

White Paper
Onboarding Construction Workers: Advantages in Retention and Safety

Executive Summary

How did you feel on the first day of your current job? Nervous, uncomfortable, unsure of the formal and informal norms. Despite the tough façade, construction workers have the same issues. Progressive firms provide a structured socialization process to help the 'outsiders' become 'insiders'. This organizational socialization, called 'onboarding', is proven and well-documented in the human resources literature to relieve anxiety, increase productivity, and increase retention (Bauer, 2010) (The Workforce Institute at Kronos, 2010). Increased retention produces a more experienced workforce that correlates with a safer workforce (Hinze, 1978) (Levitt & Samelson, 1993).

Sometimes reserved for salaried workers, onboarding can also benefit the hourly workforce and be implemented by even the smallest companies. Onboarding is more than basic job familiarization and receiving briefing on company policies on the first day. Best practices for a structured process revolve around the 'connection' process starting on day one and continuing for weeks or months. Once employees feel connected, they are more likely to understand their role, the firm's expectations, and the core organizational values. Best practices for onboarding involve an integrated approach including peers, supervisors, and management. Well-trained foremen with people skills are crucial to the process.

As construction continues to recover from the Great Recession, firms are reporting worker shortages that are expected to continue for the foreseeable future (Wilkins, 2014). This forecast makes improved retention through onboarding a smart business decision. The safety benefits accrued through onboarding make it an even smarter decision.

Introduction

Construction workers often exhibit a tough and 'hard-nosed' demeanor. Yet they too face nervousness and anxiety when beginning a new job. Forward-thinking construction firms provide an 'onboarding' process for new hires. In addition to helping alleviate anxiety, this can boost productivity, improve safety, and increase retention.

Onboarding is a formal or informal process by which new employees become a part of the organization. They assimilate, learn their role, establish a personal network, and learn about the organizational culture. The process, formally known as organizational socialization, has been described as 'outsiders' becoming 'insiders'. In 2013, approximately two-thirds of all organizations had some aspects of a formal onboarding program (Bauer, 2013). No current information is available on the prevalence of onboarding in construction but responses to a 2001 construction-based employer survey ranged from no program at all, to a passive approach, to engaging and well-structured approaches (Goldenhar, Moran, & Colligan, 2001). Sixty-two percent of open-shop contractors reported some type of orientation.

Onboarding is more than basic job familiarization and receiving briefing on company policies. The process is often viewed as a few hours or days of orientation but actually occurs, often informally, over a period of weeks or months. Though more emphasized with salaried workers, onboarding produces benefits for hourly workers also. Evidence shows that structured engaging approaches can provide improved retention and safer job sites in construction. To understand how and why, we examine the process as outlined in the literature.

Relevant Research

Extensive literature exists for organizational socialization as it applies to the workplace in general. One author characterizes the essence of onboarding as the four C's (Bauer, 2010).

- Compliance – employees typically learn the basic legal regulations and policy rules
- Clarity – employee learns specific details about his/her role and responsibilities
- Connection – employee forms personal relationships and communication networks within the organization
- Culture - employee learns the formal and informal norms of the organization

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Among those with programs, nearly all incorporate compliance and some degree of role clarity but fewer emphasize connection and culture. Connection is considered the most vital (Bauer, 2013) because it provides traction to achieve the other three.

There is also literature that implicitly supports the concept that onboarding can improve construction safety. The construction literature repeatedly mentions the role of a well-trained, conscientious foreman and the value of new worker orientation in improving safety. Consider that foremen are instrumental in all four C's since they provide information on compliance, clarify roles, provide connection, and communicate culture. Similarly, a thorough worker orientation (including a site orientation) provides role clarity and supplements compliance expectations. Here are specific examples from the literature regarding foremen and site orientation. A safety report (NIOSH and ASSE, 2015) points to the disproportionate vulnerability of young¹ workers to suffer injury. A similar theme exists from construction management authors (Levitt & Samelson, 1993) who strongly promote the value of a jobsite orientation for all new workers and emphasize the role of the foreman in affecting safety outcomes. The foreman's importance was also noted by a respected construction safety academic nearly four decades ago (Hinze, 1978). Though from older literature, these site orientation recommendations and the foreman's importance are not outdated concepts. A 2013 survey validates the industry's opinion of both (McGraw Hill Construction, 2013).

Aside from the potential of onboarding to positively impact safety, a wealth of literature speaks of retention advantages across industries. One expert reports, "Half of all hourly workers leave new jobs in the first four months..." (Bauer, 2010). Larger companies like IBM, Kellogg's, Microsoft, and Bank of America are heavily invested in the process because their evaluation concludes it makes business sense. It seems to make sense for construction too. A recent article (Wilkins, 2014) focuses on retention in construction and reports that construction labor demand for skilled workers already outpaces supply. Thus onboarding is essential to retain a qualified workforce.

