

# Strategic Recruitment and Retention Tools for the Construction Industry

Presented by: Laura Cataldo, Senior Manager at Baker Tilly

Those without a strategy for hiring, developing, and retaining top talent are going to find it difficult to meet the increasing demand of their organizations.

# Workforce Challenges



# Workforce Challenges

## GLOBAL WORKFORCE CRISIS

		Labor shortage/surplus in 2020	Labor shortage/surplus in 2030
EUROPE	 FRANCE	6%	-1%
	 GERMANY	-4%	-23%
	 ITALY	8%	-4%
	 SPAIN	17%	-3%
	 UK	6%	-1%
	 RUSSIA	-5%	-24%
AMERICAS	 BRAZIL	-7%	-33%
	 CANADA	3%	-11%
	 MEXICO	6%	-8%
	 USA	10%	4%
ASIA-PACIFIC	 CHINA	7%	-3%
	 INDIA	6%	1%
	 INDONESIA	5%	0%
	 JAPAN	3%	-2%
	 SOUTH KOREA	-6%	-26%

# Proactive Workforce Strategy

- Forecast supply and demand
- Attract great people
- Educate and upskill people
- Retain great people

# Agenda

---

Economic & workforce realities

---

Strategies for recruitment

---

Keys to retention

---

Employee development

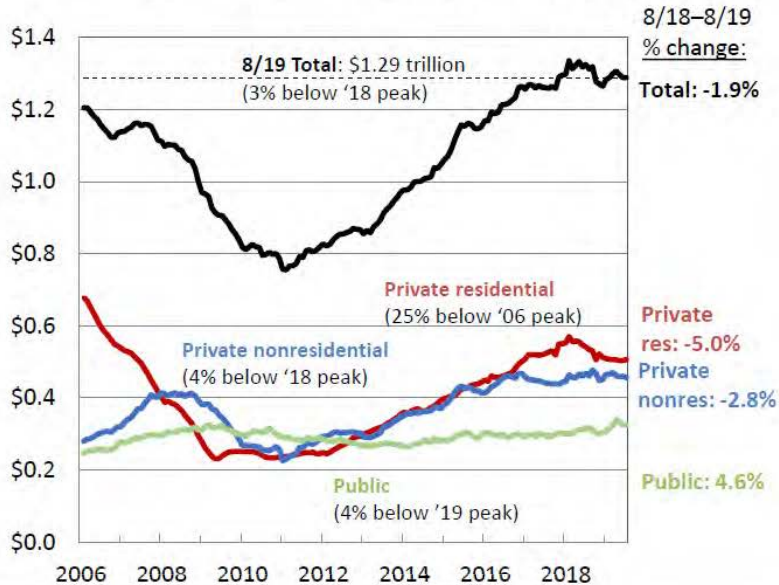
---

Compensation strategies

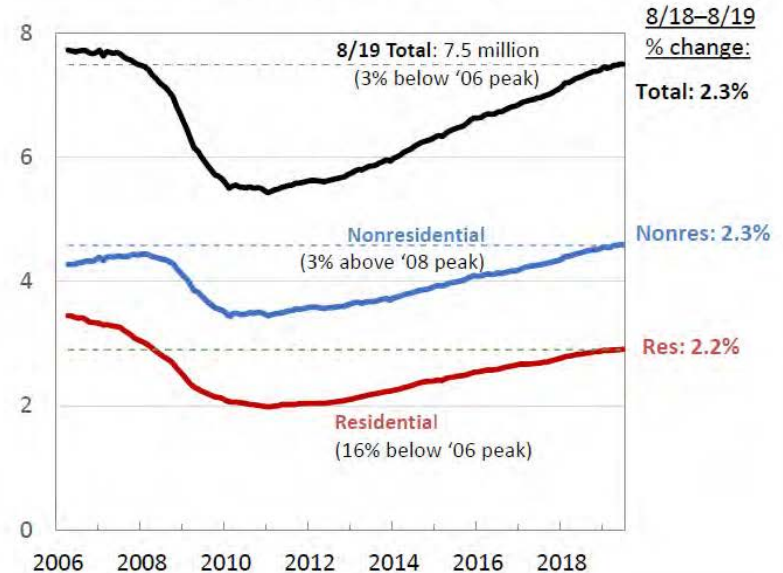
---

# 2019 U.S. Performance

Spending put in place, Feb. '06 (prior peak)–Aug. '19  
trillion \$, seasonally adjusted annual rate



Employment, Apr. '06 (peak)–Aug. '19  
millions, seasonally adjusted





# ITR Trend Report – October 2019

## The Construction US Economy At-a-Glance

	12/12	12MMT	Current 12/12	2019	2020	2021	Highlights
US Single-Unit Housing Starts			-3.2	-2.1	8.0	1.4	Activity will rise into at least late 2021.
US Multi-Unit Housing Starts			0.4	2.0	-6.2	2.6	Starts will rise into early 2020 before falling into early 2021.
US Private Office Construction			9.3	9.6	0.3	8.7	Construction will generally rise through at least 2021 with the exception of a brief and mild decline in the latter part of 2020.
US Total Education Construction			-1.2	-3.3	2.2	4.6	Spending will fall into early 2020 before rising through at least 2021.*
US Total Hospital Construction			-2.0	-1.8	1.7	3.5	Construction will transition to a recovery trend imminently. Growth will then persist through 2021.*
US Private Manufacturing Construction			4.5	5.3	-3.1	-1.5	Growth will persist into the middle of next year before spending falls into the middle of 2021.*
US Private Multi-Tenant Retail Construction			-27.1	-39.0	9.7	5.6	Spending will decline into early next year before recovering and rising into late 2021.*
US Private Warehouse Construction			2.6	-1.0	1.6	1.5	Construction will generally plateau into mid-2021.*
US Public Water & Sewer Facilities Construction			0.6	7.2	-1.5	2.0	Expect growth into early next year before Construction falls into early 2021. Rise will persist during the remainder of that year.*

\*The forecast has been updated due to an annual data revision published by the US Census Bureau.

Note: Forecast color represents what Phase the market will be in at the end of the year.

