



**2023 REPORT**

Showcasing research critical  
to the advancement of the  
construction industry

# PEOPLE IN CONSTRUCTION

PRESENTED BY:

**FIRESTARTER**  
SPEAKING/CONSULTING

# Challenges

A word cloud illustrating various challenges in leadership. The words are arranged in a circular pattern, with the most prominent words being 'change', 'leadership', 'lack', and 'enough'. Other words include 'standard', 'bodies', 'consistently', 'time', 'trained', 'rate', 'rules', 'trust', 'everyone', 'succession', 'developing', 'skilled', 'focus', 'company', 'manage', 'retaining', 'goals', 'years', 'feeling', 'workers', 'set', 'lament', 'valued', 'keeping', 'workforce', 'balancing', 'mentality', 'heard', 'managed', 'true', 'hire', 'need', 'attracting', 'one', 'turnover', 'proper', 'unclear', 'values', 'training', 'warm', 'apply', 'initiate', and 'planning'.

change leadership lack enough

standard bodies consistently time trained rate rules trust everyone succession developing skilled focus company manage retaining goals years feeling workers set lament valued keeping workforce balancing mentality heard managed true hire need attracting one turnover proper unclear values training warm apply initiate planning

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# Introduction

It was the worst of times; it was the best of times.

The previous People in Construction Report, released in 2021 at the height of the pandemic, showed gains in quality of leadership, culture, safety, quality of life, and other key retention measures. The challenge of covid brought out the best in us as a people and an industry. We took the extra step to ensure people were taken care of. Unfortunately, this 2023 research shows decreases in almost every area. Some minor, some significant, but the trend is clear. Construction has gone back to business-as-usual in 2023--and that often means leadership and culture take a backseat to production.

Of course, there are exemplars who recognize that people truly are the best profit strategy. These firms enjoy higher retention, better safety, improved productivity and, usually, a better bottom line. And for those few for whom the bottom line may not yet be better, the daily grind is better as there are more smiles on the job.

Every year there are hundreds of construction firms who earn Great Place to Work or Top Place to Work recognition. Some of these are small, under 100 employees. Many are larger. I am fortunate to work with a number of the larger firms. I also research and interview companies I do not work with. I want to know, "Is it worth it?" Cynics tell me those distinctions are "just marketing," that employees are coerced to say nice things on the survey. The business leaders and owners who run those companies confirm that culture and people are a winning strategy. When we look at Construction Financial Management Association (CFMA) benchmarking data, these firms are often in the top quartile of financial performance. Haters gonna hate, but leaders gonna take it to the bank.

We added two questions this year that relate to mental health. A new frontier of employee wellness in our society, the industry is awakening to this issue. As you will see, we have a long way to go.

As in previous years, this data is a snapshot of a \$2,000,000,000,000 industry. That is a TWO TRILLION DOLLAR opportunity to create greatness every day. I invite you to read the report, consider the data and examine your situation. Even the best can become better.

This is the reality, the challenge, and the opportunity.



# The Data

Are you happy at work? On a scale of 1-10 with 1 being "Miserable" and 10 being "Love it," we see an average rating of 7.3. Not bad. 88% answered between "Most days are pretty good" and "Love it." This is certainly not consistent with other widely publicized data saying only 51% are very/extremely satisfied (Pew research 2023), or 51% are disengaged (Gallup 2023). We acknowledge the differences between happy, satisfied, and engaged, but we learn from this research that many people do enjoy their work in construction. The number is down slightly from 7.7 in 2019 and 7.6 in 2021. We will keep an eye on that trend, but the overall sentiment remains positive.

Another way of looking at satisfaction is to ask if you would reapply to your current job. Although down from 84% in 2019, a score of 80% from all respondents this year suggests most people remain positive about their current situation.

We all have some of those mornings when we just don't want to get out of bed. Such is life. But when we ask, "Do you look forward to going to work?", we don't see too many of those mornings, with nearly 80% saying they do look forward to going to work.

Finally, we assume that if it is good place to work, people would tell others about it. So we ask, "Would you recommend your workplace to a friend?"

This last point regarding referrals represents an ongoing opportunity for firms. Several years ago we researched referrals in the construction industry. We revisited the topic in writing this report. Harvard Business Review and The Quarterly Journal of Economics confirm what we learned.

