

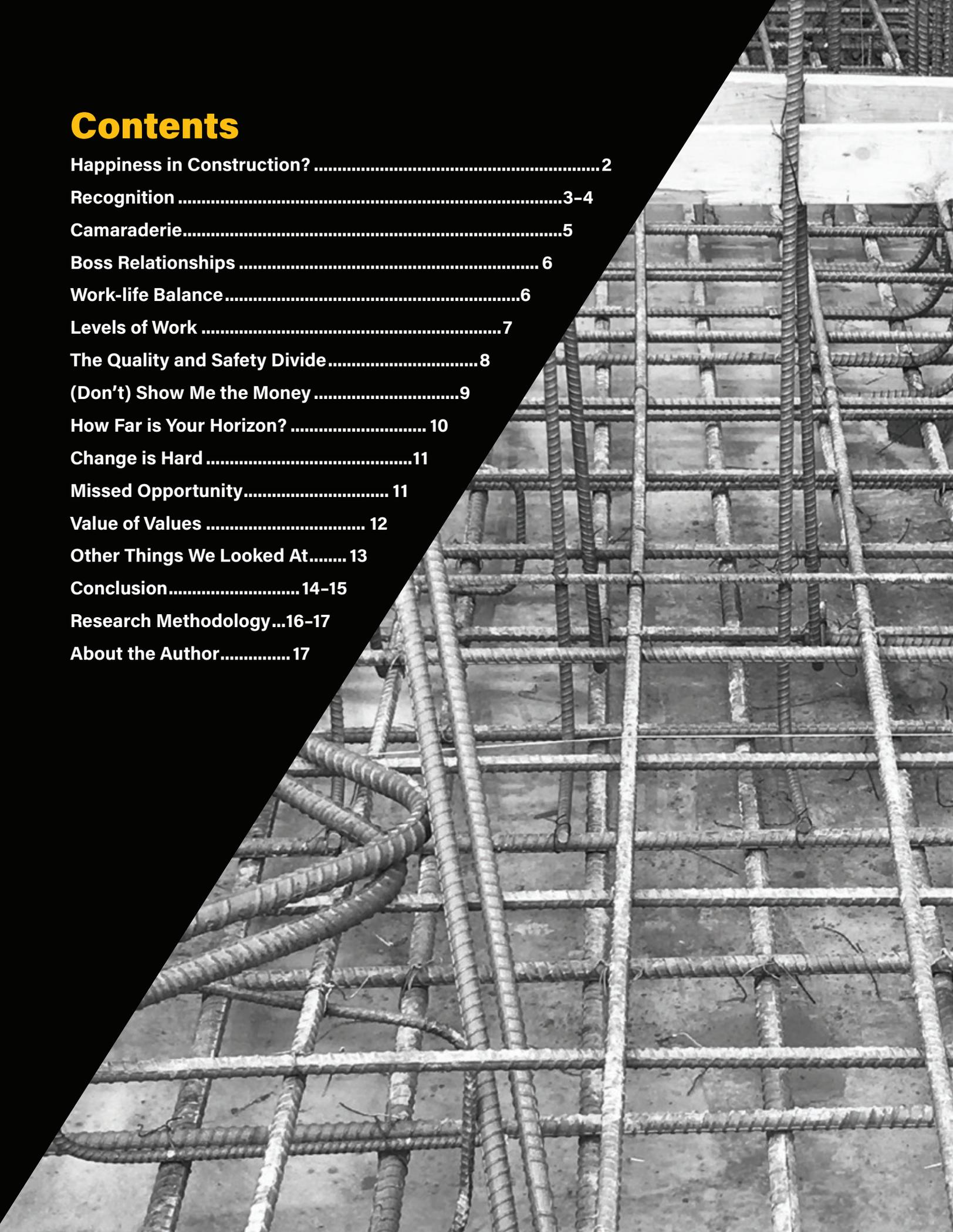
# 2021 REPORT

Showcasing research critical  
to the advancement of the  
construction industry

# People in Construction

# Contents

Happiness in Construction? .....	2
Recognition .....	3-4
Camaraderie.....	5
Boss Relationships .....	6
Work-life Balance .....	6
Levels of Work .....	7
The Quality and Safety Divide.....	8
(Don't) Show Me the Money .....	9
How Far is Your Horizon? .....	10
Change is Hard .....	11
Missed Opportunity.....	11
Value of Values .....	12
Other Things We Looked At.....	13
Conclusion.....	14-15
Research Methodology...16-17	
About the Author.....	17



# Introduction

The Great Resignation is upon us. A significant number of Boomers are retiring. Generation Z is not embracing the long hours and longer weeks of construction. Add an infrastructure bill to the mix and you have unprecedented labor challenges. Some estimates put the construction labor shortage at one million people in the next decade. The workforce we do have is aging. Surveys and futurists keep telling us there is a labor shortage and there will be labor shortage. We are doomed! No news you can use there.

