

The Talent Show

Written by: Rachel E. O'Connell, Assistant Editor, Construction Executive

By the end of 2021, the construction industry had 430,000 unfilled positions – and the situation isn't looking any better for the foreseeable future. Over the next two years, construction is projected to face an additional 1 million openings. And while this critical shortage of skilled workers predated COVID-19, the global pandemic has introduced problems that have only exacerbated the situation, including supply-chain disruptions and scheduling delays.

Unlike the pandemic, which has sparked widespread efforts to find and implement solutions, however, the worker shortage in many ways remains an underappreciated crisis with the potential to stall the economic boom following the end of COVID-19 – even as construction companies are poised to benefit from the \$1.2-trillion infrastructure bill signed into law this past November. The question remains: How can the construction industry fulfill demand and provide quality work without quality workers?

Construction Executive talked to leaders across the industry about the challenges of the talent shortage and how construction can evolve to overcome them.

BEYOND THE GREAT RESIGNATION

The workforce shortage is more complicated than employees across industries and sectors preferring to work from home after nearly two years of lockdown conditions. The mass exodus of the “Great Resignation” doesn't indicate growing



social comfortability with unemployment; retirement, a demand for higher pay and better benefits have also driven the discussion.

But none of these factors is singly responsible for the worker shortage afflicting construction in particular. “There is a lack of education,” says Tony Rader, vice president of sales for National Roofing Partners in Dallas, “about what is offered in the construction industry” – including connections to universities, competitive pay rates, opportunities for certification in tandem with higher education, steady hours, and even office jobs. That said, the internal analysis is less about why people aren't interested in construction and more about what the lack of skilled workers is doing to the industry, including:

Creating backlogs: “Over the past year, we have had to turn down projects and opportunities due to a lack of manpower,” says Matthew Schimenti, president of Schimenti Construction

Company in New York City. “The shortage of talent is impacting us onsite and in the office, creating an urgent need for trained professionals who know how to navigate the industry and provide top service.”

Contractors are faced with a catch-22. Pre- and early-pandemic, they dreaded a dwindling backlog, with projects threatening to run out completely in 2020. (Associated Builders and Contractors’ Construction Backlog Indicator was at its lowest point in November 2020; following a steady period of recovery, it dropped again in August 2021.) Now, with projects up and running in tandem with the infrastructure bill, contractors find themselves in high demand but lacking the staff to sign onto projects. “There are companies with the largest backlog they’ve ever had,” Rader says, “but they can’t get materials right now, so the work is being shoved to next year.”

This has the potential to further exacerbate internal skills gaps. “I’ve heard of three large firms that have laid off some individuals just because of their backlogs,” says Rader, who served as national chair of ABC in 2019 and is familiar with the ebb and flow of economic issues, including how acts of Congress can lead to a balancing act. In the case of the infrastructure bill, while the legislation is meant to create jobs for the industry – and to improve the nation’s decades-old infrastructure – it has a flaw when considered within the context of the workforce shortage. “You don’t have enough people to do the work on the infrastructure side,” Rader says. “It’s going to put more strain on the industry in terms of labor when we’re already strained enough.”

Worsening delays: While delays are a normal part of any project, recent materials interruptions have caused schedule disruptions so severe that the industry has begun implementing force majeure clauses and considering how long-term an “act of god” can reasonably be considered within the law. These processes and procedures can obfuscate the fact that continued, frequent delays are being compounded by a lack of workers to use the materials once they finally arrive.

“The biggest impact on us from the workforce shortage has been with our trade partners,” says Michael Funck, senior vice president at Wohlsen Construction. “The effects are impacting the ability to meet schedules and deliver quality work. We see this as somewhat of a double impact, as you have less labor to put on the project, but you have much more inexperienced

labor as well.

Complicating COVID-19: While it may seem as if the pandemic is behind us, force majeure and a fluctuating backlog wouldn’t be the major problems they are if it weren’t for COVID-19, which has forced a number of small businesses to shutter their doors, including in construction. The pandemic can also be credited with confining would-be construction workers indoors, stalling projects not deemed “essential” and making an already-risky field environment seem downright inhospitable.

