



Consulting

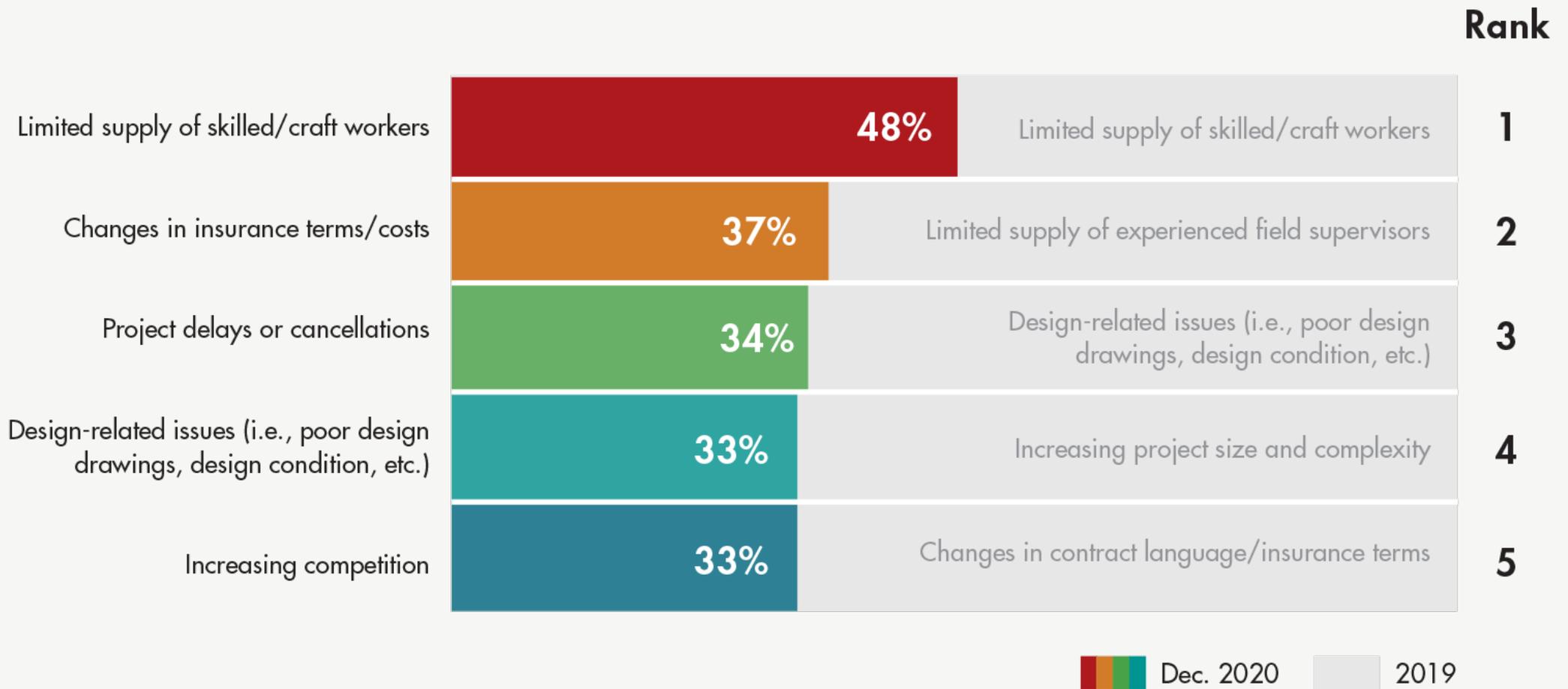
The Oft-Overlooked Risk:

