

Building Trades Employers' Association BTEA Members Contractor's Survey

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Executive Summary

In December 2007, the Building Trades Employers' Association (BTEA) commissioned FMI Corporation (FMI) to conduct a broad survey of its member contractors. FMI jointly developed the survey questionnaire with the BTEA and distributed it to over 1,800 member contractors of the BTEA in March 2008. In total, 64 members responded (4% response rate) to the survey. The results were analyzed by FMI, and no individual responses were shared with the BTEA.

The primary intent of the survey is to help the BTEA learn more about the employment, recruitment and training needs of the member contractors to better serve them; and perhaps to develop new managerial and administrative labor market programs and initiatives.

General Observations

Survey respondents representing the BTEA membership are weighted toward mid-size firms (47%) with 10 to 49 non-trades employees. They are largely comprised of subcontractors (69%), and they are predominantly privately-held firms (95%). Fully, 42% of responding firms are family-owned. We would generally expect firms with this profile to need some assistance in professional recruiting and training practices to support their profitable growth.

Respondents confirm the need for this help in recruiting talent. Thirty-six percent express dissatisfaction with their current non-trades recruiting practices. The relatively less sophisticated method of "word of mouth" recruiting is noted as most-used and successful. Respondents heavily favor (60%) an employment clearinghouse to locate non-trades staff.

The recruiting need is also urgent. A high percentage of respondents (40%) indicate that they are understaffed for projects already in the pipeline. Longer term, an aging workforce will exacerbate this issue. Respondents indicate that 18% of their workforce is over the age of 55.

Hours actually spent on training are reported to be well below both recommended and required levels. In the current building environment, safety is noted as the most critical training need for project managers/engineers/superintendents. Simply "finding the time" is suggested as the biggest challenge to appropriate training. Further, one-third of responding members are not aware of the BTEA's free training opportunities, and of those that are aware, 38% have decided not to utilize them.

Industry stakeholders and resources are being stretched to keep up with the burgeoning demand in New York City. The pressure to recruit new talent, understaffing on current projects, under-utilized training opportunities - even the response rate to this survey - all reflect this stress on stakeholder resources. The role of the BTEA is especially critical at this time. The association can provide tremendous value to the industry through its direction of an employment clearinghouse, and by assuming leadership in promoting and providing needed training.

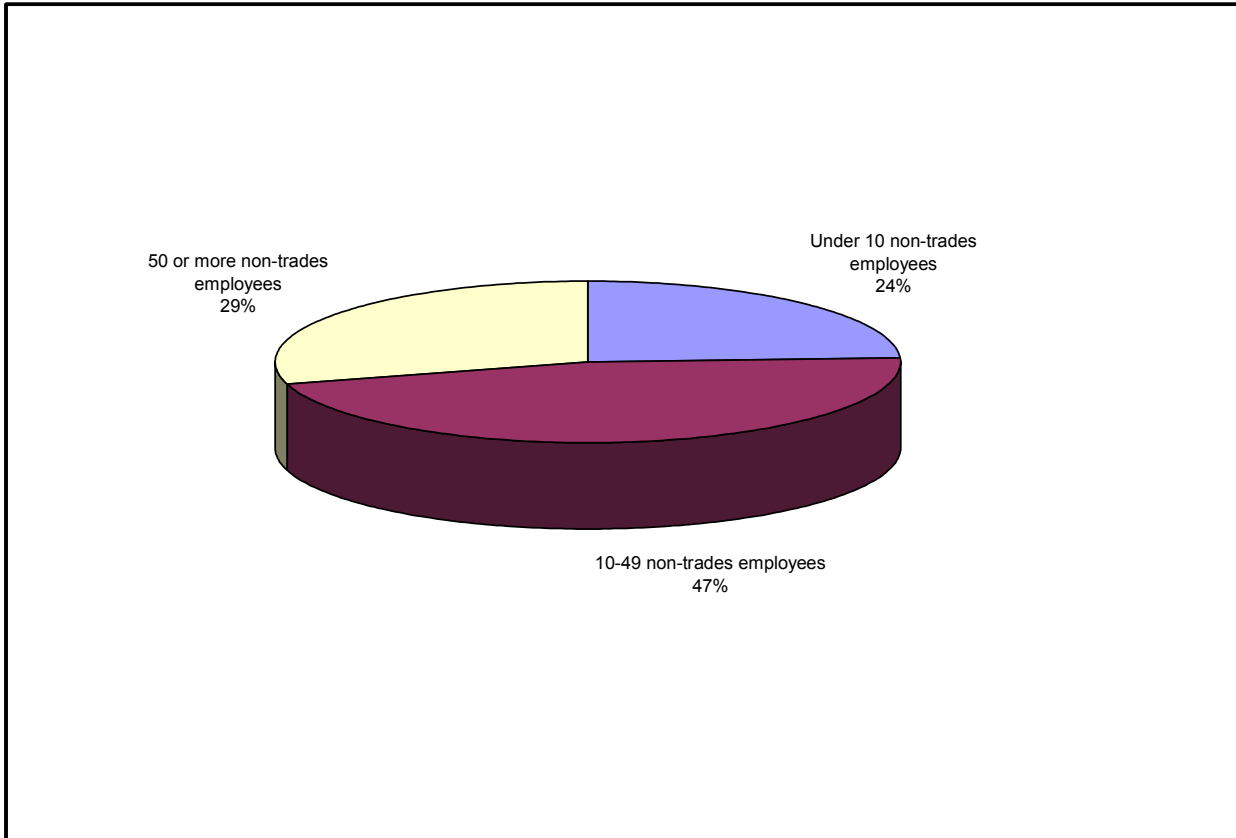
General Company Information

Forty-seven percent of the survey respondents were medium-sized companies (between 10-49 non-trades employees). The remaining responses were a mixture of large firms (50 or more non-trades employees) and small firms with less than ten non-trades employees. Overall, 69% of the survey respondents were subcontractors, while 26% reported being general contractors. Finally, the majority (95%) of surveyed companies were privately owned.

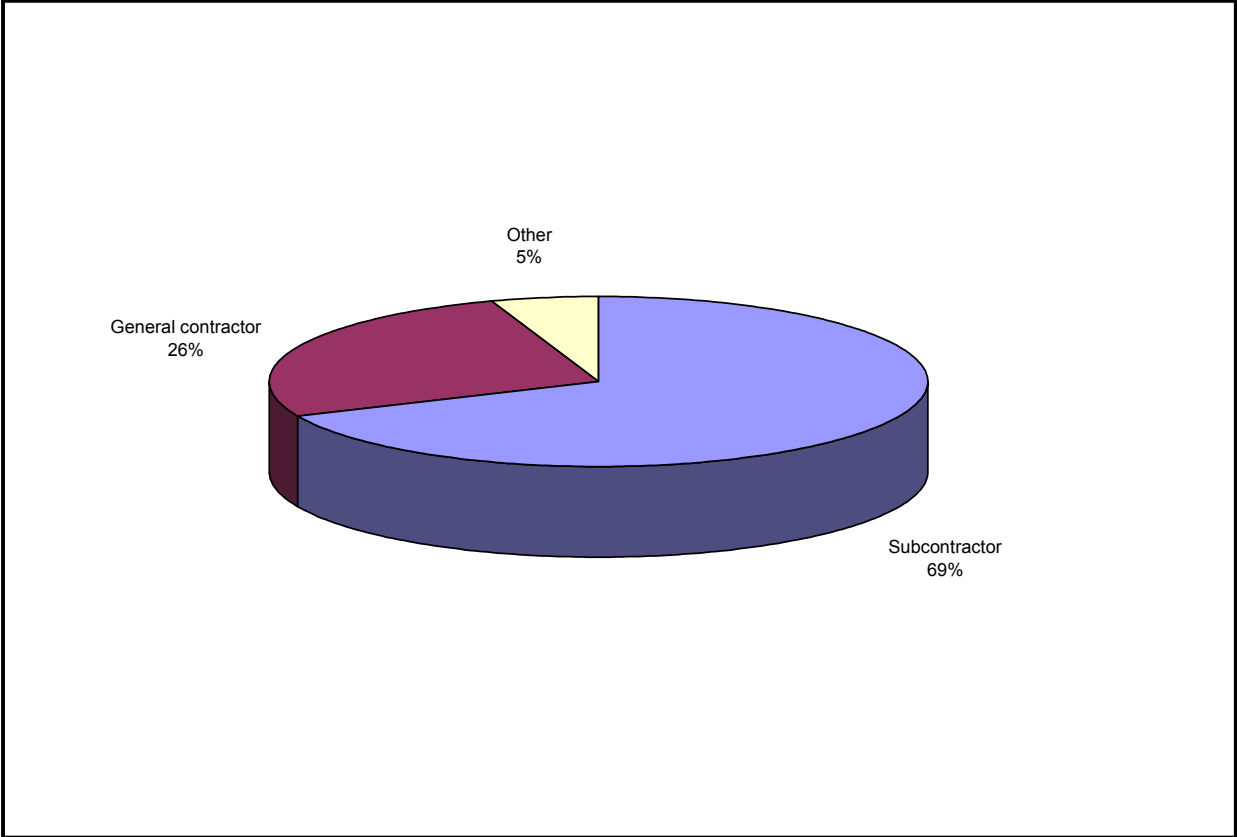
The three exhibits below illustrate the member contractor characteristics for those responding to the survey.

How large is your company?

