

BEHAVIOURS, CULTURES AND PERFORMANCE IN THE CONSTRUCTION INDUSTRY.

Executive summary



"Pride in quality. Doing things properly. It's that attitude that gets you repeat business."

EMPLOYER

This executive summary provides an overview of the key findings of the research report 'Behaviours, Cultures and Performance in the Construction Industry', produced for CITB by the research agency Skyblue Research Ltd. The research is based on a systematic review of literature and supporting primary research with nearly 600 employers, employees, behaviour change experts and other stakeholders.

Addressing the issues set out in this summary and in the full report will be increasingly important to raising performance. We are therefore sharing this report to provide useful information to employers. We will also be using this as our evidence base as we shape our interventions in this key area. For example, we have recently announced funding for the development of more collaborative procurement practices and in 2020 we will be announcing new support for leadership and management qualifications.



Recommendations and next steps

The research proposes that the construction industry and its stakeholders focus on the strategic aim to **grow cultures of openness, collaboration, trust and quality** and to achieve that by targeting three key outcomes:

- Establishing and agreeing a common language for human factors in construction training
- Valuing behavioural and interpersonal skills training more highly, and increasing its uptake
- Ensuring that investment in nurturing positive organisational cultures and values in industry is routine.



Achieving this outcome requires industry leadership to work together with construction businesses (employers and employees), clients, training institutions and Government across a series of enabling actions focused on the development of the industry's workforce, and growing these cultures.

CITB commits to working with industry, Government and training providers to define these enabling actions following the publication of this research.

At the heart of this essential culture shift is the need to create the right conditions for individuals and teams to feel motivated and committed to perform at their best. It means learning from the successes the industry has had in bringing about safety change over the past 30 years and applying behavioural science in practical ways that connect positively and collaboratively with workers. Every interaction, every conversation, every exchange has the potential to improve or diminish performance.

For further information, see the full report <u>Behaviours, Cultures and</u> <u>Performance in the Construction Industry</u> **citb.co.uk/about-citb/construction-industry-research-reports**

Key findings in brief

- Transactional and inertia cultures are the main cause of negative performance-related behaviours
- 19% of employers and 40% of employees interviewed said that they had compromised on quality due to the pressure of delivering projects on time and to budget
- Employees recognise the occurrence of negative behaviours much more frequently than managers and leaders
- Two thirds of employers recognised the need for action on the issue of employees not speaking up when noticing a problem or when needing help

- Investment in the development of emotional intelligence is shown to have a greater impact on performance than the development of technical skill
- Employers and employees expressed a strong preference towards increasing the availability of non-technical and behavioural skills training. Both groups also favoured placing more emphasis on non-technical skills in mainstream education and training. This will only be achieved if behaviours are embedded consistently across the UK landscape of vocational education and training
- Behavioural science is already being used by leading construction businesses to tackle safety issues, but there is huge potential for its application more broadly to address industry performance and to enact culture change.

The performance challenge

The opportunities for improving the performance of the construction sector have long been advocated, with repeated calls from industry leaders for more collaborative working, a shift to a quality-driven agenda, and improved value and efficiency as a means to achieving higher performance.

The report ('Behaviours, Cultures and Performance in the Construction Industry') focuses on the identification of the performance-related behaviours and non-technical skills that can improve industry performance. The report follows the publication of several recent skills studies that pointed to a need to focus more on investment in non-technical skills and in the behaviours that encourage the application of those skills in the context of construction projects.

The report explores some potential industry solutions to help drive behaviour changes and recommends strategic aims for industry.



Understanding performance-related behaviours

Behaviour can be defined as the way in which one acts or conducts oneself, especially towards others. Behaviours are generally overt and observed. Over time the persistence of certain behaviours – positive or negative – can become established and entrenched in a culture. The establishment of a culture will reinforce the persistence of those behaviours.

This report focused specifically on those behaviours that interviewees identified as having a direct effect on performance (identified as productivity and quality). Examples of some of the most common and impactful performance-related positive and negative behaviours include:

Positive behaviours

- Respecting and trusting each other
- Working as a team and planning together
- Viewing the project as a shared success
- Demonstrating clear and committed leadership
- Getting things right first time
- Showing pride in the quality of work.

- Negative behaviours
- Wasting time on avoidable activities
- Not doing what is asked or instructed
- Not speaking up (e.g. when noticing an error)
- Not asking a supervisor or manager how to do something if unsure
- Working without consideration for others
- Doing things too quickly
- Blaming others rather than working together or helping others to resolve issues.

