

Future-Proofing HR in Construction

Top Priorities for 2025 and Beyond

The construction industry is experiencing a significant shift in how companies approach HR management. As workforce challenges intensify, more construction companies are turning to HR technology as a strategic solution. HR tech offers an updated, forward-thinking approach to hiring, managing and growing construction workforces while simultaneously streamlining operations and delivering measurable time and cost savings.

Arcoro's recent research report, [2025 State of HR Technology in Construction](#), surveyed 300 professionals working in small to mid-sized US-based construction companies across various sectors, including commercial construction, general contractors and specialty trades such as electrical, plumbing, HVAC, paving and solar, revealed that nearly 60% consider improving HR technology a priority for 2025.

The results highlighted four key areas where HR tech is needed:

- **Automating HR processes**
- **Integrating HR and ERP systems**
- **Enhancing the employee experience**
- **Improving analytics and reporting capabilities**

Transforming HR from Cost Center to Profit Center

Automation has emerged as the top priority for construction companies looking to revolutionize their HR functions. Automating outdated, manual tasks can help construction companies dramatically reduce administrative burdens while improving efficiency throughout their organizations. This transformation effectively converts HR departments from traditional cost centers into value-generating profit centers.

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The financial impact of HR automation is compelling. According [PWC](#), 44% of HR leaders report that cloud-based HR technology increases efficiency, while 35% indicate it directly reduces costs.

Key areas where automation can deliver measurable value include:

- Reduced recruiting fees through streamlined talent acquisition
- Decreased time spent on administrative tasks
- Minimized paperwork and storage costs
- Reduced costly payroll errors and compliance-related risks and expenses

According to [IBM](#), HR automation software minimizes the time HR professionals need to spend on routine tasks such as data entry, applicant tracking, paid time off (PTO), overtime management and new hire benefit



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enrollment. By eliminating time-consuming and repetitive tasks, HR departments can reduce resources spent on traditionally manual processes such as:

- Time tracking and approval workflows
- Time-off request management
- Tax withholding form processing
- Performance review procedures
- Onboarding and offboarding documentation
- Benefits enrollment and management
- Compliance reporting and documentation

The time reclaimed through automation allows HR departments to redirect resources toward more strategic "macro" activities that drive business growth, like talent development, employee engagement and retention initiatives and organizational development.

Construction companies that successfully implement HR automation gain a competitive advantage through more efficient operations, reduced administrative overhead and the ability to focus HR talent on strategic initiatives rather than paperwork.

Creating a Unified Data Ecosystem

Software integrations allow data to flow seamlessly between systems without manual intervention, creating a unified ecosystem where information entered once automatically transfers to compatible systems.

Effective integration between HR systems and Enterprise Resource Planning (ERP) platforms delivers numerous advantages:

- **Single Source of Truth:** Creates a centralized repository for all data necessary to process payroll, including employee tax information, demographic data, direct deposit details and benefits elections.
- **Error Reduction:** Fewer data entry points dramatically reduce opportunities for mistakes, enhancing accuracy across all systems.
- **Enhanced Compliance:** Improved data accuracy translates to better compliance with data-driven requirements like EEOC reporting, prevailing wage documentation and other regulatory obligations.
- **Increased Security:** Integrated systems provide stronger protection for sensitive employee and company information through unified security protocols.
- **Operational Efficiency:** With minimal setup required, turnkey integration protocols can be established, tested and implemented quickly to deliver immediate efficiency gains.



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When HR and ERP systems successfully integrate, construction companies experience transformative impacts across multiple business functions:

- **Payroll Processing:** Time and attendance data from field operations flows directly to payroll systems, eliminating manual aggregation and ensuring accurate, on-time payment processing.
- **Resource Allocation:** Project managers gain visibility into workforce availability and skills, enabling more effective resource allocation across job sites.
- **Financial Planning:** Finance teams receive accurate labor cost data in real-time, improving project cost tracking and financial forecasting.
- **Compliance Management:** Automated tracking of certifications, training requirements and safety compliance reduces risk while ensuring regulatory requirements are met.

The most effective construction HR software solutions offer multiple integration options with common construction management and ERP systems, allowing companies to maintain existing technology investments while gaining the benefits of integrated HR functionality.

Engagement from Recruitment to Retirement

The employee experience covers every interaction workers have with your company, from recruitment and onboarding through performance reviews, training, succession planning and eventual offboarding. As skilled labor shortages persist and competition for talent is fierce, creating a positive employee experience has become a strategic imperative.

Research shows a positive employee experience drives business results. According to Gallup, companies with highly engaged employees report being 21% more profitable, experiencing 41% reduction in absenteeism and 59% less turnover compared to organizations with lower engagement levels.

HR tech can help ensure positive employee engagement.

- **Recruitment and Hiring:** AI-driven tools keep candidates engaged throughout the hiring process with automated communications, transparent application tracking and streamlined interview scheduling. These technologies reduce time-to-hire while creating positive first impressions with potential employees.
- **Onboarding:** Automated onboarding platforms allow new hires to complete necessary documentation before their first day, accessing forms and training materials from anywhere. Digital onboarding ensures consistent experiences across different locations and departments while reducing administrative burden on HR teams.



