



## Having a Good Recruitment and Retention Plan Is Essential to Business Growth

By Martin C. McCarthy | Thursday, July 9, 2020



The coronavirus (COVID-19) pandemic has changed everything. A few months ago, the labor shortage in the construction industry was delaying jobs. Today, there are a myriad of reasons why construction projects are being delayed. Even so, contractors with good recruitment and retention plans are ahead of the game. With everything going on, these are the contractors that can man a project with the right talent, regardless of the situation.

Employee turnover is expensive in any industry. It takes time and money to recruit, onboard and train employees. When an employee decides to leave an organization, they are typically not as productive. This can result in missed deliverables and even poor morale if the worker starts complaining.

Although it is impossible to have zero turnover, contractors can be prepared by having a good recruitment and retention plan. This starts with being a conscious company that is more focused on its stakeholders (including customers, employees, suppliers and the community) than on profits.

More than half of respondents participating in HomeAdvisor and Angie's List 2018 Skilled Labor Survey indicate that a lack of available workforce is stunting the growth of their businesses. More than two-thirds of the respondents say the labor shortage is getting worse as demand for skilled laborers is getting stronger. Seventy percent of respondents say they could grow their businesses if they could find more quality skilled workers.

According to the U.S. Bureau of Labor Statistics, the median age for workers in construction and services to buildings and dwellings is 43 years old. Workers under the age of 25 make up around 10% of that total workforce. HomeAdvisor/Angie's List found that less than 4% of the remodeler, electrician, HVAC, plumber, and builder business owners, as well as 8% of roofers, are between the ages of 18 and 24.

Construction companies are going to have to do more to recruit top talent. According to the HomeAdvisor/Angie's List survey, word of mouth plays the biggest role in recruiting. Nearly 75% of survey participants report using referrals over online job postings, classified ads and other methods.

Word-of-mouth recruiting is powerful because the person is often "sold" on working for the company before being interviewed. Someone at the company thinks enough about it to recommend working there to a friend or associate. This happens when contractors are treated with respect. Although offering a high wage is helpful, workers want to know that their work will be valued.

Leaders who build a strong company culture are more likely to see that employees share information on open positions or potential opportunities with others. It is important to note that a culture-driven company is also a good retention tool.

When presented a list of 15 items in the survey, applicants stated salary is the top factor in choosing an offer, followed by job duties and location. Surprisingly, the least important factor is company size, with only 25% saying it is important. When given a list of 12 potential benefits, candidates say paid time off is most important, with women and Gen Xers wanting it most. That is followed by health insurance, 401(k) plans, bonus incentives and training opportunities. The trendy "free food and drink" benefit was last.

As noted above, retaining talent is not hard when you have a good company culture. From the very first day on the job, employees should see and feel how different the company is from other places they may have worked. Onboarding new workers should include:

- A welcome package with branded clothing like a shirt or hat;
- Lunch with the leadership team and/or supervisor;
- An orientation session on company policies, procedures and culture;
- Training on hard and soft skills requirements;
- Receiving the employee handbook;
- Mentorship for the first year; and
- A buddy for the first 90 days.

All the above onboarding suggestions are to set the tone for the person's career with the company. No matter how high or low an employee is in an organization, it is critical that they start off on the right foot. Take the time to recruit people that are a good cultural fit. Leaders can always teach someone the skills needed on the job.

## About the Author



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