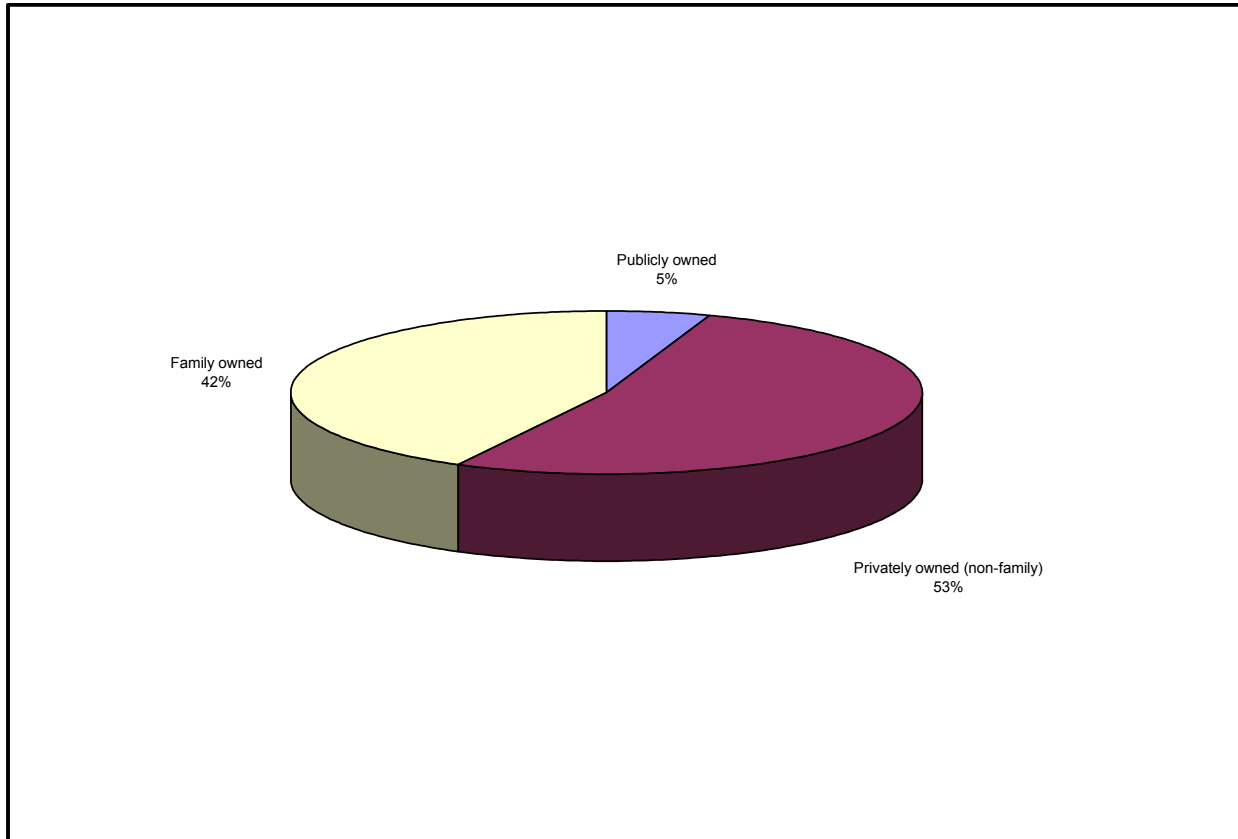
Note: “Non-trades” employees denote workers currently serving roles such as project manager, administrative assistant, cost estimator, accountant, senior manager and the like. It does not include trades people (carpenters, electricians, laborers, etc.).



Is your company primarily a general contracting or subcontracting business?



What is the ownership status of your company?



Labor Market Supply and Demand

Introduction

The makeup of the construction workforce is changing. Baby boomers are approaching retirement age, skilled labor pools continue to dwindle and diversification of the workforce with respect to gender and race will force companies to change the way they operate. According to the Bureau of Labor Statistics (BLS), by 2012 there will be approximately one million new jobs for workers in the construction industry. As experienced employees leave the industry, they take with them valuable experience, business contacts and years of knowledge that is difficult to replace. Companies must begin planning now, if they want to ensure that they will have an adequate supply of talented employees in the upcoming decades.

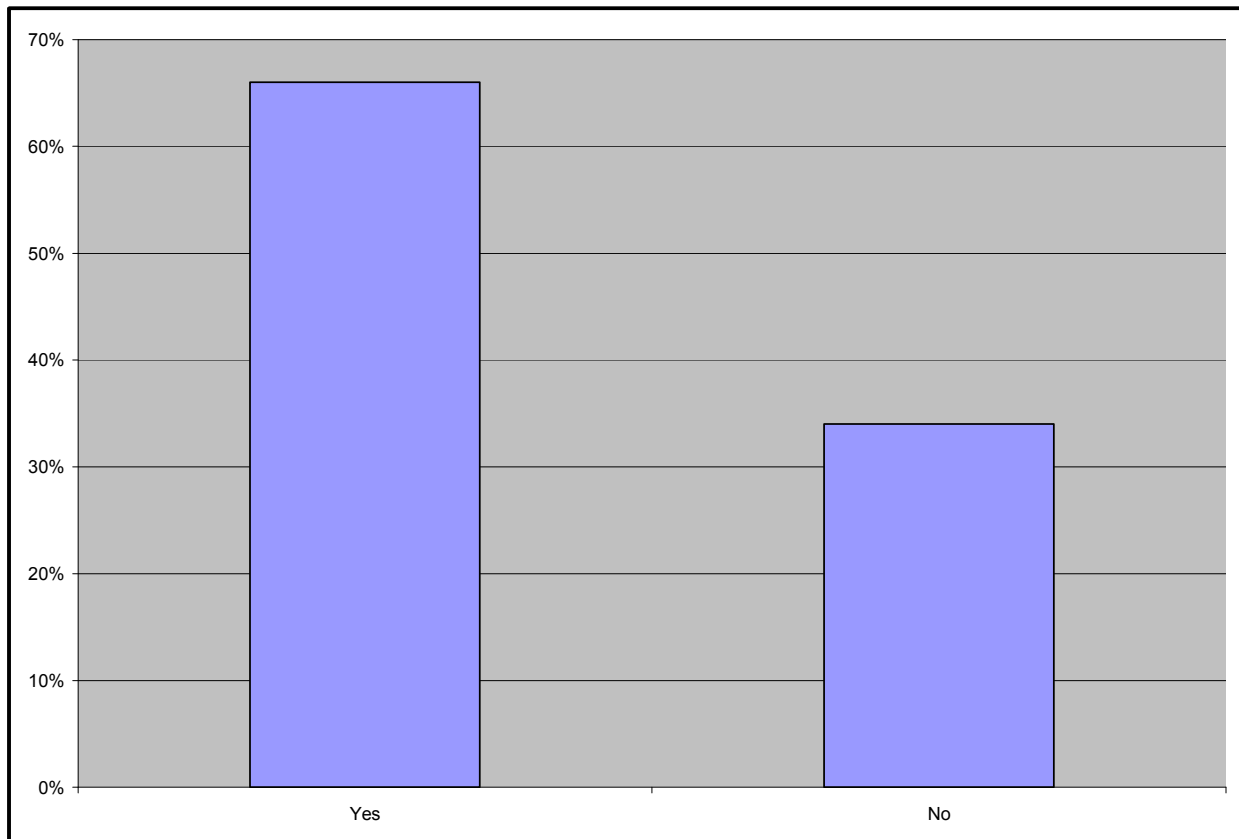
Survey Results

The survey included several questions regarding managerial and administrative employment supply and demand: what are the characteristics of the current labor supply, the kinds of positions that are in most demand, the extent of current hiring demand and future work supply and demand trends.

In general, most survey respondents do anticipate hiring increases over the next 12 months. During that period, almost 70% of survey respondents indicated that they do have plans to hire additional staff. This is not surprising considering that those greater than 35 years of age currently fill the majority (83%) of the managerial positions. Nearly 50% of those in a managerial role have worked at the company for more than 10 years, and 17% of survey respondents anticipate that 10% or greater of their managerial employees will leave/retire in the next five years.

Do you plan to hire new staff people now or anytime during the next twelve months in any of the following occupational categories?

Almost 70% of all survey respondents indicated that they do plan to hire additional staff during the next 12 months. Cost estimators and project managers/engineers were the most frequently mentioned occupational positions that companies plan to hire over the next 12 months.



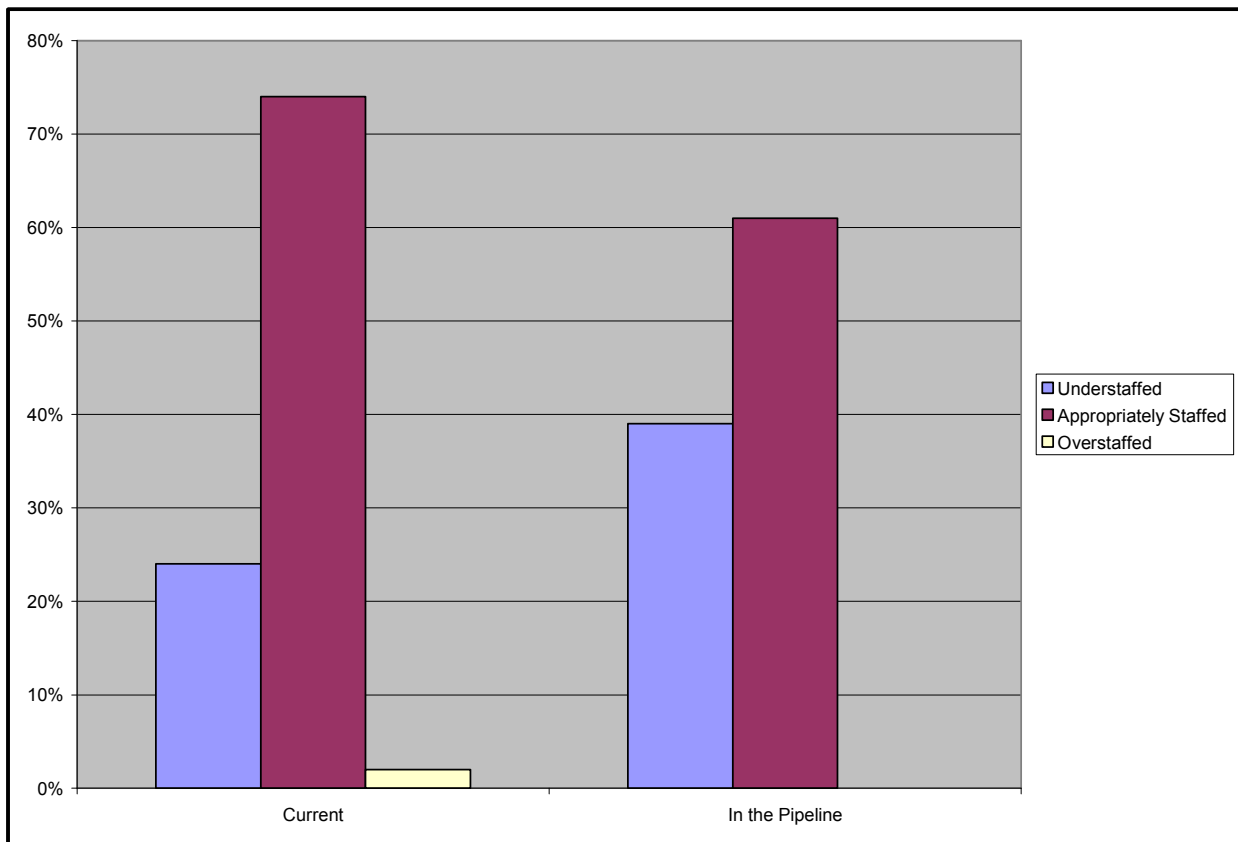
If yes, please check all of the following occupational categories that you plan to hire new staff people now or anytime during the next twelve months and indicate how many hires.