Demographic & Cultural Shifts

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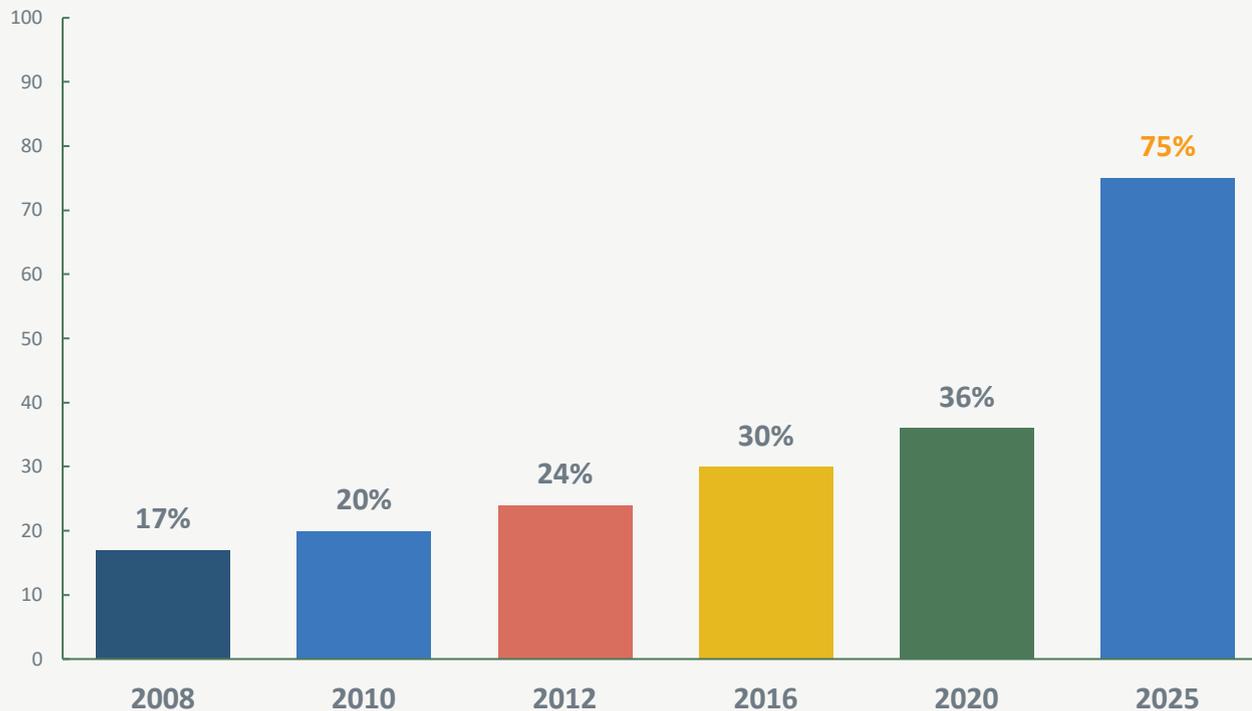


Construction Risk Outlook | 2021



Source: FMI-AGC Risk Survey, 2021

*“By 2020, Millennials will comprise more than 1/3 adult Americans. It is estimated that by 2025, they will make up as much as **75% of the WORKFORCE.**”*



2020- 2025 WORKFORCE ESTIMATE

Research: “Millennials and the Future of Corporate America” Winograd and Hais 2014

Publisher: Brookings Institution

Data Source: US Census Bureau

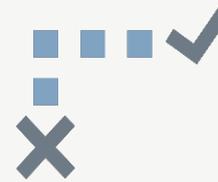
Industry Impact | WHY?



Problem

There are **3.7 million** construction workers who will be approaching retirement by **2023** (Statista, 2017). – AGC

In the last decade, the average monthly turnover rate in construction has been **5.2%** vs. **3.6%** for all industries. (BLS, 2021)



Data Analysis

2020

All Labor Force (16-65)

Total Employment: 147,795*

Construction: 10,786*

Millennials: (25-44)

Total: 65,233* (44%)

Construction: 4,971* (46%)

***Unit: Million**

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Solution

Leadership & Talent Development

- **Coach** Future Leaders
- **Train** Strategically
- **Build a Compelling Corporate Culture**



Outcomes

- **Bridge** the talent gap caused by the generational shift.
- “...(the) Wage boom in Blue-collar industry caused by **Pandemic** displayed that construction is **safe, stable, and profitable.**”

