

HOW CONSTRUCTION COMPANIES CAN OVERCOME CURRENT SCARCITY OF LABOR

A recent study by The Associated General Contractors of America showed that nearly 80 percent of construction companies can't hire the employees they need. If you experienced a labor shortage or are having a difficult time discovering qualified, skilled workers, you're not alone. Despite sector growth, companies are still struggling to fill important positions on projects, and as a result, have to miss out on jobs or are forced to delay project schedules.



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INTRODUCTION

Statistics can provide only one part of the picture. While the lack of construction labor is a risk to profitability, the right strategies as well as resources can mitigate risk. Understanding the factors behind this apparent shortage as well as utilizing some creative techniques can provide solutions in dealing with a minimized labor force, without compromising quality or turning down new jobs.

WHERE DID THE LABOR GO?

Not long ago construction companies actually had an excess of employees; at the peak of the housing bubble, the United States added nearly a million jobs in construction. Nevertheless, during the 2006 - 2011 economic downturn, construction companies lost over 2 million jobs. Ten years later, the industry recovered, but there aren't enough people to take them. The Bureau of Labor Statistics reported that there more than 400,000 unfilled jobs in the construction sector. So, where did they go? Numerous factors are contributing to the shortage in construction including:

- During the economic crisis, skilled workers who were unable to get a job left to other industries or got out of the workforce completely.
- Baby Boomers are starting to retire in large numbers and are leaving all sectors, including construction.
- Millennials are getting in the market, however many have little training, unrelated degrees, or have little interest in jobs in the field.
- While immigrant workers can often fill the gap, there is a language barrier in the hiring and training procedure.
- Numerous firms have not innovated their hiring processes and are not attracting nor using new talent markets.

EFFECTS OF THE LABOR SHORTAGE

The effect of the labor lack has had a resulting impact across the building and construction industry. Most importantly, it has affected the profitability of construction firms. According to a recent industry survey, the challenge is real:

- 43% report that expenses have gone higher.
- 44% increased prices in proposals or contracts.
- 44% of projects have taken longer than expected.

HOW CAN FIRMS MANAGE SCARCITY

Despite the resurgence, the industry is in a panic over the lack of labor and for good reason. Nonetheless, there are several ways to enhance the variety of skilled workers, but a number of them take time. Outreach to seniors in high school and older teenagers to promote the sector, attracting young people, and even boldly recruiting at local trade schools can help, but these are not immediate solutions. To repair the labor crisis, contractors and other construction companies should look at adopting innovations and brand-new approaches to attract viable employees.



TECHNOLOGY CAN AID BRIDGE THE GAP

In most cases, choosing the ideal building software program can make a large distinction for supervisors as well as superintendents by permitting them to obtain more done through increased effectiveness and efficiency. And lots of construction firms are starting to utilize it as a genuine service for the labor lack. General contractors have reported taking the following steps:

- 29% are investing in technology to automate processes.
- 25% are using drones, robotics, or 3D printers.
- 23% are embracing approaches to improve jobsite performance, including lean building, Building Information Modeling, and using off-site prefabrication.

IMPROVE COOPERATION

In addition to attracting new talent and using technology to improve efficiency, construction companies should increase collaboration. Reducing the amount of time employees spend on authorizations, clearing up issues or waiting on answers can help speed up project delivery times. Mobile devices and building software applications make it easy to link the workplace to the jobsite in real-time. This way, workers can use the most current strategies or reach the individual they need to hear from and get a fast response. By removing unnecessary downtime, companies can get more done and maximize their existing workforce.



OVERCOME LANGUAGE BARRIER

The Labor Force Stats report stated that 29% of the building industry is Hispanic or Latino, and that number is increasing every year. While that is fantastic news for any person stressed regarding the shortage of construction labor, the English-Spanish language barrier brings some distinct challenges. These employees are competent and able to carry out essential jobs on the site but are at an enhanced risk of injury due to the fact that training products and even supervisors frequently communicate crucial information in English. However, 53% of construction managers expect an increase in the need for international language abilities on the jobsite in the following five years. Providing directions in Spanish would make Hispanic workers comfortable on the job and decrease the number of mistakes that happen because of misunderstandings. This reduction of mistakes would considerably benefit construction companies, which all often tend to have a sizable amount of Hispanic employees.

PLAN AHEAD

New building technology appears to be arriving every day; from 3D printing whole homes to construction robots to artificial intelligence that can identify needs and deploy assets with precision, technology can transform how we work. A fully automated construction process and robotic employees are still far out in the future, however by embracing some technology, companies can enhance their ability to collaborate and enhance their performance.

By understanding what can improve efficiency, firms can overcome being shorthanded on the jobsite. Luckily, there are strategies that construction companies can use to not just endure the current situation, but take advantage of the workforce you have. It starts with providing your team the necessary resources for them to be 100% reliable in their work, along with looking past traditional hiring and retention methods. With this two-fold technique, it's feasible to reduce the impact of the building labor scarcity, without diminishing quality or turning down projects.



ABOUT CIVE®

CIVE® is an upscale Design-Build firm, specializing in top-down build process driven by value engineering – from state-of-the-art design, leading-edge engineering, high-quality construction, and elite project management.

Our strengths lie in a rich mix of talent, experience and ingenuity. Our clients can depend on us to anticipate industry changes and plan for the future, while providing most practical and cost-effective solutions. CIVE® devotes customized, individual service to all its clients, whether large or small.

Specialties: Residential, commercial & industrial design, civil engineering, structural engineering, mechanical engineering, electrical engineering, construction management & project management.

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