

How construction firms can create a comprehensive workforce strategy

Inside the three phases that lead
to workforce strategy success



WIPFLI

The construction industry is at a critical crossroads.

The demand for services is strong and expected to remain so for the foreseeable future. But the acute shortage of workers and future leaders in the pipeline requires urgent attention. The [Home Builders Institute](#) estimates a shortfall of 2.2 million workers between now and 2024. Solving this systemic issue is going to require your construction company to implement a new comprehensive strategy with a stronger emphasis on building your workforce infrastructure.

If business at your firm shows signs of slowing, this hardly means your labor needs are resolved. That is short-term, counterproductive thinking. Instead, take advantage of any freed-up time and space to tackle this ongoing challenge. The time is right for innovative thinking — and action — to create a comprehensive workforce strategy.

At first, you may encounter internal resistance. The reality is that construction trails many industries in its willingness to break the status quo and adopt forward-looking strategic plans to bolster its labor force and solidify its future.

Construction companies that accept the challenge, identify goals and set an action plan will stand apart from their peers and be best positioned to thrive over the long haul.

This e-book sets forth a roadmap for filling the jobs you need done today and ensuring your pipeline of skilled talent and leaders sets you up for success in the future.

Read on to understand how to align your workforce strategy with the rest of your firm's vision.



Why is a comprehensive workforce strategy necessary?

The talent gap is putting pressure on the construction industry as it struggles with how to find, hire and keep workers on the job. Finding a talented worker is only the first part of the equation. Keeping them engaged and growing and developing them require a deliberate plan to bolster retention.

In 2019, before the start of the COVID-19 pandemic, the average quarterly turnover rate in the construction industry as a whole – defined as the ratio of separations to total employment – [was 17.4%, or about two percentage points higher than the average across all industries](#), according to U.S. Census Bureau data. The trend has worsened since then given the increased pace of early retirements and other resignations over the past two and a half years.

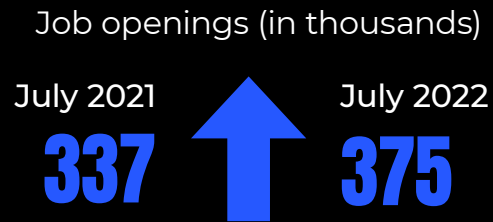
Owners have been retiring and exiting the business in waves, taking a wealth of knowledge and skills with them. And that trend will continue for the foreseeable future. Nearly 90% of construction leaders participating in [Wipfli's 2021 construction transition planning survey](#) said they plan to start transitioning out of their companies in the next decade. About a third of respondents reported they have no documented, actionable succession plan.

Contributing to industry challenges are concerns about unsafe work conditions and the intense mental and physical pressures of many construction jobs. With a [suicide rate four times higher than the national average](#), construction is facing a reckoning in terms of how to improve its reputation and reposition itself as a desirable place to build a career.

Firms owning up to the need for change will stand out and become industry leaders. The time is now to focus on the importance of work-life balance and overall employee well-being. It's the right thing to do and should be integrated into all aspects of your workforce strategy.

By developing a thoughtful, carefully crafted strategic plan, including a workforce strategy component, you can create a foundation on which to build and realize the vision your company needs. The problems at hand are not one-dimensional. Consider your workforce and leadership challenges from multiple perspectives and take a comprehensive, multi-dimensional approach. You can't throw one-off solutions at symptoms like high turnover and weak leadership.

Construction job openings, hires and separations are all rising.



Source: U.S. Bureau of Labor Statistics

Creating a sustainable workforce means much more than just finding job candidates and filling open positions. It requires defining the problem from every angle before devising solutions. And when you create a viable workforce strategy and execute on it, you're contributing an indispensable piece to your company's full strategic plan. There's no way around it: Your vision for a comprehensive workforce strategy must align with the vision for the future of your firm.

Let's break the challenges into three phases:

- Pre-hire
- Hire
- Post-hire

Pre-hire

Attracting more people to the construction industry is the first critical component of developing a workforce strategy. It starts with paying attention to the overall image of the industry, which, being candid, isn't so great. Issues such as safety, faulty projects, rough work environments and, in some cases, unlawful practices have not helped the industry's image, a reality that decreases attractiveness for new workers.

The industry image cascades to company image. If a company has a poor image for any reason, workers will not be interested in joining the team. In particular, the newest generation in the workforce seeks thriving, engaging companies that align with their personal values. It is incumbent on construction companies to make their value to all stakeholders clear. And that means identifying and reaching out to a broader pool of organizations and individuals and articulating the value proposition for joining your company.

