



CAT® EMSOLUTIONS

## HOW TO ATTRACT SKILLED WORKERS (AND KEEP THEM AROUND)





# NOW HIRING: THE BEST & BRIGHTEST

Your ability to satisfy customers, be profitable and win business depends on your ability to find and keep the right people. But in the construction field, an ongoing lack of skilled labor—including operators, technicians and other key positions—continues to cause many firms heartburn.

When the Associated General Contractors of America (AGC) quizzed 900+ firms for its 2015 industry outlook, 87% of those who said they were looking to hire reported having a tough time doing so, for both professional and craft workers.

The challenge persists even as the construction industry shows promising trends. The U.S. Bureau of Labor Statistics projects that demand for employment of construction laborers will grow 25% from 2012 to 2022. (That's much faster than the average growth rate for all occupations, which is 11%). *Forbes* magazine reported in a May 2015 article that the construction industry accounted for 20% of jobs created in April alone.

The article's title? "Job seekers: Now's a great time to get into construction."

If construction's a great place to be, why are so many firms having a hard time finding the workforce necessary to satisfy demand? The answer is ... there's not one easy answer.

A combination of factors is involved:

- Lack of vocational training for the next generation of workers
- A wave of retirements of existing workers
- Operators and others switched careers amid the housing market downturn
- Loss of skilled workers to the oil and gas sector

"It's not something that people usually think of as an 'equipment management' issue, but skilled operators and technicians are tough to find," says Jeff Payne, an Implementation Manager for Cat® EMSolutions. "Kids go to college today and they don't think about these types of professions. You need every advantage you can to attract workers, and giving them the opportunity to use modern equipment featuring the latest technology can be part of the solution."

Getting potential workers interested in such careers is a keen focus for Caterpillar, as evidenced through its partnership with vocal advocate Mike Rowe and through employment initiatives like [Technician Recruitment](#) and [ThinkBIG](#).

## LABOR CRUNCH CONTINUES

*Although 80% of construction firms told the AGC that they planned to expand their payrolls in 2015, those trying to hire workers were blunt about the challenges:*



Source: "Ready to Hire Again: The 2015 Construction Industry Hiring and Business Outlook," AGC

# 7 STRATEGIES TO FIND, RECRUIT & TRAIN

As the outlook for the construction industry improves, contractors who want smart, reliable and motivated professionals can take steps to stand out.

## 1 NURTURE THE NEXT GENERATION

In its 2015 report, the AGC posits that one potential reason for construction worker shortages is that “many contractors have a poor opinion of the local pipeline for preparing new workers, especially craft workers.” More than half (56%) of its survey respondents believe “training programs for new construction craft workers are below average or poor.” Indeed, over the years U.S. high schools largely have shifted their focus away from teaching vocational skills and toward collegiate prep.

What can you do? Fill that gap. Get to know your job market the way you know your fleet. Jumpstart your own apprentice program. Speak with your local high school, community college and/or technical institute and talk about the curriculum offered. Work to identify—and fill—gaps in courses. Be a presence at job fairs and career days, and open lines of communication with students seeking internships or seasonal work.

Being proactive takes work ... but the rewards are worthwhile.

## 2 INVEST IN TRAINING

In today's labor market, providing developmental opportunities is no longer a “nice-to-have” option. It's a must. The American Society for Training and Development (ASTD) says training is one of the most effective ways to increase employee loyalty, improve retention and attract top people. It also improves your operations and reduces cost. Research shows that a skilled operator in the cab can use 10-12% less fuel every day than an unskilled one.

### ASTD RECOMMENDS 40 HOURS OF TRAINING PER YEAR PER EMPLOYEE.

Training can include:

- Lunchtime coaching sessions
- On-the-job mentoring
- Classroom instruction
- Hands-on activities
- Online courses and offsite seminars
- Simulator-based training, such as that offered through [Caterpillar Equipment Training Solutions](#)

## 3 INVITE BACK RETIRED WORKERS

According to ConstructionLabor.com, the average age of skilled workers in the United States is a ripe 55 years old. Plagued with unfilled openings? Invite your best retired operators to come back, even if on a part-time basis. Get their advice on what they valued most in the job and ask them what improvements can be made to recruit new employees. Request referrals for younger talent and consider an incentive program for qualified referrals.

# 4

## RUN A NEWER FLEET

If you're having a hard time attracting and keeping equipment operators, give some thought to the environment in which you're asking them to work. Maybe it's time to upgrade some of the units in your fleet.

Which would you prefer: Spending a shift in a new, fuel-efficient, ergonomic machine ... or gutting it out in something built during the Reagan era? It's more appealing to operate a clean, quiet and comfortable machine. And when it comes to efficiency and safety, newer features make a big difference.



### NEW MACHINE FEATURES THAT OPERATORS VALUE:

- Easy-access cab
- Comfortable seat
- Automatic climate control
- Headroom and legroom
- Joystick controls
- Simple, readable displays and gauges
- Panoramic views
- Low sound levels
- Vibration dampening
- iPod-ready, Bluetooth-enabled

# 5

## LURE THEM WITH TECHNOLOGY

Those reaching adulthood around the year 2000 will make up the majority of the construction workforce by 2018, according to the U.S. Census. Millennials' greatest asset to employers may be their comfort with technology. That's a huge reason why Caterpillar constantly improves technologies, like automated control and guidance systems, to entice the next generation of operators.