But here is some news you can use: We are pleased to present this data from the **2021 People in Construction Survey**. Data matters. Data enables better decisions. This data will help you when it comes to your most important asset: *people*.

I just read yet another headline screaming that 85% of workers are unhappy at work. While this may be true somewhere, it is not true in construction. That is not what this data — from nearly 500 hundred construction professionals — confirms.

We cannot write a report on people and culture in the summer of 2021 and ignore the COVID pandemic. So, we asked these two questions:

1. *Are you with the same company now that you were with during the pandemic in 2020?*

92% said Yes.

2. *IF WITH THE SAME COMPANY, are your answers to these questions any different post-pandemic than they would have been pre-pandemic?*

91% said No.

In other words, while the pandemic was a major factor, it does not appear to have materially impacted how people felt about where they were working, nor did it cause much turnover. We did see some better results on communication (compared to two years ago), and that may be pandemic-related.

Predictably, the industry still has a long way to go, but there is much to be encouraged about in this report.

I hope this will stimulate some thought. The best firms are working to get better. Best practices are evolving, and it takes more work than ever to maintain pace.

# Happiness in Construction?

Do happy employees perform better? A quick Google search confirms they do. A team at the University of Oxford's Saïd Business School has produced evidence of what many people have long suspected — happier employees do a better job.

- 1. Happiness has a multiplying effect**
- 2. Happy employees are successful employees**
- 3. Happy employees have the right attitude**
- 4. Reducing stress increases productivity**
- 5. A positive work environment encourages risk-taking**
- 6. Happy employees support each other**
- 7. Happy employees are not afraid to make mistakes**
- 8. Leaders lead by example**
- 9. Happiness inspires creativity**
- 10. People like to work with happy people**

The overall rating to the question, *How happy are you at work?* was 7.6 on a scale of 1–10. That certainly doesn't sound like the hysteria of "85% of people are not engaged at work." But what about that next generation of youngsters? Surely they must be unhappy?

	<b>Totally Average</b>	<b>Most Days Pretty Good</b>	<b>Love It</b>	<b>Total Positive</b>
<b>Overall</b>	9%	35%	20%	81%
<b>25-40</b>	5%	46%	13%	82%
<b>41-56</b>	9%	32%	17%	81%
<b>Over 56</b>	10%	30%	26%	79%

So, maybe they are not the problem! Maybe there are younger workers who want to be here and want to do good work. Maybe it comes back to leadership and bias awareness to move the needle on generational satisfaction.

# Recognition

Again, this year, we find recognition to be sorely lacking at all levels. We asked, *How frequently do you receive recognition from your manager?* with *Daily*, *Weekly*, *Monthly*, and *‘What is recognition?’* as options.

	Daily	Weekly	Monthly	What Is?
Overall	7%	27%	40%	25%

There are some interesting discrepancies when we look at the data by position.

	Daily	Weekly	Monthly	What Is?
Front line sup	2%	19%	47%	31%
Hourly office	12%	12%	12%	64%
Office ops	5%	31%	43%	20%
Execs	8%	28%	42%	21%

And here is the breakdown by age. I wonder if we are really only recognizing the millennials at a rate of 18% on a weekly basis, compared to 30% for the older generation — or is it a matter of perception? That just seems inconsistent, but it really doesn't matter because perception is reality. However, they do report a bit more on the daily.

	Daily	Weekly	Monthly	What Is?
25-40	10%	18%	48%	22%
41-56	5%	30%	39%	28%
Over 56	6%	30%	38%	24%

The bottom line, regardless of job or age, is that the construction industry can do a better job with recognition. It is one of the simplest things leaders can do, with one of the highest payoffs.

Great Place to Work-Certified™ Company O.C. Tanner studied employee engagement and how managers can tailor their workplaces to promote it. An employee survey included the question, “What is the most important thing that your manager or company currently does that would cause you to produce great work?”