Top industry selling points: When reaching out to potential recruits, highlight different selling points of the construction industry, such as the fact that you don't amass college debt because many positions don't require a college degree. If your firm covers or assists with education costs later for employees seeking greater career mobility, explain that upfront. Helping people pay for a degree in project management or construction management is a win-win. Even for workers without an advanced degree, pay rates in the construction industry are above the average, so make this known to stakeholders.



Hire

The hire phase includes finding candidates, hiring, and onboarding. This requires a thoughtful, coordinated approach. There are no places to skimp on resources. Think about the audience you wish to recruit. Where will they look for potential employment opportunities? Online, job training centers, high schools, referrals from families? Then channel recruiting resources appropriately and effectively in these areas to make it easy for recruits to find you. Assess your digital presence and make it as easy as possible for candidates to learn about open positions and apply to your company.

Make applying online simple, fast and convenient. If people submit a resume, they shouldn't also have to fill in duplicate information in an application.

Once hired, follow a strong onboarding process to ensure new hires successfully navigate their first few weeks and months on the job. Onboarding consists of orientation and training. Orientation should include a good education on the company's vision, values and benefits, in addition to communicating clear expectations for the position.

Make sure new hires complete their orientation before they are plunged into their work assignments. Training should be job and team specific.

New employees should know how the work they do aligns with company goals and how it impacts their team. Excellent internal communications platforms are essential for a seamless, efficient and thorough hiring and onboarding processes. The way people experience these early interactions will convey a lot about your firm and creates an indelible impression. Remember the adage: You only have one chance to make a first impression. Don't squander it.

Cast the net wide to reach these stakeholders:

- High school guidance counselors
- High school students
- Parents of high school students who may be guiding their children in their job hunt
- Post-secondary school career offices
- Unions with apprenticeship programs
- Workforce development agencies
- Local building trade associations
- Community groups

Turn your current staff into ambassadors:

Members of construction firms at all levels should be enlisted and empowered to be part of the pre-hire outreach. It's more than a human resources/talent management function. Employees can get the word out about the firm as a great place to work, with referral bonuses as an incentive for bringing new hires to the company. Firm leadership can also use their networks and contacts to spread the word about opportunities.

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Post-hire

Successfully navigating the hiring and onboarding process is only the beginning of a comprehensive workforce strategy. Now the real work comes in. After initial job-specific training, ongoing training and development are essential to your retention strategy. Let's start with leadership. Research shows [one of the top reasons people leave a company is a poor relationship with their direct boss.](#)

We can probably all cite a story of poor leadership practices from a superintendent, project manager or other leader in the field or office. The days of yelling at workers in the field to get the work done are gone. Your leadership needs to get engaged and stay engaged with the team they're building. Solid, effective leadership skills and competencies are imperative to retaining workers, so start building at the leadership level.

Leadership training programs, whether you contract with outside training organizations or handle training in-house, are essential to building the skills necessary to deliver employee engagement.

Be sure you are checking in with employees on a regular basis. Listen to their concerns and follow-up with action when needed. Knowing that an employer cares matters greatly to team members and promotes retention.

Next, focus on training and developing your people. All workers should have a clearly defined career path, with an action plan, to get to their ideal future career state. This not only shows workers they can achieve their career goals while staying in the company, but also increases the likelihood of a strong pipeline of next-generation leaders.



What does a comprehensive workforce strategy include?

If your firm doesn't have a written document outlining its vision, with a clear definition of its ideal future state and a comprehensive workforce strategy, it should.

Your leadership team, with input from key stakeholders, needs to craft a vision statement. And just as important, all employees need to see it, understand it and live it. Everyone needs to operate from the same playbook. Your workforce strategy won't be successful without that shared vision.

Once your firm agrees on the vision, you need to adapt an action plan, or blueprint, for how to get there. The blueprint should include a specific workforce strategy that aligns with your company's strategic vision and plan. There is no one-size fits-all approach to this.

Just like before, you can break down the blueprint for your workforce strategy into three phases — pre-hire, hire and post-hire — and incorporate goals specific to each. Here's a close-up look at the main tactics and actions needed to achieve those objectives at each stage.

