

WINNING WITH DIVERSITY: Advantages for Contractors in Creating Construction Careers for Women and People of Color



MARCH 2017



“We have proven that diversifying the labor force is not only the right thing to do because it creates more fair access to opportunity, but it also is an important part of the answer to some of the most pressing social and economic questions facing cities and the country as a whole.”

—Martin Walsh, Mayor, City of Boston

Mayor Walsh underscores the moral imperative for project owners, contractors, unions and community groups to ensure that the construction sector opens career pathways for women and people of color. Racial minorities currently comprise approximately 16 percent of the construction sector, while women make up just over two percent of construction craft workers. Nationally the numbers are still low, but as communities advocate for greater access to these careers, project owners are responding. Since 2004, there has been a marked increase in the number of project labor agreements (PLAs) with targeted hire language.¹ Including hiring goals in PLAs provides career opportunities and funding for women and people of color, supplies contractors with more diverse workforces, and strengthens community support for publicly-funded projects.

New research reveals how contractors with a strong track record on diversity are finding themselves at a competitive advantage. The report, *“Building Career Opportunities for Women and People of Color: Breakthroughs in Construction,”* by the Jobs With Justice Education Fund and North America’s Building Trades Unions (NABTU) Tradeswomen Committee, examines two major construction projects with targeted workforce goals: the University of Massachusetts Boston campus and Minnesota Vikings stadium project in Minneapolis.² In both cities, elected officials and project owners set targeted workforce goals for women and people of color on these publicly-funded projects. Ted Mondale, former CEO and executive director of the Minnesota Sports Facilities Authority (owner of the Vikings Stadium project), commented: “Through our bidding processes, having a contractor who met [diversity]

goals before was a big plus.”³ Phil Mauch, Jr., site supervisor of general contractor Bond Brothers, found that the ability to meet workforce goals “gives us a leg up...” He continued: “Owners will give Bond a closer look. It gives us a bidding advantage. They put you under a microscope. We’re looked at as credible. Compliance is much more valuable than in years past.”

Economists predict labor shortages as skilled tradespeople begin to retire in the coming years. So, hiring and maintaining a diverse workforce reaps additional benefits. Michael Johnson, compliance supervisor for the Minnesota Department of Human Rights, believes diversity “can be a strategic advantage.” He continued: “As our population becomes more diverse, the top candidates are less likely to be white men. If you’re limiting your workforce, you’re limiting yourself to potential competitive advantages that your more diverse competitors will be taking advantage of.” Indeed, a recent study by McKinsey found that companies in the top quartile for gender or racial diversity are more likely to have financial returns above their national industry medians, and that diversity likely is a factor in market share increases over time.⁴

Working in diverse environments can provide a boost in productivity for women and people of color. LeWanda Harper, a journey laborer, described how she felt while working on the Vikings Stadium project: “It’s awesome. I’ve been on a lot of job sites. A lot of times I was the only African-American, and sometimes the only female. There’s so many Black people [at the stadium]... It makes the atmosphere a joyful place to be. You get more work done.”

1 Figueroa, Maria, Jeff Grabelsky, and Ryan Lamare. “Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle-Class Careers.” Cornell University School of Industrial and Labor Relations. October 2011. https://www.ilr.cornell.edu/sites/ilr.cornell.edu/files/PLA-REPORT-10-6-2011_FINAL.pdf

2 Johansson, Erin and Benjamin Woods. “Building Career Opportunities for Women and People of Color: Breakthroughs in Construction.” Jobs With Justice Education Fund and North America’s Building Trades Unions Tradeswomen Committee. December 2016. <http://www.jwj.org/building-career-opportunities-for-women-and-people-of-color-breakthroughs-in-construction>

3 See the above report for full citations for all quotes in this brief.

4 Hunt, Vivian, Dennis Layton, and Sara Prince. “Why Diversity Matters.” McKinsey & Company. January 2015. <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

Best Practices for Contractors to Meet Compliance Goals

Contractors involved in the UMass Boston and Minnesota Vikings projects shared the following advice and best practices for meeting and exceeding workforce goals:

Integrating compliance staff into the management structure of the firm

Elizabeth Campbell of Ryan Companies noted that in her 12 years working for the company, it was only recently that the equity work became a “fully integrated team responsibility rather than a ‘stand alone’ and ‘struggle alone’ to get done.” Susan Moir of UMass Boston affirmed the importance of integrating the role of the compliance officer into the management of the firm: “It’s a big thing that Samantha Bond [HR specialist for her father’s firm Bond Brothers] is a Bond. If they don’t listen to her on the job they’re going to listen to her at the dinner table.”

Making compliance planning part of the bidding process

General contractors should include workforce compliance goals in the subcontractor bidding process, as well as evaluate subcontractors partly on their prior performance on inclusion. Bond Brothers created a form for the bidding process on which subcontractors must report how well they met compliance goals over the last seven years. This practice is inspiring other general contractors to follow suit. Ryan Companies scores subcontractors in its bidding process based on their expected performance on inclusion. Once subcontractors are chosen, Campbell works with them to complete a workforce utilization plan in order to meet their goals.

Frequent and ongoing monitoring of workforce numbers

General contractors should monitor workforce numbers on a weekly, or even daily basis. Ryan Companies enters weekly payroll data into a workforce management projection tool to see how



LeWanda Harper, Laborers Local 563 journey member, at work at the new Vikings stadium

the firm is doing and where staff need to make adjustments. The contractor also requires their subcontractors to submit a daily workforce log, which is aggregated into a weekly log. With frequent monitoring, Campbell can see when a subcontractor isn’t meeting goals and then work with the project manager to problem solve.

Holding “One-on-one-on-one” meetings

When subcontractors are not meeting goals, Danielle Skilling, community affairs specialist with Gilbane Building Company, brings the subcontractor and the union together to communicate and avoid what she calls the “he said/she said” dynamic. Samantha Bond affirmed that Bond Brothers’ project management staff meets with subcontractors on a weekly basis to review their numbers, and if numbers dip, she brings in the union.

“The Minnesota Sports Facilities Authority made it very clear that the workforce goal was going to be met. Failing to meet the goal would jeopardize our ability to win future work. It’s motivating.”

—Elizabeth Campbell, director of emerging business inclusion, Ryan Companies

About Jobs With Justice Education Fund

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