Respondents answered in their own words, providing a variety of responses, but a clear pattern emerged. 37% of respondents said that *more personal recognition* would encourage them to produce better work more often.

## Here are a few tips to do it better.

### Be specific.

No generic “great job” comments. More comments like, “Jose, you did an outstanding job with that tie-in today. It was in a tight space, and we didn’t have a lot of time. You got it done. Thanks.”

### Be timely.

Catch people doing something right, and take action on it. Waiting ‘til next time you see them means it will not have the same impact — and that’s *if* you do it at all. If you cannot look them in the eye right then, send a text.

### Schedule it.

Make it a point to focus on one employee per week, per day (whatever), and find a reason to give them recognition. I am not talking about lowering the bar to say stupid stuff. I am saying people generally do things that could merit a sincere pat on the back.

### Support it.

Hilton Hotels has a website dedicated to helping managers deliver recognition, <https://www.hilton-recognition-staging.com/>, and a calendar to ensure all corners and levels of the company are touched. I encourage you to visit that site and poke around. You will get some ideas.



# Camaraderie

This tends to be one of the more controversial questions, but research by Gallup confirms that people who say they have a best friend at work have a far different work experience than those who say they don't. Gallup reports these employees are:

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**43%** more likely to report having received praise or recognition for their work in the last seven days.

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**37%** more likely to report that someone at work encourages their development.

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**35%** more likely to report coworker commitment to quality.

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**28%** more likely to report that in the last six months, someone at work has talked to them about their progress.

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**27%** more likely to report that the mission of their company makes them feel their job is important.

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**27%** more likely to report that their opinions seem to count at work.

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**21%** more likely to report that, at work, they can do what they do best every day.

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The lesson for the reader here is to *foster employee relationships*, ones that create peer-to-peer loyalty, just as much as you work to create loyalty to the firm. When employees possess a deep sense of affiliation with their team members, they are driven to take positive actions that benefit the business — actions they might not otherwise even consider without strong relationships with their coworkers.

As we turn to the construction world, there is an opportunity. Only 63% of all respondents replied yes to the question, *I have a close friend at work*. One of the most encouraging findings (and we hope it sustains) is field supervision saying so at a 60% level, compared to 50% two years ago. Office operations saw a decline from 70% down to 60%. Executives remained steady at 72%.

Again, we turn to generations at work, with the expectation that the answers will be different. Again, we would be wrong. Millennials at 60%, Gen-Xers at 64%, and Boomers at 64% suggest we may have more in common than we think.

These numbers are constant across most types of firms also, the only outlier being tier-one subs where the total score was 45% on the question *I have a close friend at work*.

## Boss Relationships

If trust is the foundation of all relationships, it should be interesting to look at this aspect in construction. Overall, 84% answered Yes to *I trust what my boss tells me*. A whopping 94% said Yes, when asked *Does my supervisor treat me fairly?* And only 13% agreed with the statement, *My supervisor micromanages me*. A deeper look into generational scores show very little difference on these three questions.

When we look at the data across type of company, we again see consistency in all but one area. Tier-one subcontractors did show a bit more unfavorably, with 35% feeling micromanaged by their supervisor.



## Work-life Balance

The field-office chasm continued to be wide in this increasingly-important area. We posed the statement, *I am able to maintain a reasonable balance between my work and personal life*. (Notice we did not define “reasonable,” but most construction professionals will agree the workload and time commitment is more than a standard 9-to-5 arrangement.) With that said, 72% of respondents said “Yes” to this statement, down from 75% two years ago.

There is a wide range, though, when we look at this by position.

Only 66% of field employees and 64% of field supervisors replied Yes to this question. “Such is life in construction,” many might say. It is certainly true that the project waits for no one, and people need to be on site to make it happen. But it is equally true that this metric needs to get better if the industry is to continue to attract and retain top talent.

With all that has been said about the work ethic of the younger generations, we looked at this question sorted by age. The answers might surprise you.

82% of Millennials, 66% of Gen-X, and 73% of Boomers said they had reasonable work-life balance. Maybe the millennials aren’t as bad as everyone says — or maybe all who responded simply work just a few hours day.



## Levels of Work

Two years ago, we confirmed that the industry looks like many others when considering the capacity people have and what they are being asked to give or do. This year we see another set of thought-provoking numbers.

Simply stated, 23% of all respondents said they have more to give when asked, *At work, are you at full capacity or could you do more?* We should also note that 25% said they were buried and had nothing left to give. This leaves 52% of people saying they were being used just right. The troubling part of this is the nearly-50% *not* being used correctly. In both cases, we must look to supervision and leadership, and wonder if they are really paying attention.