Cost estimator and project manager/project engineer were the most commonly mentioned occupations for planned hiring over the next 12 months. Both positions were the top mentioned categories during the previous BTEA survey in 2003.

Category	# Checked Yes	Now (How Many?)	Next 12 Months (How Many?)
Cost estimator	22	1	1
Project manager/project engineer	22	1	2
Project superintendent	17	1	5
Assistant project manager/project engineer	16	3	4
Administrative assistant/secretary	14	1	2
Accountant or finance officer	12	1	2
Draftsman/draftswoman	8	1	2
Assistant project superintendent	7	2	5
Project executive	7	1	1
Other	7	5	10
Safety officer	5	4	6
Quality control manager	4	3	3
Payroll clerk	3	1	2
Computer technical support specialist	0	0	0

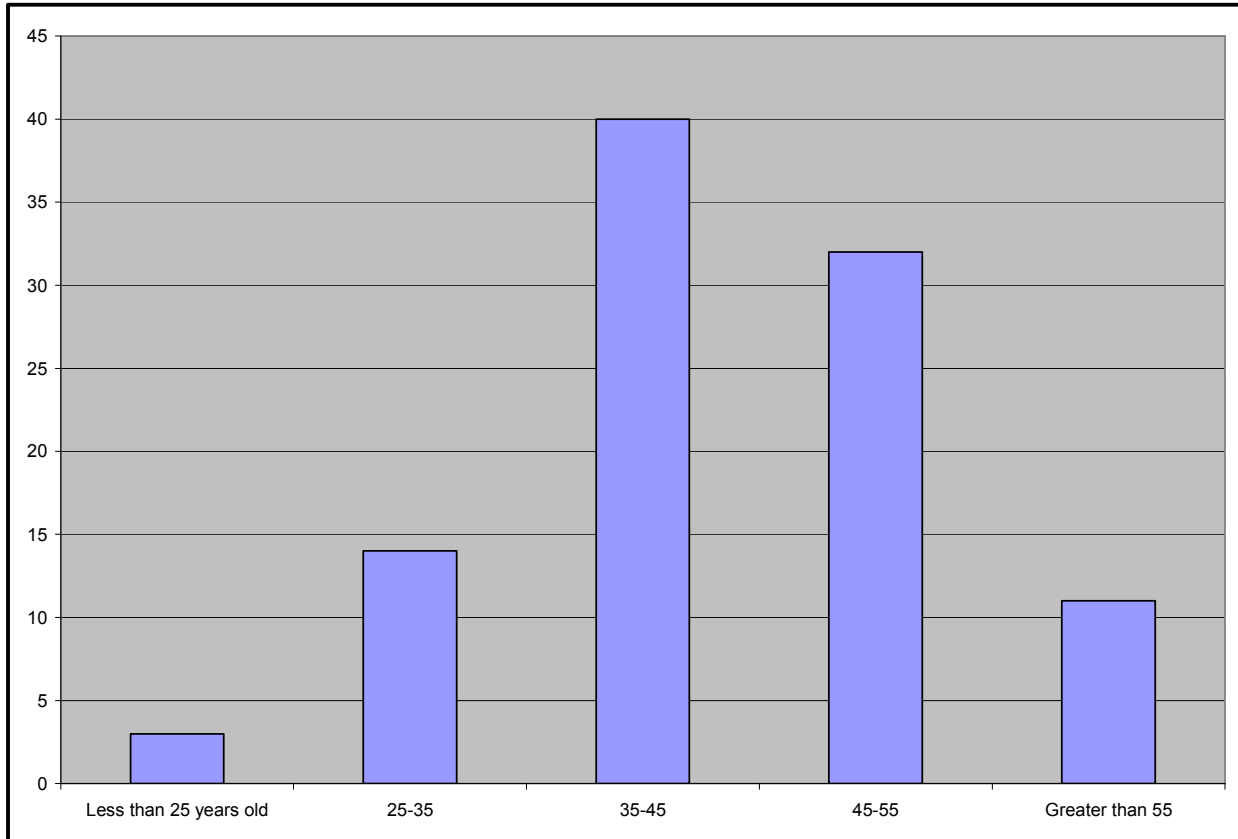
Is the size of your non-trades staff sufficient in terms of your firm's current workload and projects that are "in the pipeline?" (Please check one for each category).

While less than one-fourth of survey respondents indicated that they are currently understaffed, nearly 40% feel that they are understaffed for projects that are in the pipeline. Only 2% of respondents are currently overstaffed and no respondents are overstaffed for projects in the pipeline. This suggests that the demand for construction labor will continue to increase. When asked during the 2003 BTEA survey, only 10% of survey respondents indicated that they were currently understaffed.



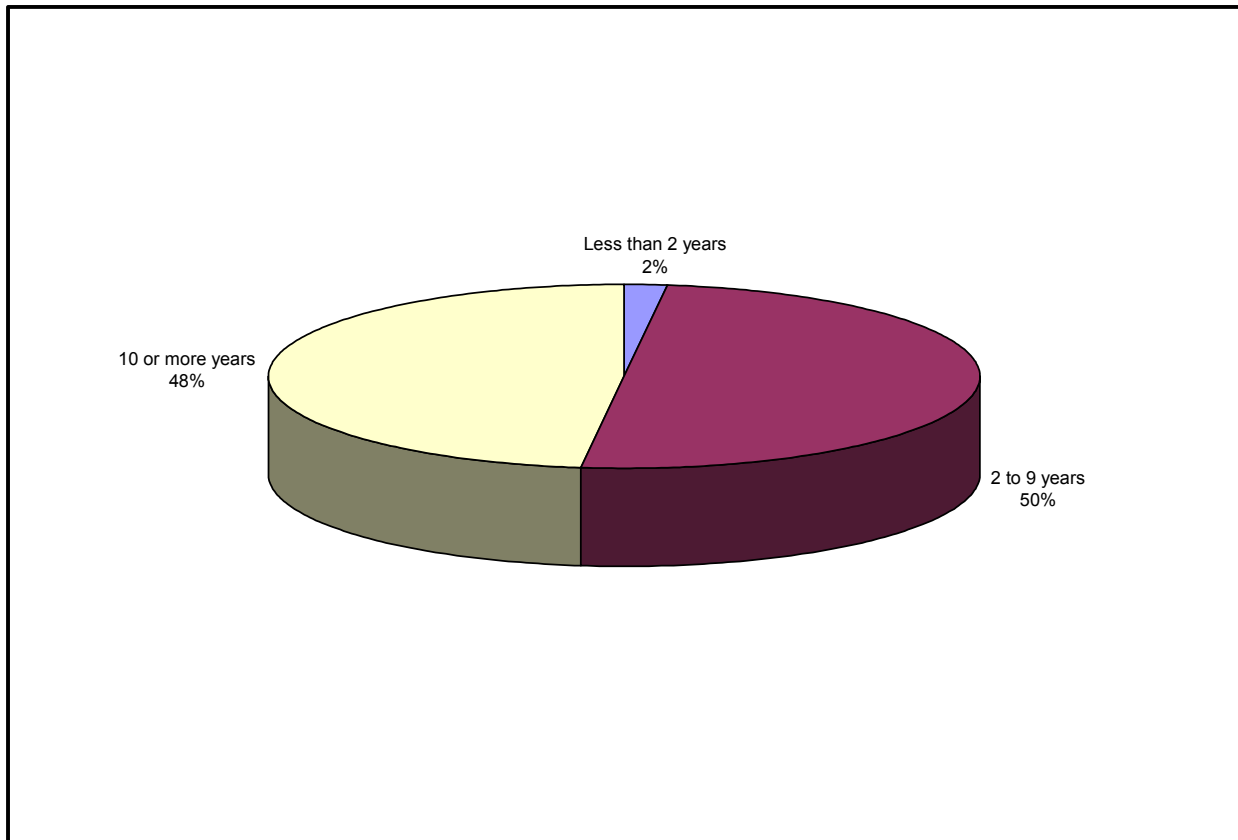
Approximately what percentage of employees in a project manager/project engineer/project superintendent role at your company are in each of the following age groups?

Survey results support the industry's aging workforce predicament. Only 17% of employees are less than 35 years of age. In addition, the greater than 55 age group (18%) was more than double the size of the less than 25 years old age group (8%).