### PHASE KEY



Phase A:  
Recovery



Phase B:  
Accelerating Growth



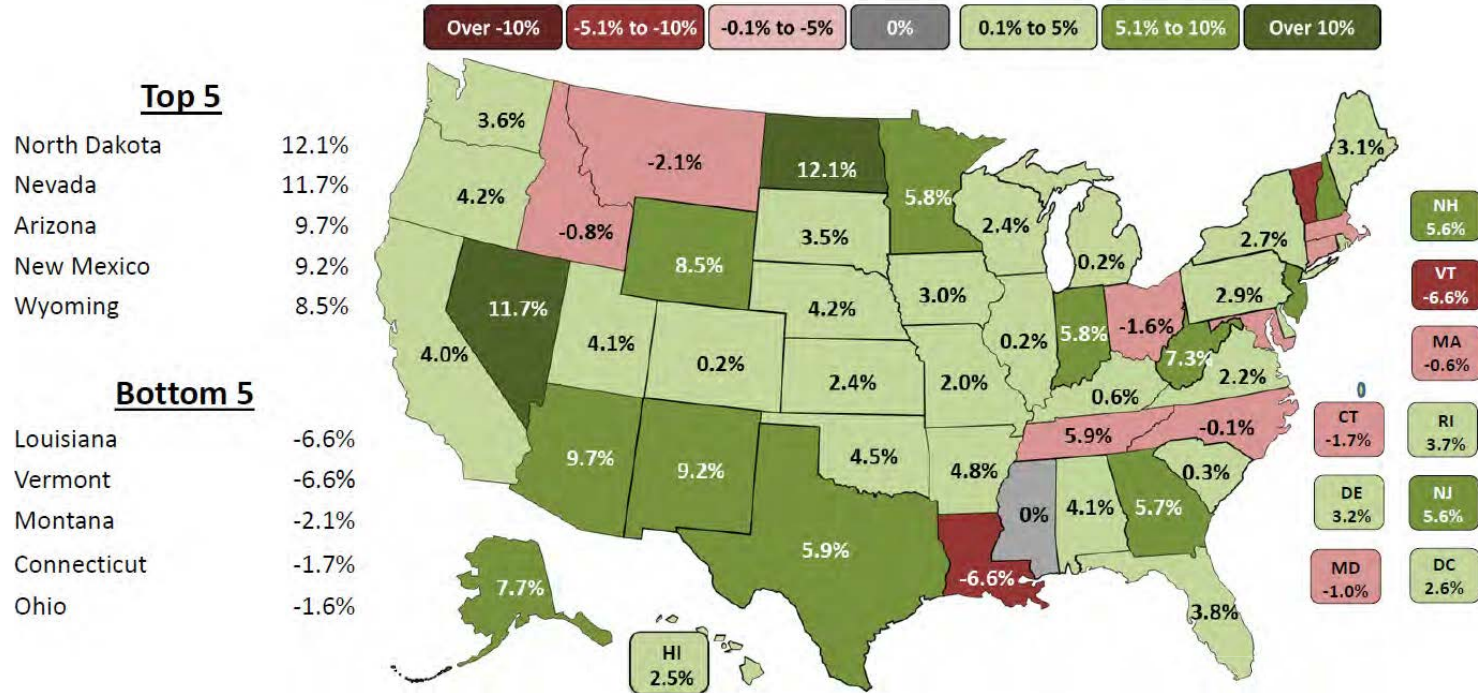
Phase C:  
Slowing Growth



Phase D:  
Recession

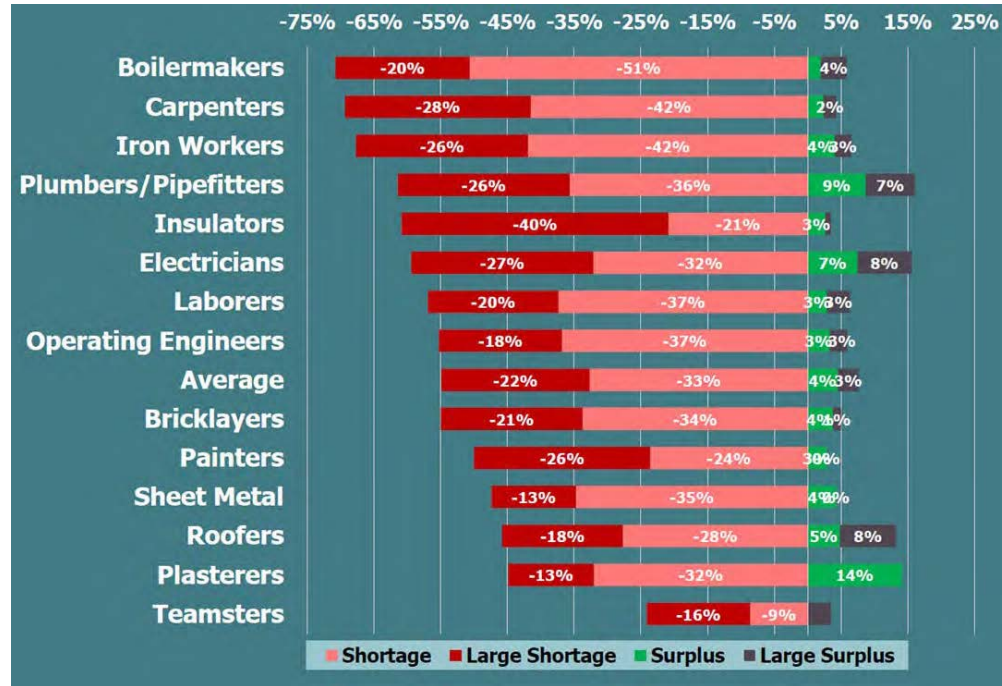


# Aug 2018-2019 U.S. Construction Employment



Source: spending—AGC and U.S. Census Bureau; employment—Bureau of Labor Statistics

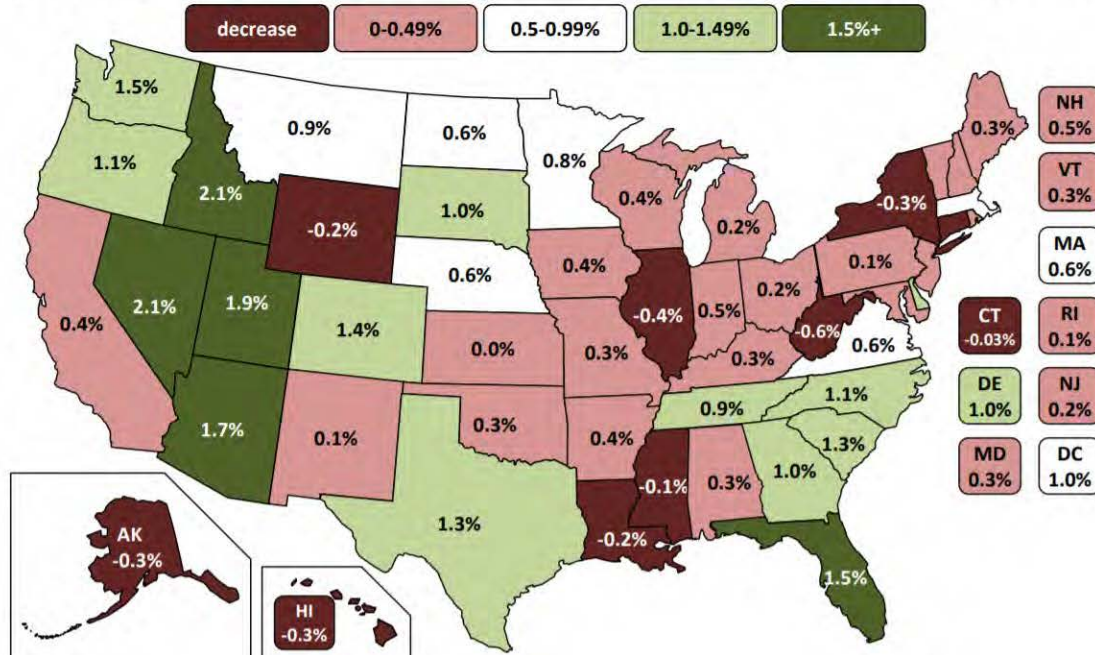
# Craft Shortage/Surplus



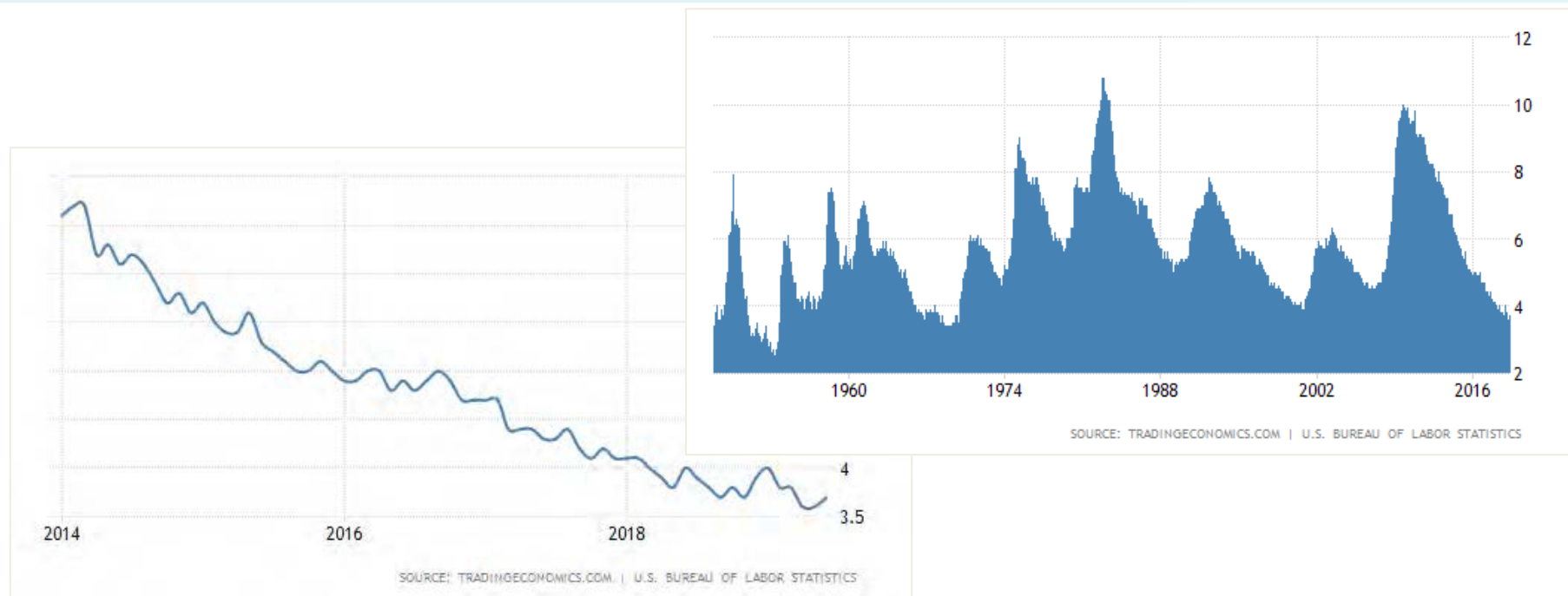
Source: Construction Labor Research Council

