

2020 MITA WORKFORCE SURVEY REPORT



TABLE OF CONTENTS

Summary	3
Background	4
Survey Results	4-21
2021 Workforce Projection	22
Table 1 and Table 2	23
Five Year Projection	24
Table 3 and Table 4	25
Conclusion	26





SUMMARY:

The Michigan Infrastructure and Transportation Association (MITA), which represents over 500 companies statewide who work on Michigan's roads, bridges, underground and utility systems, surveyed its members from March thru June of 2020. The survey was designed to collect information regarding hiring needs, trends and practices. Questions ranged from the number of employees need to be hired over the next 5 years and types of positions needed, hiring practices, compensation and benefits offered, training and mentoring, turn-over, size of company, and annual construction revenue. The intention was to provide MITA member companies with a picture of the workforce needs being faced in Michigan. Often these questions are asked to the construction industry, including residential, industrial and commercial construction and are asked on a national level. MITA determined that providing a picture of the transportation/infrastructure hiring needs for Michigan would benefit its members. MITA members include both small and large, as well as union and non-union companies. The survey is a direct result of prompts received by MITA member companies indicating that as the state of Michigan continues to increase its road and infrastructure budget and large numbers of an aging workforce retire, the industry is at a critical stage for a skilled and trained workforce.

The Workforce Survey can benefit individual companies by showing the hiring needs for the state, as well as the hiring practices being used by other companies. MITA intends to use the data received to help determine training practices for existing and future programs throughout the state and to use the information to better advise companies on successful programs being implemented that hire, retain and promote their workforce.

Total responses included ninety individuals from different companies, and all participants of the survey completed 100% of the survey. The average time that it took to complete the survey was just under 7 minutes. MITA's goal was to keep the survey completion time to 10 minutes or less. Survey Monkey was used as the platform.

The survey results indicate that the industry needs to:

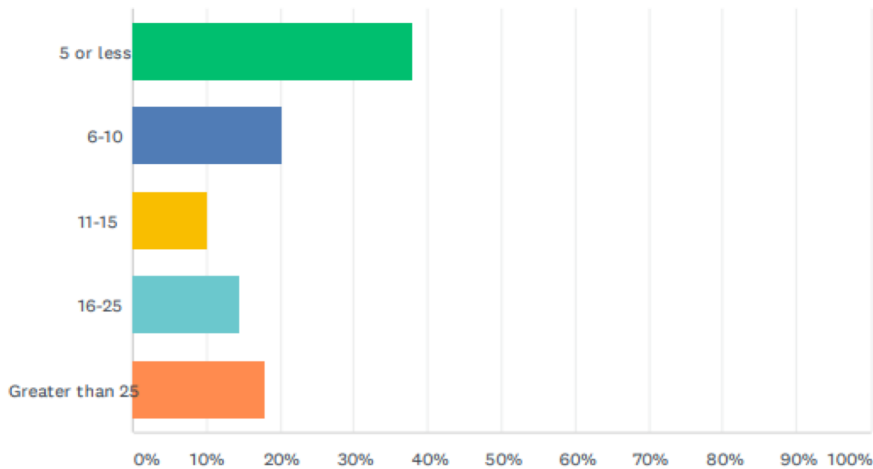
- Establish and improve mentor programs
- Reduce worker turn over
- Reduce the number of workers leaving for other industries



Background: Transportation and infrastructure construction is seasonal, and hiring a young workforce, training them, getting them accustomed to working outside and preparing them for seasonal layoffs is a hurdle that many other industries do not face. A continued emphasis by the state to increase funding for Michigan’s aging roads and infrastructure system as well as an aging workforce emphasizes the need for companies to find the best way to hire and maintain their workforce. This survey was established to help develop a road-map to accomplish this task.

Q1 Estimate the hiring need of field workers for the next construction season.

Answered: 90 Skipped: 0

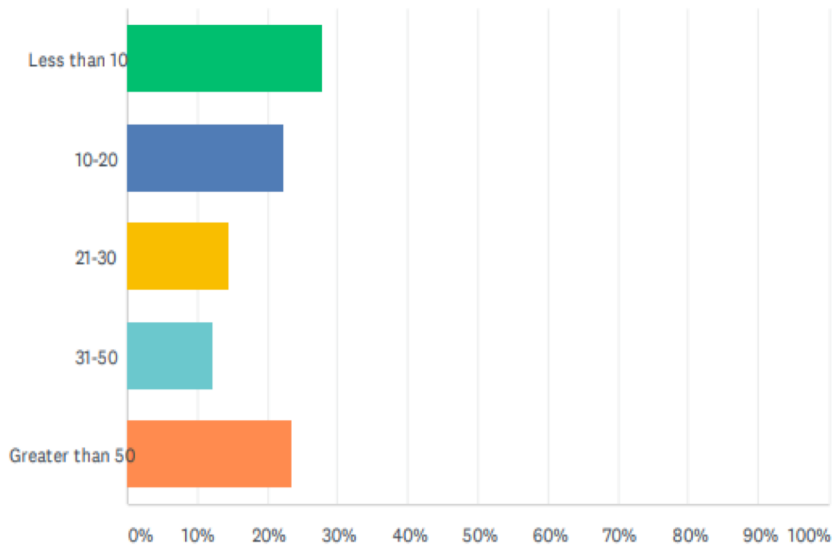


ANSWER CHOICES	RESPONSES	
5 or less	37.78%	34
6-10	20.00%	18
11-15	10.00%	9
16-25	14.44%	13
Greater than 25	17.78%	16
TOTAL		90

Over twenty-three percent of employees surveyed report they will require more than fifty new hires over the next five years.

