

Use Temporary Workers to Outsmart Construction Labor Shortages in 2021



By Rich Oakes, President of GigSmart

Contractors across the country have had to halt, postpone, or cancel projects due to the COVID-19 pandemic. Made up of 27% of all contractors nationwide, the effects of the pandemic were definitely felt in the Midwest.

The Associated General Contractors of America found [52%](#) of construction firms are having a hard time filling hourly craft positions. Furthermore, there is no confirmed end in sight for these hiring challenges as new issues continue to plague the construction industry, like worker safety and uncertainty.

If you've experienced a labor shortage or are struggling to find qualified, skilled workers, you're

not alone. Fortunately, skilled temporary workers can help construction companies not only survive the current market, but also thrive in it.

Avoid turnover by combatting worker exhaustion

Worker storages often lead companies to over-schedule workers in order to meet demanding construction schedules. According to the [ADP Workforce Vitality Index report](#), the Construction industry has a national average turnover rate of 58.4%. The top reason employees quit? [Forbes](#) says it's being overworked.

Companies can help prevent worker exhaustion, and improve worker retention, by utilizing temporary workers to supplement their existing workforce.

This will ensure employees aren't working too many hours, providing permanent crew members the support they need to be successful while preventing worker exhaustion.

Retain workers with specialized skills

While some construction jobs are similar in nature, other projects might require entirely different skills or specialties. Because the nature of each task can greatly differ, firms struggle to fill key roles on jobsites. The most severe shortages [reported](#) were for general laborers, carpenters, heavy equipment operators, and truck drivers.

Don't risk turning jobs away. Temporary labor gives you a way to access specialized workers on-demand. Break your bid up into its individual components and identify the portions where temporary labor can be utilized. A fluid mix of full-time crew members with independent contractors will reduce overhead while giving you a highly skilled team, specialized in delivering the particular services aligned to your project.

Hire the best fit

Have you ever hired someone who was not a good fit? Temporary labor reduces risk by allowing you to have a "trial run" with potential hires before offering them full-time positions. This allows you to evaluate worker performance, skill, and fit before hiring them as a permanent member of your team.

Temporary labor gives you a means to hire full-time workers with 100% confidence. GigSmart reported that in Q4 2020, the number of hourly shift workers converted to full-time employees increased 167%, confirming the desire for companies to retain top talent once identified.

Stay flexible

2020 was a year unlike any other. In times of uncertainty, it might not be the time for your company to staff up with full-time employees.

Future project pipelines are thinning — [60%](#) report that projects have been postponed or cancelled due to the pandemic. We do not yet know what all of 2021 will hold for the construction industry and are still unsure of the long-term impacts of the pandemic.

Instead of staffing up your crew, formulate project-by-project teams utilizing temporary labor to fill in the gaps. By doing so, you can quickly scale teams based on your project needs.

Diversifying your construction staffing strategy by hiring a mix of W2 employees, third-party outsourced solutions, and independent contractors so that you're set up for long-term success.

Utilize staffing platforms

Despite uncertainty, [40% of construction firms expect to recall and/or add employees in the next year](#). With an increasingly competitive hiring environment and shortage of qualified workers, staffing platforms can make the hiring process easier for you.

Traditional staffing agencies come at high costs and can lack skilled trade focus. Working with an agency is expensive and slow-moving. It can take 3-5 days to get a worker on-site, and once you have that worker, you'll end up paying a 45-60% markup on their hourly wage. This is a luxury that many companies cannot afford.

On the alternative, job sites like Craigslist do not provide worker vetting or accountability. While significantly cheaper than using staffing agencies,

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these types of sites require cumbersome manual overhead, as those in charge of hiring need time to sort through the flood of unvetted, non-standardized applications. It is also important to note the workers you hire through Craigslist are not insured or reviewed.

Modern hiring solutions, like [GigSmart Get Workers](#), can connect businesses with workers based on skills-matching for a low fee. With over 65,000 active construction workers available for hire, you gain fast access to qualified applicants — even for same-day shifts!

Recap

Temporary workers can help keep your full-time employees happier, allow you to rapidly grow (or shrink) your crew based on project needs, give you better access to specialized skills, or provide an additional means to vet potential full-time hires.

Hiring temporary workers allows you to expand your candidate pool to the rapidly growing pool of millions of talented and experienced workers who are now contracting. Leverage these workers to combat the construction labor shortage and thrive in 2021.

About GigSmart

[GigSmart](#) is a staffing company focused on providing modern solutions to meet the needs of a rapidly evolving economy. GigSmart's apps, Get Workers and Get Gigs, connect businesses and residential users looking for labor with local workers. The apps are available in all 50 states serving industries including construction, manufacturing, food service, delivery services, transportation, retail, customer service, and professional services.



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