

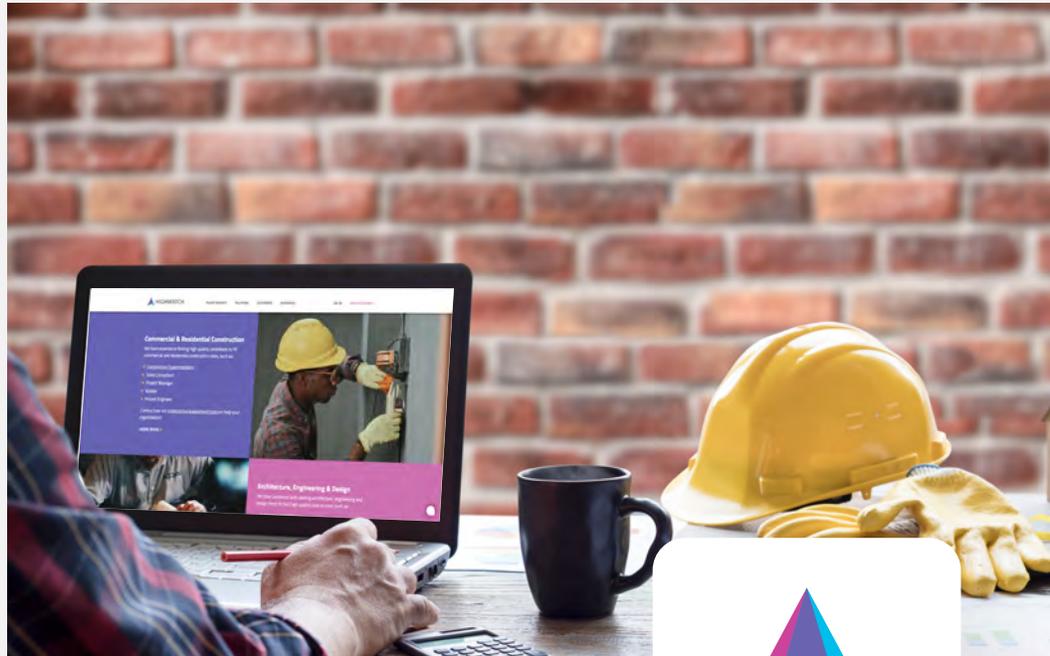
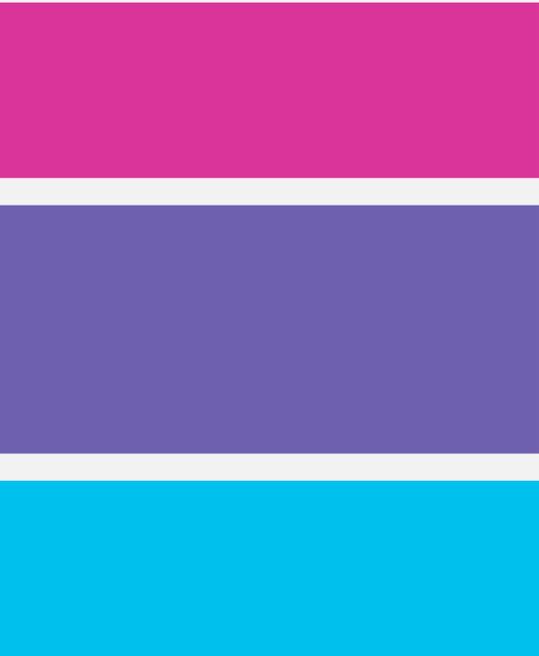


A HIGHMATCH REPORT

TACKLING CONSTRUCTION'S STAFFING SHORTAGE WITH BETTER TALENT ACQUISITION

How to Accelerate Hiring & Expand the Candidate Pipeline





ABOUT HIGHMATCH:

Our Talent Insights Platform combines modular cognitive and behavioral assessments with a massive library of skills testing, and our managed services arm provides a range of outsourced services to resource-strapped HR teams.

