



— 2025 REPORT

PEOPLE IN CONSTRUCTION

Showcasing research critical to the advancement
of the construction industry



CONTENTS

Letter from Wally	3
2025 Construction Trends.	4
Leadership Lessons & Challenges	6
Opportunities for Blue-Collar Growth	7
About the Author	13





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SOME THOUGHTS FROM WALLY

INTRODUCTION

I am proud to bring you the 2025 edition of the People In Construction Report. This ongoing research is part of my commitment and passion to make our construction industry better. How do you change an industry? One leader at a time. This is the mission that's guided me for decades; **To help construction leaders recognize and fulfill their unmet potential.**

I want people to have a great day. A great day happens when construction leaders care for their people, fulfill their unmet potential, and make the most of what they have. It turns out, this is good business too. Reams of data confirm the high ROI of investing in people and culture. A key point: profitability comes **not at the expense of people**, but through **increased engagement and trust.**

In 2019, It was out of frustration I conducted research that yielded our first People In Construction Report. I kept hearing the industry was a dead end filled with people who didn't want to be there. Firms were facing an unprecedented, and practically unsolvable labor shortage. Despite these clear and present challenges, my experience was something different. There actually were (and are) plenty of examples of contractors who could be considered exemplary in the areas of leadership, values and culture.

We repeated the research in 2021, and 2023 and five megatrends evolved.

We review them here before investigating the 2025 data.



MEGATRENDS

Cultural Strength as a Retention Strategy Amid Labor Shortages

Despite chronic labor shortages, **companies with strong cultures consistently retain talent** even when offering slightly lower wages. Culture is evolving from a “nice-to-have” to a **critical differentiator in recruitment and retention**.

- In 2019, firms with strong cultures had better retention despite lower compensation. This continues to be true
- In 2023, culture-focused firms saw higher safety and retention scores.
- Companies on the 100 Best have two-thirds less turnover compared to the Bureau of Labor Statistics average. the overall trend is for high-trust workplaces to hold onto more of their workers.

IMPLICATION: Competitive advantage will shift from financial incentives to **values-aligned leadership** and employee experience.

Trust in Leadership Is the Linchpin of Engagement

All three reports and multiple research studies emphasize that **trust in leadership determines employee engagement, productivity, and loyalty**.

- 2019: 83% won't follow leaders they don't trust.
- 2023: Gen Z reports lower trust and engagement, suggesting a generational shift in expectations.
- **Leader behavior and communication** as key safety and performance drivers

IMPLICATION: Construction leaders must move from **command-and-control** styles to **transparent, people-centric models**.

The Engagement Paradox: High Happiness, Low Utilization

A surprising theme across all years is that **employees report being happy, yet feel underutilized**, which leads to disengagement and lost potential.

- 2019: 43% of office workers feel they have more to give.
- 2021: 23% report being underutilized.
- Eighty-five percent of employees at the 100 Best report giving extra effort at their job. Only 60% of workers say the same at a typical workplace.

IMPLICATION: Engagement will require **job enrichment**, not just satisfaction. Organizations need to tap into **untapped capacity** and provide **growth paths**.

Fragmentation and Cultural Divide Between Office and Field

Persistent and widening **disconnects between office staff and field supervisors** are affecting execution, trust, and collaboration.

- 2019: Field supervisors reported 15% lower confidence in leadership.
- 2021 & 2023: Work-life balance, friendship, and recognition vary significantly by role.
- **Diverse team dynamics and generational divides** are barriers to unity and success.

IMPLICATION: Leaders must act as **bridges across roles, cultures, and generations** — through empathetic management, hybrid communication strategies, and aligned values.

Leadership Accountability in Change and Mental Health

Construction leaders are increasingly seen as responsible for guiding **culture transformation** and addressing **mental health** and **well-being**.

- 2019 & 2021: Change initiatives often fail due to poor leadership commitment.
- 2023: Only 31% believe their company prioritizes mental health.
- Latest research confirms **psychological safety and leadership impact** on change success and mental resilience

IMPLICATION: The next leadership frontier is **human-centered change**, including mental health support, trust building, and inclusive engagement.

BOTTOM LINE UP FRONT

I often say that people are the best profit strategy. Is that even true, or is it just a feel-good statement to justify my existence? Real data correlating culture and profit can be hard to come by. Many firms are private. Many firms don't want to share their secrets. Some firms with great cultures may not be especially profitable. But there is proof:

- Employees who find their work meaningful are 2.7 times more likely to stay with their company.
- Those who are proud of their workplace are 2.2 times more likely to remain.

The construction industry traditionally faces high turnover rates. For instance, as of 2021, the average turnover rate in construction was approximately 68%, significantly higher than the 30–40% average across other industries. However, companies that prioritize positive workplace cultures see markedly lower turnover rates. For example, McCarthy Building Companies reported a turnover rate of 23.16%, and others enjoy similarly low rates, substantially below the industry average.

While direct comparisons of net profit margins between contractors with strong cultures and their peers are limited due to data availability, the evidence confirms that a positive workplace culture correlates with enhanced financial performance. Investing in employee satisfaction and engagement not only fosters a supportive work environment but also contributes to improved productivity and profitability in the construction industry.



