



# The Big Crew Change: How to Empower Your Next Generation of Field Leaders

PART 1

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## Many of today's construction employers lack a clear grasp of their employees' skills and competencies.

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**L**eadership development is key to growth, profitability and long-term survival in today's construction industry. For too long, the industry has neglected this aspect of field-based people development. With 10,000 baby boomers retiring each day across America, the issue has turned into a crisis.

Insights from FMI's Project Manager Academy (PMA) surveys confirm that the majority of young project field leaders are overworked and not receiving adequate support or skills training. These are disturbing trends in a job market where skilled labor is hard to find and even harder to retain. It is even more shocking considering that field leaders are often responsible for managing thousands of dollars on a daily basis, and carry the risk and livelihood of their companies and clients on their shoulders.

The following article is the first in a two-part series that highlights how the industry is missing the mark on field leader training and development. It also provides insights and recommendations on how companies need to shift gears and rethink field leader education completely. Information is based on various FMI industry studies as well as informal client observations over the years.

## The Ugly, Naked Truth

The volume of work that a top field leader manages over his or her 30-year-long career is staggering. Most senior field leaders are responsible for managing millions of dollars' — if not hundreds of millions of dollars' — worth of work during that time span. And the shocking reality is that most of these senior professionals had to teach themselves how to do their jobs. Moreover, many of them still struggle to meet or keep up with today's leading professional standards.

As Mark Breslin, CEO of United Contractors, asks, “What other industry turns over hundreds of millions of dollars of work to guys that they do not prepare adequately for the job? Only in construction. More importantly, how much longer can we fool ourselves around the crucial conclusion that field leaders in this critical profit leadership position need new skills, tools and strategies?”

FMI has found this to be true for many construction firms. It is a clear indication that contractors have not taken seriously the lack of skilled and accomplished field leaders. In fact, when it comes to training and growing young field leaders, construction employers don't seem to be focused on developing the appropriate skill sets needed to carry out the vast array of critical responsibilities. Most don't even define critical skills and behaviors, nor do they develop ways to assess and measure current competency levels.

As one of FMI's consultants explains, “I often see young construction professionals who lack basic hard skills and business knowledge. There's just nobody there to teach them how to put together a budget or a schedule. You can't just learn these skills by yourself behind closed doors by completing an internal online training course. And then these people are held accountable for things they don't even comprehend.”

Surveys conducted at recent FMI Project Manager Academy programs highlight young field leaders' struggles in the following key areas (as summarized in Figure 1):

### **Business, Financials, Schedules**

- Project scheduling
- Understanding project financials (profit, cash, forecasting)

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EXHIBIT

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# YOUNG FIELD LEADERS STRUGGLE WITH RESPONSIBILITIES

## THAT FALL WITHIN THE FOLLOWING THREE MAIN CATEGORIES

Number of Responses



Source: FMI PMA Survey Data 2015

### Staff, Workforce

- Leading project teams (communication, managing, mentoring, negotiating)
- Managing meetings
- Building buy-in across various divisions and departments
- Understanding performance and measurement expectations

### Time, Productivity

- Focusing on field success, productivity and efficiency
- Managing site logistics (including material management and inventory control)

Based on conversations with FMI's PMA participants, the majority of these young field leaders feel overwhelmed and overextended, and are often close to burnout because they're struggling to keep up in their jobs without receiving the necessary support and training from their employers and immediate supervisors.

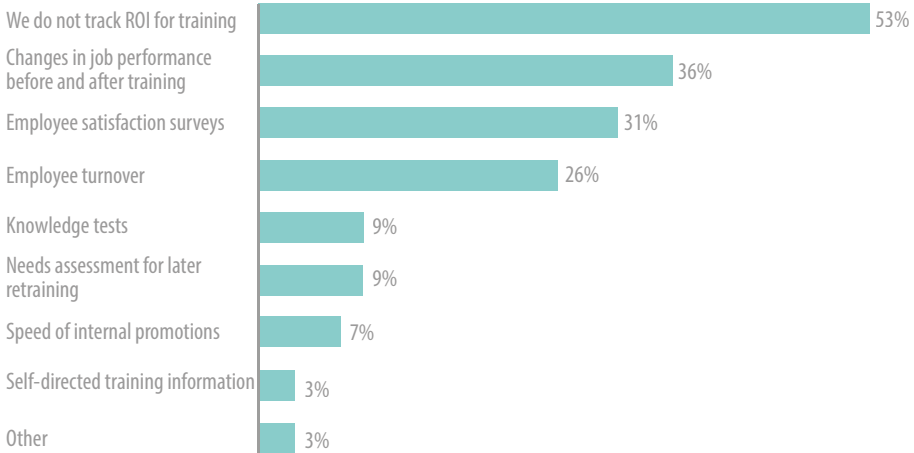
FMI's recent Talent Development Survey sheds light on how employers in construction just seem to check off the training initiative from their to-do lists and convince themselves that they are making a commitment to their people. According to our research, 53% of employer survey respondents don't track return on investment for employee training (Figure 2). Often, training isn't even tied to performance metrics or career plans. Frankly, career plans rarely exist.

### Five Ways to Prepare for the Big Crew Change

Over the years, FMI's project execution team has worked with hundreds of field crews to improve the productivity and profitability of construction firms. During this process, we have helped develop hundreds of young field leaders who are now moving into senior field leader positions. Following are five recommendations of how companies can support and develop their younger field leaders effectively over time:

EXHIBIT  
2MOST EMPLOYERS  
DON'T TRACK ROI FOR TRAINING

How does your company track the return on investment of employee training?