Retention Rate Advantages

Turnover of the workforce in the construction industry has traditionally exceeded that of other industries. The AGC of America reports that many firms continue to have difficulty finding and retaining skilled workers as the U.S. construction industry recovers from the Great Recession (Wilkins, 2014). Over the past ten years, U.S. construction firms had 70 percent annual turnover versus about 30 percent for

¹ It follows that young workers are often new and inexperienced.

healthcare (Bureau of Labor Statistics, 2015). In construction, many anecdotes exist about new workers quitting at lunch on their first day. Such high and rapid turnover wastes time and money as well as damages the industry's reputation. No hard data exists specifically for construction but, in general, firms that focus on onboarding had 91 percent retention in the first year versus 31 percent for those who did not (Bauer, 2013).

Not only does retention lower recruiting and training costs but it also boosts productivity. All other things being equal, experienced employees will get the job done better and faster. As another bonus, onboarding can make a new employee productive more quickly. While hourly employees report feeling productive in less than a month, their supervisors do not agree. Supervisors estimate three months for full effectiveness and believe employees who feel welcomed and accepted are going to be more engaged, ask more questions, and able to contribute to organizational goals faster (Bauer, 2010).

Safety Outcome Advantages

Deductive reasoning suggests that a desirable consequence of improved retention is improved safety. Numerous studies leave little doubt that young and inexperienced construction workers suffer more injuries than their experienced cohorts (NIOSH and ASSE, 2015). Even experienced new hires are vulnerable because each and every job site presents its own unique hazards (Levitt & Samelson, 1993). Since site hazard recognition requires time and acclimation, new employees face more risk regardless of previous experience. It follows that new workers without previous experience pose the greatest risks of all. In conclusion, safety improves when firms increase retention rates and pay special attention to new workers. Special attention is the core of onboarding. It consists of site orientation, training, coaching and takes other forms as well.²

The initial period of employment is not only physically dangerous but critical for forming attitudes about safety. Early assimilation into the organization may be the most significant influence in shaping safety attitudes especially among those not having previously strong safety socialization experiences (Mullen, 2004). Early assimilation experiences include work conversations, observations of peer behavior, and recognition of incentives/disincentives for safe/unsafe behavior. All these contribute to the employee's understanding the norms and culture of the organization. It is easy to see that the site foreman's role in

² An interesting example resulted from one contractor's idea to have new employees wear red hard hats for the first three months so everyone can watch out for the new guy.

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early assimilation is crucial and that there should be an emphasis on well-trained foremen interacting closely with new hires.

Practical Construction Onboarding for Small Firms

Earlier we established that onboarding can be summarized in the four C's. How can the typical small contractor address these in a manageable implementation process? Compliance and clarity are the typically the easier ones and achieved first. The latter two, connection and culture, tend to happen more slowly. Here are basic suggestions for each.

- Compliance – require OSHA 10 hour construction training. This training is readily available for less than \$100 and requires a minimal time commitment. Completing this safety training will enable the employee to learn the basic safety regulations and be better able to recognize hazards.
- Clarity – provide an employee handbook. Companies of every size should have an employee handbook spelling out safety expectations, employee responsibilities, detailed job descriptions, and the consequences of non-compliance.
- Connection – assign each new employee a coach. Coaches should be competent and trusted employees with people skills. In the smaller firms, the foreman will necessarily assume this role. New employees should have an available 'go to' person for work-related questions and concerns.
- Culture - practice what you preach. New employees will learn quickly whether or not the admonition to 'work safely' is merely lip service to be ignored in favor of productivity or a sincere core value of the company. Written policies have no meaning without commitment from all levels especially top management. *The true organizational norms are established over time through the actions observed in the work environment.*

Now that we see that the general four C's of onboarding are practical in construction, let's discuss some specific best practices as they relate to the construction industry.

Best Practices

The following are compiled from a survey of the academic literature for organizational socialization. These practices apply generally to most organizations. Smaller companies may require minor adjustments. This is by no means a comprehensive list.