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This report will uncover the gaps in the construction talent pool and offer tangible tips that recruiters can implement to identify the right candidates, accelerate the hiring process, and set the foundation for new hires to be successful in their roles.

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Introduction

Consumer demand for housing is sky-high, but several issues are preventing builders from being able to truly seize the moment. Chief among those issues is a shortage of talent. For decades, the industry has grappled with declining interest among young people, an aging workforce, and a lack of gender and racial diversity. In the wake of the pandemic, the staffing challenge has become even more acute.

Millions of workers—skilled laborers and professionals alike—are re-evaluating their careers and taking advantage of the opportunities (such as higher wages and remote work) offered by the booming labor market. White-collar workers in particular may be enticed by roles in industries like finance and technology, where they don't have to deal with the unpredictability and delays of the current housing market.

The construction sector needs to add 740,000 workers per year to keep up with demand.

Each month, there are 300,000-400,000 job openings.

Over the course of 2022-2024, this total represents a need for an additional 2.2 million net hires in construction.



Source: [The HBI Construction Labor Market Report, Fall 2021](#)

To make matters worse, talent isn't the only thing in short supply. The pandemic's ripple effects—ranging from supply chain issues to high materials costs—further undermine homebuilders' ability to supply the stock needed. The [aggregated cost of construction materials has increased by 19%](#) since December 2019. Raw materials are hard to come by, and availability of lots is a major challenge in high-growth regions. Altogether, these issues are adding weeks to typical single-family home construction timelines.

There is a massive backlog of housing. In December 2021, the number of [houses authorized for construction but not yet started](#) reached 270,000, the highest on record. While we can expect for many of the pandemic's ripple effects to eventually subside, the talent crisis will continue to hamper homebuilders' ability to chip away at the housing backlog. In order to rise to the challenge, expanding construction's talent pipeline is mission critical.

The Causes of Construction's Talent Shortage

A convergence of factors contribute to homebuilders' staffing challenges in both the skilled labor and white-collar segments of their workforce. Builders must confront interconnected problems, new and old, ranging from the aging skilled labor workforce to The Great Resignation.

Skilled Laborers Are Retiring

It's expected that [four in ten construction workers will retire by 2031](#). And there aren't enough young people in the pipeline to fill the roles they're leaving vacant. For decades, young people have been pushed towards white-collar careers and industries like tech, healthcare, and finance.

When the National Association of Homebuilders (NAHB) surveyed young people on their career preferences, only 3% who felt sure about their career aspirations said they were interested in jobs in construction. Sixty-three percent said they had no interest in construction, regardless of the pay. When asked why, their top three reasons revolved around the difficulty and physicality of the work.

Why Young People Don't Want to Work in Construction



[Source: NAHB, Young Adults & the Construction Trades](#)

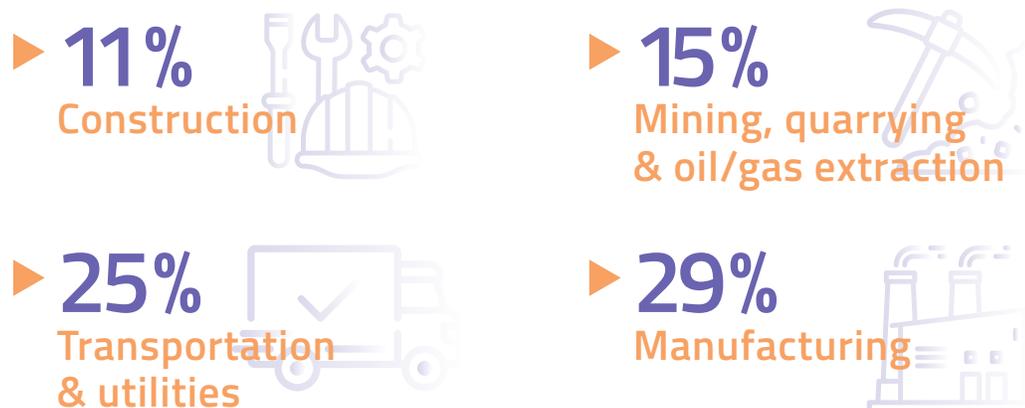
The shortage of skilled labor reverberates throughout the workforce. Working in the trades can be a key entry point for young people who may grow into office positions. And when projects are delayed because your company, your subcontractors, or your vendors can't fill much needed roles in construction trades, operations, and management, you end up with fewer homes to sell. Having fewer homes to sell makes your company (and the industry as a whole) less attractive to white-collar workers, especially sales representatives who work for commissions.

