

# Addressing Construction Workforce Shortages Through AI-Augmented Planning, Skills Forecasting, and Knowledge Retention Amid an Aging Labour Force Crisis

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**Abstract:** The global construction sector is confronting a structural labour crisis driven by demographic aging, declining apprenticeship pipelines, project complexity, and cyclical demand volatility. Workforce shortages now threaten delivery schedules, safety performance, cost certainty, and the capacity to execute infrastructure programmes essential to economic growth and climate adaptation. From a broad perspective, this challenge reflects systemic fragmentation between labour supply, skills development, and project planning, compounded by limited visibility into future workforce needs and the loss of tacit knowledge as experienced workers retire. This abstract examines how artificial intelligence can function as an integrative capability to stabilise construction labour systems rather than a narrow automation tool. At the planning level, AI-augmented scheduling and resource optimisation models enable contractors and owners to align labour demand dynamically with project portfolios, reducing bottlenecks and idle capacity. At the workforce level, predictive skills forecasting leverages historical project data, regional labour statistics, and policy signals to anticipate trade shortages years in advance, informing targeted training, recruitment, and migration strategies. At the organisational level, knowledge retention systems using natural language processing and digital twins capture experiential know-how from senior trades and engineers, preserving safety practices, sequencing logic, and problem-solving heuristics. Narrowing to the aging labour force crisis, the abstract argues that AI-supported decision frameworks can mitigate the dual risks of expertise attrition and productivity decline by enabling evidence-based succession planning and accelerated upskilling of younger workers. By embedding AI across planning, forecasting, and knowledge management, the construction industry can transition from reactive labour substitution to proactive workforce resilience, supporting sustainable project delivery in the face of demographic and technological disruption across global construction markets worldwide today.

**Keywords:** Artificial intelligence; Construction workforce; Skills forecasting; Knowledge retention; Aging labour force; Workforce planning

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## 1. INTRODUCTION

### 1.1 Global Construction Labour Shortages and Demographic Pressures

Construction labour shortages have escalated into a global constraint on infrastructure delivery, housing supply, and economic resilience [1]. Across advanced and emerging economies, contractors report persistent vacancies in skilled trades, supervisory roles, and project management functions, with shortages extending beyond cyclical booms into periods of moderated demand [2]. This pattern signals a structural imbalance between labour supply and long-term construction needs rather than a temporary market fluctuation. Aging demographics are a central driver, as a large proportion of skilled craft workers approach retirement age with insufficient replacement from younger cohorts [3]. In many jurisdictions, the median age of electricians, welders, and heavy equipment operators now exceeds that of the wider workforce, accelerating expertise attrition.

Declining participation in vocational education and apprenticeships further compounds the challenge. Over several decades, policy and cultural emphasis on university pathways has reduced enrolment in construction-related technical programmes, weakening the skills pipeline [4]. This contraction occurs as infrastructure demand rises due to

urbanisation, energy transition projects, climate adaptation works, and post-pandemic public investment strategies [5]. The result is a widening gap between project pipelines and available human capacity. Employers respond through overtime, subcontracting, and international recruitment, yet these measures often increase cost volatility, safety risk, and schedule fragility rather than resolving root causes [6].

Importantly, construction labour shortages exhibit strong path dependency. Once experienced workers exit the industry, their tacit knowledge, site judgement, and informal coordination skills are difficult to replace quickly, even when new entrants are available [7]. This reinforces productivity stagnation and heightens delivery risk across project portfolios. Framing the issue as cyclical obscures its cumulative nature and delays strategic intervention. A structural interpretation, by contrast, highlights the need for systemic workforce intelligence, long-horizon planning, and mechanisms that preserve and regenerate skills capacity over time [8].

### 1.2 From Labour Substitution to Workforce Intelligence: The Role of AI

Conventional responses to construction labour shortages have largely focused on substitution strategies, including mechanisation, offsite prefabrication, and workforce importation. While valuable, these approaches often treat

labour as a variable input to be replaced or compressed, rather than a strategic asset requiring anticipatory management [8]. This framing limits their effectiveness in an environment characterised by demographic aging, skills heterogeneity, and volatile project demand. Artificial intelligence enables a conceptual shift from labour substitution toward workforce intelligence, reframing human capital as a system that can be planned, forecast, and sustained through data-driven insight [5].

