ARCORO®

Top 5 HR Challenges in Construction

What Keeps HR Leaders Up at Night

Working in construction is tough. It is physically demanding and takes place in all types of climates. Meanwhile, office staff like HR teams must manage a workforce that's mobile, sometimes across state lines. These employees rarely visit the office and often work conflicting hours, increasing the difficulty around hiring, performance reviews, time tracking, certifications, annual enrollment and more. But solutions to these pain points exist, like using HR technology.

Arcoro surveyed 300 people working in both small to mid-sized US-based construction companies across various construction sectors and asked them about their biggest HR challenges and how they utilize HR technology.

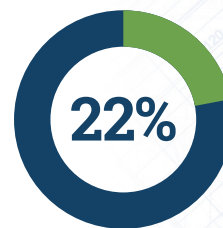Respondents say their **Top 5 HR Challenges in Construction** are:
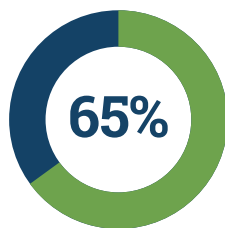
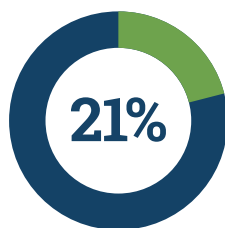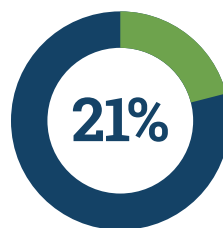| Finding and hiring the right candidates:	Performance reviews:	Time and attendance tracking:
65%	**22%**	**22%**
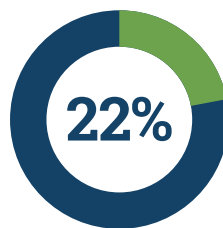
Onboarding new employees:	Tracking employee certifications & compliance:
21%	**21%**

Finding and Hiring the Right Candidates

The construction industry has been dealing with a workforce shortage for several years – making it the largest pain point for construction HR teams. According to a report by the **Associated Builders and Contractors** (ABC), the construction industry needs to attract 439,000 net new workers in 2025 and an estimated 499,000 in 2026 – meaning the need to attract and retain more workers won't diminish any time soon.

While hiring will likely remain the number one challenge for construction HR teams for some time, that doesn't mean it has to keep them up at night. HR tech can dramatically reduce the time and money it takes to recruit workers.

An Applicant Tracking System (ATS) can streamline the recruiting process by automating job postings, candidate communication and even background checks, reducing time-to-hire and saving money.

Performance Reviews

Annual performance reviews are necessary but often dreaded, which is likely why Arcoro's HR survey responders say it is their second biggest workforce challenge. According to **Gallup**, only 14% of employees strongly agree that their performance reviews motivate them to do better work.

But ignoring the importance of this task or omitting it altogether is a mistake. A lack of regular feedback could frustrate your younger employees, pushing them to seek other opportunities. According to Inc., 66% of Gen Z say they need feedback from their supervisor at least every few weeks to stay at their job and less than half of Millennials require the same level.

HR technology can improve the entire process by centralizing goals and competencies and offering 360-degree feedback to create a career roadmap for employee and organizational success. When done right, performance management allows team members to direct their own career development toward mutually agreed goals and competencies, helping managers understand their team's strengths and weaknesses more clearly.

Time and Attendance Tracking

Time tracking, while essential for payroll – and compliance – can be a huge waste of resources when done manually. Gathering and calculating paper time sheets from a mobile workforce can quickly bloat the number of hours it takes to finish the job. It's no wonder it is one of the top five HR construction challenges with 22% of respondents saying it keeps them up at night. Yet, it's likely such a pain point because contractors haven't upgraded to HR tech to do the job. Arcoro's survey found that nearly 42% of construction firms are operating without HR technology.

Time tracking software not only speeds up the payroll process, but it also helps to eliminate the errors that come from tracking hours by hand. Illegible handwriting, smudged numbers or inaccurate tracking can lead to payroll errors that waste time and frustrate both HR and field workers. Many contractors have said they've turned a multi-day task into one that takes 20 minutes by using digital time tracking tools.

Onboarding New Employees

When it takes weeks or even months to find the right candidate, a paper-based onboarding system can really halt the hiring momentum. Sifting through pages of paperwork, like required forms and a multi-page onboarding packet, can give new hires a bad first impression of your company. Best case scenario: it takes them a while to get engaged. Worst case: they quit before they ever make it to the job site. It's not surprising that 21% of Arcoro's HR survey respondents say it is one of their top HR challenges. A streamlined onboarding process can make all the difference.

A report by **SHRM** found that 69% of employees are more likely to stay with a company for three years if they experienced great onboarding. A cloud-based onboarding solution can improve the entire onboarding process, offering a smooth transition from candidate to employee by:

- Automating time-consuming tasks, like paperwork completion.
- Improving collaboration by easily involving relevant people in the hiring process.
- Streamlining your hiring process and making it repeatable across your organization.
- Offering a better candidate experience.
- Using data to measure, report and improve.
- Demonstrating compliance with EEO/OFCCP/GDPR guidelines.

Tracking Employee Certifications & Compliance

Construction workers obtain certifications for career mobility but also to comply with government regulations, like OSHA training. It's a big job to track all employee certifications and one that's a challenge for 21% of Arcoro's survey respondents. HR staff that track employee certifications on spreadsheets can make mistakes, like missed renewals, setting your company up for noncompliance.

A digital solution, like a learning management system, not only holds way more data than a spreadsheet, but presents the information in an easy-to-use format. Advanced analytics capabilities give administrators the ability to see when employee learning plan tasks are due, overdue, expiring or expired. And data can be both imported and exported. It will also automatically send reminders when certifications are due, so you never miss a deadline.
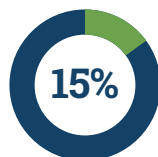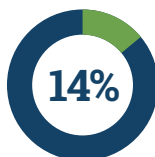
Sleep Soundly with HR Technology

From hiring and onboarding to time tracking and payroll, HR software helps streamline workforce management, easing the burden on construction HR teams, letting them sleep a little better at night.

Arcoro's Hire, Manage, Time and Grow solutions give construction companies the tools needed to automate HR processes, improving efficiency, productivity and employee engagement. Arcoro's end-to-end platform is purpose-built for the construction industry, so it helps solve the industry's top five challenges as well as others survey respondents listed including:
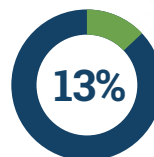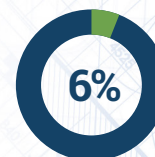
Handling Employee Requests:	PTO Management:	Succession Planning:	Benefits Management:	Processing Payroll:
15%	14%	13%	13%	6%

If you're experiencing any of the challenges listed above, Arcoro can help. Schedule an HR assessment to see where HR inefficiencies exist at your company and how HR tech can improve your workforce processes.