continued

A Lack of Diversity Limits the Talent Pool

Construction's talent pipeline isn't just lacking in young people. It's also lacking in diversity. Despite the fact that women account for half of the overall workforce, [only 11% of construction workers are women](#). That number is slowly climbing, but construction still lags behind all other industries.

Construction has the [lowest female participation](#) of any of the major industries tracked by the Bureau of Labor Services:



Minority participation in construction is also low. Black and Asian workers are underrepresented at **6% and 2%** respectively. And even though Hispanic or Latino workers account for one-third of all construction employees, they're not equally represented at all levels—**90% of construction managers are white**.

The Impact of Bias

These pipeline issues are on a collision course with one another. Addressing bias and discrimination is essential to cultivating the next generation of talent. Gen Z represents the [most ethnically and racially diverse generation in history](#), meaning the construction industry has to confront its diversity and aging challenges at the same time.

According to a survey of professionals and skilled laborers in the architectural, engineering, and construction (AEC) industry, 66% of women reported experiencing workplace discrimination or prejudice based on their gender. Twenty-four percent of those women say the discrimination influenced hiring decisions. Sixteen percent of all survey respondents experienced discrimination based on race or ethnicity, with 41% of them saying the discrimination related to hiring.

Experiences of Racial Discrimination Among AEC Employees

RACE OF SURVEY RESPONDENTS	% WHO EXPERIENCED DISCRIMINATION IN THE WORKPLACE	% WHO SAY DISCRIMINATION WAS RELATED TO HIRING
BLACK	72%	51%
HISPANIC OR LATINO	41%	29%
EAST ASIAN	48%	33%
SOUTH ASIAN	48%	39%
SOUTHEAST ASIAN	53%	37%

Source: National Institute of Building Services, 2021 Built Environment Social Equity Survey

Respondents also reported experiencing discrimination in opportunities for work assignments, promotions, and compensation. These inequalities create a perception that the construction sector isn't welcoming to everyone, meaning some potential candidates never even consider opportunities in the industry.

The Great Resignation

The pandemic brought about a transformation among workers of all kinds. Businesses in every sector are seeing record-high turnover and struggling to find qualified employees. Those challenges hit the construction sector as well, and the [number of available jobs](#) in the industry hit a record-high 445,000 in October of 2021.

One of the causes of the uptick in staffing challenges is The Great Resignation. Across all industries, 40% of employees say they're at least [somewhat likely to leave their jobs](#) in the next 3-6 months. What's driving employees to quit? Factors like compensation and work-life balance play a role, as they always have. Many employees also say that they don't feel valued or don't feel a sense of belonging at work, with non-white employees more likely to say the latter. As remote work expands, employees have more options, and the companies that can offer the belonging and appreciation they seek will stand out.

These trends are mostly influencing white-collar workers, forcing builders to compete with industries that have the same momentum as residential construction, but don't have the same challenges in meeting demand. If a candidate has to choose between software sales and home sales, for instance, the software job may win out because it offers a more predictable sales cycle and product availability is no issue.



Build a Better Candidate Pipeline

With so many factors beyond your control—from materials costs to supply chain issues—it drives home the need to focus on the factors that you can influence. Improving the hiring process is a great place to start. Homebuilders need to fill their candidate pipeline and increase diversity, and they need to do it quickly. And, it's not enough to simply fill roles with warm bodies. To avoid the high costs and lost productivity of making a bad hire, each new hire needs to count.

It's a tall order for recruiters in this highly competitive market. But with the right data and tools you can target the right candidates, evaluate them more effectively, and set them up for success in their roles. Here's how...

