

# AGC: WORKFORCE DEVELOPMENT FINDINGS



UNDERSTANDING THE  
OPPORTUNITIES IN CONSTRUCTION  
JUNE 2020

**AGC** Oregon  
Columbia  
Chapter  
ASSOCIATED GENERAL CONTRACTORS

QUINN  
THOMAS

# SUMMARY

The AGC Oregon-Columbia Chapter membership is finding it increasingly difficult to recruit and retain skilled workers to meet current demand. In a 2019 survey, 87 percent of contractors reported having a difficult time filling some or all of their skilled worker positions, and 67 percent expect it to remain difficult to hire skilled workers for at least the next 12 months. In the same survey, 83 percent of AGC members rated the skill level of skilled workers in the current pipeline as “fair” or “poor.”

To advance the industry’s efforts to recruit and retain talent while overcoming marketplace challenges, the AGC enlisted Quinn Thomas’s expertise in integrated marketing communications to bring forward a comprehensive communications program. To inform the campaign, Quinn Thomas worked with AGC’s member organizations and industry partners to establish a deep understanding of its audiences, communications channels, and existing programs, along with reviewing recent industry research.

This report summarizes findings from more than 125 local construction companies and industry partners and serves as the foundation for the communications program.

## TOPLINE FINDINGS INCLUDE:

- Skilled workers remain in high demand.
- Misconceptions about careers in construction plague the industry.
- Inclusion is essential to long-term success
- For Gen Z culture—not pay—is king.
- High school students are more likely to consider a career in construction
- It’s difficult to access skilled trades career paths.





## TAKEAWAY #1: SKILLED WORKERS REMAIN IN DEMAND

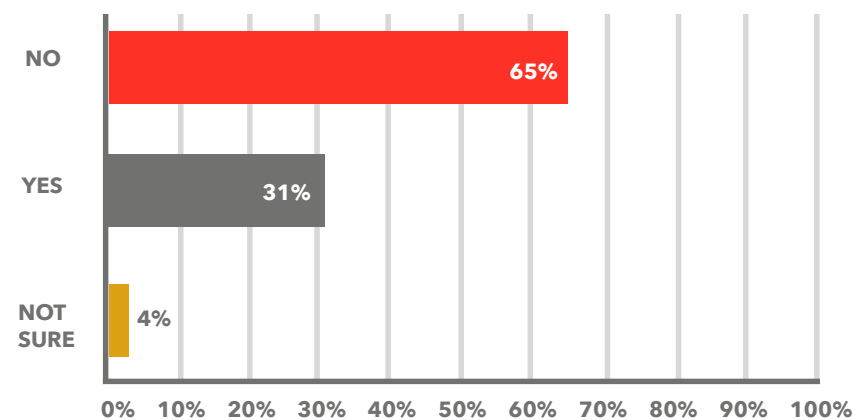
### ONE OF OREGON'S FASTEST-GROWING EMPLOYERS

The construction industry is expected to grow its workforce by 17.5 percent from 2017 to 2027, according to a forecast by the Oregon Employment Department. This equates to more than 17,000 jobs, mainly skilled craft positions. While it remains to be seen how the pandemic will impact these forecasts, many economists are predicting a quick rebound in overall economic growth. At the same time nonresidential construction activity tends to lag the broader economy by 12-18 months, which suggests a possible slowdown in 2021.

### A MAJORITY HAVE RETAINED THEIR SKILLED WORKFORCE

While there's no doubt COVID-19 has had and will continue to have a significant impact on our local and global economy, the majority of contractors kept their skilled workers employed and job sites running. This is primarily due to the construction community's quick work to create and implement social distancing protocols to keep field workers safe.