Source: FMI 2015 Talent Development Survey

### 1. Define, measure and improve skills.

One of the biggest gaps in construction skills education today is that many employers lack a clear grasp of their employees' skills and competencies. A first step in assessing peoples' skills is to define what the minimum requirements are that meet or exceed expectations. For example, what would a "rock star" project manager look like? What skill sets would he or she have to prove in regards to budgeting, scheduling or leading teams?

In a second step, ask the question: Can we measure skill sets? Can we test for them? This should go beyond the typical manager approval routine and involve case studies or other forms of practical testing. Again, an in-house online training course where a young field manager doesn't step a foot outside and get real-life experience will not be adequate.

Finally, in a third step, if someone is below minimum standards and does not meet certain skills expectations, identify resources necessary to support that person. Too often, young field employees are left alone to figure things out by themselves — much like their older peers — which isn't an effective and engaging way to develop and retain people long term.

### 2. Reassess your field leaders' time utilization.

Field leaders are highly valuable and so is their time. With this in mind, companies should consider hiring additional staff to manage day-to-day project administrative tasks, thus freeing up project leaders' time and making them more effective. And while more overhead translates into higher expenses,

the payback is far greater given the immediate positive impacts on productivity and profitability.

As one FMI productivity expert explains, “The amount of time today’s project managers and field leaders spend on dealing with tedious administrative tasks is absurd. With the growing complexity of project teams and project administration, adding more administrative support is a simple way to boost project leaders’ efficiency and impact companies’ bottom line considerably.”

Reassessing your field leaders’ time utilization also presents the opportunity to create a “learning lab” for younger project managers who can gain valuable

exposure to project-related tasks and take on an important support role — yet another plus for the company itself.

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By identifying high-performing individuals, companies can more deliberately allocate resources to those individuals with the highest potential.

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### **3. Build deep bench strength.**

We often see companies devote resources to employees who aren’t well-suited for advancement or for leadership positions. However, by identifying high-performing individuals, companies can more deliberately allocate resources to those individuals with the highest potential. According to our research, companies that have well-structured plans for developing high-performing

employees combine several key aspects of professional development, including structured coaching and mentoring, individualized professional development and career path planning.

Highly innovative companies are adopting internal employee benchmarking systems that link employee performance data to organizational performance. Providing these performance measures not only fosters healthy internal competition but also aligns employees with the company’s strategic goals. By coupling these strategies, companies can effectively nurture their best employees and provide specialized training to allow continued employee advancement — a key ingredient for the long-term engagement of a younger workforce.

### **4. Train your senior field leaders how to teach.**

Create a mentoring system that supports younger field leaders while also providing an important platform for knowledge transfer. This will go a long way in addressing one of the major challenges in this big crew shift: The fact that many of the older field leaders simply don’t know how to teach and

transfer knowledge to their younger peers. In some cases, this is because many senior field leaders never went through a formal training program themselves and therefore never learned the “science” of budgeting, scheduling or mentoring in a structured way. Often, senior field leaders’ knowledge is based on their instinct and experience, which makes knowledge transfer and training difficult and frustrating for younger generations.

Finally, it’s not just about teaching technical skills. Construction requires hands-on training, practice and ongoing mentoring. Successful companies are starting to implement programs and processes that incorporate different levels of experiential learning with various degrees of supervision. For example, the military-based model, EDIP (Explain, Demonstrate, Imitate and Practice), can be an effective approach to teaching inexperienced field leaders, in tandem with ongoing coaching and mentoring by senior managers.

### **5. Understand your company demographics.**

Based on FMI’s field observations, we suspect that the majority of construction companies underestimate their field leaders’ average age and therefore don’t have a full grasp of today’s field leadership crisis. As a start, company executives must assess and map out the demographic composition of all key positions in the organization in order to plan strategically for the imminent crew change. For example, by having a clear understanding of how many senior employees will retire in a given year, companies can start developing leadership pipelines and mentoring programs to ensure timely knowledge and skills transfer.

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### **Don’t Just Set it and Forget it**

In today’s competitive talent environment, construction firm leaders must constantly focus on acquiring, developing and retaining the best people. Field leaders are responsible for managing thousands of dollars’ worth of client work each day and can make or break a construction firm. Having skilled front-line leaders is probably *the* competitive differentiator in a world where construction clients are highly cost-sensitive and risk-averse.

However, with baby boomers retiring in droves, construction firms face a true leadership crisis at all company levels — but particularly at the field level.

Based on FMI's observations, very few companies are properly prepared for this huge transition.

As Breslin confirms, "Most of the crew on every job in the U.S. and Canada are going home soon and they are never coming back. No organization that I know of is fully prepared for this situation. Maybe 25% are actively working on it with a plan of action, 50% are aware of it and talking about it and 25% are simply doomed and won't know it until it is too late."

Construction firms that want to survive and thrive in the future have no choice but to invest heavily in their young field leaders today. Training and development shouldn't ever be about checking a box that says, "We did four hours of training and scheduling." It should be about actually doing, measuring and improving the acquired skills, knowledge and leadership behaviors. It is time to look at field leader development as a continuous journey — not just a "set it and forget it" task. [Q](#)

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<sup>1</sup> In this article, we define foremen, superintendents and project managers as field leaders.

<sup>2</sup> Talent Development in the Construction Industry. 2015 FMI Industry Survey.