



AGING WORKFORCE, BOOMING MARKET SEGMENTS STRAIN PERSONNEL RESOURCES

by Jeff Griffin, Senior Editor

Even as a sputtering economy reduces the number of new homes being built and affects other construction markets, project owners and contractors still express concern about finding enough workers for current and future demands. Indeed, in some underground infrastructure market segments, finding workers – particularly skilled labor – remains a huge challenge. And it's not just limited to construction companies. Many consulting engineering firms have found their growth limited as they struggled to find personnel.

The "labor crisis" is receiving increasing attention, and the problem of finding workers isn't limited to construction. Analysts say a combination of factors is the cause.

The Association of Equipment Manufacturers (AEM) monitors economic factors that can affect association members, pri-

marily manufacturers of construction and agricultural equipment, who have a vital interest in the availability of personnel to operate their products.

"AEM believes workforce shortages in coming years will be very real and they could be very serious," said Al Cevero, AEM senior vice president. "As to which specialties will have the greatest challenges, it stands to reason that some areas will have more workers available than others."

The age factor may be more critical in construction markets than other segments of the economy.

There's no question that America's workforce is aging and as "baby boomers" retire, they leave positions with an inadequate pool of trained people to replace them. In addition, jobs today require more education and training than in past years and some

trades and professions cannot find enough qualified workers to fill available jobs.

Various studies provide estimates of the "average" age of today's construction workers, but "over 50" seems a reasonable number. Associated Construction Publications, a division of Reed Business Information, has cited 52 as the average age of the American construction worker.

The U.S. Bureau of Labor Statistics places today's construction workforce at approximately 2.4 million and estimates the general construction industry needs to attract 240,000 new workers each year just to replace those who retire or leave for other jobs. The U.S. Department of Labor estimates that the construction industry will need to add 1 million jobs by 2012.

For those involved in underground construction, workforce issues vary by region and market with aging workers apparently a factor in all parts of the country.

What industry associations say

Officers of three associations whose members specialize in underground construction work agree that their industry niches are being impacted by a shortage of skilled workers.

Distribution Contractors Association (DCA) President Anthony Deussenberg: "There is not a pool of qualified, experienced workers available. It is a situation that has been building over the last few years as some workers left for other opportunities and as contractor workloads increased. It's a problem that will continue as older workers retire. The industry needs to recruit new people as we see an increase in projects that will require greater resources." Deussenberg is vice president of construction and safety director for Otis Eastern Services Inc.

Pipe Line Contractors Association (PLCA) President Bob Johnston: "There is a severe shortage of experienced construction personnel in the U.S. today, and that applies to about every craft. Contractors strive to meet all Federal Energy Regulatory Commission (FERC) guidelines and comply with OSHA standards, and a severe shortage of skilled personnel does not help achieve those goals." Johnston is vice president and a division manager of the contracting company Henkels & McCoy.

American Pipeline Contractors Association (APCA) Executive Director J. D. Lormand: "As everyone says, the job market is





extremely tight and the shortage of workers is affecting contractors." Lormand is an industry consultant.

Contractors' perspectives

Contractors say workforce issues vary by region and market with experienced workers the most difficult to find and companies doing large-diameter energy transmission lines being affected the most.

Delta Gulf Corp., Shreveport, LA, (oil and gas pipeline construction), W. A. (Bill) Leone, president: "Looking to the future, plans to build a major new Alaska natural gas pipeline soon may be implemented and if construction on it and other projected projects begins by 2010 or 2011, they would require every available skilled union member in trades serving the pipeline industry."

NPL Construction Co., Phoenix, AZ (natural gas distribution, telecommunications, electric power), Ric Pringle, employee relations/NPL counsel: "We are finding people for entry-level jobs, but for experienced workers, it gets tougher. Our workforce is getting older and we will lose experience that we will need to replace, but we take that into account in our business strategy. We are confident we will be able to train people to move up and take advantage of the opportunities that will become available. We have a strong focus on training."

Quanta Services Inc., Houston, TX (telecommunications, electrical power, natural gas pipelines), Ken Trawick, president, telecommunications and cable operations. "General labor is not as difficult to locate as qualified superintendents, foremen and project managers. Welders and CDL certified drivers are in particularly short supply.

"While certain skill sets are increasingly difficult to find, we do not consider the current labor situation "critical."

Miller Pipeline Corp. Indianapolis, IN (natural gas, water, wastewater, and telecommunications), Doug Banning, chief executive officer: "Finding quality employees is definitely a challenge, particularly in areas where we're experiencing high growth. Any key position seems to be the most difficult to fill. Skilled professionals, such as welders, fusers, lead laborers with commercial driver licenses, plumbers, directional drill operators, heavy equipment operators and crew leaders make-up about 70 percent of our workforce. The downturn in the housing market, along with other industries, may provide more candidates with a similar skill set that could easily be trained to perform our construction services."

First of a series

This report is the first in a series about what many in the construction industry view as a workforce crisis. Steps being taken to meet

Promoting Careers In Construction

One of the first things that come to mind when industry executives begin to discuss how to attract young people to the industry is the fact that so little has been done in the past. For this reason, few people today aspire to careers in the construction industry.

Many say labor shortages already are affecting workloads and fear it soon will be much worse.

That raises several questions, including: Why is a career in construction unattractive to today's young people? Are there adequate basic technical training courses to prepare young workers for construction jobs?

Promoting construction as a career and improving technical education programs won't help a contractor find the employees needed today, but they are steps toward helping alleviate the problem in the future.

The consensus of those interviewed for this report agree that two keys to addressing labor workforce shortages are attracting more young people to careers in construction and providing training both for students preparing to enter the work place and adults who move to construction jobs from other fields.

the challenge by the industry in general and associations and organizations specializing in underground construction and rehabilitation will be covered in future articles in the workforce series, including training and educational programs, methods contractors use to recruit employees and efforts to promote work in construction as an attractive and satisfying career.

New approach

To address these areas, the Association of Equipment Manufacturers (AEM) has established a Workforce Development Committee to raise awareness of the benefits of careers in construction and to encourage government agencies to support technical education programs. The committee is composed of representatives of the five industries the association represents: construction, utility, mining, agricultural and forestry.

"AEM's concern," says Al Cevero, senior vice president, "has been to raise the overall awareness of the looming workforce deficit and to interest youngsters in the industry through the Construction Challenge competition and on-line Construct My Future program."

The Construction Challenge held earlier this year involved 152 high school teams sponsored by AEM members. Participating in challenge competition involved "designing" new pieces of construction equipment, debating other teams about infrastructure issues and creating interactive educational programs about construction careers. Plans are to make it an annual event.

The interactive web site www.constructmyfuture.com provides information about career opportunities in the construction industry, targeting students ages 15 to 19 years, their parents, teachers, and high school and technical college counselors. ■



Comments? Suggestions?

How serious is the shortage of construction workers? What can the industry do to address it? And what can individual organizations do? We welcome your comments. Send to Senior Editor Jeff Griffin at up-front@cox.net. Be sure to include your name, organization name and telephone number.