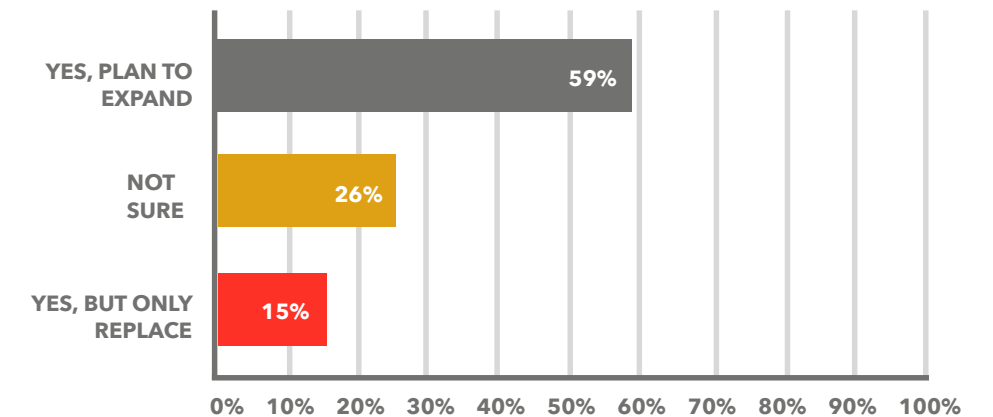
PANDEMIC SKILLED WORKER REDUCTION:



## MOST PLAN TO EXPAND THEIR SKILLED WORKFORCE

During the last recession, contractors mostly pulled back on hiring and recruiting efforts and have not fully recovered. This resulted in a loss of apprentices who never returned to the industry and created a skills gap that is still evident in today's workforce. Large scale retirement of individuals in the current workforce is also top of mind for most contractors. The future growth of the industry over the next decade, even with a short-term slowdown, requires active recruitment in the construction market. Now contractors are committed to not making the same mistakes and staying focused on recruiting, training, and succession planning.

SKILLED WORKER HIRING, NEXT 12 MONTHS:

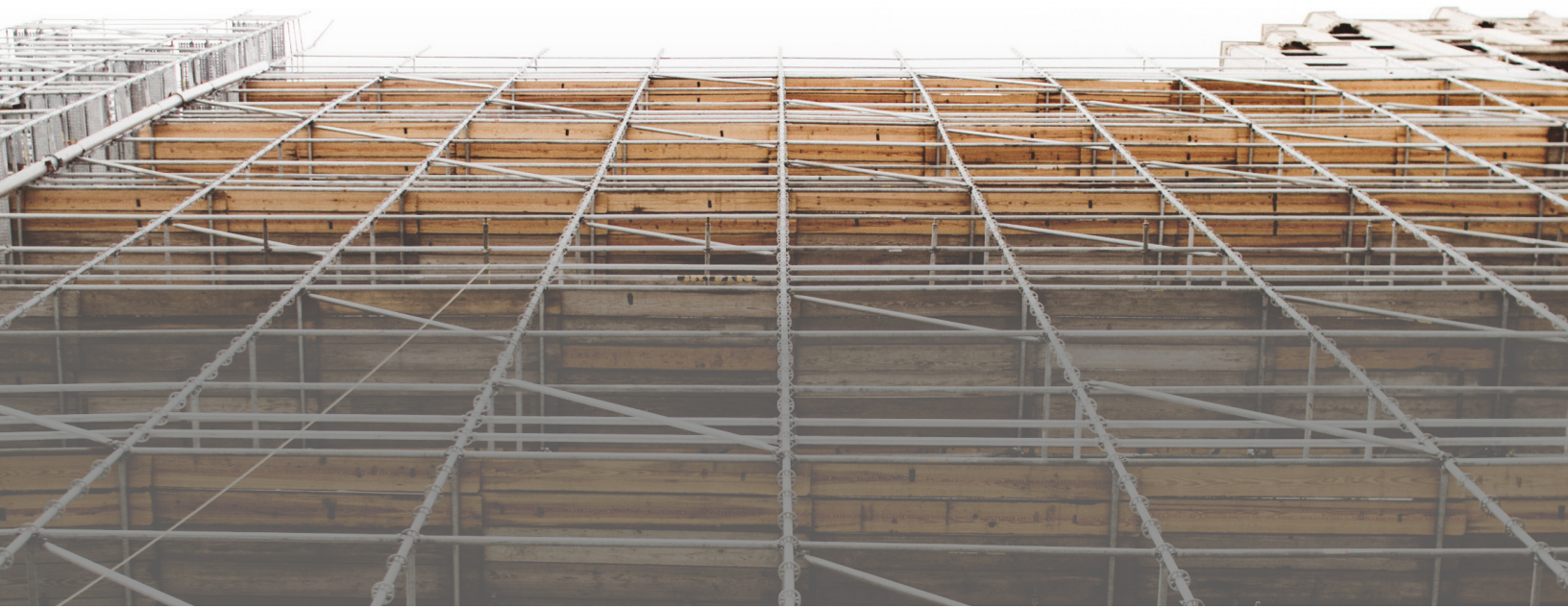


## FINDING QUALIFIED SKILLED WORKERS IS A CHALLENGE

**"In the next ten years half of my crew plans to retire."** **—vice president, general contractor, Portland-metro area**

Put simply, it's not just about quantity; it's about quality. The quality of the candidate pool is the number one barrier to finding qualified skilled workers. Contractors need better candidates coming through the door who are dependable, eager to learn, work hard, and have a positive attitude. Several owners and managers noted that their best new hires come from adjacent sectors such as construction supply or residential building. These skilled workers are

successful because they have some foundational construction knowledge and customer service skills to build upon. Industry misconceptions and meeting pay and benefit expectations round out the top three barriers to finding qualified skilled workers.



## TAKEAWAY #2: MISCONCEPTIONS PLAGUE THE INDUSTRY

### MISCONCEPTIONS IMPACT THE ABILITY TO RECRUIT

Contractors, trainers, and educators alike emphasized throughout all of the research phases that industry misconceptions hinder recruiting and hiring efforts. The greater community often sees skilled work as “a dead-end job” or “something that only uneducated people do.” Contractors want to see more people seeking careers in the industry rather than considering these jobs as “the last resort.”

“The industry has tremendous competition, yet we are not competing. To do this we must use every tool available to educate the public and change the prevailing perception that construction is a “dead-end job.”

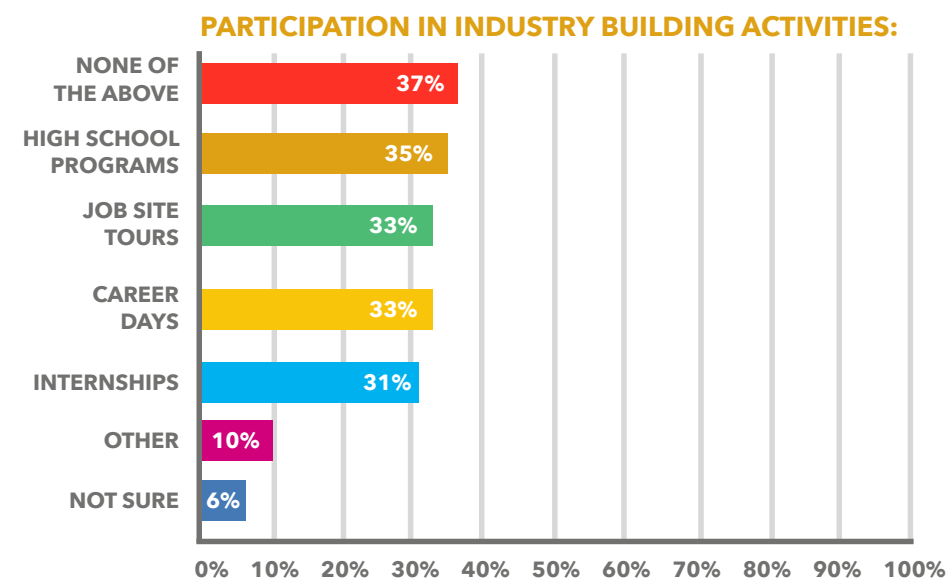
—owner/senior manager,  
Willamette Valley

## SHOWCASING CONSTRUCTION AS A REWARDING CAREER

To change perceptions, members are calling for an industry-wide campaign focused on demonstrating the many benefits of working in the skilled trades, including great pay/benefits without college debt, growth and entrepreneurial opportunities, and comradery. Another essential component of the campaign is to dispel common misconceptions that the industry is unsafe, unsophisticated, or low-tech.