Q2 Estimate the hiring need of field workers for the next five years

Answered: 90 Skipped: 0

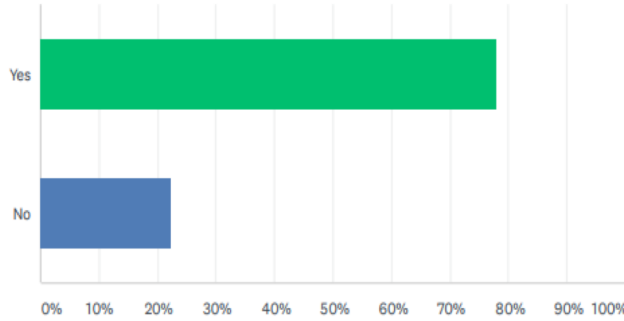


ANSWER CHOICES	RESPONSES	
Less than 10	27.78%	25
10-20	22.22%	20
21-30	14.44%	13
31-50	12.22%	11
Greater than 50	23.33%	21
TOTAL		90

Seventy-eight percent of companies are facing a labor shortage

Q3 Is your company facing a labor shortage?

Answered: 90 Skipped: 0

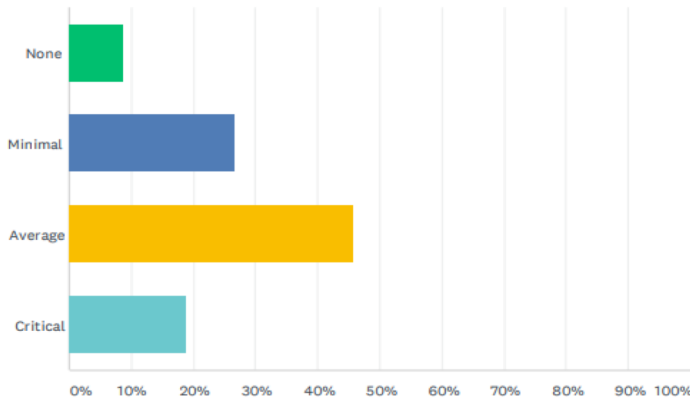


ANSWER CHOICES	RESPONSES
Yes	77.78% 70
No	22.22% 20
TOTAL	90

Over forty-five percent of companies are facing an average workforce shortage while nineteen percent are in a critical workforce shortage. Together adding up to close to sixty percent. This poses an immediate need within the industry

Q4 To what degree is your company facing a workforce shortage?

Answered: 90 Skipped: 0



ANSWER CHOICES	RESPONSES
None	8.89% 8
Minimal	26.67% 24
Average	45.56% 41
Critical	18.89% 17
TOTAL	90

Over sixty-two percent of companies claim that a lack of skilled workers is a high factor behind the labor shortage. Almost forty percent claim that people moving to other industries is a medium factor for the labor shortage.

Q5 What are the driving forces behind the labor shortage? Please rank the following as not a factor in workforce shortfall to High Factor in workforce shortfall.

	NOT A FACTOR	LOW FACTOR	MEDIUM FACTOR	HIGH FACTOR	TOTAL	WEIGHTED AVERAGE
Lack of skilled workers	4.44% 4	3.33% 3	30.00% 27	62.22% 56	90	3.50
People moving to different industries	21.84% 19	35.63% 31	39.08% 34	3.45% 3	87	2.24
Industry reputation	26.44% 23	33.33% 29	31.03% 27	9.20% 8	87	2.23
Retirement	30.68% 27	28.41% 25	20.45% 18	20.45% 18	88	2.31
Rate of pay	34.88% 30	38.37% 33	23.26% 20	3.49% 3	86	1.95
Other	47.50% 19	7.50% 3	20.00% 8	25.00% 10	40	2.23

The need for laborers is most critical followed by operators, field managers, and carpenters.

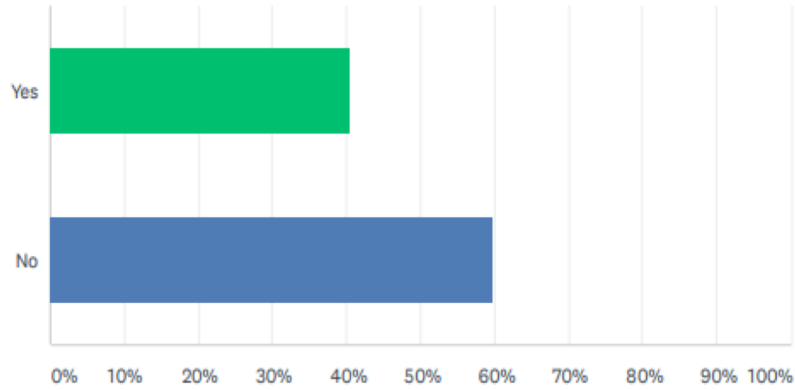
Q6 Rate the workforce shortage in the following areas (0-4, where 0=no shortage, and 4=extreme shortage)