AI does not primarily address shortages by eliminating jobs, but by augmenting decision-making across workforce planning, skills development, and knowledge retention functions. Machine learning models can integrate historical project data, regional labour statistics, training outputs, and policy signals to forecast trade-specific shortages years in advance, enabling proactive recruitment and training alignment [1]. At the project level, AI-augmented planning tools synchronise labour demand with schedules and resource constraints, reducing bottlenecks, idle time, and unplanned overtime that exacerbate workforce stress [4].

Equally significant is AI's role in mitigating knowledge loss from an aging workforce. Natural language processing, computer vision, and digital workflow capture tools allow organisations to codify experiential know-how embedded in senior trades and supervisors [9]. This intelligence supports accelerated onboarding, safer task execution, and more consistent productivity among less experienced workers. Rather than replacing human expertise, AI functions as a memory and coordination layer that amplifies it [6].

By enabling predictive visibility, organisational learning, and evidence-based intervention, AI reframes workforce shortages as a governance challenge rather than an unavoidable constraint. This transition underpins a more resilient construction labour system capable of sustaining productivity and delivery certainty amid long-term demographic pressure [2].

## **2. STRUCTURAL CAUSES OF WORKFORCE SHORTAGES IN CONSTRUCTION**

### **2.1 Aging Labour Force and Accelerating Skills Attrition**

The aging construction workforce represents one of the most critical and irreversible pressures shaping labour availability across global construction markets. A significant proportion of skilled tradespeople, supervisors, and site engineers are approaching or have surpassed traditional retirement thresholds, with exit rates accelerating faster than replacement rates [7]. This demographic shift is particularly pronounced in specialist trades that require long apprenticeship periods, such as electrical installation, structural welding, and heavy plant operation [12]. As these workers retire, the industry experiences not only numerical workforce reduction but also a qualitative erosion of experiential competence.

Skills attrition in construction extends beyond formal qualifications. Much of the industry's operational effectiveness depends on tacit knowledge accumulated through years of site-based problem solving, informal coordination, and situational judgement [9]. This includes sequencing intuition, hazard anticipation, constructability adjustments, and adaptive responses to design ambiguity. When experienced workers exit without structured knowledge capture, this expertise is lost permanently, creating productivity gaps that cannot be filled quickly by new entrants [14]. Younger workers, even when technically trained, often lack exposure to complex site dynamics, increasing supervision burdens and error rates.

The pace of attrition is further intensified by physically demanding work conditions, cyclical employment patterns, and limited career longevity in site-based roles [8]. These factors shorten average tenure and accelerate skills decay across the workforce. The resulting demographic imbalance weakens mentoring capacity, disrupts skills transfer pathways, and amplifies dependency on a shrinking cohort of senior personnel [11]. Consequently, aging labour dynamics constitute a structural risk multiplier, eroding both present capacity and future workforce regeneration potential [15].

### **2.2 Fragmented Workforce Planning and Reactive Hiring Models**

Demographic attrition alone does not fully explain the severity of construction workforce shortages. The impact is magnified by fragmented workforce planning practices that operate independently of project pipelines, regional demand signals, and long-term skills development strategies [10]. In many organisations, labour planning remains reactive, driven by near-term project awards rather than portfolio-level forecasting. This disconnect produces cyclical hiring surges followed by layoffs, undermining workforce stability and discouraging long-term skill investment [13].

Project planning and workforce forecasting are frequently managed as separate functions, relying on static schedules and manual estimation techniques that fail to reflect real-time labour availability or productivity variation [7]. As a result, shortages often emerge unexpectedly during critical project phases, forcing contractors to compete for limited talent through wage escalation or short-term subcontracting. These responses inflate costs without addressing underlying supply constraints [15]. Moreover, reactive hiring models favour immediate availability over skill alignment, leading to suboptimal task assignment and increased rework.

The absence of integrated labour intelligence also limits coordination with training institutions, apprenticeship programmes, and policy initiatives [12]. Without credible demand forecasts, education providers struggle to align curricula and intake volumes with industry needs, perpetuating skills gaps across multiple project cycles. This fragmentation transforms demographic loss into systemic scarcity, where even moderate retirements trigger disproportionate operational disruption [9]. Addressing

workforce shortages therefore requires not only replenishing numbers, but restructuring how labour demand is anticipated, communicated, and governed across the construction ecosystem [14].

