

The image shows two men in a construction setting. The man on the left is wearing a blue hard hat, safety glasses, a white button-down shirt, and dark trousers. The man on the right is wearing a yellow hard hat, safety glasses, a brown and white plaid shirt, and dark jeans. They are both looking at a set of blueprints held by the man in the plaid shirt. The background features concrete pillars, blue pipes, and a bright, hazy sky, suggesting an outdoor construction site.

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HR | Payroll | Benefits | Insurance

2023

Priorities for Skilled Trades Industry Leaders

Trends, Insights, and Ideas for an Evolving Workplace

Contents

Introduction

Hazardous Conditions Ahead
for Skilled Trades 3

Survey Findings: Current State

Top Business Challenges..... 4

Hire, Engage, and Invest 5

HR Is a Full-Time Job 6

Engaged Employees Stay 7

Survey Findings: Future State

Business Outlook..... 9

Running a Skilled Trades Business Is Stressful 10

The Magic Combination

You Don't Have to Go It Alone..... 11



Introduction

Hazardous Conditions Ahead for Skilled Trades

Construction, contracting, electrical, plumbing, and other skilled trades are finding it difficult to operate in 2023. They're dealing with supply chain issues, a challenging labor market, and keeping up with the most current technology.

To stay competitive, skilled trades leaders have been forced to adapt and innovate to control costs, find and keep qualified workers, and simplify HR tasks from recruiting to training, scheduling, and managing benefits.

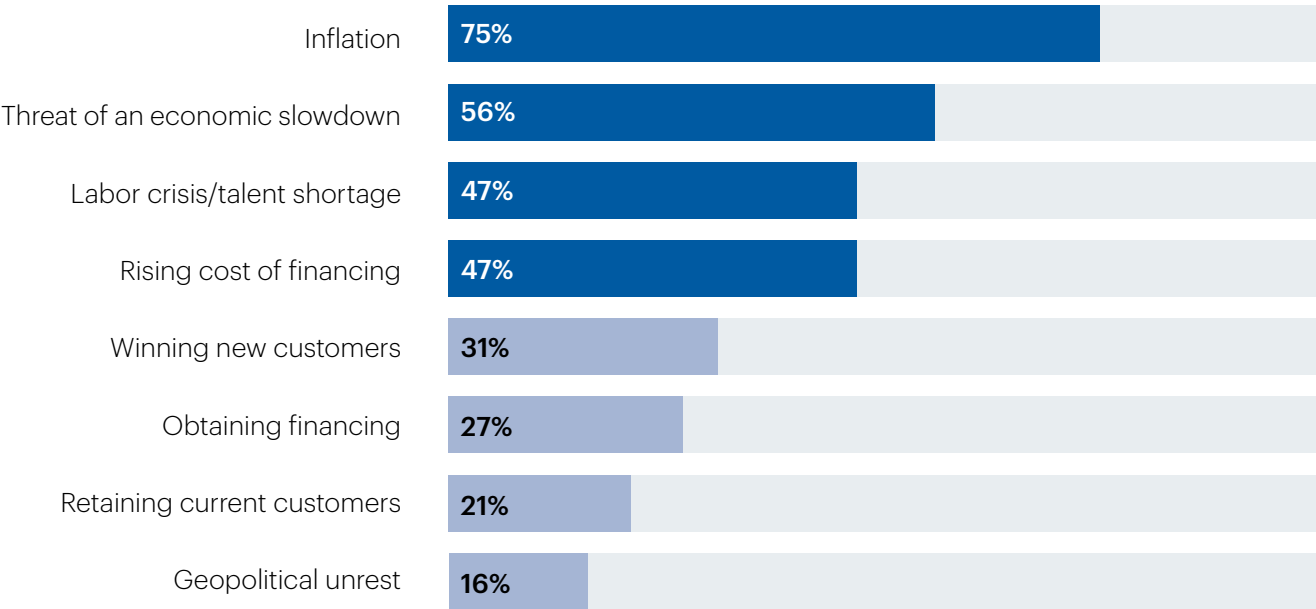
In this report, you'll be able to compare your challenges and strategic priorities with those of businesses like yours based on our study of U.S. skilled trades businesses.¹

Top Business Challenges

Skilled trades business leaders noted inflation, the threat of an economic slowdown, the labor shortage, and financing as top issues in 2023 — with nearly half of respondents considering them to be extremely or very challenging.

