3 Top Tips for HR Success in Construction and Contracting

Tactics for tackling today's biggest HR challenges

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THE BRIDGE TO BETTER HR

In construction, HR helps build better businesses.

It's no secret that professionals working in HR in the construction and contracting industry face a unique set of challenges.

Even before COVID-19, the compliance environment was complex and constantly evolving. It was increasingly hard to find skilled employees. And, changing technologies and techniques—such as green building—meant a workforce that needed ongoing reskilling just to keep pace.

The pandemic added more pressures that impact HR's responsibilities. From additional health and safety considerations to having likely managed layoffs or furloughs, those working in HR in this industry are more stretched than ever.

Unlike their counterparts in large corporations, many HR professionals in construction and field services companies are sole practitioners wearing multiple hats, or with very slim teams. In some small organizations, HR is managed by someone else—the company owner or operations manager for example. This translates into an environment where it's vital to work smarter, not harder.

To help those managing HR functions in construction and contracting, we reviewed what top HR professionals and consultants are thinking and doing, and we borrowed some key insights.

Using one or more of these tactics can help HR in the construction space move toward supporting the businesses they work for more strategically and effectively.

1. Lean on technology to improve efficiency.
2. Focus on ongoing workforce development to address skills gaps.
3. Help mitigate time overruns with better HR process management.

Using these techniques as the starting point for short- and longer-term planning, HR professionals can help pivot their team and their company to higher productivity and success by ensuring everyone has the right tools and skills.

Let's look closer at how implementing one or all of these tips helps HR be more productive and impactful.

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Tip 1: Leverage technology to streamline HR processes.

While HR is at its heart a strategic function, a variety of core HR activities and processes aligned to overall business strategy have significant administrative components. Examples of these core processes that need to be handled effectively include:

- Tracking employment applications
- Onboarding new employees
- Skilling and reskilling the workforce
- Tracking employee hours and attendance
- Managing performance
- Offering career development

In some HR departments, all or a portion of these processes are still done manually or using older systems that don't offer state-of-market functionality. It's not that HR is a reactionary field and doesn't want to change. But with only so much bandwidth, small HR teams and solo practitioners may feel like the path of least resistance is to continue with business-as-usual.

While the status quo might work, it doesn't work very well, and it often harbors some significant inefficiencies. According to research by EY, just under 30% of HR processes could be automated, which would free up valuable time for other, more strategic, work.

Savvy HR professionals turn to technology to manage the administrative parts of these processes, which frees them up to address the higher-touch and strategic needs of their company.

Technology can take some of the manual lift out of these processes.

- **Applicant tracking:** Manage the interactions with candidate, schedule interviews, enable collaboration between reviewers, track applicants for compliance

- **Onboarding:** Have all paperwork delivered and signed online then stored in an HR vault, offer a remote or jobsite-based experience

- **Time and attendance:** Enable employees to clock in and out easily and accurately, ensure pay is calculated on actual hours and managers have real-time reporting

- **Training:** Deliver training in an online system including OSHA-compliant courses
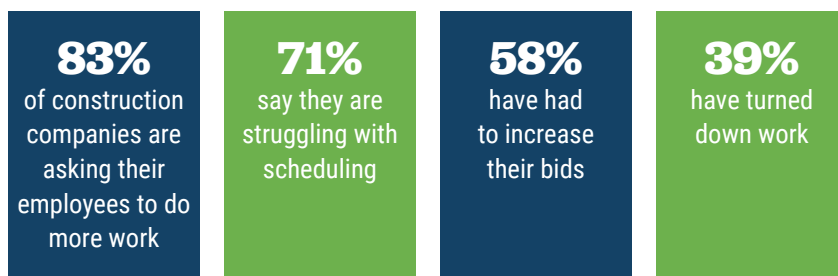
Tip 2: Cultivate and train the workforce of today...and tomorrow.

Within the construction and contracting industry, most companies report that recruiting quality employees is a challenge. According to the US Chamber of Commerce, 83% of contractors find it hard to find skilled employees, and 87% are concerned about those employees actually having adequate skill levels–an issue they don't feel will get better in the short term.

The skills gap is not only related to core trade competency. It's also related to knowledge about and proficiency with the technology tools becoming more common in construction.

Younger people may have an easier time and potentially more interest in keeping up with emerging technology, but fewer of them are entering the industry. And the speed of change means even digital natives might need some time to ramp up.

As a result of the labor shortage, the US Chamber of Commerce reports these consequences.

83%	71%	58%	39%
of construction companies are asking their employees to do more work	say they are struggling with scheduling	have had to increase their bids	have turned down work

Research by StrataTeck Education Group found that while more high school students are interested in the possibility of pursuing trade school education, lack of knowledge and guidance is a significant barrier. Participants in the survey reported that their high school was more likely to promote either a four-year degree (73%) or a two-year degree (45%) for post-graduation education. Less than a third (33%) encouraged trade school.

