

Executive summary | December 6, 2023

Wipfli Construction CFO Exchange

Host: Reed Sellers | Wipfli

SME: Bill Gleason | Wipfli

Facilitator: Austin Evans | Profitable Ideas Exchange



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Introduction

Fourteen chief financial officers (CFOs) from the construction industry met virtually to share leading practices and discuss topics of mutual interest based on an agenda created through a series of pre-interviews. From Wipfli, Reed Sellers, partner at Wipfli, hosted the exchange and Austin Evans of Profitable Ideas Exchange facilitated.

Bill Gleason, a director in Wipfli's construction and real estate practice, joined to provide subject matter expertise. The focus of the discussion covered the following topics over the course of the hour:

- Acquisition and retention strategies
- Leadership assessments
- Communication and personality assessments

Acquisition and retention strategies

The CFOs discussed the labor market, focusing on talent acquisition and retention strategies.

- Some leaders are now acknowledging that the labor shortages that began due to the pandemic will likely be a lasting trend. As a result, companies looking to attract new, younger talent are beginning to implement recruitment programs aimed at educating high schoolers on the types of opportunities the construction industry has to offer.
- For example, companies competing in smaller labor pools have revised their internship programs to focus on early engagement and create career pathways for project management. The rising cost of college has also made trade schools more appealing to younger people.



Acquisition and retention strategies

Recruiting and retaining field technicians has become more challenging recently as union partners and project managers are unable to allocate the necessary time to vet and onboard new talent.

- Several CFOs' organizations have created specialized recruiting roles within their HR departments to focus on youth apprenticeships. A large enough hiring team allows an organization to proactively approach talent acquisition based on specific hiring needs.

Retention strategies are a top priority for CFOs looking to cultivate long-term commitment from their field techs.

- One organization prioritized their retention efforts by reevaluating their company culture and revamping their learning management system to provide comprehensive training for new hires, given that most construction industry newcomers are inexperienced.



Acquisition and retention strategies

Conducting employee satisfaction surveys has proven to be a practical approach to gaining valuable feedback that can help address any issues that may contribute to employee turnover.



- “Best places to work” surveys can pinpoint overlooked concerns like a lack of tools for a specific job site, as well as improve communication between the main office and field teams.
- To get a good response rate, executive and management teams need to campaign for employee feedback.
- To help ensure high response rates in the field, one company has consolidated its employee hub on one platform where they can answer surveys from their phones.
- One CFO shared that their lowest scoring area was the company’s ability to take meaningful action based on the survey results. Despite the senior leadership team’s effort to address low-scoring areas, the visibility of the initiatives is difficult to showcase, so this year, they are taking a different approach and creating monthly action and communication plans.

Leadership assessments

Measuring leadership was another suggestion to help assess performance and provide actionable feedback.

- To evaluate leadership, one CFO has measured workforce attitudes through a tool that conducts quarterly engagement surveys with the expectation that their leaders score above a certain metric. The organization is taking steps to develop a recognition program to align the C-suite with retention and engagement initiatives because of feedback received through the platform.
- Another company conducts top-down, bottom-up, and peer-to-peer evaluations of employees, with the bottom-up evaluations providing honest and open feedback about what managers can work on, while the peer-to-peer management assessment evaluates how senior leadership manages the team.



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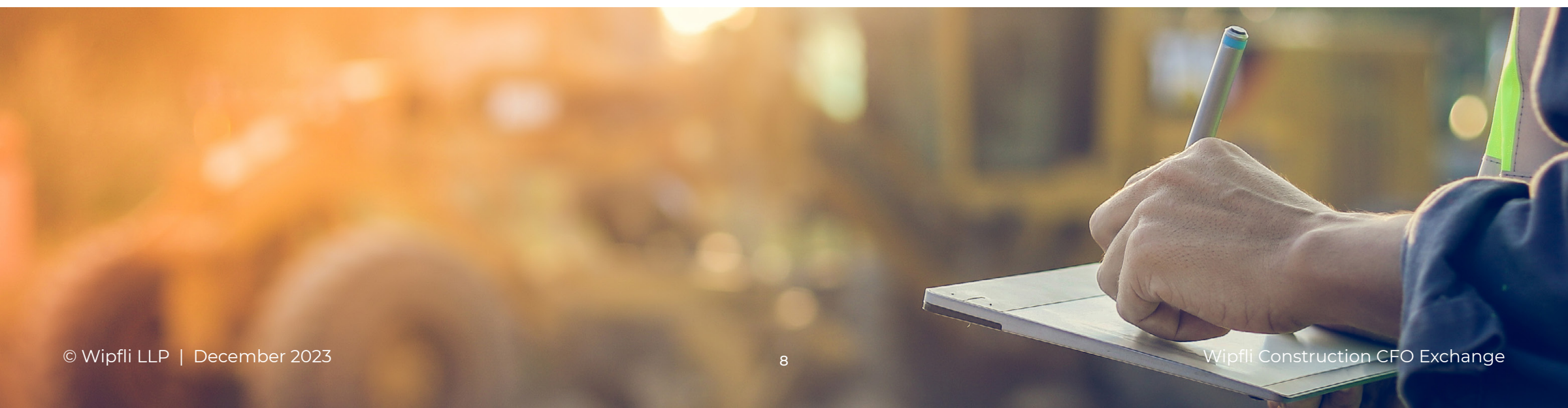
Executive consultants and personality tests can help establish guidelines based on company goals, while corporate coaches can help train and develop the next generation of leaders.