By job title, 27% of field supervision, 37% of hourly office employees, 20% of office operations, 29% of estimating, and 20% of executives *all had more to give*. If you wish to learn more about this, you might investigate the concept of a requisite organization and levels of work. PeopleFit, a Raleigh, NC-based consultancy reports that,

***“...any organization likely has misfits — people who are not in their optimal roles.... Research found on average, 2/3 of an organization’s workforce is mismatched. This poor fit reduces engagement, productivity, and ultimately, profitability.”***

Two years ago, the construction data showed 66% of respondents as misfit. At least this year we are at 50%.

Demographics tell a similar story. 28% of Millennials, 23% of Gen-X, and 21% of Boomers all said they had more to give. A look at type of organization shows similar opportunities to engage people.

# The Quality and Safety Divide

84% of all respondents agreed that quality is a top priority within their organization. 90% said the same about safety. Then, 78% said, *We consistently deliver quality*, while 84% said, *We consistently work safely*. Not much slip there from what we say and what we do.

Unfortunately, the field-office chasm continues. In quality we see:

	<b>Quality a priority</b>	<b>We deliver quality</b>
<b>Overall</b>	<b>84%</b>	<b>78%</b>
<b>Front line supervision</b>	<b>88%</b>	<b>83%</b>
<b>Office operations</b>	<b>86%</b>	<b>82%</b>
<b>Executives</b>	<b>90%</b>	<b>78%</b>

And in safety this year, it is significantly smaller than two years ago.

	<b>Safety a priority</b>	<b>We deliver safety</b>
<b>Overall</b>	<b>90%</b>	<b>84%</b>
<b>Front line supervision</b>	<b>89%</b>	<b>81%</b>
<b>Office operations</b>	<b>90%</b>	<b>87%</b>
<b>Executives</b>	<b>94%</b>	<b>82%</b>