— WELCOME TO 2025

SAME STUFF, DIFFERENT DAY

Despite the opportunity and clear mandate to do culture differently, the industry remains in neutral or mired in the past. Much like production has lagged, or perhaps even worsened, over the past decades, culture also faces an uphill battle to gain a foothold.

However, this only underscores the opportunity for progressive firms that believe people are the best profit strategy. As in the past, we open with perhaps the most fundamental question:

How Happy Are You at Work?

Such a simple question, and we can debate exactly what it means, but for our conversation, we'll acknowledge that happiness is desirable and has a positive impact on business results.

We again see a healthy level of happiness, with an overall score of 7.3 on a scale of 1–10, with 10 being the highest.

Harvard Business Review reports that happiness at work must come from a deeper, more intrinsic connection to why we're there. A culture of autonomy, belonging, and purpose comes from a shared vision.

Transactional leaders focus on organizational performance and employee supervision. These leaders are not concerned with autonomy or belonging. Maximizing productivity in the present moment is what matters to them. They focus on making the day-to-day business of an organization flow smoothly. Vision and engagement are not necessary to accomplish the day-to-day. The classic "8 for 8" applies; it is about the money.

Or is it?



Show me the... (not money)

Over 80% of respondents say, "My pay is fair for the work I perform." This is old news in this research. We've seen similar scores for the past six years. This suggests that money is not the endgame. People are able to look objectively at their situation. If the boss gives nothing else to believe in, commit to, or care about, then the conversation is reduced to money.

Transactional leadership has its place but will not yield superior results compared to industry exemplars. Since we are talking about money, no one is ever going to turn down a pay raise. But reducing the conversation solely to money, and its correlation to productivity, ignores the complexity of human behavior and jobsite dynamics.

I have more to give

More old news: people have more to give! Approximately one-third of respondents say they have more to give, while another third report being absolutely maxed out.

Quiet quitting and loud quitting are in the headlines. "Act your wage" is a term used to describe a trend where employees only put in the amount of work they are being paid for, rather than going above and beyond their job description. It's a way of establishing boundaries and setting expectations at work, particularly among younger workers who feel they are not being adequately compensated.

Adequate is in the pocket of the recipient in this case. Money does matter, and these trends are not to be ignored, but they can be countered. If all you give me is my paycheck, all I will care about is my paycheck.

How about an atta boy/girl?

"You didn't screw that up" and "nice job" might be considered traditional forms of recognition, but they don't cut it today. It is not hard to catch somebody doing something right. This is not about everybody getting a trophy; it is simply about recognition.

Recognition is a key driver of engagement. Research confirms that highly engaged teams deliver 21% greater profitability, 17% higher productivity, and 41% lower absenteeism. According to SHRM (Society for Human Resource Management), 68% of organizations say recognition positively impacts retention.



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How often do you receive recognition? The numbers continue to be bad.

DAILY	7
WEEKLY	14
MONTHLY	44
WHAT IS?	24

72% of field respondents report recognition monthly or never. 66% of the office agrees. Generations from Z to Boomer see it the same way.

GENERATION Z	78
GENERATION Y	64
GENERATION X	73
BOOMERS*	58

* This was a big change this year. Was it a signal change from tenured staff being pushed out the door or simply ignored because they are loyal souls who have been around so long? Or was it a statistical bump? I think the latter but we will keep an eye on it.





Training and repetition are required to get them right but recognition and feedback remain a no cost effort. They remain one of the highest ROI things a firm can do.

Field/Office Divide remains a chasm

There will always be perception gaps between those managing the work and those doing the work. This office/field gap is a chasm in construction. The factors are well known: geographic separation, differing roles, cultural divides, and the tangible sense of urgency at the workplace.

Perhaps more sad than surprise, these trends persist:

	FIELD	OFFICE
I am set up for success every day	54	61
My pay is fair for the work I perform	63	87
I have reasonable work life balance	54	74
My supervisor micromanages me	36	17
Change efforts fall short	63	53
I feel like I am failing	18	2
Field office comm is adequate	71	63
Short term thinking compromises long term results	63	46
I would reapply for my current role	72	87
My company prioritizes mental health (disagree)	36	13

Psychological Safety

Despite proclamations that people are the most important asset, mental health remains a critical, perhaps defining, issue for the construction industry. We saw in the last graphic that field employees do not agree the company prioritizes mental health.

A deeper look into that question reveals that the majority of respondents neither agree nor disagree with this statement. For such an important topic, a neutral response seems inadequate. Broader, non-construction-specific data paints an ugly picture. While 45% of HR leaders believe they provide adequate support, only 29% of employees agree. It is even

worse in the boardroom: 94% of CEOs think they do enough to support mental health in the workplace, but only 67% of workers concur.

For this report, psychological safety is defined as a climate where we can share ideas, ask questions, give and receive feedback, admit mistakes, and ask for help without fear of repercussion.