# U.S. Population

Population change by state, July 2017–July 2018 (U.S.: 0.62%)



# U.S. Unemployment



# The Global Workforce Crisis







# Recruitment Strategies

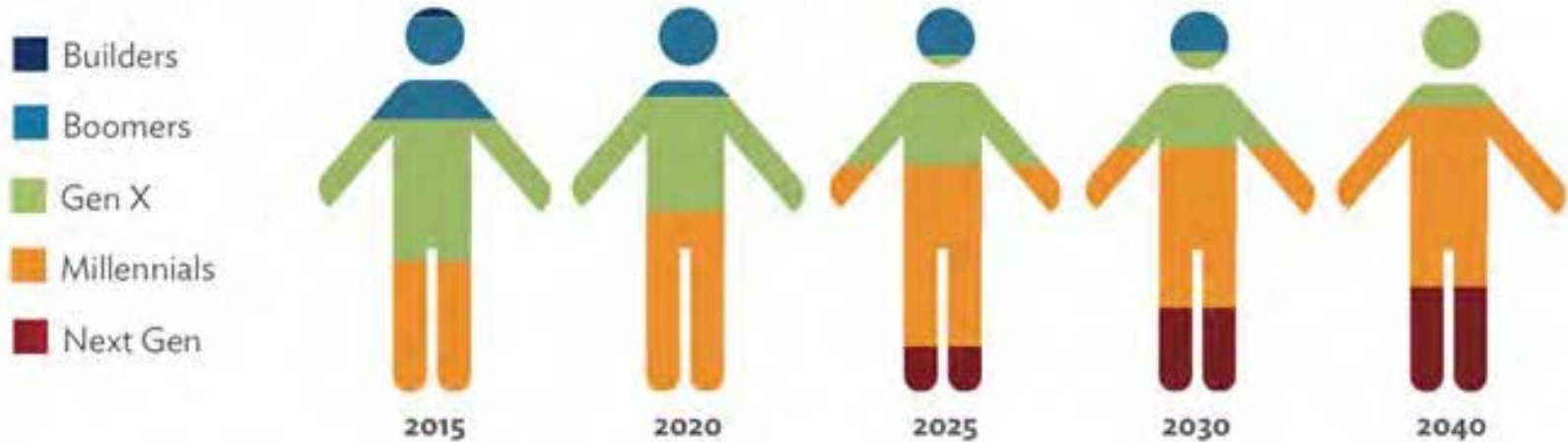
- Younger generations
- Diversity
- Veterans
- Ex-offenders



# Attracting New Generations

## World Population by Generation

Worldwide and in the U.S., Millennials are the largest generation yet - some 2.3 billion strong. (U.S. Census Bureau)



# Generation Z (next gen)

Ages 9-22



- Technologically savvy
- Texting & social media
- Racially & ethnically diverse
- Self-directed and confident
- Hopeful but realistic
- Want to make an impact

# Gen Z Priorities

- Money and job security
- Impatient and FOMO
- Mentored with daily feedback
- Competitive and want the tools to win
- Personal achievement and advancement



# Attracting Gen Z

- Growing industry
- Earning potential
- Continuing education & advancement
- Work is meaningful and impacts many
- Technology advances
- Entrepreneurship



# Career 'Opportunity' Is #1



- Start early
- Focus on career growth & financial security
- Engage with brand and message
  - Company involvement
  - Employee profiles



# Youth Apprenticeship

- Connects school-based and work-based learning
- 180 hours of technical related instruction
- 450 hours of mentored, on-the-job paid training



# Partnering with Educators

How can we give more high school students exposure to the construction career path and prepare them for accelerated entry into our apprenticeship program?



NEW APPROACH NEEDED:

**Education through  
Occupations**

*instead of  
education for occupations*



# Wisconsin Operating Engineers

*Pre-apprenticeship program for high school students*

- Online public Charter School Career and Technical Education (CTE) Focused
- Open to all Wisconsin students
- Dual enrollment with Technical College
- Approved for Act 59 reimbursement
- DWD certified pre-apprenticeship



# Industry-Based Curriculum

*Aligned with registered apprenticeship*

Course	Apprenticeship
Operating Engineer Career Exploration	Credit for Prior Learning
Intro to Basic Equipment*	Yes
Basic Grade* & Math for the Trades	Yes/ Transcripted Credit
Intro to Basic Equipment Maintenance*	Yes
CDL Prep	TBD

\* Designates alignment with registered apprenticeship

# Interactive Engagement

The screenshot shows a web application interface for 'Earth Moving Signals'. On the left is a sidebar with a 'LOCAL 139' logo (a green excavator) and a 'Menu' section with links: 'View Script', '1. Introduction', '2. Dirt Work Signals Video', '3. Quick Check', and '4. Conclusion'. The main content area has a header 'Earth Moving Signals' and another 'LOCAL 139' logo. Below this is a large image of a construction worker in an orange vest and red hard hat standing next to a large excavator. A blue banner across the image reads 'EARTH MOVING SIGNALS'. Below the banner, the text reads: 'Exploratory Activity to the Identification of Hand Signals for "Dirt Work"'. At the bottom of the main area, it says '© 2016 Wisconsin Operating Engineers. All Rights Reserved.' The bottom of the interface features a search bar, a volume icon, a play button, a progress bar, a refresh icon, and a 'NEXT >' button.

Earth Moving Signals

LOCAL 139

Menu View Script

- 1. Introduction
- 2. Dirt Work Signals Video
- 3. Quick Check
- 4. Conclusion

EARTH MOVING SIGNALS

Exploratory Activity to the Identification of Hand Signals for "Dirt Work"

© 2016 Wisconsin Operating Engineers. All Rights Reserved.

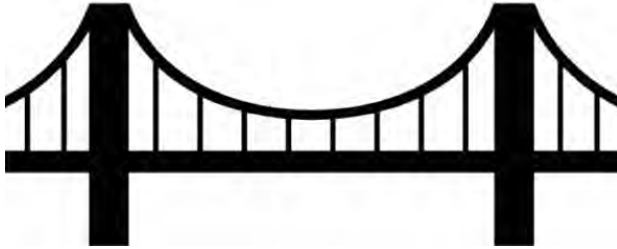
Search... 🔍

🔊 ▶️

🔄 NEXT >

[www.share.alivetek.com/local-139/earth-moving/story.html](http://www.share.alivetek.com/local-139/earth-moving/story.html)

# Career Continuity



Bridged

Curriculum is directly aligned with Operating Engineer Registered Apprenticeship



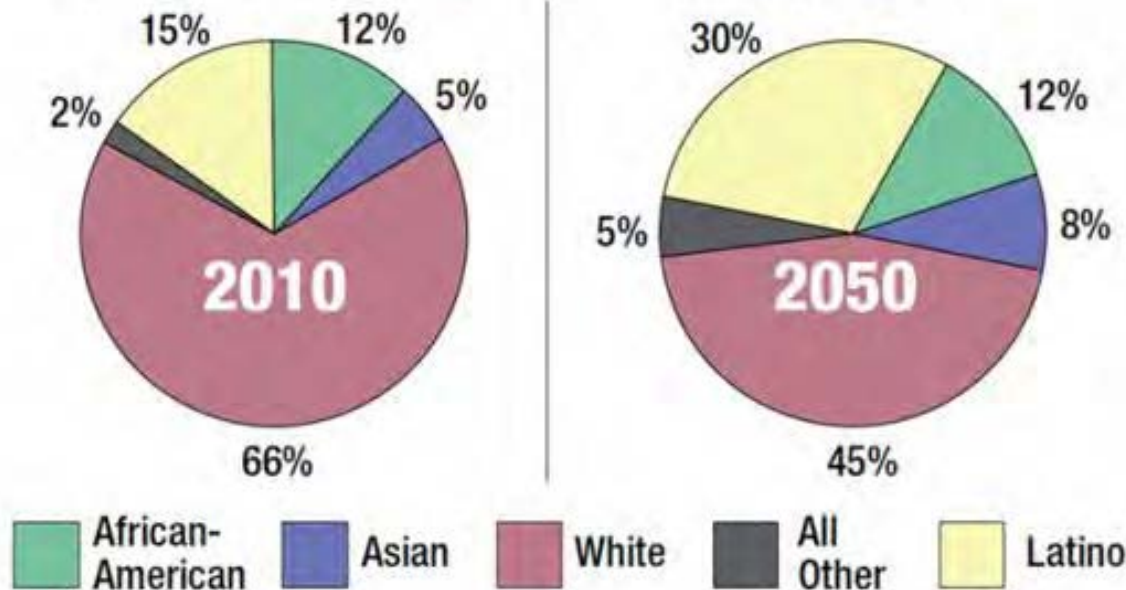
AB 375: Senior Year

- 6 month accelerated entry into apprenticeship
- Meeting employer needs for spring work