	0: NO SHORTAGE	1: VERY LITTLE SHORTAGE	2: AVERAGE AMOUNT OF SHORTAGE	3: ABOVE AVERAGE SHORTAGE	4: EXTREME SHORTAGE	TOTAL	WEIGHTED AVERAGE
Laborers	5.62% 5	7.87% 7	40.45% 36	26.97% 24	19.10% 17	89	3.46
Operators	5.95% 5	10.71% 9	21.43% 18	30.95% 26	30.95% 26	84	3.70
Carpenters	40.63% 26	6.25% 4	23.44% 15	18.75% 12	10.94% 7	64	2.53
Field managers including assistants and project managers	15.00% 12	16.25% 13	28.75% 23	18.75% 15	21.25% 17	80	3.15
Other	38.46% 15	10.26% 4	20.51% 8	5.13% 2	25.64% 10	39	2.69

Sixty percent of respondents claim that turn over is not an issue. With forty percent stating that it is, it is an item that needs to be addressed.

Q7 Is turn-over an issue in your company?

Answered: 89 Skipped: 1



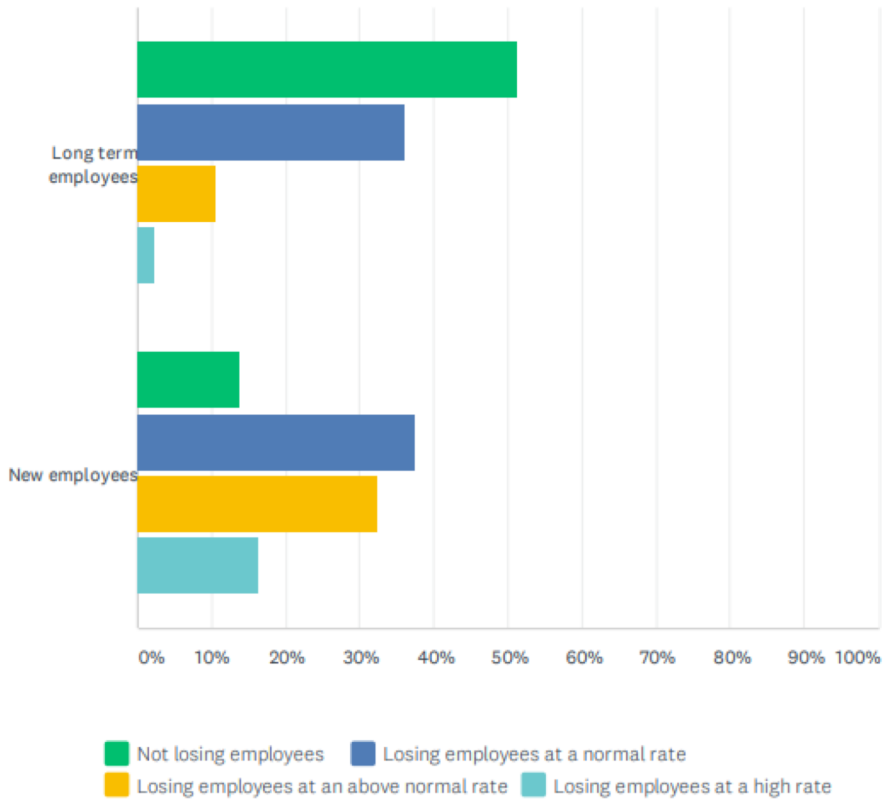
ANSWER CHOICES	RESPONSES	
Yes	40.45%	36
No	59.55%	53
TOTAL		89



The turn over rate for new employees far exceeds the rate of loss for long term employees. This is a problem as long-term employees retire and the industry becomes more dependent on the retention of new employees.

Q8 Rate the employees that you are losing to turn-over.

Answered: 90 Skipped: 0



	NOT LOSING EMPLOYEES	LOSING EMPLOYEES AT A NORMAL RATE	LOSING EMPLOYEES AT AN ABOVE NORMAL RATE	LOSING EMPLOYEES AT A HIGH RATE	TOTAL	WEIGHTED AVERAGE
Long term employees	51.16% 44	36.05% 31	10.47% 9	2.33% 2	86	1.64
New employees	13.75% 11	37.50% 30	32.50% 26	16.25% 13	80	2.51



Q9 How does your company recruit for your labor-force?

Answered: 89 Skipped: 1

	YES, WE USE THIS METHOD	NO, WE DON'T USE THIS METHOD	TOTAL	WEIGHTED AVERAGE
Online recruiting tools	85.23% 75	14.77% 13	88	1.15
Internships/co-ops	45.24% 38	54.76% 46	84	1.55
Job postings on your company's web site	78.16% 68	21.84% 19	87	1.22
Referrals from current employees	98.88% 88	1.12% 1	89	1.01
3rd party postings (i.e. Michigan Construction.com)	65.88% 56	34.12% 29	85	1.34
In-house hiring fairs	21.25% 17	78.75% 63	80	1.79
Multi-employer hiring fairs	38.55% 32	61.45% 51	83	1.61

Ninety-nine percent of companies rely on referrals from current employees. Eighty-five percent utilize online recruiting tools. Seventy-eight percent post jobs on their web sites. Sixty-six percent use third party postings.

