



## NAVIGATING THE CONSTRUCTION INDUSTRY'S **TALENT SHORTFALL**

*How companies are turning to millennials & technology to bridge the skilled labor gap*

BY JOHN CHANEY

**T**he economy is performing well, construction projects are back in full swing and jobs are plentiful. But where are all the workers? That's a question that has been asked frequently over the last couple of years, as skilled construction laborers, project managers and subcontractors have left the industry—either retiring or moving on to other roles in order to survive the recent recession. Fewer workers are returning to the industry, and training new generations of laborers could become a daunting challenge. It has become one of key issues for the industry to address for the present-day and long-term health of companies.

### **HIRE YEARNING**

According to a June 2015 report from the Bureau of Labor Statistics, the number of available jobs jumped significantly from the previous year, adding more than 273,000 to companies' payrolls. However, the talent pool is taking a hit as a whole generation of baby boomers—the largest segment of construction workers in the past 3 decades—has begun to retire.

Of course, the skilled labor gap wasn't necessarily unexpected. In December 2013, the Bureau of Labor Statistics pointed out in that the construction industry could face a shortage of 1.6 million skilled workers by 2022. However, what did catch some industry professionals off guard was the ancillary impact that other factors of the recession would have on the industry as a whole.

For starters, funding for a number of community colleges, technical and trade schools and industry programs with an emphasis on training also took a hit. This meant fewer and fewer future workers were getting the skills they needed before seeking employment. This has forced construction industry associations and companies to step up efforts to create, promote and fund training programs. Many companies are even taking partly trained workers and supplementing them with on-the-job training, or they are pledging to hire and train military veterans in order to fill employment gaps.

In May, the Associated Builders and Contractors (ABC) sent one of its members, Shapiro & Duncan Inc.'s Paul Tse, to Washington to testify at a congressional hearing on education and the workforce, hoping to

promote a resurgence of technical and trade schools and 2-year degree programs from community colleges.

“It is time that students, guidance counselors, educators, parents and the American public recognize the fulfilling and lucrative careers that can be achieved in construction and skilled trades,” Tse said in written testimony submitted to the committee. “We must all work to remove any stigma that exists that choosing a CTE program over a traditional 4-year college is somehow ‘settling.’ Those 4 years I spent at Montgomery College and out in the field, I worked just as hard as students at colleges and universities.”

Meanwhile, so far, the next generation of workers has not rushed to construction jobs. Those who do have a different view of their roles in the workplace and often buck traditional hiring, training, development and retention practices in the construction industry, prompting companies to adapt.

## THE RISE OF THE MILLENNIALS

Last summer, Jeremy Brown, a consultant with FMI, presented a webinar on “Understanding Today’s Workforce.” Brown described the changing demographics of construction employment, with a focus on millennials. Brown said millennials responded much differently than what has been the typical construction industry employee—both in terms of how they sought employment and their needs once on the job.

Traditional hiring practices, such as job boards, classifieds, word of mouth and trade and technical schools with assignments or internships with construction companies, were not reaching many of today’s younger workers. Instead, applying for jobs via mobile devices, networking among peers and social media are how to reach and engage with millennials. And with less emphasis on trade schools, technical certificate courses and other skill-building programs, interest from millennials in the construction trade has waned.

Nine out of 10 job seekers will use their mobile devices during their search process.

Once on the job, millennials respond differently to their career growth paths and personal needs than the Generation Xers and baby boomers before them. “Millennials need work purpose, vision of the future and trusted leadership, whereas baby boomers that traditionally held many of the skilled construction jobs favored job stability and loyalty to and from the employer,” Brown said during the webinar.

Most millennials, Brown said, need to know why something is being done. They also desire immediate and authentic feedback on their work and detailed guidance and structure on how to improve. They generally want to be involved with or kept in the loop about decisions made on a

daily basis. This helps them envision a clear career path. But they also favor flexibility in the workplace and a defined balance between work and life.

This means that some construction companies are going to have to offer more to entice millennials. Moving toward more interactive, mentor-friendly working environments sooner rather than later might make the difference in attracting and keeping top talent. Yes, some complain of what they see as coddling or spoiling employees, but as long as employers are ultimately holding everyone to the same standards of work and responsibility, the end result can be a truly collaborative, energized workplace.

## ADAPTING TO TECH-SAVVY JOB SEEKERS

One stereotype about millennials that few would debate is that they are tied to technology. And to attract and retain the younger workers, employers should be prepared to embrace technology.

According to the 2014 Glassdoor survey, “Rise of the Mobile Job Search,” 9 out of 10 job seekers will use their mobile devices during their search process. Of those nine people, 64 percent of them will search for jobs on social media channels. Glassdoor notes that challenges are to be expected as companies adjust to new, rapidly changing behavior. Companies not investing in new technologies to enhance their hiring and human resources practices or making merely a lackluster effort will result in potential talent passing companies by. Even though it is the preferred method of millennials, “one of the biggest pain points for modern job seekers is applying to jobs via a mobile device,” the Glassdoor study said. “In fact, 1 in 2 (49 percent) believe it is difficult to apply to jobs from a mobile device, and 1 in 4 are deterred from applying to a job if the company’s career site or job listings are not mobile optimized.”

However, software is currently available that can help companies streamline a host of processes and appeal directly to the millennial workforce. For instance, automated talent management solutions can ensure that jobs being posted make it to the areas where today’s younger workforce is looking—from social media to discussion groups and networking sites.

These talent management solutions can oversee entire employee lifecycles, including recruiting, onboarding, learning, performance management, collaboration and succession planning. Not only do these software programs alleviate much of the data entry and paperwork behind the scenes, but they also appeal to millennials by engaging with them through modern technology. The construction employee pool is changing. It may be smaller at the moment, but talent is still there and it can be trained quickly if companies put the right tools and approaches in place. **CBO**

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