# Diversifying the Workforce

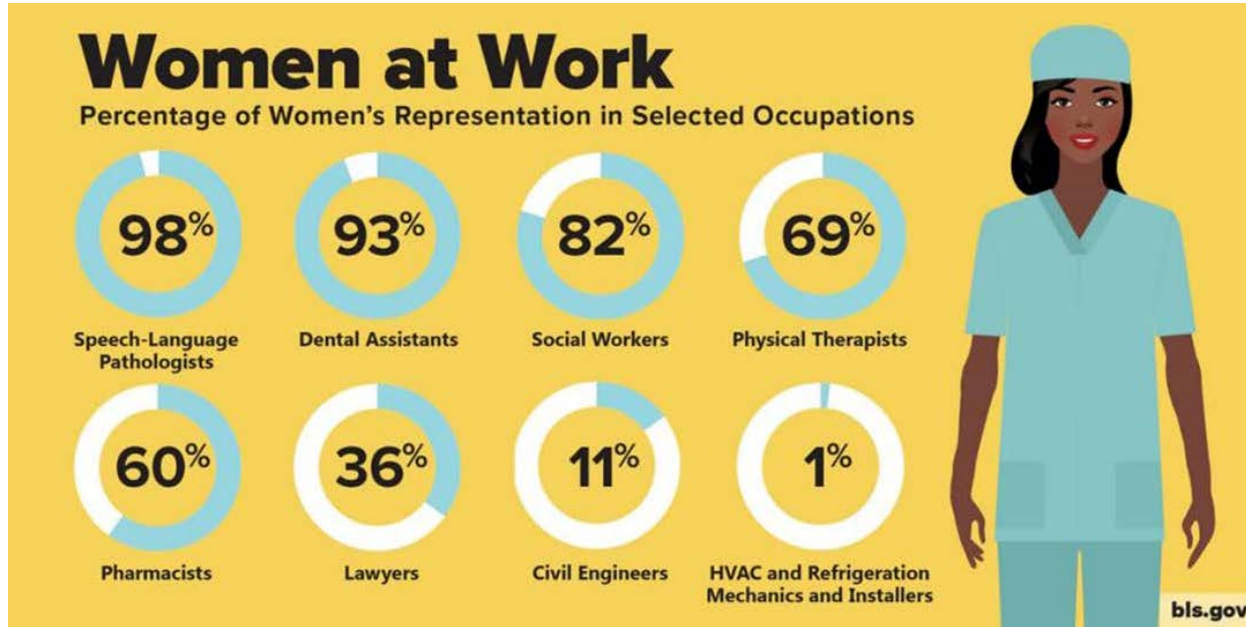
## Labor Force by Race, 2010 Projected through 2050

The share of whites in the labor force will decline by 19 percentage points, while African-Americans and Latinos combined will rise by 15 percentage points by 2050.





# Female Workforce Participation





# Female Workforce Participation

## Top 5

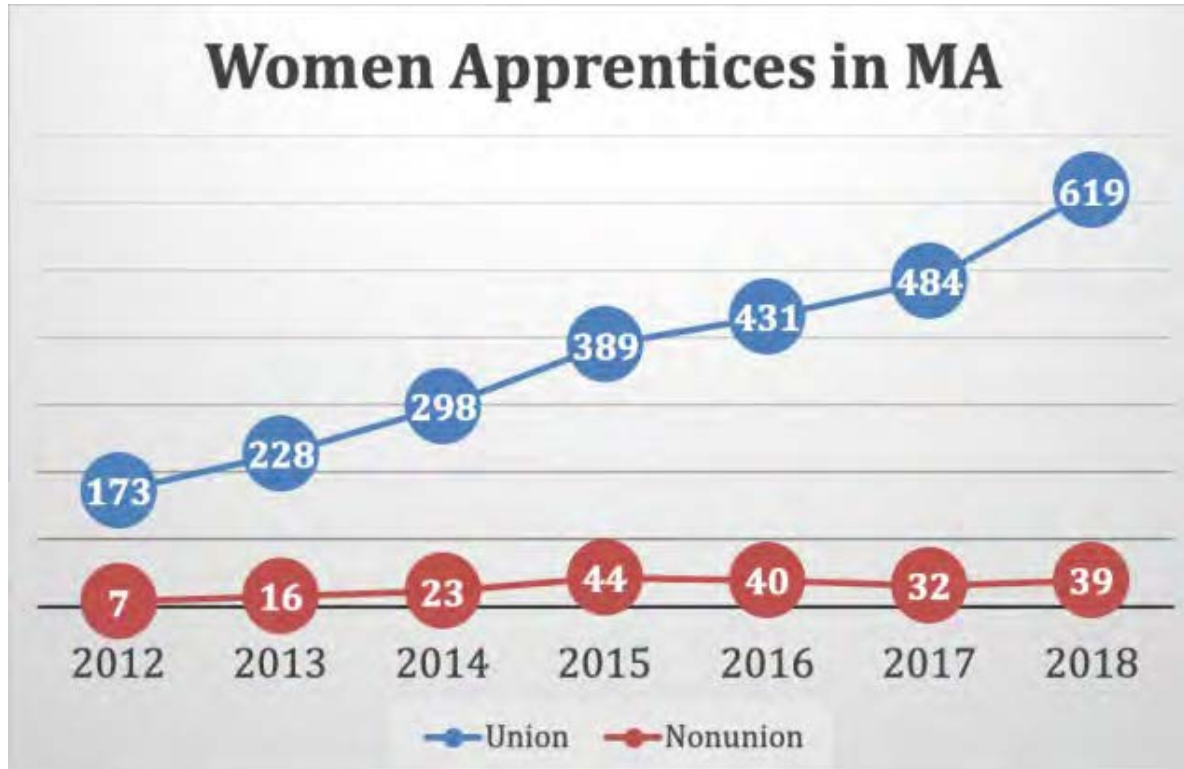
- Preschool & kindergarten teacher
- Childcare worker
- Dental assistant
- Medical records
- Hair dresser

## Bottom 5

- Carpenter
- Auto service technician & mechanic
- Electrician
- Laborer
- Maintenance & repair workers

Source: American Census Bureau 2017 American Community Survey

# Success in Massachusetts



# Targeted Diversity

1. Develop and communicate the business case.
2. Collaborate across stakeholder groups.
3. Make tradeswomen visible.
4. Count and report. Set high targets.
5. Lead from where you are.