Ninety-six percent of respondents use competitive compensation as their main hiring strategy. Ninety-four use competitive benefits. Eighty-eight percent utilize in-house training, while seventy-seven percent use a diverse culture to attract employees. Only fifty-six percent of companies enlist a mentorship program.

Q10 What are your strategies for attracting and retaining your workforce?

Answered: 90 Skipped: 0

	YES, PROVIDED TO OUR EMPLOYEES	NO, NOT PROVIDED TO OUR EMPLOYEES	TOTAL	WEIGHTED AVERAGE
Comprehensive benefits	94.44% 85	5.56% 5	90	1.06
Market competitive compensation	96.59% 85	3.41% 3	88	1.03
Above market compensation	66.28% 57	33.72% 29	86	1.34
Training	88.76% 79	11.24% 10	89	1.11
Clearly defined career paths	62.35% 53	37.65% 32	85	1.38
Maintaining a diverse culture	76.74% 66	23.26% 20	86	1.23
Company mentorship program	55.81% 48	44.19% 38	86	1.44

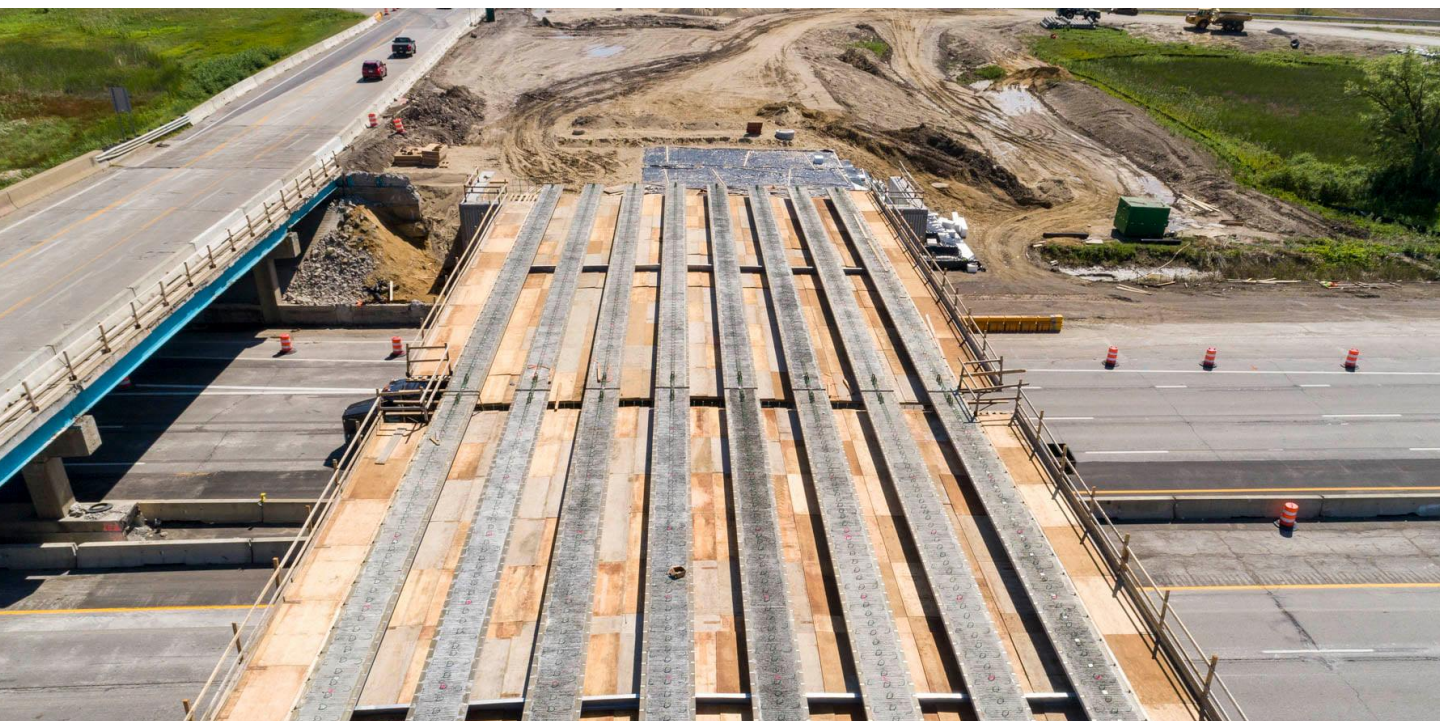


The survey shows that the educational background deemed as most essential is hands-on training at seventy percent High Importance, followed by on-the-job training at sixty-five percent. Vocational school training was listed at only seven percent High Importance. The value of hiring the right candidate and providing hands-on training exceeds a candidate spending money on individual training according to the respondents of the survey.