- Online goal-setting platforms are being used to align corporate and department-level goals with the company's growth initiative.
- Based on their experience with various consulting and assessment tools over the years, an executive shared that a simplistic focus on value and productivity were still the best indicators of leadership. They echoed the importance of responding to employee feedback as well — a company that gathers feedback from their employees without any intention of implementing change will likely experience higher turnover.

Communication and personality assessments

Bill Gleason of Wipfli highlighted the importance of communication and the challenge of adapting to the communication preferences of different generations.

- He noted the contrast between traditional methods of older workers and the tech-savvy nature of the younger generation.
- Wipfli developed its Prime service partly due to recognizing the value of communication and hearing struggles from many clients around this issue.



Communication and personality assessments

Understanding different communication preferences and styles is critical for teams to work effectively.

- Tools like DISC Behavioral Styles and Myers-Briggs are good at giving information on an individual basis but lack the component of preferences around interactions. For example, some employees may prefer brief overviews of topics, while others may want more in-depth explanations.
- Gleason noted that the Predictive Index (PI) can help facilitate communication among the different personalities in the workplace by helping provide data for businesses to understand the need for a specific role, team, project or business strategy and make informed decisions.

- PI can be introduced as a tool that provides actionable plans for communication based on the identified personality traits and how these team members prefer to receive information. The tool can also generate recommendations on how to communicate with different team members, helping ensure that the message is received and understood.



Appendix: The value of talent

The following appendix includes additional information on talent trends and how developing thriving teams can add value to your business.

Talent shortage drivers and disruptors

Disruptors

01

Talent shortage

Of the 76M original boomers, only 41M are still available and there are 20% fewer Gen X to fill the void. Birth rates are down 20%.

02

Alternate industries

You are no longer just competing within your industry. You are competing across industries.

03

Values shift

Along with new industries, millennials have different views on the value of how work gets done and the mission of companies.

04

Ineffective leadership

What are you doing to set the tone, develop people and lead from the front? What investment choices are you making?

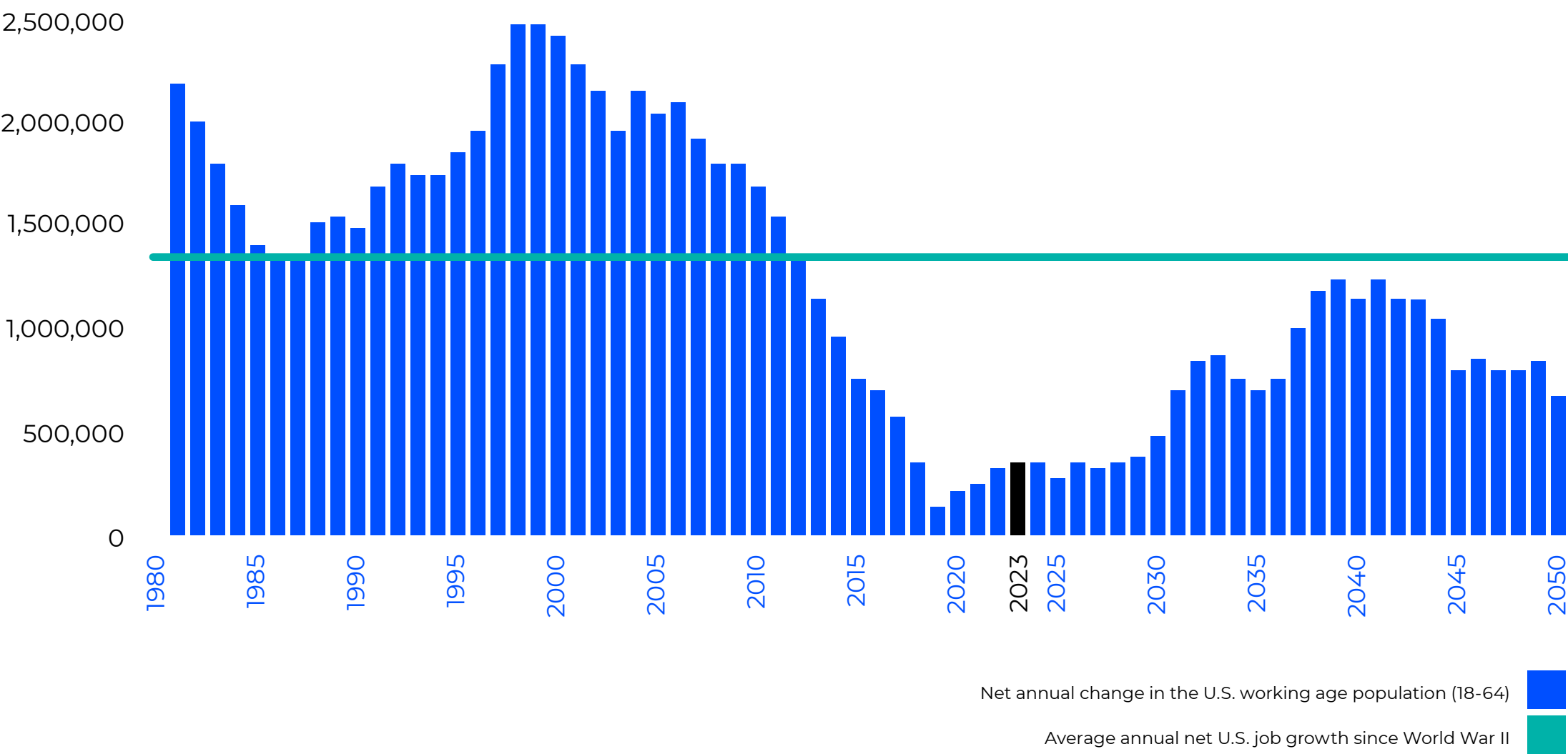
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The unexpected

