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# ERP's Role in Human Resources

A competitive market and a fluctuating economy are putting immense pressure on contractors to recruit and retain high-quality employees to drive efficiency, improve profitability, and push their companies to new heights. However, changes in the industry over the past decade have resulted in a number of concerning trends, including an aging workforce, significant labor shortage, a limited number of technology-savvy workers, and the lack of skilled trade labor on a broad scale.

As the paradigm of the construction industry continues to shift, it is critical for contractors to approach human capital and asset management – recruiting, hiring, onboarding, employing, training, managing, retaining, and supporting – with a streamlined, efficient plan.

The plan for success begins with the foundation of a well-respected company image, and then builds through employees who deliver world-class solutions. This, in turn, branches out into satisfied customers, and finally comes back full circle to the corporate brand, fostering future growth and success.

One way to achieve this desired outcome is to integrate the appropriate technology and efficiently manage the talent pool from end to end. Enterprise resource planning (ERP) tools can help contractors gain an advantage in the race to attract and maintain the best workers to support their business goals.

ERP systems can help establish a corporate HR strategy that aligns with a contractor's immediate and long-term financial and operational objectives, starting with its ability to manage human capital and resources.

## The New Rules of Recruiting & Hiring

It used to be that contractors could simply post a job opening in the newspaper or on the Internet and quickly collect résumés. Qualified candidates were everywhere and recruiting was unnecessary. Now, however, any company without a solid strategy in place to attract top talent is setting itself up for failure.

It's not surprising that the company with the most well-respected and well-recognized brand is usually a prospective candidate's top choice. A contractor must work in earnest to become the company that candidates want to work for when they graduate college, complete a trade school degree, or consider when looking for a new opportunity.

Growing awareness around a company's brand is a key step toward improving talent acquisition. HR teams and executives are increasingly asked to analyze real trends for smarter decision-making that will have a meaningful and quantifiable impact. Such data can help determine how to best manage crews and employees or who to rehire. It can also provide invaluable information based on skills, performance appraisals, performance per location, type of work, work conditions, safety levels, tenure at company, job position, and more.

HR and business intelligence ERP applications can help companies define key performance indicators and leverage data for such purposes. Armed with such information, not only can you improve employee satisfaction and company performance, but you can also turn your organization into an employer of choice by bringing awareness to your accomplishments and good standings.

One recruitment strategy that can help companies find the right candidates is by leveraging ERP tools that work with talent management software. These solutions assist with today's employment communication tools (e.g., job boards, blogs, social media, corporate websites, community outreach programs, referral pools, etc.).

By managing the entire recruitment workflow through standardized processes and a centralized database, companies can maximize their hiring efforts. Employee searches, communications, screenings, and interviews are streamlined.

In addition, by running the interview process and all employee records through an ERP system, the related data and documentation are available for future references, additional hiring needs, compliance requirements, and audit purposes.

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### **Onboarding New Hires & Beyond**

ERP software can transform a traditionally tedious first day – dealing with stacks of corporate and government paperwork, as well as meetings and a pile of handbooks and forms – into a quick trip to the HR portal to verify information already captured during the recruiting process. With automation and access to data, employees are focused on critical training and revenue-generating activities as soon as possible instead of having to repeat the same manual steps.

ERP HR applications can help contractors manage the employee life cycle, from recruitment to retirement. Employers can track and keep personal information current, monitor and document safety training information, automatically log skill certificates, conduct performance appraisals and reviews, and more.

With an integrated ERP system that includes mobile applications, advanced reporting, and HR and payroll modules, contractors can measure and act upon performance and productivity. In fact, contractors can rely on ERP tools for more precise management of all of their HR processes and documents. And, this can be helpful for companies without a dedicated HR department.

### **Employee & Compliance Management**

With changes in the marketplace, the construction labor force continues to diversify. A workforce can comprise union or nonunion workers, and is often made up of both full-time employees as well as contracted labor. The number of employees per company is in constant flux, depending on the current jobs and forecasted backlog.

With this workforce diversity also comes certifications, compliance concerns, and specialized skills that need to be administered or adhered to in order to bid and deliver on projects. And, the ever-changing laws and regulations require more administration and reporting from every company. Without technology to automate documentation, tracking, and reporting, these aspects of human capital management can be difficult to accomplish.

ERP HR applications maintain an extensive database of information for current and past employees, contract workers, and applicants. They can support contractors' daily HR needs, including personnel data, skills inventory, safety, benefits, and workforce management. Integration with the company's payroll application also allows the effective management of compensation and benefits (e.g., accruing vacation and sick time as well as adjusting for time used).

With self-service applications, employees can view and manage their HR information on demand in a highly secure environment with appropriate notifications to HR, management, and payroll personnel for immediate approval and processing. This automation represents a significant time savings not only for HR and payroll personnel, but also for employees who would typically wait for paper statements.

In addition, contractors with remote workforces can utilize self-service applications as a critical point of contact and time-saving resource for both the employee and management team.

### **Efficiency & Security**

Hardcopy documents, phone calls, e-mails, and file cabinets are quickly becoming outdated. But for security reasons, many contractors still opt to keep their critical business operations and data in-house. As a result, their HR management component tends to be part of a financial management solution. However, financial applications aren't always as efficient in managing critical worker data.

Contractors can gain considerable efficiencies by choosing an integrated software solution that is part of an ERP system (or is at least integrated with the financial management applications) to help manage this repetitive process.

When processed through an ERP system, employee data can be maintained securely, which maximizes productivity and minimizes manual inefficiencies. Employers can establish policies and procedures that even protect data on the mobile devices of remote employees working in the field.



With security concerns addressed, contractors can focus on their top priorities – worker efficiency, customer satisfaction, and profitability. Knowing how well employees are performing is not just about productivity but also job quality. In-depth reporting and comprehensive dashboards can clearly inform office and jobsite management on overall employee performance, allowing them to make crucial decisions that can significantly improve the outcome of a project.

For current jobs as well as future plans, real-time and widespread access to employee data drives instant evaluation, allowing contractors to make necessary adjustments to achieve large or small goals. An ERP system enables segmentation and organization based on each worker's skill set, past performance reviews, current training and safety certificates, experience, knowledge, and more. Reports can also be conducted and compiled for compliance purposes, union needs, health care regulations, federal laws, and OSHA requirements.

## **Conclusion**

The desire to be able to do more with less has never been greater, especially in today's construction market. The competition is fierce, the resources are scarce, and the customer's needs continue to grow.

Contractors need the tools and technology to keep existing employees and efficiently recruit the top remaining industry talent. By automating the talent management process, employers can achieve an effective, streamlined system. Technology can serve as the backbone for a contractor's complete communication, collaboration, and management processes.

Technology can bring productivity and profitability on the shoulders of highly satisfied and motivated employees, working not only on construction projects but also the corporate brand. ■

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