-Bureau of Labor Standards

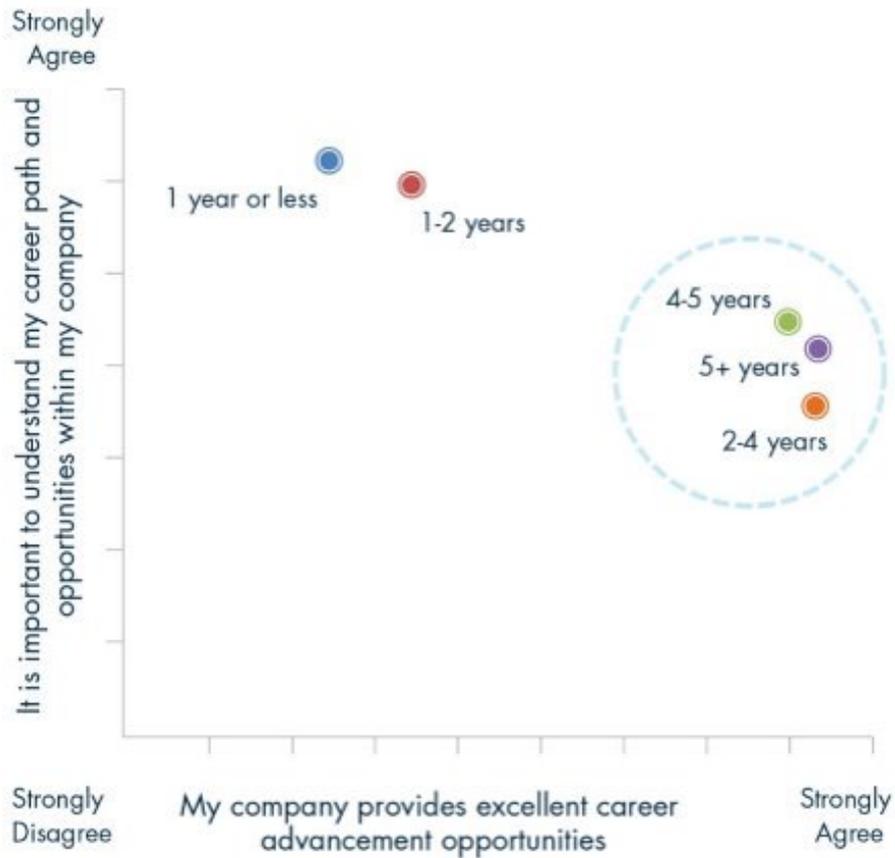
FMI Survey | Generational Workplace Differences



- Employees shared their thoughts with FMI on **what they look for in an employer**
- Research findings debunk some common **myths around generational stereotypes**

Myth #1 | Millennials Have Different Career Aspirations

Non-millennials



Millennials



Source: FMI 2015 Millennials Survey

Myth #2 | Millennials Are Lazy

Strongly agree:
I am willing to work beyond what is
required of me to help the business succeed.

