

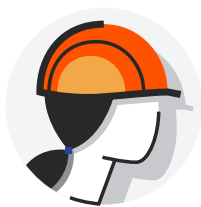
— GUIDE | SPECIALTY CONTRACTORS

The Ultimate Guide to Beating the Construction Labor Shortage



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— 01

Where It All Began

When the recession hit in 2007, few industries were hit harder than construction, which slipped into decline earlier and recovered later than any other job sector. The industry was forced to lay off more than two million workers, and many Baby Boomers either retired or left the field altogether to find more secure work.

To make matters worse, while companies lost seasoned professionals, the influx of talent waned. In recent years, high schools have made a big push to focus on college preparatory programs. As a result, a large portion of the younger generation has entered other sectors—dwindling construction's workforce even further. As the field evolves, so do the job requirements, and not only finding workers—but skilled workers—proves to be a growing challenge.

In its 2016-2017 U.S. talent shortage survey, the global staffing firm Manpower Group reported that skilled trade vacancies were the hardest jobs to fill in the country.

In fact, trades including electricians, carpenters, welders, bricklayers, plumbers, and masons (among others) have maintained the No. 1 position in vacancies from 2010 to the present.

Research suggests that by 2020, 31 million skilled tradespeople will leave the industry, costing nearly \$100 million in lost productivity over the next five years.

Baby Boomers are leaving the industry. These are the jobs that are the hardest hit.

5,088,030
Construction and Extraction Occupations

542,680

Electricians

258,630

Mechanical Engineers

262,170

Civil Engineers

230,580

Industrial Engineers

168,100

Electrical Engineers

306,860

Industrial Machinery Mechanics

391,130

Machinists

251,700

Heating and Cooling

392,460

Pipelayers, Plumbers, Pipefitters,
and Steamfitters

403,100

Welding, Soldering,
and Brazing Workers

*Source: AdeccoUSA.com

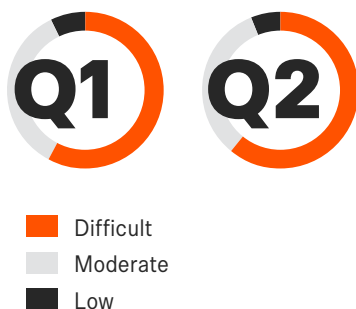
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The Skilled Labor Shortage Today

According to a report by the U.S. Chamber of Commerce and the USG Corporation, 95% of contractors have issues finding skilled workers. Reuters claims the construction worker shortage has only gotten worse since 2007 when the global financial crisis began.

However, as dire as the labor shortage may be, you can leverage it to differentiate your business. It just takes the right planning and creative approach. Being proactive when it comes to recruiting will not only help you survive—but thrive—during the labor shortage.

Degree of Difficulty Finding Skilled Workers in 2017



Nearly 95% of contractors had a moderate to difficult time finding skilled workers for their job openings in the second quarter of 2017, according to a report from the U.S. Chamber of Commerce.

*Source: [Fortune.com](https://www.fortune.com)

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Finding and Recruiting Top Talent

The industry is saturated with similar companies also looking for quality talent. How can you find and attract leading candidates when competition is high? Here are top tips to bring quality talent right to your door.

1. Recruit from Trade Schools

Construction trade schools provide students with hands-on experience, giving them the skills they need to succeed in their specific industry. These schools are also ideal for students looking to graduate sooner who don't prefer a traditional classroom setting. Don't hesitate to entice them with the benefits of getting first-hand experience in a skilled trade and the opportunity to grow within the company.



2. Hire Professional Help

You're busy enough as it is, so giving recruiting responsibilities to the pros will help free up your valuable time. Recruiters can be pricey, but they can be very effective—especially when the market is limited. Simply put: recruiters know people who know people, and they know where to look.



3. Leverage Referrals

Your employees are your best advocates. Not only do they know what the job requires, but they can also vet who will fit well within the company culture. Set up an incentive program where employees receive a bonus for a referral and an additional bonus if the candidate becomes a full-time employee.

4. Grow Your Network

Take advantage of trade associations, trade shows, conferences, and career fairs to find top talent. If you regularly attend events and get to know the other members, you will find others are often willing to put you in touch with relevant contacts. Social networking sites like LinkedIn are also a great way to connect with like-minded individuals. Consider joining one of the thousands of groups devoted to all aspects of the construction industry—it will grow your network and could lead to your next hire.

5. Host Jobsite Tours

Contact community colleges and offer jobsite tours to let potential candidates see your company in action and give them real-life experience of what working in construction is like. Consider offering internships which will provide you with individuals who are eager to work in the industry. If they show potential, you could have a promising candidate for your next job opening.

