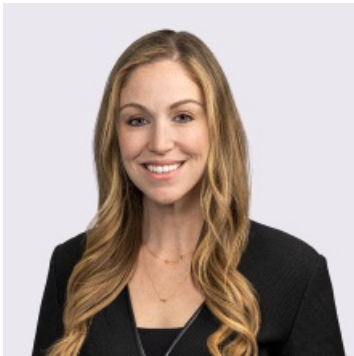


Construction Industry's Ongoing Labor Shortage: Consider Implementing Non-Monetary Benefits

By Kelli M. Dreger &

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Findings from the “Q2 2018 USG Corporation + U.S. Chamber of Commerce Commercial Construction Index,” released June 5, 2018, show four straight quarters with more than 90 percent of contractors concerned over labor shortages. The construction industry, however, continues to experience significant economic opportunities. For example, the Federal Transit Administration has issued a Record of Decision for the \$4.7 billion, six-mile BART (Bay Area Rapid Transit) Silicon Valley Phase II extension into downtown San Jose and Santa Clara, California. This expansion, and similar opportunities nationwide (*e.g.*, stadiums, new home construction, and commercial builds), will continue to create construction jobs.

With high demand and low supply of labor, it may tempt some contractors to offer premium wages to get laborers to the jobsite. However, non-monetary benefits may encourage those laborers to continue to work for certain contractors over others who do not offer any non-monetary benefits. Studies show that employers that devote just one-to-two percent of their payroll to an employee recognition program can improve retention.

While working on a jobsite might not lend itself toward traditional notions of employee recognition, recognition does not have to take place in an office. Contractors can offer meals, snacks, coffee, a new training course, and positive reinforcement as part of an employee recognition program. Better yet, contractors should ask their employees what sort of recognition he or she would like to receive and then follow through with its implementation.

Ultimately, the occasional “atta-boys” or “atta-girls” can go a long way to an employee’s job satisfaction, which translates into a steady and solid workforce for the contractor.

Please contact Jackson Lewis with any questions.

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