### **2.3 Skills Mismatch, Productivity Decline, and Project Risk Exposure**

Workforce shortages in construction manifest most visibly through skills mismatch, where available labour does not align with task complexity, technology requirements, or project sequencing demands [8]. This mismatch reduces effective productivity even when headcount appears sufficient. Crews composed of underqualified or inexperienced workers require longer task durations, increased supervision, and more frequent corrective interventions, diminishing overall output rates [11]. The productivity impact is cumulative, compounding schedule slippage across interconnected activities.

Skills gaps also elevate safety risk and quality variability. Inadequate experience increases the likelihood of procedural deviations, equipment misuse, and hazard misjudgement, contributing to higher incident rates and compliance failures [13]. These outcomes generate indirect costs through downtime, insurance premiums, and reputational damage, reinforcing the financial consequences of labour shortages [10]. Cost overruns emerge not solely from wage inflation, but from inefficiencies embedded in mismatched workforce deployment [15].

As projects become more complex and time-sensitive, workforce-related risks increasingly propagate across budgets, schedules, and contractual relationships [7]. The convergence of skills mismatch and demographic pressure exposes the limitations of traditional labour management approaches, preparing the ground for AI-enabled systems capable of forecasting demand, optimising deployment, and preserving expertise before it exits the industry [14].

## **3. CONCEPTUAL FRAMEWORK FOR AI-AUGMENTED WORKFORCE SYSTEMS IN CONSTRUCTION**

### **3.1 AI-Augmented Planning Across Project and Portfolio Levels**

AI-augmented workforce planning represents a departure from traditional labour allocation methods that rely on static schedules, historical averages, and managerial intuition. In construction environments characterised by fluctuating demand, multi-project portfolios, and constrained skills supply, such approaches are increasingly inadequate [12]. AI-enabled planning systems address this gap by synchronising labour demand dynamically across both individual projects and enterprise-wide portfolios. By integrating project timelines, scope changes, productivity rates, and workforce availability, these systems provide forward-looking visibility into labour requirements over extended horizons [18].

At the project level, AI models continuously adjust labour plans in response to design changes, progress deviations, and resource constraints. This allows managers to anticipate shortages before they materialise, rather than responding once productivity has already declined [15]. At the portfolio level, AI aggregates labour demand across concurrent and upcoming projects, enabling organisations to smooth workforce utilisation, reduce peak-load stress, and minimise reliance on short-term hiring surges [21]. Such coordination is particularly critical in environments where multiple projects compete for the same specialist trades.

AI-augmented planning also supports strategic decision-making by enabling scenario analysis. Contractors can evaluate the workforce implications of alternative project sequencing, bid strategies, or geographic expansion plans [13]. This capability transforms workforce planning from an operational afterthought into a core element of enterprise risk management. Importantly, AI does not replace human judgement in this context; rather, it enhances it by revealing patterns and constraints that are difficult to detect manually [20]. As a result, labour is managed as a finite, strategically governed resource aligned with long-term organisational objectives rather than short-term project pressures [16].

### **3.2 Skills Forecasting Models and Predictive Labour Demand Intelligence**

Beyond synchronising current labour supply with project demand, AI enables predictive intelligence that anticipates future skills shortages with greater precision than traditional forecasting methods. Machine learning models draw on diverse data sources, including historical project records, regional employment statistics, certification and licensing databases, demographic trends, and infrastructure investment plans [14]. By identifying patterns across these datasets, AI can estimate the timing, location, and severity of trade-specific shortages several years in advance [22].

Predictive skills forecasting is particularly valuable in construction due to long training lead times and rigid certification pathways. For example, shortages in specialist trades such as structural steel fabrication or high-voltage electrical work cannot be resolved quickly once demand peaks [17]. AI models account for these delays by incorporating training throughput, retirement rates, and policy-driven demand signals, such as energy transition programmes or public infrastructure commitments [19]. This enables organisations and institutions to intervene early through targeted apprenticeships, retraining initiatives, or geographic labour mobility strategies.