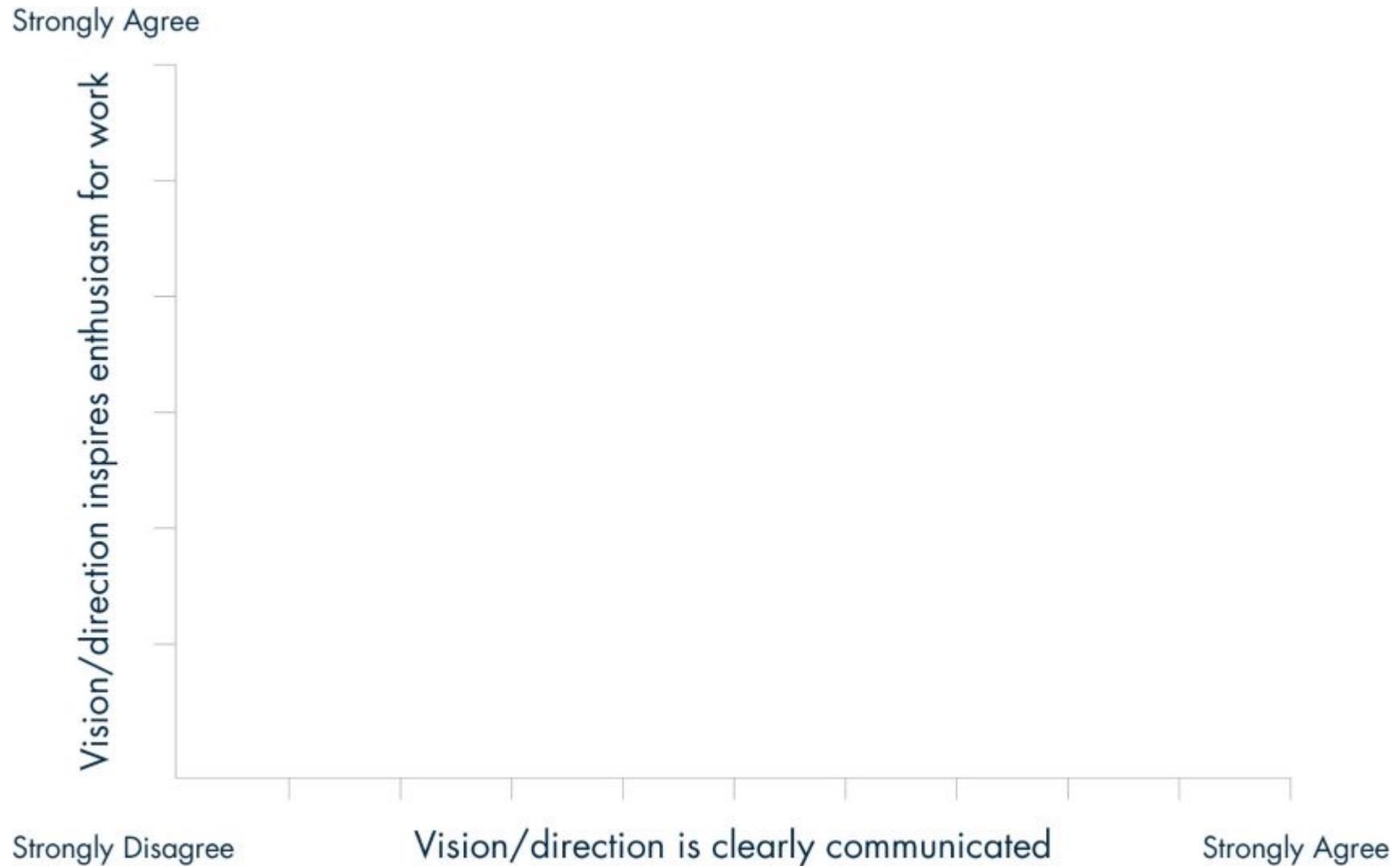


Strongly agree:
I am interested in challenging
work assignments.



Source: FMI 2015 Millennials Survey

Myth #3 | Millennials Are Job Hoppers



Source: FMI 2015 Millennials Survey

Myth #3 | Millennials Are Job Hoppers

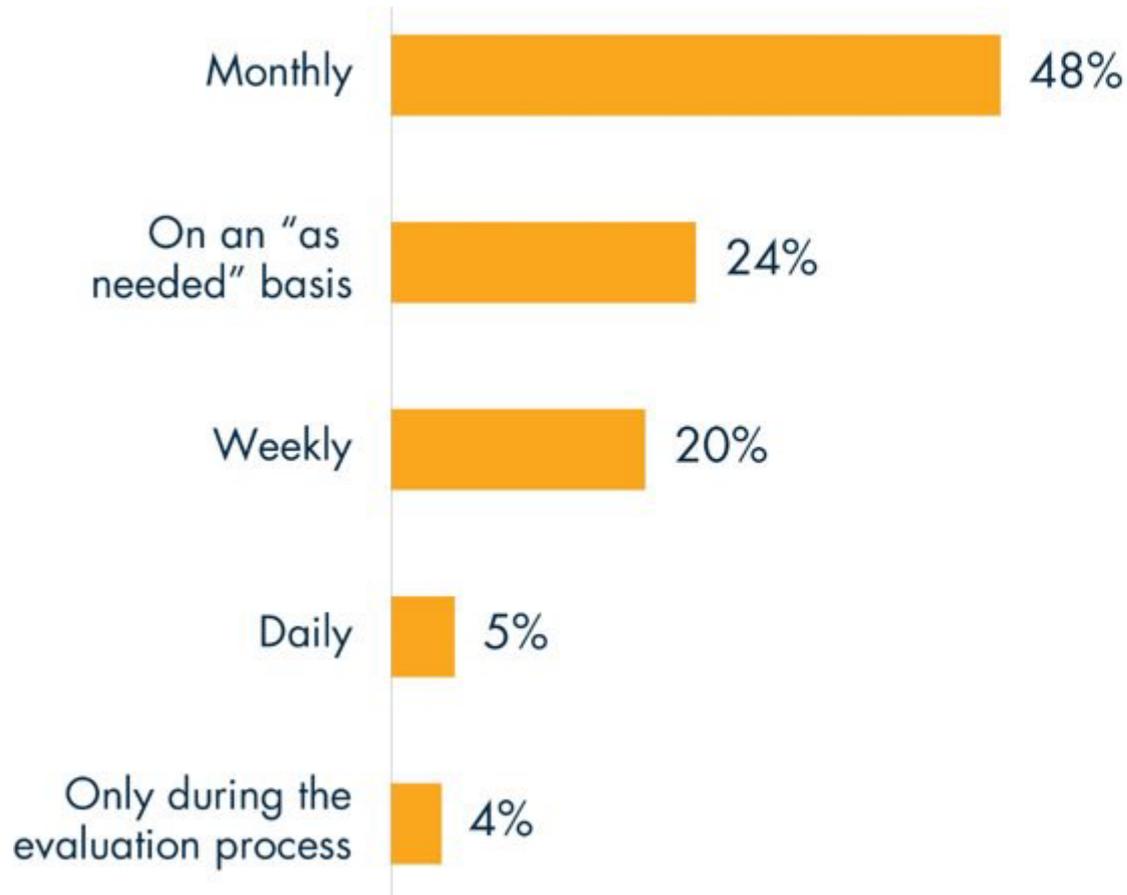
When the company's vision/direction is clearly communicated and inspires enthusiasm for work, ...