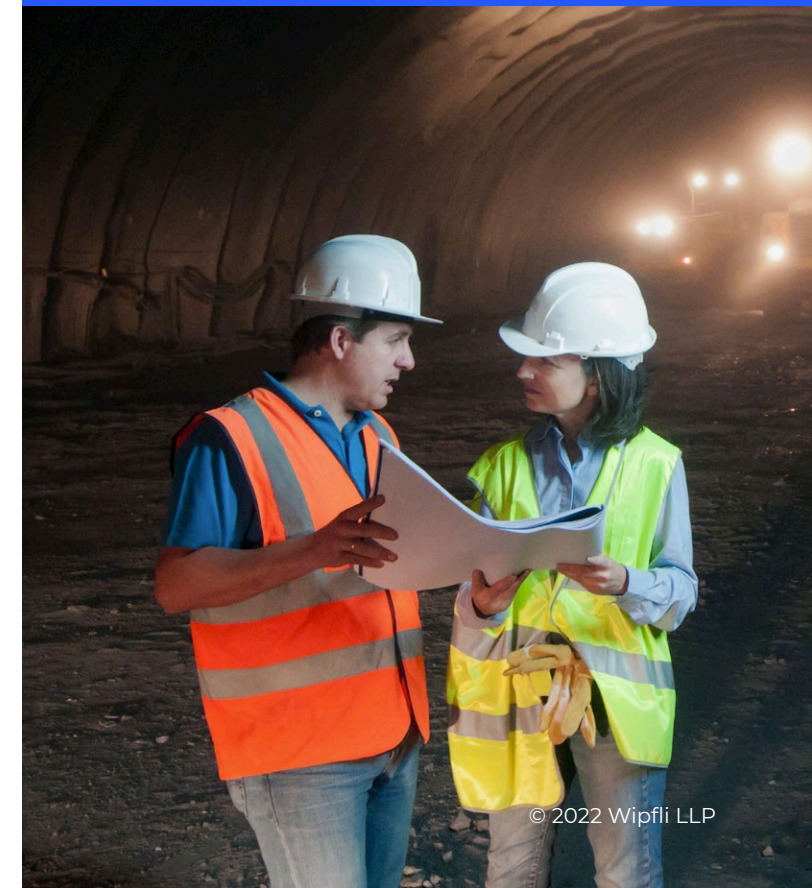
10.9%

Women account for about 10.9% of all construction workers in the U.S.

47%

Overall, women make up about 47% of the U.S. workforce.

Source: U.S. Bureau of Labor Statistics



Pre-hire

- Awareness of the industry and its opportunities.

Hire

- Awareness of the company and its opportunities
- Advancement through the hiring process
- Completion of onboarding and orientation

Post-hire

- Posting onboarding and orientation
- Through life cycle of employment

Pre-hire

If your goal is to fill your backlog of openings and attract more people to the industry, you need to broaden awareness of those opportunities and needs in your industry and in your firm specifically.

As you build awareness about the field, be sure to concurrently focus on what makes it desirable. Determine what would attract people to your firm. If you've taken steps to change the culture and make it more welcoming to groups that have historically felt excluded or faced hostility, this would be an opportune time to talk about those efforts. Leaving out half the population (women) for consideration is nothing but a missed opportunity to improve your pipeline and show how you are evolving as a firm. As your firm begins to think differently, you'll find opportunities to hire people with different types of backgrounds.

It's also important to think across other industries to expand your talent pool. Someone who's spent years at a desk job but really wishes to work with their hands may be easy to attract to construction work. But it requires a broader way of thinking from your recruiting team.

Don't worry if your competitors aren't taking those chances. You'll be a leader and trendsetter in your market and will most likely meet your hiring challenges more easily than your peers.

Hire

While you do need to cast a wide net to attract applicants for your open positions, you also need to be selective.

This is not an oxymoron. The people you hire need to align with your mission, vision and values. From both the employee and employer perspectives, it's essential to get the right people coming through your doors.

You need to provide as much information as possible about your firm, its priorities and its culture to help a candidate see whether it's the

right firm for them and how well they'll align with your company's values as well as the job needs. And you need to make the application process as easy and accessible as possible.

Here are some other tips:

Craft candidate profiles: Crafting an ideal candidate profile for every position you're trying to fill will make your job easier and help candidates determine from the start whether the role makes sense for them.

The profiles also ensure everyone involved in the hiring process is clear on what a successful candidate looks like.

