Building Contractor Bench Strength Through Talent Strategy

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In our labor-constrained market, talent has become more than just an HR issue: it has turned into one of the most important value drivers in your business.

Right now, most contractors feel constrained by finding the workforce needed to meet demand.

It's such a common refrain that we almost don't even need to say it: labor is, and has long been, one of the industry's biggest concerns. The latest Construction Financial Management Association CONFINDEX survey[1] reinforces that reality, with the availability of skilled labor once again ranking among contractors' top challenges.

We don't disagree, though contractors may be looking at labor needs too narrowly. Finding people needed to complete work is important, but the bigger opportunity lies in cultivating talent to enhance an organization's bench strength.

Bench strength is the depth of talent you have on your roster that helps your company grow and adapt. Not only do you need a deep bench of workers and trade partners, but you also need a bench of current and future leaders. These individuals are those who have been identified to take over when the time is right, and the people who will push your business forward even after current leadership has moved on.

The companies that **attract**, **retain**, and **develop** talented people are building more than just a strong workforce; they're building a more valuable and more resilient business.

[1]"Second Quarter Confindex Falls as Interest Rates Rise," cfma.org, July 2026.

Bench strength is the pipeline of employees who are ready to step into larger roles as your company grows or changes.

External Conditions Are Becoming Harder to Control

Recent discussions among construction leaders reinforce what the CONFINDEX has been showing for years: Contractors are operating in an increasingly complex environment where many of the biggest challenges are beyond their control.

Inflation Remains a Concern

Ongoing geopolitical tensions continue to put pressure on costs. Construction leaders don't anticipate relief anytime soon and are finding it difficult to plan for a future that involves expensive materials and high borrowing costs.

> "High interest rates are making it hard for projects to be financially viable."
>
> CONFINDEX Survey Comment

Data Centers Are Creating Both Opportunity & Risk

AI-driven investment has created a strong demand for data center construction. For contractors with experience in this sector, the work is often predictable and tends to pay well. However, contractors know that concentrating work in a single area (particularly one that's under intense social and political scrutiny) can be risky.

> "There has been some backlash against data centers within the community."
>
> CONFINDEX Survey Comment

Infrastructure Pipelines Are Less Certain

When Congress passed the *Infrastructure and Investment Jobs Act* (IIJA) in 2021, contractors saw it as a green light to hire more people and invest in new equipment. With the IIJA's authorizations expiring later this year, many contractors are wondering what the next phase of infrastructure spending will look like. Will there be infrastructure jobs to fill their backlog, and will they have enough work to keep their roster busy?

An uncertain market requires a different focus. Instead of focusing on the problems they can't control, contractors can take steps to make their organizations more resilient when conditions change. One of the most effective ways to do this is by building a team that's capable of absorbing that change without losing momentum.

> "[We are] uncertain as to legislation's stance on future projects...There is a lot of controversy in our area."
>
> CONFINDEX Survey Comment

Build the Bench You Need to Succeed

There are many aspects of today's construction industry that contractors can't control. But they can lessen the impact of challenges by strengthening one of the most important value drivers in their business: their people.

Strong bench strength doesn't happen by accident. It requires deliberate strategy. Mark DeVerges, a director at Forvis Mazars Executive Search, has spent more than two decades helping construction companies solve some of their toughest HR challenges. Through the conversations he has every day with construction leaders, he's gained a firsthand understanding of the challenges they face and the strategies that have proven most successful when it comes to building a strong workforce.

His guidance echoes the themes throughout this quarter's report. It is imperative to attract, retain, and develop your workforce for continued growth. Neglecting to do so can have a ripple effect throughout your organization. There is only so much that tech advancements and other strategic initiatives can do: all of these require excellent staff to execute and deliver.

Attracting the Right People

How do you attract top talent in a labor-constrained market?

Signing new workers often feels like an uphill battle, and when your goal is to find qualified workers, the task may seem insurmountable. But there are several ways to improve your odds of attracting the right people.

Understand How You're Perceived in the Marketplace

Step back and assess your reputation for a moment. How do candidates see you?

- Are you known for treating people fairly?
- Do current workers recommend working there?
- Do you provide employees with consistent work and new opportunities?
- Are trade partners quick to work with you again?
- Do candidates see you as a place to build a career?
- Are you adopting and investing in the best technology?

Reputation matters more than you think. In a tight labor market, it may be the deciding factor in whether someone joins your team or looks elsewhere. This is also useful internally. Having an awareness of this can reveal shortcomings in your organization's people strategy and operations you didn't know existed.

Hire With Intention

When labor is scarce, every position is critical and should be filled intentionally.

For example, let's say your primary glazer is booked solid. You assume that they can't take on more work, so you don't even ask. Instead, you sign on someone new. This solution solves today's problem, but it may create new ones if the secondary glazer does subpar work, or if the move damages the relationship you have with your primary glazer.