Millennials are 25% more likely to stay longer with the company compared to Millennials who don't have a clear vision/direction.

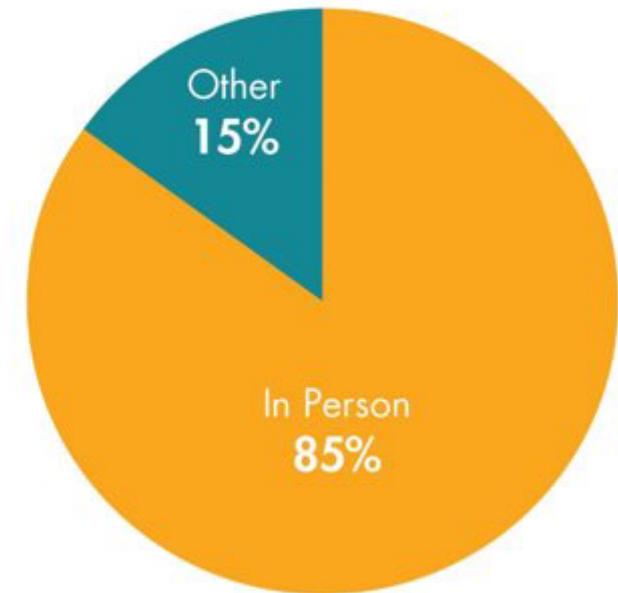


Myth #4 | Millennials Want Constant Acclaim

I would prefer to receive feedback...



I would prefer for feedback to be provided...



**other includes: via email, via letter, in a group setting*

Source: FMI 2015 Millennials Survey

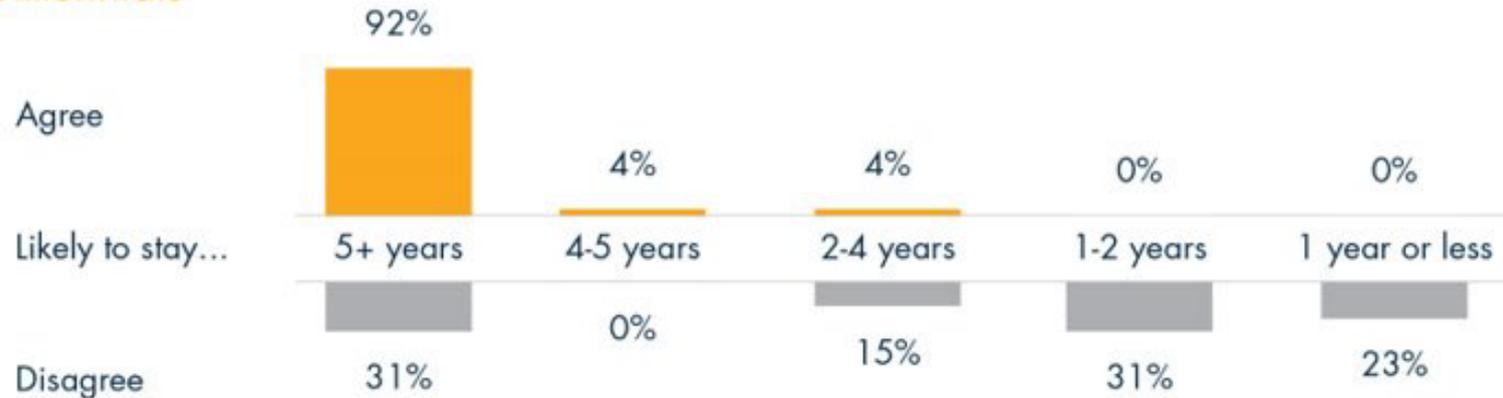
Start at the Top | Engaging Different Generations

Senior management has sincere interest in my well-being.

