

Good morning, everybody. Dennis Engelbrecht with The Family Business Institute, Digging Deeper.

For the next couple of weeks, I want to talk about what's a pretty common theme in construction, and it's really about people. Everything's about people it seems, and unfortunately there is a labor shortage in our industry, it hits us at all levels. You can go to any company and whether it's trying to find an estimator or a project manager or superintendent, field labor, skilled labor, whatever it is, there's a shortage, and there's a shortage across the board that everybody is feeling.

There are some very specific reasons for that shortage. It's bigger than any individual construction company, and there are several things going on. First of all, the birth rate in the United States keeps shrinking. It's the lowest that it's ever been, and it's on a pretty good rate of decline, so there are fewer people being born into the workforce.

Now you also may recall that back after World War II, we had the baby boomers and that was the largest influx of births into the workforce. What's been happening now over the last 10 years and continues for just a few more years is the exit of the baby boomers. The baby boomers are aging out and simply the ages of the workforce that are entering are smaller than the age of the amount of baby boomers that are leaving the workforce, so that in and of itself is creating a problem. Plus, we had this age of a lot of experience and skills, so this is affecting our most experienced and skilled workforce, so that's going out and being replaced by a smaller younger workforce.

The third problem is immigration is down. That may be a surprise for some of you, but legal immigration, the number of visas issued is actually about 50% of what it was about five or six years ago. Then the final problem is of course the pandemic and how that's shifted lifestyles and things like that. Of course, we have some people struggling with taking care of their children and having to stay out of the workforce.

We may have some that have been spoiled by government benefits, and of course it's actually accelerated the baby boomers' retirement by believe it or not a couple million people, a couple million more retirements that have been expected. Maybe some of those folks will trickle back in, but they're certainly trickling back in slowly.

So that theme of the labor shortage, what do we do about it? Well, we talked last week about ceasing to compete for work, and we're going to talk about the same thing with people. Quit competing for people, instead provide the workplace that everybody wants to join, right? And the people will come. The people will come through referrals, there will be a buzz out there in the industry. People will come, fewer will leave, the ones that are there will be more productive. So very simply, provide the workplace everybody wants to join.

Well, that sounds simple, right? May not be so simple, but just several basics out there. Number one is caring, caring about your employees. I really mean caring about them. When you make decisions, regardless whether it's about bonuses, taking care of an individual, supporting something in the community, you got to care and show you care, and employees will know whether or not you care. It comes across in all of the decisions that you make during the course of the year.

Next, appreciate, right? Appreciate the work they do. Do that in all the possible ways, whether it's bonuses, a plaque, an announcement, just day-to-day thank yous, getting out to the job site, shaking hands with folks. But some recent studies show the number one reason people leave their companies is the lack of appreciation from the company and from their immediate supervisor, so make sure you're caring, make sure you're appreciating.

The next thing is to provide a positive work environment. Now that may be a little bit more challenging, but what it's about is a can-do attitude. Of course, those can-do attitudes flow from the top. If you represent a can-do attitude, your managers represent a can-do attitude, it's easier for that to filter down. Of course, you need can-do people. If you have a bunch of folks running around being Eeyores, and, "We can't do this, or this is too hard," la, la, la, la, la, that can certainly bring the environment down. So, you want to look down and make sure you do have can-do people.

You know what? Eliminate the behaviors in people who bring you down or bring your organization down. That may sound a little bit cruel, but if you're going to get this attitude in your company, it can't be a competition between you trying to create this attitude and a bunch of people in the organization undermining it, so you've got to fix that. One of the ways to fix that is to always be setting a high standard.

Again, the standards are set from the top for the most part, so you and your management team need to set those high standards and you need to hold folks to it. One of the greatest quotes which was brought to us by one of our members from Grunter and Whitaker, "The culture of any organization is determined by the worst behavior the leader will allow."

So, if you're allowing those behaviors to happen, you're not going to be providing the workplace everybody wants to join, so up to you to set the standards, set the attitude, appreciate, care. If you do those things, you can provide the workplace everybody wants to join and maybe quit competing for people.

Thanks for tuning in, Dennis Engelbrecht, Digging Deeper.