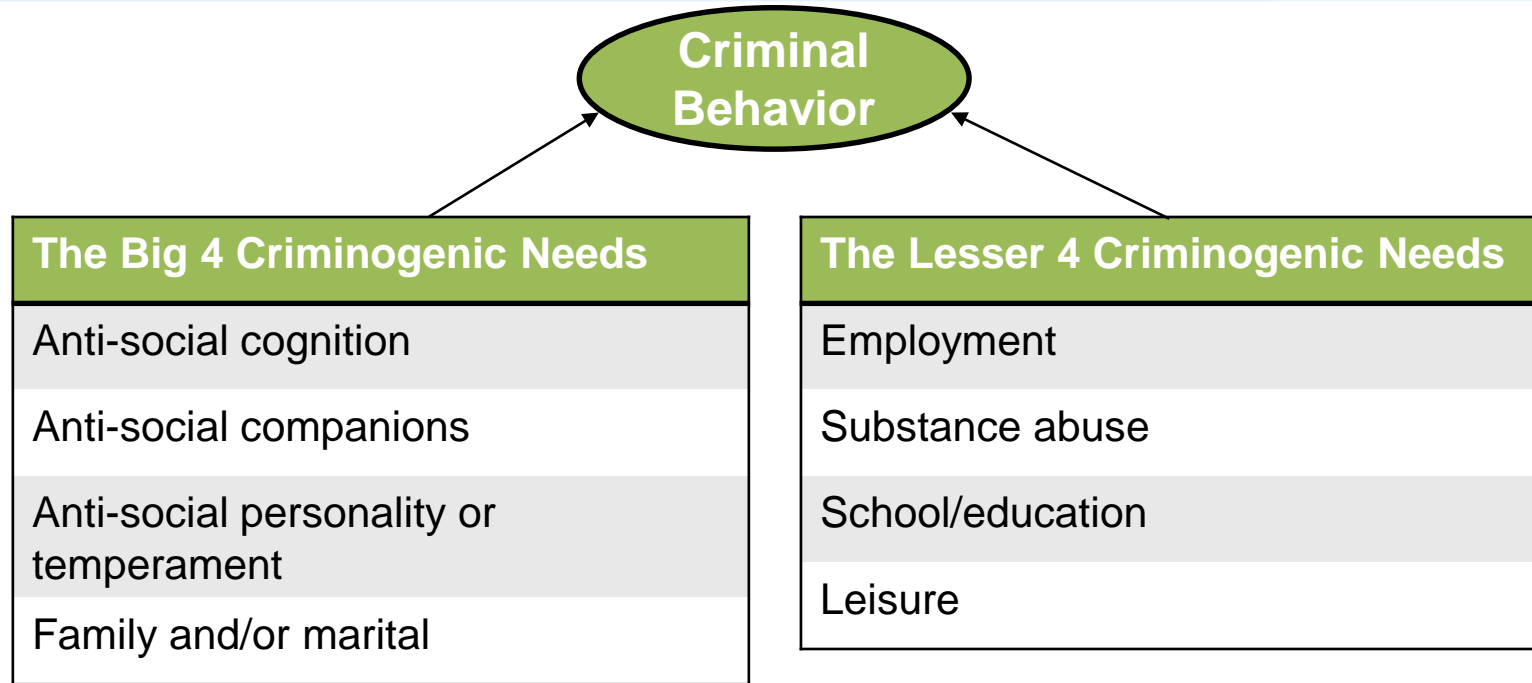
[www.policygroupontradeswomen.org/pgti-cheatsheets/](http://www.policygroupontradeswomen.org/pgti-cheatsheets/)

# Veterans

- Highly qualified for construction careers
- Trained
- Motivated
- OTJ and apprenticeship qualify for VA education benefits



# Partnerships with Corrections



# Windows to Work

- Collaborative with DOC, DWD, and WDBSCW
- The first-of-its kind Job Center to support inmates prior to release with career and transition resources from WIOA partners



# Windows to Work Impact

**92 participants**

- Engaged in W2W programming

**58 employed**

- After release and W2W programming

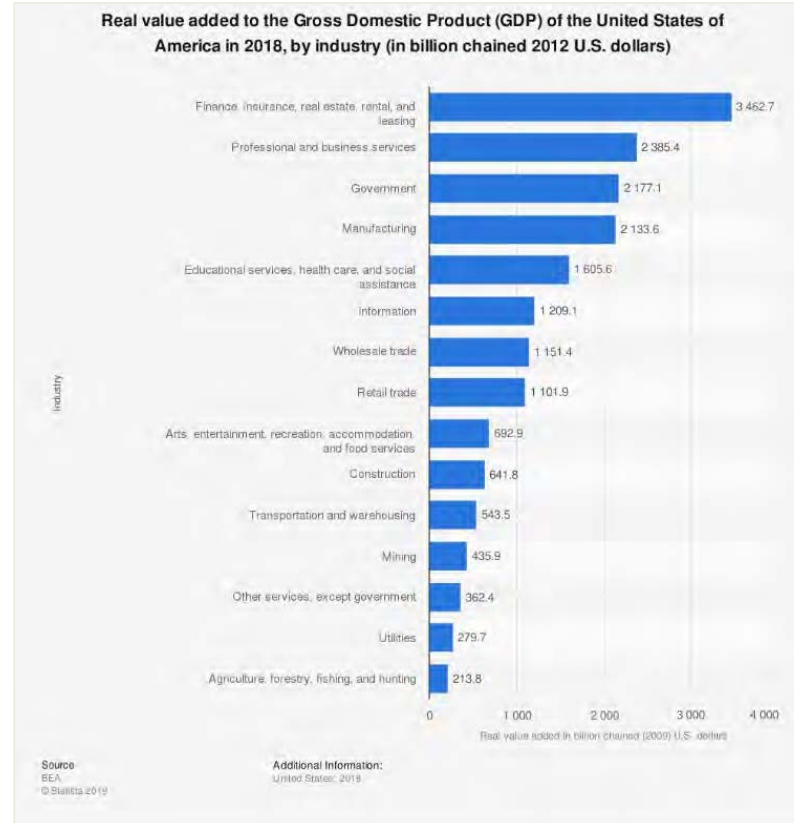


# Leverage Funds to Diversify

Identify and hire workers and get reimbursed for work-based training or apprenticeship program

- Youth
- Re-entry
- Veterans
- Unemployed/underemployed

# Workforce = Economic Growth



# Solutions for Contractors



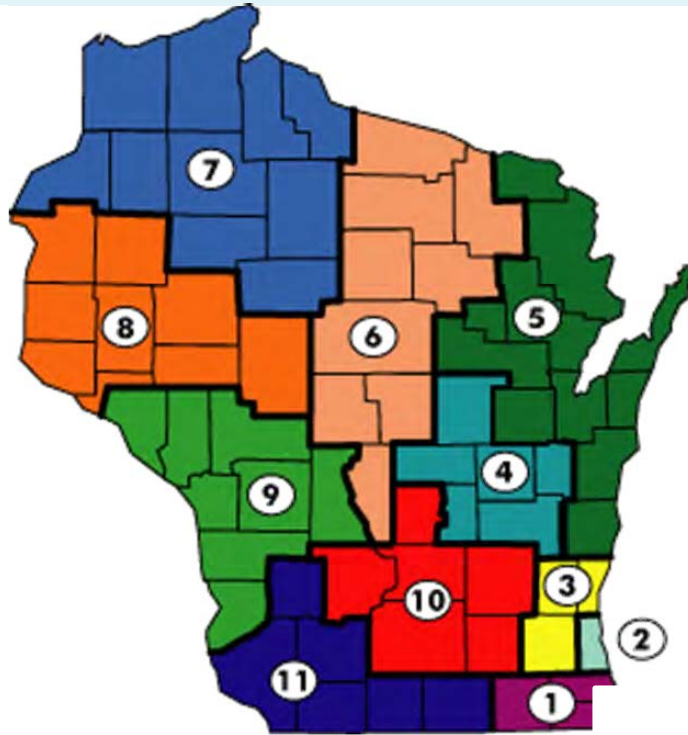
1. Influence policy
2. Hire workers
3. Partner with educators
4. Get funding for training

# Influence Policy: Workforce Investment Boards



- > State WIB, appointed by the governor, makes state workforce policy and ensures local compliance with federal mandates
- > Local WIB makes workforce policy for its region and oversees local one-stop centers that provide training and employment services
- > Board members represent employers, unions, community-based service providers, educational institutions, government economic development agencies
- > Local WIB decisions include who should get priority for service, how much money is available for training and what schools or other entities are qualified to receive funds for training

# Hire Workers and Get Reimbursed for Training



# Presidential Order to Expand Apprenticeship

## Reasons:

- Need to prepare workers to fill existing and newly created jobs
- Higher education is unaffordable
- Students are graduating without skills necessary to secure jobs
- Federally funded education & workforce development programs have not been effective
- Expanding apprenticeship provides paid, relevant workplace experience, and opportunities to develop skills that employers value
- Apprenticeship provides affordable path to good jobs and careers

## Expand access to apprenticeship for:

- High school students
- Job corps participants
- Currently or previously incarcerated
- HS and post-secondary drop-outs
- Veterans



