



Respect for People

A Framework for Action

*The Report of the
Respect for People Working Group*

Delivering individual, corporate and
industry excellence in construction



**CONSTRUCTING
EXCELLENCE**

Our recommendations

1. All organisations should consider the appointment of Champions to support operational managers in improving people performance.
2. Every firm should appoint someone at Board level to take overall responsibility for people issues and to regularly monitor and evaluate performance.
3. Every demonstration project and organisation should adequately address and provide quantifiable data on 'people' issues.
4. A simple, clients' guide to best practice in covering Respect for People in construction should be developed.
5. The toolkits should be trialled in the off-site fabrication and pre-assembly environment to provide feedback for the design of variants.
6. The underpinning data for the People Performance Indicators should be standardised and collected at least annually across the construction sector.
7. There should be better coordination among key partners to monitor and review progress towards the industry Respect for People targets to ensure they are delivered.
8. A network of regional champion companies should be established to assist the wider adoption of Respect for People.
9. A short 'train the trainers' package should be developed and delivered to those who make regular contact with construction firms in an advisory capacity.
10. The number of construction workers working for firms recognised as an Investor in People should increase by 20% per annum.
11. The industry should substantially increase the number of people entering it from under-represented groups with an initial target of not less than 20% per annum.
12. Further work is needed to develop a draft indicator of Equality and Diversity performance for the industry and gathering of supporting data. This work should aim to report an initial indicator in 2003 with a view to testing and refining the indicator thereafter.
13. More information is needed to establish the level and extent of job applications to the industry, dropout during training, numbers entering the industry and subsequent retention. This data is required at regional and local levels and should cover all aspects including gender, visible/non-visible minorities and disability issues.
14. All employers and project teams should measure – at least annually – their whole workforce to determine their satisfaction with working conditions and environment.
15. Every firm and project should review its induction training so that the whole workforce receives details of the organisational structure, immediate and long term aims, explanation of standards and practices, rewards and penalties, and provides support through an effective mentoring approach.
16. All sites should be registered with the Considerate Constructors Scheme.
17. Data on the causes and effects of ill health should be collected in a format that can be used to develop a suitable performance measure and to identify trends.
18. A supportive health based training programme should be developed for on and off site activities that can be delivered by in company health and safety professionals.
19. The industry should wholly adopt the Rethinking Construction target of a 20% per annum reduction in reportable incidents.
20. Every project – no matter what size – should regularly use the Health and Safety toolkit published with this report.
21. A People Performance Indicator that uses CSCS as its basis for the indicator of qualification/certification should be developed within the next two years.
22. The business case for training should be developed further.
23. Firms should equip the next generation of managers with the skills to implement effective monitoring and develop programmes covering people issues.
24. Those responsible for craft training should also promote better health, safety and team working.

A Framework for Action

“In the minds of great managers, every job performed at excellence deserves respect. Every role has its nobility.”

Marcus Buckingham, Gallup

based on a sample of 120,000
employee satisfaction survey
results from all industries.

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Preface – Alan Crane



In November 2000 we published *A Commitment to People “Our Biggest Asset”* as an interim statement of the work being carried forward by Rethinking Construction in the field of ‘people’ in construction.

Sir John Egan rightly identified the need of the industry to urgently address the needs, training and working conditions of everyone involved in the construction process if continuous improvement was to be achieved. This remains the case.

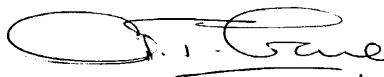
Rethinking Construction worked with a cross-section of firms to examine the need for and effectiveness of the performance

measurement approach proposed in *A Commitment to People*.

We set out in this report a model for change that is applicable to all. Change requires action; doing things differently to make a measurable difference to the workforce at large. As an industry, we have debated long and hard on this issue. The Working Group has made a number of recommendations and set four objectives to drive improving respect throughout the industry. We know what is achievable and how to do it, what is necessary now is action. I commend to you the use of the toolkits and performance indicators that accompany this report. I want everyone to realise the business benefits that their use can bring: but most of all I want to see the people who work in our industry better rewarded, better trained, and as safe and healthy at the end of the day as they were at the start.