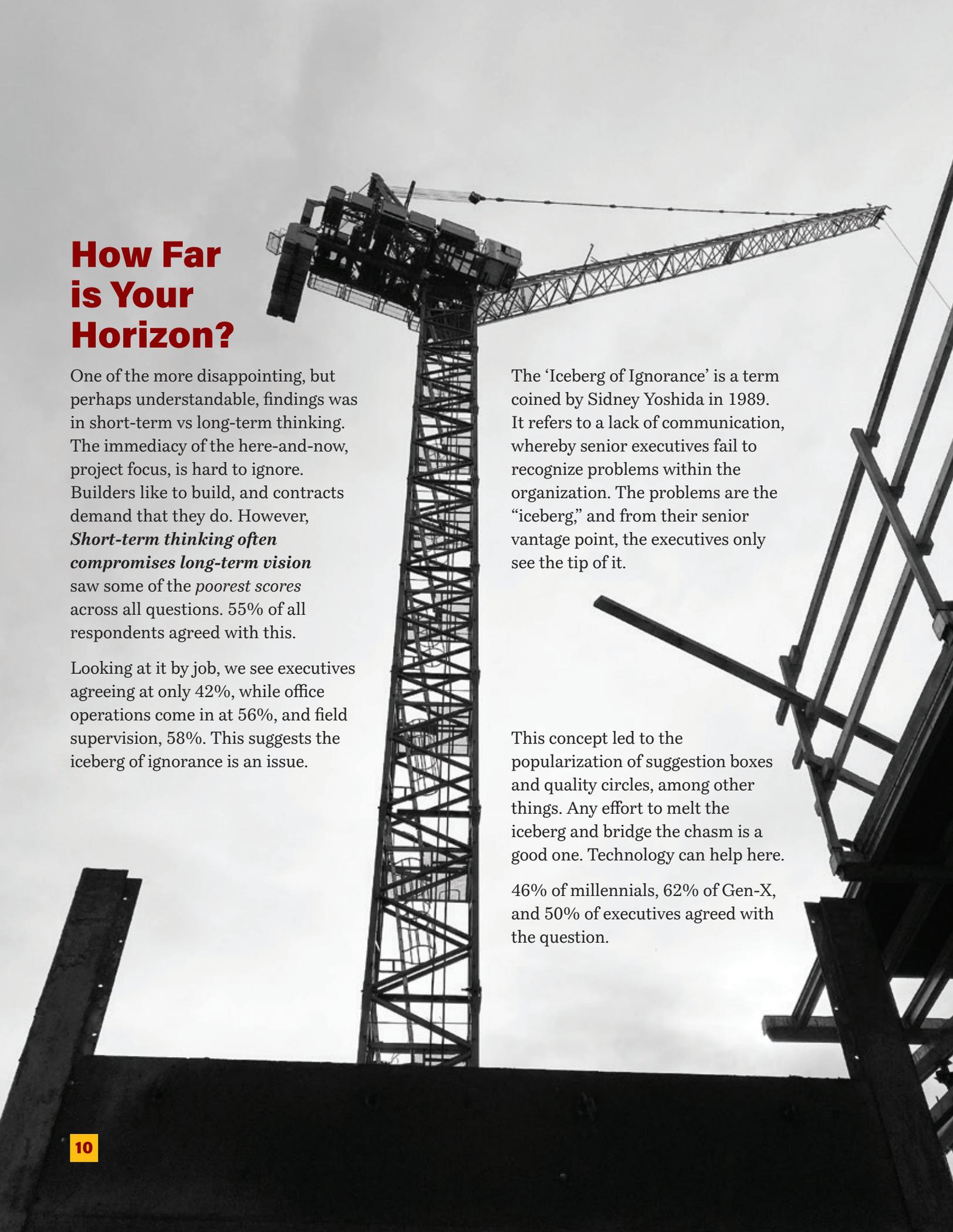
## **(Don't) Show Me the Money**

When we ask participants in our front line leadership programs what motivates people, money is often cited. Yet, surveys about motivation tell us that money is *not* a motivator. It may be a *demotivator* if a company doesn't get it right, but it generally does not motivate. When we asked people to reply to the statement, *My pay is fair for the work I perform*, 84% said Yes.

72% of field leaders, 86% of office operations, and 92% of executives all agreed. However, only 50% of hourly office employees responded in the affirmative.

79% of millennials, 83% of Gen-X and 89% of Boomers said "My pay is fair."

Reading between the data, we confirm that money is not the make-or-break issue people make it out to be.



## How Far is Your Horizon?

One of the more disappointing, but perhaps understandable, findings was in short-term vs long-term thinking. The immediacy of the here-and-now, project focus, is hard to ignore. Builders like to build, and contracts demand that they do. However, *Short-term thinking often compromises long-term vision* saw some of the *poorest scores* across all questions. 55% of all respondents agreed with this.

Looking at it by job, we see executives agreeing at only 42%, while office operations come in at 56%, and field supervision, 58%. This suggests the iceberg of ignorance is an issue.

The 'Iceberg of Ignorance' is a term coined by Sidney Yoshida in 1989. It refers to a lack of communication, whereby senior executives fail to recognize problems within the organization. The problems are the "iceberg," and from their senior vantage point, the executives only see the tip of it.

This concept led to the popularization of suggestion boxes and quality circles, among other things. Any effort to melt the iceberg and bridge the chasm is a good one. Technology can help here.

46% of millennials, 62% of Gen-X, and 50% of executives agreed with the question.

# Change is Hard

A theme repeated from two years ago is the challenge of change. 51% of all respondents agree that *attempts to change often fall short*. Here is the breakdown and it is consistent.

<b>Front line supervision</b>	<b>56%</b>	<b>Millennials</b>	<b>51%</b>
<b>Office operations</b>	<b>56%</b>	<b>Gen-X</b>	<b>55%</b>
<b>Executives</b>	<b>40%</b>	<b>Boomers</b>	<b>47%</b>

Two years ago, the overall rate on this was 59%. While slightly improved, this is a poor score when we consider the changes facing the industry. It remains disconcerting that so many execs — those tasked with leading change — agree with this.

The cliff notes on change:

**It takes longer than you think.**

**It requires organizational bandwidth.**

**It requires a great deal of personal selling by execs.**

**It requires leadership.**

## Missed Opportunity

86% *would recommend working at their current employer to a friend*. This is unchanged from 2019, and represents a huge opportunity. 85% *would reapply for their current job*, again confirming that much is good in the industry. Overall, this is good, but we do see disparity in the results when we look at the office, non-operations and staff. Only 60% would refer and just 75% would reapply. Perhaps we focus so much on the construction operation that we are missing the rest of the team.

