

Member Communication Experience

5 Ways of Addressing the Labor Shortage to Recruit and Retain Staff

Written by: Stephen H. Lewis, Vice President and National AEC Industry Leader, Segal

The Bipartisan Infrastructure Law provides an opportunity to change the landscape of America. Federal spending to build and repair U.S. infrastructure is expected to increase by over \$550 billion. Government contractors, especially those specializing in heavy civil construction, could receive substantial amounts of economic stimulus if they effectively prepare and have the right talent at the ready. I regularly hear from architecture, engineering, and construction (AEC) businesses about how the labor shortage is making staffing projects incredibly challenging.

According to the 2023 Construction Hiring and Business Outlook from the Associated General Contractors of America (AGC) and Sage, respondents are most optimistic about infrastructure categories. The study showed “positive readings of 42% for both highway and bridge construction and transportation projects such as transit, rail, and airports.”

As reported by the American Road and Transportation Builders Association (ARTBA), the value of state and local contract awards increased 25% in 2022; I can only hope 2023 will continue to see this type of growth. But that brings us to the pressing question on everyone’s mind: Does our firm have the right staff to bid on and perform the work?

The labor shortage is by far the largest challenge for most contractors, according to Ken Simonson, ACG’s chief economist. With that in mind, how can you adapt your workforce strategy today? Here are five practical steps.



1. Step Up Scenario Planning

The pandemic underscored the need for a deliberate, focused, and thoughtful scenario planning process.

Scenario planning requires development of short- and long-term strategies to ramp up (and sometimes ramp down) the size of a team, projects, or full staffing model, depending on the expected workflow. Develop contingency plans to adapt to external threats, such as requests for accommodations.

2. Enhance Workforce Utilization

Job candidates currently have substantial labor-market power. They are demanding greater flexibility in where, when, and how they work. While the level of flexibility depends on the particular job, responding to these new expectations requires thinking differently about staffing, as well as having a well-defined employee value proposition (EVP). Your EVP explains

to job candidates why working for you is more attractive than working for your competitors. Promote your EVP as you promote open positions to attract the best talent.

Mentoring programs are an effective method for creating a talent pipeline. When I was involved in AGC's Construction Careers Center Charter High School in St. Louis, Missouri, I saw firsthand how mentors inspire students to choose construction-related careers. Your firm can also get involved with similar nonprofit organizations, such as Helmets to Hardhats, to create a talent pipeline from veterans. To expand candidate pools, develop "upskilling" programs that provide training and certification to candidates who may not have the full range of skills needed to qualify for existing positions.

3. Increase DEI Efforts

Disadvantaged business enterprise (DBE) contractors and diverse workforces are critical to the construction industry based on the guidelines of the infrastructure law. Diversity, equity, and inclusion (DEI) efforts often make the difference between being the apparent low bidder that loses the work and being the creative, inclusive contractor that wins the work. Recruiting efforts should include programs that attract women and people of color.

Offering thoughtful employee benefits can be a competitive advantage in attracting women to the industry. Improved benefits can directly impact job performance, well-being, and overall happiness. In 2023, a year where companies will need to compete on a budget, this may be the best dollar-for-dollar investment construction companies can make in their workforce. The National Association of Women in Construction is an example of one organization creating awareness about meaningful careers and offering support for women in construction.

Keep in mind that both the Federal Highway Administration and Federal Transit Administration programs will give contracting agencies expanded flexibility to use hiring preferences to enhance workforce development opportunities for those in economically or socially disadvantaged communities.

4. Design Compensation for Your People

There is no substitute for programs personalized for your

company to optimize your workforce. Compensation is a pressing issue. If one firm is offering \$15 per hour and another is offering \$12 per hour, that makes a significant difference to job candidates. AEC companies have turned to consulting firms to address their compensation challenges, such as:

- » Developing a total rewards strategy and compensation philosophy
- » Conducting a labor market assessment of total direct compensation
- » Creating salary ranges to assist with pay management, career-pathing, and emerging regulatory requirements
- » Designing an enhanced long-term incentive plan for executives
- » Pay equity analysis

5. Be Strategic About Medical and Mental Health Benefits


To help attract and retain key talent, and keep that talent healthy and productive, instituting thoughtful medical and mental health benefit programs is essential. According to the Centers for Disease Control and Prevention, more construction workers die by suicide each year than by all other construction-related fatalities, as reported by ARTBA. Unfortunately, construction industry suicide statistics are jarring:

- » 45.3 suicides per 100,000 workers
- » Estimated more than 5,500 suicides each year
- » Construction worker suicide is 3.5 times the national average

The industry has begun to recognize the need for additional mental health and substance use disorder support. Some AEC firms have added employee assistance programs to their coverage when traditional mental health care has been proven to not provide enough support. Plus, people on a jobsite cannot always easily get to a medical facility nearby, so there is an uptick in AEC companies offering group and individual counseling sessions available via phone. Preventing opioid overdose and suicide among construction workers, as well as supporting workers' recovery and reintegration into the workforce, is key to helping employees succeed. Since there are

quite a few programs in the marketplace, it can be a challenge to evaluate which ones are right for your staff, so consider hiring a consultancy to assist with this process.

Taking the time to shape the right health plan for your specific workforce will go a long way toward supporting your talent and managing expenses. Make an informed decision when choosing vendors, such as a pharmacy benefit management provider. Comparing and contrasting telemedicine and digital therapeutics point solutions can be challenging, because the health insurance marketplace is flooded with choices. Employers who ignore these complexities and continue with legacy health plan design and delivery approaches will miss significant opportunity gains.

One last thought: Be sure to have attorneys on your team or staffed within your consulting firm who can advise you on how to effectively comply with local, state, and national employment laws. As you set up your current and future workforce for increased success, keep in mind that even though many construction businesses are feeling pressure when it comes to recruiting and retaining staff, there are solutions available as we head into this exciting new era. 



About the Author

Stephen H. Lewis is the Vice President and National Architecture, Engineering, and Construction (AEC) Industry Leader at [Segal](#), a human resources and employee benefits consulting firm. He has more than 30 years of industry expertise. Earlier in his career he was founder and principal of Umpire Industries, Inc., a commercial contracting firm.

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