Q11 What is the educational background of your most successful labor force? (Rank 0-3, where 0=not important, and 3=high importance)

Answered: 89 Skipped: 1

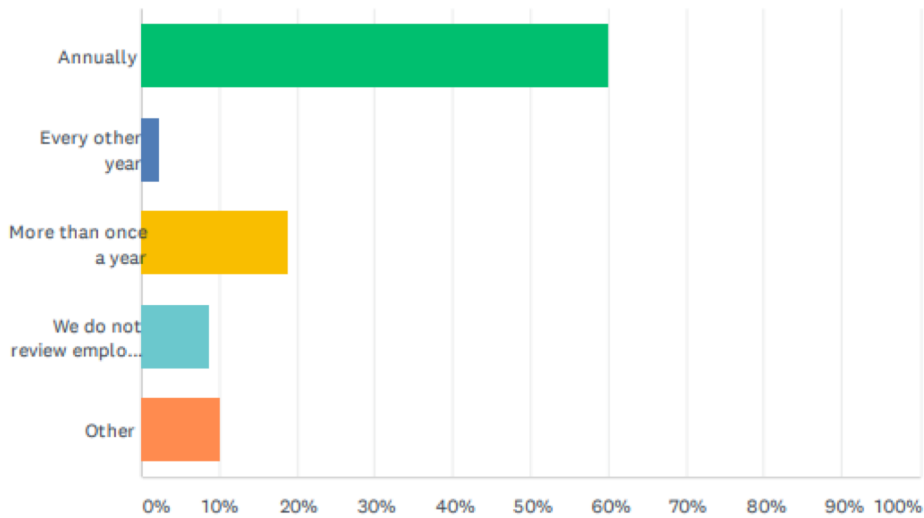
	0: NOT IMPORTANT	1: LOW IMPORTANCE	2: AVERAGE IMPORTANCE	3: HIGH IMPORTANCE	TOTAL	WEIGHTED AVERAGE
High school graduate	4.55% 4	14.77% 13	45.45% 40	35.23% 31	88	3.11
On-the-job training	0.00% 0	2.25% 2	32.58% 29	65.17% 58	89	3.63
Vocational schooling	13.64% 12	27.27% 24	52.27% 46	6.82% 6	88	2.52
Tech schools	19.54% 17	26.44% 23	48.28% 42	5.75% 5	87	2.40
Hands on training	2.25% 2	0.00% 0	28.09% 25	69.66% 62	89	3.65
Trade	9.64% 8	28.92% 24	33.73% 28	27.71% 23	83	2.80





Q12 How often is employee performance reviewed?

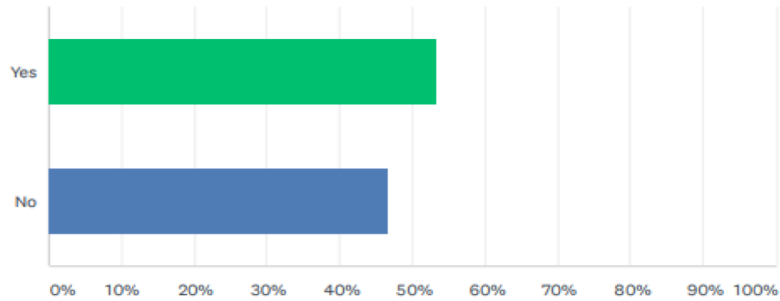
Answered: 90 Skipped: 0



ANSWER CHOICES	RESPONSES	
Annually	60.00%	54
Every other year	2.22%	2
More than once a year	18.89%	17
We do not review employee performance	8.89%	8
Other	10.00%	9
TOTAL		90

Q13 Do you have a dedicated HR department?

Answered: 90 Skipped: 0

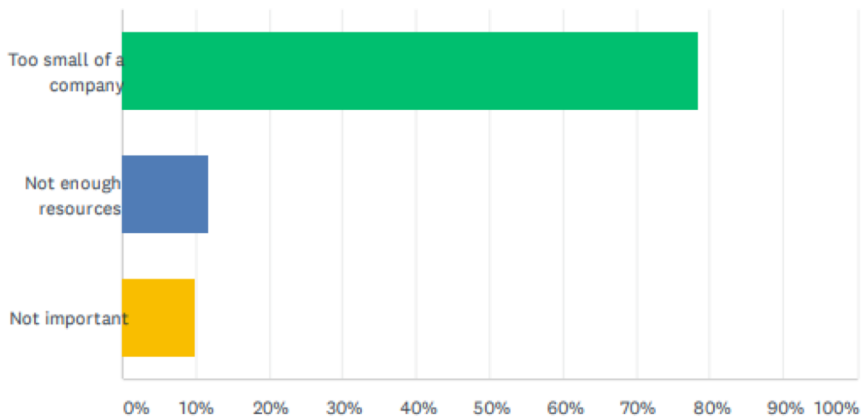


ANSWER CHOICES	RESPONSES	
Yes	53.33%	48
No	46.67%	42
TOTAL		90

Forty-seven percent of the companies surveyed do not have a dedicated Human Resource department because their company is too small.

Q14 If you answered no to the above question, what is the reason for not having a dedicated HR department?