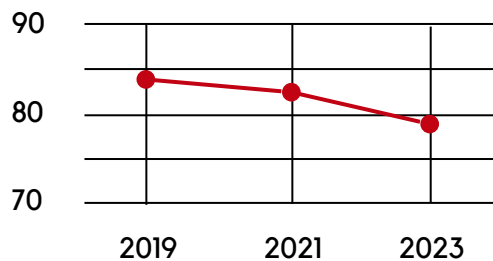
The problem with most contractor referral programs is they pay too little, take too long to pay, and people simply forget about them. I often hear, "Yes, we have a referral program. We rolled it out 5 years ago but it doesn't really work." When asked if they promote the program on a regular basis and do they brag about people who are referring, the answer is always no.

The benefits of a referral program are proven:

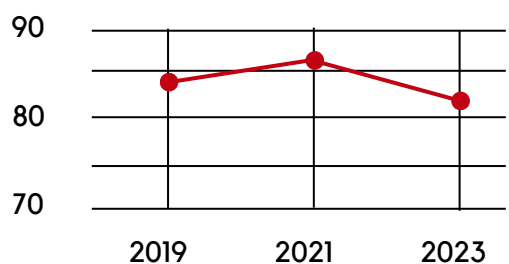
- faster time to hire
- lower recruiting costs
- an engaged workforce improved safety
- higher retention

You have employees who would be willing to refer. Giving them the opportunity and incentive to do it is up to you.

Do you look forward to going to work?



Would you recommend your workplace to a friend?



## Consider this:

*Referred applicants are more likely to be hired and more likely to accept offers, even though referrals and nonreferrals have similar skill characteristics. Referred workers tend to have similar productivity compared to non-referred workers on most measures, but referred workers have lower accident rates. Referred workers are substantially less likely to quit and earn slightly higher wages than non-referred workers. Referred workers yield substantially higher profits per worker than non-referred workers. These profit differences are driven by lower turnover and lower recruiting costs for referrals.*

# Significance

How often do  
you receive  
recognition?

Daily: 6%  
Weekly: 27%  
Monthly: 41%

Inclusion and recognition contribute to well-being. When people feel like they are "in" and receive praise for the work they do, it increases their feelings of significance. The opposite is true. People who are excluded and ignored feel insignificant. It doesn't take a PhD in Psychology to understand the impact of this. Those who feel significant are better employees making a better contribution, while those who feel insignificant become a liability.

It is commonly accepted that equipment operators should do a prestart walkaround before operating their equipment. Every day they give that machine a solid once-over to insure it does not fail. Yet when it comes to people, we do little to insure they don't break down.

This industry continues to be feedback-neutral. No news is not good news, nor is it bad news, it is simply no news.

Across the board at all levels we see less than 1/3 of employees receive recognition from their managers weekly or daily, leaving 2/3 receiving recognition monthly or never.

The absence of feedback and recognition is easily corrected. Just start doing it. A simple format is SBI. Situation, Behavior, Impact. It could sound like this, "yesterday at the daily huddle, you offered an idea on how we could do a better job with...I appreciate you thinking about that and sharing it with the crew."



# The Value of Values

## **C.W. Matthews** **CONTRACTING CO.**

- We care for others.
- We go the extra mile.
- We make the impossible, possible.
- We stay sharp.

## **GOODFELLOW BROS.**

ESTABLISHED 1921

### "The Goodfellow Way"

- Embrace and empower our people.
- Earn our customers' trust every day.
- Strive to be respected corporate citizens in our communities.
- Live a culture of safety that extends to all around us.

We are seeing a renewed focus on values across the industry. For the past generation every contractor professed to the values of quality, safety, integrity and maybe customer service. They all read the same book, hired the same consultant and the resulting vanilla values offered little inspiration or alignment. In the past few years we have seen what I call Values 2.0. Firms are crafting new, and truly unique concepts to guide their people. The focus on values remains strong. These scores are not best in class but they do confirm an emerging focus. However, the post-pandemic pressures saw negative growth here also, as we see the 2021 score in parentheses. 80% (88) of all respondent saying there is a clear set of values that governs the way we do business and 77% (83) saying leaders live by the core values of the organization, and ignoring core values will get you in trouble 88 (91).

