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Gaining That Competitive Edge

3 Things Construction Companies Need to Know About HR Tech and Organizational Agility

Technology is increasingly important in construction.

Every day the construction industry becomes more reliant on technology to get work done. This applies not only to tools, materials and techniques used in the field but also to the organizational infrastructure and work processes that support work done in the field.

In our recent Virtual Partner Summit, **Ben Eubanks** of **Lighthouse Research and Advisory** shared some insights on HR technology prepared specifically for the construction industry.

One of the areas he discussed was how business agility and HR technology are linked, which is important as the construction industry continues to address challenges such as labor shortages and escalating material costs.

Keep reading to learn about three must-know findings that can help you empower your business to be better able to flex with changing market and economic conditions.

Number 1: Businesses that use HR tech win the agility game.

Agility refers to a company's ability to quickly adjust to meet changing conditions. Think of it as driving a speed boat versus a sailboat. The speed boat can react and turn much faster and easier.

Agility isn't important just for huge companies; businesses with 100 employees or more need to be aware of what's creating a drag on their ability to be flexible and responsive.

What do companies that are agile have in common? HR technology.

The money a company invests in its people, and the tools to manage them, was the most predictive metric for whether the company will be successful and profitable.
- Ben Eubanks, Lighthouse Research

97% of companies
say HR technology plays a key role in enabling their agility and preparing them for the future.

86% of companies
experienced benefits or payback from their HR technology within 12 months.

Source: Lighthouse Research[1]

Number 2: Hiring processes need more focus.

The COVID-19 pandemic stress-tested companies' HR processes and technology in ways we hadn't seen before. From wholesale layoffs to learning how to do video interviews, it was a brave new world. HR teams found out just how much their systems could handle and whether those systems could adapt.

Not everyone's infrastructure passed the test. The technology underpinning talent acquisition emerged as a key shortfall at many organizations.

Don't create friction. Don't make it harder on those candidates to get to the end of the process or you'll end up losing out to someone who has an easier apply.
*- Ben Eubanks, Lighthouse Research*

65% of companies
indicated that 2020 exposed critical gaps in their talent acquisition technology.
Source: **Lighthouse Research²**

For construction employers, talent acquisition is critical with so many job openings and not enough skilled people to fill them. Businesses can't afford to lose out on talent because their recruiting system doesn't provide a positive candidate experience.

One critical need is accessibility. Eight out of 10 construction applicants are looking for jobs and applying on a mobile device.

If your applicant system isn't mobile-enabled, you risk missing out on the lion's share of potential hires. Or they may be moving through a slow hiring process when you need them on board and out in the field.
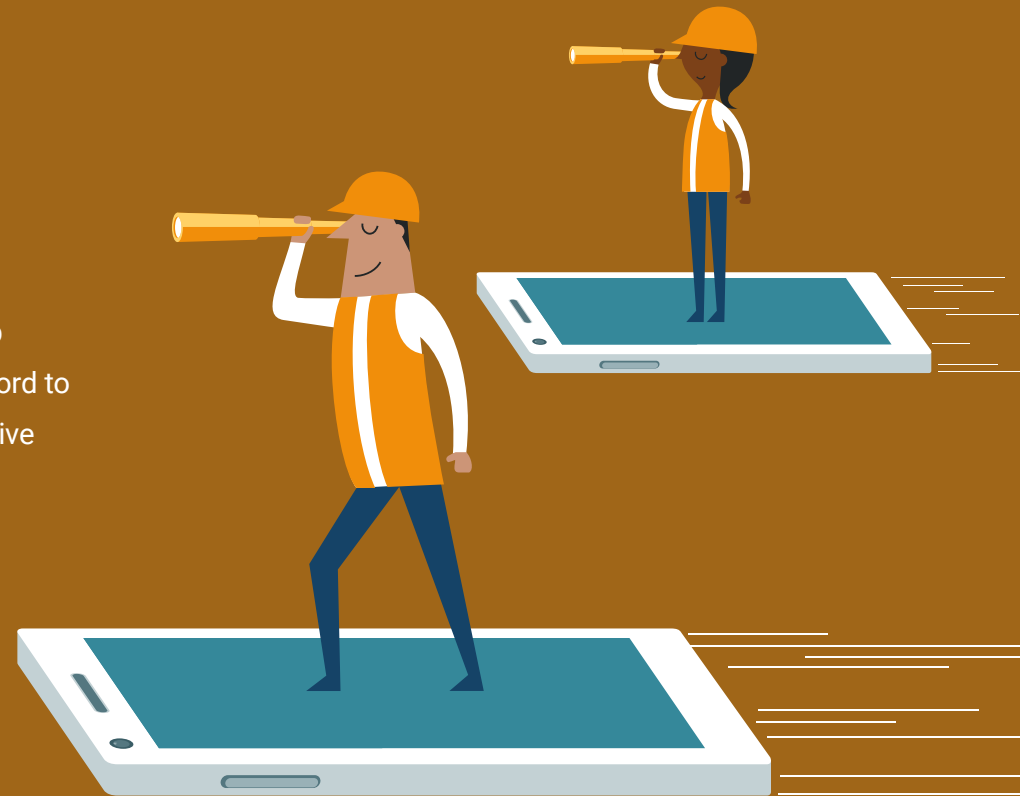
Number 3: Construction companies may need to make a bigger investment in tech solutions.

