

How Effective Diversity and Inclusion Programs Can Ease Construction Industry Labor Shortage

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The general counsel of a national construction company had told me that ongoing labor shortages are a major problem and he asked whether diversity and inclusion programs could help.

This general counsel is not alone in his concern. Consulting firm Willis Towers Watson identifies “limited workforce diversity” as a Top 20 risk for construction firms. A survey by the Association of General Contractors of America (AGC) found the following: “80% of construction firms report ... having a hard time filling hourly craft positions that represent the bulk of the construction workforce.”

The problem exists broadly across the country, rather than in isolated markets. According to the Bureau of Labor Statistics, women represent 47% of the U.S. workforce, but only 9% of the construction industry. African Americans comprise 12% of the overall workforce, but only 6% of construction workers.

Demographic trends make this issue even more urgent. For example, by 2023, people identifying as white will comprise less than 30% of the population under 30. Construction employers lag behind these demographic changes and will need to compete for workers from this increasingly diverse pool.

A new AGC publication, “The Business Case for Diversity and Inclusion in the Construction Industry,” confronts these realities and identifies six benefits of effective diversity and inclusion efforts:

1. Increased profitability
2. Creating a positive safety culture
3. Enhancing market share through supplier diversity programs
4. Improving productivity
5. Mitigating employee turnover
6. Driving innovation

Companies can address the labor shortage by enhancing outreach to underrepresented groups and engaging in other initiatives. As the AGC report notes, one way to gain a competitive advantage is “by appealing to a more diverse demographic through an intentional culture shift and authentic commitment to diversity and inclusion.”

Jackson Lewis attorneys have a wealth of experience in assisting employers with their diversity and inclusion programs. Please contact your Jackson Lewis attorney if you have any questions.

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