As for those pesky millennials? 93% of them would recommend, and 86% would reapply. The Gen-Xers only refer at an rate of 84%, and would reapply at the same rate. Execs are similar, with 84% recommending and 85% reapplying. Frankly, that last number is a bit disappointing from my perspective.

The willingness to recommend is notable. But take a look inside your own organization: are people actually making recommendations and referrals? My experience says no. As we dig deeper, we see the quality of the encouragement to refer is low. Most referral programs are a waste of time and energy as they fail to move the needle. They are not a waste of money, because they usually pay some insultingly low number, which fails to motivate. For now, recognize this as an opportunity for you. The best source of new employees is current employees.

## Value of Values

So much has been written about values I wonder if they are losing their value? Pretty much every company has them on their website and if that is the extent of the values focus, then, yes, they will lose value.

But for the firms that live them and make them real, the upside is tangible.

As we see more diversity of all kinds in the industry, leaders must work harder to unify and align employees. Values are key to this effort. No one ever walked into the Marine Corps recruiter by mistake. They knew what they were getting into. The values were clear. What makes someone walk into your firm and then choose to stay?

Research suggests 50 to 70% of the culture of a group can be directly traced/attributed to the leader of that group (whether it be a President influencing a company or a foreman influencing a crew). In other words, the way the leader behaves and the values they model create the culture. If you do not like what you see when you look at your work group then the next place you must look is in the mirror.

We took a hard look at values. The results, while not bad, confirm there is an opportunity for firms willing to do the work. Remember that excellent results come when we see scores into the 90% range.

**There is a clear set of values that governs the way we do business**

**89%**

**Ignoring core values will get you in trouble**

**92%**

**Leaders live by the core values of the organization**

**84%**

Do your people know your values? Do you reinforce the values? Can people describe the behaviors that demonstrate the values? When someone does something counter to the values, how do you handle the situation? Are you consistent? There is a great deal to consider here and it is worthy of your effort.

# Other Things We Looked At

We have examined several questions in which the responses were unique or thought-provoking enough to take a look. We also asked the questions you see below. You can see the overall scores. Digging into the details, we saw little difference across groups.

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<b>I have the materials I need do my work right.</b>	<b>88%</b>
<b>I feel like I know what is going on and how we are doing.</b>	<b>88%</b>
<b>I am set up for success every day.</b>	<b>70%</b>
<b>I have confidence in the leadership of this organization.</b>	<b>82%</b>
<b>We continually track progress against our stated goals.</b>	<b>71%</b>
<b>Problems arise because we do not have the skills to do the job.</b>	<b>23%</b>
<b>Problems arise because we do not have the people.</b>	<b>55%</b>
<b>We are encouraged to innovate.</b>	<b>82%</b>
<b>Most days I look forward to going to work.</b>	<b>83%</b>

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# Conclusion

The term we must all come to embrace is VUCA. Coined by the Army War College in the early 1990s to characterize the future warfighting environment, it means:

**Volatile** – change is rapid and unpredictable in its nature and extent

**Uncertain** – the present is unclear and the future is uncertain

**Complex** – many different, interconnected factors, with potential to cause chaos and confusion

**Ambiguous** – lack of clarity or awareness about situations

We used to operate with some certainty regarding the rules of the game of business and the context in which the game would be played. As we scan today's environment, we see that companies must gear up for an era of constant crisis — one in which good leadership is *essential* for any chance of success. But also, one where the traditional view of leadership must evolve. Leaders must learn to “fight VUCA with VUCA”:

**Counter Volatility with**

**Vision**

**Meet Uncertainty with**

**Understanding**

**React to Complexity with**

**Clarity**

**Fight Ambiguity with**

**Agility**

Vision, understanding, clarity, and agility are the responsibility of leaders working in a culture that optimizes people. The findings in this report, coupled with what we see externally, confirm that great cultures are possible. And we know that great cultures create the conditions for sustainable growth.

COVID, for the foreseeable future, will impact the way we work and think about work. The pandemic has upended the workforce, and many employees are deciding to leave to pursue other jobs or life interests. Once upon a time, an employee would quit only when they knew exactly where they were going next. But in the past few months, 41% of people opting to leave did *not* have a new job lined up.

Interviews with great places to work confirm that people are the best profit strategy. The research indicates that the industry has much going for it — but that story is not getting told.

Attracting new people is harder than ever. Retaining people is even harder, as huge sums of money are thrown around to entice employees to jump ship. How often, though, do we see that employee come back a few months later, simply because the increase in pay wasn't worth the grief they had to put up with every day? More money is nice but, in the face of a poor culture, most people say, "You can't pay me enough to stay there."