I would like to take this opportunity to thank the firms and projects participating in the trial – there were over one hundred of them! We believe that this level of participation shows that there is not just a willingness to change but a determination to make a lasting difference.

I am pleased to present this report and to bring forward what I believe is a significant contribution to delivering the step change that is needed towards *Respecting our People*.



Alan Crane

Board Member, Constructing Excellence

Executive summary

This report of Rethinking Construction's Working Group on Respect for People concludes a programme of work that started with a challenge in November 1999 from the Construction Minister to:

"identify practical and effective ways in which construction could improve its performance".

In responding to this challenge the working group acknowledged that continuous improvement was not enough. Radical improvements that could be tracked through a series of performance indicators were necessary.

A suite of six toolkits and **Reaching the Standard** – a document that shows how the toolkits support key industry standards, accompany this report. Case studies from the trial will be published shortly.

The People Performance Indicators were published in May 2002.

A clear business case has been established for Respect for People. Respect for People is not altruism; it adds significantly to the performance of projects and companies. Further work remains to provide more detail but that should not inhibit a substantial commitment by the industry and its clients to invest in its people.

During the trial a framework for change emerged that represented the collective experience of the trial community. It is presented as a framework for improvements towards better Respect for People.

Five action themes have been identified to permit a deeper examination of the issues in this large topic. At least one toolkit has been developed and tested to support improvement in each action theme. A business case is put forward based on feedback from trial companies and projects together with a number of recommendations to support industry's response to the challenges presented.

Throughout the trial there was a widespread understanding in the industry that recruitment and retention problems exist. It was recognised that the image of the industry was poor and this was a key factor. When challenged to identify WHO should address the image, pay and conditions few recognised or accepted that there is a role that everyone can play. This must be overcome. An underpinning message must be that irrespective of who you are, or what you do everyone has responsibility and the ability to make changes for the better.

This report supports **Accelerating Change**, the report of the Strategic Forum for Construction. Annex 4 provides details.

A principal feature of **Rethinking Construction** was the establishment of continuous improvement targets for the industry. These were subsequently developed into the Construction Industry Key Performance Indicators and are annually reported. The only indicator that currently deals specifically with people is Safety. To demonstrate commitment to its people the industry should:

- *Increase by 20% per annum the number of construction workers working for firms recognised as an Investor in People*
- *Wholly adopt the Rethinking Construction target of a 20% per annum reduction in reportable incidents*
- *Increase by 20% per annum the proportion of people from under-represented groups entering the industry*
- *Measure whole workforce satisfaction with working conditions and environment at least annually.*

The Rethinking Construction Demonstration Projects and Respect for People trialists are trying to make a difference to the way they treat their people; to inject fun and sense of pride into their work and dealings with each other. They have seen more satisfied people and business benefits as a consequence.

The Challenge

This report provides a framework for action. It provides a rationale and the accompanying toolkits and indicators provide practical guidance. The industry should address the whole Respect for People agenda now.

Introduction

Rethinking Construction, the report of the Construction Task Force, identified 'a Commitment to People' as one of five drivers for change that must be addressed to make UK construction world-class. This report also identified seven targets for improvement – profitability, productivity, quality, safety, predictability, capital cost, and turnover and profits. The Task Group recognised that none of these could be achieved without attention to the people involved in construction activities.

Performance Area	1995	2000	2001	2001 UK All Industries
Proportion of women in construction	8.4%	8.6%	9.2%	34.6%
Proportion of ethnic minorities in construction	–	2.3%	3.2%	6.5%
Proportion of registered firms employing 7 people or less	94.9%	93%	89.9%	–
Proportion of registered firms employing 3 people or less	84.5%	83%	76.5%	–
Proportion of those working in construction that are registered as self-employed	45%	36%	32.7%	–
Average weekly working hours	45.9	46.6	46.6	43.9*
Accident rate per 100,000 employees	1262	1272	1221	631
Proportion of the industry registered as trainees			3%	
Average gross pay per week:				
• Manual workers	£294.7	£361.8	£393.9	£359.9
• Professional & Management	£431.6	£536.2	£578.9	£582.4

*In A Commitment to People "Our Biggest Asset" we reported briefly on the state of the industry as it affects people issues. Have things moved on?*¹

In the last two years there has been a 45% reduction in the number of people registered as seeking work in the construction trades.

