

Perspectives on Diversity and Inclusion in Construction

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### ABSTRACT

The construction industry is rapidly growing and contractors are optimistic about the immediate and long-term growth of the industry. As demand increases, the construction industry faces a projected labor shortage crisis. As the construction industry grows, it must rise to meet the challenge of solving this labor shortage by diversifying and widening its labor pool and strategically attracting new talent. This essay offers a detailed solution that includes a redefinition of approaches to diversity, ideas for short-term policies and creative long-term policies, and a lasting vision for the industry that will guide us to continue growing progressively and avoiding crises like these in the future.

The construction industry is rapidly growing and contractors are optimistic about the immediate and long-term growth of the industry. As demand increases, the construction industry faces a projected labor shortage crisis. The Associated General Contractors of America, the industry's largest professional organization comprised of over 27,000 members, reports that 78% of its members are experiencing difficulty filling salaried and hourly craft positions. According to the NAHB/Wells Fargo Housing Market Index, which surveys over 140,000 members of the National Association of Home Builders, more than 82% of residential building firms expect the cost and availability of labor to be their top issue heading into the next decade. As our industry grows, we must rise to meet the challenge of solving this labor shortage by diversifying and widening our candidate pool and strategically attracting new talent. This essay offers a detailed solution that includes a redefinition of our approaches, ideas for short-term policies and creative long-term policies, and a lasting vision for the industry that will guide us to continue growing progressively and avoiding crises like these in the future.

### **What is Diversity and Inclusion?**

To begin working on a comprehensive diversity strategy for our industry, we first have to understand what diversity is. When asked what diversity means, many people would probably say that it means including a wide range of underrepresented demographics—demographics like race, socio-economic status, religion, and gender, into the construction industry. While this certainly is a great goal and is partially true, it is not enough because it does not cover the full breadth of what diversity really means for the workplace. I define diversity as “the inclusion of a dynamic range of people of different experiences, perspectives, backgrounds, and skills.” This view does not boil diversity and

inclusion down to simply hiring people who look or speak differently; this view suggests that we look at the core spirit of diversity. Instead of focusing only on demographics, we should be looking at a broader policy of breaking down *all* barriers, real and perceived, to entering a fulfilling career in the construction industry. Our diversity policy should not just be a scurry to hire more people to fill temporary labor shortages, it should be a commitment and a central understanding that diversity is crucially important and allows us to work in multi-dimensional teams that are more productive, creative, efficient, and more equipped to adapt to the challenges of the modern construction industry. I invite my colleagues to consider and adopt this new, more comprehensive and integrated view. By understanding the spirit of diversity, we can propel our industry for decades to come with a long-term vision, focused strategy, and sustainable growth in mind.

#### The Current State of Diversity and Inclusion in Construction

I believe our industry does a fair and respectable job of addressing diversity. Company executives generally realize that a diverse employee pool contributes to the companies' success, and many construction companies have robust diversity and inclusion policies that are serious about establishing a culture of integrating people of different backgrounds. For example, Detroit Edison's CEO Gerry Anderson joined a nationwide commitment to advance diversity and inclusion in the workplace by signing the CEO Action for Diversity & Inclusion pledge. Daniels Building in Farmington Hills, Michigan, and Colossal Construction LLC in Atlanta, Georgia, are both Service-Disabled Veteran-Owned Small Businesses (SDVOSB) and have a strong focus on helping veterans reintegrate into the civilian workforce. Several churches and labor unions in Detroit have partnered to organize programs designed to reintroduce those formerly incarcerated into

low-risk entry-level positions in the industry and provide them with educational services and workplace development. Suffolk Construction's free Trade Partnership program is also another exemplary commitment to train and include veteran, minority, and women-owned businesses into the industry. Legislation requiring the hiring of ethnic minorities on public works projects in Chicago, New York, and Detroit have been effective in increasing labor participation from a wider range of people of different demographics. The construction industry also faces many challenges relating to diversity. In Equality Research and Consulting Ltd's report titled "Race Discrimination in the Construction Industry: A Thematic Review," racism, discrimination, and exclusion continue to plague our industry.

Harassment also continues to be a pervasive issue in our industry. An article on harassment in Engineering News Record reported some 66% of respondents stated they have faced sexual harassment or gender bias in the construction workplace. In the 2018 Hiscox Workplace Harassment Study, it was reported that more than 57% of women aged 28-40, involved in the construction industry, have been the subject of sexual harassment. This figure is almost unfathomable and means that any woman considering construction as a career is actually *more likely than not* to be sexually harassed, assaulted, or abused on the worksite. These realities perpetuate a negative image of the industry which inevitably causes many eligible and willing employees to find work in other sectors. By redefining our commitment to integrity, diversity, and inclusion we can work toward eliminating these issues and increasing healthy, productive, and stable workplace experiences in construction.

