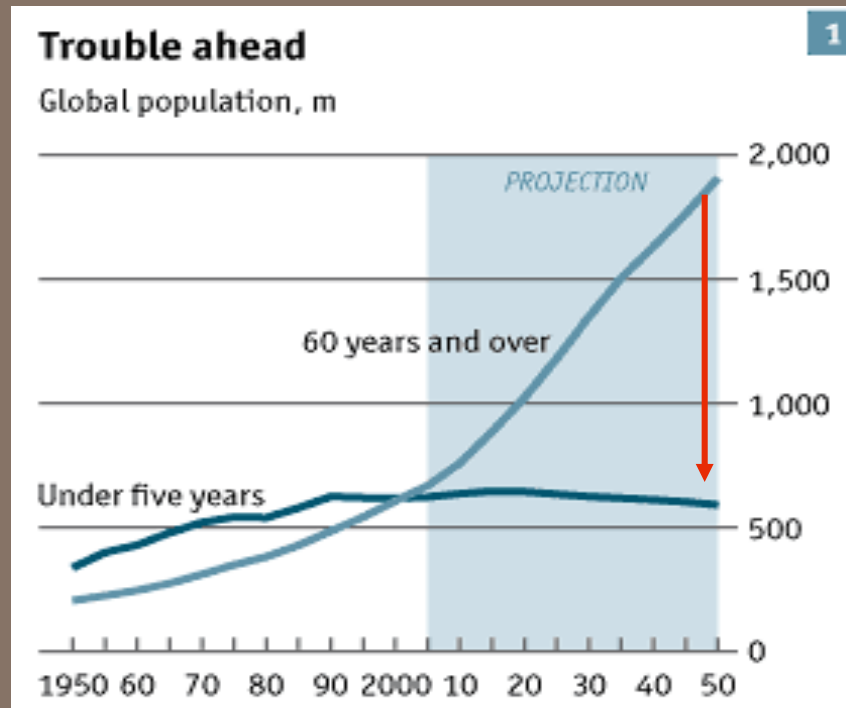




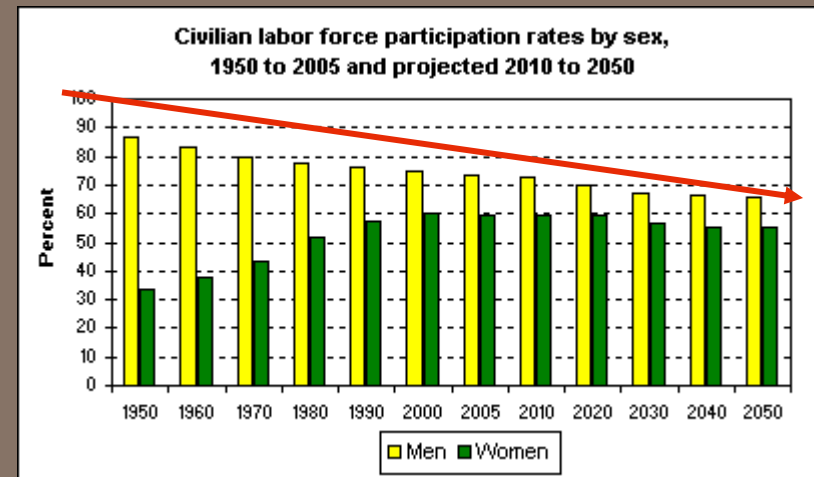
# Attract and recruit

**SKANSKA**

# Decreasing labor force participation



United Nations world population prospects 1950-2050

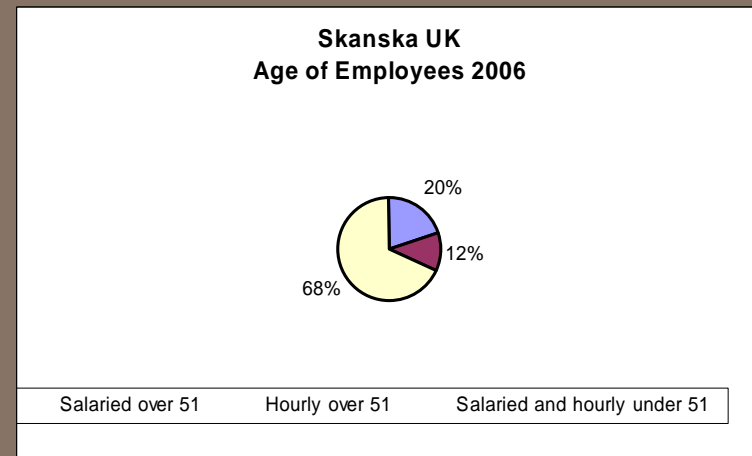
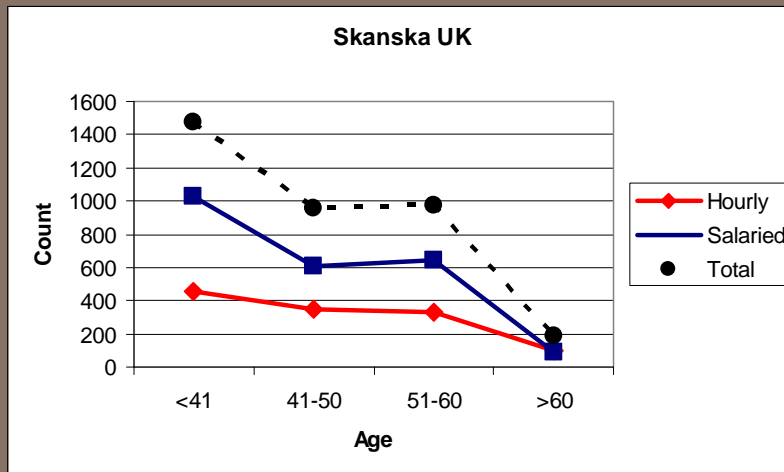