**Male average weekly hours are given. The reported working hours of women in the 'all UK industries' category is affected by the high proportion of part-time working.*

The recommendations, supporting toolkits and people performance indicators that were put forward in our interim report **A Commitment to People "Our Biggest Asset"**¹ have been developed, tested and refined by over 100 companies and projects representing a cross section of the whole industry across the UK. This report concludes the work of Rethinking Construction's Respect for People Working Group that started with the Ministerial challenge to the industry in 1998 and brings forward recommendations to support the industry in realising Respect for People.

The People Performance Indicators

The People Performance Indicators were published separately in May 2002 and are available from the Construction Best Practice Programme (www.cbpp.org.uk).

The toolkit trial

The trials showed conclusively that respecting people delivers real business benefits and highlighted the practical contributions that use of the toolkits and People Performance Indicators can make.

Not surprisingly the trial community comprised firms and projects already seeking to address people issues. 68% were seeking or had been recognised as an Investor in People. 28% were participating in the *Business Excellence Model* and 55% in the *Considerate Constructors Scheme*. Clients in particular sought to address the need to achieve and maintain clients Charter status. These represent significantly higher proportions than would be found in a standard industry sample. Despite the higher baseline significant benefits were still achieved.

Case studies of trial organisations – generally about their experiences with the toolkits – are being published separately.

¹ A Commitment to People "Our Biggest Asset", Rethinking Construction 2000

Many firms were keen to use the toolkits and People Performance Measures as a mechanism to achieve these national standards. *Reaching the Standard*² provides guidance by matching the Respect for People Toolkits against:

- *The Benchmark Index*
- *The Considerate Constructors Scheme*
- *The Clients Charter*
- *The Business Excellence Model*
- *Investors in People*
- *ISO 9000-2000.*

Framework

During the trial a framework for change emerged. This framework can be applied to companies and organisations in the industry and addresses the needs identified by those trying to drive better Respect for People into construction. It emphasises four aspects of the change process:

1. *Promote the business case*
2. *Start measuring performance*
3. *Integrate reporting systems*
4. *Provide a network of support for managers.*

The framework provides an approach that corresponds to other established change and business improvement models³.

Action themes

The trial was based on action themes presented in *A Commitment to People*. These have been modified in the light of the trial findings and five action themes are now presented. The diagram shows the impacts of the amendments.

Action Themes – Trial to Current	
Trial themes	Current themes
Diversity	Equality and diversity
Site facilities and the working environment at site level	Working environment and conditions
The working environment off-site	
Health	Health
Safety	Safety
Career development and life-long learning	Career development and life-long learning
Behavioural issues	

During the trial it became clear that the same standards should apply both to on and off-site conditions and the working environment. These two aspects were therefore combined.

Use of the term 'site' led to unforeseen consequences. It was interpreted by some as placing the primary responsibility for action on the contracting community, rather than those with shared responsibility for the conditions; including clients, designers and other members of the professional project team.

² *Reaching the Standard, Rethinking Construction 2002*

³ *Business Excellence Model, Maslow Hierarchy of needs, Senge Fifth Discipline, Burke Trahan Climate shift model etc.*

Supporting toolkits

Eight toolkits were developed to support improvement action against the themes identified in **A Commitment to People**. It became apparent shortly after publication that two additional toolkits were needed:

- **Work in Occupied Premises** to meet the additional needs of those involved in refurbishment activities where occupants are in residence
- **Workforce Satisfaction** to provide a survey of the workforce experience of working conditions excluding consideration of the physical environment.

Further amendments have been made following the trial and six toolkits are now presented. The diagram shows how the original suite has been modified.

Toolkits – Trial to Current		
Trial versions		Current versions
ORIGINAL EIGHT	Diversity	Equality and diversity in the workplace
	Health	Health and safety
	Safety	
	Health and safety in procurement and design	
	On-site welfare	Working environment
	Off-site working environment	
	Career development and life-long learning	Training plan
	Site workers checklist	Workforce satisfaction
+	Workforce satisfaction	
	Work in occupied premises	Work in occupied premises

The revised toolkits ensure applicability to the whole project.