# 2019 DOL and DOE Workforce Funds

- Workforce Innovation and Opportunity Act (WIOA) = \$2.8B
- Apprenticeship State Expansion: = \$75MM
- Closing the Skills Gap = \$100MM
- Youth Build = \$85MM
- Workforce Opportunity for Rural Communities: \$29MM
- Veterans Accelerated Learning for Licensed Occupations: \$2.5MM
- Ex-offender Re-entry: \$82.5MM
- Perkins Career & Technical Education (CTE) State Grants = \$1.3B
- NEW: Women in Apprenticeship and Nontraditional Occupations (WANTO) = \$1.5M

# Workforce Innovation & Opportunity Act (WIOA)

- Promotes apprenticeship and industry credentials (e.g. NCCER)
- More reimbursement for employer-driven, work-based training
  - On-the-job training
  - Customized training
  - Incumbent training
- Training for existing, real-world jobs
- Better aligned with economic planning – state, local, and regional
- Apprenticeship programs automatically qualify as eligible training providers and can receive ITA vouchers to train workers
- 20% of youth training funds are reserved for programs that provide work experience, including pre-apprenticeship
- Apprenticeship completion certificates are recognized as postsecondary credentials

# Apprenticeship State Expansion

- Expand the number of registered apprentices
- Increase the diversity of apprentices and growing apprenticeship across industry sectors
- Align apprenticeship with workforce development, education and economic development strategies

# Pre-Apprenticeship

- Designed to prepare individuals to enter and succeed in Registered Apprenticeship (RA) programs
- A documented partnership
- Expanding the participant's career pathway opportunities with industry-based training coupled with classroom instruction



# Pre-Apprenticeship Framework

- Approved training and curriculum
- Strategies for long-term success
  - Recruitment to under-represented populations
  - Educational and pre-vocational services (ESL, Math, etc.)
  - Assistance in exposing participants to RA programs
- Access to support services (Workforce Development Board Partners)
- Promotion of RA to employers as means to developing skilled workforce
- Hands-on training through simulation (construction lab) or non-paid work experience
- Formalized agreement of articulation with RA (Bridging)

# Partner with Educators

Create an employer profile, post internships, search for Wisconsin college students, and find resources to build or expand internship programs.

[www.internshipwisconsin.com/](http://www.internshipwisconsin.com/)



| **WisConnect**

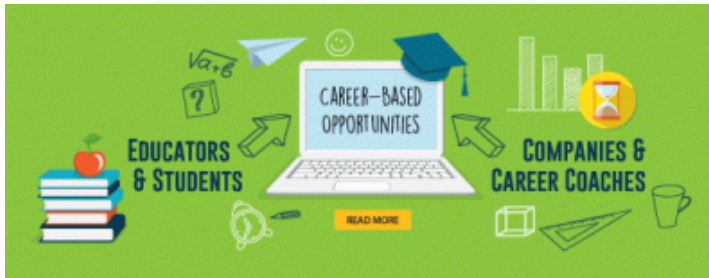


# Partner with Educators



## Company Benefits

- Inform the future workforce about your company's and/or industry's needs and the types of careers you offer
- Positively affect the career-readiness of local students through experiential learning activities and online career-coaching
- Proactively engage with the education community to address current and future workforce needs
- Help develop your company's future workforce talent-pool in the Madison Region



# Workforce Opportunity Tax Credit (WOTC)

Federal tax credit for employers designed to help people gain on-the-job experience and achieve better employment outcomes.

Up to \$2,400 per new hire

- High school students
- Job corps participants
- Currently or previously incarcerated
- High school and post-secondary dropouts
- Veterans

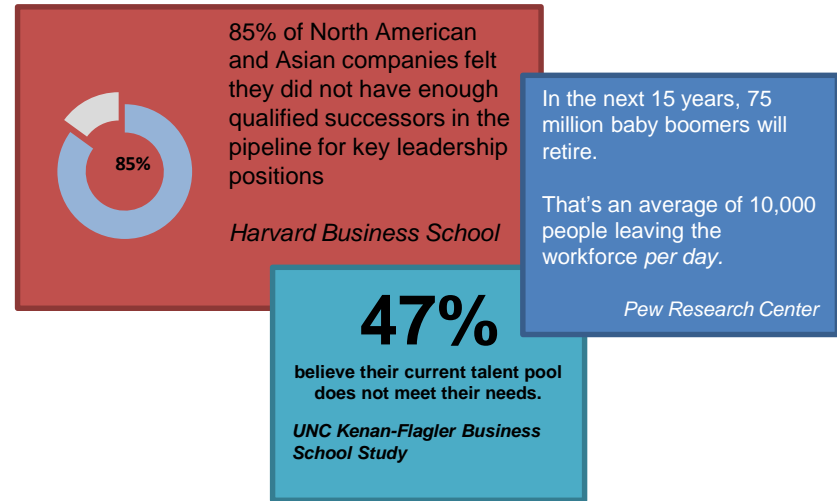
# Workforce Development Action Plan

- Influence workforce policy by serving on a workforce board
- Utilize your state and local workforce board and leverage federal funds to:
  - Identify and hire workers and get reimbursed for work-based training or apprenticeship program
    - Youth
    - Re-entry
    - Veterans
    - Unemployed/underemployed
- Partner with educational institutions to reach your future workforce

# Retention Strategies

# Why Retention?

- Decreasing number of available employees
- They are responsible for your business results and competitive advantage



# Industry Issue

It will get tougher to find qualified workers

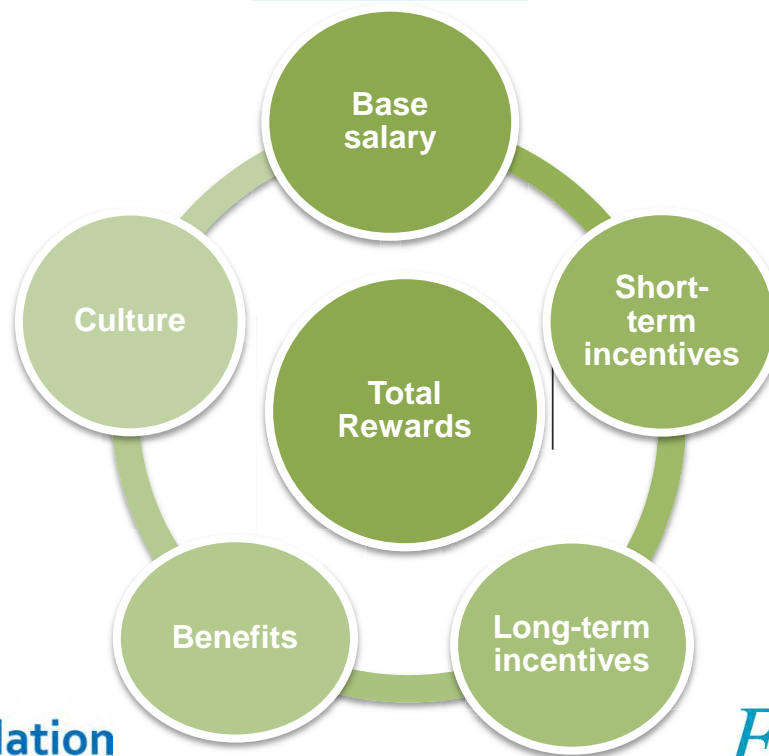
- 81% of contractors are having a hard time filling craft positions
- 68 percent of contractors believe it is or will become harder to hire qualified professionals



# 2018 Future of Work & Rewards

“The tightening job market, coupled with the much-touted talent gap, is expected to **substantially increase all aspects of total rewards** – employees who can compete in the future marketplace are expected to be compensated handsomely through **increased base and variable pay**, as well as **more and better defined benefits, more flexibility, and increased development opportunities.**”

# Total Rewards



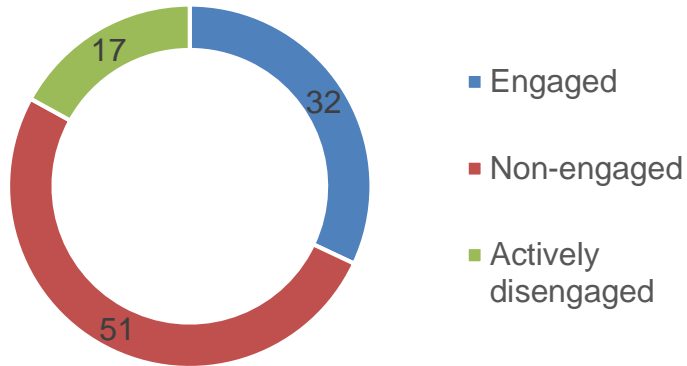
# Culture

Culture is alignment of your external message of  
The way we say we get things done.  
with  
The way we really get things done.