With HR technology enabling the kind of agility businesses must develop to be successful, and given the reality that certain solutions aren't performing as needed, you might expect construction companies to have a strong plan to invest.

While some construction businesses anticipate doubling down on technology, most don't plan to increase their tech spend.

Compared to 2020, how will your 2021 investment in the following technologies change?

	Increase	No change
HR software	18%	78%
Scheduling software	15%	82%
Payroll software	13%	84%

Source: AGC³

More than a quarter of construction companies don't have an IT roadmap.

Does your company currently have a formal IT plan to support your business objectives?

No 28%

Planning on implementing one this year 7%
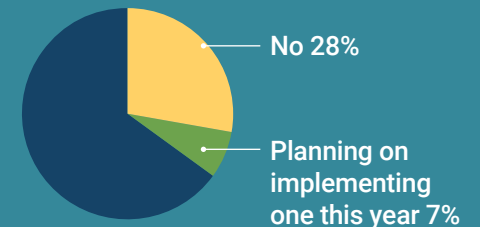
Source: AGC⁴

Budget may not be what's holding companies back. The number-one IT challenge for construction companies is how long it takes to deploy and get up-to-speed on new solutions.

What are your biggest IT challenges?

Time needed to implement and train on new technology 44%
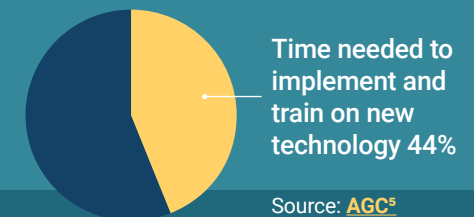
Source: AGC⁵

Companies with better HR tech may just have the upper hand.

Considering the strong relationship between HR technology and business agility, construction companies that invest in HR and workforce management solutions could create a meaningful competitive advantage.

Whether you've never used HR technology or are considering adding solutions or upgrading, here are a few things to consider based on the three insights in this ebook.

- If you're one of those construction companies without a formal plan to leverage HR technology, now is the time to reach out to experts for an **assessment** or support.

- If you're looking to reap the benefits of HR software, focus on solutions proven to work for other construction companies.

- Solutions have to be robust, but they also need to be easy to implement and simple to use. Time and resources are already scarce and using precious time for complex tech deployments doesn't make business sense.

- With the unique labor force challenges in construction, mobile-enabled talent acquisition software (also referred to as an **applicant tracking system** or ATS) is a logical place to start leveraging technology.

With the project-based nature of construction, managing your workforce effectively can mean the difference between a healthy balance sheet and costly, unsustainable overruns.

Even before *agile* became a business buzzword successful construction companies were adjusting to changing conditions daily—it's in the industry's DNA. Today, that agility is enhanced with top-tier HR technology that automates and enhances key processes to help you get the best employees and leverage them most effectively.

Want more insights on how construction companies can enhance their hiring process? Check out our guide.

