Industry Watch
By Janice Yglesias

Help (Still) Wanted
Labor shortage problem continues to grow

In the Industry Watch column from March/April 2018, we noted that availability of qualified labor is increasingly seen as a major problem for both the construction industry and for manufacturers. If anything, the situation has worsened.

An industry-wide survey conducted this past summer by Autodesk and the Associated General Contractors of America, agc.org, says labor shortages remain so significant and so widespread that, while 93 percent of responding firms report they plan to hire new hourly craft personnel such as carpenters within the coming year, 80 percent report they are having a hard time filling these positions.

Given the significance of this challenge, John Manzella, a world-recognized author and speaker on global business, competitive strategies and the latest economic trends, led a one-hour discussion forum at the AAMA Annual Conference, covering the difficulties of hiring and retaining workers, the skills deficit, the effects of automation, immigration policies and rising wages.

Many factors have led to the current labor shortage, including the fact that large blocks of aging skilled workers are retiring. And, during the Great Recession, many skilled workers left the field for other occupations.

Compounding the issue, the participation rate for different age groups is the opposite of what it should be. Manzella reports that one in seven men aged 25-54 are long-term unemployed. “The opioid crisis contributes to this,” he says. “Virtually every industry is finding it difficult to find qualified workers, and a large number of candidates cannot pass drug tests.”

On this same note, an older study by the Manufacturing Institute, themanufacturinginstitute.org, noted that less than half of surveyed manufacturing executives indicated their employees had sufficient basic employability skills (attendance, timeliness, etc.) and the ability to work well in a team environment.

The younger generation tends to harbor a distinct aversion to the construction and manufacturing environments, which they reportedly perceive as rough, low-wage, low-prestige, and involving painstaking, dangerous work.

 Automation is another issue Manzella cites as accounting for more than 85 percent of job losses in manufacturing from 2000 to 2010, which highlights the need for effective planning for reskilling and job transition pathways. In general, jobs involving repetitive tasks in predictable work environments (e.g., a manufacturing assembly line) will be the first to become automated across all industries.

Some possible good news for construction professionals, however, is that compared to other jobs, skilled trade jobs are some of the safest in the age of automation. Robots don’t have the dexterity or the fine motor control to compete with human workers, a characteristic that is unlikely to change soon. The key is that the nature of work is not static, due in part to the influence of automation. It’s not that jobs will go away, but they will change.

A major element of the effort to attract younger workers and retrain those from other fields is shaping up to be a renewal of apprenticeship programs and efforts to attract different populations into the industry, where they can be given the necessary skills. The efforts of government agencies, community colleges, businesses and nonprofit organizations are starting to coalesce into a significant trend toward revitalizing effective skills certification and apprenticeship programs. And, trade associations are offering professional certifications, training and education to help bridge the gap.

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