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**HOW HAS COVID-19 AFFECTED THE
CONSTRUCTION INDUSTRY BOTH NEGATIVELY
AND POSITIVELY. WHAT POSITIVE THINGS HAVE
WE LEARNED THAT WE WILL CARRY INTO THE
FUTURE?**



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Abstract

The global pandemic caused by the SARS-CoV-2 virus (COVID-19) continues to pose challenges to the world economy. This essay examines the impacts of COVID-19 as it relates to the U.S. construction industry, with a focus on Southwest Missouri. Based upon research and interviews with industry professionals, three key areas of impacts were identified: employment issues, day-to-day operations, and the health and safety of workers. Concerns and strategies to potentially address these critical areas are also presented. Lastly, suggestions are offered for how organizations like the Associated General Contractors of America (AGC) might assist in addressing COVID-19 related issues.

Introduction

In January 2020, the first cases of SARS-CoV-2 (COVID-19) infections were being reported in the United States. Following clusters of outbreaks in China and other countries, the world would soon fall victim to unprecedented pandemic challenges, including overflowing healthcare facilities, shortages of personal protective equipment (PPE), and nationwide lockdowns. Infection rates and deaths would climb to alarming numbers. For the construction industry, the uncertainty of COVID-19 brought its own set of issues for those professionals working to build or repair our buildings, infrastructure, or homes.

This essay examines COVID-19 and its impacts on Southwest Missouri through a multitude of interviews with industry practitioners from a variety of organizations, including general contractors, owners, engineers, trade partners, and industry professional organizations. Analyzing the data, three topics emerged as common themes : employment issues, day-to-day operations, and the health and safety of workers. The following sections highlight personal experiences and takeaways on how the pandemic affects businesses now and potentially into the future.

Employment Issues

With unemployment benefits being at an all-time high, Americans were unmotivated to join the workforce. According to Mike Brown, Project Manager at Springfield Engineering Company, “The fact that people were getting \$600 on top of unemployment benefits meant that they were making more money sitting at home than they would’ve been if they were working. We were having a hard time getting help when we were needing help.” Congressional Research Service can support Mike’s observations. According to its report that was released in August 2021, “The labor force participation rate declined to 60.2% in April 2020—a level not seen since the early 1970s” (Unemployment Rates during the COVID-19 Pandemic).

With such a minimal number of workers to hire, it became vital to escalate recruiting strategies and to put more of an emphasis on retaining the company’s current employee pool. Part of the process of maintaining the company’s current employees is to implement employee assistance programs to help individuals affected by the virus or the economic state. Along with it came policies mandating masking, handwashing, and social distancing.

Although a diminishing labor pool is a negative impact of the pandemic, it has translated to an emphasis on maintaining valuable employees, which can be seen as a positive. These efforts are a positive for the industry because they resulted in increases in employee health awareness. Outside of ensuring that employees are physically well, some companies went to the extent of putting a focus on the state of their employees’ mental health, in turn providing standard counseling sessions to the basic health insurance policy plan (Ramos, Stacie).

Day-to-Day Operations

When the pandemic began, fear spread quickly, causing people to transition to working from home. For Mike Brown, working from home did not work very well. He states, “We rely so much on going to each other, talking, asking questions, and getting help. Communication was really hard.” Working together in an office comes with many relational aspects all of which build trust, teamwork, and collaboration. When individuals began working from home, the community was impacted greatly, and many were unsatisfied. While most came back to work in the office, some continue to work from home. According to GR Stovall, President of DeWitt & Associates, their company has employees that have not returned to the office and continue to work from a distance.

As some continue to work from home and others are forced to quarantine, new ways of communication needed to be implemented. The biggest change has been the use of virtual meeting platforms, such as Microsoft Teams, Zoom, and Google Duo, to interact with the owner, design team, and onsite personnel. The use of virtual meetings has been a controversial topic within the construction industry. While some fear that the lack of face-to-face communication breeds distrust and creates a distance between the GC and the owner, others believe that virtual meetings allow for more flexibility and are a timesaver. The biggest challenge moving forward will be determining what meetings are best held virtually and what meetings need to be in person.