### A “BOOTS ON THE GROUND” APPROACH

Most contractors surveyed agree that industry-building efforts such as high school programs, internships, job site tours, and career days increase interest in the construction industry. Individuals who have a connection to the construction industry, such as a family member or mentor, are more likely to pursue it as a career. There is a significant opportunity to expand the industry’s reach within local communities by activating the 37 percent of contractors who don’t currently participate in industry building efforts, along with creating more opportunities for contractors who expressed the willingness to do more.





## TAKEAWAY #3: INCLUSION IS ESSENTIAL TO LONG-TERM SUCCESS

### INEQUITY AND EXCLUSION THREATEN GROWTH

The U.S. workforce is becoming increasingly racially, ethnically and gender-diverse. Women already comprise nearly half of the workforce and according to the Economic Policy Institute, the working class will become majority-minority by 2032. When asked about diversification efforts, most local contractors mention being an equal opportunity employer, but aren't taking any deliberate measures to appeal to a more diverse demographic. In order to be competitive and attract the best talent the construction industry should take a proactive approach and become a place where people of color and women see themselves having successful careers.

### OPPORTUNITY FOR DIVERSITY, EQUITY AND INCLUSION

The recent *Portland Metro Region Construction Workforce Study* shows that of the 23,000 people working in nonresidential construction in the greater Portland metro area, 20 percent are minorities, and four percent are women. The same study revealed that apprentices who are women or men of color are far more likely to witness or experience harassment or discrimination. Additionally, an *AGC Oregon-Columbia Chapter Construction Training Sector Analysis* report reveals that contractors widely viewed gender and racial discrimination as a thing of the past. In contrast, training providers are concerned about opportunities and experiences for women and underrepresented minorities in the skilled trades.


### INCLUSIVITY LEADS TO GREATER SUCCESS

Insights from *The Business Case for Diversity & Inclusion in the Construction Industry*, a recent report from the AGC of America Diversity & Inclusion Council, show that the arguments presented for a company adopting diversity and inclusion as a key business strategy go beyond the moral imperative of "doing the right thing." An intentional and practical culture shift towards diversity and inclusion can positively impact company profitability by improving employee productivity, recruiting and retaining top talent, increasing innovation, and creating a safer workplace.

### COMMIT TO BUILDING A CULTURE OF CARE

The senseless murders of Ahmaud Arbery, Breonna Taylor, George Floyd, and so many others along with the protests that followed have pushed the United States to confront racial inequality. The AGC believes that the construction industry has a responsibility to respond by demonstrating that it provides opportunities for everyone to advance, prosper, and succeed. Now more than ever it is important that construction sites and offices across the country be welcoming and inclusive places to work. One immediate action that every contractor or individual can do is to take the AGC Culture of CARE pledge and work to continue building an industry that is diverse, safe, welcoming, and inclusive for all. This program offers industry-recognized resources and best practices for creating diverse and inclusive workplaces.





“Gen Z is demanding better workplace culture, but all generations appreciate more visibility, involvement in the decisions, and a bigger purpose beyond the paycheck.”

—owner/senior manager,  
Willamette Valley

## TAKEAWAY #4: FOR GEN Z, CULTURE—NOT PAY—IS KING

### ADAPT TO THE NEXT GENERATION OF WORKERS

Generation Z—also known as “post-Millennials”—comprises the current generation of the population (age 17-25) entering the workforce. They are the most diverse population in our country’s history (just 52% white), highly tech-savvy, entrepreneurial, and progressive. This means they have new attitudes and expectations of employers that will be important to adapt to the hiring and retention strategy among the AGC membership.

### MOTIVATED BY TRUST AND TRANSPARENCY

Contractors surveyed are noticing several shifts, including work-life balance and flexibility, becoming increasingly important. New skilled workers are also interested in the purpose and meaning of their work. They don’t want to show up and just be told what to do. This generation likes to understand the “why” behind their training, along with overall company decisions. When asked what is most important to the next generation of skilled workers, training sector providers ranked work culture, mentorship, and the opportunity for career advancement above pay.