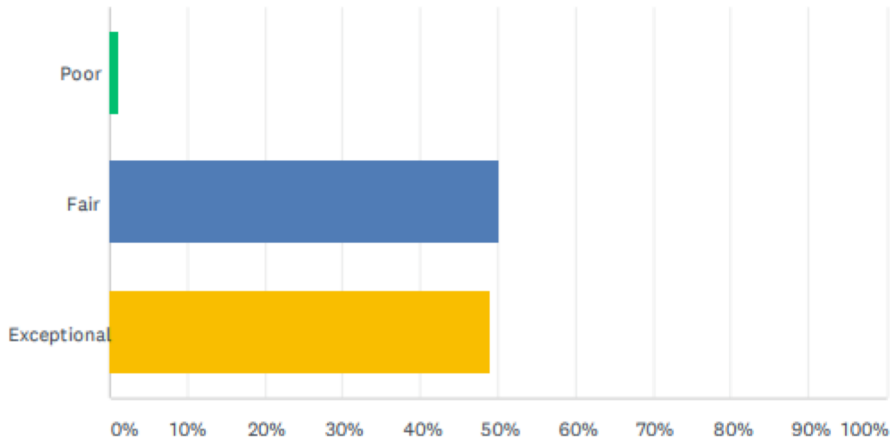
Answered: 51 Skipped: 39



ANSWER CHOICES	RESPONSES	
Too small of a company	78.43%	40
Not enough resources	11.76%	6
Not important	9.80%	5
TOTAL		51

Q15 How would you rate your company's retention of employees?

Answered: 90 Skipped: 0

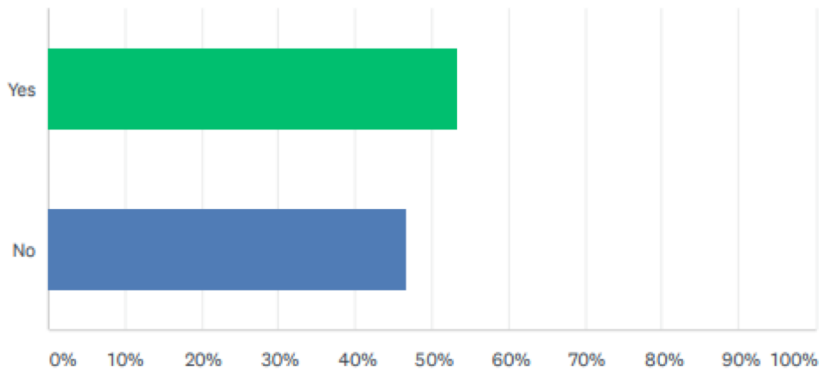


ANSWER CHOICES	RESPONSES	
Poor	1.11%	1
Fair	50.00%	45
Exceptional	48.89%	44
TOTAL		90

Forty-seven percent do not provide formal training to their employees.

Q16 Do you provide a formal training program for your employees?

Answered: 90 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	53.33%	48
No	46.67%	42
TOTAL		90

Fifty percent of responding companies provide financial advice/advising to their employees.

Q17 Does your company provide financial advice/advising to your labor force workers?

ANSWER CHOICES	RESPONSES	
Yes	50.00%	45
No	50.00%	45
TOTAL		90

Q18 Which of the following is your company using to recruit the best talent from the millennial generation?

	YES, WE ARE USING THIS METHOD	NO, WE ARE NOT USING THIS METHOD	TOTAL	WEIGHTED AVERAGE
Internships/co-ops	40.70% 35	59.30% 51	86	1.59
Job postings on your company's website	75.29% 64	24.71% 21	85	1.25
Online recruiting tools	78.16% 68	21.84% 19	87	1.22
Increased recruiting at schools	32.94% 28	67.06% 57	85	1.67
Internal employee referral program with incentives	58.82% 50	41.18% 35	85	1.41
Increase recruiting from experienced talent	73.26% 63	26.74% 23	86	1.27
External referrals	88.24% 75	11.76% 10	85	1.12
Recruiting from nontraditional labor pools (women, minorities, veterans)	55.29% 47	44.71% 38	85	1.45
Poach employees from other firms	27.38% 23	72.62% 61	84	1.73
Job postings	87.36% 76	12.64% 11	87	1.13

Over seventy-five percent of companies have increased compensation and/or benefits to attract talent due to the difficulty in filling positions.

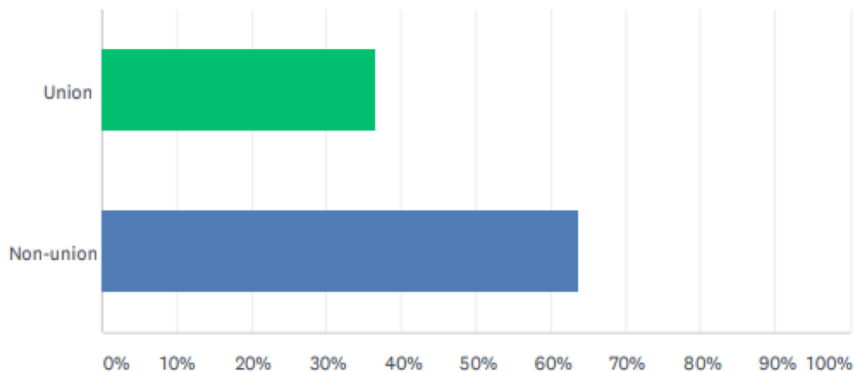
Q19 Has your firm increased pay and/or benefits for hourly craft or salaried personnel in the last year because of difficulty in filling positions?

Answered: 90 Skipped: 0

ANSWER CHOICES	RESPONSES	
Yes	75.56%	68
No	24.44%	22
TOTAL		90

Q20 When you self-perform construction work, do you operate as a union contractor or an open-shop contractor?

