



The Construction Industry's Chronic Labor Shortfall Demands New Leadership

By Chris Payne, PE, CCM

An increasing concern in the construction industry in the past few years—and one gaining increased notice recently—has been the shortage of available, qualified people in the construction workforce. A number of prominent news stories in the past few months have highlighted this issue:

- **91%** of contractors report having difficulty hiring workers
- The share of young construction workers has declined nearly **30%** since 2005
- A survey indicates only **3%** of young workers are interested in construction

The owner of a respected general contractor put it to me succinctly recently: “Our industry is in trouble. Young people not interested in construction.”

While most of the dire news stories are focused on the housing sector, at MBP we see these labor issues influencing the progress of larger commercial, institutional, and governmental building and infrastructure projects. This shortage comes at an interesting transitional point for jobs and work in general—while technology is threatening the future of jobs in every sector of the economy, perhaps no industry is riper for further technology-driven automation than construction.

Yet technology's potential takeover of construction is far from a current reality and, as a result, labor issues will adversely affect construction for the next five to 10 years.

WHAT TRENDS DO WE EXPECT TO SEE?

- The rise of technology and associated automation is inevitable. We will see increased development of robotics, off-site prefabrication, model-based construction (including 3-D printing), and other forms of artificial intelligence being introduced to the building process.
- The uneven and experimental adoption of technologies will result in exciting new advances, but will also introduce unexpected scope coordination and interface issues requiring flexible and innovative project management and leadership skills.

- In the short term, we expect to see further increases in claims and disputes over the effectiveness of limited craft labor production in the form of “loss of efficiency” and disruption claims, as parties involved in construction will attempt to shed liability for the degraded performance of an inadequate labor force.

MBP has always supported clients to reduce the uncertainty associated with construction through proactive management, focused communications, and problem-solving. We anticipate these skills will evolve and be all the more valuable in the next decade. This is the first of a series of blogs that will look into the dynamics associated with limited construction labor in more detail.

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