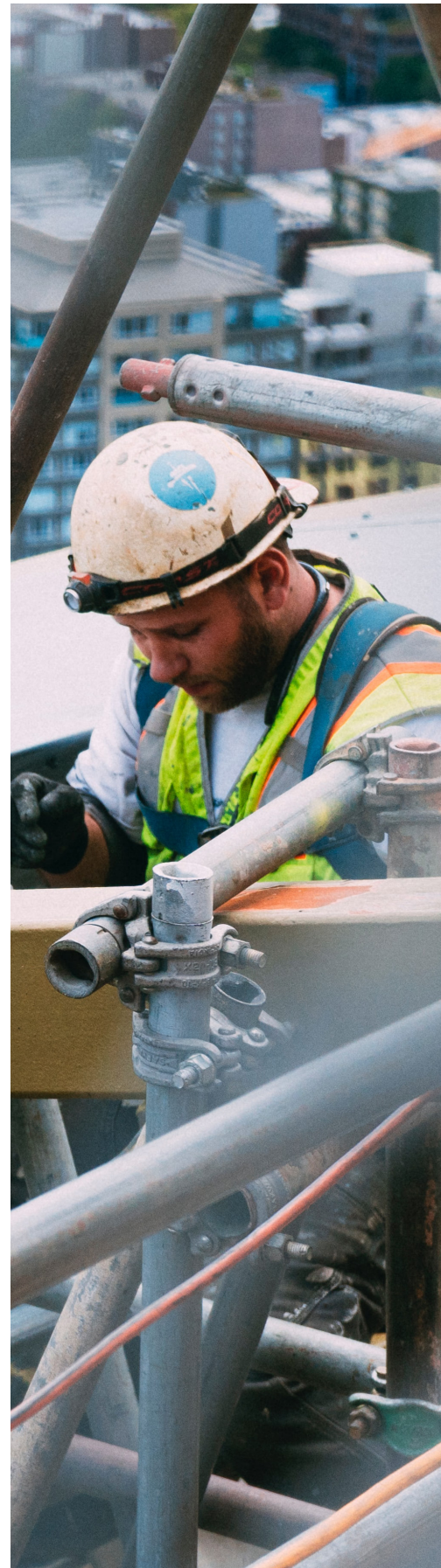
### WORKPLACE CULTURE IS CRITICAL

In a recent focus group, new skilled workers emphasized the importance of workplace culture. Gen Z seeks out managers who are invested in their long-term career success. In turn, they will be more loyal to a company that invests in training, a culture of inclusivity, technology, and resources that will facilitate long term growth. Similarly, contractors interviewed who have promoted a positive and transparent work culture reported fewer challenges in hiring and retaining quality skilled workers.

### TECHNOLOGY IS CRITICAL TO CONNECTING WITH GEN Z

Gen Z are “digital natives” and have never known a life without technology at their fingertips. Most are savvy online researchers who want to understand the benefits of working for a company before considering applying. A robust online representation of your company offerings is a critical component to the recruiting strategy. A majority of contractors surveyed rate their pay, benefits, work culture, training programs, advancement opportunities, and philanthropic efforts as above average or excellent. Yet, an audit of the AGC member company websites and social channels show that most contractors only scratch the surface of promoting the benefits of working at their company online.

Additionally, showcasing technology innovations in construction jobs will be an important component of connecting with Gen Z. This includes the opportunity to manage job site equipment through the touch of a button, learning construction software on tablets in the field, and other advancements to make the job more attractive.

