



# THE NEW LABOR REALITY

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*Dealing with the Skills Gap, Wisconsin's Worker Shortage and the Booming Construction Industry*

*By Nick Novak, Managing Editor, Merit Shop Contractor*



While the construction industry is booming in Wisconsin – a nice change of pace from the recession – another problem has quickly formed. There is simply not enough talent to fill the positions necessary to perform all of the work that is available. Across the country, the construction industry is expected to be the fastest growing sector over the next decade. That means more jobs come available every single day. However, high schools, tech colleges and universities are not producing the needed workers at the same pace.

It is not just a worker shortage that is the problem. Those in the industry told *Merit Shop Contractor* (MSC) that there are plenty of applicants, the quality just is not there. Purely stated, there is a *skilled* worker shortage.

Years ago, it was different. Young men and women that grew up on the family farm were deciding they no longer wanted to head in that same direction. They had a work ethic that fit the construction industry, and they enjoyed working with their hands – building something. These were kids that woke up

at dawn to do chores before heading to school. And when they got off the bus at the end of the day, they hurried back outside to finish their chores before the sun went down. Day after day, it's what was expected.

This created a tremendous supply of hard workers, who knew what physical labor was like. And the construction industry took advantage of it. Today, these so-called recruits are few and far between. Instead, kids spend their days on the computer or glued to their phone in the luxury of an air-conditioned home. Contractors stress it is not that these young adults are lazy or unwilling to work hard, they just do not have it engrained in their DNA.

Many contractors would hire a farm kid with no construction experience at all because they knew the skills necessary for the job could be taught. As long as the applicant understood the physical demands that came with the territory, the rest was just training.

With this pool of applicants gone, and an academic culture that tells every high school graduate they must go to a four-year college, the amount of people that know how to swing a hammer is quickly shrinking.

And contractors have noticed.

### **Where is the talent?**

Contractors today have to turn over every stone they find to collect a quality pool of workers. And where they look has changed dramatically. Instead of placing an ad in the Sunday paper, they

place an ad on Facebook. Instead of going to the family farm, they are sitting down with students at the local technical college. And one of the more successful routes seen by members of Associated Builders and Contractors of Wisconsin is the use of an employee referral system.

"Traditionally our best recruitment tool has been our current employees using a referral system," said Tony Zignego, Vice President at Zignego Company in Waukesha. "In construction, it takes a certain mental toughness, frankly, that is unique to the building trades. We have always emphasized to current employees, if you have a quality applicant, send them on in."

"Actually, a lot of the new truck drivers for this season have come via referral."

Jim Conard, Chief Operating Officer at Northern Electric, Inc. (NEI) in Green Bay, echoed that sentiment when discussing the worker shortage.

"It is tough, but I have to take my hat off to my own employees. We are like a family," he said. "Our guys work together. They get together outside of work. We just have a great culture here, which leads to more referrals from our employees."

Though referrals have proven successful, contractors try to cast a net in nearly every pond they find.

Some ideas discussed for this article included job sites like MilwaukeeJobs.com

"We are going to the high schools and talking with guidance counselors, as well as tech ed instructors," said Bauer, Human Resource and Safety Manager at Brickl Bros. in the La Crosse area. "We are also reaching out to the local technical colleges and pursuing those same avenues through their technical programs."

### **We Need Workers Right Now**

The variety of different recruitment techniques used by contractors has helped to alleviate some of the stress of the skilled worker shortage. However, it has by no means eliminated it. There are still some cases where contractors have a job that they just do not have enough workers for the task at hand.

In cases like this, some contractors turn to labor staffing firms like Ackerman Construction Services and Trillium Construction Services.

Brickl Bros. has used them when they run into a temporary worker shortage on a project, but also to save money on projects that are out of town.

"We've used Ackerman, Trillium and Tradesmen and a number of other ones," Bauer told MSC. "We've used them when we have specific projects that maybe are understaffed. We also use them to reduce our overhead on projects that are out of town. Where we would usually take our employees and put them up in a hotel with paid travel and per diem, we can utilize local labor from a provider to reduce overhead."

Others said they have had to turn to labor providers in recent years because they could not find enough workers using other methods.

### **Planning Long Term**

Contractors agree that the best way to build a quality workforce is through recruiting strong candidates, and retaining them as employees and helping them grow with the company.

NEI has built a strong partnership with the local technical colleges, which



Zignego explained that they use a variety of different avenues to find workers, but the best candidates have come from their current employees.

"If you have applicant A, who is John Doe off the street, or applicant B who is referred by an employee in good standing, applicant B has a leg up," he continued.

and Career Builder. The contractors that talked with MSC have also increased their visibility on Facebook, Twitter and LinkedIn in recent years.

In addition to being more visible online, Eric Bauer stressed the importance of building relationships with the local high schools and technical colleges.

helps them recruit new hires and potential apprentices. However, Conard explained to *MSC* that sometimes even reaching out to tech college students is too late. That is why NEI has become more involved with youth apprenticeship in high school.

“We are partnering with the Green Bay Area Chamber to handpick students that have it figured out, that this is the direction they want to go in,” he said. “Then we have them come in to visit a jobsite or even work on a jobsite.”

By taking high-school students and exposing them to construction, Conard has found some students get even more interested in the trades and can be set on a path toward adult apprenticeship after graduating high school. The information just needs to get to the students, he argued. That is why NEI is working hard to help them understand that construction is changing and can be more appealing to a wider audience.