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- **Performance Management:** Digital performance management systems provide 360-degree feedback capabilities and goal transparency. Employees benefit from clear expectations, regular feedback and visible progression toward objectives, while managers gain tools to recognize achievements and quickly address performance issues.
- **Learning and Development:** Learning management systems help upskill workers, setting them up for career advancement. Construction-specific training programs, certification tracking and personalized development plans demonstrate organizational commitment to employee growth.
- **Core HR Functionality:** Employee self-service portals give workers the ability to update demographic information, tax details and other personal data without HR intervention. Mobile-accessible platforms allow field employees to handle administrative tasks from job sites rather than requiring visits to the main office.

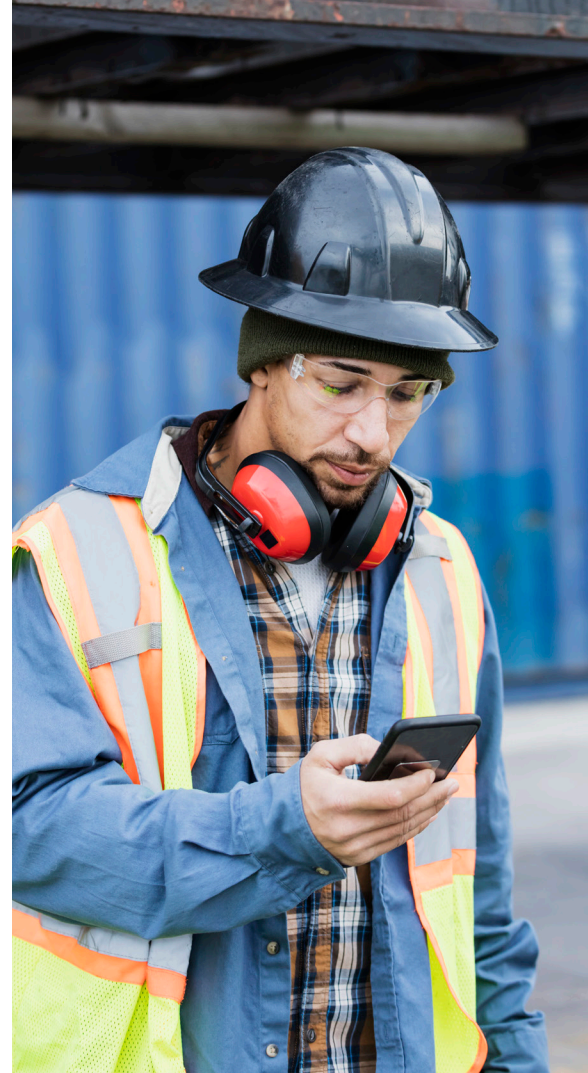
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Transforming Data into Strategic Insights

While basic reporting has long been a feature of HR systems, advanced analytics capabilities are transforming how construction companies leverage workforce data

HR analytics tools deliver value across multiple dimensions of workforce management in construction:

- **Identifying Trends and Patterns:** Analytics can sift through large datasets to uncover trends in hiring, retention, performance and other key metrics. Construction companies can identify which recruiting sources yield the best long-term employees, which supervisors have the highest team retention rates and which training programs most effectively improve safety outcomes.
- **Improving Decision-Making:** Data-driven insights enable more informed decisions about workforce planning, compensation strategies and resource allocation. Rather than relying on intuition, construction leaders can use analytics to determine optimal staffing levels for different project types, identify compensation benchmarks that improve retention and prioritize skill development based on projected needs.
- **Enhancing Efficiency and Productivity:** Analytics highlight areas where processes can be optimized by tracking productivity within time and expense management systems. Companies can identify bottlenecks in hiring processes, quantify the impact of different onboarding approaches on time-to-productivity and measure the effectiveness of various training methodologies.



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- **Predicting Future Trends:** Predictive analytics uses historical data to forecast future events and needs. Construction firms can anticipate seasonal hiring requirements, predict potential retention risks among key employees and model the workforce impacts of business growth or contraction scenarios.
- **Supporting Strategic Planning:** Analytics provides a solid foundation for strategic workforce planning by offering a clear picture of current capabilities and potential future scenarios. This enables construction companies to align talent strategies with business objectives, ensuring they have the right people with the right skills at the right time.

By embracing advanced analytics, construction companies transform workforce data from a record-keeping necessity into a strategic asset driving growth, efficiency and competitive advantage.

Building the Foundation for Future Success

As the construction industry continues to evolve, HR technology has emerged as a critical factor in addressing workforce challenges and creating sustainable competitive advantage. The four priorities outlined in this guide, automating HR processes, integrating HR and ERP systems, enhancing the employee experience and improving analytics capabilities, represent the foundation of a future-ready HR strategy for construction companies.

Implementing these priorities delivers tangible benefits:

- Reduced administrative costs and improved operational efficiency
- Enhanced ability to attract and retain skilled workers
- Better compliance with evolving regulatory requirements
- More effective decision-making based on data-driven insights
- Improved workforce planning aligned with business objectives

Arcoro is leading the way in developing construction-specific HR technology solutions designed to address these priorities. With more ERP integrations than any other construction HR software provider in the marketplace and a comprehensive platform that addresses the full employee lifecycle, these solutions offer construction companies the tools needed to transform HR from an administrative function to a strategic business partner.

As you plan your HR technology strategy for 2025 and beyond, consider how these four priorities align with your specific business challenges and objectives. By taking a thoughtful, strategic approach to HR technology implementation, your construction company can build a solid foundation for future growth and success in an increasingly competitive landscape.

Ready to take the next step?
[Contact Arcoro for a demo or consultation today.](#)



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