Streamline the Hiring Process

Many companies in the construction sector rely on old-school talent acquisition methods that may have the unintended effect of turning off potential candidates. Candidates don't want to feel like they're wasting their time with a cumbersome, lengthy application process. If they're required to regurgitate information that they've already provided, or perform time-consuming test projects, that can quickly turn off high-quality candidates that have other options.

Refine your process with the candidate in mind. Before posting a new position, consider performing a job analysis to help you understand the skills, traits, and aptitudes needed to be successful in the role. Once you have those elements nailed down, then you can build the hiring process to speak to them.

The job description, the interview, testing, and scoring should be based on the foundation set in the job analysis. Building the hiring process around the job's core requirements empowers you to provide an efficient process, where candidates are given clarity on why they're asked to perform certain tasks, along with feedback after each interaction. This also allows candidates to better evaluate if your company is the right fit for them.

Better, Faster TA Processes Keep Candidates Engaged

- ▶ **60%** of candidates say the hiring process should take **less than a month** from the time they submit their application.
- ▶ **67%** of job seekers say they've experienced recruiting processes that lasted **longer than a month**.
- ▶ **56%** say they'd **discourage others from applying** to a company after a bad recruiting experience.

Source: NPWC, [The future of recruiting](#)

continued

Create On-Target Job Descriptions

The job analysis process enables you to think carefully about your recruiting decisions and why you're making them, and that includes the development of the job description. Widening the construction talent pool means that you'll have to train your own young talent or bring in employees from different industries. Using job descriptions that are based on templates, previous versions, or descriptions found on Google can exclude exactly the kind of candidate you want to attract. And they may not accurately and completely convey what's needed for each particular position at your particular company.

As a result, applicants who apply are more likely to be mismatched for the role, increasing the likelihood of a bad hire and all the pitfalls that come with it: performance issues, burnout, turnover, and poor collaboration. Through the job analysis process, you uncover the mindset, competencies, and skills that are most relevant and critical to be successful in each position.

For example, construction superintendents need to be highly skilled in spatial visualization in order to mentally picture the complex activities that take place on a job site. They should have an assertive personality to tackle hurdles head-on and see them through to resolution. Candidates with these characteristics are often drawn to IT jobs like developer, project manager, or Scrum Master, as well as positions in logistics and supply chain management. For builders who are seeking to develop young employees, highlighting spatial visualization and assertiveness in your job descriptions can help you tap into that talent pool and find candidates with the innate strengths to thrive as construction superintendents.

Reduce Bias

To expand the talent pool, it's important to eliminate bias at every stage of the hiring cycle. When unconscious biases influence hiring processes, qualified candidates go overlooked, and may not even apply for roles in construction in the first place. For example, it's likely that gendered language appears in many construction job descriptions, considering the industry's male-dominated history. This language can deter female candidates, even when they're qualified for the role. As you refresh job descriptions in the job analysis process, you can also use it as an opportunity to replace that biased language with more inclusive terminology.

The next step to addressing bias is to remove subjectivity during the interview and evaluation stages. Interview questions can invite bias, especially if you don't ask all candidates the same questions consistently. Even venturing into small talk about hobbies, music, or TV shows can trigger prejudice in an interviewer's mind and potentially cause an otherwise excellent candidate to move to the bottom of the pile. By developing a standardized set of questions that speaks directly to the needs outlined in the job analysis, you can ensure that everyone has a fair opportunity and that good candidates don't slip through the cracks. And your interview scoring model will help you remain as objective as possible in assessing candidates' responses.

Assessments also play an important role in removing bias, since they provide another objective way for you to evaluate candidates and keep their qualifications in focus. Performing assessments before the in-person interview helps to remove bias, since hiring managers can get an idea of candidates' capabilities before their appearance ever becomes a factor.

Assess the Right Qualities

Whether you're looking to train young candidates or encourage qualified workers to make a switch to the construction industry, it can be difficult to measure the skills, personality traits, and cognitive abilities truly needed for the role. In these cases, you're hiring for competency instead of current knowledge. Companies often limit their candidate pool by expecting applicants to have specific experience instead of finding people who have the capacity to learn. And even experienced candidates may have habits that need to be unlearned in order to thrive at your company.



