

How To Find The Balance Between Profitability And People

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One of the greatest challenges construction business owners must face in the coming years is adapting their culture to fit the next generation of the workforce.

About 41% of the current construction workforce is projected to retire by 2031, according to the National Center for Construction Education and Research, which will intensify the urgency to recruit a new generation of skilled professionals.

This is more than a staffing issue – it's a cultural one.

As nearly half the workforce exits, they will be replaced by a generation with different expectations about leadership, development, and workplace culture. If companies fail to adapt, they won't just struggle to recruit talent but to keep it.

Traditionally, construction culture has valued hard work, following direction, and leaving emotions at the door. The business is expected to be profitable, and decisions are made accordingly.

Meanwhile, the next generation of construction professionals often values soft skills, meaningful development, and a clear vision for the future. They want defined career paths, growth opportunities, and work-life balance. They place significant emphasis on leadership integrity and the overall people experience within the business.

Neither mindset is right or wrong. But if construction companies want to remain competitive, they must learn how to integrate both.



THE RIGHT BALANCE

Becoming a "construction company of the future" requires finding the proper balance between profit and people. This is not a choice between being tough or being caring. It is about building a culture where excellence and development coexist.

You must prioritize profit by:

- » Making excellence nonnegotiable.
- » Building systems and SOPs that support scalable growth.
- » Holding people accountable to their roles and responsibilities.

You must prioritize people by:

- » Creating an environment where high performers want to build a long-term career.

- » Demanding integrity and transparency from leadership.
- » Establishing a clear vision and strategic plan that every team member understands and supports.

Here's the key: Profitability and people development are not opposites. Profitability is what funds growth, opportunity, and long-term stability. A company that cannot generate profit cannot sustainably invest in its people.

BE CAREFUL NOT TO OVERCORRECT

In an effort to adapt to the next generation, many construction companies are increasing their focus on culture and employee experience. This is necessary. But there is a danger in overcorrecting.

A few years ago, we began working with a mid-market general contractor whose owners genuinely wanted to create the ideal culture for the next generation. They believed this meant prioritizing flexibility, avoiding conflict, and minimizing pressure.

But they went too far.

Accountability eroded. Roles and responsibilities became suggestions. Underperformance went unaddressed. Employees routinely came in late and left early. Hard conversations were avoided.

The company was losing money, yet bonuses were still distributed each year because the owners wanted to "do the right thing." Was that well-intentioned? Absolutely. Was it sustainable? Not even close.

The result was a culture of complacency. The business lost money year after year and the owners were nearing the point of shutting the doors.

PROFITABILITY IS NOT THE ENEMY OF CULTURE

To reset the organization, we had to confront a hard truth: Companies are not obligated to give bonuses. They are not obligated to give annual raises. They are not obligated to make employees feel great every single day. They are obligated to survive.

Without profit, there is no stability. Without stability, there is no long-term opportunity. Without opportunity, there is no meaningful career path for the next generation.

When employees saw five years of financial results and realized the owners had consistently lost money, the mindset began to shift. They understood that a culture without accountability ultimately harms everyone.

Today, that company is still undergoing cultural transformation. Profitability is improving. Leadership has strengthened accountability. Expectations are clearer. And employees now understand the role they play in building a business that can truly take care of its people.

THE FUTURE BELONGS TO BALANCED COMPANIES

Adapting to the next generation does not mean abandoning the principles that built the industry. It means elevating them.

The construction companies that will thrive are those that combine the traditional commitment to excellence and profitability with a modern commitment to culture and leadership.

Profit makes opportunity possible. Accountability protects culture. And strong leadership unites both.

If you want to secure your place as a construction company of the future, build a culture where people thrive – and where performance matters.

That's the balance the next generation actually needs. 



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