



SOFTWARE vs. SHORTAGE

How software is helping contractors combat the labor shortage and the tools you need to retain and attract qualified field workers.

With contributions from:

PROCORE[®]

ARCORO

FOUNDATION
software

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INTRODUCTION

Put 100 contractors in a room and ask them to discuss their organization's biggest challenge — chances are, 99 of them will say "the labor shortage."

But contractors aren't the only ones suffering from the lack of qualified workers. From trucking to hotels, airlines to restaurants, there's a long list of work that needs to be done, but not enough workers to take on the job.

So how did we get here? For several years, too many skilled laborers have entered retirement, and not enough have stepped in behind them. Furthermore, the pandemic has left a lot of people questioning their role in the workplace, and debates around wages have forced many to stay on the sidelines. This has been an ongoing problem for the construction industry as one generation tries to pass on the torch to the next, but has intensified with the wide-ranging labor shortage taking place throughout the United States.

The impact of the labor shortage goes beyond our own industry and touches numerous others that rely on the growth construction has always

provided. The labor shortage in construction isn't just about plugging holes for the day with workers that can get the job done — a slowdown in construction has the potential to halt growing cities, shut down busy buildings and disrupt the processing of goods we can't live without.

"Due to the labor shortage, 44% of companies have seen higher project costs and 40% say projects are taking longer than expected."

Source: Associated General Contractors of America (AGC)

It's no secret — the labor shortage is here and contractors have no choice but to take a good, hard look at their workforce to understand whether their organization can weather the storm.

Diving into a paper like this is the perfect place to start. Together, we'll discover innovative solutions that will help contractors not only combat the labor shortage, but also set them up for success. Read on to explore new technologies, strategies and refreshed ways of thinking that focus on the most important asset a business can have — its people.



72%

**of general contractors believe
the labor shortage will be their
biggest hurdle in 2021.**

Source: Associated General Contractors of America (AGC)

Labor Shortage Survival: Recruiting and Retention

When it's broken down to its simplest form, overcoming the labor shortage consists of two main initiatives:

1. **Recruiting** (attracting qualified workers)
2. **Retention** (keeping those qualified workers happy)

RECRUITING: ATTRACT QUALIFIED WORKERS

Finding new talent is difficult — finding qualified laborers can feel near impossible.

To top it off, the construction business is competitive. The next generation of workers have a library of information at their fingertips. It's crucial for every contractor to stand out and develop an organizational culture that today's talent is looking for.

5 Tips for Recruiting Today's Workforce

- 01 Prioritize safety and a worker-first mindset
- 02 Streamline communications
- 03 Commit to the digital transformation
- 04 Provide continuous training and development
- 05 Build an attractive brand

RETENTION: KEEP QUALIFIED WORKERS HAPPY

Contractors who invest heavily in their *current workforce* will have an easier time surviving the labor shortage.

Employee retention is more economical than attracting new employees. On top of improving the bottomline, keeping employees around longer fuels your business with a dependable roster —and one that you can further develop.

So how do you keep a workforce happy? In 2017, an FMI Talent Development Industry Survey showed that only 39% of construction companies measured employee engagement. Even more, only 21% of workers were motivated by their bosses. For leaders in the construction industry, this should be eye-opening. Unmotivated and uninterested workers are typically a direct response to a lack of pay, negative environment, lack of leadership or a combination of all the above.

If your company is feeling the negativity, how can you turn it around? Here are three practices from the FMI Survey that could help retain employees.

**TIP
01**

Provide frequent, informal feedback

**TIP
02**

Offer formal in-house classroom training

**TIP
03**

Arrange ongoing coaching

Noticing a theme? Listening to your workforce and then, in return, providing them the education, feedback and help they need to develop will increase labor retention. In addition, this will help your leadership team identify the next group that could step up and lead the business. Should you be thinking that far ahead? Yes. Are other companies doing this? Some. The FMI Survey reports 55% of survey respondents didn't have any formal processes in place for identifying and developing high-potential employees.

A combination of strategic recruiting and retention may be able to help contractors get on the right track to survive the shortage. But there's a missing piece — technology. Let's dive into software and how it helps contractors navigate the labor shortage.



32%

of contractors are investing in construction software to optimize labor because it creates a centralized, easily accessible source of truth.

Source: Associated General Contractors of America (AGC)

The Secret Weapon: Software

The digital transformation in the construction industry is still taking shape and the force behind it is stronger than ever. How can construction software help combat the labor shortage? Let's take a look.

))) **Promotes communication:** Technology streamlines the communication process. Instead of trying to chase a field worker down over the phone, through text message or email, communicating through a tool such as a workforce management software ensures your message was sent and received. Additionally, digital documentation of ongoing communication creates a trail that can be effectively tracked.