While difficult, it is a best practice to think beyond the next project. Consider where you want your company to be in three to five years and, more importantly, who you want working alongside you. It might be a better strategic move to build a long-term, reliable workforce versus short-term, rushed hiring.

Don't Be Afraid to Raise Hiring Standards

It may sound counterintuitive, but a labor shortage isn't a reason to lower hiring standards. When workers are hard to find, they become mission-critical, and a bad hire can cost more in the end. This is because a poor hire doesn't affect one project: the broader impact can erode a company's culture. Someone on your team performing subpar work can lower established performance expectations, bringing other employees down with it in the process.

Look beyond the technical qualifications and consider if this is someone who aligns with company values. Are they known for being dependable? Do you think they'd fit in with the current team? These types of qualities aren't going to be as easy to teach, so prioritize finding someone who is a good fit.

Retaining Your Best Talent

How do you become the workplace that people don't want to leave?

Retention strategies have changed over the years, and DeVerges has noticed a trend: the companies that are able to hold onto their best employees have placed the greatest emphasis in two areas: culture and incentives.

Culture Is King

Culture has become one of the most important retention tools for contractors. When data center projects move into an area and offer wages well above what you can pay, competing on salary alone may not be realistic. While compensation certainly matters, workers will also consider what their working environment will be like and if they will be seen as valuable.

A strong workplace culture includes:

- **Clear expectations:** Workers want to know what's expected of them and what they need to do to earn a raise or promotion.
- **Open communication:** Frequent, honest communication builds trust and keeps employees engaged.
- **Support and camaraderie:** Employees are more likely to stay when they enjoy coming to work and feel supported by their coworkers and leaders.
- **Empowerment:** Workers want to know that their expertise is valued. Trust them to solve problems and give them opportunities to flex their skills.
- **Shared purpose:** As DeVerges puts it, the best teams are "in the same boat, rowing in the same direction."

Give Employees a Reason to Stay

Your compensation package should be competitive, but more importantly, it should be transparent. Wages are just one piece of the puzzle. Yes, you'll need the basics: good healthcare and retirement benefits. But don't overlook other benefits that workers value, *i.e.*, education reimbursement, childcare assistance, or skills training.

Contractors can also reconsider how they award bonuses. Rather than relying on discretionary bonuses (which employees can't predict or plan around), consider implementing structured incentive plans that tie bonuses to performance. If employees understand the key performance indicators (KPIs) that matter and how they'll be rewarded for meeting them, they're more likely to stay engaged and invested in the company's success.

When workers are given a reason to perform at a high standard, the bonus structure can serve as a way to build operational excellence.

Developing Future Leaders

How do you build the next generation of leaders?

You may have an extremely talented team that works well together and completes jobs efficiently. However, what happens if one of your key people leaves tomorrow? Contractors should address instances of relying heavily on a handful of workers, as this forces management to develop a deeper bench of future leaders.

Capture the Knowledge of Key Leaders

Every company has key employees who seem to keep everything running. It's your job to understand and document what they actually do every day. It's not just building a job description; it's talking to them about what decisions they make, who they reach out to for help, what reports they review, how they solve problems, and how they communicate their decisions to others. Creating a standard operating procedure for these key positions will help ensure that their knowledge isn't lost if they unexpectedly leave.

Create Stretch Opportunities

Future leaders can't be developed overnight, so it is helpful to mentor people early. Even with knowledge of how their predecessor did the work, stepping into a leadership position overnight is rarely seamless. Giving lower-level employees opportunities to build leadership skills before they're promoted is a low-risk way to help them prepare for these types of opportunities.

A great time to do this is during a key leader's planned vacation or sabbatical. Let an emerging leader take on portions of that person's responsibilities for a finite period. Since the current leader has a definitive return date, the emerging leader has guardrails in place, and this allows them to grow their confidence. They can take initiative and know they have the freedom to make mistakes in a controlled environment.

Schedule check-ins, both during and after the trial run, to discuss what went well and where the emerging leader may need additional support or training. These conversations help the employee hone leadership skills, with the knowledge that they're not navigating this transition alone.

Talk to Your People About Career Paths

Don't assume that your workers know there's a future for them at your company. Talk openly about their goals and their interests in moving into a leadership position. These conversations help you identify future leaders and they're equally valuable for identifying employees whose aspirations lie elsewhere within the company (where they may feel more fulfilled and/or perform at a higher standard).

Discussing career paths is a simple and clear way to show that you're invested in your employees' success. When workers know that the company is committed to helping them reach their goals, they're more likely to see (and commit to) a future there. The next time a recruiter gives them a call, the goal is that your employees remark that they're right where they want to be.

Your People Drive Value

The workforce you build and retain are among the greatest value drivers in your business. If you take time today to invest in your people, your organization may be stronger, more resilient, and better prepared for tomorrow's next steps.

Now that we understand how to improve your bench strength and why it matters, we want to take this discussion one step further. In our next Construction Quarterly, we will explore how bench strength serves as a risk mitigation strategy by protecting company value and keeping succession goals on track.

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