Expert-developed assessments allow you to measure a candidate's hard and soft skills to make a truly informed decision. Candidates with non-construction experience may have transferable project management skills that suit the construction superintendent position. They may also have the assertiveness, attention to detail, and other traits highly valued for the role. It's also useful to assess the skills of candidates that are underqualified in some areas, but very strong in others, so you can understand what training they need after being hired.

Early, More Frequent Assessments Save Time

Most organizations that perform candidate assessments do so after the first interview. For organizations that want to enhance the typical approach, performing assessments in stages allows you to filter out unqualified candidates before engaging in time-consuming phone and in-person interviews. Screen qualified candidates to evaluate if they're a cultural fit before the phone interview. If they pass the phone interview, perform a skills assessment to ensure they meet the basic qualifications of the job before they meet with the hiring manager. The skills assessment can also be used to shape the interview. For instance, if you find an otherwise qualified construction superintendent candidate who doesn't score well for assertiveness, you can ask questions that will give you a better idea of his or her actual performance in real-life situations.



Conclusion

With so much pressure to fill much-needed roles, it may seem like now isn't the right time to take a step back to refine your talent acquisition practices. But the work you put in on the front end will accelerate the process of finding the right candidates. Solving construction's labor challenges requires that you expand the candidate pipeline, however, casting a wider net can easily become overwhelming.

By engaging in a thorough job analysis process and refining the cadence of assessments and interviews, you can cast that net strategically. As you perform outreach to new demographics and seek out candidates with transferable skills, that strategy is critical to attracting your ideal prospects and filtering out candidates who aren't right for your company.

Plus, optimizing your talent acquisition processes offers benefits beyond accelerating hiring and reducing turnover. Providing a streamlined hiring process boosts your employer brand, making it easier to attract high-quality candidates. And when you understand what qualities to look for in potential candidates, it's easier to hire people whose values align with the company's brand values. As the housing market continues to take on historic challenges, that's what's needed to meet demand and ride the waves of change.



Interested in learning how a **job analysis** & a **pre-employment assessment** can help you effectively expand your pipeline, while maintaining **quality standards** & **cultural fit**?

HighMatch can help.

SCHEDULE A DEMO TODAY

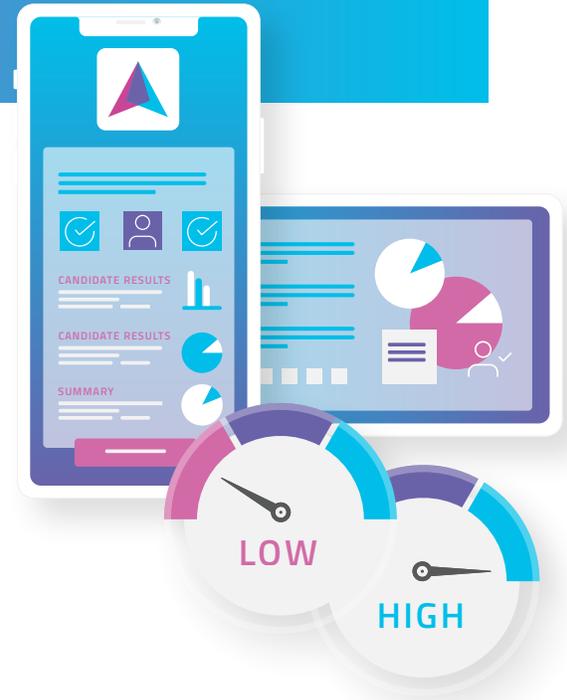
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About HighMatch

HighMatch, formerly Berke, began in 2004 with the mission to help companies more effectively highlight the highest quality applicants within their candidate pipeline.

HighMatch's features and tools like pre-employment assessments, job profiles, benchmarking, and many others, work tirelessly to sustain not only hiring quality, but safety standards as well.

Above all else, we believe that pre-employment assessments should measure what matters most to companies.



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