(As noted earlier, nearly 90% of respondents said they were paid fairly for the work they perform. Surely none of them would turn down a pay raise, but it suggests they are not actively looking for a few dollars more.)

As I write this, two illustrations from the last 24 hours of my life come to mind:

The first: it is lunch time, and two fast-food restaurants next door to each other are open for business. One has cars wrapped around the building and is cranking people through quickly and efficiently. It is a money machine. The other is so empty, it almost looks like it's closed. What compels people to stand in line at one place and avoid another? We know the food in both places is of similar quality, so it isn't that. It must be service. The busy place gets more cars through in two minutes than the other place gets through in ten. Yes, it was a Chik-Fil-A, and it's important to note they recently upgraded their systems and processes to better serve their customers. This is a great example of People and Process combining to create Excellence.

The second thought is a visit to a contractor recognized as a Top Place to Work. (A what?) They invited me to be on their podcast. (Their *what?*) From their state-of-the-art learning center. (Their *what??*) This company invests twice as much time, effort, and money in training and culture as the average contractor. Head count and profit are up about 50% over the past three years. People are knocking on the door to come work for them, staying once they are hired, and doing a great, safe job.

If you have read this far, thanks. Clearly you want to do better. The answers may not be easy, but they are straightforward. Bemoaning the poor quality of labor will not make you better. The industry has pockets of excellence and a strong foundation to create more pockets of excellence. While this may be an industry issue, it will be solved at the local level — the company level — by real leaders who make an intentional investment and commitment.

I ended the 2019 report with these words:

***The payoff is worth it. Higher profitability resulting from lower turnover, better safety, and increased production is attainable when you create a great culture.***

Those words are just as true today.



# Research Methodology

The custom online survey was offered to construction professionals worldwide. Widest distribution was targeted through LinkedIn Groups. Additional distribution was achieved through existing FireStarter Speaking and Consulting database contacts.

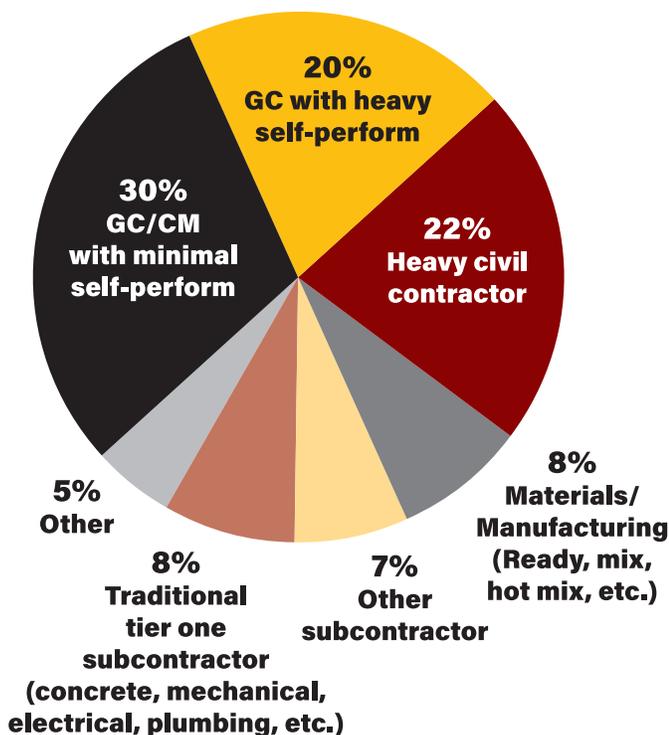
Nearly 500 respondents completed the 43-question survey in an average of eight minutes. Of the forty-three questions, three were open-ended, allowing for written comments. Subsequent in-depth interviews were conducted with select respondents to gain clarity on the survey data.

Employees at the craft level are under-represented in the data. While disappointing, this is somewhat expected, considering the primary use of LinkedIn and a database consisting of people who have attended supervisory and leadership training.