Negative behaviours can lead to quality being compromised, resulting in avoidable errors, defects, delays, conflict, increased costs and rework. Employers and employees (interviewed separately) judged the degree of impact on performance of negative behaviours in similar terms, and broadly agreed on those behaviours which have the most negative impact. However, employees recognised the occurrence of negative behaviours much more frequently than managers and leaders. This suggests that negative behaviours will often go unnoticed by management and can therefore continue unabated.

In contrast, more frequent occurrence of positive behaviours was noted to potentially lead to increased collaboration and improved worker wellbeing, resulting in higher levels of trust across projects and increased value added per employee.

"There is a tipping point. If you get 75-85% performing the behaviour you want to change, you get the culture you want."

TIER 1 CONTRACTOR





Transactional culture

Project performance is rooted in the manner in which time, cost and quality are managed. Relationships with clients that are more transactional (cost-driven) were found to be the main cause of negative workplace behaviours that contributed to poor performance. Approximately one fifth (19%) of employers interviewed said that the pressure of delivering projects on time and to budget had driven them to compromise on quality. When employees were asked, a much greater number (40%) made the same admission.

This study recognises that the transactional and adversarial nature of the industry creates an environment where there is less than adequate support for employee wellbeing, which in turn can lead to negative behaviours that affect performance. "In our sector we like to think we are more conscious of the need to produce good designs and a sustainable building fit for purpose, but it just comes back to cost. You only get what the client is willing to pay for. It's the main issue and I think it affects everything throughout the project life."

SENIOR HOUSING ARCHITECT

Human factors

Whilst this report recognises there is a range of complex external influences that impact performance – such as weaker industry growth, cost pressures for materials, fuel and labour, political uncertainty leading to challenging trading conditions, and fragmented employment models – this study concentrates on the 'people' dimension that can improve or worsen performance.

The research shows that the inherent values and motivations of employees feature strongly as a contributing factor to the establishment of performance-related behaviours. For example, we found evidence of a deep-seated cultural resistance to change within the industry, which 22% of interviewees reported encountering frequently. This occurs at both an individual and business level.

Interviewees described this culture of inertia as the act of "clinging to traditions and old ways of doing things": transactional and inertia cultures were identified by both employers and employees as the primary root cause for the persistence of negative performance-related behaviours. "Human factors are the driving force behind project success. Projects fail when there is no motivation and no respect for human factors. When intellectual and emotional needs are met and systems are in place to support those needs, enormous human energy and productivity are created. When people are in conflict or forced to fit into processes, tremendous opportunity is lost. People generate the motivation and human energy needed to execute projects successfully."

ORANDO, M. 2013 The Influence of Human Behaviour Factors on Construction Productivity, pg. 4.

Communicating for wellbeing and performance

A high proportion of interviewees reported that the behaviours that had most negative impact on performance were rooted in deficiencies in communication skills. This was found to be characterised most notably by a tendency to work in silos (not sharing and communicating information) and a reluctance to speak up.

Two thirds of employers identified the issue of employees not speaking up as requiring action. Employees pointed to a fear of being unsupported, vulnerable and at risk of losing their job if they spoke up to highlight a problem. Whilst these negative practices and behaviours were experienced infrequently amongst interviewees, their impact on project performance was considered to be disproportionately high.



The case for building interpersonal and behavioural skills

Interviewees believed that the most positive impact on performance was delivered through the development of behaviours relating to collaboration and interpersonal relationships, specifically:

- Working as a team and planning together (87%)
- Having conversations about quality and workmanship (85%)
- Respecting and trusting each other (85%).

The literature review identified 'trust' as the fundamental basis of collaborative high-performing relationships and this research demonstrates that trusting relationships can be developed through the application of interpersonal skills related to communication, leadership and team-working.

This demonstrates the importance of equipping people with the competences to listen, understand and communicate better with each other, and in particular to focus on the development of emotional intelligence: the skill of understanding others. This study finds that investment in the development of emotional intelligence has a significantly greater impact on performance than the development of technical skills.

