

Construction Builds Bigger with UKG

Construction companies turn to technology to manage their human capital

The construction industry is rebounding after seeing a shift in project timelines and a drop in the industries' labor and employment. As the industry recovers and growth is expected, how can construction organizations remain competitive and emerge stronger in the wake of major business disruption?

A diminishing talent pool, rising material costs, and stagnant productivity levels are all hindering emergence and growth in the industry. Construction organizations must focus their efforts on coping with these challenges in order to rebound and prosper in the years to come. With labor being the largest controllable expense for construction companies, many are turning to next-generation technology for managing their workforce.

UKG™ for Construction is helping construction and engineering organizations optimize and engage their most strategic asset – their people.

Mitigating the effects of material price volatility

Due to the current economic landscape, not only are material costs on the rise, but construction organizations are also faced with material supply volatility. Couple this with the current tariff uncertainty and construction organizations must either raise prices and risk losing bids or see their margins decrease. Turning to the workforce for additional savings can uncover new efficiencies to offset the increasing material costs, allowing construction organizations to protect their margins.

Building the workforce of the future

With the construction industry at its lowest unemployment level in the past 19 years, finding enough skilled workers to keep up with demand remains a serious concern.¹

This skills shortage is directly affecting the bottom line of many organizations. Struggling to fill open positions can result in projects going over budget, missing deadlines, and potential safety concerns.

Modern human capital management solutions can help combat this by offering a full human resources (HR) solution with advanced recruiting, onboarding, and performance management tools. These tools help find the best talent and get them up to speed quickly. This, paired with a full mobile experience that allows employees to work *their way*, will keep them engaged and help retain their skills.



¹ U.S. Department of Labor, *Bureau of Labor Statistics Data Viewer*, Unemployment Level – Construction (September 9, 2019), found at <https://beta.bls.gov/dataViewer/view/timeseries/LNU03034450;jsessionid=F474340D5A801769AE54C5D86D0557CD>.



Utilizing technology to increase productivity

A study done by the Midwest Economic Policy Institute says that automation could displace up to 2.7 million construction workers, but not until 2057. Even then, the industry may be able to automate only 49 percent of jobs.² People will remain critical to construction operations for the foreseeable future. Increasing their productivity represents an enormous opportunity.

Despite the advances in technology, the construction industry has had relatively stagnant productivity levels according to McKinsey & Company, increasing at only around 1 percent annually over the past 20 years.³ The root cause of this is many small inefficiencies and lean opportunities being overlooked. Many construction organizations are beginning to look to mobile-ready technology that improves the productivity of frontline employees.

UKG mobile-ready solutions provide access to real-time data that gives employees the information they need at their fingertips. The ability to request a schedule change or check a timesheet on the spot keeps them satisfied, connected, and productive.

Protecting your assets

While safety is constantly improving in the construction industry, due to the nature of the work, the industry remains near the top of the list for work-related injuries. Of all the worker fatalities in 2018, over 21 percent were in construction.⁴ Safety issues make attracting talent difficult and can also lead to costly fines.

Fortunately, UKG technology can help. Training and certifications are always tracked to ensure employees have the right skills to do certain jobs. Managers are proactively alerted if a certification is about to expire, and they can auto-assign classes to employees based on job type. The system will also give management visibility into hours and schedules to ensure proper rest times are always provided to avoid fatigue and burnout. Deploying this type of technology will not only help avoid penalties but will also protect your most valuable asset.

Optimize your people – and your profits

UKG for construction provides the automated tools and real-time information required to optimize your resources for better business outcomes. Streamline HR processes to attract and retain top-level talent while building a better employee experience. As the industry continues to evolve, stay competitive and boost your bottom line with technology that keeps your workforce engaged and productive.

About UKG

Building on 70 years of experience from two leaders in HR solutions, UKG™ combines the strength and innovation of Ultimate Software and Kronos®. Individually, we've always put people at the center of everything we do. Together, we're committed to inspiring workforces and businesses around the world, helping to pave the way forward for our people, customers, and industry.

2 Frank Manzo IV, *STUDY: Automation Could Displace 2.7 Million Construction Workers by 2057*, Midwest Economic Policy Institute (January 18, 2018), found at <https://midwestepi.org/2018/01/18/study-automation-could-displace-2-7-million-construction-workers-by-2057/>.

3 McKinsey Global Institute, *Reinventing Construction Through a Productivity Revolution*, McKinsey & Company (February 2017), found at <https://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/reinventing-construction-through-a-productivity-revolution>.

4 U.S. Department of Labor, *OSHA Commonly Used Statistics* (2017), found at <https://www.osha.gov/oshstats/commonstats.html>.



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