6. Think Outside the Job

A number of construction groups call for hiring veterans, encouraging the industry to connect with veteran organizations and to identify resources that match military work experience with construction job classifications. Many veterans enlisted as engineers, plumbers, electricians, and heavy equipment operators, which translates well to the civilian job sector. Leverage organizations like [Veterans Build America](#) or [Veterans2Construction](#) to find out how you can recruit veterans for your company.

7. Invest in Leading Tech Solutions

As “digital natives” familiar with SaaS, augmented reality, drones, and more, younger workers are looking for companies proficient in the tech space. While it may seem like an upfront expense, getting top tier software is an investment that will not only help increase efficiency, it will also help you attract and retain top talent—reducing your overhead and keep staffing costs low in the long run.

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You Found Them, Now How Do You Keep Them?

It's not enough to just recruit top talent—the real ROI comes in retaining those top performers for years to come. Employee turnover is expensive; in fact, [replacing an employee who quits costs on average 21% of their annual pay](#). Here are the top tips for keeping talent on your payroll and not your competitor's.

1. Make Safety a Priority

Repetitive stress injuries are one of the fastest growing workplace health issues and can be solved by encouraging more frequent breaks, varying tasks to break up the routine of activities, or incorporating a wellness program to promote healthier lifestyles. Developing a culture focused on safety will both reduce accidents caused by inexperienced workers and help the company build a reputation focused on employee wellness.

2. Encourage Upward Mobility

One of the top reasons why employees leave a company is due to a lack of career growth. If they aren't moving up, they're moving out. Providing mentorship programs to employees will not only help grow

their skills and careers, it will also build loyalty. Keep every employee—no matter their level or expertise—up to date on training. Not only will this make them more knowledgeable and effective workers, it will also keep them current on accident prevention methods.

3. Offer Competitive Salaries

Do your research and know the market value of the position you're hiring for. Offer fair value at the bare minimum, but offer more to maintain a competitive edge against your competitors. Don't let salary get in the way of hiring the right candidate.

4. Provide Health Insurance

Workforce surveys are revealing that good insurance is one of the top reasons why employees stay with a company—ahead of salary, even. Today's more competitive packages offer medical, dental, vision, and life insurance.

5. Offer a 401(k) Plan

At the heart of any benefits package is a 401(k) plan. The information candidates look for includes: what plans you offer, which firms administer them, the range of investment opportunities available, and whether there is a waiting period for participation. Another important aspect of evaluating a retirement package is whether or not you offer a match and any vesting period to claim those funds.

6. Invest in Employee Wellness

While benefits like health insurance, life insurance, retirement savings plans, and other perks are important—employees are increasingly interested in working for employers who honor work-life balance and promote a healthy lifestyle. Wellness programs, gym memberships, and dietary education are some examples of ways companies are stepping up their game to ensure their employees are not only happy, but healthy.

7. Offer Paid Sick Leave

Providing employees with access to sick pay removes the pressure of having to choose between an employee's job and health. In the absence of sick pay, employees may feel the need to attend work when they are still potentially contagious. If other employees become sick, this could cause an even greater loss of productivity and expense to the business.



8. Offer Paid Vacation Time

Studies show paid time off is second only to health insurance in terms of benefits that matter most to workers. In fact, many workers say that perks like flexible hours or more vacation time could give a lower-paying job the edge over a high-paying job with fewer benefits.

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The #1 Tactic for Finding and Keeping Your Talent

To attract great people, you must commit to creating a great place to work. Company culture has a direct impact on employee morale which affects productivity. A recent ENR article pointed out that the skilled labor shortage won't be solved simply by leaning further into recruiting. Rather, companies need to focus on retaining and developing current employees through engagement.

Research at the Gallup Organization shows that:

- + Companies with engaged employees outperform those without by more than 200%
- + Less productive workers have 37% higher absenteeism
- + Disengaged workers produce 60% more errors and defects on average
- + 40% of workplace accidents can be linked to stressful environments
- + Spending 10% more on your employee engagement budget can increase profits by \$2,400 per employee per year
- + Good company brands can reduce recruiting budgets by 20% or more

So how do you create a workplace experience that promotes more engaged employees, less stress, and greater productivity?

The most effective way is by creating a culture that both attracts talent and makes them want to stay. That means providing them with the tools, technology, and resources to help them grow their career.

An article by Forbes on workplace culture says it best: “It’s not a leader’s job to make all employees happy, but it is a leader’s job to **build a culture** in which employees can be productive, engaged, grow professionally, and work in conditions that support being happy. To build a super-charged, super-committed, super-performing workforce, build a culture in which you and your leadership team can reach employees on an emotional level.”

While there are countless ways to attract and retain talent, recruiting is more than just training and paying employees well—it’s about treating them well. Taking the right steps now can help you stand out from the crowd and help you drive a profitable business for years to come.



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