



# Build a Better Construction Business with **Workforce Management Software**

Building a successful construction business requires managing your workforce for maximum efficiency. For every project, you need to carefully schedule workers to achieve the right combination of skills. Moreover, once you have work schedules in place, you need to stay on top of working hours and overtime so that labor costs don't eat into your profit margin. And that's all before you encounter delays caused by bad weather, late material deliveries and a global pandemic.

When your business faces rising costs, late-paying customers and a declining number of skilled workers, it is essential to budget for each project down to the dollar. Although spreadsheets may have worked for you in the past, you now need a more flexible solution for collecting and managing workforce data to improve your budgeting and see how each job site is performing at any moment in time.

Fully integrated workforce management technology provides tools that can help you create a dynamic schedule for each job site, including full-time, part-time and seasonal work crews. This technology provides a clear perspective of the resources required to complete each project and where you need to deploy workers to ensure safety and productivity year-round.





# Workforce Management Challenges Facing Your Construction Business

Operating a construction company in today's environment comes with both opportunities and challenges. On one hand, a booming construction market means there is no shortage of work to go around, allowing you to keep workers busy year-round. On the other hand, rising costs and sluggish payments from developers create cash flow constraints that make it tough to efficiently manage your labor force.

As is true in many other industries, [how well you manage your workforce](#) directly affects how well your business runs. To complete projects on time and within budget, you need to hire and schedule enough workers to fully staff each job site. You also need to stay in compliance with safety and labor law regulations to avoid injuries and non-compliance penalties.

Some of the most pressing workforce management challenges facing your construction company today include:



## CASH FLOW CONSTRAINTS

According to PricewaterhouseCoopers (PwC) research, construction companies wait longer to receive payments than any other industry—[averaging 90 days per invoice](#). In addition, a 2021 Levelset survey reveals that [only 9 percent of construction businesses](#) report being paid on time. When you're short on cash flow but still need to hire and pay workers, it becomes even more critical to understand the labor costs associated with each job and schedule workers to avoid waste.

## RISING COSTS

Rising materials costs are a challenge for any construction business, and they are compounded by [tariffs and quotas](#) set by the federal government. In fact, the costs of materials such as iron, steel and lumber continue to climb. According to the National Association of Home Builders, the construction cost of a new, single-family home is now nearly [\\$30,000 more expensive](#) due to rising lumber prices. Labor costs only increase over time, so it is more important than ever to track the costs associated with each project and account for fluctuations in materials and labor costs.



of construction businesses report being paid on time

## LABOR SHORTAGES

The construction industry is not immune to the challenges many organizations face in finding qualified talent for open positions. The U.S. Chamber of Commerce's Q2 2021 Commercial Construction Index revealed that **88 percent of surveyed contractors** experience difficulty finding skilled workers. As it becomes harder to fill open positions, your organization must have the processes to deploy existing workers as efficiently as possible.

## HEALTH AND SAFETY CONCERNS

According to the Insurance Information Institute, construction work has **one of the highest illness and injury rates** of any occupation. To maintain worker health and safety, you must comply with Occupational Safety and Health Administration (OSHA) guidelines and internal safety policies. However, balancing worker safety and productivity isn't as easy as it might sound. You need workers to work efficiently, but without cutting corners that can endanger their health and safety. With workforce management tools that schedule the right mix of workers on-site at all times, you can avoid staffing gaps that put workers in harm's way.

Although your workers are capable of completing a range of large and small projects, the challenges associated with operating your business are likely to become more complex over time. As a result, you will need to adopt processes and technology that help you staff each project efficiently and maintain productivity in the face of challenges.



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# How Workforce Management Software Supports the Growth of Your Construction Business

Operating in a near-constant state of poor cash flow makes it harder to purchase work materials, pay workers and fund investments in your business. By implementing a workforce management solution that automates scheduling and time tracking across work sites and projects, you can manage and predict labor costs and more efficiently run your business.

Here are five ways workforce management software can help you build a better construction business:

## CREATES PREDICTABLE AND FLEXIBLE WORK SCHEDULES

Labor and materials costs are rising, and the last thing you need is for costs to get so out of control that they eat up your profit margins before a job is even completed. Project delays can also eat away at your profit potential, making it essential to use scheduling tools that help you manage overtime and avoid worker downtime.

**Workforce scheduling software** automates scheduling and ensures the right people are working at the right place at the right time. It allows you to create crew shifts that start and end at desired times and set limits for overtime and working hours in a specific pay period. You can also configure your scheduling software to notify you of worker absences and clock-ins or -outs that deviate from the schedule, ultimately improving your awareness of potential issues before they cost you more time and money.



