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The State of Recruiting in the Construction Industry

A 2024 Industry Review & How to Prepare for 2025

Paul Donato | 19th November 2024

What did the 2024 Labor Market Tell Us?...

Q1 Jobs & Employment Headlines

- Strong US labor market underpins economy in first quarter. Unemployment Rate continues to fall.
- The unemployment rate has remained below 4% for 26 straight months, the longest such stretch since the late 1960s.
- The construction sector added 39,000 jobs, about double the average monthly gain of 19,000 over the last 12 months.
- Average hourly earnings rose 0.3% in March after gaining 0.2% in the prior month as some weather-related distortions faded. Wages increased 4.1% on a year-on-year basis.

Q2 Jobs & Employment Headlines

- No signs of US labor market deterioration as job openings rebound.
- ABC, Construction Job Openings Plummet by 71,000 in June
- The unemployment rate ticked up to 4.3% in July from 4.1% in June, the highest level since October 2021, signaling the labor market is continuing to cool.

Q3 Jobs & Employment Headlines

- US job openings hit 3-1/2-year low as labor market eases
- The larger-than-expected decline in unfilled jobs shown in the Job Openings and Labor Turnover Survey, from the Labor Dept. which showed there were 1.07 open positions for every unemployed person in July. That was the least since May 2021 and down from 1.16 in June.

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2024 Labor Market Review

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The 2024 Employment Headlines

Salary budgets could grow at near-record pace for 2025

People in charge of hiring employees told the Conference Board that allowed salaries will increase 5.2%.

Job applications surge — but top performers may still be heading for the door, Workday says

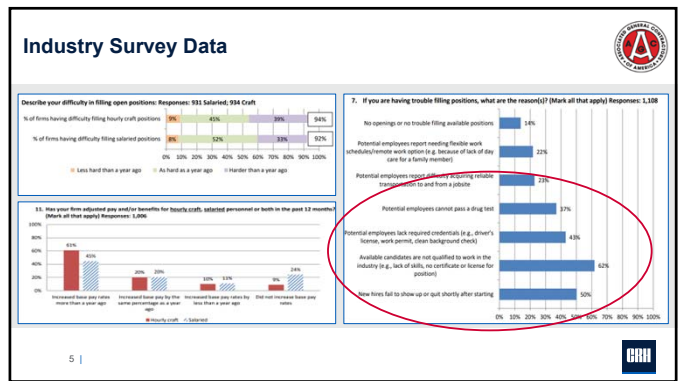
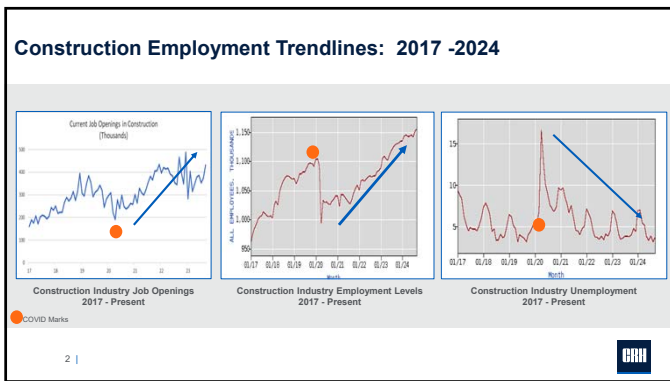
"Meaningful work is non-negotiable," according to Phil Williams, vice president of people analytics, insights and experiences at Workday.

By: Zachary Phillips • Published Aug. 29, 2024

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Industry Survey Data

Reason	Percentage
Available candidates are not qualified to work in the industry (e.g., lack of skills, no certification or license for position)	61%
New hires tend to show up or quit shortly after starting	50%
Potential employees lack required education (e.g., don't have work permit, clean background check)	41%
Potential employees cannot pass a drug test	31%
Potential employees report difficulty acquiring vehicle transportation to and from a job site	29%
Potential employees report wanting flexible work schedules (remote work option or a decrease of shift or day care for a family member)	22%
No openings or no trouble filling available positions	14%

Impacts:

- 54% of respondents report experiencing project delays to shortages of staff
- The three toughest-to-staff salaried positions, according to the survey, were **Superintendents (63% of respondents)**, **Project Managers/Supervisors (61%)** and **Estimating personnel (78%)**.
- The three toughest-to-staff hourly or craft labor positions, according to the survey, were **Mechanics (83%)**, **Cement Masons (83%)** and **Plumbers (80%)**.