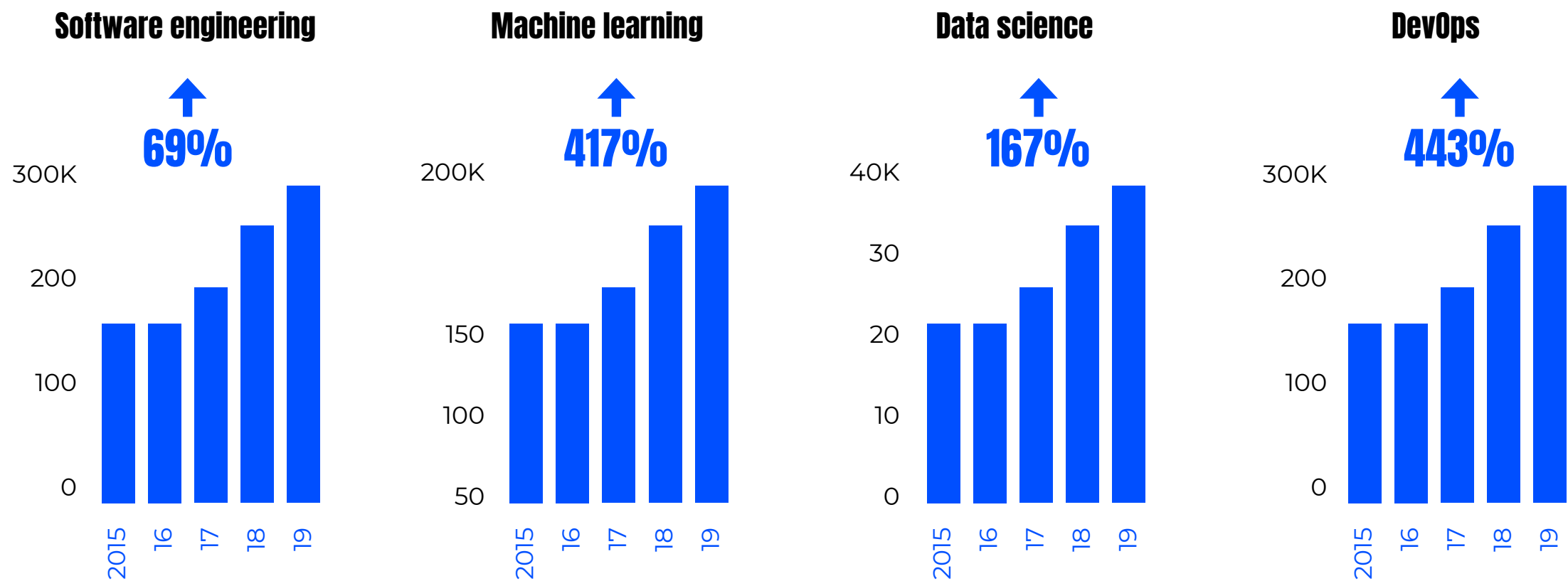
The asymmetrical risks associated with geopolitical events and a global economy.