⊖ **Eliminates misallocation and unnecessary downtime:** Construction software takes the guessing out of where workers are heading next and if they'll have what they need, when they need it. When done properly, working hours are spent more efficiently. This also creates a better understanding of what's expected from one day to the next.

⊕ **Increases accuracy:** Keeping a trail of how projects went, what it took to complete them, who was successful and areas of improvement can be difficult to record and track without some sort of digital documentation. When contractors utilize systems such as a pen and paper, spreadsheets and whiteboards, real-time data is never captured, and looking back at project success

becomes a nightmare. Construction software allows you to learn from your past so you can better prepare for upcoming projects. This makes bidding, scheduling and overall planning more accurate.

↑ **Improves safety:** In a 2020 AGC survey, 57% of respondents cited the skilled labor shortage as the biggest challenge to worker health and safety. Unfortunately, this adds up as the U.S. Bureau of Labor and Statistics data shows 34.9% of new workers are injured during their first year on the jobs simply by being undertrained. Construction software can help automatically track certifications, keep everyone up-to-date on safety protocols and identify the right workers for the right jobs.

↖ **Creates a tech-savvy culture:** Technology is attractive to the younger generation of workers. They grew up having information at their fingertips and the way in which they work shouldn't be any different. Fostering a culture of continuous improvement based on innovative construction software makes your company attractive in a competitive market.

📍 **Provides a data hub:** Obtaining information is key, but when you don't have a system to house all of your precious data, it becomes useless and easy to misplace. Construction software, such as workforce management software, helps you track and store your workers' skills, traits, qualifications, and certifications and helps identify potential leaders that already exist in your organization.

Four Software Solutions Leading the Way

An investment in the right pieces of software can help contractors survive—and thrive—during the labor shortage. But with hundreds of construction software solutions to choose from, it can be difficult to understand which ones will help move the needle.

Below, we've listed four best-in-class software solutions proven to help contractors navigate the labor shortage. Read on to hear how their solutions help contractors attract and retain skilled workers.



FOR WORKFORCE MANAGEMENT: LABORCHART

LaborChart is the leading workforce management solution for the construction industry. The software helps contractors with resource management, planning and scheduling, forecasting, analytics and communication. Built from a unique blend of construction and software expertise, LaborChart helps contractors around the world manage their most important asset — their people.

Labor Shortage Solutions

- 1 Get field workers off the bench.** Labor staff should always flow from one assignment to the next. It's crucial that field workers aren't "on the bench" or waiting for their next assignment for too long. This helps them stay busy, productive and informed. Eliminating downtime provides a sense of security, peace of mind and ultimately, decreases turnover.
- 2 Use workers to their full potential.** Keep an always up-to-date database of certifications and skills for each member of your field staff. Utilize this data to task workers with jobs they're good at and enjoy. This can quickly boost morale and helps leadership identify top talent within the organization.
- 3 Improve field/office communications.** Technology bridges the communication gap between the office and the field. Phone calls, text messages and emails aren't a great way to communicate with your staff. Instead, approach your office-to-field communications with a software solution. This gives you ultimate connectivity to your staff, and makes them feel like a bigger part of the organization.
- 4 Allocate your workforce more strategically.** Without a workforce management software, it can be challenging to accurately forecast your labor needs. And therefore, it can be almost impossible to build your labor plans. Get better visibility into your workforce so you can identify the busy season and slow times that might lie ahead. This allows you to better distribute your workforce across time.

[Learn More
laborchart.com](https://laborchart.com)



Right now, dwindling talent is plaguing the construction industry and there's a future supervision shortage. LaborChart allows us to **look at our talent pool**, **identify potential** within our workforce, know when we need to create recruitment campaigns and **develop future leaders**.

We're very **culturally driven**, and as we grow, that's something we don't want to lose. LaborChart helps us **preserve our cultural components** because it helps us **go beyond a name**. Little things like a photo, work history, skills, where they're from and t-shirt size, all of that helps us know each of our 650 employees.



Greg Crook, Vice President of HR and Workforce Strategies
Guarantee Electrical

FOR HR: ARCORO

Arcoro is the HR solution for construction. More than 10,000 high-consequence, high-compliance organizations use Arcoro's cloud software products to hire, manage and grow their workforces. A rapidly growing SaaS company, Arcoro offers proven modular HR solutions that maximize workforce performance and empower HR leaders with time-saving tools and strategic reporting.