Let's ask a related question: Do you feel comfortable voicing your opinions or concerns without fear of negative consequences? Only 55% of all respondents replied "absolutely," while 39% said it depends on whom they were talking to. Perhaps we can learn from medicine, where professionals take oaths to be ethical and do no harm. Even there, 84% of doctors and 62% of nurses reported observing coworkers taking potentially dangerous shortcuts, yet fewer than 10% confronted those coworkers about it.

- **Parallel #1:** *Field vs. office* — like bedside staff vs. physicians, craft workers face real risks and may disengage due to perceived futility or fear of reprisal.
- **Parallel #2:** *Hierarchy shapes speech* — on a jobsite, craft laborers might similarly hesitate to challenge architects, PMs, or supervisors.
- **Parallel #3:** *Training and tools matter* — providing structured communication protocols and psychological safety training could help people speak up.

Fine and Tired

Positive Organizational Scholarship (POS) is a field of study focused on understanding and fostering the positive dynamics within organizations that lead to exceptional performance and human well-being. It explores how organizations and their members can flourish. Rather than looking at what is wrong with people and organizations, it examines what is right, and why.

A central theme in POS is *flourishing*, which refers to a high level of well-being, both individually and collectively, within the organization. It encompasses concepts like positive emotions, engagement, relationships, meaning, and accomplishment (PERMA).

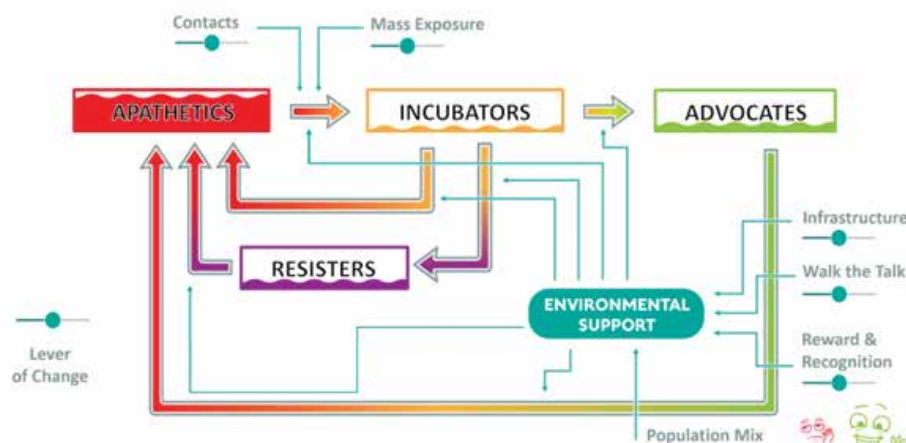
Do people in construction flourish? We asked. They had a choice between *flourishing*, *fine*, and *failing*. Only 18% said they were flourishing, while 77% said fine. Fine is nice, but I think we deserve more.

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Along these lines, we asked about fatigue. Thirty-eight percent said they often felt tired at work. The negative correlation between fatigue and safety, production, and morale is well known. This issue receives more attention internationally than it does in North America.

Change is hard

There is agreement across all demographics that change initiatives often fall short. Nearly 60% of respondents said yes. This has been a consistent theme, and it presents a consistent opportunity. Quick fixes, band-aids, and flavor-of-the-day solutions do not make for sustainable change. Failed change efforts cost money and time and are detrimental to morale. As our model shows, change is complex which makes it hard.



Trust

The cornerstone of any relationship is trust. At face value, the industry does okay here. For the past six years, just over 80% of respondents have said, "I trust what my boss tells me." That sounds great, but exemplary, best-in-class contractors see that number above 90%. Eighty-six percent say, "My supervisor treats me fairly."

In a time when we know the importance of values, and when best-in-class contractors are writing them down and communicating them as never before; we see scores decreasing. Your values will only matter if you make them matter. Telling people once is not enough. Having them in your email signature is not enough.

In 2019, 88% of respondents said there was a clear set of values. In 2025, that dropped to 72%. Even worse, a recent LinkedIn poll puts this at 52%.

Return on Culture

Brian McManus, President of Hoopaugh in Charlotte, NC, is often asked if there is ROI for culture. His company is a four-time recipient of Great Place to Work. When asked, he smiles and says, "I can't say for sure, but I do know my life is a heck of a lot easier since we got everyone on the same page." When pressed, he adds, "I don't have to referee and handle problems; people do it themselves."

Yes, culture is not just a soft metric. It is a measurable business asset. The construction industry, often seen as operations-driven, benefits significantly from investing in a human-centered culture. Higher employee retention, lower conflict, and enhanced cooperation directly contribute to net profit improvements and market competitiveness.

The data supports a strong correlation between culture and profit-related performance. This is an opportunity should you choose to accept it.



ABOUT THE AUTHOR

Wally Adamchik, CSP, CMC, is the President of FireStarter and is a recognized authority on leadership in construction. His work has been featured in numerous industry publications, and he is a regular presenter at industry gatherings across North America. A Marine Corps veteran, he is the author of *No Yelling: The Nine Secrets of Marine Corps Leadership You Must Know to Win in Business*. He is also the author of *Construction Leadership from A to Z: 26 Words to Lead By*.





wallyadamchik.com