87%

of construction companies are concerned about employees having adequate skill levels

Source: US Chamber of Commerce

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The ongoing decline in vocational education has received bipartisan political attention in recent years, so the next generation of students may have more exposure to the opportunities in construction and other trades, including apprenticeships.

In the meantime, strategic HR professionals in the industry are actively managing the pipeline of knowledge and skills with well-conceived and delivered learning and reskilling programs.

Training isn't just for entry-level employees. A lack of upskilling opportunities is one of the main reasons employees look for a new job.

While experienced, skilled employees are likely to be the backbone of your hiring approach, having a training program can expand your pipeline. If you are willing to train you can tap into potential employees who might have basic or minimal skills along with the desire and aptitude to learn.

Training isn't just for entry-level employees. A lack of upskilling opportunities is one of the main reasons employees look for a new job, so the employees you train may be more likely to be loyal and continue to leverage their new and improving skills with your company.

Training helps not only with basic skills and competencies. It can help keep employees current on both necessary safety compliance training as well as emerging technology.

Small HR teams don't typically have the bandwidth—or the expertise—to train on the technical aspects of construction and contracting. So, finding a partner with an easy-to-use learning management platform as well as access to courses and content can help you achieve your objectives in this area.

An easy-to-use learning management platform can help you achieve your training objectives.

Tip 3: Improve time tracking to contribute to the health of the bottom line.

In construction and contracting, one of the primary project costs is labor, so making sure you have an accurate accounting of employees' time is key to running a profitable business. How many hours employees work impacts everything from how your company bids projects to the size of your payroll–including adhering to overtime rules–so precision is vital.

Having data about how employees are spending their time can also help with your workforce planning. For example, knowing which trades are consistently clocking overtime informs where you need more resources.

The nature of field-based work means it's possible for time and attendance to be abused or simply suffer from mistakes or oversights, especially with paper time cards. Employees can buddy punch—clock each other in—pad their time, take breaks on the clock or simply forget to punch out. Some estimates indicate that time theft can cost a company up to 7% of payroll, money that could be used for other purposes such as acquiring new tools or equipment.

Employees could also simply forget to punch in, resulting in them not being paid correctly which can mean payroll reworks or other manual intervention.

Time theft and payroll mistakes can be costly, so the best course of action is to use systems that prevent them.

More HR teams rely on mobile time-tracking software and apps that enable employees to accurately and reliably clock in and out. The most robust solutions offer GPS tracking, incorporate scheduling software to help ensure adequate staffing and allow managers to more effectively monitor jobsites.

Many are integrated directly with the payroll system, which obviates the need for paper or manual inputs or processes that eat up time and resources that could be focused elsewhere to support the business.

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Think strategically, act tactically

At its most impactful, HR meets the current needs of the business and the workforce while also constantly keeping an eye on what's next. That requires having a strategic outlook along with a strong tactical plan. When the day-to-day tasks of HR demand most of an HR team's focus and energy, impact can suffer.

In order to free more time to focus on helping the company meet its business objectives, HR professionals should consider how acting on these tips could work in their organization.

Actions to take now.

1. **Consider a high-level process review.** While large HR departments may have capacity to do full-blown process audits, simply taking a few hours to step back and look critically at processes can help you identify areas where efficiencies could be gained. Look specifically at paper inputs, hand-offs and manual inputs. Questions to ask include: Do systems interact…or is data entry required? Can some tasks be automated? Is there a system or app that could do any of the processes?

2. **Review any current technology.** If you already implemented technology solutions to address process challenges, make sure you are using all available functionality. If your needs have evolved and the solution hasn't kept pace, consider an upgrade. Technology evolves quickly and you might be losing out on efficiencies, new features or better pricing.

3. **Look at your training and development program.** If your company doesn't offer any training, you may be foregoing a competitive edge in recruiting and retention--and also in productivity. When finding employees is difficult, on-the-job training can help fill a pipeline with more candidates. Entry-level employees can do lower-level tasks more cost-effectively, and they may be eager for cross-training opportunities with different trades.

4. **Technology can also help you offer or expand training.** Online learning management systems (LMS) enable companies to deliver training, track attendance and manage certifications without having to do in-person classes. Some providers even offer suites of content that help with core needs like sexual harassment training and OSHA compliance.

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Enable the HR Function for Business Success.

Those who oversee HR in construction and contracting have an important and complex role, whether it's their only job or part of a larger set of responsibilities. They are responsible for a full range of HR-related tasks, tactics and planning, which makes it vital to work efficiently and effectively.

However, day-to-day administration can eat up time and leave little bandwidth for the strategic work that supports business development and success. By focusing on key areas that drive efficiency, productivity and cost management, HR professionals can help their companies achieve their overall business objectives.

Arcoro's software platform offers end-to-end HR functionality with modules that empower users with time-saving tools and strategic reporting.