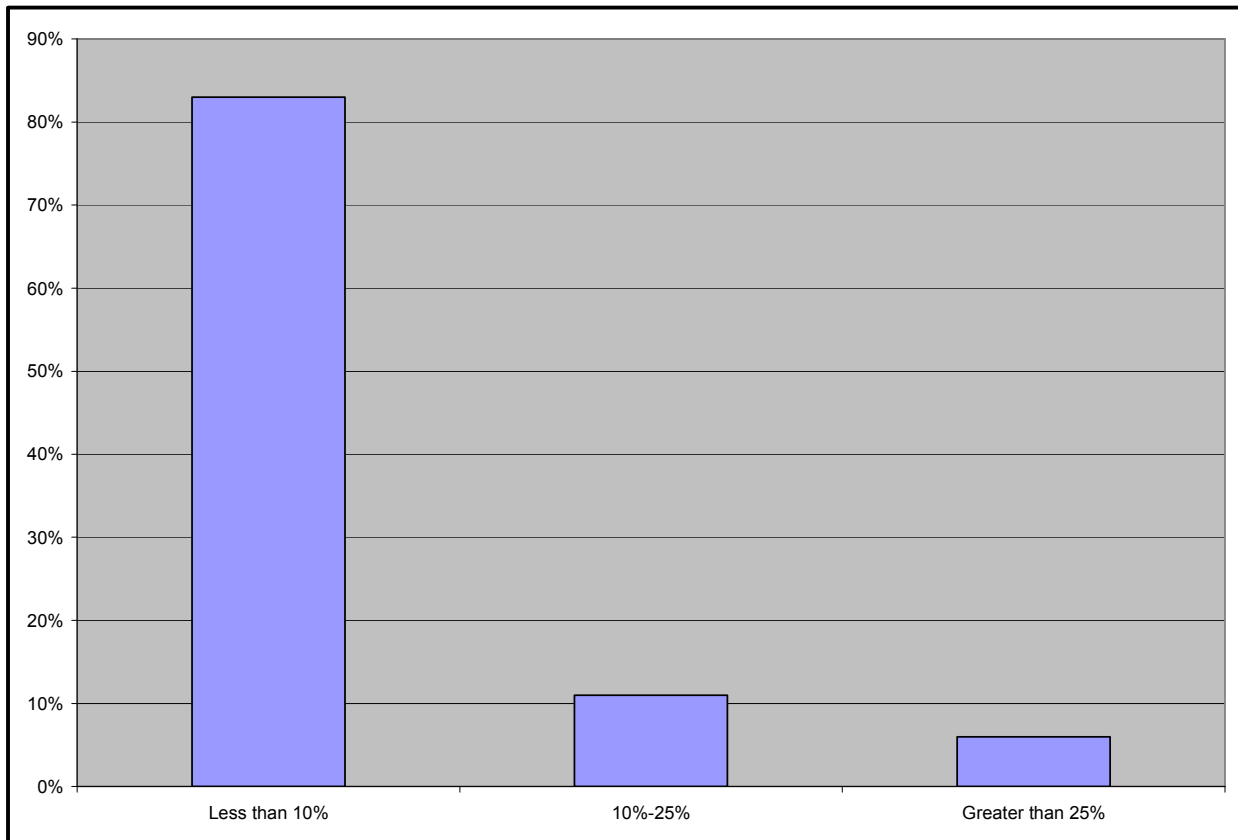
How long has the average employee in a project manager/project engineer/project superintendent role worked at your company?

Nearly 50% of those in a project manager/project engineer/project superintendent role have worked at the company for more than 10 years. An additional 50% have been working at these companies between two and nine years.



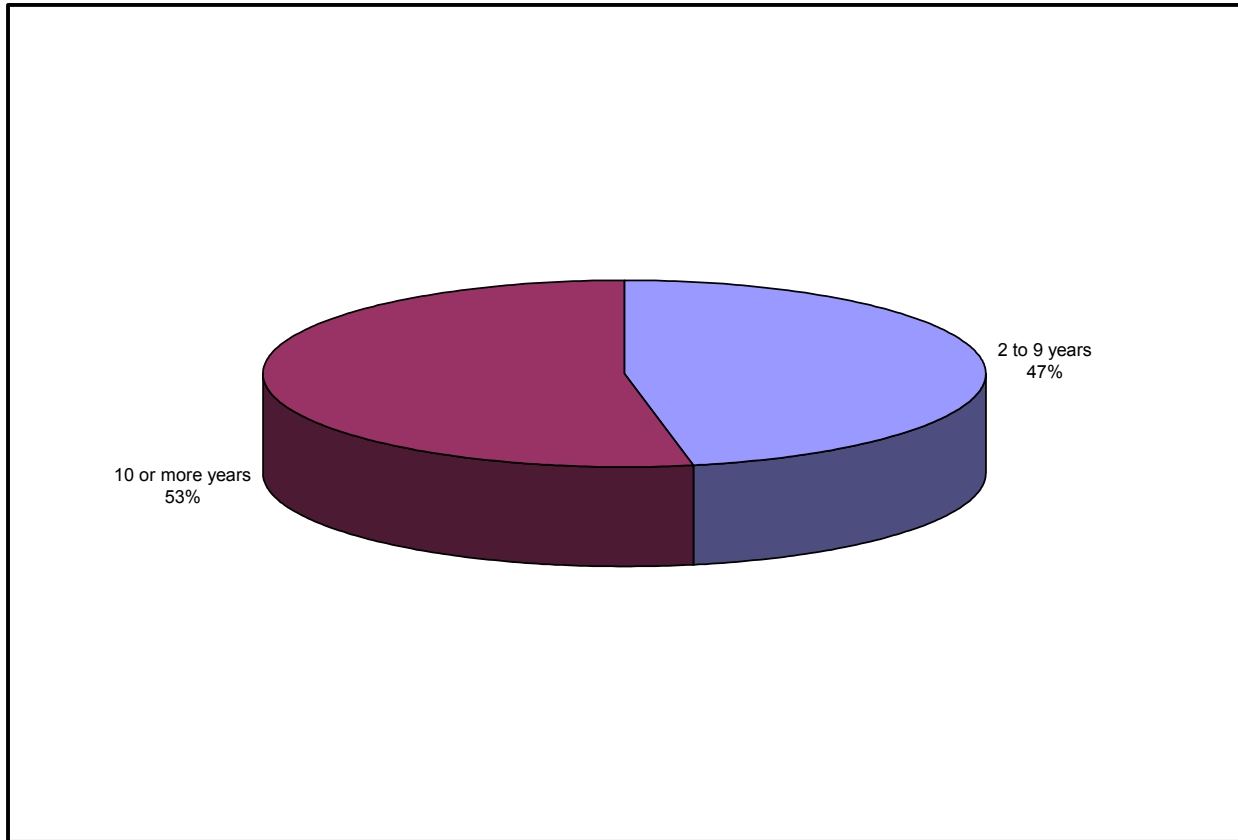
What percentage of employees in a project manager/project engineer/project superintendent role at your company do you anticipate leaving/retiring in the next five years?

- Seventeen percent of the survey respondents anticipate 10% or greater of its managerial employees to leave/retire in the next five years.



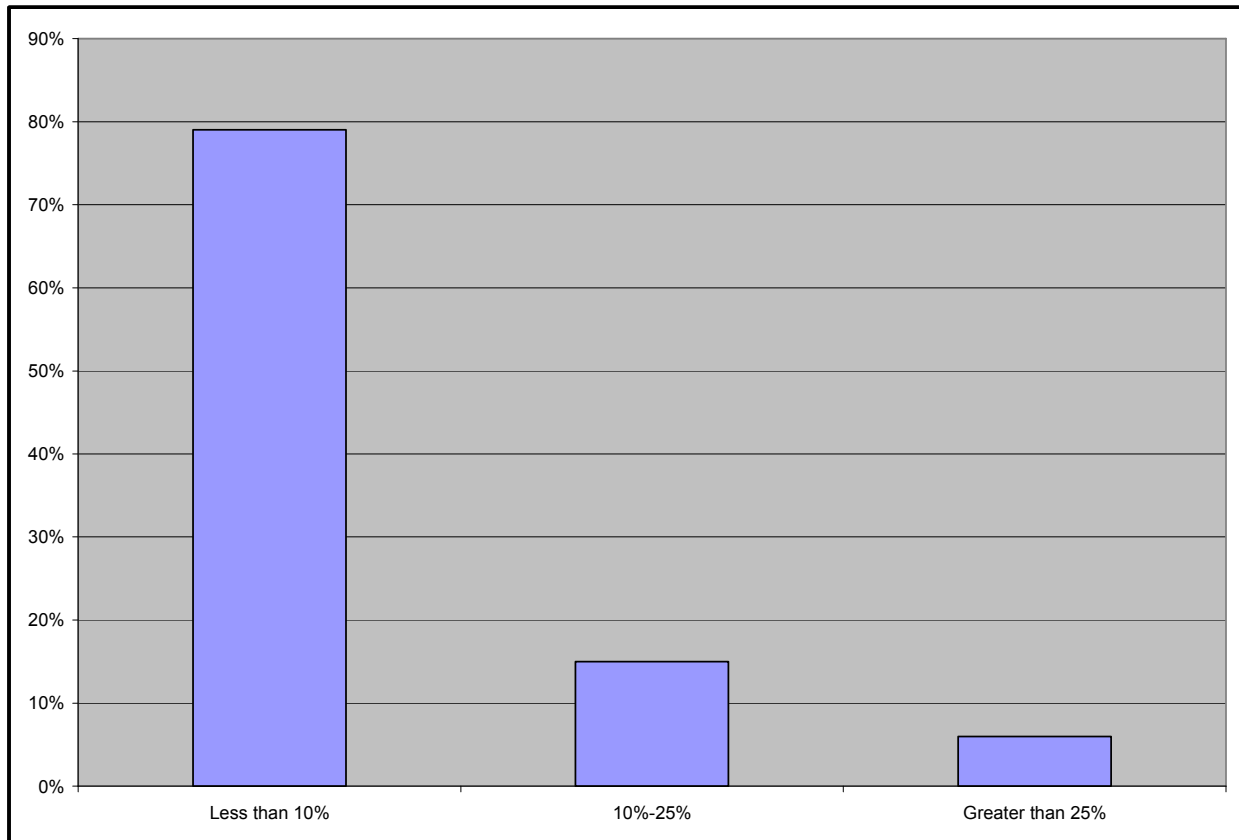
How long has the average employee in an administrative role worked at your company?

Similar to the managerial employee occupation group, 100% of survey respondents indicated that those in administrative roles at their companies have been working there for at least two years.



What percentage of employees in an administrative role at your company do you anticipate leaving/retiring in the next five years?

Over twenty percent of the survey respondents anticipate 10% or greater of its administrative employees to leave/retire in the next five years.



Recruitment

Introduction

To stay ahead of the competition in the talent wars, effective recruitment is essential and often requires aggressive tactics. Maintaining a reputation of being an employer of choice is one way to attract top talent. This may be achieved by making a concerted effort to brand and market the company's image and publicizing this in targeted media outlets and websites. The sooner good candidates are identified and hired, the less the company has to spend on advertising, interviewing and selection costs. As baby boomers retire and new jobs are created as a result of industry growth, filling open positions will be critical. To satisfy this demand, the construction industry will need to become creative in attracting and keeping talent.