Answered: 88 Skipped: 2



ANSWER CHOICES	RESPONSES	
Union	36.36%	32
Non-union	63.64%	56
TOTAL		88

Q21 Are you aware of MDOT's On-The-Job-Training program?

Answered: 90 Skipped: 0

ANSWER CHOICES	RESPONSES	
Yes	71.11%	64
No	28.89%	26
TOTAL		90

Q22 Are you aware of assistance programs that Michigan Works! has to assist your employees?

Answered: 90 Skipped: 0

ANSWER CHOICES	RESPONSES	
Yes	71.11%	64
No	28.89%	26
TOTAL		90





Q23 What is your primary type of work? (you can choose more than one)

Answered: 90 Skipped: 0

	YES	NO	TOTAL	WEIGHTED AVERAGE
General Contracting	42.11% 24	57.89% 33	57	1.58
Excavation	74.63% 50	25.37% 17	67	1.25
Bridge	37.04% 20	62.96% 34	54	1.63
Asphalt Paving	21.15% 11	78.85% 41	52	1.79
Concrete Paving	34.62% 18	65.38% 34	52	1.65
Utility	54.55% 30	45.45% 25	55	1.45
Engineering	12.50% 6	87.50% 42	48	1.88
Other	79.63% 43	20.37% 11	54	1.20

Q24 What is your role within your company

Answered: 90 Skipped: 0

ANSWER CHOICES	RESPONSES	
President/CEO	40.00%	36
Vice President	16.67%	15
Human Resources	7.78%	7
CFO	1.11%	1
Training Director	0.00%	0
COO	3.33%	3
Marketing and Business Director	0.00%	0
Other	31.11%	28
TOTAL		90

Q25 Which best describes your company?

Answered: 90 Skipped: 0

ANSWER CHOICES	RESPONSES	
Seasonal	46.67%	42
Year round	53.33%	48
TOTAL		90

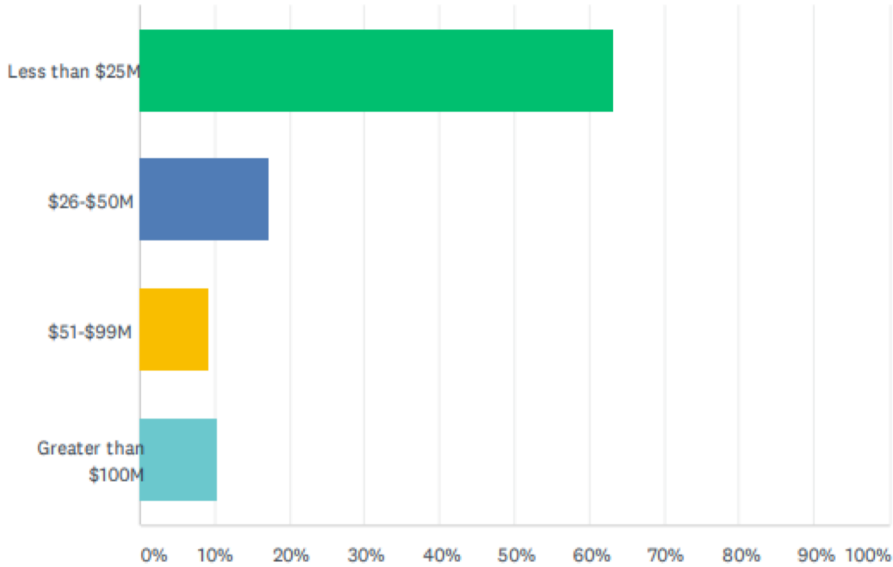
Q26 What is the number of employees at seasons peak?

Answered: 90 Skipped: 0

ANSWER CHOICES	RESPONSES	
Less than 25	31.11%	28
26-50	15.56%	14
51-75	7.78%	7
76-100	13.33%	12
Greater than 100	32.22%	29
TOTAL		90

Q27 What is your company's annual construction revenue?

Answered: 87 Skipped: 3



ANSWER CHOICES	RESPONSES	
Less than \$25M	63.22%	55
\$26-\$50M	17.24%	15
\$51-\$99M	9.20%	8
Greater than \$100M	10.34%	9
TOTAL		87



Anticipated Numbers for 2021

When asked about their hiring needs for the 2021 season, close to 40% indicate that they will need to hire 5 or fewer employees. 20% claim that they will need to hire between 6 to 10 new hires. 10% will need 11 to 15 new employees. Over 14% claim a need of 16 to 25, and the remaining 18% of companies need to hire over 25 employees. Extrapolating this out, the 90 companies who responded to the survey need 849 hires on the low side, and 1,370 on the high side for the 2021 construction season (Table 1, p.24). 28.3% of MITA contracting companies responded to the workforce survey. Assuming the survey results are a true representation of the remaining 228 MITA contracting companies, **MITA members will need total of 3,000 new hires on the low end and 4,841 on the high end for the upcoming construction season** (Table 2, p.24).

MITA's Workforce Survey offers suggestions that companies should consider and also highlights the tremendous hiring need that we face. The transportation and infrastructure work will only increase over the upcoming years as well as the need for employees. Attention needs to be placed on hiring and training practices as well as a strong emphasis on retention.