If you look at your values and they are undifferentiated and uninspiring to you, they certainly will not galvanize anyone else. If they are only words on a webpage the rest of anything you say is suspect, too. Far better to not even have values than to have them and not live up to them. But far, far better to have them as a rallying cry to unique greatness

## **+ BuildWitt**

- Develop 3x people.
- Lighten up.
- Be a friend.
- Make decisions.
- Transparency wins.
- We are the stagehands not the stars.

## **SARGENT**

- Investing in people.
- Honing our craft.
- Doing the right thing.
- Winning in the field.

# Change

Harvard Business School Professor John Kotter tells us that leadership is about change for better results. If that is the case, leaders in construction are failing at an alarming rate. 56% of all respondents agree that attempts to change often fall short. Initiative fatigue is one reason. Trying to change too much, too soon dooms your change efforts. It is far better to fully wrestle one to the ground, get it right, insure it has stuck and then move on to the next one, rather than hope for the best with a bunch of poorly aligned efforts. Failure to understand the process of change is another reason change attempts fall short. Investment and leader commitment is far more important than a coffee mug with a logo and a glitzy kickoff. In 2021, 51% agreed that change efforts often fall short

**We all acknowledge the need for change, and leading in times of change, but then do little to get it right. Leading change requires a multi-faceted approach that is lacking in construction.**

Another reason change initiatives fail is short-term thinking compromising long-term vision. 63% of respondents, up from 55% in 2021, agree with this statement. The tyranny of the urgent and the reactive nature of many constructors dooms firms to repeat the same mistakes in a Groundhog Day loop. Disciplined leadership pursuing a clear vision, supported by a durable strategic plan is the only way to get through a difficult today to a better tomorrow.

## Capacity to Give More

What would you say if I told you 32% of all respondents said they had more to give when asked "At work, are you at full capacity or do you have more give?" Requisite organizational design theory tells us that most people are not in their optimal roles. For the third time we see this confirmed.

Right-sizing the organization with adequate leadership at all levels is the only way to change these numbers. I find it a bit depressing that so many have more to give but are left to languish. Similarly, an equal number are buried, perhaps wondering if it will ever get better. Where is the leader in all this?



# Mental Health

## This is a new frontier for employee support and well-being.

These scores are an initial benchmark for this research but viewed against all industries, they are not a surprise. Only 32% of HR professionals say offering mental health resources such as employee assistance programs (EAPs) is a "high priority" for their organization, according to a survey by the Society for Human Resource Management (SHRM). Considering the Mental Health in America: A 2022 Workplace Report, found that nearly 78% of organizations currently offer or plan to offer mental health resources in the next year, there is an opportunity to educate and support. This disconnect between employees and employers is in all industries but seems to have more serious impact in construction.

**My company prioritizes mental health and provides training and resources in this area.**

**Agree: 31%**

**Neither Agree / Disagree: 44%**

**Disagree: 23%**

If you want to get a bunch of contractors riled up, just start a conversation about flex-time and work-life balance. There is no single solution, but ignore this concept at risk to your bottom line. Next-gen workers simply will not put in the hours or sacrifice their family the way generations before them did. This does not mean they do not have a work ethic it does mean they have a different one. While there remains much "talk" about this issue only 67% of respondents claimed a reasonable work-life balance. Keep in mind, "reasonable" was in the opinion of the respondent. This score was down 5 points from 72% in 2021. There was little difference between roles, unlike previous years where field leaders consistently scored much lower.



# Fine and Flourishing

**“Flourishing is the product of the pursuit and engagement of an authentic life that brings inner joy and happiness through meeting goals, being connected with life passions, and relishing in accomplishments through the peaks and valleys of life.”**

We asked if people were fine or flourishing and did not define the words, but responses confirm people intuitively “get it” when asked and most are not flourishing in our society today. Traditional psychology sought to heal broken people. Modern, positive psychology seeks to prevent people from breaking in the first place. At our best we flourish.

Flourishing is the state we create when we attend to each aspect of the PERMA Model: we increase our **positive** emotions, **engage** with the world and our work (or hobbies), develop deep and meaningful **relationships**, find **meaning** and purpose in our lives, and **achieve** our goals through cultivating and applying our strengths and talents.

Are we so bold as to claim to flourish? Or simply ignorant of the definition? The alarming trends on mental health, employee engagement, etc suggest we have room to grow. Again this presents an opportunity at work.