Your employees are your biggest opportunity to serve your customers. They're your biggest opportunity to really do amazing things and be innovative and creative and solve big problems.
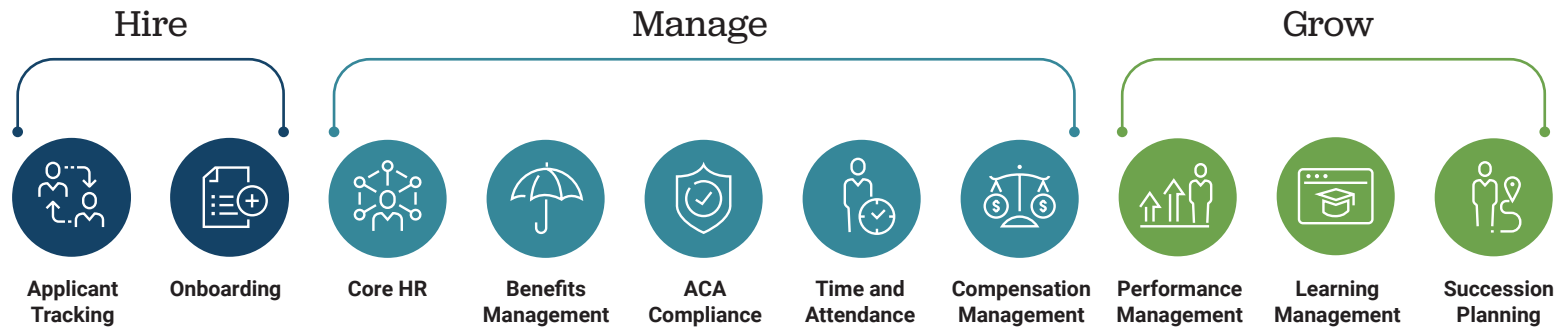*- Ben Eubanks, Lighthouse Research*
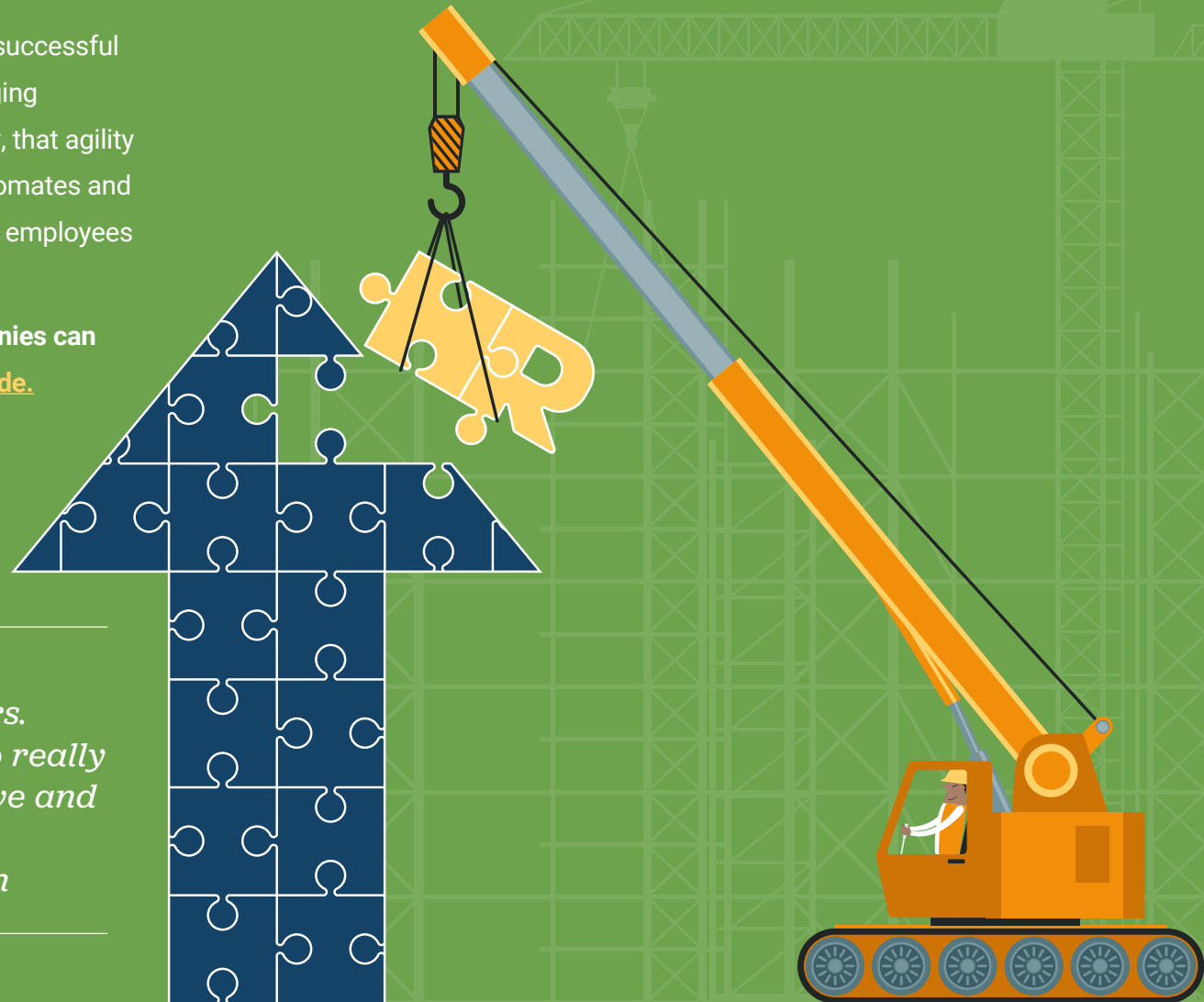
Source

1. Is There a Relationship Between HR Technology and Organizational Agility? Ben Eubanks, Lighthouse Research, Sept. 2020.

