

IEC Webinar Recap: When Hiring Isn't Enough: The IEC Workforce Reality

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Webinar Overview

- This IEC webinar explores why improved recruiting efforts have not resulted in meaningful workforce growth. While interest in the electrical trade is increasing, contractors remain constrained by their ability to develop skilled electricians, not just hire them.
- The session emphasizes a critical shift in thinking: workforce challenges are not primarily recruiting problems but are instead capacity and development problems.

Hiring ≠ Workforce Growth

- The industry has successfully expanded the pipeline of new entrants, but growth remains limited because:
 - Apprentices require significant time and supervision to become productive
 - Development capacity is constrained by available journeymen
 - Training systems cannot scale as quickly as demand
- Hiring more people does not automatically increase workforce capacity.

The Real Bottleneck: Training & Supervision Capacity

- The ability to grow the workforce depends on factors that do not scale quickly:
 - Availability of experienced journeymen
 - Supervision ratios and safety requirements
 - Economic capacity of contractors
 - Time required for skill development (typically 4 years/8,000 hours)
- Journeymen serve as producers, trainers, mentor, and safety/quality leaders
- As they retire in large numbers, the industry loses both current production and future training capacity.

Apprenticeship Reality: Development Takes Time

- Apprenticeship is a resource-intensive, long-term process, not immediate labor supply.
 - Early-stage apprentices require significant journeyman attention before they become net contributors to crew productivity.
 - Skill formation depends on repetition, exposure, and real-world experience
 - Competency includes technical skills, judgment, safety awareness, and adaptability
- More apprentices do not create short-term capacity; they increase supervision demand.

Market Pressure vs. Workforce Formation

- The industry is experiencing a mismatch between:
 - Rapid demand growth (infrastructure, data centers, electrification)
 - Slow workforce development timelines
- This creates significant strain:
 - Contractors must meet immediate project demands
 - Workforce development cannot be accelerated easily
- Result: The industry cannot develop electricians fast enough to meet demand.

Extraction vs. Formation Dynamic

- Formation: Creating new, competent electricians
- Extraction: Redistributing existing workers
- Current labor market behavior is dominated by extraction:
 - Aggressive poaching
 - Wage escalation
 - Short-term project-driven hiring
- These actions do not increase total workforce capacity; they simply shift workers between companies.

Rising Wage Pressure & Retention Challenges

- Contractors are facing:
 - Rapid wage increases for journeymen
 - Competition from large-scale projects offering premium compensation
 - Difficulty retaining employees after investing in their development
- Even strong company culture and benefits may not offset large pay differentials.
- Financial pressure is reshaping the competitive landscape and workforce stability.

Industry Adaptation & Emerging Trends

- To address constraints, the industry is experimenting with:
 - Pre-apprenticeship programs
 - Accelerated training pathways
 - Prefabrication and modular construction
 - Technology integration
- While helpful, these solutions do not eliminate the core training bottleneck and introduce risks if rushed.

Risk of Speed-Driven Decisions

- Under pressure, the industry may prioritize speed over quality. Potential consequences include:
 - Reduced competency development
 - Safety risks
 - Long-term workforce fragility
- Speed without proper formation creates long-term instability.

Strategic Considerations for Contractors

- Contractors must rethink workforce strategy by:
 - Aligning growth with training capacity
 - Protecting supervision bandwidth
 - Being intentional about apprentice development
 - Providing diverse, meaningful jobsite exposure
 - Recognizing their role as co-producers of workforce competency
- The contractors who succeed in the future will not be those who recruit the most; it will be those who develop talent most effectively.
- Success will depend on the ability to build skilled people as reliably as projects.