Crucially, skills forecasting does not operate in isolation from planning functions. As illustrated in Figure 1, predictive labour demand intelligence feeds directly into AI-augmented planning systems, ensuring that long-term forecasts inform near-term deployment decisions. This integration reduces the disconnect between strategic workforce development and operational execution [12]. By translating abstract labour trends into actionable project-level insights, AI forecasting

frameworks support coordinated responses across contractors, training providers, and policymakers [21]. The result is a shift from reactive hiring toward anticipatory workforce governance grounded in evidence rather than intuition [16].

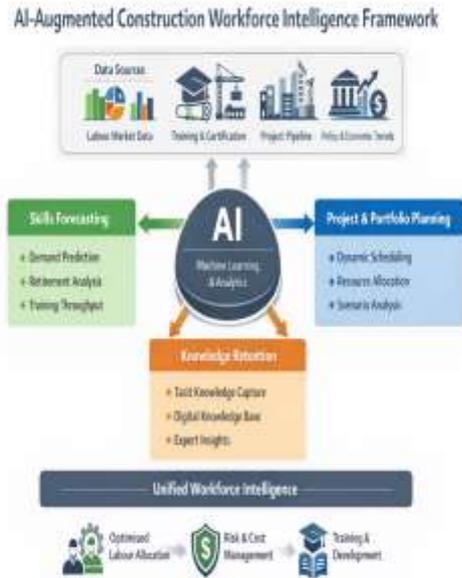


Figure 1: AI-Augmented Construction Workforce Intelligence Framework

### 3.3 Integrating Planning, Forecasting, and Knowledge Systems

While AI tools for planning, forecasting, and knowledge capture each offer discrete benefits, their full value emerges only when they operate as components of a unified workforce intelligence framework. Fragmented deployment of isolated AI applications risks reproducing the very silos that contribute to labour shortages [18]. Integration ensures that insights generated in one domain reinforce decision-making in others, creating continuous learning loops across the workforce system [20].

In an integrated framework, predictive skills forecasts inform portfolio-level planning by shaping project sequencing and resource allocation decisions. Simultaneously, real-time planning data refines forecasting models by providing updated productivity metrics and workforce performance indicators [13]. Knowledge retention systems further strengthen this loop by preserving experiential insights from senior workers, which can be embedded into planning heuristics and training recommendations [22]. This convergence enables organisations to respond adaptively as workforce conditions evolve.

Integration also supports governance and accountability. Unified dashboards provide transparent visibility into workforce risks, mitigation actions, and outcomes across organisational levels [15]. Decision-makers can evaluate

whether training investments are reducing forecasted shortages or whether planning adjustments are alleviating deployment bottlenecks. Such feedback is essential for managing workforce challenges that unfold over decades rather than project cycles [17].

By linking planning, forecasting, and knowledge systems, AI transforms workforce management into a coherent, anticipatory capability. This integration moves the construction industry closer to resilience, enabling it to sustain productivity and delivery performance amid demographic pressure and long-term labour constraints [19].

## 4. AI-DRIVEN PLANNING FOR LABOUR OPTIMIZATION AND PRODUCTIVITY STABILITY

### 4.1 Dynamic Workforce Allocation and Schedule Synchronization

AI-driven construction workforce management increasingly treats labour as a continuously optimised resource rather than a fixed allowance frozen at baseline. When BIM work packages are linked to the programme and mapped to crews, algorithms translate model objects, quantities, and methods into task-level labour demand, then rebalance allocation as constraints change. Unlike static bar charts, the system ingests daily progress, constraint logs, and lookahead plans to update remaining effort and forecast shortfalls before they crystallise into delay.

Dynamic allocation begins with a “labour-to-work” map: each activity is tagged with competencies, certifications, gang compositions, and supervision ratios, while access, lifting, and sequencing constraints are pulled from the model. Optimisation routines then respect shift rules, working-time limits, fatigue safeguards, and subcontract boundaries while prioritising critical-path zones and safety-critical tasks. [21] If a concrete pour slips, the model can recommend switching formwork carpenters to preassembly tasks, redeploying a scaffold gang to remove a bottleneck, or sequencing finishing trades to prevent stacking and congestion.

Real-time analytics makes this workable at scale. Telemetry from site access control, equipment utilisation, and digital timesheets can detect emerging variance in crew output and indicate whether the driver is learning-curve effects, congestion, rework, or upstream supply delay. [23] The platform responds by synchronising schedule logic with verified workforce availability, smoothing peaks and troughs in manpower demand and reducing “panic hiring” late in the cycle. [28] Over time, the same data improves productivity baselines, enabling more accurate commitments and fewer contingency-heavy programmes.