Non-millennials



Millennials



Source: FMI 2015 Millennials Survey

Start with Leaders | Caring and Committed

Low Scoring Employers	High Scoring Employers
Isolated, self-interested management	Servant mindset management
Devalue employees	Value employees
“Give ‘em an inch and they’ll take a mile.”	“If we give, they will give back.”
Employee engagement is desirable	Employee engagement is critical for success
Burned-out workers giving poor service	Nurtured workers giving great service

Source: Keeping the People, Leigh Branham
Author of *The 7 Hidden Reasons Employees Leave*

Talent Dilemma | What If?



CFO asks CEO:

What happens if we invest in developing our people and then they leave us for a competitor?

Talent Dilemma | What If?



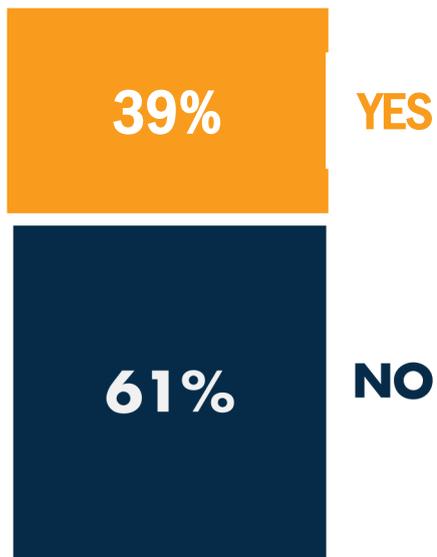
CFO asks CEO:

What happens if we invest in developing our people and then they leave us for a competitor?

CEO:

What happens if we don't, and they stay?

Do you measure employee engagement?



Source: FMI TD Survey

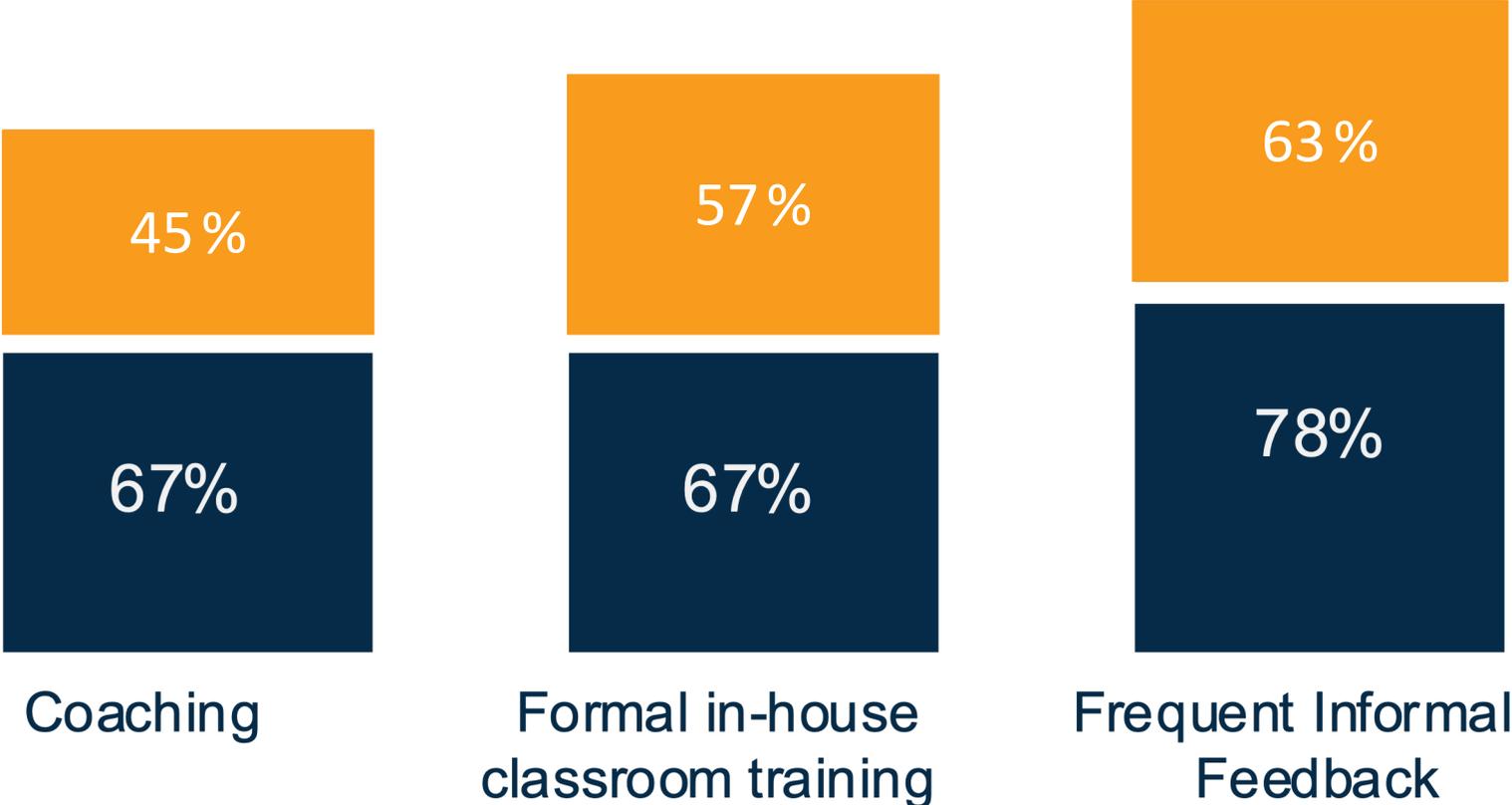
Corporate Culture | What is Employment Brand?