## IMPROVES YOUR ABILITY TO MANAGE LABOR ACROSS MULTIPLE SITES

At any given moment, your construction business may be managing several projects at once, requiring you to deploy work crews to different locations. Although you can't be in multiple places at once, workforce management software can give you full visibility into who is working at which job site and when. For example, [TCP's MobileClock](#) allows workers to clock in and out using a mobile device. It also allows workers to see their schedule, approved time off and worked hours in the pay period.



Alternatively, when you want more direct supervisor involvement in time collection, you can use a solution like TCP's [MobileKiosk](#). Each supervisor can manage check-ins, check-outs and break times on-site using a tablet and the MobileKiosk app.

Using either MobileClock or MobileKiosk provides you with real-time views of your workforce. With access to dashboards and reporting tools, you can view work crews on a map and see which workers have clocked in or out earlier or later than their scheduled times. The solution also has offline capabilities, so you can still use it when in a remote location.

#### **INCREASES TIME COLLECTION AND PAYROLL ACCURACY**

If you've been relying on paper-based time tracking and manual payroll calculations, you already know how difficult it can be to accurately translate

worker hours to a paycheck. Schedule changes, pay differentials and fluctuating overtime can throw off your calculations—not to mention the headache of having to go back one or more pay periods to correct an error.

Modern time and attendance technology allows you to [accurately collect worker hours](#) so you can avoid overpayments and underpayments that mess with your bottom line. And with a broad range of [payroll integrations](#), you can also achieve automatic calculations of worker pay based on actual hours worked. You don't need to calculate straight time, time and a half, and double time manually—the integrated system performs those calculations for you. Integrating time and attendance with payroll also makes it easier to track anomalies and exceptions.





### **BOOSTS YOUR COMPLIANCE WITH LABOR LAWS**

Managing a construction business requires compliance with a host of labor laws, including the Fair Labor Standards Act (FLSA), the Occupational Safety and Health Act (OSHA), and the Family and Medical Leave Act (FMLA), just to name a few. Representatives from the Department of Labor (DOL) and OSHA can visit work sites for surprise inspections and audits of your practices. That's why it is critical to have processes in place to keep your construction company in compliance.

Workforce management software can help you remain compliant through configuration with built-in rules for scheduling, pay and time off. For example, you can configure your time and attendance system to calculate overtime based on state-specific laws that may be more generous than the federal requirement to pay overtime after 40 hours in a workweek. For instance, if you have workers in Colorado, you can configure your system to recognize overtime hours that exceed **12 consecutive hours** in a single day in compliance with state law.

You can also leverage workforce management technology to support better **compliance with collective bargaining agreements**. For example, if you have a contractual requirement to provide a specific amount of overtime or time off to unionized workers, you can configure rules in your time and attendance system to calculate those entitlements.

## HELPS YOU MORE EFFECTIVELY TRACK LABOR COSTS

As you take on more construction projects, your labor costs will naturally increase. However, they don't need to spiral out of control. With a dynamic workforce management solution, you can determine how many workers it takes to complete a specific project and the associated labor costs.

[Labor tracking and job costing software](#) gives you the tools to measure how long workers spend on specific tasks, enabling you to track productivity across work sites and calculate the labor costs of future projects. A labor tracking and costing solution also makes it possible for you to:

- Measure and compare the time it takes for different workers to complete specific tasks and projects.
- Create and assign job codes to each worker and crew, making it easier to align labor costs to specific projects.
- Run reports to see how long specific projects take and the labor costs associated with them.
- Use data to create more accurate project bids.



Of the many benefits workforce management software brings to your organization, one of the most valuable is flexibility. No matter the size, complexity, and location of your workforce, you can use the technology to meet your unique needs for scheduling, time collection and labor tracking.



## Conclusion

Whether you manage a residential or commercial construction operation, you have likely experienced the challenges of balancing worker productivity with cash flow and cost constraints. At the same time that you need to deliver quality work, you also need to schedule the most efficient work crews during each shift. But if you're using paper-based processes to track schedules, manage time and attendance, and make payroll calculations, you're missing out on the opportunity to determine the true productivity and costs of your workforce.

Conversely, when you use modern workforce management software for worker scheduling, time tracking and leave management, you can ditch manual processes in favor of tools that give you greater visibility into your workforce. You can also access data and reporting to track scheduling anomalies, overtime issues, and labor costs associated with every project your company completes. As a result, you can readily identify opportunities for savings and eliminate practices that could be costing you time and money.

For additional insights that support the growth of your construction business, read our **Buyer's Guide for Construction Workforce Management Software.**

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