

The current construction industry outlook indicates that challenges with workforce supply and demand will continue well into the future.

According to Associated Builders and Contractors, "The

The combination of an aging workforce and an ongoing lack of workers inhibits employee mentoring and knowledge sharing, creating a skills and knowledge gap that impacts business success.

SKILLED-LABOR CHALLENGES

Many contractors report shortages of skilled workers as one of the primary challenges in their business. The aging workforce and insufficient new talent entering the industry are the primary causes of these shortages. As a result, many experience declining productivity, increased defects and rework, and rising safety risks. Additionally, wages for top talent are increasing to combat fierce competition amongst contractors.

TOTAL COMPENSATION

Construction salaries vary drastically depending on location, industry segment, experience, and education. According to [payscale.com](https://www.payscale.com), the average hourly rate for an experienced construction worker in the U.S. is \$17.97 while the base salary for a new construction worker or nonfederal contractor under one year is \$15.26.

Evaluating compensation and benefit variables is difficult due to variations in company size and sector. However, the AGC 2024 Outlook Survey reports 63% of firms increased base salary rates an average of 5.5%, and 25% have invested in creating or increasing other incentives.

The 2023 Moss Adams Salary Report found that within the companies surveyed, most construction organizations indicated they have or are in the process of implementing deferred compensation arrangements for key employees, aligning performance metrics with company goals and including retention provisions. The report indicates the majority of respondents implemented salary strategies, including bonuses and cost-of-living adjustments. Results also show the majority of respondents, regardless of company size, indicated they provide comprehensive benefits packages.

Companies looking for a competitive edge when attracting and keeping talent should continue to focus on traditional benefits and bonuses, but also pay close attention to social stewardship, building a strong culture and helping employees grow with their jobs through training programs and integration of technology.

Help overcome common workforce challenges by implementing these actionable steps.

CREATE A STRATEGIC PLAN

Given the challenging labor market, rising inflation, and increased construction demand, a robust strategic plan provides an opportunity for construction leaders to articulate their goals to their team, prioritize challenges, and develop solutions.

An effective plan can help your business set expectations, establish accountability at multiple levels, track meaningful outcomes and metrics, communicate results to internal and external stakeholders, and incorporate directions for following up on results.

While strategic plans are most often shaped by the company's leadership, consider using employee focus groups, surveys, and check-in meetings throughout the process to shape the strategies and activities that will help achieve the company's goals. As the plan is implemented, these should align with department- and division-level performance measures, so each team can track its progress and contribution toward the company's mission and vision.

Linking your strategic plan to your people can be a powerful tool for your organization's management and team members. Communication is key. Employees who feel connected to a company's mission and goals are more likely to stay.

ESTABLISH ORGANIZATIONAL CULTURE

When establishing goals, objectives, and key performance indicators, consider the foundation needed to achieve desired outcomes. In many cases it requires a restructure, new or re-aligned departments, functions, services, and programs; new upskilled positions, skillsets and capabilities; and a new or modernized total rewards program.

DETERMINE COMPETITIVE POSITIONING AND VALUE PROPOSITION

The employer value proposition is an essential tool for attracting and retaining talent. This should go beyond redefining the firm's brand, go-to-market, value proposition and its services, and focus on creating an employer value proposition.





About the Author

Brett Addis is the director of [Moss Adams](#). He has worked in human capital management consulting and several disciplines of HR since 1997. Over the course of his career, Addis has worked across multiple industries leveraging his human capital experience to partner with global HR organizations through their process, technology, and people transformations.

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