“The impact of COVID-19 cannot be ignored,” Schimenti says. “The industry is experiencing issues finding new talent, largely due to lifestyle changes following the pandemic. Talent has decided to move into new industries, new geographies and pursue alternate career paths as a response to this cataclysmic interruption to our society.”

Worse, the existing workforce is aging out. “The ‘graying’ of our industry is jumping out since COVID-19 hit,” Funck says. “There has been an acceleration of tenured tradesman retiring. As the talent gap has grown, so has the leadership gap.”

ONE PROBLEM, MANY SOLUTIONS

A serious problem at the start of 2020, construction’s worker shortage is approaching crisis levels. To meet this multifaceted problem head-on will require an equally multifaceted response. “The solution to the shortage is awareness, education, and early intervention,” Schimenti says. “We need to capture new talent at the source, focusing on building interest in construction as a career.”

To that end, Schimenti Construction has implemented a variety of solutions, including:

- » Initiating a Career Development Rotational Program, which invites students to complete internships with the company.
- » Sourcing interns via ConstructReach, a workforce-development program offering experiences that expose a diverse or minority population to sustainable careers in construction.
- » Becoming a dedicated member of the ACE Mentor Program, which provides mentorship opportunities to high-school students looking to join the construction field.

- » Sponsoring scholarships for college-bound seniors intending to pursue careers in the design and construction industry.

Funck likewise suggests broadening the traditional labor pool by employing more women, improving reentry processes for those with criminal records, supporting individuals with access issues to jobsites, and assisting those who have been out of the workforce completely. Contractors should also consider other measures for both growing the pipeline and optimizing efficiencies for the existing workforce, according to Funck, such as:

- » Expanding ABC chapter training centers to allow for growth.
- » Conducting outreach to primary and secondary schools, including holding camps for construction geared toward girls.
- » Improving project planning, so labor needs are evenly distributed.
- » Bringing on trade partners earlier in the process, so it becomes possible to reduce labor needs, reduce waste, and improve productivity.

While the industry's response to the workforce shortage needs to be multipronged, Rader also thinks there's room for a more unified approach, particularly in his own sector. "The roofing industry has been somewhat fractured in the way it tries to attract young people," he says. With that in mind, Rader collaborated with NCCER, CES Consultants and ABC to launch an apprenticeship program for the roofing industry. Approved by the U.S. Department of Labor, the four-year program conducted a pilot class of 12 participants from four companies in September 2021—but Rader isn't content to stick to Texas. "Once we get through the first program, the goal is to roll this out to all of ABC's other chapters that have training facilities," he says. "That rollout is our benchmark for success."

Rader is working with those chapters to customize the curriculum and obtain a "rubber stamp" from the DOL. He believes this training is crucial to solving the labor shortage, because people who graduate will have an education, some college credits and a complete career path laid out before them.

Even those contractors that haven't been seriously affected by the pandemic are concerned about their workforce. Chamberlin

Roofing & Waterproofing in Texas, for example, rotates employees among different market sectors to minimize gaps. In addition to recruitment efforts, Chamberlin is focused on retention, according to Tommy Hernandez, the company's vice president of human resources. Chamberlin works actively with organizations that connect contractors with students, and also has a robust employee referral program.

"We have an extensive employee development program called Chamberlin University," Hernandez says. "We believe in taking the risk of hiring unskilled labor wishing to have a career in the trades and invest in their development. We also lean heavily on apprenticeship and internship programs that allow us to hire and develop individuals earlier."

Similarly, Harrison, Walker & Harper is fighting the shortage through simultaneous recruitment and retention efforts. "With increased efforts in training and more effective use of technology, we have delivered more personalized opportunities than ever before," says Robin Kennedy, chief human resources officer at HWH. "We have also continued to review compensation and benefits, looking for the right spot of competitiveness without breaking the budget."

A CHICKEN-AND-EGG SITUATION

As a further response to labor shortages, construction industry staff wages were expected to increase an average of 3.23% in 2021, according to PAS's Contractor Compensation Quarterly report. But that still might not be enough to attract a new generation of workers. In fact, the bright future of the built world is about to run up against a classic chicken-and-egg situation: Should contractors focus on factors that affect workers on the job, such as materials and scheduling, thus making the industry more attractive to potential recruits? Or should they concentrate directly on identifying and recruiting new talent, in the process reshaping the industry to accommodate them?

