

Creating Solutions to Racism Problem in Construction Industry

By Michael R. Hatcher &

March 31, 2021

Meet the Authors



Michael R. Hatcher

Principal
(703) 483-8328
Michael.Hatcher@jacksonlewis.com

Related Services

Construction
Corporate Diversity Counseling

In 2020 alone, there were nearly 20 highly publicized incidents of flagrant racism on construction jobsites throughout North America, ranging from workers of color finding nooses hung in the workplace to racist graffiti. Many companies in the construction industry recognize the “racism problem” and want to do their part to bring about meaningful change.

Potential solutions include policies that affirmatively promote use of companies owned by minorities, women, and other underrepresented groups and bystander intervention. Changing how minority-owned businesses are viewed in the construction industry is another.

The first step to stopping discrimination in the construction industry is simply to acknowledge it exists, according to Deryl McKissack, CEO of Washington, D.C.-based, *Engineering News-Record* “Top 50 Construction Management-for-Fee” firm McKissack & McKissack. The company is at the forefront of several multi-million-dollar projects, such as the Museum of African American History and Culture, MGM National Harbor Casino, and Navy Pier Centennial Projects.

Understanding the Issue of Racism

The U.S. Bureau of Labor Statistics reports that Blacks comprise just six percent of the workforce in construction, a number that has been relatively unchanged for 25 years, and which is half the 12 percent representation of Blacks in the overall U.S. workforce.

A 2020 *Construction Manager* article cited a recent [study](#) finding 76 percent of Black and 77 percent of Asian employees in the construction industry reported limited career progression due to their race or other protected characteristics. Nearly half of the respondents disagreed with the statement that their organization “actively works to develop underrepresented groups, specifically into leadership roles.” The numbers are clear: the industry should address these representation gaps and the recent incidents as a matter of urgency.

Solutions to Combat Racism, Promote Diversity and Inclusion

The \$1.3 trillion Architecture, Engineering, and Construction (AEC) industry touches every building used by the general public, shapes communities, and draws talent from manufacturers, knowledge workers, and trade professionals from around the world. McKissack notes that, in light of the killing of George Floyd and other recent incidents, “a lot of private corporations want to see minority firms in the lead and prime positions, teamed and in Joint Ventures with large companies, and they want to see there’s a sustainable relationship.” Thus, providing equal access to minorities, women, and minority and women-owned companies makes strong business sense.

McKissack notes that, unfortunately, there is still an individual bias that drives many

project hiring decisions. McKissack states that many in the AEC industry harbor the mindset that “it’s easy to pick a large commercial company, because if the job gets screwed up, at least I can say I picked the biggest and supposedly the best.”

Recognizing this individual bias must be the first step. Then, the company’s policies must be designed to push past this traditional way of thinking. To move in a new direction, “it [all] starts in the boardroom,” McKissack says. Senior leadership of major companies must advocate and revise company policies to promote diversity in their workplaces. Ideally, these diverse perspectives will flow to their business suppliers as well.

McKissack also offers that large corporations (both AEC firms and owners) must eliminate the economic gaps that exists between Whites and minorities, particularly African Americans. As McKissack notes, “[T]here’s been many instances where large companies say they can’t find minority companies, or they can’t find women[-owned] companies and they get away with it.” The reality is there are many capable minority and women-owned companies in the AEC industry, but there needs to be a greater effort to find and do business with them.

McKissack is encouraging other companies to take action. In September 2020, McKissack published a “7-Step Plan to Confront Racism in the AEC Industry.” Now, she is advocating the founding of a “Billion Dollar Roundtable” comprised of leading AEC companies to establish and commit to specific goals to increase:

- Minority prime contracting;
- Minority sub-contracting;
- Hiring and promoting minorities within companies; and
- Promoting minority-student participation in STEM programs.

This measure is intended to create a pipeline of opportunities that would not otherwise exist. McKissack believes that a great opportunity exists to truly come together and do something to make a difference because “all perspectives help us get better.”

Those diverse perspectives will yield more innovative solutions that companies can provide their clients. By implementing a paradigm shift of how minority-owned businesses are viewed in this industry, McKissack believes the entire AEC industry will benefit. The idea is worth close consideration.

For additional guidance on this issue, please contact a Jackson Lewis attorney.

©2021 Jackson Lewis P.C. This material is provided for informational purposes only. It is not intended to constitute legal advice nor does it create a client-lawyer relationship between Jackson Lewis and any recipient. Recipients should consult with counsel before taking any actions based on the information contained within this material. This material may be considered attorney advertising in some jurisdictions. Prior results do not guarantee a similar outcome.

Focused on labor and employment law since 1958, Jackson Lewis P.C.'s 1000+ attorneys located in major cities nationwide consistently identify and respond to new ways workplace law intersects business. We help employers develop proactive strategies, strong policies and business-oriented solutions to cultivate high-functioning workforces that are engaged, stable and diverse, and share our clients' goals to emphasize inclusivity and respect for the contribution of every employee. For more information, visit <https://www.jacksonlewis.com>.