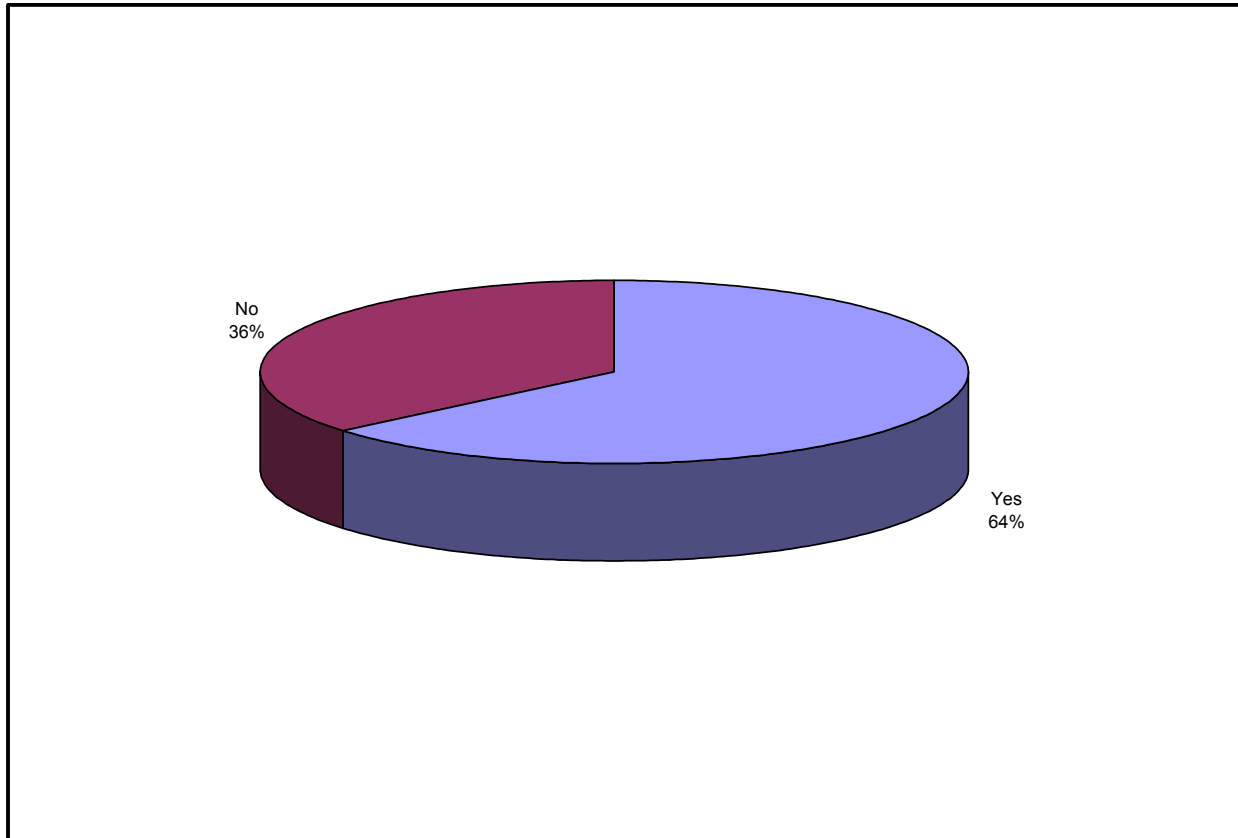
Survey Results

Survey responses suggest that there is a general dissatisfaction with current recruitment methods. Over one-third of those surveyed indicated that they are not satisfied with their current non-trades staff recruitment. Member contractors recruit staff using several methods. General word of mouth is the most commonly used method followed by general newspaper/magazine advertisements and headhunters. The top two methods were also the most mentioned recruiting techniques utilized in the 2003 BTEA survey. These methods are most frequently used for recruitment through internal promotions and from other companies.

Survey participants were asked to identify ways to improve the recruitment process. Increased recruiting (e.g., job fairs, joint work programs) at local colleges and universities was the most common survey response. As one respondent mentioned, "We as an industry need to work with the universities to "push" our industry. We need to attract the best out there."

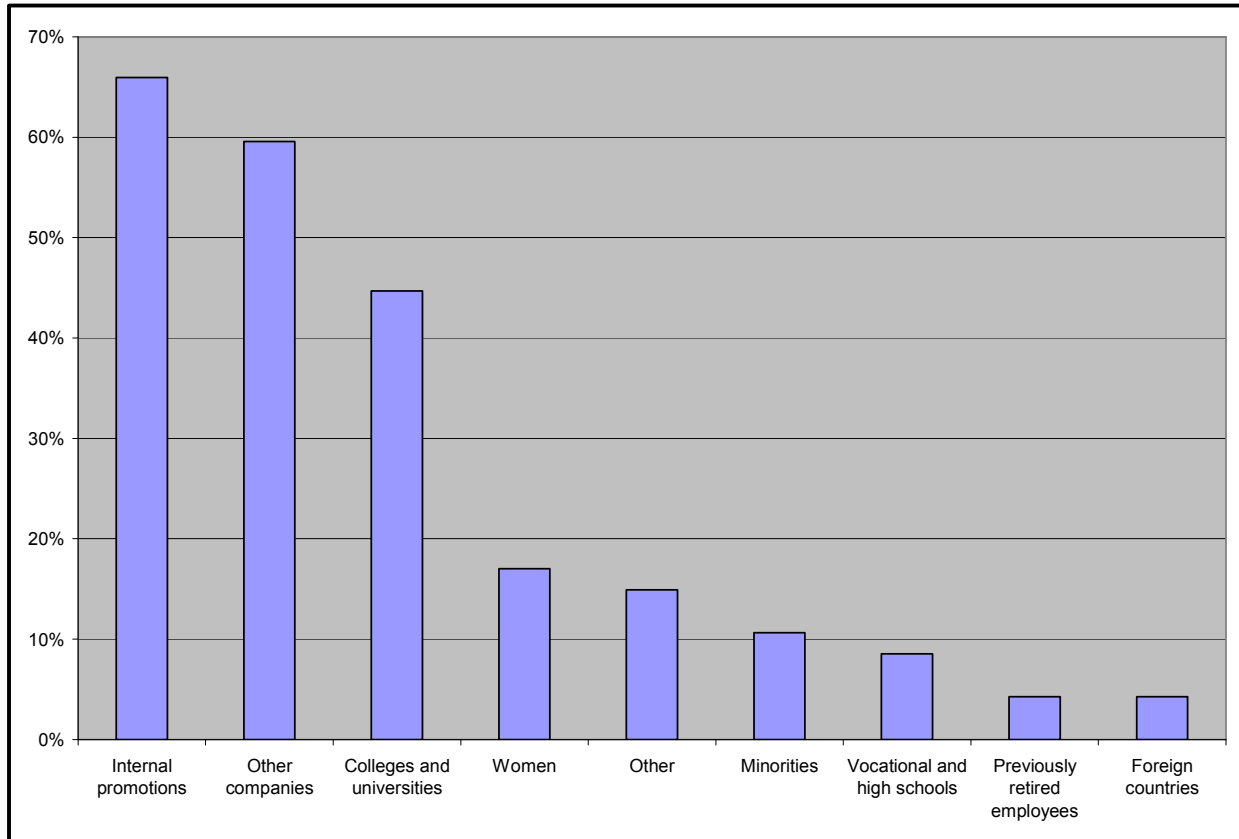
Are you satisfied with your current non-trades staff recruitment process?

Over one-third of those surveyed are not satisfied with their current non-trades staff recruitment process. In the 2003 BTEA survey, nearly 80% of respondents indicated that they were satisfied with their recruitment process.



Where are you actively recruiting your talent?

The top five sources of recruitment include internal promotions, other companies, colleges and universities, women and other (e.g., internet).



Please rank the following methods of finding non-trades staff. Apply a “1” to your most commonly used method, a “2” to the next most commonly used method and so on. Put “N.A.” for Not Applicable next to any sources you do not typically use.

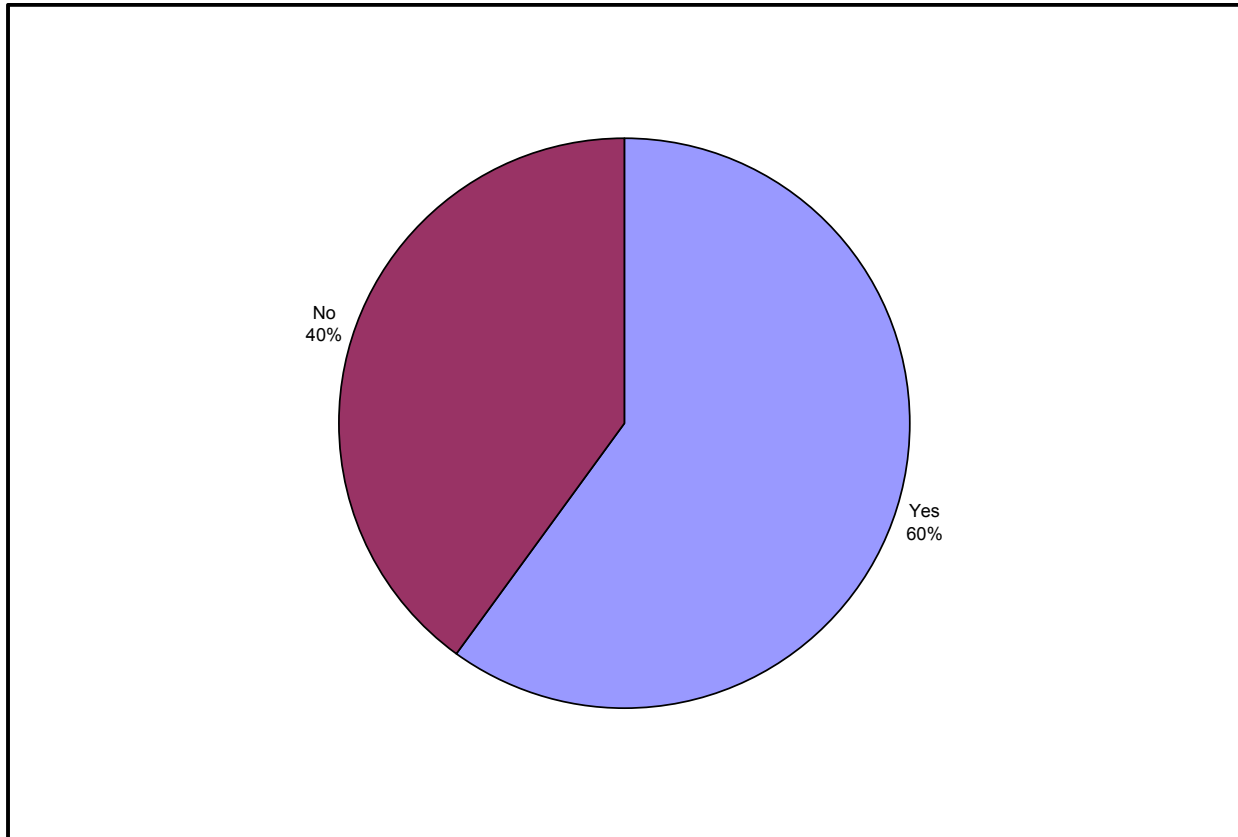
Please rank the following methods of finding non-trades staff. Apply a “1” to your most successfully used method, a “2” to the next most successfully used method and so on. Put “N.A.” for Not Applicable next to any sources you do not typically use.