- Positive emotions – I have fun and enjoy being at work
- Engagement – I like what I do
- Relationships – I like who I do it with
- Meaning – What I do has value to me and society
- Accomplishment – I can win at work

The PERMA Model is not about making work a better place; it is about making life better. When work is a better place, it fulfills some of the needs we see in the model. We have only to look at the statistics from Great Places to Work. People stay longer, are more productive, deliver higher quality and better safety--all of which put money on the bottom line. People truly are the best profit strategy, and your human capital strategy should be looking at the elements of PERMA.

# The Kids Are Not Alright

In 1965, rock band The Who released the single, The Kids Are Alright. In 2018, a short-lived TV sitcom of the same name lasted just one season. Today, our research confirms that, indeed, the kids are not alright as we see lower scores on several key measures.

Much has been written about the quality of youth coming into construction. 25 years ago the complaint was about Gen Y; today we hear the same complaints about Gen Z. The complaints are not new. In the fourth century BC, Plato was heard to remark: "What is happening to our young people? They disrespect their elders, they disobey their parents. They ignore the law. They riot in the streets, inflamed with wild notions."

A few years later, Aristotle wrote, "Young people are high-minded because they have not yet been humbled by life, nor have they experienced the force of circumstances. They think they know everything, and are always quite sure about it."

Gen Z has different expectations and is more demanding than their elders. That may change with age, but if they leave the industry before they achieve wisdom, construction still loses an asset.

|   | Gen Z | Gen Y | Gen X | Boomers |
|---|-------|-------|-------|---------|
| I am set up for success every day       | 46    | 66    | 64    | 56      |
| I have a close friend at work           | 40    | 77    | 62    | 63      |
| I have confidence in leadership         | 66    | 77    | 77    | 76      |
| I trust what my boss tells me           | 66    | 83    | 83    | 82      |
| Quality is a priority                   | 73    | 85    | 85    | 83      |
| We consistently deliver safety          | 66    | 79    | 78    | 80      |
| Pay is adequate                         | 73    | 71    | 77    | 89      |
| There is a clear set of values          | 60    | 78    | 85    | 80      |
| Ignoring values will get you in trouble | 73    | 91    | 88    | 82      |
| Leaders live the values                 | 66    | 74    | 83    | 73      |
| Look forward to coming to work          | 68    | 74    | 82    | 80      |



# Conclusion



There is reason for optimism. Demand for construction services remains strong. Opportunities to create a better culture are as strong as ever. Perhaps better, the path forward is clear. Correlate what the best places do and decide which path to take. It may not be easy, but it can bring great rewards.

When it comes to sports, we can look at those great winning cultures. We identify elements of their “playbook” but precious few can replicate it. This is not sports, where there is only one champion. This is construction, where there are thousands of projects and hundreds of companies competing every day. The extreme fragmentation of the industry means many firms can have superior levels of success. We know the playbook. Do we have the leaders to create the culture that will enable the players to run the plays?

Use this data to stimulate thought and conversation in your company. The key to personal success is self-awareness. We learn about ourselves (the good and not-so-good), and then use that information to become a better version of us.

It can be the same for an organization. There is nothing stopping your firm from becoming a better version tomorrow. You already have the resources. People are the best profit strategy.

# Who Did We Hear From?

Social media was the primary method to find respondents for the report. As in past years, nearly 500 industry professionals responded. Unfortunately, the number of field respondents remains low, but that is expected. In general, that segment is less likely to participate in surveys. Additionally, the fragmentation of social media platforms and the strength of LinkedIn almost insures this gap in data collection.

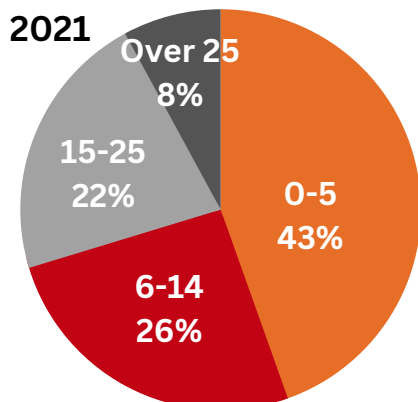
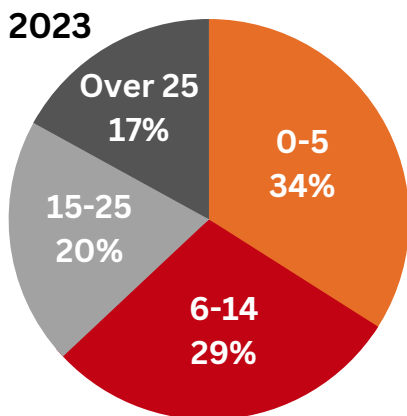
Ninety-seven percent of respondents are in North America, with the rest in Europe and Asia. This year 87% of respondents were male; in 2021 and 2019 it was 89%.