USA

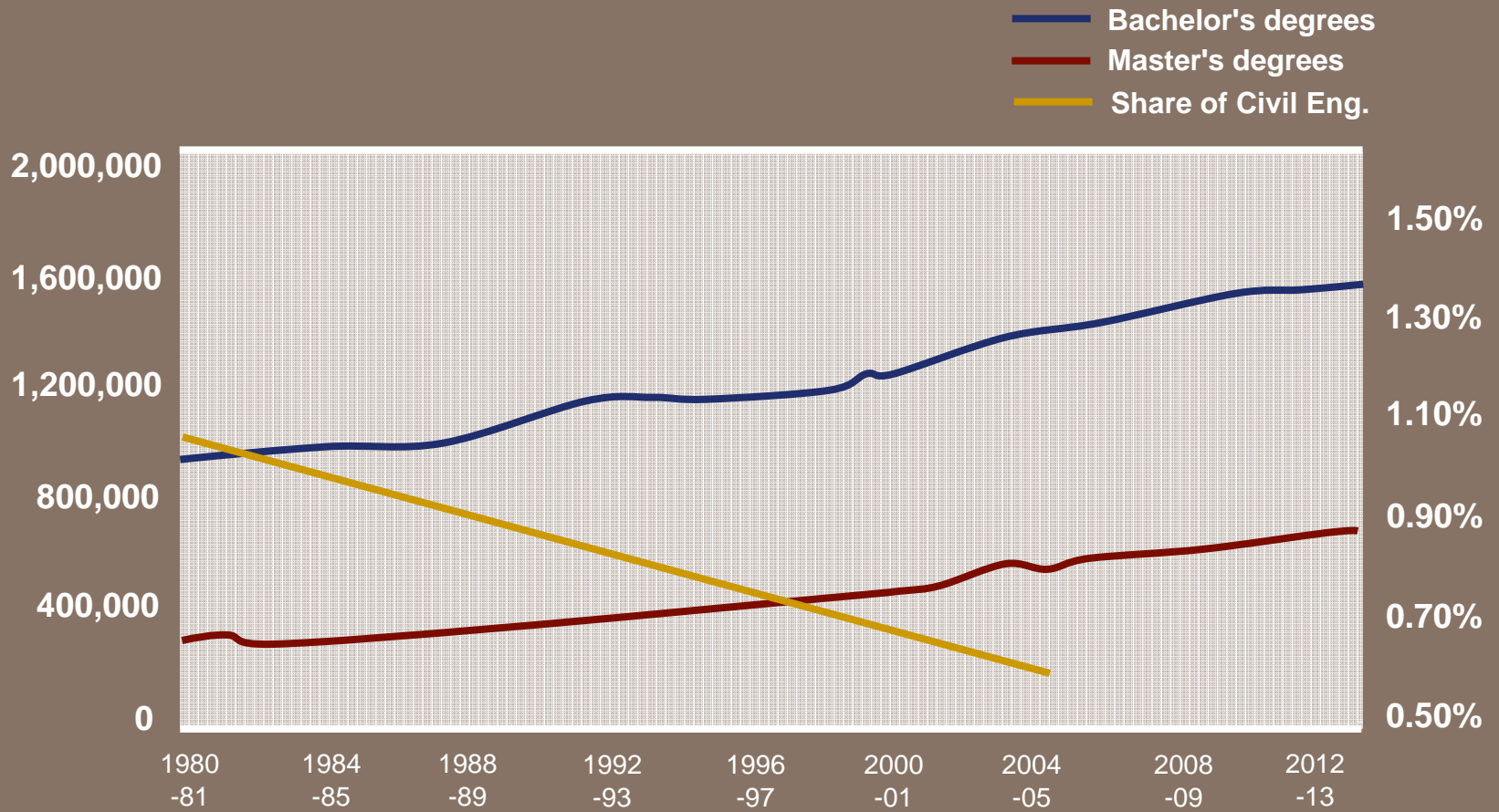
# Retirement

28 percent or close to 16 000 Skanska employees will retire before 2022.

Many BU have more employees being between 50-60 years old than between 40-50 years old.



# Civil Engineers trend – USA



Source: National Science Foundation and National Center for Education Statistics

# It will be harder to stay competitive in traditional recruiting parameters

- In 2005, the average salaries in high-tech grew by 5,1 %.
- In Argentina, the construction industry competes for talent with the oil and gas industry that can boost an employee's salary 60-70%
- United States: The average length employees stay in their first job is 1,6 years. 1/3 stay shorter than one year.
- Finland: The average length of an employment was 2003 8 years and in 2007 only 3 years

Source: BusinessWeek Online, October, 2005; (USA Today, S Jayson, Aug. 2006),

Skanska Internal Interviews

# The Talent Funnel

1. Number of young people in the workforce

2. Number of people in the workforce educated in construction management or civil engineering

3. Number of people choosing to work in the construction industry

4. Number of people choosing to work at Skanska



## The poor image of the industry

**SKANSKA**



# Engineers (building/civil) choosing our industry

- Finland 38 %
- Sweden 17%
- M.I.T. 10%

Source: SCB etc

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**United States high school survey:  
Out of 250 career choices, the construction sector  
was ranked #248**

Source: Wall Street Journal Almanac Poll, 1999.

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## A possible reason?

“The [construction industry is the] world’s worst marketers to the outside world”

– Jack Chiaverini, former executive with Perini Inc

# The Career Fair for Construction Management Students at Purdue, USA

120+ Companies competing for 80 graduate students



**SKANSKA**

**Some snapshots of  
best practices from our industry**

**SKANSKA**

# Some snapshots of best practices from our industry

- **Ferrovial**

Ferrovial has 57 000 employees. Average age is 38. Employees stay in the company for an average of 6 years and 27 percent of the employees are women. In order to hire young graduates, Ferrovial is actively collaborating with universities through sponsorships etc. In 2005, Ferrovial had 22 344 applications for their internship program. 685 internships were granted. ([www.ferrovial.com](http://www.ferrovial.com))