Why is it Difficult:

- Federal funding: Heavily leans towards investment in Higher Education vs. proper Construction workforce training – only 20% or roughly \$26.3 billion.

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Looking Ahead for 2025

Apprenticeships help workers see construction as their first choice

To combat the labor shortage, John Mielke, senior director of apprenticeships and says contractors need to provide more on-ramps to careers in the field.Published Oct. 24, 2024

Could Gen Z be the next toolbelt generation?

Contractors can't afford the growing unemployment, inflation, or an industry recession, says St. John's.

4 employment actions to expect under a second Trump presidency

Employers are likely to see legislative and policy actions that will impact the labor market.

How AI And Skills-Based Hiring Are Reshaping The Job Market

Kara Davidson, SPHR, CPHR, EIC Contributor to FORTUNE 500 Leadership.

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What are Employees Telling Us? Retention!!!

Here's a breakdown of the top factors that would prevent workers from leaving their jobs:

- **Pay raise (38%)**
- Allow remote work (34%)
- **Improve workplace culture (33%)**
- **Improve communication and transparency between management and employees (31%)**
- Offer a more flexible schedule (28%)
- Encourage a healthier work-life balance (27%)
- **Make changes to management (27%)**
- Offer more opportunities for promotions (26%)
- Switch to a four-day workweek (21%)
- Provide training for career advancement (20%)

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CRH Recruitment Approach

- Dedicated Recruiting Team (Hourly & Salaried Roles) – Geographically Dispersed
- HM Involvement / Interview Training w/ Structured Interviews & Interview Guides / CRH Culture Promoted Throughout Interview Process
- Use of Video Job Descriptions / Day in Life Videos
- Employee Referral Programs (Hourly)
- Indeed.com CRH Curated Hiring Events (Hourly)
- Employer Branding: Indeed & Glassdoor Company Pages, Handshake (Interns), Engagement
- Internships / University Relations f
- Trade School / High School Relations (Hourly)
- Community & Civic Organization Involvement (Hourly)
- Target Former Employees (Boomerang Hires)
- AI Recruiting Tools / QR Codes / VR Gamification
- Provide a Robust Onboarding Experience
- 3rd Party Search

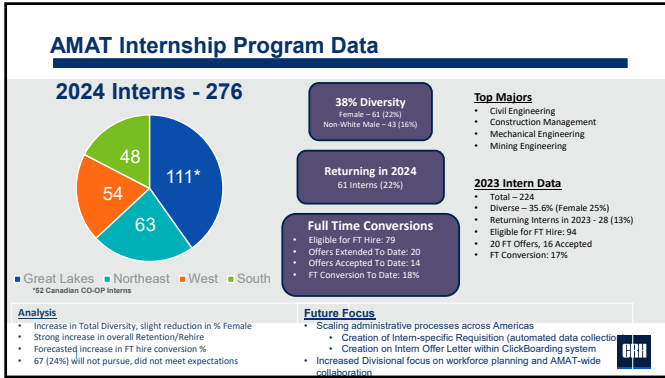
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Recruiting & Retention for 2025

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CRH Recruitment & Employment Branding (Attract & Retain)...

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Implementation Ideas

Define and Structure Recruiting by Job/Role Types

Write Interesting Job Descriptions And Improve the Hiring Process

- Don't stick to boring job descriptions, rather work on interesting descriptions that clearly mention what a job requires and what it offers.
- Avoid long job posts, as most applicants spend only 14 seconds on a job ad. In fact, shorter posts receive 8.4% more applications per view than longer posts. They only pay it a glance, and most pay importance to factors such as the salary range, qualifications, and performance goals.

Streamline the Application Process:

- Eliminate unnecessary requirements for easier worker applications. (Physical Exams)
- Collect only necessary details upfront from your applicants when applying.

Emphasize Offerings:

- Clearly highlight incentives, monetary rewards, safety measures, and additional benefits.

Stand Out In the Competition:

- During the hiring process, use testimonials, impressive imagery, and clear descriptions to distinguish your business and attract workers.
- Interview with purpose and passion.

Utilize Technology:

- Employ AI tests and other technological tools to analyze and optimize recruitment strategies.
- Leverage data-driven insights to identify effective advertisements that attract more candidates.

Get Social = Engagement!