The operational payoff is a tighter link between plan and field reality: supervisors receive recommended crew moves early enough to act, while commercial teams see updated labour forecasts that align with earned progress. [24] This improves

continuity of productive work and protects trades productivity even under scarcity.

#### 4.2 Scenario-Based Planning for Workforce Constraints and Demand Shocks

Even with dynamic resourcing, labour shortages are often structural, so managers need forward-looking stress tests that reveal how much delivery risk is carried by workforce uncertainty. AI scenario engines combine probabilistic forecasting with project controls to explore alternative futures: retirement waves, sickness spikes, policy shifts affecting mobility, client-driven scope acceleration, or parallel megaprojects competing for the same trades. The output is not a single date, but a distribution of milestone probabilities.

A practical workflow is to define scenarios at portfolio level and then cascade constraints down to individual projects. For example, the platform can assume a 10% shortfall of certified welders in a region, then re-optimize schedules, subcontract packages, and learning plans to find a feasible delivery strategy. [26] Monte Carlo simulations quantify where labour scarcity amplifies float erosion, causes stacking-of-trades, or triggers overtime patterns that elevate fatigue and incident probability. [20]

Table 1 summarises the capability shift from traditional planning dominated by spreadsheets, lagging indicators, and ad hoc recruitment to AI-augmented approaches that integrate real-time signals, predictive models, and decision rules. This comparison helps teams select the right intervention for each shock: resequencing to protect access, modularisation to reduce on-site labour, targeted apprenticeships for bottleneck trades, or negotiated resource-sharing across frameworks. Scenario outputs can be governed through thresholds that trigger actions, such as pre-approved subcontract call-offs when forecast shortfalls exceed limits.

By making assumptions explicit, scenario tools improve stakeholder alignment: clients can see the cost of acceleration without labour availability, and contractors can justify early investments in training, prefabrication, or cross-project labour sharing. [29] High-performing teams rerun scenarios when leading indicators change, such as design maturity, permitting risk, weather windows, or supply volatility, ensuring what-if analysis drives timely action.

**Table 1: Traditional Workforce Planning vs AI-Augmented Planning Capabilities**

Dimension	Traditional workforce planning	AI-augmented planning
Data inputs	Spreadsheets, periodic updates	Live site signals + integrated datasets
Forecasting	Deterministic, experience-led	Probabilistic predictions with confidence

Dimension	Traditional workforce planning	AI-augmented planning
Responsiveness	Reactive hiring and overtime	Early alerts + automated re-optimisation
Constraint handling	Manual checks	Rule-based and model-based constraints
Decision governance	Informal, person-dependent	Threshold-triggered, auditable actions
Outcomes focus	Headcount tracking	Cost, safety, and delivery risk linkage

#### 4.3 Linking Workforce Planning to Cost, Safety, and Delivery Performance

Workforce intelligence creates value only when it is connected to the measures that define project success: cost control, safe production, and reliable delivery. AI-enabled platforms can link labour decisions to earned value, productivity indices, and cost-to-complete forecasts, showing whether reallocations improve output per hour or simply shift delay downstream. The linkage becomes stronger when each work package is anchored to BIM quantities and planned rates, so deviations are expressed in terms of measurable production rather than subjective progress. Dashboards make trade-offs visible across site and commercial teams.

Cost performance improves through earlier detection of labour-driven variance. If real-time data shows a crew is underperforming against the planned rate, the system can distinguish between capability gaps, access constraints, or rework patterns and recommend targeted responses—coaching, resequencing, or additional supervision—before the variance compounds into claims. [25] Procurement and commercial teams benefit because forecast labour gaps can be priced into package strategies, enabling earlier negotiation of labour guarantees, overtime provisions, or alternative methods that reduce exposure to inflationary hiring.

Safety outcomes also respond to smarter workforce planning. By monitoring workload intensity, shift length, and task concurrency, AI can flag fatigue risk, overcrowding, and stacking-of-trades that historically correlate with incidents, then propose schedule adjustments that reduce simultaneous operations in constrained zones. [22] This moves safety from compliance reporting to predictive control, particularly when digital permits-to-work and incident observations are fed back into the planning model.