"We need to come together as an industry, galvanized by this issue to invest in programs that bring new talent in," Schimenti says. "We need to prioritize working with young, upcoming talent and engaging with them early on."

Early recruitment is not a new idea, but it is catching on,

including at companies like HWH. “We need to provide more construction industry education, exposure, and experiences to younger kids, and encourage them to consider careers in construction much earlier in life,” Kennedy says. “In most cases, by the time they graduate from high school, students have already set a path for their future.”

In addition, the industry must evolve to accommodate these younger workers and their modern way of thinking. “Technology plays a critical role in the future of construction,” Schimenti says. “Building will continue to become more efficient and precise as new tools emerge, talent adapts, and clients integrate the latest in construction technology.”

Funck agrees. “As many other industries have done, construction must look at being more efficient by using prefabrication and lean techniques to help reduce waste, improve productivity, and reduce the number of workers required at jobsites,” he says. “Automation of tasks with technology and equipment will continue to grow to help offset lack of labor and labor costs.”

It also would encourage tech-savvy college grads to consider a career in the trades – and streamline tasks without replacing human workers, ensuring that time and efforts are better spent. “Even with the adoption of new tools and technologies, a truly client-driven business cannot thrive without talented boots on the ground, running the projects and ensuring we deliver impeccable service,” Schimenti says. “We need to adapt our approach to talent as a means of building resilience and continuing to build for our clients.”

Further, Kennedy notes, construction has adapted before and is fully capable of doing so again. “I chuckle today when I think about how previous generations reacted to computers,” she says. “And today, project superintendents can’t effectively perform their jobs if they aren’t proficient in multiple software applications. So, as an industry, we will find the right strategy and the correct tools to use to successfully bridge to whatever construction looks like tomorrow.”


Labor shortages likely will continue to be a challenge for the foreseeable future, but the construction industry has an opportunity to evolve how it engages with new talent well beyond that. “If we can’t convince able-bodied people to explore opportunities in the trades,” Hernandez says, “we will all struggle to continue in business.”

And that is a much bigger concern than the worker shortage.

CORNERING THE MARKET

From shutdowns and work stoppages to a significant construction boom, construction firms have had to pivot quickly over the last two years, adapting and expanding their approaches to recruiting and hiring. In addition, top-notch training programs remain a key focus for fostering team satisfaction and long-term employee retention.

Harrison, Walker & Harper, a construction management firm in Paris, Texas, and McKinney, Texas, offers an example of how to navigate hiring and professional development in the post-pandemic world:

- » The firm uses applicant-tracking software to match available jobs more accurately with qualified candidates. As part of this, HWH automatically pushes job postings to specialty job boards.
- » As part of their professional development, current HWH employees visit area high schools, share their industry experiences and support HWH in developing a network for recruiting future employees.
- » Students in a high school’s career technology education (CTE) program learn about job opportunities at HWH that require skilled trade certifications, including welders, ironworkers, and heavy equipment operators.
- » Before the pandemic, HWH partnered with Texas A&M University-Commerce to provide internships to students in the school’s construction management program. The company also serves on various boards at the college.
- » HWH has an onboarding program that informally pairs new employees with a more seasoned HWH team member who guides them through meetings, learning software, and project scheduling.
- » Ongoing safety training is a hallmark of continuing professional development for all HWH employees, with HWH designated as a 2021 Safety Week Advocate by the Construction Safety Week program. And all employees participate in both a 30-hour Occupational Safety and Health Administration course every five years, as well as annual OSHA, CPR/first aid, fall protection, and confined space entry/rescue training. 



About the Article

Written by Rachel E. O'Connell, Assistant Editor, Construction Executive.

The article was republished from [Construction Executive](#), a publication of [Associated Builders and Contractors](#). Copyright 2021. All rights reserved.

Associated Builders and Contractors is a national construction industry trade association representing more than 21,000 members. Based on the merit shop philosophy, ABC helps its members develop people, win work, and deliver work safely, ethically, and profitably for the betterment of the communities in which they work.

Any views and opinions expressed in this article may or may not reflect the views and opinions of the Construction Management Association of America (CMAA). By publishing this piece, CMAA is not expressing endorsement of the individual, the article, or their association, organization, or company.