being**
- 2. Ethical organizational leadership**
- 3. An employer that is diverse and inclusive of all people**


You may not have thought much about culture or employee experience, a hot topic for human resources (HR) in the corporate world. Employee experience in construction may differ from office-based companies, but it's worth thinking critically about what it's like to work for your company. Do you have strong supportive supervisors? Is your environment safety first? Are career development and skills training part of the equation? Do you offer feedback and performance incentives? Are managers expected to treat employees with respect, and are disrespect and harassment unilaterally unacceptable?

This all adds up to culture, and it's a strong lever to encourage people to join your company and entice them to stay. As a bonus, when you have a positive culture employees feel comfortable acting as recruiters, connecting you with others in the industry.

Expense or Investment?

Construction companies have significant expenses, including equipment, technology, and people. But just like buying a new piece of equipment is an investment in working cost-effectively and potentially expanding your business, developing employees is also an investment. Commenting on the value of training, Randy Blount of BuildWitt said, "If [employees are] better trained, then they're going to be safer, they're going to do higher quality work, be more productive – all of this drives down cost." The hidden side of training is retention, also a big cost saver. Replacing an employee is expensive – if you can even find a replacement. It's much cheaper and more

efficient to keep the employees you have and enhance their skills and productivity. According to LinkedIn, more than 90% of employees would stay at a company longer if it invested in their learning and development. Offering skills and career training not only attracts more skilled, productive employees, but it also gives you a competitive advantage over companies that don't.

And you don't need to go it alone. The industry has strong associations that work hard to cultivate interest and training in construction and connect prospective workers with open jobs. If you identify and take advantage of resources and programs available to you, you are more likely to find those few good people you need to grow your business. 

Don't Reinvent the Wheel

You might be one company among thousands, but you aren't alone. Construction associations are hard at work on a national, state, and local level to encourage new people to enter the industry and to help members recruit and retain them.

Among other initiatives, some associations offer robust apprenticeship programs and have student chapters across the country helping to create the next generation of construction leaders.

Others hold annual workforce summits where construction workforce development experts share new ideas and best practices.

On the local level, others have established resources and programs that educate young people and parents about opportunities and connect potential employees to open positions with member companies.

"Given the current challenges, it's clear that partnership is important to bring the next generation of the workforce into construction," says Kris Lengieza, vice president of global partnerships and alliances at Procore. "As an industry, we need to work smart and work together."

Move in the Right Direction

The construction workforce shortage can seem daunting if you look at the raw numbers. But break it down to what you can do in your own company, and it's more manageable. Understand what drives today's employees and potential hires, and create a viable plan to make your company one people want to work for. Your culture and your workforce development approach are entirely within your power to create and maintain.



About the Author

Bryan May is the Vice President of Channel Development at [Arcoro](#). May has worked with construction industry employers since 1999 and has deep expertise in talent management, compliance, and recruiting and retention. He has assisted hundreds of companies in hiring, managing, and growing successful teams leveraging Arcoro's HR software. A construction HR expert, May frequently speaks at industry conferences and events.

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