- The top two recruitment methods by top rank mentions were general word of mouth and general newspaper/magazine advertisements. While using a headhunter is the third most used method for recruitment, it ranks fifth in regard to its success rate.

Recruitment Methods	
Top 5 Methods by “Top Rank Mentions”	Top 5 Successful Methods by “Top Rank Mentions”
General word of mouth (17)	General word of mouth (16)
General newspaper/magazine advertisement (13)	General newspaper/magazine advertisement (10)
Headhunter (7)	College, university or technical school (6)
College, university or technical school (6)	Promotion of non-trades employee at company (5)
Promotion of non-trades employee at company(5)	Headhunter (2)

If available, would you use an employment clearinghouse to locate non-trades staff?

- Survey respondents showed favor regarding the idea of an employment clearinghouse for non-trades staff. Overall, 60% of companies responded positively to an employment clearinghouse. This positive share is slightly lower than the previous BTEA survey, which showed 67% in favor of an employment clearinghouse.



Training

Introduction

Opportunities for training and development are one of the most important predictors of employee retention. Not only does training show employees their value to the organization, but training also increases skill levels, which helps an employee perform better on the job. Providing training opportunities that are tied to professional development and overall business strategies increases an employee's commitment to the organization. Many successful organizations realize the importance of training their people and strive to develop a learning culture within their corporate environment.

Survey Results

Several questions were asked to survey respondents regarding training for managerial and administrative positions at their companies. Structured on the job training was the most frequently mentioned method of training delivery used at surveyed companies. Survey respondents consider safety, job scheduling and cost estimating to be the most important areas for managerial training activities. For administrative employees, payroll management and general phone/people and computer skills, as well as handling union paperwork, are the most critical areas for training emphasis.

The most important training goals for companies surveyed involve safety, project management development and company productivity/performance. Given the recent events involving safety issues in New York City, it should be no surprise that safety is an important issue. The biggest challenge facing their training efforts is finding the time to train individuals. In addition, a lack of demand/interest in training was mentioned as a challenge facing surveyed respondents.

Over two-thirds of those surveyed are aware of BTEA training programs, and over 60% of these individuals have used BTEA training. Not surprisingly, based on survey responses to areas of importance for training, safety and cost estimating were the two most desired programs for BTEA training offerings.

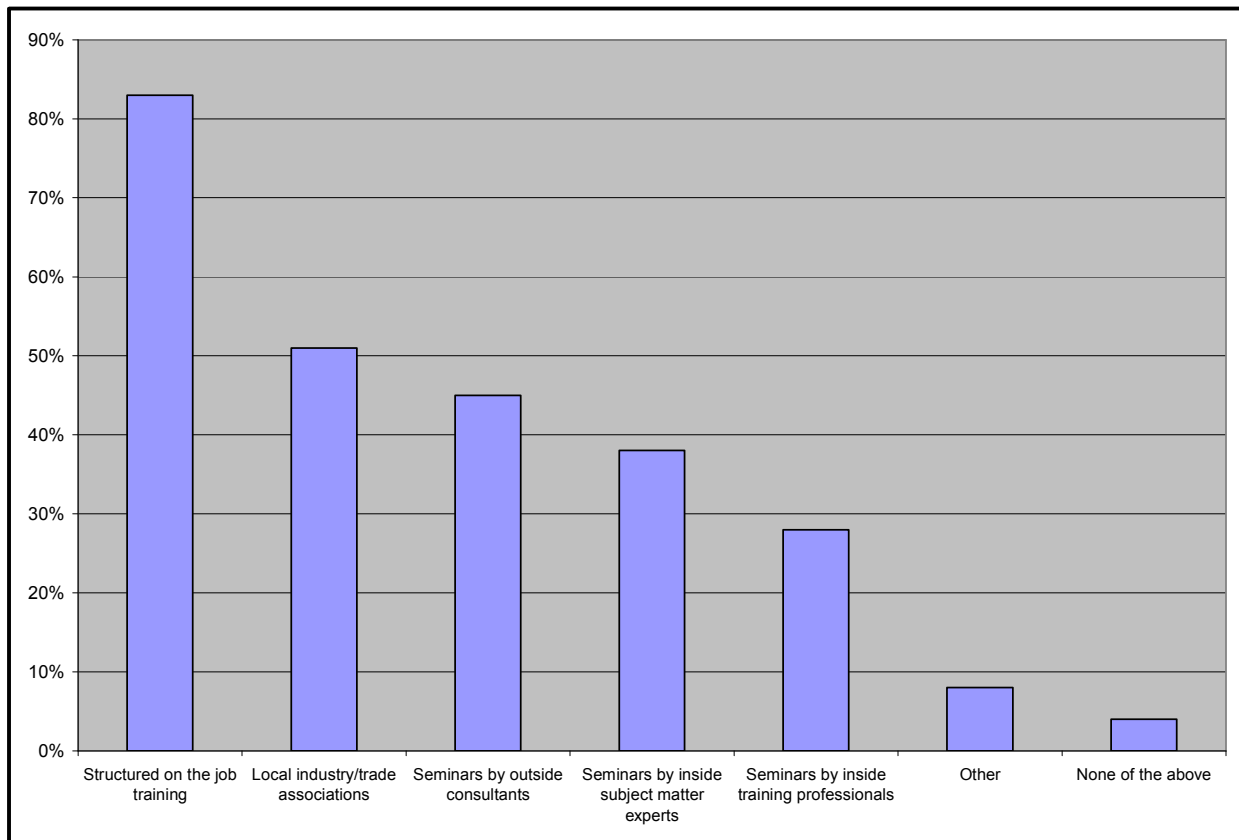
What is the average training investment per employee within each group?

- Actual hours spent on training for managerial positions is 5 hours less than the required 65 hours, and the required hours training investment is 10 hours less than the recommended 75 hours. For administrative roles, actual hours spent on training is 5 hours less than the required 40 hours, and the required training hours is 15 hours less than the recommended 55 hours.

Training Investment			
	Recommended (hours)	Required (hours)	Actual (hours)
Project manager/engineer/superintendent	75	65	60
Administration	55	40	35

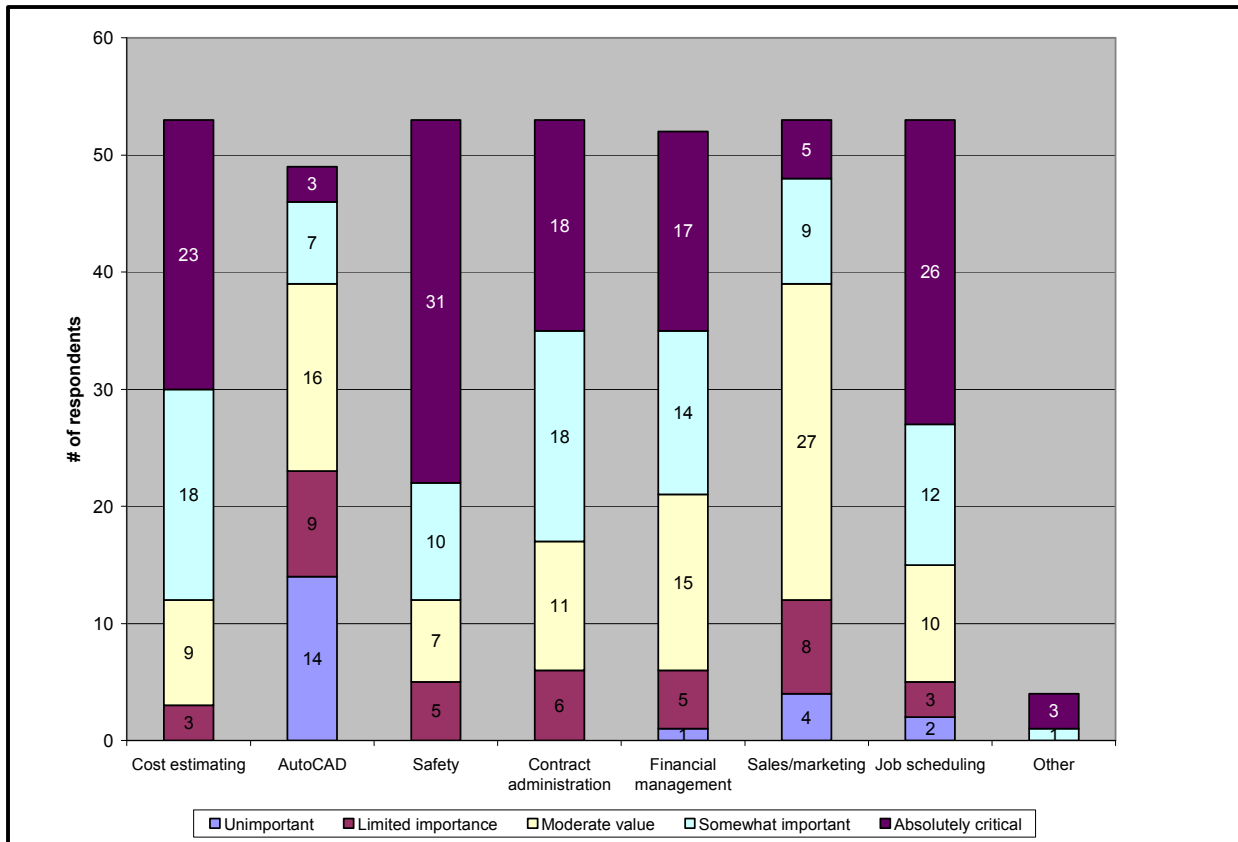
What methods of training delivery are used at your company?

Structured on the job training (84%) is the most commonly used training delivery method followed by local industry/trade associations (54%) and seminars by outside consultants (45%).