*Values*  
*Traditions*  
*Beliefs*  
*Interactions*  
*Behaviors*  
*Attitudes*

# Gallup: State of the American Workplace

## Employee engagement



**Engaged employees** work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

**Non-engaged employees** are essentially 'checked out'. They're sleepwalking through their workday, putting time – but not energy or passion – into their work.

# Employee Engagement

- Implement employee engagement survey
- Analyze survey results
- Discuss relationship to employee culture
- Communicate engagement results
- Roll-out initiatives to improve engagement

# Company-Wide Results

I am engaged in my job	3.47
I am proud to work at ABC	4.64
I have recently given/received praise	3.68
I have resources & materials to do my best	3.47
I know what is expected of me	4.17
I like the direction ABC is going	4.26
I would recommend ABC to a friend	3.64
Mission & Core Values are important to me	4.21
My opinions seem to count	4.43
My supervisor cares about me	3.53
I care about quality and doing the right thing	4.17
I receive training relevant to my work	3.96
Overall	3.97

## Lowest

- Engaged in my job
- Resources & materials
- Supervisor cares

## Highest

- Proud to work at ABC
- Opinions count
- Like the direction



# Managers and Vice Presidents

I am engaged in my job	4.00	0.53
I am proud to work at ABC	5.00	0.36
I have recently given/received praise	4.20	0.52
I have resources & materials to do my best	4.00	0.53
I know what is expected of me	4.80	0.63
I like the direction ABC is going	4.40	0.14
I would recommend ABC to a friend	4.40	0.76
Mission & Core Values are important to me	4.80	0.59
My opinions seem to count	5.00	0.57
My supervisor cares about me	4.00	0.47
I care about quality and doing the right thing	4.60	0.43
I receive training relevant to my work	4.60	0.64
Overall	4.48	


## Lowest (4.0)

- Engaged in my job
- Resources & materials
- Supervisor cares

## Highest

- Proud to work at ABC
- Opinions count
- Know what is expected
- Mission & core values

# Administrative, Accounting, HR, and Marketing



I am engaged in my job	4.15	0.68
I am proud to work at ABC	4.18	-0.46
I have recently given/received praise	3.81	0.13
I have resources & materials to do my best	3.62	0.15
I know what is expected of me	4.17	0.00
I like the direction ABC is going	3.93	-0.33
I would recommend ABC to a friend	4.09	0.45
Mission & Core Values are important to me	4.20	-0.01
My opinions seem to count	3.66	-0.77
My supervisor cares about me	4.27	0.74
I care about quality and doing the right thing	4.07	-0.10
I receive training relevant to my work	3.49	-0.47
Overall	3.97	

## Lowest

- Receive training
- Resources and materials
- Opinions count

## Highest

- Supervisor cares
- Mission and values
- Proud to work at ABC

# Engagement Priorities

Company wide

- Resources & materials
- Supervisor cares
- Engaged in my job

Estimators and PMs

- Resources and materials

Eastern region branch

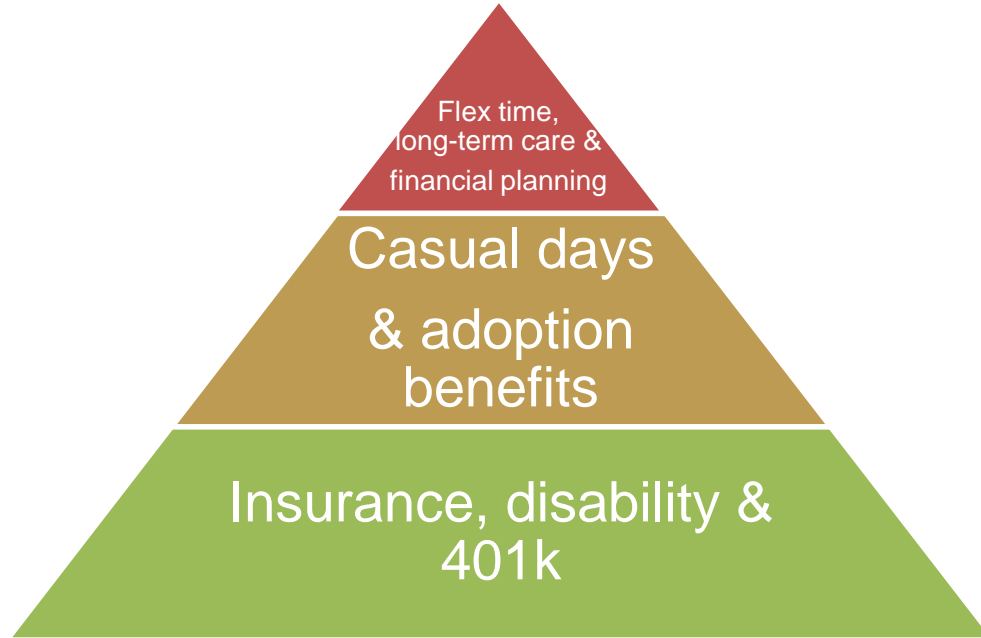
- Know what is expected
- Engaged in my job

# Benefits

“Employers need to greatly increase non-monetary benefits such as flexible work schedules, telecommuting, and employee/career development in the next three to five years to meet workforce demands”

~ 2018 Future of Work and Rewards report by  
WorldatWork

# Benefits



# Employee Development

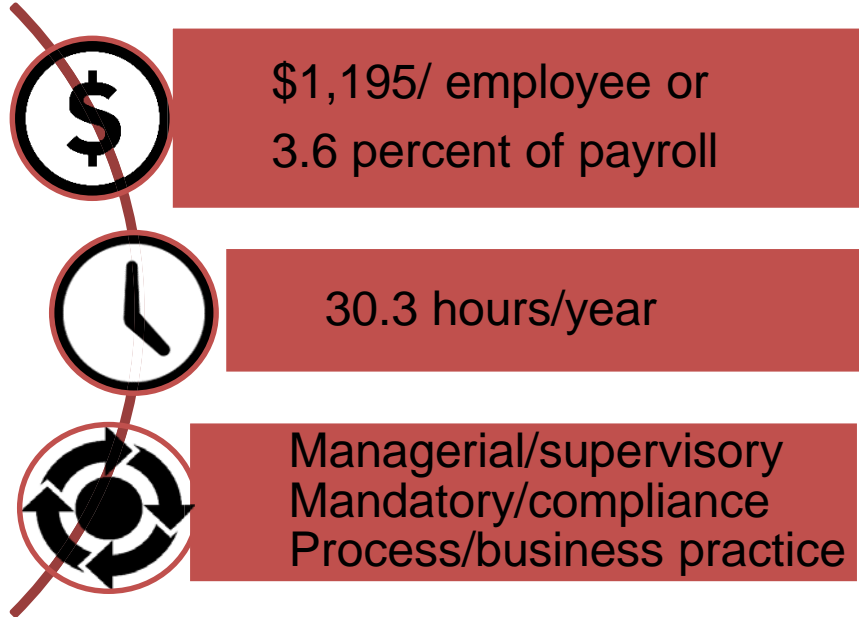
You must provide training in order to meet the needs of our industry and as an incentive to retain your workforce

# Employee Development

- Transparency in career opportunity
- Fluid organization for advancement
- Shadowing & mentoring
- Top down support
- Accountability
- Formal training



# Are You Keeping Up?

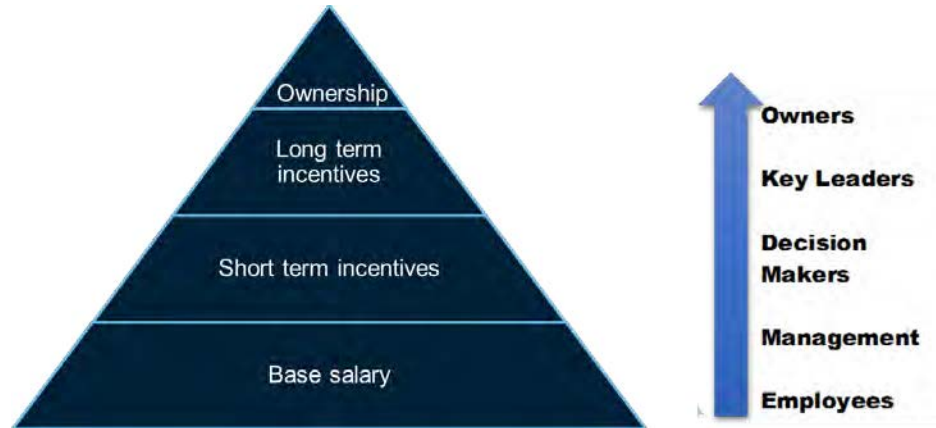


# Compensation 101

		What is the goal?		
		Recruit	Reward	Retain
Strategy	Base salary			
	Short term incentives			
	Long term incentives			
	Benefits			
	Culture			

# Compensation Strategy

Establish a compensation system that is based upon company profitability, individual performance, and compensates employees in-line with or above industry averages.



