Top Three Trends That Will Continue to Impact Construction Through 2024

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It's no secret that fluctuating labor shortages and supply-chain delays can present business challenges for contractors. Construction company leaders must think proactively about future operational interruptions. Speeding into the second half of 2024, labor shortages, the supply chain, and technology are among the top trends for construction industry leaders to be aware of and address.

ONGOING LABOR SHORTAGES

Construction traditionally has a high labor turnover rate, which only increases during labor shortages. During this historic shortage, the construction workforce is up against several factors, including an aging workforce and recruitment struggles.

Additionally, there has been an increase in large construction projects in concentrated pockets across the country — many of which are even located near each other. These projects require a massive number of workers, but this can cause a concentration of employees — front-line laborers and craft workers, superintendents, project managers, and safety-management personnel — to one region. When that concentration is combined with the aging workforce and a lack of early career entrants, it creates a perfect storm for challenging recruitment.

The industry is seeing an increased need not only for craftspeople, but specifically for superintendents, project managers, safety and quality managers, architects, and engineers.

Attract

Many people still have the misconception that a career in construction involves a shovel and manual labor. While there is certainly a labor component to the work, there are many other opportunities in the industry that younger generations might not be aware of. Recruiting from this younger pool is vital to sustaining the future construction workforce. It is important for firms to think about how to attract the next generation from diverse backgrounds and locations. There has never been a better time to be in the construction industry, as we and continue to see a significant culture shift with a focus on safety, technology, and wellness.

Train

The decreased number of workers, paired with increased work hours, fatigue, and lack of process knowledge, creates a greater chance for jobsite incidents. To best protect a company from loss, ownership should start with a strong, proactive leadership team that will prioritize hiring, effective onboarding, and continuous training as a means of promoting safety and quality efforts. Training, mentorship, and apprenticeship programs can bolster ongoing success for new hires. These risk-mitigation techniques help prevent product issues and decrease workers' compensation injuries by focusing on leadership, accountability, and proactivity.

INCREASED SUPPLY-CHAIN MANAGEMENT

The pandemic crippled the construction supply chain, and its effects are still lingering — but there is hope on the horizon as professionals have seen the interruptions begin to stabilize. However, there are still some bottlenecks with specific materials, such as electrical equipment, which reinforces the position that planning for construction projects well in advance is critical.

Supply-chain management, timely procurement for deliveries, and efficient warehouse management is key to staying on schedule in the year ahead. Companies need to invest in staffing and tools to create supply-chain plans at the project and company level. Business leaders cannot expect materials to be available when they need them. It is crucial to form new relationships and review new suppliers. Additionally, business leaders can explore purchasing programs that will help to lock in set pricing. Businesses should consider escalation clauses when contract planning. From the time a construction company signs a contract to when it puts the first shovel in the ground, pricing for materials can change. By adding escalation clauses, a construction company is protecting itself by securing an agreed cost range.

It is also important to have multiple options in the supply chain to serve as a back-up in case a primary supplier has capacity or logistical issues or, worst-case scenario, goes out of business. By diversifying relationships with vendors and contractors, businesses can help decrease the possibility that they will be left without materials mid-project.

EMERGING TECH

While the evolution of technology in construction has been slow compared with other industries, it is picking up speed and already making the industry safer, more cost-effective, and more efficient. New opportunities have emerged to help leaders find ways to include technology in their daily practice. For example, the shortage of labor has created higher levels of workmanship issues due to lack of capacity. This is a situation where effective technology can be implemented to better protect jobsites.

Companies are investing heavily in imagery technology to monitor jobsites more effectively. Since site managers cannot always be on the job, technology is a way to record what is happening and monitor various aspects of a project at one time. This helps encourage worker safety and site security. A safety manager can cover more ground with imagery technology in place and, instead of overseeing a single project, they might have capacity for multiple projects.

Construction companies are also increasing the use of information tracking systems and dashboards. These systems provide a centralized hub for all project stakeholders to obtain real-time access to project information like contracts, design and safety plans, and specifications.

Additional popular technology that's being deployed on construction sites includes drones, wearables, site sensors, and robotics. Drones have been used to conduct site inspections in remote or hard-to-access areas, which allows construction companies to make 3D and topographical models and obtain high-resolution images of jobsites.

With construction wearables placed directly on workers or on their PPE, GPS tracking and biometrics can help mitigate accidents. Wearables can track slips and falls, while site sensors can help warn workers about potential hazards and make the jobsite safer. They can also track noise levels, dust saturation, temperature, and the presence of hazardous substances.

Meanwhile, repetitive tasks, like bricklaying and tying rebar, can be executed by robots. Automation saves workers time and joint stress, prevents injuries and fatigue, and allows them to focus on more complex tasks. Overall, there is a push to move the construction industry away from manual labor and toward technological methods.

PROTECTION FOR THE LONG TERM

As new methods are integrated to mitigate ongoing labor and material shortages, leaders should be aware of the added risks they can create and the solutions that exist to support companies. While every project is unique, each high-risk process should be carefully analyzed to help mitigate exposures. Partnering with an experienced insurance company can be beneficial to the structural mitigation efforts undertaken by contractors and trade partners. Risk engineering specialists know the unique risks and challenges that construction companies face. And when it comes to safety, an onsite injury prevention service through an insurance carrier can help prevent employees from getting hurt in the first place.

About the Author

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