The image shows the Google logo in its characteristic multi-colored font. The letters are: 'G' (blue), 'o' (red), 'o' (yellow), 'g' (blue), 'l' (green), and 'e' (red).

- *Do employees know how to do their jobs effectively?*
- *Do they have the right resources to be effective?*
- *Are they surrounded by people that they like and respect?*
- *Do they feel that they are advancing in their careers?*



Corporate Culture | Professional Development



 OTHER FIRMS  HIGH-RETENTION FIRMS

Source: FMI TD Survey

The process through which an organization assures ample candidates to fill vacant positions



“...The process through which an organization assures ample *high potential* candidates to fill vacant *and future* positions *who over time have the capacity to grow into roles of even greater influence.*”



Talent Development | Next Generation Leaders



55% of FMI Survey participants do not identify and develop high-potential employees...

Talent Development | Next Generation Leaders



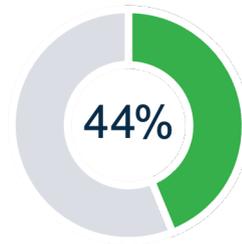
Ongoing performance feedback



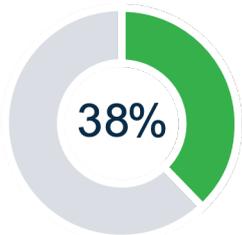
Flexible work schedules



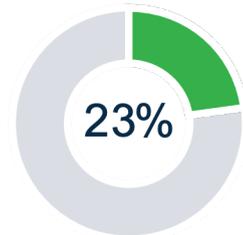
Formal and informal mentoring



Individual coaching



Clearly defined career path



Phased retirement work for retiring employees



Job rotation



Tuition reimbursement

Some practices for retaining high-potential talent are under-utilized – even by firms that focus on this group...