2. Ibid.

3. 2021 Construction Outlook, AGC.

4. Ibid.

5. Ibid.
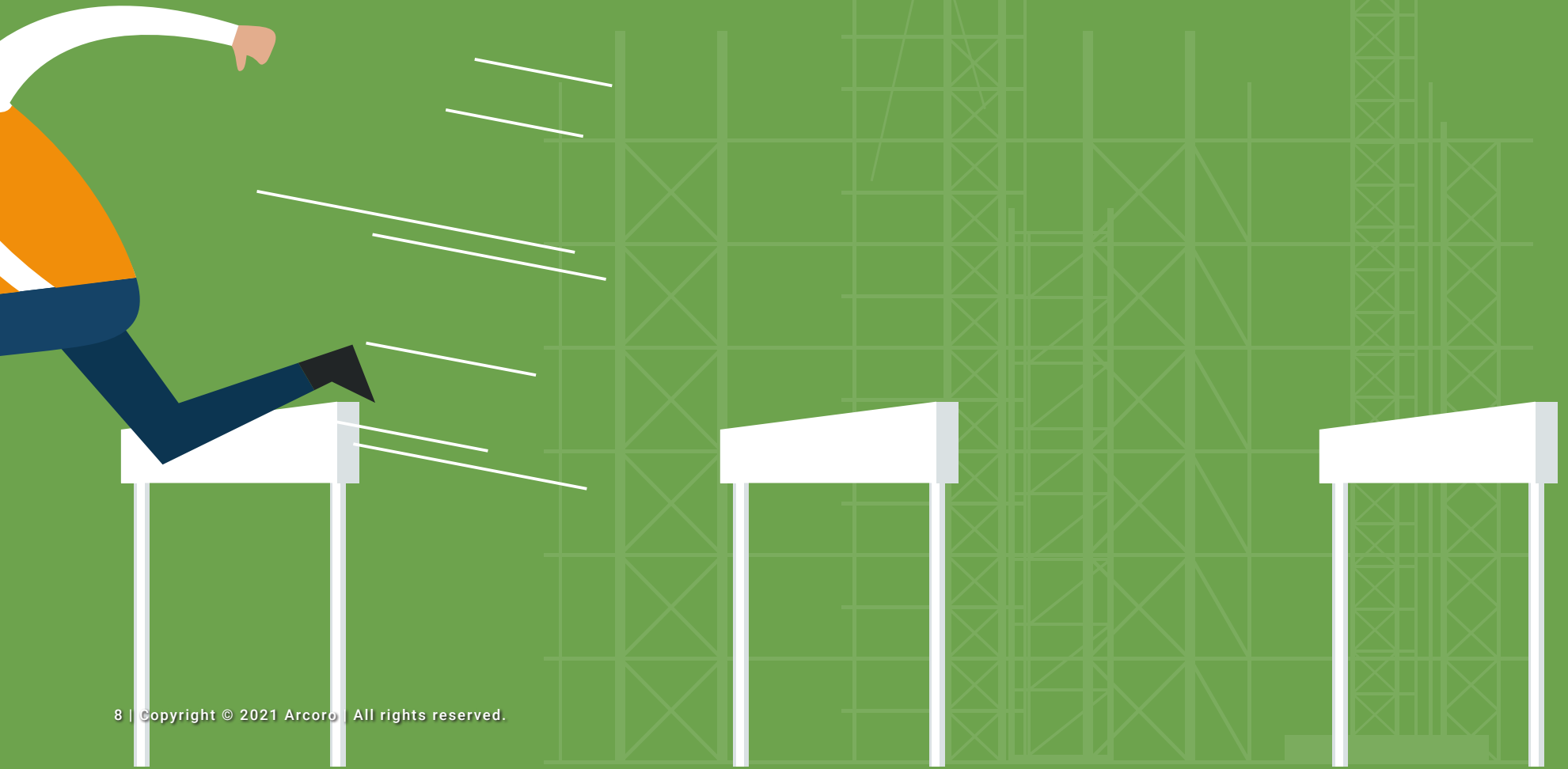
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