

Greater Diversity in Construction Helps All

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The labor shortages faced by the construction industry as a result of the COVID-19 pandemic present an opportunity to focus on attracting a diverse pool of workers and on a renewed commitment to diversity, equity, and inclusion (DEI).

Construction companies should focus on hiring individuals from underrepresented groups within the industry to address the labor gaps and build a stronger workforce. There is ample evidence that a diverse, equitable, and inclusive workforce is more productive, more engaged, and experiences less attrition. This is key to the industry as, during the pandemic, it lost more than 1 million workers and is continuously failing to attract and recruit young talent, even though the industry pays nearly double the average hourly rate. According to the Labor Department, the industry is still down 238,000 workers from pre-pandemic levels.

Current Numbers

According to the Bureau of Labor Statistics on the construction industry:

- The industry employed between 7.7 million and 8.3 million people between 2019 and 2021. Of the approximate 8 million workers, nearly 60% were laborers, 20% held management, business, or finance positions, and the remaining 20% were office or administrative support. Out of these totals, approximately 600,000 of these workers were women.
- Women are almost half of the overall U.S. workforce, but only account for under 10% or approximately 600,000 of the construction workforce. Moreover, significantly few of them are employed in field production of the construction and extraction industries – a majority of women in these industries work in sales or office positions.
- About 60% of the industry is White, 31% Hispanic or Latino, 6% Black, and 2% Asian.
- The median age of the construction employee is 43, and the workforce is aging.

The Need for Diversity

According to the Associated Builders and Contractors, the industry will need to hire an additional 430,000 workers this year and over a million more in the next two years to address housing demand increases.

Benefits of diversity in the construction workforce can include the following:

- A diverse workforce can make a company attractive to potential employees and customers. The next generation of workers is the most racially and ethnically diverse in U.S. history.
- A diverse workforce can lead to innovation, with different opinions, ideas, and backgrounds coming together to solve problems.
- Hiring just the right person can be easier when the pool of candidates is larger.
- Diverse teams can increase job satisfaction and can increase retention.

Takeaways

To implement a DEI policy, consider the following:

- Executive teams must review existing policies and look to expand where they seek their candidates from. DEI policies can be used to create pipelines for recruiting diverse employees and educational and training opportunities (including language or skills training programs) to retain them and advance their careers.
- By being mindful and creating supplemental policies to support DEI, companies can adequately grow and reduce unconscious biases, including the use of language in recruiting materials that tends to discourage diverse workers. Training for employees and management can educate about sources of bias and strategies to mitigate bias and create a more equitable workforce. Resource groups also can be used to build inclusion.
- Once these policies are re-evaluated and initiated, they need investment and support from executive leadership and human resources.

Construction employers need to be judicious so diverse hiring practices are thoughtfully executed and legally compliant. They need to develop programs to ensure training and compliance. They should also consider providing training to their employees on the DEI initiatives that are implemented to prevent workplace harassment, microaggressions, unconscious bias, and other issues that plague the construction industry.

If you have any questions about DEI within the construction industry, DEI, or workplace training, please contact the authors or the Jackson Lewis attorney with whom you regularly work.

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