Source: FMI TD Survey

Key Takeaways | De-risking Generational & Cultural Risks

1. *Change vs. more of the same*

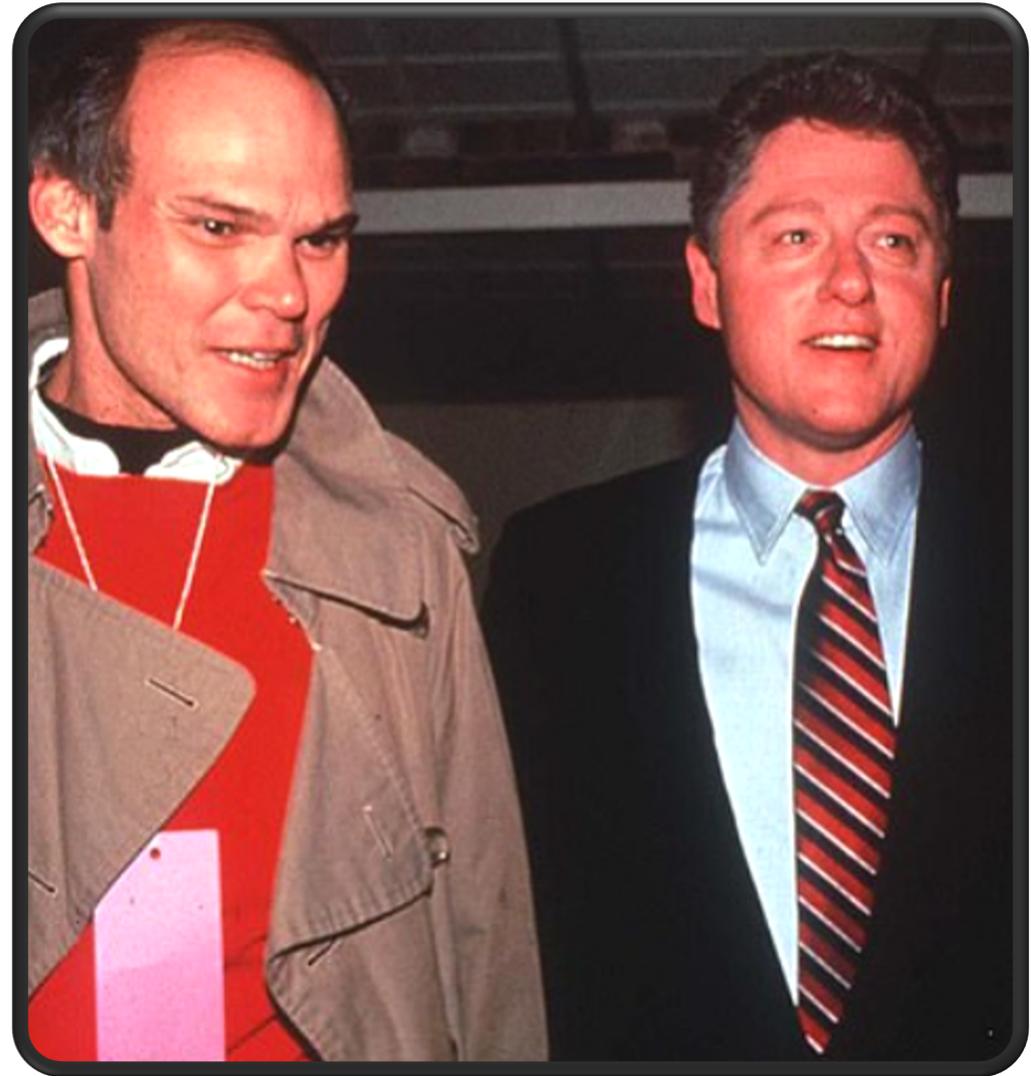
- Discard “old” generational stereotypes
- Accentuate positives for all

2. *It’s employee engagement, stupid*

- Assure C-suite commitment
- Leverage the power of brand

3. *Don’t forget training*

- Invest disproportionately in NGLs
- Start with robust feedback



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As a Partner with FMI's Leadership & Organizational Development practice, Michael brings his 40+ years of experience in the construction industry to bear on the challenges confronting today's leaders. He is passionate about helping organizations and their leaders walk through transformational change – especially as it relates to the challenges of management succession.

Michael is a lifelong construction guy, having been born into a family construction business in Raleigh, N.C. Sunday afternoons were spent touring jobsites and playing on scrapers & bulldozers. Summers meant working at asphalt plants, laying pipe, and finishing concrete. He continued this industry involvement post-college, assuming various leadership roles including president & CEO. Engineering News-Record named him one of its 21st century leaders of the transportation industry.

He has been heavily involved in corporate governance, having spoken at National Association of Corporate Director events and been instrumental in the organization and launch of two independent, outside board of directors. Michael is also a past chairman of the National Asphalt Pavement Association (2000) and for more than a decade led its health and safety initiative dealing with worker exposure to asphalt fumes. During those years, he developed close working relationships with members of organized labor, regulatory agencies, and academia – in both the U.S. and Europe.

Michael earned a civil engineering degree from North Carolina State University, continuing with post-graduate studies at the University of North Carolina – Chapel Hill. He has lectured in the graduate schools at both UNC and Northwestern University and is a 25+ year member of the Young Presidents Organization (“YPO”). As such, Michael has been fortunate to count some of the most outstanding business leaders in the world as his teachers.



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