- **Balfour Beatty**

Balfour Beatty, with 27 000 employees, offers graduates and undergraduates a variety of placements and sponsorships. Students can apply for a 8-12 weeks summer placement or an industrial placement for 6-12 months that can lead to a place on one of the graduate schemes after university. ([www.balfourbeatty.co.uk](http://www.balfourbeatty.co.uk))

# Some snapshots of best practices from our industry

- **Turner**, a subsidiary of Hochtief in the US, has developed an online learning website called the Turner University. The site offers knowledge to construction professionals and can be specialized to the users needs. Another innovative initiative is the Turner Construction Management Training Program, aiming to broadening the opportunities for small minority- and women-owned construction businesses. More than 20 training programs are conducted per year and 20 000 students have participated. ([www.turnerconstruction.com](http://www.turnerconstruction.com))

# Some snapshots of best practices from our industry

- **Bouygues.** Bouygues, 122 500 employees, has an extensive employee share ownership where the employees are the largest shareholder with 13,4 %. New recruits participate in an introduction day led by senior executives. The day also includes a discussion session with Martin Bouygues. Furthermore, 200 employees attend a lunch with the CEO, each year. The group plans to hire 18 500 people as well as 6000 interns. [www.bouygues.com](http://www.bouygues.com)
- **Peab** (Swedish construction company). Peab has started a vocational school for construction high school students in Sweden. The educational model has been awarded prizes since it not only motivates the students, but also make them feel comfortable in the school environment. The education has a strong connection the construction industry. ([www.peab.se](http://www.peab.se))

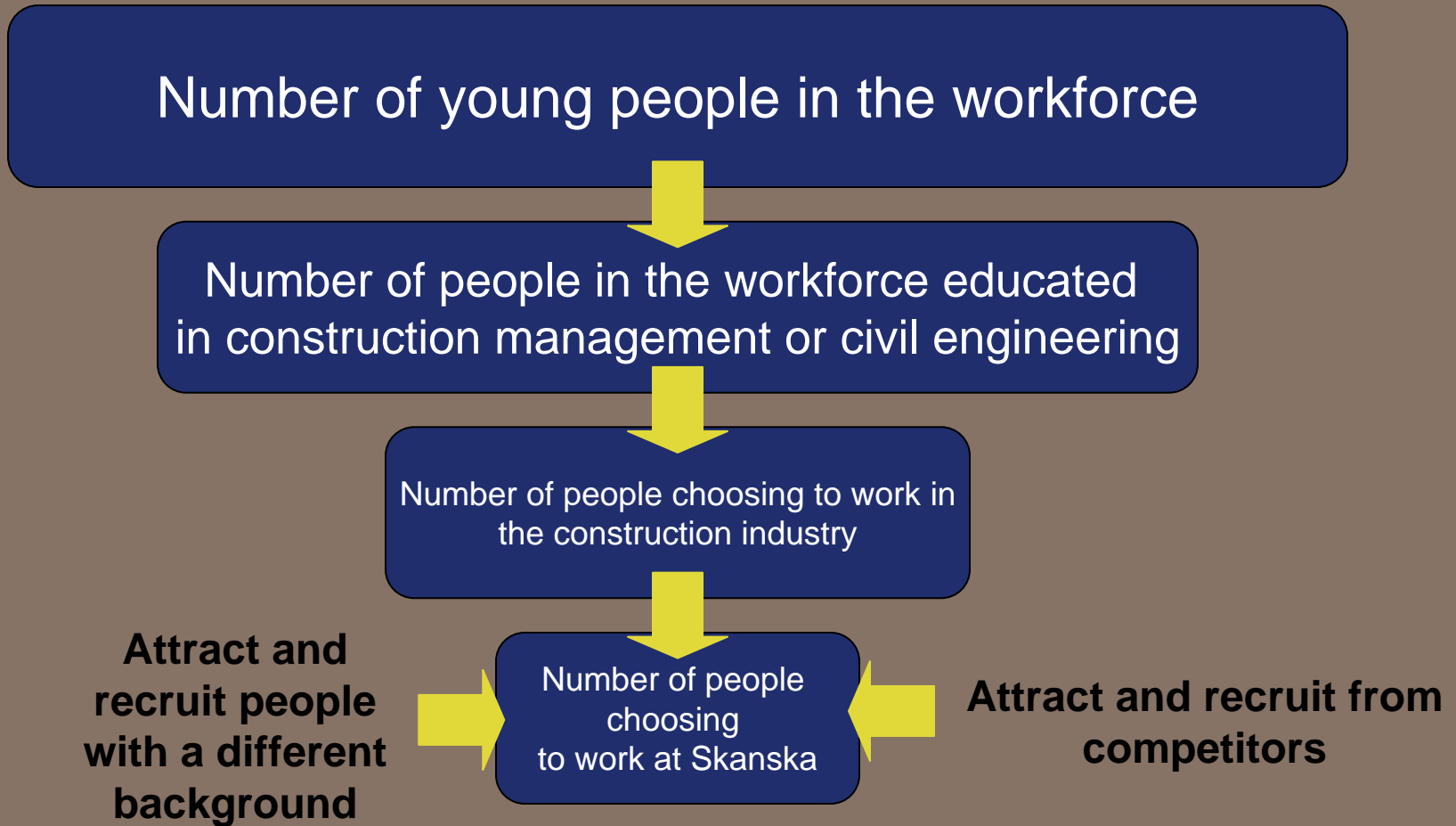
# Some snapshots of best practices from our industry

