PRESS RELEASE

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Survey Finds Shortage of Skilled Workers Puts Pressure on Companies Hiring Contractors

ISN’s inaugural Contractor Management Survey projects an increase in outsourcing work and a greater emphasis on safety and business continuity

DALLAS (October 17, 2017) — According to an inaugural survey from ISN, the global leader in contractor and supplier information management, the shortage of a skilled and competent workforce was identified as the top challenge by companies in achieving their contractor management objectives in the next 12-18 months. At the same time, 42 percent of the companies surveyed expect their need for outsourcing work to third-party contractors to increase, half of which anticipate double-digit increases.

ISN's Contractor Management Strategy Survey collected insights from 204 decision makers at 161 companies that hire contractors in capital-intensive industries throughout North America including Oil & Gas, Agriculture, Food & Beverage, Utilities, Manufacturing and Pharmaceuticals/Healthcare.

The survey was designed to provide a contractor management benchmark which helps large companies, including prime contractors that rely on subcontractors, drive continual improvement in their efforts toward a zero-incident workplace.

"As organizations outsource more work to third-party contractors, managing those contractors at both an individual and company level is increasingly important to mitigate and manage risks," said Joseph Eastin, President and Chief Executive Officer of ISN. "Internal and external constraints such as competing internal priorities, shortage of qualified workers and an increased reliance on subcontractor relationships continue to put pressure on companies that hire contractors. It is essential to have a strategic contractor management plan in place that ensures work is being completed in a safe, reliable and sustainable manner."

Outsourcing Not Slowing Down, Threat of Unqualified Subcontractors Persists

Eight times more companies expect to use more contractor work hours in the future than those that expect to use less contractors. Of those surveyed, almost half of organizations reported using contractors to complete between 40-100 percent of their on-site work.

According to the survey, these companies, referred to as Hiring Organizations throughout the report, felt their inability to ensure subcontractor competency and compliance is a significant risk as they work toward achieving their contractor management objectives. This threat was followed by process safety management concerns, including insufficient change management processes.
Top Priority: Safety Performance for Employees and Contractors

Improving the safety performance of both employees and contractors was identified as the top priority for driving organization’s contractor management goals. In addition, improving business continuity and operational excellence was also ranked as a key driver for meeting their contractor management objectives.

“The survey data confirms what we’ve seen in the industry; leading organizations drive a safety-first culture and maintain a documented strategic plan for their contractor management objectives,” said Dag Yemenu, Senior Vice President of Technical Services at ISN. “By establishing a clear communication strategy, incorporating a risk-ranking process and integrating internal business processes, a sustainable contractor management system is one that enables you to meet your safety and compliance objectives while promoting a culture of transparency, partnership and continuous improvement.”

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