Use behavioral assessments: Behavioral assessments like [Predictive Index®](#) and other talent optimization tools can help you decide whether applicants are likely to be a good fit for your team. It hurts you in the long run to fill jobs with applicants who don't share your company vision and values, so you need to be systematic in your hiring process without being slow. It costs organizations, on average, \$11,000 for every employee who leaves, according to Predictive Index research.

Reduce your hiring timeline: Because your competitors are likely in the same boat as you, looking to fill a multitude of positions, it's imperative to get back to people fast so you don't lose them. Keep them all — but especially the most promising candidates — in the communication loop so they don't go elsewhere.

Enhance your interviews: An effective hiring process means you've got skilled interviewers in place who can engage easily with all different populations. Be consistent and professional with the questions you're using. They need to honor every diverse individual who applies.

Showcase your company: By communicating your firm's value proposition and the strength of your brand, you make it clear to candidates why your firm is a great place to work. For example, if your firm is committed to offering growth opportunities and promoting from within, that is important to convey early on as part of your value proposition to candidates. Similarly, if your firm offers reimbursement for outside training and development, be sure you make that known.

Think of hiring as a delicate dance. Your ability to leverage the company's attributes goes a long way in helping you sort through candidates to find those who will fit in well and best help you achieve your business goals.

Post-hire

If one of your firm's values is building strong teams, make sure everyone feels like they're part of a strong team.

Your new hires have made it through the myriad steps and tasks necessary to start a job with your firm. They're feeling good about how the value proposition applies to them and the value of your brand. But now your relationship with them enters the next phase: developing a connection to the company that lasts. How do you get them to feel part of the culture and get them behind the values your firm stands for?

If your firm feels strongly about connecting people to each other — beyond the connection to the company — be sure to schedule appropriate events that foster those relationships.

Consider family events, group volunteer activities to support the community or other outings that foster engagement.

Other ways of building connections to the company and its values may involve skill building and training that helps them in their current jobs or help them develop a clear career path to other roles. If someone puts in time as a laborer initially, but they're interested in marketing, have you established a pathway that enables people to make such a transition?

Your firm could set up a program to let employees shadow a colleague in another department to learn more about a new area they are interested in. Make it transparent and easy to see how those kinds of shifts are possible. The key is developing clear, individualized career paths for your employees, whether they stay in their chosen line of work or want to make a move.

Why people leave

Strong and effective leadership is necessary at every level of the organization. Because employees tend to leave their jobs when they have a poor relationship with their boss, managers need the right training and ongoing follow-ups to ensure they are communicating effectively with their direct reports. You will lose people in the post-hire phase if the leadership ranks are not functioning well at all levels. Good, cohesive leadership cascades down, and those leaders need training in day-to-day management, apart from broad leadership skills.



Here are three more things your firm can do to help retain employees:

- 01 Solicit feedback:** Soliciting feedback from a team about their leaders and paying attention to it is a critical step that too many firms overlook. You want to find out what team members think their boss is doing right and what could be improved. Performance reviews can work as a two-way feedback system. Managers assess their employees, and employees provide feedback to their supervisors.
- 02 Measure engagement:** Check the engagement level of your workforce through firmwide surveys. And study the assessment with an eye toward developing improvement plans to address engagement barriers. If many employees report, for example, that they are dissatisfied with your benefit offerings or your approach to internal communications, take that seriously. Publicly acknowledge those concerns and determine whether and how changes can be made.
- 03 Hold “stay” interviews:** A novel approach is the “stay interview” that checks in with workers about what they like about their job or the firm. Get them to provide reasons they stay at the company. Look for ways to “re-recruit” your current people so they stay engaged. If you’re not working to make sure they’re happy, they could be recruited away easily.

Keep the business strong

No one wants to work at a company that's on shaky footing. Keeping a healthy balance sheet and maintaining your reputation as a successful company will make your recruiting and retention efforts more fruitful.

By putting together a comprehensive workforce strategy, you'll be well-positioned for a continuous pool of talent able to meet your demands and your goals today as well as in the future. Continue to evolve and implement your strategy to ensure it makes sense and is relevant and enables you to achieve the results you seek for years to come.



Are you ready to create a comprehensive workforce strategy?

Wipfli can help. Our team of specialists in construction strategy, talent, operations, change management and other operational services can help your firm build a solid workforce today, with a roadmap for a strong future.

[Find out more](#) about how Wipfli can help you devise a strategic plan for your company workforce that will sustain your business success and help you meet your goals for today and beyond.

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