TABLE 1: AREAS IN WHICH STAFF HAVE RECEIVED NON-TECHNICAL TRAINING IN THE LAST 12 MONTHS -PROMPTED, MULTIPLE RESPONSE (EMPLOYERS - WHERE TRAINING OCCURRED)

Project management	
Managing / supervising teams	
Communication	
Leadership	
Problem solving	
Team building and development	
Time management	
Strategic thinking / planning	
Managing change	
Fairness, inclusion and respect	
Performance management	
Mental health awareness	1
Don't know	1%
None of these	

Despite these findings, the research revealed that employers (particularly firms with fewer than ten employees) tend not to prioritise training in interpersonal skills, such as communication and leadership, instead focusing on addressing compliance needs and the development of technical skills.

"Because of the skills shortage technical skills always come first."

TRAINING PROVIDER

Over three fifths of construction employers (61%) said that they do not invest in non-technical skills training. Table 1 shows the range of training in non-technical subjects

provided by employers who have provided non-technical training in the last 12 months.





36%

Creating collaborative business cultures

Encouragingly, the study revealed exemplary practices applied by large, medium and small construction firms with the potential for being replicated by those who are committed to driving productivity and quality gains. Ingredients for success included collective leadership, clarity of mission shared and owned by the workforce, and positive reinforcement strategies rather than a punitive orientation. Changing culture and behaviours for these organisations appears to have required a long-term commitment and often courage to challenge and change entrenched beliefs.

The research found that construction firms that are able to create the conditions for the workforce to feel valued, trusted and respected are more likely to achieve higher levels of performance. These conditions can be built through the establishment of team-orientated and no-blame cultures.

Desired priority business cultures for performance:

- Team-oriented culture where trusting relationships are built within businesses and across supply chains
- No-blame culture to encourage people to speak up about errors and defects and to ask for help.

Case study evidence captured in this research shows that these cultures can be developed by:

- Encouraging more accessible and approachable management
- Focusing on more effective sharing of information
- Enabling effective, respectful conversations to happen routinely.

Expert interviews also underlined the importance of sustaining individual motivation as a lever to improving performance. In the construction industry, where many roles are directly involved in the production of physical, visible structures, the sense of pride and achievement in a job well done was recognised by interviewees as a significant source of performance motivation.

Feedback and recognition of achievements from peers and managers was recognised as the most effective way to reinforce a sense of pride in a job well done. However, just 17% of firms had supported performance management training in the past year, suggesting a lack of skills to manage for quality outcomes.

One third of construction businesses told us that they never promoted positive behaviours through their formal reward systems, while only a quarter do so routinely. This suggests a missed opportunity to formally reward and thereby encourage positive behaviours.

Employers without performance management systems were found to be more likely to report negative communication behaviours and at the same time were less likely to provide any training in workforce behavioural or interpersonal skills.

This study finds a direct correlation between high-quality performance management involving frank and supportive performance conversations, ongoing feedback and formal reward systems, and the achievement of more effective employee engagement and higher-performance working.



Industry solutions

The research tested the appetite for different types of solutions amongst employers and employees. There was a strong preference towards increasing the availability of non-technical and behavioural skills training: 52% of employers and 81% of employees favoured placing more emphasis on non-technical skills over technical skills in mainstream construction education and training. To achieve this, it will be necessary to embed behaviours across the UK landscape of vocational education and training, including National Occupational Standards (NOS), apprenticeship standards, T-Levels and industry training. Before this can be attempted it is vital to establish consistency in the way that behaviours and non-technical skills are expressed across industry training and professional development. The current situation is characterised by inconsistent approaches to naming and classification, with terms such as 'non-technical skills,' behaviours,' 'attitudes,' 'values,' and 'human factors' used interchangeably. The results also demonstrated an appetite for a wider uptake of behaviour change activity. In seeking to improve industry performance, the construction industry has the opportunity to learn from the successes experienced in applying behavioural science approaches to tackling health and safety issues. The study highlights a number of safety initiatives that have demonstrated success through the practical application of the emerging field of behavioural science, and concludes that there are tangible opportunities to nurture performance-enhancing behaviours and reduce the frequency and visibility of negative behaviours through a similar approach.

TABLE 2: PROPORTION OF EMPLOYERS AND EMPLOYEES RATING POTENTIAL WAYS FORWARD WITH REGARD TO IMPROVING BEHAVIOUR IN THE CONSTRUCTION INDUSTRY AS VERY ATTRACTIVE (ON A SCALE OF 1 TO 5)



"Without an understanding of behavioural science, interventions risk playing 'whack-a-mole' with a solution in one area simply leading to challenges elsewhere."

BEHAVIOURAL INSIGHTS TEAM





For further information visit: citb.co.uk/about-citb/construction-industry-research-reports

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