Delivery reliability is enhanced when workforce plans are tied to decision thresholds. When forecast confidence drops below target, governance rules can trigger predefined actions such as activating reserve crews, pulling prefabricated assemblies forward, or deferring non-critical scope to protect handover dates. [27] In this way, labour intelligence becomes an

operational risk-management function, converting data into timely decisions that reduce cost overruns, protect programme certainty, and sustain productivity under scarcity.

## **5. PREDICTIVE SKILLS FORECASTING AND TALENT PIPELINE INTELLIGENCE**

### **5.1 Data Foundations for Construction Skills Forecasting**

Accurate skills forecasting in construction depends on the integration of heterogeneous data sources that reflect both labour supply dynamics and project-driven demand signals. Traditional workforce analysis has relied heavily on retrospective employment statistics, which provide limited insight into future shortages in an industry characterised by long training lead times and volatile project pipelines [27]. AI-enabled skills forecasting expands the data foundation to include labour market indicators, education and training pipelines, certification and licensing records, and detailed project histories, creating a multidimensional view of workforce capacity [31].

Labour market data provide baseline information on workforce size, age distribution, mobility, and regional concentration of trades. When combined with demographic projections, these datasets reveal impending retirement waves and geographic imbalances that constrain labour availability [33]. Training pipeline data, including apprenticeship enrolments, completion rates, and attrition levels, add forward-looking insight into replacement capacity. In construction, where qualification pathways often span several years, these signals are critical for anticipating gaps before they materialise [29]. Certification and licensing records further refine forecasting by identifying which workers are legally eligible to perform specific tasks, preventing overestimation of usable labour supply [35].

Equally important are project histories that capture how skills demand has evolved across different asset types, delivery models, and technological contexts. Historical records of labour hours, productivity rates, rework incidents, and sequencing challenges enable AI systems to infer the true skills intensity of projects rather than relying on nominal trade classifications [28]. When these datasets are integrated, they form a robust empirical foundation for predictive modelling, shifting skills analysis from descriptive reporting to anticipatory intelligence capable of supporting long-term workforce strategy [32].

### **5.2 Machine Learning Models for Trade-Specific Shortage Prediction**

Building on integrated data foundations, machine learning models enable trade-specific shortage prediction by identifying complex, non-linear relationships between workforce supply, project demand, and external drivers. Unlike rule-based forecasting methods, machine learning algorithms adapt continuously as new data become available, improving accuracy in environments marked by uncertainty

and structural change [30]. Supervised learning models are commonly used to predict future shortages by training on historical patterns linking project pipelines, demographic attrition, and training outputs to realised labour gaps [34].

Time-series models capture temporal trends in trade availability, accounting for seasonality, economic cycles, and policy-driven demand shifts. These models are particularly effective for forecasting shortages in trades with stable task definitions but fluctuating demand volumes [27]. In contrast, ensemble and classification models are well suited to identifying emerging risks in specialist trades, where shortages are driven by certification bottlenecks, technological change, or uneven geographic distribution [31]. By segmenting forecasts at trade, region, and project-type levels, AI systems provide granular insight that supports targeted intervention rather than broad, inefficient workforce programmes.

Figure 2 illustrates a predictive skills forecasting pipeline in which raw data are processed, modelled, and translated into actionable risk indicators. Forecast outputs typically include probability ranges, confidence intervals, and lead-time estimates, allowing decision-makers to assess both severity and urgency of anticipated shortages [35]. Importantly, these predictions are not static. Feedback from realised outcomes such as whether a forecasted shortage was mitigated through training or recruitment feeds back into the model, refining future predictions [28]. This learning loop transforms forecasting from a one-off analytical exercise into a continuously improving decision-support capability aligned with evolving construction labour markets [32].

### **5.3 Informing Training, Recruitment, and Policy Alignment**

The value of predictive skills forecasting lies in its ability to inform coordinated action across industry, education providers, and policymakers. Forecast outputs translate abstract labour risks into specific, time-bound signals that guide investment decisions in training capacity, recruitment strategies, and workforce mobility programmes [29]. For contractors, trade-specific shortage predictions enable earlier engagement with training providers and more selective recruitment, reducing reliance on emergency hiring and premium labour rates [33].