- Inflation **(75%)**
- Threat of an economic slowdown **(56%)**
- Labor crisis **(47%)**
- Rising cost of financing **(47%)**

How challenging would you rate each of these business issues? (% extremely or very challenging)



Hire, Engage, and Invest

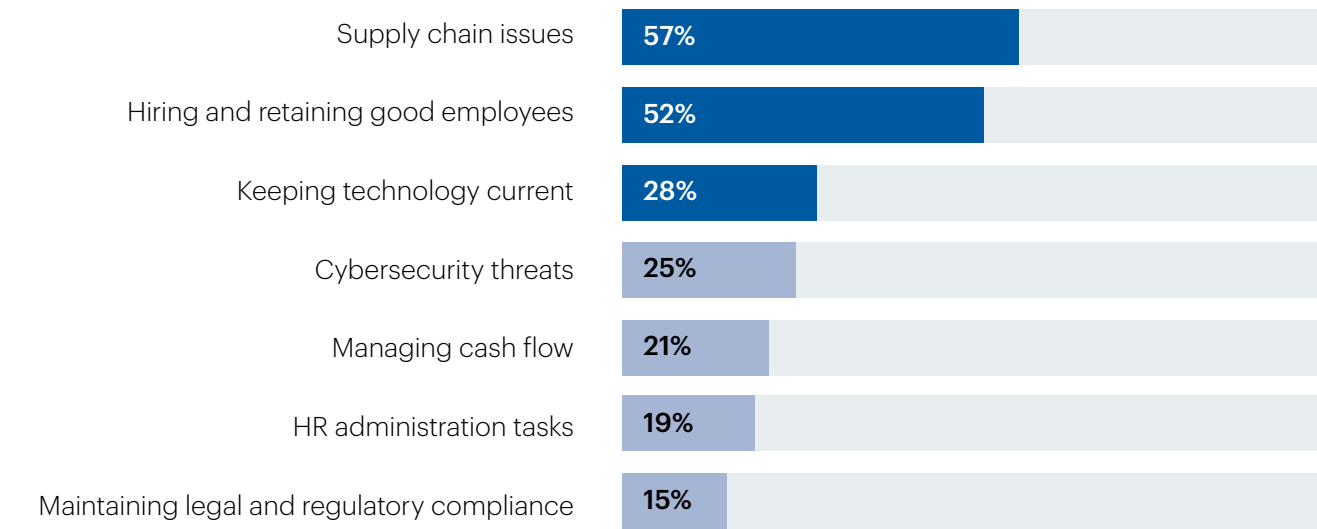
Skilled trades leaders ranked the following as the top three operational challenges:

- Supply chain issues (57%)
- Hiring and retaining employees (52%)
- Keeping technology current (28%)



How challenging would you rate each of these operational issues?

(% extremely or very challenging)





HR Is a Full-Time Job

What do you find the most challenging about managing people? (% extremely or very challenging)



Engaged Employees Stay

Many businesses are experiencing issues finding and keeping skilled workers, but they each have their own ways of addressing the situation. Skilled trades leaders are more likely to increase pay to reward their employees for teamwork in order to keep them.

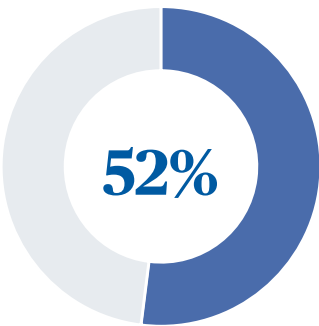
The Essential Guide to Finding and Keeping Your Dream Team



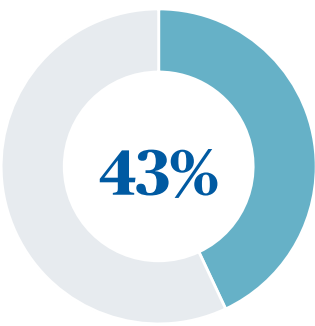
Download this free guide and learn 7 ways to set your company apart.

Top HR tactics skilled trades leaders use to:

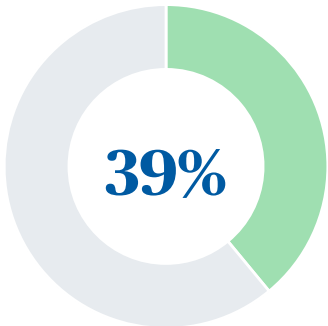
Keep employees



Increasing pay

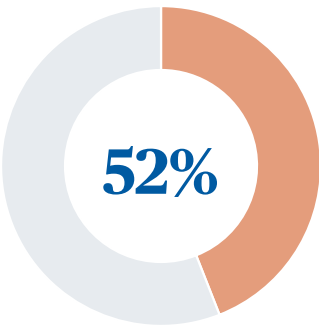


Rewarding or recognizing employees for teamwork

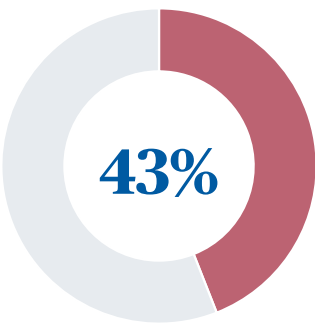


Improving the benefits we offer

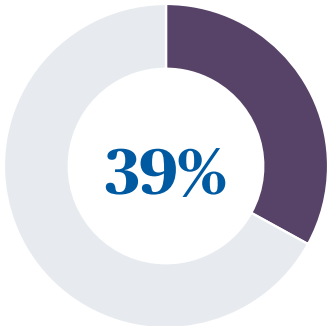
Improve employee engagement



Regularly communicating goals and progress to all employees



Offering training to help employees discover new skills



Providing our employees with the most current technology

How long do you spend on HR tasks each week?

Click to discover how your time spent on HR compares with the skilled trades leaders in our study.

5 hours or less

6–10 hours

11–15 hours

16–20 hours

More than
20 hours



Time Lost Is Money Lost

\$134,888

per year (**\$2,594 per week**) is the estimated cost to pay employees to work on HR tasks vs. working on other tasks.

Business Outlook

Looking ahead to the next 12 months, skilled trades leaders indicated the following HR tasks would become more difficult to manage, with recruiting and its associated challenges standing out as the top issues.

Do you believe the following HR administration issues will be more or less challenging for your business in the next 12 months?

| | |
|------------|--|
| 48% | Attracting dedicated, capable staff |
| 47% | Offering competitive compensation and benefits |
| 43% | Minimizing employee turnover |
| 28% | Managing the hiring process and tracking applicants |
| 25% | Creating operational efficiencies with overall HR administration |
| 24% | Developing employees and future leaders for succession |
| 21% | Maintaining ongoing regulatory compliance |
| 20% | Measuring and managing employee performance |
| 20% | Building a positive brand and culture |

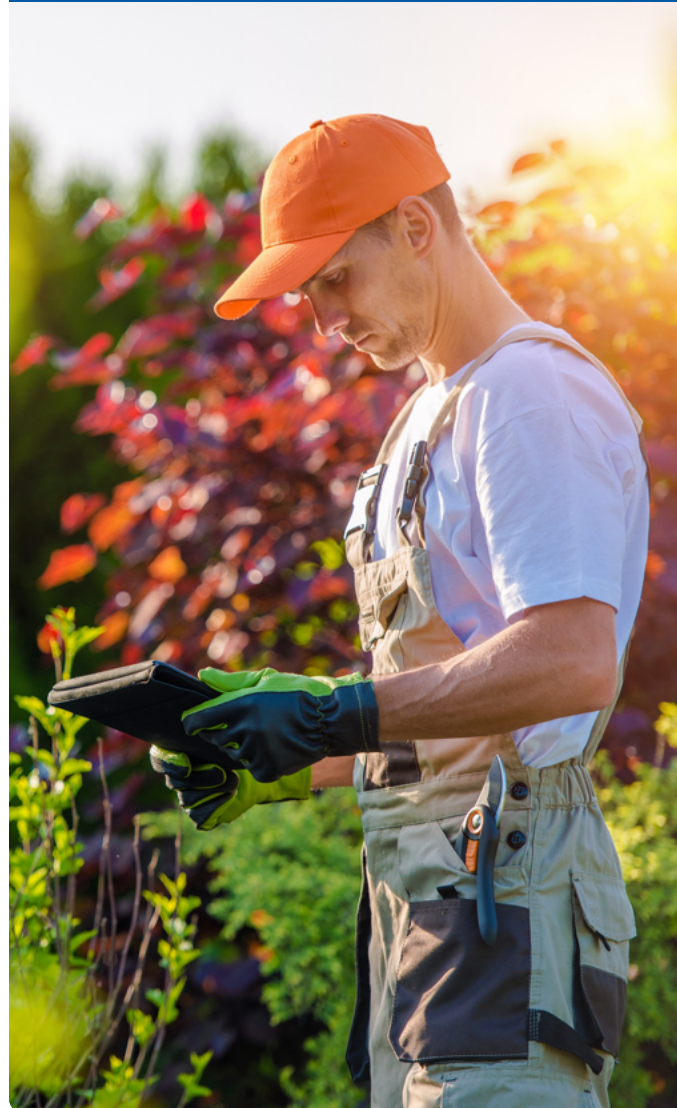
“Business is slow; you can’t guarantee a new worker the same number of hours as a current employee.”