“Today, technology – especially in the electrical field – has gone out of this world. In many cases now, it is a key stroke instead of a sledge hammer,” Conard said.

With more than 10 individuals currently enrolled in ABC of Wisconsin’s apprenticeship program, NEI highlights its culture that allows apprentices – and all employees – to move up through the company.

“We sit down with all of our employees, companywide, quarterly. And then individually, we are constantly in communication” added Conard. “The culture we have created allows everyone to see how they can grow vertically. And we look at everyone’s strengths and weaknesses to discover what direction they want to go in. We just want to maximize everyone’s strengths.”

Zignego Company also stresses career pathing and incorporates the apprenticeship program into it.

“I always tell new hires or potential employees that the apprenticeship program is their vehicle for success,”



Zignego said. “Put in your three years in the apprenticeship program. Obviously learn on the job, as well, to apply what you learned in the classroom. Opportunities usually await those individuals.”

During and after their apprenticeship program, Zignego will sit down with his employees to find out where they want to be in five years, ten years and after. With those consistent check-ins, he said they have been able to retain employees and help them grow.

Some contractors, like Brickl Bros., look to in-house training programs to help their employees. Every new hire takes a 200-question exam that measures their level of technical understanding. This assessment helps the leaders at Brickl to determine what types of training they put their new employees in.

To lead the training, Brickl hired a former educator and construction business owner to develop a curriculum and teach technical classes. New hires without any form of construction experience go through a five-day course to get them up to speed on things like safety, basic math, hand tool usage and other training. Then they offer up to 12 block training classes – normally around two days each – to teach techniques more in depth. For

example, one class they offer is how to install exterior windows and doors, and how to properly frame them.

Throughout this process, Bauer said they have regular career-pathing conversations with employees to ensure they are accomplishing what they would like to, and making the right decisions to help them reach their next goal.

“What we are literally doing – and this goes into the recruitment of a person – we have a career path story that we can talk about with candidates that walk through the door,” Bauer said to *MSC*. “Regardless of skill sets, we talk about how we can elevate those skill sets in a timely manner so that their financial situation reflects their ability. In other words, how can we move their pay scale up the line, very similar to the apprenticeship program.”

If an employee would like to move into the professional side of the business, Brickl is working on a program that would train them on things like leadership and management – not unlike ABC of Wisconsin’s Emerging Leaders program.

Bauer argued that, industry-wide, one of the failures he sees is not teaching the necessary skills beyond the job site. While the apprenticeship and other training programs teach the technical skills, there

was not always a focus on the professional side.

“We understand that of all the skill sets that our foreman and other fields guys lack, it was the leadership skills,” he said. “Much like a lot of industries, we took our best carpenter and made him a foreman, but we never taught him how to manage that crew, how to be a mentor, trainer or leader.”

He advocated for others in the industry to create an in-house program for the future leaders of the company or to enroll them in ABC of Wisconsin’s emerging leaders program. For the long-term health of the industry, he believes that is key.

### Words of Wisdom

This article is, of course, not a solution to every problem that contractors are experiencing with the skilled worker shortage. However, it does provide insight into what colleagues are doing around the state.

Of the contractors interviewed, each offered their ideas on how to solve at least part of the problem that is the skills gap and the worker shortage. Some may work for others, and some may not be a good fit. But, the biggest points that every contractor made were simple:

1. It is a detriment to your company if you are not innovating. Understand that

the industry is changing and so are its workers.

2. Looking for new workers must be done through many mediums, not just one. Finding a blend or formula that works for your company will take time, but it is worth it.

3. Recruiting high-quality workers and setting them on a career path will pay huge dividends in the future.

4. Invest in your workers and they will repay you. This doesn’t always mean in terms of money. Find out what your employees value.

5. Look to ABC of Wisconsin for support when needed, both to other members and staff. [abc](#)



### ERIC BAUER *Brick Bros, Inc.*

“In my little small corner of the world, as employers we have to be willing to make an investment in our employees, more so than we have in the past. But, we have to make sure from a business standpoint that it is an investment well spent. We must keep in mind that today’s generation is different than it was yesterday. They are motivated by different things, and we have to be willing and able to provide a value to the employees more so than what we have done in the past.”

### JIM CONARD *Northern Electric, Inc.*

“Every company is different, but we find it is easiest to reach out to the younger generation with our younger employees. We need someone who can explain to these high-school-aged individuals the kind of career that can be had in construction. It is more brains than brawn today, in many cases. I have guys who, at age 35, do not lift up a tool anymore. They sit behind a computer on the jobsite. There is unfortunately an incorrect perception out there, though. So, we need to reach out to younger folks through other younger folks and show them that opportunity is out there.”

### TONY ZIGNEGO *Zignego Company, Inc.*

“First, whoever is in charge of hiring, whether that be a CEO or HR person, make yourself known to the guys in the field. In other words, don’t just be a name in an email. Get to know your current workforce as best as possible. And second, a thing we have been doing for a number of years. On a weekly basis, either with their paychecks or via email, what I do, is a company newsletter. I put in safety reminders, hot-button issues for the industry, what is going on with all the jobs the company is working on, and also, I leave a spot for employment opportunities. Those two practices are pretty effective.”