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Skip the Shortage & Land Better Long-Term Recruits

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10 FACTORS FOR BUILDING AN EFFECTIVE WORKFORCE STRATEGY & STRONGER PROJECT TEAMS

The skilled labor shortage in construction has been top of mind for the industry since the Great Recession, but the ongoing impact of COVID-19 and the upcoming slew of retiring baby boomers has contractors' concerns at an all-time high. According to the United States Chamber of Commerce quarterly report, 92% of contractors claim to have had moderate-to-high levels of difficulty finding skilled workers to fill open positions.

It isn't only just a difficulty finding skilled workers that has contractors concerned. Of the 92% who have had difficulty finding skilled workers, almost half of them (42%) have had to turn down projects because of it.

It would be naive at this point to say there's a light at the end of the tunnel when it comes to the labor shortage. The industry was still trying to get back on track from the 2008 recession when the pandemic hit. Specialty contractors in the U.S. alone lost over 400,000 workers between December 2019 and December 2020. While most workers have since returned to work, the difficulty in filling the remaining open positions has led contractors to ask how they can be more strategic with the people they already employ. In many cases, workforce management is a reactionary process.

Operations teams will spend countless hours every week shuffling their team members around to make sure that every project has the support it needs to avoid setbacks or delays.



There are, however, technological and software solutions that can help contractors take advantage of their data to make process improvements and, in turn, a more proactive and effective workforce strategy.

What Makes an Effective Workforce Strategy?

What key factors make up an effective workforce strategy? For starters, construction projects can quickly become fluid, and a contractor's workforce strategy should reflect that. A big part of that is the ability to be agile in planning. With limited resources, contractors need to be able to make changes quickly and effectively. Schedules change, delays happen, and workforce strategies need to be adaptive to those changes. Contractors will almost always have multiple projects running

simultaneously and making the right decisions with their workforce on short notice can be a challenge. There are a few key factors that play into maintaining an adaptive, agile workforce strategy.

1. WORKFORCE VISIBILITY

Full workforce visibility means that not only do contractors know where their people are and where they're going next, but also having historical project information, certifications, skills and general experience in one centralized location.

All too often, workforce planning is housed in a series of spreadsheets and whiteboards — or in some cases, Post-it notes. Having information scattered across multiple locations in this way makes visibility and cross-functional collaboration nearly impossible.

2. LONG-TERM PROJECT PLANNING

Contractors should aim to have between a two- to three-year look ahead at their project pipeline, including any project pursuits and opportunities. This helps contractors easily visualize what's coming down the pipeline, run scenarios to include specific pursuits, and better understand how their team is being utilized in the coming months and years. As previously mentioned, having this information in multiple locations makes it difficult to compare project needs against workforce supply, which can lead to projects needing to be turned down due to insufficient resources.

3. DATA MANAGEMENT & ANALYSIS

Having accurate, up-to-date data can be the difference between managing resources effectively and potentially mismanaging resources on a project. Understanding and analyzing workforce utilization rates to create a forecast of the coming weeks or months can help contractors understand exactly how stretched their team is or, adversely, where they have the capacity to take on more work.

4. RECRUITMENT FORECASTING

With an ongoing labor shortage, finding and hiring the right people takes time and energy. Accurate forecasting helps contractors stay proactive with recruitment efforts and avoid late crew build-up.

5. PURSUIT MANAGEMENT

Construction technology continues to evolve. For workforce planning solutions, that now includes the ability to manage project pursuits and their potential teams. Accurate pursuit management helps contractors creating requests for proposals (RFPs) to better understand who they should be including in their proposal (based on availability, experience, skills, etc.) and helps to ensure the proposed project team is available when the job is awarded.

Contractors should also know that while this may appear like a tall mountain to climb, there are software solutions available today that can provide most, if not all the above functionalities.

Building Stronger Project Teams

There are many factors that contractors should be considering when building their project teams. There isn't a one-size-fits all solution to building stronger project teams, but a contractor's workforce data, in relation to upcoming projects, is the best way to get a bird's-eye view of their upcoming project needs.

Every contractor wants to have their star players on priority projects, but it shouldn't come at the cost of their other projects. There's no way around it, there are different levels of strength in every role at every company, but that doesn't mean creating one team of every A-player in the company is the best way to ensure a successful project. Contractors need to look at their workforce strategy holistically and take advantage of their team's strengths while building up their weaknesses.

Previous experience with a client can make the difference when bidding on projects, but that isn't the only factor to consider when assigning teams to a project.

6. PROJECT HISTORY

While previous experience with a client does fall under project history, there are other factors that come into play when looking at historical data.

How did those project teams perform? What types of projects were they? How well did they manage subcontractor relations? Answering these questions can help assemble a best-fit team to ensure project success.

7. INTERPERSONAL RELATIONSHIPS

While this may seem like a difficult data point to track, it can be as simple as making notes of any conflicts between team members so it can be avoided moving forward.

On the flipside, contractors should also take note of people who work well together so they can repeat that success. Trust is a huge factor when working as part of a team. Knowing that your team enjoys working together and trusts each other helps keep everyone on track and engaged in their work.

8. LEADERSHIP

Having the right leadership on a team can help inspire your workforce to do their best work. Leadership also isn't specific to any role or position on a project — basically anyone that's on a jobsite can all play important leadership roles.

Contractors should make sure they understand who their strong leaders are, and then spread them out across their project pipeline to maximize their value and contribution to the company.

9. SKILLS & CERTIFICATIONS

With how complex projects can get, contractors should be specific when tracking the skills their team members possess. This helps to ensure they're allocating the right people when a project has specialized work. Tracking certifications and their expiration dates can also help to minimize risk on a project by making sure everyone has proper and up-to-date qualifications.

10. PERSONAL LIFE & CAREER GOALS

One of the best ways to keep team members engaged is by appealing to not only their career ambitions, but also their personal lives. Make an effort to keep up with your employees. Contractors should make a point to be aware of team members who are looking for experience on new projects and present them with those opportunities.

In terms of a team member's personal life, something as simple as knowing they'd prefer a shorter commute and providing that can show them they are valued in the organization.

Looking Ahead

The skilled labor shortage will continue to be a problem for the foreseeable future. Having an effective workforce strategy is the best way, for the time being, to combat those challenges while providing your recruitment team with ample time to find the best available candidates. By looking at their project pipeline and resource allocations holistically, contractors can leverage their team's strengths, build on their weaknesses, and reduce turnover by keeping their people engaged in the company and their work.



About the Author

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