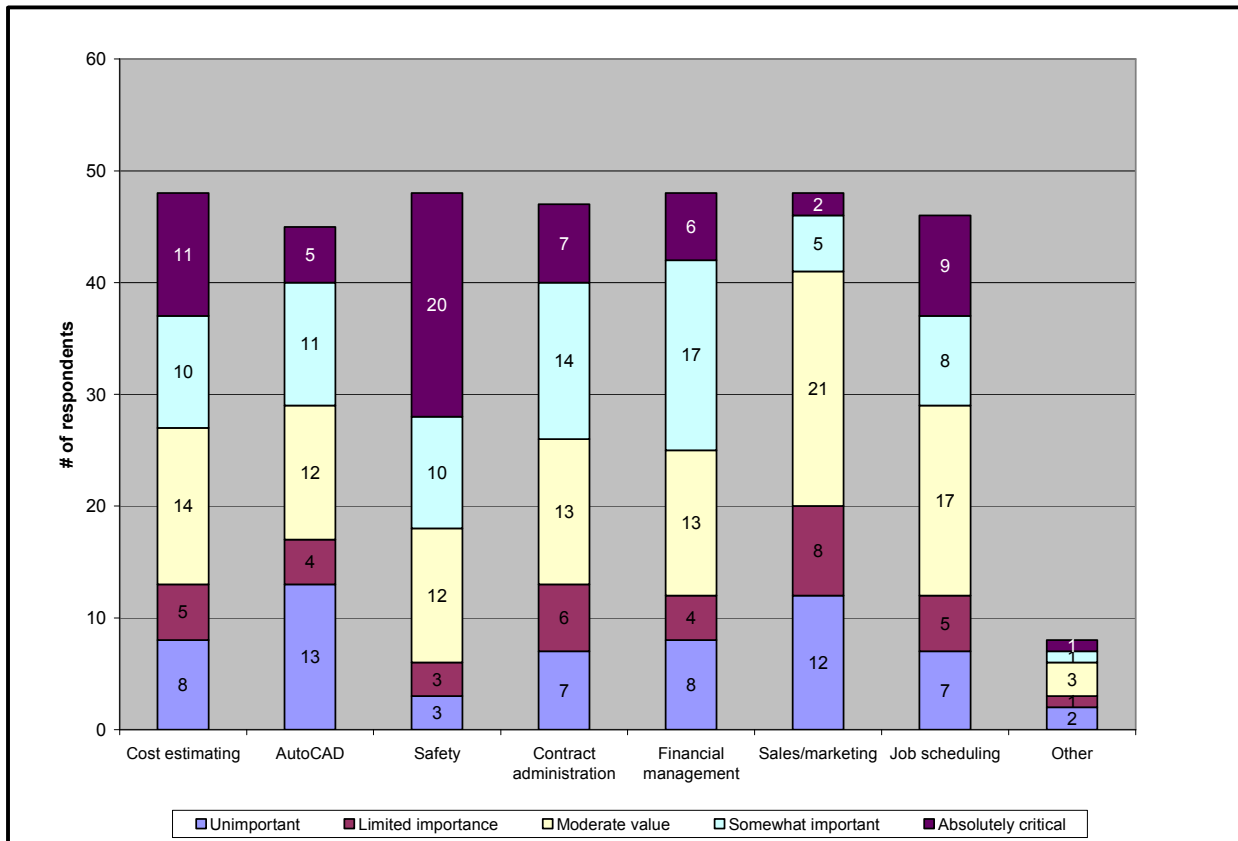
For non-trades employees in project management/project engineer/project superintendent roles, how critical are each of the following specific skills to effective job performance at your company? (For each skill, please circle a number. "1" = unimportant, "3" = moderate value, "5" = absolutely critical)

Thirty-one percent of survey respondents felt that safety is absolutely critical for effective job performance, making it the most important skill category. Job scheduling (26%) and cost estimating (23%) were the next leading skills mentioned in terms of importance.



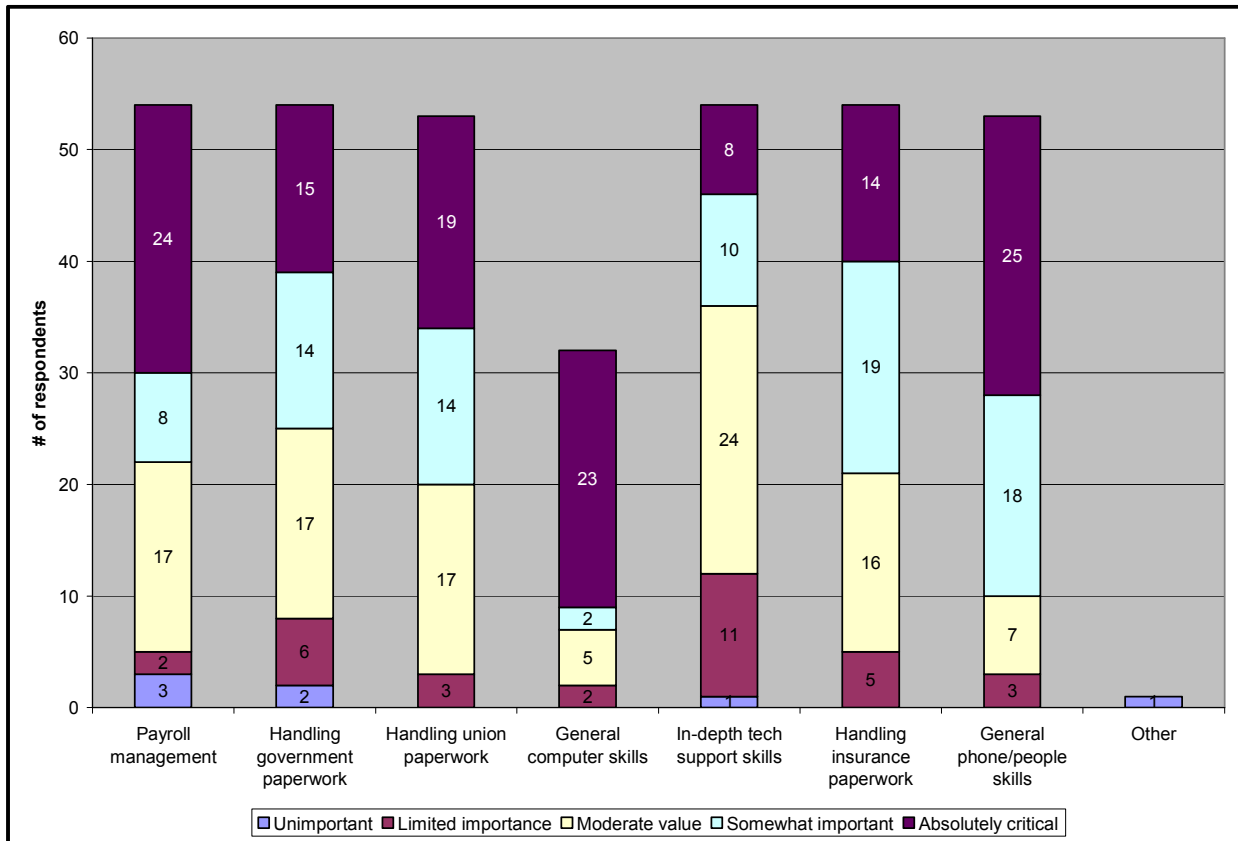
For non-trades employees in project management/project engineer/project superintendent roles, how valuable might a certificate or other evidence of formal training be as an indicator of full competence in the following skill areas? (For each skill, please circle a number. "1" = unimportant, "3" = moderate value, "5" = absolutely critical)

Survey respondents felt that a safety certificate would be the most valuable of all identified training areas. Twenty percent of those surveyed felt that a certificate or other formal training evidence would be absolutely critical for safety. Again, cost estimating and job scheduling were the next most valuable areas.



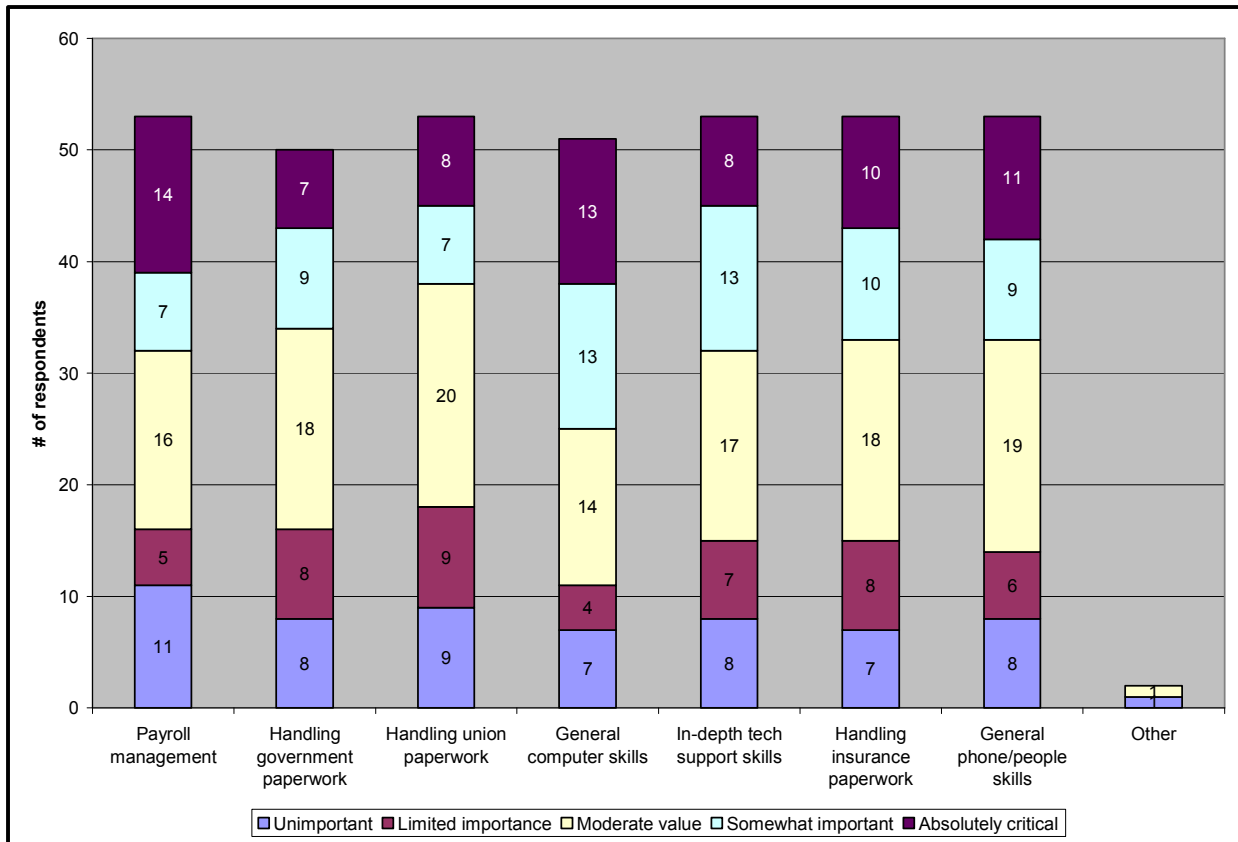
For non-trades employees in administrative roles, how critical are each of the following specific skills to effective job performance at your company? (For each skill, please circle a number. "1" = unimportant, "3" = moderate value, "5" = absolutely critical)

Twenty-five percent of respondents felt that general phone/people skills and payroll management are critical areas for effective administrative job performance. Payroll management (23%) and general computer skills (20%) were the next leading skills mentioned in terms of importance. In-depth technical support skills (8%) were the least critical.