### **An Evidence-Based Comprehensive Diversity and Inclusion Strategy**

In our mission as an industry to invest in our growth, we must redefine our commitment to fair and equitable standards and get creative about attracting and retaining new talent in a sustainable way. Our strategy first looks at short term strategies to help handle immediate shortages.

#### **Short Term-Strategy**

In addressing immediate labor shortages, companies can choose to pursue highly-effective strategies that will aid in the quick acquisition and retention of the workers needed. Innovative new technologies like Blendoor and Entelo offer novel ways to interview candidates using only a phone or computer app. These programs can also use computerized augmented intelligence to interview candidates instead of tying up valuable and finite manhours of hiring managers or project managers. These apps also have incredible capabilities in using smart human analytics algorithms to analyze a candidate's speech patterns, personality, and competence. This information is then instantly analyzed and help in hiring and managing a diverse workforce, while also helping to prevent unconscious bias from affecting hiring practices. Using Entelo, Schneider Electric's Director of Talent Acquisition LaDonna Tucker says her company was able to "achieve incredible results, working towards increasing female representation in our talent pool to more than 40% and connecting with qualified candidates around the globe who share our mission and can drive our business forward."

Collaborating with local technical schools is also another powerful strategy. Kelly Thomasian, a recruiter for Aerotek Technical Staffing, teamed up with local technical schools in Louisville, Kentucky. She began working with the school by helping the students

prepare for the work world by answering their questions and conducting mock interviews. Through this relationship, she is able to pass along the skills employers look for and also observe qualified candidates. When these students are nearing completion of trade school, she connects them directly to open entry-level positions that are perfect for them. This benefits students as they gain entry into local companies immediately, help technical schools develop their curriculums to be more responsive to the industry and place more of their graduates into jobs, and helps employers have a consistent pipeline of new workers. Companies in Metro Detroit like Turner Construction have synergistic relationships with technical schools like Randolph Technical Center and are seeing great benefits in closing their labor shortage gaps.

Companies should also encourage their current employees to submit referrals of people they know. According to the Society for Human Resource Management, employee referrals are the most powerful source of finding qualified candidates. Employee referrals are typically higher quality, close quicker, and tend to be retained by organizations longer.

### **Long Term-Strategy**

The nature of our industry is such that we are often so busy addressing immediate and short-term issues that investing in long-term sustainability is neglected. We need to change this approach and, as some of these short-term strategies are being implemented, our industry needs to look at long-term strategies and use positive momentum to ensure prosperity into the future and avoid labor crises like the current one.

Our long-term strategy should focus on three main objectives: reframing of our industry's image, education of the public, and education of youth.

Our long-term strategy should begin with creative and dynamic ways to reframe the image of our industry in the minds of the general public, politics, and the media. Everyone who works in the industry knows that long gone are the days that construction was an “old boys club” controlled by a handful of large companies run by laughing executives with big bellies and hard-to-pronounce last names, smoking cigars and playing golf, while their employees, boisterous burly men, toil their days away with their only goal being to go home to a cold six (or twelve) pack. Yet this is largely the common perception amongst the general population. We need to reframe this image so that a more diverse group of people can see themselves realistically pursuing careers in our industry. The construction industry is becoming more exciting by the day—one where vast expanses of desert are being developed in western Africa, business tycoons are building islands in the ocean and vying to introduce taller, more efficient, and more expansive projects previously considered impossible, and where Chinese billionaires are recreating the Asian construction market and influencing world politics. Rebranding our industry means seeing our work with fresh eyes and displaying the world of incredible opportunities available to everyone in our industry. Other industries, like the technology industry, computer coding, and the military have already realized this need and are taking real initiative in modernizing their image. Computer geniuses are no longer seen as thin, anti-social nerds hammering away at keyboards in their mothers’ basements; they’re seen as sharp industry leaders, like Elon Musk, who are changing the face of business, innovation, and science. Computer coders are no longer imagined as weird overweight guys with five pens in their shirt pockets; They’re seen as creative young minds of all backgrounds using code to study and solve the modern world’s most pressing issues. Other industries are using social media



platforms, marketing, film, children's book, and media to rebrand and modernize their image to appeal to younger audiences. As the construction industry follows suit, we can begin getting the attention and captivating the minds of young people from an early age, improving our reputation, and increase the numbers of people from different disciplines considering construction as a viable career choice. The same way the military is hiring photographers and Ford is hiring chemists, we need to expand the opportunities in our industry. We need innovative data scientists to help write programs to increase project estimating accuracy, we need chemists and physicists to design innovative new materials and solutions, and we need marketing majors to find fresh new ways to communicate our brand and attract more business. We need the unique skills of dyslexic boys and girls whose teachers told them they were "book stupid" in grade school because they liked working with their hands. We need the experience, work ethic, and values of our veterans. We need the talent of formerly incarcerated or homeless men and women who are committed to reforming their lives and earning an honest living. We need so called clueless teenagers who could learn great skills on their summers off from school. We need creative new ways to accept hard-working immigrants into our ranks. The construction industry can and should be a supportive home and a family for each and every one of its members, and we have a duty to showcase the range of exciting, fulfilling, and well-paying careers in our industry.