Recruitment & Retention Action Plans

- Develop a Strong Employer Brand (Attract)**
A compelling employer brand is crucial in attracting top talent. Your brand should communicate the company's values, culture and mission clearly. Highlighting projects that showcase your company's commitment to quality and innovation can also attract skilled professionals who want to be part of significant and impactful work.
Action Steps:
 - Show testimonials from employees and success stories on social media and company website.
 - Highlight your commitment to safety, diversity and career development.
 - Maintain a professional and engaging online presence.
- Leverage Technology and Social Media (Attract)**
Using technology in recruitment can streamline the hiring process and reach a broader audience. Social media platforms like LinkedIn, Facebook and industry-specific forums are valuable tools for finding and engaging potential candidates.
Action Steps:
 - Utilize Applicant Tracking Systems (ATS) to manage job postings and applications efficiently.
 - Advertise job openings on social media and industry-specific job boards.
 - Use LinkedIn to connect with professionals and post job vacancies.
- Offer Competitive Compensation and Benefits (Attract / Retain)**
Competitive salaries and comprehensive benefits packages are critical in attracting and retaining top talent. In addition to a good salary, consider offering health benefits, retirement plans, bonuses and other perks.
Action Steps:
 - Conduct market research to ensure your compensation packages are competitive.
 - Offer performance-based incentives and bonuses.
 - Provide health insurance, retirement plans and other essential benefits.
- Provide Career Development Opportunities (Retain)**
Top talent often looks for employers who invest in their professional growth. Providing training, certification programs and clear career advancement paths can attract ambitious and skilled workers.
Action Steps:
 - Offer continuous training and development programs.
 - Provide mentorship opportunities and support for obtaining professional certifications.
 - Showcase career advancement opportunities available in your business.
- Create a Positive Work Environment (Retain)**
A positive and inclusive work environment is attractive to potential employees. Promote a culture of respect, teamwork and safety to retain current employees and attract new ones.
Action Steps:
 - Foster a culture of respect and inclusion.
 - Continual maintaining safety protocols for a safe work environment.
 - Encourage teamwork and collaboration.

What to Watch

- The Adoption of the Skills-Based hiring approach
- Employment Law / OSHA Changes / New Legislative Policies / Pay Transparency
- Fed Reserve & Interest Rates / Financial Markets / Global Markets
- Growing Introduction of AI / Tech into our industry continues
- Industry aging workforce and the rise of Gen-Z. Ability to maximize both target populations now and easily make the transition between the two distinct labor pools.

Recruitment & Retention Action Plans

- Utilize Employee Referrals (Attract)**
Employee referrals can be an effective way to find top talent. Current employees can provide valuable insights into potential candidates and often recommend individuals who are a good fit for the company culture.
Action Steps:
 - Offer incentives for successful hires through an employee referral program. (90-Days)
 - Encourage employees to share job openings within their network.
 - Recognize and reward employees who contribute to successful hires. (Sliding Reward Scale)
- Engage with Trade Schools and Apprenticeship Programs (Attract)**
Building relationships with trade schools and apprenticeship programs can create a pipeline of skilled workers. These institutions often have graduates ready to enter the workforce with the necessary skills and training.
Action Steps:
 - Partner with local schools and apprenticeship programs. (Greenfield Sites)
 - Offer students and recent graduates internships and apprenticeships. Student Loan Repayments.
 - Participate in career fairs and industry events.
- Implement Flexible Work Policies (Attract / Retain)**
Offering flexible work arrangements can be an attractive benefit, especially for skilled professionals who value work-life balance. Flexible schedules, remote work options for certain roles and accommodating personal needs can make your company more appealing.
Action Steps:
 - Evaluate which roles can offer flexible work arrangements.
 - Implement policies that allow for flexible scheduling.
 - Promote your company's flexibility as a key benefit in job postings.
- Conduct Thorough and Fair Hiring Processes (Attract)**
A thorough and transparent hiring process helps ensure you select the best candidates while providing a positive experience for all applicants. Clear communication, fair assessments and timely feedback are critical components.
Action Steps:
 - Standardize questions for a structured interview process.
 - Use skills assessments and practical tests to evaluate candidates' abilities.
 - Provide feedback to all applicants and ensure the feedback is constructive and timely.
- Focus on Diversity and Inclusion (Attract / Retain)**
A diverse workforce leads to innovation and improves problem-solving as it fosters different perspectives and ideas. Actively promoting diversity and inclusion can attract a broader range of candidates.
Action Steps:
 - Develop diversity and inclusion policies and training programs.
 - Ensure job postings and recruitment materials reflect a commitment to diversity.
 - Employee resource groups (ERGs) can be created to help support underrepresented groups.

Thank you