For non-trades employees in administrative roles, how valuable might a certificate or other evidence of formal training be as an indicator of full competence in the following skill areas? (For each skill, please circle a number. "1" = unimportant, "3" = moderate value, "5" = absolutely critical)

Survey respondents felt that a certificate would be most valuable for the following skill areas, payroll management (14%), general computer skills (13%) general phone/people skills (11%) and handling insurance paperwork (10%).



Please rank the following training goals. Apply a "1" to your strongest goal, a "2" to the next strongest and so on. Put "N.A." for Not Applicable next to any goals you do not have for your company. Please rank the top 5 training goals.

- Safety training was mentioned 34 times as the most important training goal for surveyed companies. Following safety mentions were project management development (20) and increased company productivity/performance (13).

Training Goals
Top 5 Goals by "Strongest Goal Mentions"
Safety training (34)
Project management development (20)
Increase company productivity/performance (13)
Management skills (11)
Communication skills (9)

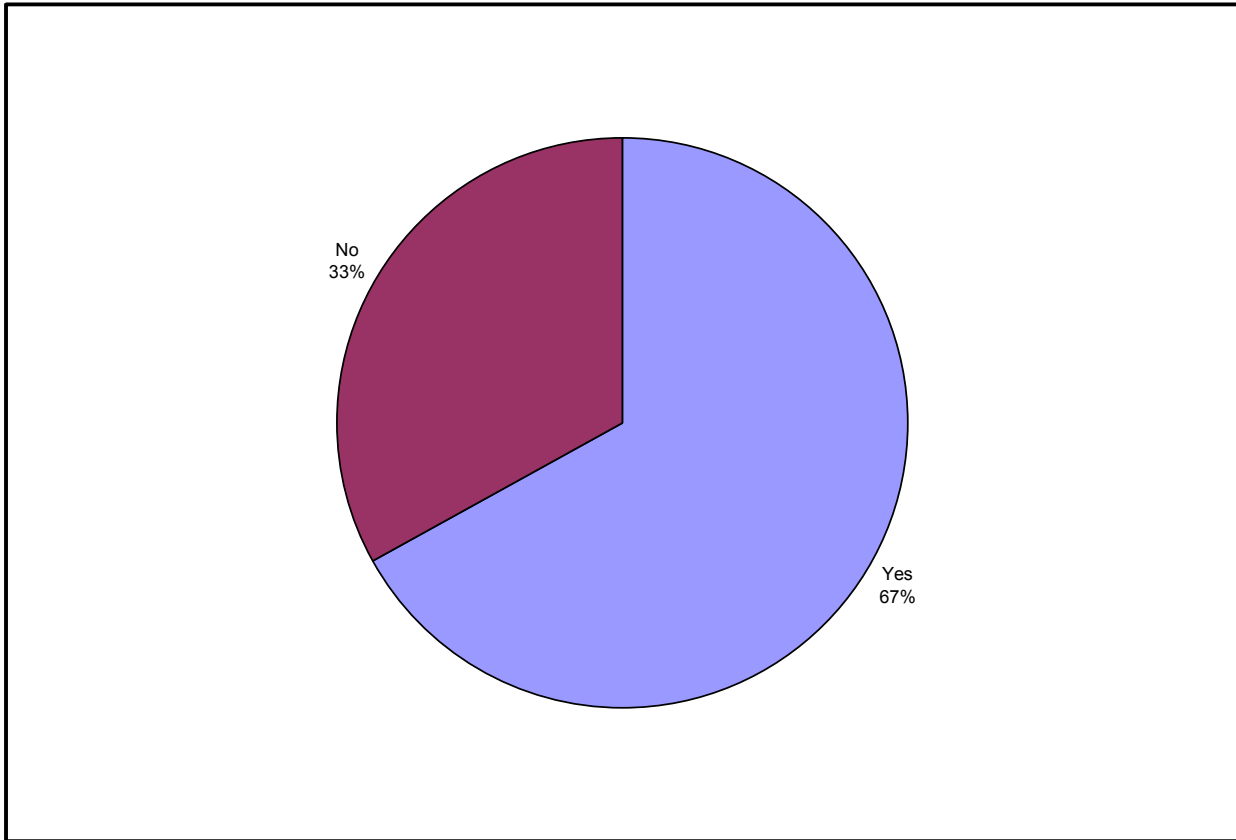
What are the biggest training challenges at your company? Please rank the challenges below. Apply a “1” to the most challenging and a “2” to the next most challenging and so on.

Twenty-eight survey participants mentioned finding time to train people as the top challenge facing training at their companies. This lack of time was followed by lack of demand/interest in training (8).

Training Challenges
Top 5 Challenges by “Strongest Challenge Mentions”
Finding time to train people (28)
Lack of demand/interest in training (8)
Using training to drive organizational change (5)
Training people at multiple or remote sites (5)
Finding qualified training resources (5)

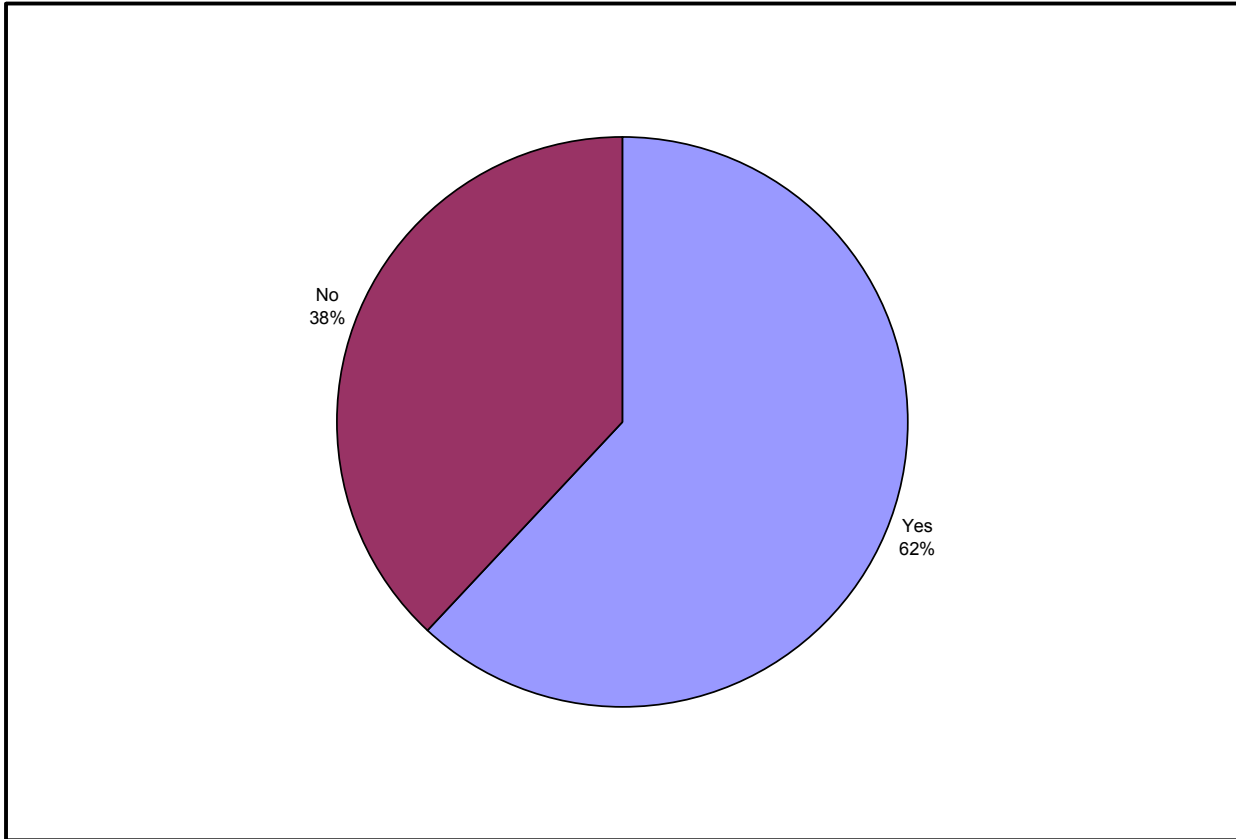
Are you aware of the free training programs offered by BTEA?

- Over two-thirds of survey respondents were aware of the free training programs offered by BTEA.



If “yes,” have you used these programs?

Of those that were familiar with the free training programs offered by BTEA, over 60% have used these programs in some capacity.



What industry training programs do you think should be offered by BTEA? Please rank the programs below. Apply a "1" to the most desired program and a "2" to the next most desired program and so on. Please rank the top 5 desired programs.

According to survey respondents, safety, cost estimating, contract administration and AutoCAD were the most desired areas for BTEA training programs.

Training Programs
Top 5 Programs by "Most Desired Mentions"
Safety (29)
Cost estimating (22)
Contract administration (10)
AutoCAD (6)
Handling union paperwork (5)

Please list the name of any training provider(s) where you have previously sent a non-trades staff person (of any kind) for training. Please indicate if you would recommend each training provider.

Total Safety Consulting, BTEA, FMI and NECA were the most frequently mentioned providers of training services. All survey participants recommended each mentioned provider.

Training Providers
Top 4 Providers by Total Mentions
BTEA (6)
Total Safety Consulting (5)
FMI (4)
NECA(3)