Training institutions benefit from clearer demand signals that justify curriculum updates, intake expansion, or accelerated certification pathways aligned with forecasted needs. This alignment improves completion rates and employability outcomes, strengthening the overall skills pipeline [34]. At a policy level, governments can use aggregated forecasts to support evidence-based interventions, such as targeted subsidies, visa adjustments, or regional workforce initiatives, rather than broad, untargeted programmes [30].

By connecting prediction to action, AI-enabled skills forecasting closes the loop between labour intelligence and workforce development. This integration ensures that

forecasting does not remain an analytical endpoint, but becomes a catalyst for sustained collaboration and capacity building across the construction ecosystem, reinforcing long-term workforce resilience under demographic pressure [35].



Figure 2: Predictive Skills Forecasting Pipeline for Construction Trades

## 6. KNOWLEDGE RETENTION SYSTEMS ADDRESSING EXPERTISE LOSS FROM AGING WORKERS

### 6.1 Tacit Knowledge Loss and Its Impact on Productivity and Safety

Tacit knowledge plays a central role in construction performance, encompassing experiential insights that are rarely documented yet critical to effective site execution. This includes situational judgement, sequencing intuition, informal coordination practices, and the ability to anticipate risks under variable site conditions [32]. Unlike explicit knowledge embedded in drawings or method statements, tacit knowledge is acquired through prolonged exposure to complex, real-world construction environments. As experienced tradespeople and supervisors retire, this knowledge exits the industry with them, creating capability gaps that cannot be rapidly filled by formal training alone [35].

The loss of tacit knowledge disproportionately affects productivity. Less experienced workers may technically understand tasks but lack the contextual awareness needed to adapt methods efficiently when conditions deviate from plan [38]. This often results in slower task completion, increased

rework, and greater dependence on supervision, eroding overall output rates. Productivity losses compound across interdependent activities, amplifying schedule slippage and resource inefficiency [33].

Safety performance is similarly impacted. Tacit knowledge underpins hazard recognition, safe sequencing, and informal risk controls that are developed through years of site exposure [40]. When this expertise is absent, procedural compliance alone is insufficient to prevent incidents, particularly in high-risk environments involving heavy equipment, temporary works, or congested workfaces. Incident rates tend to rise during periods of rapid workforce turnover or accelerated onboarding, reflecting the absence of embedded experiential learning [34].

Consequently, tacit knowledge loss represents not only a human capital challenge but a systemic risk to construction delivery. Addressing workforce shortages without preserving experiential expertise undermines productivity gains and elevates safety exposure, reinforcing the need for structured knowledge retention mechanisms capable of capturing and redeploying critical know-how before it is lost [37].

### 6.2 AI-Enabled Knowledge Capture and Digital Memory Systems

AI technologies provide scalable mechanisms for capturing and preserving tacit construction knowledge that would otherwise remain undocumented. Natural language processing enables the extraction of insights from interviews, site diaries, toolbox talks, and post-incident reviews, transforming unstructured narratives into searchable knowledge assets [36]. These systems can identify recurring patterns in problem-solving approaches, sequencing decisions, and risk mitigation strategies used by experienced personnel, codifying them for future use [39].

Computer vision and video analysis further extend knowledge capture by observing how tasks are performed in practice rather than how they are prescribed. Wearable cameras, site surveillance, and drone footage can be analysed to document optimal work methods, safe behaviours, and coordination techniques under real operating conditions [32]. When linked to task metadata, these visual records form a contextual digital memory that supports training, planning, and supervision functions.

Digital twins integrate captured knowledge into dynamic representations of construction processes. By embedding experiential rules and heuristics into virtual site models, digital twins allow less experienced workers and planners to explore “what happens if” scenarios informed by historical expertise [34]. These systems evolve continuously as new data are captured, preventing knowledge repositories from becoming static or obsolete [40].

Table 2 summarises key knowledge retention mechanisms and their operational benefits, highlighting how AI-enabled systems translate experiential insight into productivity, safety,

and quality improvements. Together, these technologies shift knowledge retention from informal mentorship to structured organisational capability, ensuring that expertise remains accessible even as workforce demographics change [37].

