

2024

Future-Proofing the Construction Workforce:

The Value of Training and Credentials



Global challenges, local solutions

People worldwide flock to see such construction marvels as the Hoover Dam, the Empire State Building and the Golden Gate Bridge. Our everyday lives are spent primarily in houses, apartments, offices, schools, theaters, gyms, and hospitals—each its own construction project that improved a community, provided jobs, and positively affected the economy. Construction provides the foundation for modern society and stands as a testament to human ingenuity. The fact that construction is central to the human experience is a perspective that is often overlooked.

Construction industry challenges like the shortage of skilled craft professionals are often presented solely within the context of the industry, while the true potential impact is quite extensive. Similarly, solutions are frequently debated at the industry level, while the daily difficulties are experienced by individual contractors. Until larger contributing factors like a lack of awareness of construction careers are resolved, the work to recruit and retain employees and to ensure they have the skills to be successful will continue to consume a large percentage of our nation's contractors' time.

An industry adept at overcoming obstacles

The companies and people in the business of construction have long demonstrated a high degree of tenacity. They face setbacks daily—material delays, budget limitations, rapid project deadlines—and persevere. In recent years, however, the increasing effects of the skilled labor shortage have left many contractors without a clear path to resolution. Undoubtedly, nearly every general and specialty contractor feels the impact to some degree. The 2023 AGC Workforce Survey states that 88 percent of contractors reported having difficulty filling craft positions¹.

Younger generations are less interested in construction careers, experienced craft professionals are retiring, applicants lack the required skills, and project demands remain high. This is the context in which today's contractors must operate. Despite their tenacity, hiring and retaining skilled craft professionals is an increasingly daunting task unless they are equipped and ready to provide effective training to develop and credential their own teams.



Amid the challenges outlined above, it may seem counterintuitive to take on one more. Nonetheless, an increasing number of industry players are realizing they can't afford not to provide formalized training. With nearly 50 years in the construction industry as a craft professional and workforce development leader, Matt Clark speaks from experience when he advises about training solutions. "I continually witness the transformative impact of training and credentialing on individuals, contractors, and the construction industry. The dividends are paid through increased productivity, reduced rework, employee loyalty, and enhanced safety." Read Clark's firsthand perspective on the benefits of craft training **"A Compelling Case for Construction Craft Training: The Return on Investment is Real"** in NCCER's Newsroom.

While widespread trends continue to motivate discussion about the industry, revenue and margin are ultimately what individual contractors must maintain to survive. Investments need to have real, and timely, returns. A study published by the Construction Industry Institute, "Construction Industry Craft Training in The United States and Canada" explores the correlation between investments in craft training and ROI. The study concluded that "each dollar invested in craft training can yield \$1.30 to \$3.00 in benefits"—the result of a more efficient workforce positively impacting contractors' overall profitability².

Benefits of Craft Training & Credentials

The RT 231-11 report states that "the potential benefits of training include improved productivity, improved safety, improved quality, decreased absenteeism, and decreased turnover."³ The average improvement rate of each of these benefits is summarized below:

	Average
Productivity Improvement	10.6%
Turnover Decrease	13.9%
Absenteeism Decrease	14.5%
Injury Decrease	25.5%
Rework Decrease	23.2%

Source: ²Table 8.18 Summary of Expected Training Benefits (Construction Craft Training Survey), RT 231-11, page 170.

Better outcomes

Several of these benefits—decreased turnover, decreased absenteeism and improved safety—are nearly immediate results. Increased productivity and decreased rework are longer-term effects that result from a better-trained and more efficient workforce. These improvements not only benefit the company but also the industry. Craft training at the contractor level collectively improves the number of participants and the skill level of the industry’s talent pool. Each contractor benefits from the improvements in their workforce and additionally from the increased amount and proficiency of craft professionals who may be hired in the future.

Competitive advantage—a certified team

Credentials provide an additional level of confidence in the outcomes of craft training. Many industries rely on credentials and certifications to prove the quality of their workforce. The purpose of credentialing is commonly understood but ANSI® summarizes it well: “credentials indicate an individual possesses knowledge, qualifications, or competencies in a given subject. A personnel credentialing program creates processes that confirm an individual meets the requirements of specific standards.”⁴ Credentials conform to verifiable, industry-wide standards by which individuals can demonstrate that they can perform the tasks required.

Attract candidates, retain employees

Craft training and credentials are also a source of pride for their recipients. The positive correlation between job satisfaction and training is thoroughly documented in Chapter 5 of RT 231-11 and in similar industries. The report *Examining the Return on Investment of Manufacturing Credentials* states that employees valued credentials because:

- They receive knowledge and training that is used in their current job.
- It leads to being hired, receiving promotions, and facilitating career growth.
- It impacted their ability to do their jobs⁵.

Employee satisfaction and retention are critical during a workforce shortage when unemployment rates are low. Craft training and credentials are one method of increasing competitiveness by making companies more appealing to new entrants and existing craft professionals.

Conclusion

Improvements that impact return drive change, which explains why 41% of firms are boosting their spending on training and professional development programs¹. With benefits to the contractor, the employee, and ultimately, the client, the value of training the construction workforce is very apparent.

With the increasing need to find solutions for the workforce shortage, craft training and upskilling should be part of every contractor's workforce development toolkit. Furthermore, a standardized credentialing program supported by industry reduces the resources required to implement craft training programs. Contractors who use the same standard contribute to the overall growth of the talent pool and improve the skills of the entire workforce. With the steady implementation of craft training programs, the younger generation of craft professionals will be better prepared for upcoming project demands.


About NCCER

With NCCER's vast catalog of craft curricula and industry-recognized credentials, solutions that fit the needs of all contractors are within reach. To learn more about the benefits of craft training and options to build your company's workforce development program, contact NCCER's Workforce Development Solutions team at www.nccer.org/wfd.



Sources:

- ¹ Associated General Contractors – AGC (2023). *2023 AGC Workforce Survey*.
- ² Construction Industry Institute – CII (2007). *Construction Industry Craft Training in The United States and Canada, Research Report 231-11*.
- ³ National Center for Construction Education and Research – NCCER, Construction Users Roundtable – CURT, CII, IMPACT (2018). *Restoring the Dignity of Work*.
- ⁴ ANSI National Accreditation Board – ANAB (2021). *Certification vs. Certificate: What's the Difference?*.
- ⁵ WorkCred (2023). *Examining the Return on Investment of Manufacturing Credentials*.



The National Center for Construction Education and Research (NCCER) is the leading provider of construction education for industry and career and technical education programs, with training and assessments in more than 40 crafts and construction disciplines. With flexible workforce development and learning solutions, NCCER's programs provide consistency, quality, and rigor to ensure craft professionals and learners receive industry-recognized certifications and credentials.



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