- **The ACE Mentor Program:** Member companies “adopt” 20-30 students to be part of real construction projects. The mentors introduce the students to a broad range of projects and people.
- **Kiewit Corporation:** A strong “promote from within” philosophy and an internal company stock program has led to engineers staying with the company for an average of 18 years.
- **Perini Corporation Inc:** Well regarded for its corporate training programs, including opportunities to attend Harvard Business School.

Source: BFG and AGC report



# Conclusion: The Talent Challenge



# The ideal work situation changes over time

*The High-Performer*



1980's

*The Adventurous Start-up*



1990's

*Quality of life/  
Making a difference*



2000's

# Next in line, kids born in the 80's \*

*\*People born between 1977 - 1994*

## ▪ They want

- Flexibility – in place and time
- Responsibility and influence
- Feedback and recognition
- To work in teams
- To work for a company which is socially responsible

## ▪ They will take for granted

- High salary
- Education reflects position

## ▪ They will

- Question their bosses
- Expect influence in the decision process
- Expect that they can control their work
- Expect a fast career
- Work to live – not live to work
- Not be loyal to their employer
- Have problem with "it's just a job"

Source: United Minds survey, 2006

# Important factors for math & science high school students career choices

- Over 6 in 10 high school students say that a “good salary” (63%) and “satisfaction in a job well done” (62%)
- Followed by “work-life balance” (55%)
- And ability to gain experience and advance quickly (42%)
- “Doing good for society/make a difference in the world” (41%) , “continual new challenges/prestigious and well respected industry” (40%)

Source: WEF Engineering & Construction Industry Working Group Discussion Document

# Mapped desires, strengths to leverage and areas of focus for university students

Applies to a Career in Engineering & Construction (Top 2)

## E&C STRENGTHS

The ability to eventually run projects as a business entrepreneur using my technical expertise people skills and financial skills

The ability to innovate in the job

## LOW PRIORITY

The ability to create a legacy

The ability to change jobs or roles during a career

Prestigious and well respected industry

Freedom to work independently

International experience/ the ability to be a Citizen of the World

## STRENGTHS TO LEVERAGE

Continual new challenges

The ability to be a part of impressive, complex projects and create something

The ability to work with leaders in their field

The ability to do good for society / make a difference

Satisfaction in a job well done

Good salary

The ability to gain experience and advance quickly

Work/life balance

Adventure

## AREAS TO FOCUS

Source: WEF Engineering & Construction Industry Working Group Discussion Document