Labor Shortage Solutions

- 1 Scout your needs and the market.** The labor shortage is a basic supply vs. demand problem. Deliver helpful feedback and provide performance reviews to help understand your current workforce and the skills they possess. Then, implement a learning management system to provide ongoing training and tracking of specific licenses and certifications. To learn more, read [Beat the Construction Labor Shortage with These 3 Tips](#).
- 2 Shape your approach.** Provide a learning plan to your workers to help them continuously improve at their current role and prepare for their next one. This will also help you gauge external needs based on their development and make adjustments to positively impact the talent pipeline for your organization.
- 3 Shift and give yourself the infrastructure for success.** Adopting the right construction software helps your business keep everything organized. It also ensures that your staff is continuously developing and that career progressions are strategically activated. Software can also help you track licenses and certifications and document images, giving both the office and the field the visibility they need.

FOR PROJECT MANAGEMENT: PROCORE

Overview

Procure is a leading provider of construction management software. Over one million projects and more than \$1 trillion in construction volume have run on Procure's platform. The platform connects key project stakeholders to solutions Procure has built specifically for the construction industry — for the owner, general and specialty contractor. Procure's App Marketplace houses a multitude of partner solutions that integrate seamlessly with Procure's platform, giving construction professionals the freedom to connect with what works best for them.

Labor Shortage Solutions

- 01** **Give companies the tools they need to empower and retain the top talent they already have.** Promoting from within and training the employees that already know your business not only helps you, but instills confidence in the workers you already know and trust.
- 02** **Optimize your labor resources with mobile tools and real-time insights.** Do more with less by providing your workforce with mobile tools that give them the information they need, when they need it. Allow your office teams to gain real-time insight into productivity in the field to optimize the labor resources you have today.
- 03** **Explore the Procure for Universities Program.** This program invests in education by partnering with over 200 universities across 10 countries. It provides a Procure product overview and curriculum for academic institutions that offer degrees in construction management, architecture and engineering.
- 04** **Showcase construction as a viable career path early on.** Working with universities and educational institutions, including K-12, helps address the talent crisis early and elevates construction in the minds of the next generation early and often.
- 05** **Develop or offer free, high quality, certifiable, on-demand courses for construction professionals.** This gives them the ability to easily explore different roles within construction and helps expand their knowledge to keep advancing their careers while learning more about current and future industry trends.



*We're a 77-year-old company, but we like to think **we're on the leading edge** of what's going on. When people hear that we're using Procore and we're doing different things with **construction technology**, they get excited about possibly coming to work for us.*



Ed Moore, Division Manager
Monterey Mechanical

FOR ACCOUNTING: FOUNDATION

Since 1985, thousands of contractors across the country have trusted Foundation Software to be their provider of construction back-office solutions. Foundation Software delivers job cost accounting, project management, estimating and mobile applications and payroll services to help contractors run the business side of construction. Built with Microsoft® SQL Server® database technology, Foundation Software is built to evolve and grow alongside the construction companies it serves.

Labor Shortage Solutions

- 01 Have the right software in place.** If an issue arises, employees can resolve it cross-functionally and quickly without disrupting their workday since the same data is in use across all systems. This not only helps your company, but keeps everyone on the same page and happy with their current role and team.
- 02 Encourage ongoing employee collaboration.** This builds confidence individually and as a team, leads to increased job satisfaction and, inevitably, increased retention.
- 03 Provide employees with the best tools to perform their jobs.** This is a key component to employee satisfaction and retention. Tools that make sense, create proactive communication and bridge the gap between the office and field, can do more than help you finish jobs. They can create a cohesive unit that helps contractors strive for success and paints the big picture your organization wants to see.



Moving to a system that's **more robust** and **more agile** has been a real help, as we've grown and seen these **efficiencies**, to be able to take on more work.



Neal Adams, VP
Adams Masonry Inc.

CONCLUSION

Companies that empower and enable their employees are the ones that will survive — and thrive — during the labor shortage.

When employees are provided everything they need to perform their jobs efficiently — like the right tech tools — it helps set them up for success and, in return, encourages them to continue working for your company.

Employee retention is a critical component to any successful construction company, especially now. When you invest in your employees and provide tools that allow them to perform better, it demonstrates your long-term commitment to their personal growth and success. This ultimately leads to better retention for your business and creates a company culture that will last for years to come.



KEY TAKEAWAYS

1



Take care of your people and they'll take care of you by sticking around

2



Provide the right tools and set your people up for success

3



Lean on technology to help retain qualified workers

4



Provide ongoing education and career growth opportunities

5



Showcase the construction industry as a viable professional route for the next generation



LABORCHART

THE CONSTRUCTION WORKFORCE MANAGEMENT PLATFORM

**Learn about LaborChart
and how we can help you
overcome the labor shortage.**

laborchart.com

Learn more about our partners and the work they're doing
to help contractors combat the shortage.

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