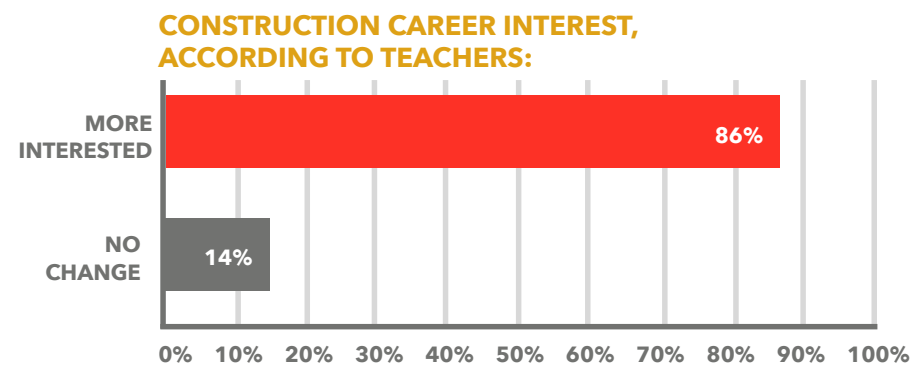




## TAKEAWAY #5: STUDENTS MORE LIKELY TO CONSIDER CONSTRUCTION

### INTEREST IN CONSTRUCTION IS ON THE RISE

A vast majority of teachers surveyed say students are more interested in a career in construction compared to a few years ago. Most equate this to an increase in exposure to the trades and high school CTE opportunities. For example, a Portland metro-based teacher reported that membership in their construction trades classes has quadrupled in the last four years. Contractors overwhelmingly praised the educator externship as having a positive impact regarding teachers' perceptions of the industry and recommend expanding the program.



### THE NEXT GENERATION IS MORE CAREER MINDED

Several teachers report seeing a shift in perceptions relative to post-secondary options that do not include a four-year college. While some high school counselors and teachers hold tight to old notions of four-year college for all, more are realizing that the cost and return of a four-year degree are diminishing and may not be what they once were. Gen Z is becoming more averse to college debt, and the opportunity to earn while you learn is rising in popularity.

**"I can't stress enough how much we need advocates and partners in middle schools and high schools"**

**—owner/senior manager, SW Washington**

### OVERCOMING THE STIGMA OF FORGOING COLLEGE

Most contractors noted the overall impact that the "college for all" mentality has had on the trades. High schools have largely pushed students towards college as the only option for higher education. The current educational system offers minimal alternatives for higher education that leaves many students believing college is their only option for the future. Similarly, many parents view anything short of a four-year degree as a failure for their children.