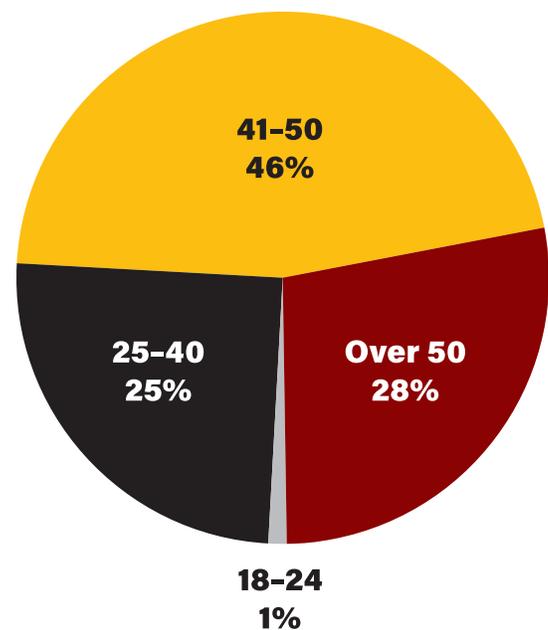
Ninety-eight percent of respondents are located in the United States and Canada. 90% are male, 10% female, the same ratio as is reflected in the industry and in the 2019 survey.

The survey was conducted during May 2021 – August 2021.

## Type of Contractor



## Respondents by Age

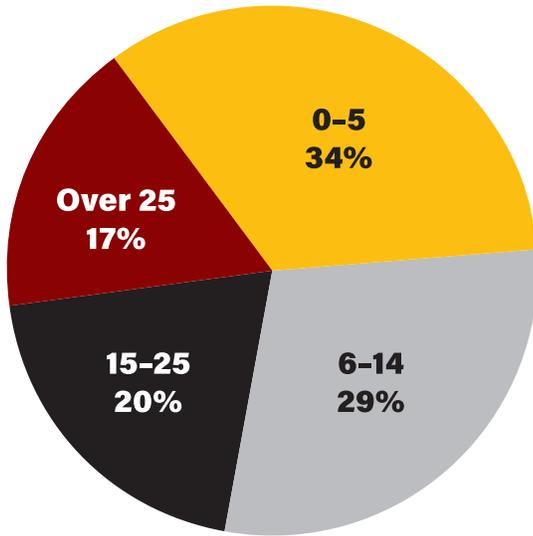


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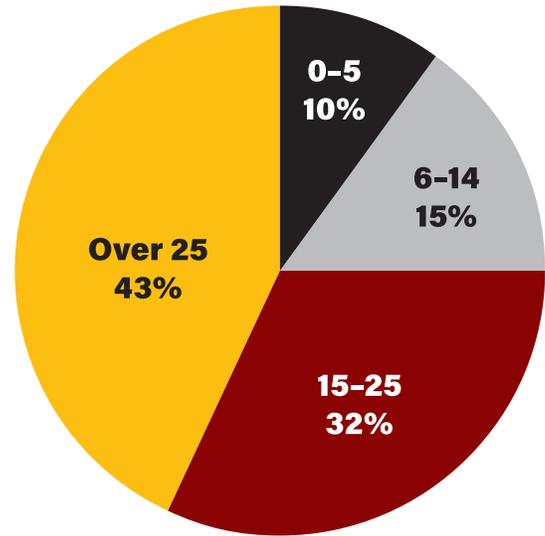
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## Years with Company



## Years with Industry

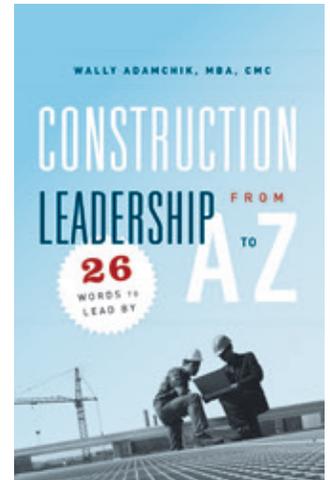


## About the Author



*FireStarter Speaking and Consulting* is a Raleigh, NC-based leadership consultancy with a focus on non-residential construction. Since 2003, FireStarter has written, spoken, consulted, and impacted the construction industry. From family-held contractors to the top names in the ENR 400 and 600, the FireStarter team is a trusted partner in the quest to improve the quality of leadership.

*Wally Adamchik, CSP, CMC*, is the President of FireStarter and is a recognized authority on leadership in construction. His work has been featured in numerous industry publications, and he is a regular presenter at industry gatherings across North America. A Marine Corps veteran, he is the author of *No Yelling: The Nine Secrets of Marine Corps Leadership You Must Know to Win in Business*. He is also the author of *Construction Leadership from A to Z: 26 Words to Lead By*.



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