Outside of the use of virtual meeting platforms, the general use of technology to exchange information has become somewhat of a standard. According to Adam Parks, Senior Construction Manager at Q & Company, there was a plethora of subcontractors, suppliers, and city offices that would not let individuals come into their facilities. “This

made doing business with those entities much more difficult and we were forced to rely heavily on electronic forms of communication, document transfer, etc.” (Parks, Adam).

Although working with new technology is something the industry can adapt to quickly, the price volatility and everchanging lead times have been harder to get accustomed to. According to Tim Hanna, Estimator at Performance Contracting, Inc., “We’ve had to order materials, especially metal, far in advance of what we used to do. Metal we could get in less than 10 days before is taking 3 months, at a 300% + increase in cost.” Companies are taking drastic measures to stock up on materials in case costs increase even more. Some are even buying materials in bulk before even having a job to which it could allocate the costs. This is not only putting the contractors at risk, but it’s affecting the owners as well.

According to Stacie Ramos, Estimator at Killian Construction, as prices fluctuate, owners are having a hard time knowing what their final cost will be. She states, “One major trend we are noticing is that Owners still have money and projects, but they want the feeling of *best value* and are putting their projects out to bid multiple times to try and obtain the comfort of knowing they have the best price. It is changing how we as a General Contractors are providing services, and how subcontractors are pricing their work.” (Ramos, Stacie).

Health and Safety

The health and safety of workers has always been a consideration in the construction industry, but never to the extent that we are seeing now. With uncertainty of new federal policies and OSHA requirements, contractors are having a hard time maintaining a stable workforce.

“On Nov. 5, OSHA published its COVID-19 vaccination-or-testing policy for businesses with at least 100 employees companywide. On Nov. 6, the 5th U.S. Circuit Court of Appeals issued a stay temporarily blocking the rule. The Department of Labor's chief legal officer said in response, "We are fully prepared to defend this standard in court.”” (Lisa Nagele-Piazza, J.D) The 5th U.S. Circuit Court of Appeals isn't the only one against the new policy. As some employees refuse to get vaccinated and projects begin requiring vaccinations for onsite staff, companies are having to be cautious with what projects they bid.

Tim Hanna has his concerns regarding this issue, “Some projects/owners are considering vaccine mandates, but a very small portion of trade workers are vaccinated, so we've had to be cautious to not put ourselves in a position where we could not deliver as needed.” Mike Brown is in agreement with Tim, “This is far from over. We have to be cautious to not bid big jobs that are requiring 100% vaccination because not all of our people are vaccinated. About half of our field guys are vaccinated, and that has affected the organizational structure. We are having to adjust who we keep and who we lay off because of these mandates. Some of our top people, field hands, are not necessarily the top field hand because of the vaccine mandates. If you are vaccinated, it has stepped you up a notch.”

While the issue of vaccinations is still unclear and out of our control, it is important to stay positive and reflect on how the industry was able to adapt and stay open through the pandemic. Companies implemented daily temperature checks, social distancing, and sanitation guidelines. Employees that become ill are being more receptive to going home to recuperate versus staying at work and potentially spreading the illness to those around them. As an industry, we became more aware of infectious diseases and how to keep employees safe from them.

Conclusion

While some of the changes to the construction industry are short term, some are here to stay. The most important concept for companies to remember is that it is vital to stay flexible and to be willing to make changes to adapt. As an industry, we have already shown that we can in the following three areas: employment issues, day-to-day operations, and the health and safety of workers.

As a professional organization, the Associated General Contractors of America (AGC) can continue to assist the industry by partnering with influential groups, such as government entities, to help establish realistic policies and procedures for responding to all possible infectious diseases, not just COVID-19. In addition, the organization could help educate and help implement the requirements set in place.

Although it may seem that the negative impacts of COVID-19 greatly outweigh the positives, that is not the case. The virus not only tested the industry's resilience, but it proved that that we can adapt to any challenges that may present themselves.

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