Talent shortage trends

Supply and demand of US workers



Alternate industries



Millennials

Alternate industries

Occupation (2019 study)

Software developers, applications, systems software

Medical assistants

Health practitioner support technologists and technicians

Bartenders

Financial analysts

Millennial workers

490,000

203,000

201,000

190,000

126,000

Values shift

- Value purpose over paychecks
- Skill development
- Coaches, not bosses
- Regular feedback
- Radical transparency
- Work-life cohesion and flexibility

Impact of ineffective leadership



Common signs of an ineffective leader

- Fails to develop people, resulting in performance stagnation and lack of succession readiness
- May get results, but at the expense of morale and engagement
- Has all of the answers, doesn't listen well (if at all)
- Fails to engage others, does not delegate and does not leverage talent
- Creates a compliance culture versus a commitment culture
- High voluntary attrition
- Generates low trust from team and others

Impact of low team performance

- Inability to deal with conflict or challenge
- Low to no collaboration or communication
- Absenteeism and turnover
- Low customer satisfaction
- Lower productivity
- Lower engagement

The unexpected

COVID-19

- Economy shrank by over 30% in Q2 2020
- Unemployment peaked at 14.8% in April 2020
- By April, 43% of businesses had closed
- Retail, entertainment, hospitality, personal services hardest hit
- 75% of businesses only had enough cash to survive two months

Russia/Ukraine

- U.S. economic growth slowed to 3.1% from a projected 5%
- U.S. contributions of \$76.8B, to date (Feb 2023)
- Estimated cost to rebuild Ukraine \$349B, which is larger than its annual GDP
- Russian oil reliance disruption and pivot for Europe
- Risk of a global conflict that will disrupt the economy

Transformative | Leadership | Linkage

Your people strategy must connect to your business strategy

- You can have the best strategies, products and services, but if your leaders are not ready to lead and fail to develop teams for execution, where does that leave you and your business?

The value of high-performing teams

social.com

42%

The amount of time that employees spend writing and reading emails and communicating and collaborating internally

Health

Teams that work well together incur lower healthcare costs and less absenteeism.

hubbion.com

86%

The number of professionals who believe a lack of effective collaboration results in workplace failures

The value of executive coaching

Manchester, Inc.

6x

Study found that coaching provided an average ROI of almost six times the cost of the investment

Hay Group

40%

Study found that 21 to 40% of Fortune 500 companies use executive coaching as a standard development for elite executives and talented up-and-comers

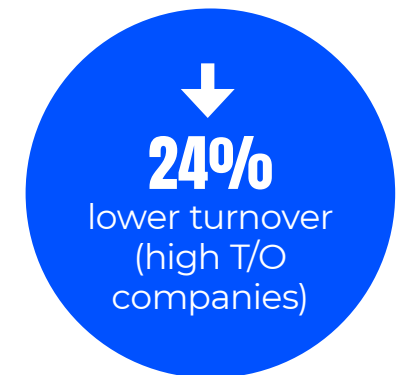
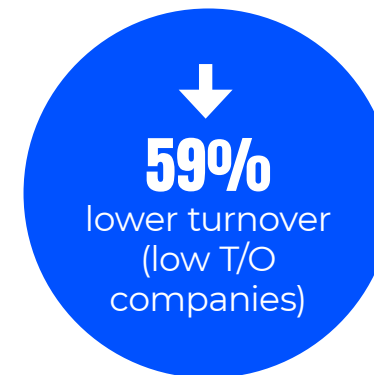
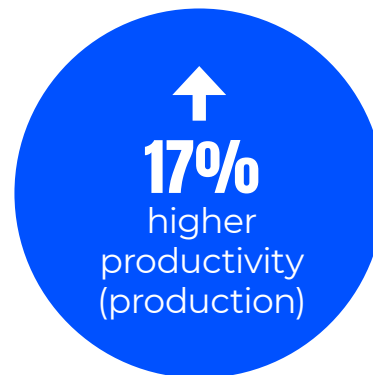
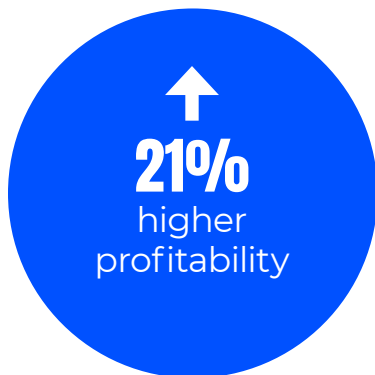
Personnel Management Association

86%

Report showed that when training is combined with coaching, individuals increase productivity by an average of 86%, compared to 22% with training alone

The ROI of leadership development

Software engineering



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