



How Effective Construction Workforce Management Leads to Strategic Project Pipelines



Projects may be delayed or go over budget. Besides the obvious related costs, both also can damage client and owner relations. But that's assuming a project comes to fruition. Some jobs must be turned down or are simply lost in the bidding process. Causes are many, but one may be largely avoidable: staffing issues.

Construction workforce limitations are costing general contractors throughout the project life cycle, according to a [2022 survey](#) by publisher SmartBrief and sponsored by Bridgit, the leader in workforce management tools built specifically for construction.

"The data in this survey shows that matching projects to the right team members, and being more proactive in forecasting future needs, are both key ways for construction businesses to be more successful," said Aaron Geiger, Chief Technology Officer at the St. Louis-based contractor Alberici Constructors.

While Alberici is a larger firm, survey findings suggest that workforce problems affect contractors of all sizes and are most likely amplified by outdated and insufficient workforce-planning tools. More than 40% of general contractors surveyed said they would win more bids if they were better able to predict workforce requirements.





70% of surveyed contractors said **they plan staff allocations less than two months in advance.**



In 2021, 36% of surveyors turned down six or more projects because **they didn't have the right people for the job.**

Market challenges: New skills needed, but fewer available people

The US construction industry is facing an unusually tight labor market, especially among those with specialist skills. The situation isn't expected to improve anytime soon, yet 70% of surveyed contractors said they plan staff allocations less than two months in advance. This lack of foresight has consequences. In 2021, 36% of surveyors turned down six or more projects because they didn't have the right people for the job.

Keeping a record of workforce resources updated and shared with select stakeholders across the company in real time, as well as accurately forecasting staff requirements, is key to improving margins and building strategic project pipelines. Forecasts should take into account project bids, existing projects and staff attrition, due to retirement or other reasons.

Comparing solutions: Excel, in-house adaptations and off-the-shelf software

Almost 40% of surveyed contractors said they use Microsoft Excel spreadsheets to track staffing requirements and even more use it to track project bids. However, Kellie Lee, Senior Manager of Product Marketing at Bridgit, said that may underestimate the generic program's dominance. Another 19% of survey respondents said they use custom-built solutions, but Lee suspects most of those are Excel-based. The remainder of survey respondents said they use off-the-shelf software solutions or other means, including pen and paper.

"In some cases, staff allocations exist only in the heads of one or two people within the organization," Lee said.

Excel allows designated gatekeepers to manually enter and maintain data on people, projects and pursuits. However, it can be time-consuming and error-prone. It also lacks features that come from more advanced software applications. An example of off-the-shelf software designed specifically for the construction industry is Bridgit Bench. It begins by automating the input of data, which can include historical project data, as well as data regarding the skills, experience and career paths of personnel. This is possible due to customizable permissions, which also leads to improved collaboration across company departments and easy reporting.



“
The immediate benefit from Bridgit Bench is the visibility of an entire organization’s workforce mapped against active and upcoming projects.”

— Kellie Lee, Senior Manager
of Product Marketing, Bridgit

“The immediate benefit from Bridgit Bench is the visibility of an entire organization’s workforce mapped against active and upcoming projects,” Lee said. “We’ve heard customers share that this level of transparency enables them to have better conversations with their employees about what types of projects they want to be on, willingness to travel across regions, etcetera, and, over time, that level of managing people instead of spreadsheets helps retain workers.”

Employee retention is especially important for multiyear projects, for which Bench has five-year forecasting and planning capabilities, though shorter time spans are more common.

“We have customers planning allocations on upcoming projects and bids up to 18 months ahead of their scheduled start dates, which is nearly 10 times further out than 70% of survey respondents,” Lee said.

“We also see contractors use the system for programmatic work – work with a specific owner to build the same project type over and over, such as big box retail. They map out an entire year’s worth of projects to give project teams long-term visibility into where they’ll be,” Lee noted.

Consequences of inaction: More project risks, smaller margins

Most surveyed contractors – 77% – are confident their firms bid on projects matching their capabilities and availability, and yet almost as many – 65% – suffered at least one project delay in 2021 due to workforce limitations. A third reported six or more project delays in 2021 for the same reason.

With profit margins already [slim](#) and risk factors such as rising materials costs often tough to predict, delays can be an expensive burden. [Research](#) suggests that top reasons for project delays include process inconsistencies, the use of multiple technologies and a lack of adequate communication among stakeholders. Heading off potential workforce shortages means removing a key risk factor, but almost half of survey respondents – 46% – said they don't have adequate time to hire staff when the project requires it, which happens as much as 20% of the time. That could affect winning, as well as keeping, work.

About 86% of respondents have bid on projects only to discover later that they don't have the proper workforce to complete the job. Of course, a lost bid is a lost opportunity, but it's also a direct cost, as bidding is both time – and resource–consuming, usually requiring around [1% to 2%](#) of forecast construction costs.



Most surveyed contractors – 77% – are confident their firms bid on projects matching their capabilities and availability,



and yet almost as many – 65% – suffered at least one **project delay in 2021 due to workforce limitations.**

Transitioning a business: Meeting new, more exacting requirements

The good news is there should be a lot on which to bid. Nationwide, the nonresidential construction workforce is expected to grow by 30% this decade, in part, to meet the demands of projects funded by the bipartisan infrastructure law, [according to McKinsey](#). Yet, unfilled construction positions are at almost record highs for the past two decades, despite construction wages rising 7.9% between December 2019 and 2021.

While much of the construction industry has weathered recent industry disruptions well, industry leaders may need to think more strategically to counter persistent challenges, such as a tight labor market, rising materials costs and increasingly complex projects. The solution common to all of these elements is the better management of data, though creating companywide change requires more than the right tools. It demands a holistic viewpoint.

“Even for the companies who are forward-thinking and leveraging technology, if there isn’t a common data strategy, it’s almost as if they’re still using manual processes because their work isn’t being shared collaboratively with other teams,” Lee said.

“Construction is notorious for having inefficient processes that are hard to change,” Lee continued. “This can include maintaining workforce management in a siloed spreadsheet, performing pull planning on a whiteboard with Post-its and having siloed data systems. These inefficiencies combined lead to lost productivity on job sites, which extend job schedules and create cost overruns.”

Workforce management software helps to protect margins, compete successfully for projects, retain staff and maintain good stakeholder relationships. Perhaps most importantly, it helps position a contractor for growth, which is also forecast for the industry.



If there isn't a common data strategy, it's almost as if they're still using manual processes because their work isn't being shared collaboratively with other teams.



Bridgit Bench has revolutionized workforce planning for the construction industry. We'll help you use workforce data to forecast project needs, create better recruitment and bidding strategies, and improve the visibility of workforce planning for a more collaborative, tactical approach.

For more information about Bridgit Bench, [book a demo](#) with one of our workforce planning experts.