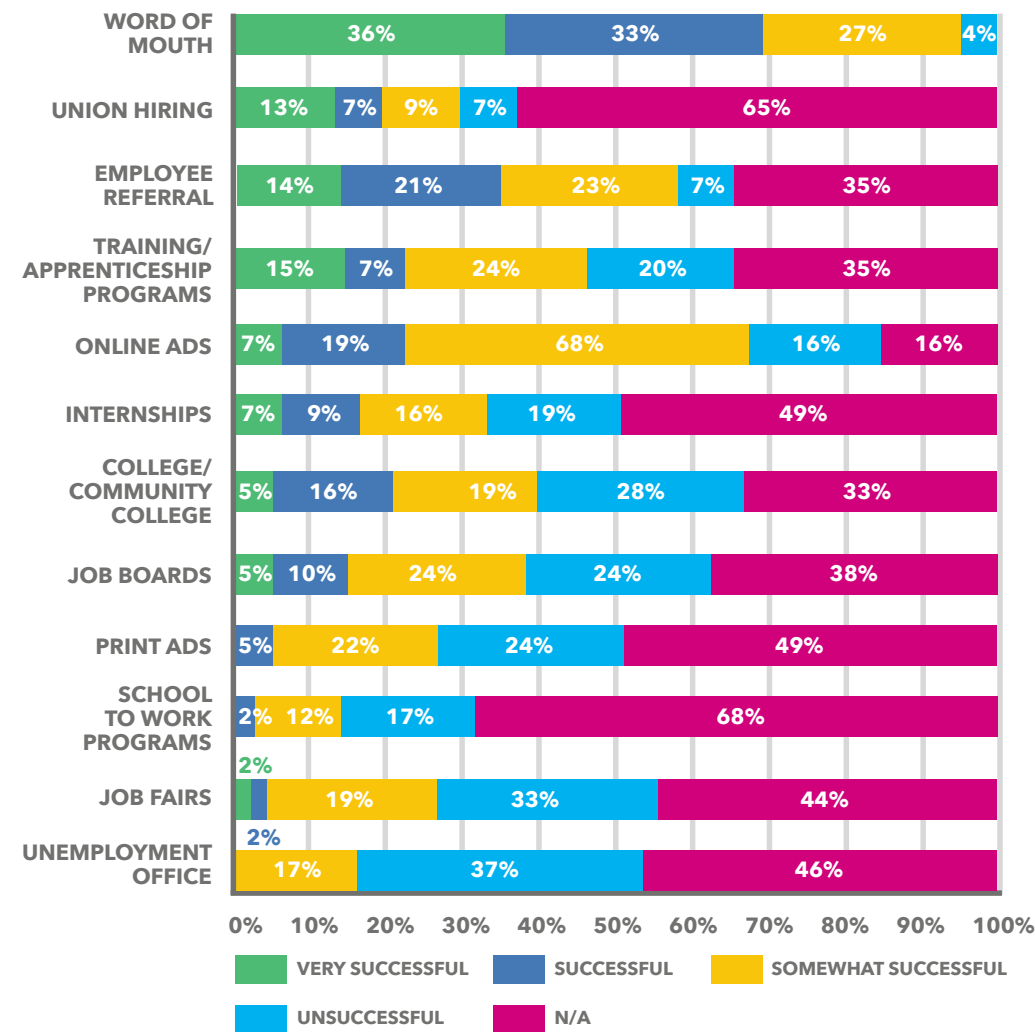


## TAKEAWAY #6: IT'S DIFFICULT TO ACCESS SKILLED TRADES

### RELIANCE ON WORD-OF-MOUTH RECRUITING

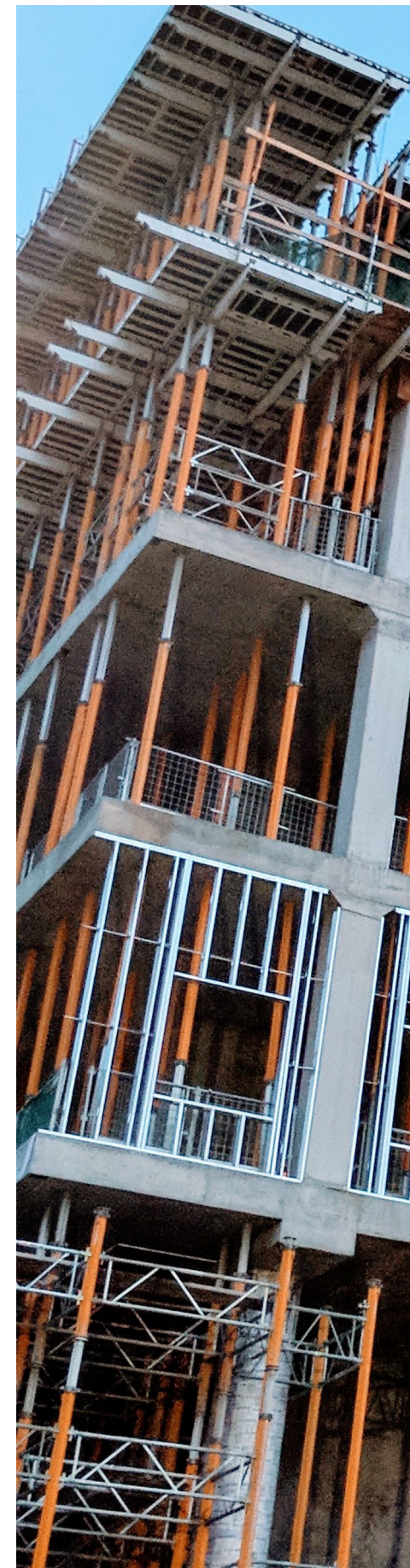
Contractors overwhelmingly cited word of mouth marketing as their best recruiting method. Career opportunities in construction are not easily accessible to everyone in the job market. Most connections into apprenticeship still occur through personal referrals, which limit the number of candidates who are exposed to the industry, especially people of color and women. Similarly, several contractors noted having summer internship programs, but the opportunity was often exclusive to friends and family.