A continuing trend is low tenure at a company, but longevity in the industry. People are moving. Are they looking for better money? Opportunity? Work-life balance? To know for sure? Ask them. The good news is that a careful understanding of this research confirms an opportunity to attract some of these folks who are on the move.

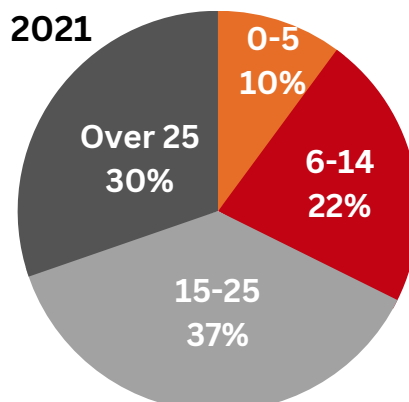
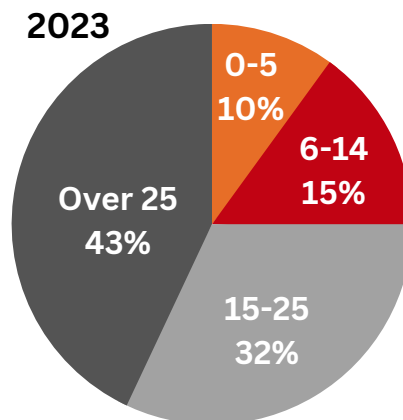
## Job Role

|                   |     |
|-------------------|-----|
| Field Craft       | 5%  |
| Field Supervision | 15% |
| Office Operations | 32% |
| BD & Estimating   | 8%  |
| Executive         | 5%  |

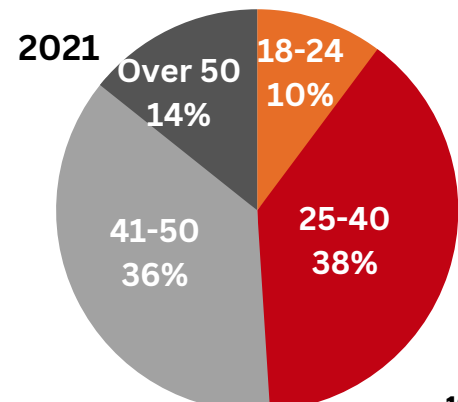
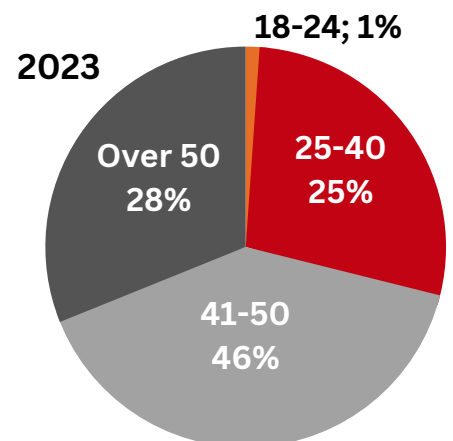
## Years with Company