**Table 2: Knowledge Retention Mechanisms and Operational Benefits**

Mechanism	Knowledge Type Captured	Operational Benefit
NLP-based interviews	Experiential judgement	Faster decision-making
Video and vision analytics	Task execution practices	Improved safety and quality
Digital twins	Sequencing heuristics	Reduced rework and delays
Searchable repositories	Lessons learned	Accelerated onboarding

### 6.3 Accelerated Upskilling and Intergenerational Knowledge Transfer

Preserved knowledge achieves its full value when it is actively integrated into workforce development and upskilling processes. AI-enabled repositories support accelerated onboarding by providing role-specific guidance, contextual examples, and decision cues aligned with real project conditions [33]. New entrants can access experiential insights on demand, reducing reliance on scarce senior mentors and shortening time-to-competency [38].

Intergenerational knowledge transfer is strengthened when digital systems complement traditional mentorship. Experienced workers contribute selectively through structured capture processes rather than continuous supervision, allowing their expertise to scale across multiple teams and projects [35]. This approach reduces cognitive overload on senior staff while maintaining continuity of practice and standards.

By embedding retained knowledge into training simulations, work instructions, and planning tools, organisations create learning environments that reflect actual site complexity. This alignment improves confidence, competence, and safety outcomes among younger workers, stabilising productivity despite demographic pressure [39]. Knowledge retention therefore becomes a catalyst for workforce regeneration rather than a passive archival function [36].

## 7. IMPLEMENTATION, GOVERNANCE, AND WORKFORCE TRANSITION CONSIDERATIONS

### 7.1 Data Governance, Ethics, and Trust in Workforce AI Systems

The effectiveness of AI-augmented workforce systems depends on trust, transparency, and robust data governance. Workforce-related AI operates on sensitive personal, performance, and behavioural data, requiring clear governance frameworks to ensure ethical use and regulatory compliance [40]. Transparency in how models generate recommendations is essential to avoid perceptions of surveillance or unfair evaluation, which can undermine workforce acceptance [34].

Bias mitigation is particularly critical in skills forecasting and deployment decisions. Models trained on historical data may inadvertently reinforce existing inequalities or exclude non-traditional career pathways if not carefully monitored [37]. Clear accountability structures, audit mechanisms, and worker engagement processes help ensure AI supports equitable workforce outcomes. When governance is explicit and participatory, AI systems are more likely to be trusted as decision-support tools rather than control mechanisms [32].

### 7.2 Change Management and Organisational Readiness

Successful adoption of AI-augmented workforce systems requires deliberate change management and organisational readiness. Leadership commitment is necessary to position workforce intelligence as a strategic priority rather than a technical experiment [35]. This includes investing in data capability, redefining planning workflows, and aligning incentives across project and human resource functions.

Workforce transition strategies must emphasise augmentation rather than displacement, reinforcing AI as a support for safer, more predictable work environments [38]. Training programmes should focus on digital literacy, interpretation of AI outputs, and collaborative decision-making. Figure 3 illustrates a phased adoption model that allows organisations to build capability incrementally, reducing disruption while embedding AI into routine workforce governance [39].



Figure 3: Phased Adoption Model for AI-Augmented Construction Workforce Systems

## 8. CONCLUSION

### 8.1 Strategic Implications and Future Outlook

The convergence of demographic pressure, skills scarcity, and rising project complexity positions workforce management as a defining strategic challenge for the construction industry. AI-augmented planning, forecasting, and knowledge systems signal a shift from fragmented, reactive labour control toward integrated workforce governance. As these capabilities mature, construction organisations will increasingly compete on their ability to anticipate labour constraints, align skills with evolving delivery models, and institutionalise experiential knowledge. The strategic implication is clear: workforce intelligence will become as critical to project success as cost control, scheduling, and risk management in shaping future industry performance.

### 8.2 From Labour Crisis to Workforce Resilience

AI-enabled workforce intelligence provides a pathway from chronic labour shortages toward long-term workforce resilience. By synchronising labour demand with project pipelines, anticipating skills gaps before they emerge, and preserving critical expertise beyond individual careers, the construction sector can stabilise productivity under sustained demographic pressure. This transition reframes workforce challenges from unavoidable constraints into manageable system risks. When planning, forecasting, and knowledge retention operate as a unified capability, organisations gain the capacity to regenerate skills continuously, support safer

work environments, and deliver complex projects with greater certainty across successive generations of construction activity.

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