Public events like exciting expos and fairs are an underutilized long-term strategy. Events like the Michigan Construction Tradeshow or the Ready Set Build! Expo hosted by Turner Construction, Barton Malow, and Bedrock in Detroit are a fun and interactive way to introduce local residents, schools, and youth to the workforce. Hands-on experiences

like making sheet metal keepsakes, welding, and operating an excavator indoors are captivating activities for the public and a real opportunity to showcase the skilled trades. Attendees can also meet apprenticeship school representatives and interact with contractors to learn the process for entering the construction industry. Workforce training and community support partners can also help attendees overcome real or perceived barriers that may limit entry into the skilled trades. When I attend these events, I regularly meet many different kinds of people from the surrounding community. Some are looking for a career change, others are high school students considering construction for the first time, and others are just looking around with their kids and enjoying their first close experience with the industry. These experiences are an important tool for raising awareness of our industry amongst the general public and allow local schools to see what we do as well as attracting candidates for preliminary interviews.

Partnering with veteran organizations has the capability to solve a great portion of the labor shortage crisis. Around 200,000 service members transition out of the military each year, making them one of the largest and most qualified candidate pools for construction. Veterans bring many great attributes to the construction industry, such as problem-solving, integrity, teamwork mindsets, accountability, perseverance, and respect. As we hire more veterans, these values will continue growing in our company cultures and the culture of the industry in general. This will continue contributing to making the construction industry more welcoming, diverse, and more inclusive.

One of the perceived barriers to entry for many people is safety. Construction accidents are always particularly tragic. The images of death and destruction seen on television and social media when these events happen are hard to replace in the general

public's minds. Anyone who has ever lost a family member to an accident or seen a building collapsing in real life or on television will never forget it. By bolstering our commitment to safety, focusing on 200% accountability, nurturing our public relations with communities and politicians, and taking care of our employees and their families, we can do our outmost in looking out for our greatest asset — Our workforce. When we hold events focused on improving the physical health and general wellness of our employees, we communicate to them that we care about who they are, not just what they produce. When little boys and girls see their parents coming home healthier and less stressed from their construction jobs, their parents are less likely to say things like “Go to college so you don't have to do what I do.” Instead, the kids themselves may say, like I said to my grandfather when I was a little boy, “I can't wait to do what you do!” When a young woman can feel safe stepping onto the jobsite and doing her job without being harassed by “the boys,” she will project the confidence to keep doing her job well and the people around her will notice. When safety remains our top priority, and as safety culture is constantly improved, we will have less accidents and less bad press which will gradually improve our industry's image. Taking care of our people creates a culture of integrity in our industry that others notice and will be attracted to. This creates pride for the men and women who belong to our industry, a sense of honor and prestige for those outside of it, and makes it more likely that the sons and daughters of our people will continue their parents' legacy by choosing a career in construction.

We are the industry that built this country from sea to shining sea—and in fact built all of civilization. We know better than anyone that we have the perseverance, the grit, and the determination to meet this temporary labor shortage and grow through it strategically

by redefining our commitment to diversity and inclusion, creating a serious strategic plan based on solving short-term challenges, and fueling long-term growth. The Associated General Contractors of America (AGC) is the leading professional association for the construction industry. With over 27,000 member firms in its network, including more than 7,000 of America's top general contractors, nearly 9,000 specialty-contracting firms, and almost 11,000 service providers and suppliers, the AGC has a huge influence on the industry. As such, the AGC has the opportunity and the responsibility for spearheading efforts to bring diversity and inclusion to the forefront of our industry's goals. The AGC can create a special task force to study the issue of diversity and inclusion in our industry from a statistical and data-driven perspective, which can be performed by a professional organization specialized in this work like PWC or Deloitte. The AGC should also hold workshops, events, and conferences on diversity in construction and why diversity and inclusion are important. We can invite to these conferences local and national news organizations as well as politicians and policy makers to speak. These types of endeavors are vital in spreading a positive reputation for the industry and making more people aware of our work and the opportunities available in it. These efforts are also important in persuading our more traditionally-minded member firms who may not be used to considering diversity. The AGC can also take steps in coordinating relationships with leaders of other industries who have undertaken successful company culture reformations. Through these meetings, the AGC can help create a manual of diversity and inclusion best practices to which construction companies can continuously refer.

By redefining our commitment to diversity, equality, and inclusion; thinking critically about these policies; and opening a dialogue with the professional guidance of

important and relevant associations like the AGC, I believe the construction industry can begin developing a strategic platform of policies that can very effectively close this temporary labor crisis, cultivate a culture of diversity and inclusion in the industry, and allow for long-term growth and prosperity into the 21<sup>st</sup> century.

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