# Incentive Compensation Best Practices

Formula-based award (vs. discretionary)



Benchmark against industry-related surveys



Align with strategic plan



Funded on net profitability to preserve operating equity



Transparency and communication



# Action Plan

“If you want something new, you have to stop doing something old”

~ Peter Drucker

# Recruitment Action Plan

- Partner with educators to reach youth
  - Earning potential
  - Growth/advancement
  - Technology
- Target diverse populations through partnerships
  - Women
  - Minorities
  - Veterans
  - Ex-offenders
- Leverage federal funding and partnerships to support recruitment and training

# Retention Action Plan

- Understand your culture & employee engagement
  - Define it
  - Require it
  - Measure it
- Define and implement benefits that meet employee needs
  - Flexibility
  - Employee development programs
- Evaluate compensation competitiveness
- Utilize incentive compensation to reward performance and drive desired behaviors



# Connect With Us



**Laura Cataldo, Senior Manager**

608 204 2488

[laura.cataldo@bakertilly.com](mailto:laura.cataldo@bakertilly.com)



[bakertilly.com](http://bakertilly.com)



Baker Tilly Virchow Krause, LLP



@BakerTillyUS

# *Fall Summit*

EDUCATE | ENGAGE | ELEVATE 7 2019

## November 6–7, 2019

MGM National Harbor • National Harbor, Maryland





# Welcome to Fall Summit 2019

How Advertising Benefits You and Your Company!

# Why Advertise?

- Reach end users and specifiers who are looking for insulation products and information
- Build brand awareness
- Amplify the reach of the association that builds up our industry
- Members receive advertising discounts
- Your company receives opportunities for editorial coverage

## NIA represents:

---

- Merit (open shop) and union contractors
- Distributors
- Laminators
- Fabricators
- Manufacturers



# Insulation Outlook: Who Are Our Readers?

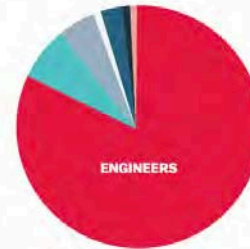
Reach 30,000 readers!

- 90% of readers used products featured in *Insulation Outlook*.
- 71% of readers plan to purchase insulation services in the next 12 months.
- 84% of non members surveyed said they preferred print to digital. Reach them where they are.

## Primary Occupation of Subscribers:

**84%**

Insulation End Users

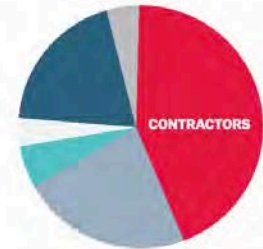


- **ENGINEERS**
- Mechanical Contractors
- Facility/Plant Managers or Owners
- Building Inspectors
- Architects
- Energy/Code Officials
- Academics

## Secondary Audience of Magazine:

**14%**

NIA Members



- **CONTRACTORS**
- Distributors
- Fabricators
- Laminators
- Manufacturers
- Other Categories

# Reach Industry End Users and Specifiers through Multiple Platforms:

- *Insulation Outlook Magazine*
- Website Ad Package
- Digital Ad Package
- Annual Buyer's Guide
- Event Sponsorships



# Benefits of Advertising with NIA

- Award-winning *Insulation Outlook*® is the only international magazine devoted to industrial and commercial mechanical insulation applications, products, and materials.
- Engineers, specifiers, mechanical contractors, and insulation end users look to *Insulation Outlook* for education about products and best practices.
- Most large magazines that engineers read don't care about or cover insulation. Don't let your ad get lost in an ocean of other products and content.
- Only *Insulation Outlook* reaches an audience of engineers that are searching for insulation information.



# New and Returning Product Guides for 2020

*Insulation Outlook's* curated product guides help readers make decisions.

Products guides are available in print and online.

## July

- American-Made Products

## August

- Safety Products, Software, Drones, and Wearables

## September

- Building Envelope, Acoustic, Commercial, and HVAC Insulation Products

## November

- Industrial Insulation, Coatings, Mastic, and Scaffolding Products

# Digital Advertising Opportunities

- Website Ad Package
- Digital Ad Package
- Page Curl
- E-News Bulletin
- Event Emails
- Author's Advertising Package to Maximize an Article's Impact



## Additional Advertising Opportunities

- Advertorials\*
  - Sponsored Content\*
  - Contractor Services\*
  - Create Your Own Customized Package
- \*Designed for you for free!



# ***Annual Buyer's Guide:*** Insulation Products and Providers

**A highly regarded and valued industry resource with a 1 year shelf life!**

Full-color company logo on the Advertiser Appreciation page

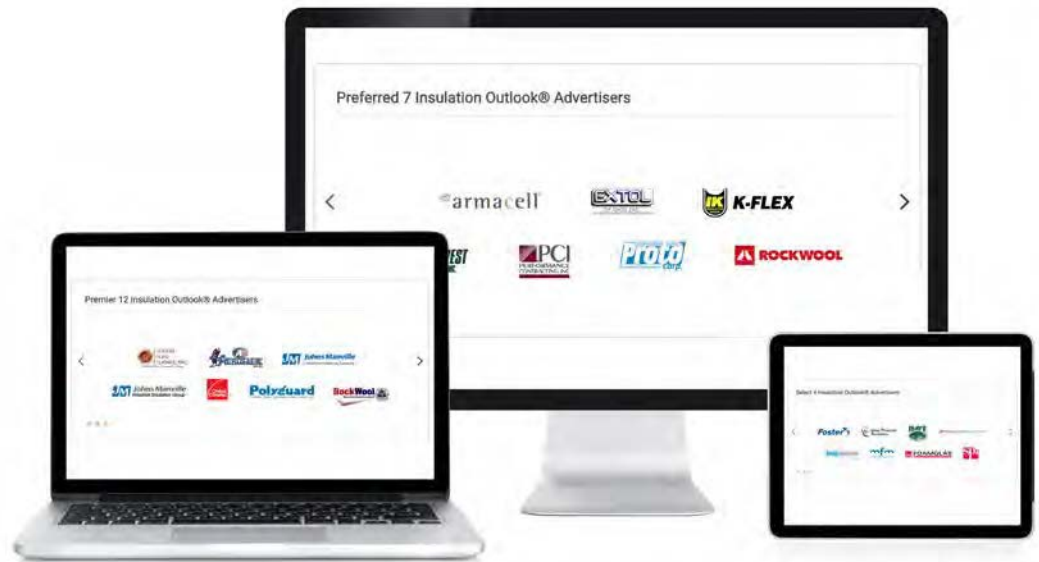
- Company's contact information and website in the expanded Advertiser Index
- NIA members only: company logo in the Company Listing section
- Members that advertise appear in the issue 4 times!

# Receive Both Print and Digital Exposure

## Advertising Packages

- Premier 12
- Preferred 7
- Select 4
- Packages receive the lowest prices and the best ad placement
- Receive thousands of dollars of free benefits as a package advertiser!

Early Bird Bonus—Book before December 10th to get 50% off a digital ad!





Have the best year ever with NIA!  
Thank you!

Justin Wolfe Companies #–L  
717.430.2238 [ads@insulation.org](mailto:ads@insulation.org)

**NIA** | National Insulation  
Association®  
THE VOICE OF THE INSULATION INDUSTRY™

Rob Glass Companies M–Z  
717.430.2212 [ads@insulation.org](mailto:ads@insulation.org)