- Effective recruitment – recruiting and onboarding should be linked. It is key that newly hired workers have realistic expectations about working conditions, pay, benefits, and opportunity for advancement.
 - Workers without previous construction experience may not understand the extent of physical toil, exposure to the elements, and other taxing conditions.
 - Research has shown that prospective employees across industries that are given realistic job previews are more likely to reject a job offer but have fifty percent less turnover than a control group not receiving previews (Susko & Breagh, 1986).
- Special first day – as in other aspects of life, first impressions are important.
 - Greet the worker warmly. Provide all necessary equipment and permissions (e.g. PPE, tool access, parking information, keys, etc.) on the first day.
 - Provide a small token that says welcome (e.g. lunch, t-shirt, etc.).
 - Assign a coach – assign a coach on day one. Provide coaches additional compensation to recognize the importance of this role. Smaller firms will rely on the foreman.
- Overcome language barriers – job previews and onboarding materials must be communicated effectively in the worker’s native language. Keep in mind that many immigrant workers may be functionally illiterate in their native language. Clarity cannot possibly be achieved without overcoming barriers in all written or spoken instructions.
- Recognize cultural differences – non-native workers are likely to have different perceptions of authority figures, risk taking, etc. They may lack basic knowledge of cultural norms or mundane issues (e.g. tax withholding from pay). Employers must expend more effort to overcome these obstacles.³
- Leverage technology – technology can, where appropriate, provide consistent and low cost solutions for many functions. For example, online OSHA 10 hour construction training is available in English and Spanish well below the cost of traditional instructor-led training.
- Devise a formal plan –a written onboarding plan insures consistency, outlines the timeline for milestones, and informs the worker of the support available within the organization. Smaller firms will depend on the foreman to communicate this information.

³ Going above the norm, one contractor developed a program to educate Hispanic employees that bringing up safety concerns is acceptable (Thompson & Sidsiqi, 2007).

- Involve all levels – onboarding should be a team process. There are opportunities for management, supervisors, and coworkers. An integrated effort will enhance connection and communicate the culture. The foreman should assume responsibility to appropriately involve peers.
- Provide a jobsite orientation – some experts have cited jobsite orientation as having the greatest value of all safety training for construction workers (Levitt & Samelson, 1993). In a recent construction-based survey, 78 percent reported it had great value (McGraw Hill Construction, 2013). The evidence suggests this orientation should be the most fundamental piece of training and received by all new employees regardless of previous experience.
- Establish a timeline - it is important to follow up at regular short intervals (e.g. 30, 60, and 90 days) to review progress and discuss employee concerns.

Conclusions

Creating ‘insiders’ from ‘outsiders’ involves shaping expectations, attitudes, and beliefs. Whether purposeful or unintentional, it is important to note that shaping will occur. It is most important that this be as positive an experience as possible. An effective structured process provides the opportunity to formally communicate expectations, instill a sense of connection, and inculcate organizational values purposefully and positively.⁴

Currently the construction industry must reshape and recover from losing many workers in the Great Recession. A recent poll indicated 83 percent of contractors were struggling to find craft workers (Wilkins, 2014). Firms will need a competitive advantage to retain workers in this environment. Onboarding can be this advantage but requires dedicated effort. It is necessary to understand that the construction industry presents special challenges because of its unique characteristics such as small firm size, multiple work sites, seasonal work, short project durations, and a diverse workforce. The onboarding practices used in other industries will not necessarily transfer directly.

Despite the challenges, it is certainly possible for contractors to implement a planned and effective process. Smaller companies will face additional impediments but these can be managed. One of

⁴ The shoe retailer Zappos believes so strongly in shaping loyal employees dedicated to its organizational goals that it offers new hires \$3,000 if they leave after their initial training period and only 3 percent choose to leave (Detroit Premier Business Journal, 2012).

the best tools is an effective foreman or crew leader. Numerous researchers and industry professionals testify to the power of the foreman in the socialization process (Levitt & Samelson, 1993) (Hinze, 1978). As the crucial connecting link, the foreman welcomes, coaches, and evaluates the new worker. Small firms will rely heavily on these individuals to ensure compliance, provide clarity, facilitate connection, and impart the cultural values.

All firms desire improved retention and safer worksites. Structured onboarding can provide both. The evidence on retention is direct and unassailable. Though less obvious, safety improvements can result from better retention. They are achieved through attainment of a more experienced committed workforce and the beneficial effects of positive early socialization on safety attitudes and risk avoidance. From one construction study (Hinze, 1978) we learn, “high employee turnover is directly related to the frequency of job injuries.”

Going forward, the Bureau of Labor Statistics (BLS) estimates that construction will require an additional 1.7 million workers by 2020 (Clapp, 2014). This forecast makes improved retention through onboarding a smart business decision. The safety benefits accrued through onboarding make it an even smarter decision. Tomorrow’s blueprint for successful contracting should include onboarding for hourly construction workers.

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