“The labor market has been very tight, and it is hard to find qualified candidates. I expect this to continue to be an issue as we look for my employees.”

“There is a lot of competition in the industry, and we are all trying to outdo each other.”

Planning Ahead

56% of skilled trades leaders said they were extremely, very, or somewhat likely to outsource HR tasks in the next 12 months.



Running a Skilled Trades Business Is Stressful



Our latest study found that **80%** of skilled trades leaders are **somewhat, very, or extremely stressed at work**, resulting in:

- Worse sleep (**56%**)
- Less time with family (**53%**)
- Decreased work/life balance (**35%**)
- Diminished mental health (**31%**)

Although it's difficult, **87%** of leaders would advise their younger selves to run or work in a small or mid-sized skilled trades business.

"I'd do it again if I could"

Reflecting on their enthusiasm for running a skilled trades business and advocating for others to try it, leaders were thoughtful with their advice for those who may want to venture down this career path. Some of the verbatim responses included:

"Do it, it's worth it in the long run."

"I'd say go for it, it's a lot better than dealing with big corporations for sure."

"Keep your eye on the prize and remember what the outcome could bring."

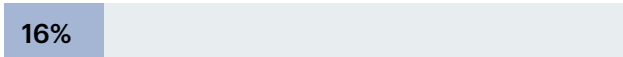
You Don't Have to Do It Alone

Paychex HR is here to help reduce the time and resources you spend managing HR administration tasks. Our full range of integrated HR solutions, including employee benefits, payroll administration, compliance assistance, and HR advice, can help you to address the challenges of today's business and operating environment. Remember, you don't have to go it alone like many of the leaders in our study.

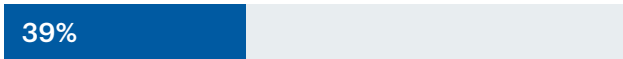
Paychex HR PEO

A growing number of businesses have begun outsourcing HR to a professional employer organization like Paychex HR PEO to make it easier to address their specific HR challenges. However, it's still a relative secret within the skilled trades industry.

16% of skilled trades businesses are currently using a PEO



39% are using a PEO or plan to within the next 12 months



Which of the following items do you currently outsource?

Click the tasks you outsource to compare with skilled trades leaders in our study, or view all.

- Payroll administration
- Benefits
- Risk management and managing workers' compensation
- 401(k)

- HR management
- Maintaining regulatory compliance
- Recruiting and onboarding

As many as **71%** said they had not used a professional employer organization (PEO) or didn't know if they had.

What Is a Professional Employer Organization?

A PEO provides HR outsourcing services to support your business throughout the entire employee life cycle. We can help ease the burden of complex HR administration responsibilities so that you can remain focused on your core business while helping you reduce administrative costs, improve productivity, and increase profitability.

Is a PEO Right for Your Business?

Four Ways Paychex HR Can Help Your Business

1. Proactive HR advice helps you focus on your business

Lean on our HR professionals to provide advice and help free up time and resources, saving you time and money.

2. Tools and resources to address inflation and workforce challenges

A Paychex HR professional can recommend ways to streamline and gain workforce efficiencies, and they may also offer guidance on the right mix of benefits to attract and keep employees.

3. Compliance support to help you stay on top of laws and regulations

Paychex can help you keep up with changing laws and regulations with regular updates, alerts, ongoing HR advice, and education. Our team of experienced compliance specialists monitor changing federal, state, and local employment laws and regulations.

4. All-in-one HR technology to simplify HR administration and employee management

Support employees and their managers with self-service tools via easy-to-access apps and a 24/7 cloud-based portal to elect benefits and add dependents, review their performance evaluations, enroll in online training, and produce reports detailing their 401(k) retirement plan contributions.

Let's Connect

Paychex HR offers scalable solutions to fit the unique needs of your business. With Paychex HR, you have access to a dedicated HR professional and a team of subject matter experts to help you offer world-class benefits and keep up with ever-changing employment laws and regulations. At every stage of your growth, our HR expertise and industry-leading technology allow you to streamline HR tasks and give your people the tools and the time to be more productive.

[Visit us online](#) or call (866) 987-0427.

¹This national Paychex survey was conducted with 75 skilled trades business and HR leaders who employed from 5 to 500 employees from a broad cross-section of industries. Online interviews were conducted from Sept. 6 to Sept. 21, 2022, by Bredin, an independent market research company located in Boston, MA. If tables and charts don't add up to 100 percent, it is due to rounding. Or, if tables and charts add up to more than 100 percent, multiple responses were allowed.