### EFFECTIVENESS OF RECRUITING METHODS:



### A CALL FOR MORE ENTRY-LEVEL OPPORTUNITIES

Contractors, trainers, and teachers alike noted that the gap between high school and acceptance in apprenticeship is too significant. Many call for a more easily accessible bridge program that affords them opportunities to recruit, diversify, and retain young workers, so when ready to transition into an apprenticeship, they have the necessary experiences to make that transition successful. Ideas to accomplish this include expanding high school CTE programs, increasing summer internship opportunities, and creating a database of companies that offer entry-level positions.





# CONCLUSION

Based on the findings of this comprehensive research effort, it is clear that there are opportunities to educate and inform the public about satisfying, well-paying jobs in construction. The AGC Oregon-Columbia Chapter and its members should employ a consistent, long-term approach to be effective in increasing the quantity and quality of skilled workers in the employment pipeline.

## TOPLINE RECOMMENDATIONS INCLUDE:

- Generate interest with an industry-building marketing campaign
- Change misconceptions about the construction industry
- Commit to measurable progress with diversity, equity, and inclusion
- Prioritize and promote culture-based construction leadership
- Double down on high school CTE efforts
- Simplify the pathway to a career in construction

## ABOUT AGC OREGON-COLUMBIA CHAPTER:

Since 1922, the AGC Oregon-Columbia Chapter has served as the voice of the commercial construction industry. We provide our members products and services designed to improve business and enhance the professionalism of the construction industry, including innovative workers' compensation program, legislative influence, safety and human resources consulting, training and education, health insurance and retirement/401(k) program, and labor relations. With nearly 830 member companies, AGC is the only trade association representing the full range of commercial construction companies, from industrial to building, heavy highway to multi-family residential.

# METHODOLOGY

From May 18 through June 12, 2020, Quinn Thomas worked with the AGC to conduct an in-depth research project that identified opportunities to improve recruitment and retention of workers in the construction industry across Oregon and Southwest Washington. Perspectives from more than 125 contractors, training providers, educators, workforce development advisors, and new skilled workers are represented in this report.

## THE RESEARCH IS BOTH QUALITATIVE AND QUANTITATIVE AND CONSISTED OF FOUR DISTINCT PHASES:

PHASE	OVERVIEW	AUDIENCE	TIMING	PARTICIPATION
IN-DEPTH INTERVIEWS	Conducted a series of 12 in-depth interviews to garner a deeper understanding of workforce challenges and opportunities. The interviews consisted of one-to-one phone calls that lasted 30-60 minutes.	Contractors, training providers, educators, and workforce partners	MAY 18-JUNE 8, 2020	12 PARTICIPANTS
SURVEYS	AGC's entire membership, along with key industry partners, provided workforce development insights via an online questionnaire.	Contractors, training providers, educators, and workforce partners	MAY 22 - JUNE 12, 2020	100 RESPONSES
MESSAGE MAPPING SESSION	The Workforce Development Committee participated in a brainstorming session to identify key messages to inform the marketing campaign.	Contractors, training providers, educators, and workforce partners	JUNE 3, 2020	10 PARTICIPANTS
FOCUS GROUP	A group of new skilled workers took part in a focus group to better understand what motivates the next generation of workers.	New skilled workers	JUNE 4, 2020	7 PARTICIPANTS

## ABOUT QUINN THOMAS:

Quinn Thomas is a marketing communications and brand strategy agency that specializes in building and executing integrated marketing communications strategies to advance business objectives and change perceptions. We think companies and brands, like people, should be themselves. Their best selves. They should be amazing. Engaging. Smart. Leaders. And yeah, they should be a little different. Because no one ever made their mark following the pack. For a decade, Quinn Thomas has partnered with companies and organizations to create compelling public relations and communication strategies. Because everyone has a story that deserves to be told.



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