• Table 1:

<i>Companies</i>	<i>Minimum</i>	<i>Maximum</i>
34	34x1=34	34x5=170
18	18x6=108	18x10=180
9	9x11=99	9x15=135
13	13x16=208	13x25=325
16	16x25=400	16x35=560
90	849	1,370

• Table 2:

$90/318=.283$ (28.3% of MITA contracting companies responded to the survey)

Minimum: Workers Needed for the 2021 Construction Season

$$28.3/100=849/x \qquad 28.3x=84,900 \qquad x=3,000$$

Maximum: Workers Needed for the 2021 Construction Season

$$28.3/100=1,370/x \qquad 28.3x=137,000 \qquad x=4,841$$

Five Year Projection: Anticipated Numbers

When asked about their hiring needs for the 5 years, close to 28% indicate that they will need to hire 1-10 employees. 22% claim that they will need to hire 11-20 new hires. Over 14% will need 21-30 new employees. 12% claim a need of 31-50, and the remaining 23% of companies need to hire over 50 employees. Extrapolating this out, the 90 companies who responded to the survey need 1,930 hires on the low side, and 2,850 on the high side over the next 5 years (Table 3, p.25). 28.3% of MITA contracting companies responded to the workforce survey. **Assuming the survey results are a true representation of the remaining 228 MITA contracting companies, MITA members will need total of 6,819 new hires on the low end and 10,070 on the high end over the next 5 years** (Table 4, p.25).

The number of new hires needed over the next 5 years is significant in a couple of ways. We are competing with other industries, and we must introduce the industry in the K-12 school systems in order to reach students who will not seek higher education, introduce them to the opportunities of the industry and pre-train them on some of the basic skills, including soft skills and safety, so they have a higher rate of success once they enter the infrastructure construction industry. School systems and counselors need to have better information at their disposal to better educate potential future employees regarding the opportunity, rate of pay, and the multitude of choices available. We are competing with tech, the medical field, culinary arts, etc. The transportation/infrastructure construction industry must be ahead of the curve in the education arena.

• Table 3:

<i>Companies</i>	<i>Minimum</i>	<i>Maximum</i>
25	25x1=25	25x10=250
20	20x11=220	20x20=400
13	13x21=273	13x30=390
11	11x31=341	11x50=550
21	21x51=1,071	21x60=1,260
90	1,930	2,850

• Table 4:

$90/318=.283$ (28.3% of MITA contracting companies responded to the survey)

Minimum: Workers Needed for the 2021 Construction Season

$$28.3/100=1,930/x \quad 28.3x=193,000 \quad x=6,819$$

Maximum: Workers Needed for the 2021 Construction Season

$$28.3/100=1,370/x \quad 28.3x=285,000 \quad x=10,070$$



CONCLUSION:

The survey respondents represented a broad range of road, bridge, excavation, general contracting and utilities work. Forty percent of the respondents are CEO's or Presidents of their respected companies. Over thirty percent of the member firms employ over one-hundred employees during the peak construction season. Over sixty percent indicate that they will need between six to over 25 employees for the 2021 construction season, and over sixty percent claim that they will need to hire between ten and over fifty employees in the next five years.

Upon completion of the survey and the review of its results, a few points of interest can be concluded. Hiring young people to enter the industry to replace the retiring population and retain them is an issue for our industry. The hiring process needs to be reviewed and refined. Vetting potential candidates and educating those not familiar with the industry is a key component in ensuring that new hires are prepared for the work environment that they are entering. This will help ensure that the candidates hired will have a higher potential for success and longevity. Larger companies spend a lot of time and money in training, only to retain a small percentage of new hires. Larger companies also need to consider simplifying their application process and decreasing the time they take to contact and interview potential candidates. Applicants left waiting take jobs with competing industries due to this lag and HR is not responding in a timely manner to the workforce needs of the field personnel. Smaller companies need to consider improving both their hiring and training practices. It is difficult for them to justify the added time and expense that this will incur, but the time and effort that it takes at the onset will pay dividends in hiring quality candidates and help to keep them on the payroll. Nearly all respondents indicate that training is essential and hands-on training is listed as the most important training component. Improving this key educational area is essential.

Partnering with outside resources including Michigan Works!, MDOT, Michigan Construction, associations such as MITA, local school districts including colleges and universities, and local training programs can help refine a candidate search and the outside resources can be used to pre-qualify potential candidates furthering the opportunity for a successful hire and retainage. Companies associated with unions can utilize their pre-established training and apprenticeship programs as well as their hiring pool.

Lastly, mentor programs need to be established and/or refined. The aging work population can help give back to the industry that has served them throughout their career and help ensure that the next generation will keep moving it forward. Mentors should be carefully selected, have a set of rules and guidelines, and be monitored to ensure the success of the program. The days of "sink or swim" that most in the industry experienced needs to be reconsidered; it is not working for the younger generation and we cannot afford to lose valuable employees to other industries.

These ideas take time, effort and an investment of capital in order to implement. This survey should help many understand the hiring needs and practices of many MITA member companies in the state. The culture shift that should take place needs to be implemented with a road map to increase its potential for success. The transportation and infrastructure work will only increase over the upcoming years, and attention needs to be placed on hiring and training practices.