Innovation can bring Millennials through the door. Consider equipping workers with a company tablet and/or laptop; these are "tools" for the modern jobsite. Once they're on your team, they can help your whole organization get more tech-savvy. Show them your production data. Share facts about fuel consumption and idle time. Giving them the chance to lead a technology transformation will make them feel valued, which can in turn improve retention.

Millennials' faculty for diagnostic interpretation can help your company know your fleet inside and out, so you can reduce risk, improve operations and cut costs through smart equipment management. Technologies built into today's Cat machines reveal timely information about where they're located, how much fuel they're using, whether



they're being operated correctly and more. With the VisionLink® interface to view equipment data and the [Cat Inspect App](#) to rate asset condition, you can run a more streamlined operation. These are key tools within your local dealer's **EMSolutions** offering.

# 6

## OFFER COMPETITIVE PAY & COMPENSATION

When the economy collapsed in 2008, construction wages dropped. This caused skilled workers either to retire or to leave the industry for higher-paying jobs. But pay is now moving back toward historical levels. Construction Recruiters Network says average wages for all

construction workers were up about 3% in 2013 and another 3% in 2014.

**51%** OF FIRMS ARE  
**INCREASING**  
**BASE PAY**  
**RATES.**



Source: "Ready to Hire Again: The 2015 Construction Industry Hiring and Business Outlook," AGC

AGC's most recent report shows 51% of firms increasing base pay rates to retain construction professionals and 46% doing the same to retain skilled craft workers. Moreover, says AGC, companies are improving their benefits packages to retain construction professionals and craft workers: Most firms plan to spend more for health care for their employees in 2015, while only 1% plan to discontinue health coverage.

Along with ensuring that you're keeping pace with competitive pay, also consider paying retention bonuses.

# 7

## BUILD A COLLABORATIVE CULTURE

Next to fair compensation, the biggest carrot for many employees is culture. People want to work where they feel safe, respected and appreciated. They value capable leadership, access to information, avenues for personal growth and opportunities to influence decisions that affect their work lives. Fostering this kind of culture will put you in a stronger position to compete for scarce labor of any experience level.

"It's really about creating a collaborative culture, one where people's ideas are valued," Payne emphasizes. "They might be right or wrong, but they'll listen and consider. I've heard operators at jobsites say, 'If we do it this way, we can save time and money.'"

Operators and technicians can show that their ideas and suggestions will have measurable value to the business by using machine data from **EMSolutions** technologies. These can be well-paying jobs that require not just technical expertise, but also critical thinking and technology literacy.

---

*"It's really about creating a collaborative culture, one where people's ideas are valued. ... I've heard operators at jobsites say, 'If we do it this way, we can save time and money.'"*

— **Jeff Payne**  
Implementation Manager  
for Cat® **EMSolutions**

---



# HOW CAN EQUIPMENT MANAGEMENT HELP?

You have business challenges. That's why we have **EMSolutions**. In a labor environment where upward cost pressure makes it challenging to manage margins, now's the time to scrutinize your total operation—recruiting people, reducing risk and streamlining where you can.

## HOW DO I REDUCE THE COSTS OF RUNNING MY EQUIPMENT?

Machine data shows you exactly where your money goes—for fuel, maintenance, repairs, etc.—so you can see where it's being used effectively and where you can potentially save.

## HOW CAN I GET MORE DONE EACH DAY?

By tracking when, where and how often your equipment is used, you can identify situations that call for more—or fewer—machines to complete a job.

## HOW DO I HELP PEOPLE DO THEIR JOBS BETTER?

Your people often don't have the time or training to pay proper attention to your equipment. Cat technologies help them work more efficiently while spending less time thinking about the condition of the machines they run.

## HOW DO I WORK AROUND EVERYDAY UNCERTAINTIES?

From weather to labor issues, things beyond your control can affect your equipment and your jobs. Smart equipment management helps you reduce the impact of these day-to-day uncertainties on your work schedules.


**KNOW YOUR FLEET. TAKE THE QUIZ. ►**

Your Cat dealer is ready to consult with you on strategies for recruiting and training operators and managing your fleet. To get a leg up, take the quiz at [KnowYourFleet.com](http://KnowYourFleet.com). You'll discover your strengths, gaps and ways to improve.


## WHAT'S YOUR BIGGEST COMPETITIVE ADVANTAGE?

*When Caterpillar asked a group of heavy construction professionals to identify their biggest source of competitive advantage, the most popular answer was having skilled operators.*

**31.5%** Skilled Operators




**18.2%** Technology



**18.2%** Dealer Experts




**12.9%** Flexible Financing



**9.6%** Machine Data



**9.6%** Rent/Lease Options



**BUILT FOR IT.**

© 2015 Caterpillar All Rights Reserved.  
CAT, CATERPILLAR, BUILT FOR IT, their respective logos, "Caterpillar Yellow," the "Power Edge" trade dress and Product Link, as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.  
VisionLink and the "VisionLink Powered by Trimble" logo are trademarks of Trimble Navigation Limited, registered in the United States and other countries.