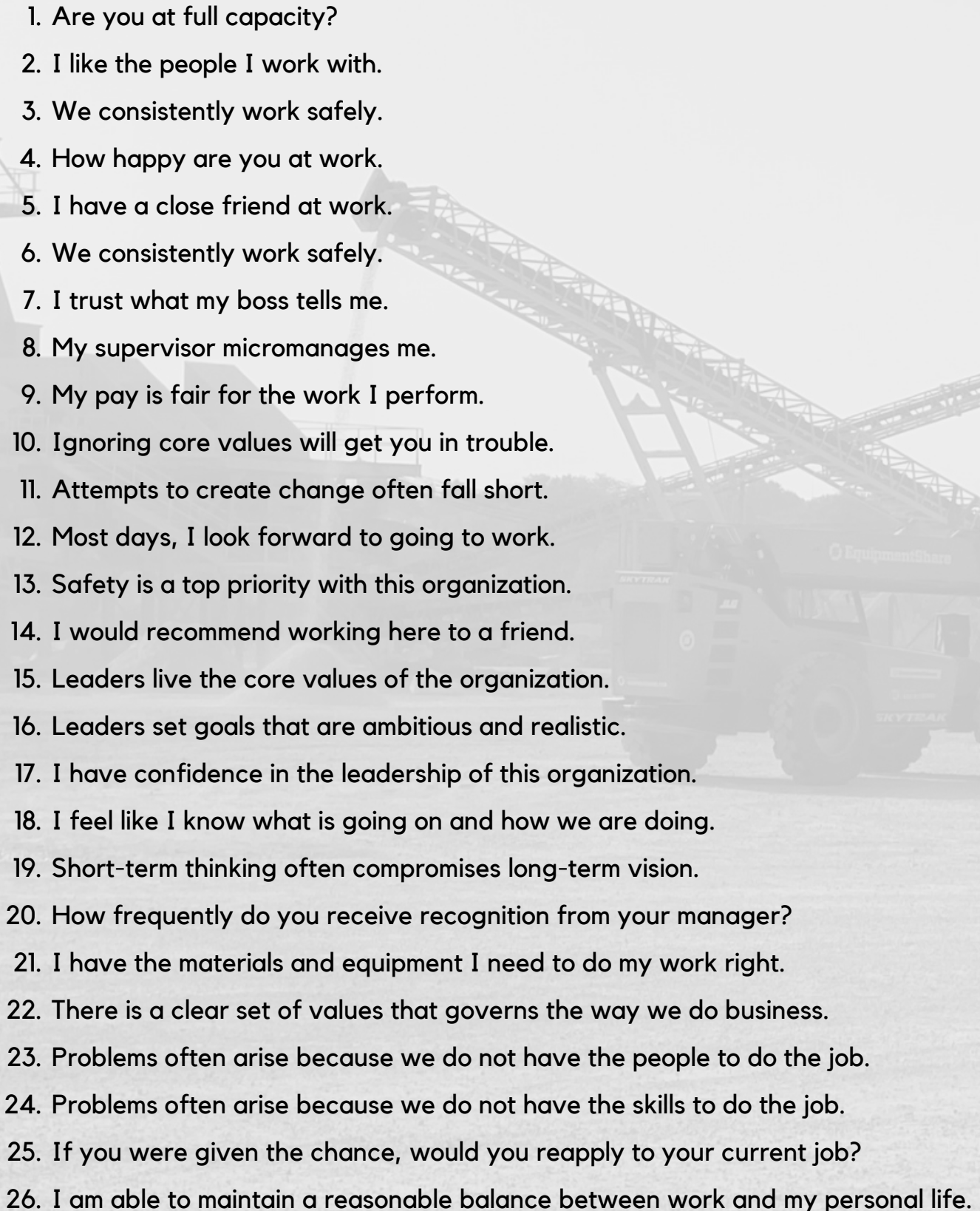
## Years in Industry



## Respondants by Age



# Some of the Things We Asked

- 
- The background of the page is a grayscale photograph of a construction site. A large crane with a lattice boom is the central focus, extending from the left towards the right. Below it, a large truck, possibly a dump truck or a similar heavy vehicle, is visible. The scene is set outdoors with some trees and other construction elements in the background.
1. Are you at full capacity?
  2. I like the people I work with.
  3. We consistently work safely.
  4. How happy are you at work.
  5. I have a close friend at work.
  6. We consistently work safely.
  7. I trust what my boss tells me.
  8. My supervisor micromanages me.
  9. My pay is fair for the work I perform.
  10. Ignoring core values will get you in trouble.
  11. Attempts to create change often fall short.
  12. Most days, I look forward to going to work.
  13. Safety is a top priority with this organization.
  14. I would recommend working here to a friend.
  15. Leaders live the core values of the organization.
  16. Leaders set goals that are ambitious and realistic.
  17. I have confidence in the leadership of this organization.
  18. I feel like I know what is going on and how we are doing.
  19. Short-term thinking often compromises long-term vision.
  20. How frequently do you receive recognition from your manager?
  21. I have the materials and equipment I need to do my work right.
  22. There is a clear set of values that governs the way we do business.
  23. Problems often arise because we do not have the people to do the job.
  24. Problems often arise because we do not have the skills to do the job.
  25. If you were given the chance, would you reapply to your current job?
  26. I am able to maintain a reasonable balance between work and my personal life.



# 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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# What Would You Change?