Actions

Recommendations for action to improve the industry's ability to respect its people are listed in two sections:

- *Enabling or crosscutting recommendations are listed under **Framework***
- *Thematic recommendations are grouped under **Action Themes**.*

The framework

Trialists were not advised how to implement the toolkits and performance indicators and were encouraged to try different approaches. The successful approaches had four common elements. These have been developed into a simple model for change.

The model



Promote the business case

Implementation of the toolkits and performance indicators requires an understanding of the underlying benefits. These must be relevant to those managing the implementation process. Any communication must address the benefits in terms and timescales applicable to those responsible for driving their use.

The business case is considered on page 10.

Start measuring performance

The manner in which the toolkits and performance indicators were introduced had considerable influence. Two approaches were commonly used:

- *In an attempt to standardise responses across the company detailed discussion took place, introduction was phased supported by guidance notes*
- *The toolkits were issued with a brief description of the process for use with limited detailed guidance. Those involved had to use their own judgement.*

Both methods were effective. However the second produced a faster response without significantly compromising effectiveness. The results were seen and benefits identified sooner. Discussion of the results, especially if these took place between managers on different projects or from differing disciplines, helped achieve the standardisation sought by the first approach.

Often there was a slow start to using the toolkits. This was due to a variety of factors including workload and willingness. However once they were used and the benefits became apparent the ease of the approach was welcomed.

Over-reliance on one or two key individuals, often the project manager/site agent, can lead to conflicting priorities. Involving the wider workforce in the process reduces reliance on one individual and benefits from greater ownership.

Champions, those that are committed to the change agenda, can do much to advocate the use of the toolkits and performance indicators amongst their peers.

Driving change requires an initial catalyst to overcome the inertia presented by busy people. Champions can provide that extra energy and drive to start and support the process.

Recommendation:

1. *All organisations should consider the appointment of Champions to support operational managers in improving people performance.*

Integrate reporting systems

The new toolkits and performance indicators must effectively integrate with other systems currently in use. It is often more efficient to report against the toolkits alongside other project/company information, particularly financial information. This also highlights areas of impact.

84% of projects and companies that used the toolkits reviewed the results by including it as a key item in their existing management meetings and processes. This provided the dual benefit of not adding to the workload.

Corporate social responsibility and the sustainability agenda are coming to the fore in share valuations. 'People' capital is beginning to be identified as a key asset of construction related organisations. Clients also are beginning to recognise the need to address procurement in a sustainable way and are starting to select suppliers based on their performance in areas in addition to traditional 'hard' skills. Taken together the People Performance Indicators and the Construction Industry Headline Indicators provide a mechanism to chart progress and report against people and business performance.

Effective companies know the value of their assets and the value of most construction firms is in the people they employ; yet 'people' criteria do not often feature in annual reports or on Board reports. People issues need to be given more visibility and higher priority.

Recommendation:

2. *Every firm should appoint someone at Board level to take overall responsibility for people issues and to regularly monitor and evaluate performance.*

Support your managers

The importance of people to business (project) success was widely recognised by management teams involved in the trial. Managers reported they felt ill-equipped and lacked appropriate strategies that could help them improve. Many reported a lack of support from parent firms unless they could produce a convincing business case to senior management.

To be fully effective, performance measurement requires open and honest assessment and reporting. A 'blame free' culture and widespread sharing of best practice is the optimum solution. Successful examples of support for managers include:

- *Intranet;*
- *Subject experts;*
- *Peer Group and Cross Team Meetings;*
- *Training and Development (CPD, mentoring etc);*
- *Out of company support from experts and institutions;*
- *Line-management support.*

The industry context for Respect for People

The trial quickly identified that willingness to adopt the toolkits and People Performance Indicators as a basis for change was determined by two principal factors:

- *The company context, especially their*
 - *perceived relevance of the theme and*
 - *understanding of the likely benefits*
- *How they were implemented in the company and project situation.*

Factors such as clients' expressed interests, company policies, regional variances and the availability of labour affect the perceived relevance of each action theme. Understanding moral, legal, and business case arguments influenced investment decisions.

The perceived need to tackle respect for people concerns was diminished where sufficient labour was available except when the client or parent firm attached high importance to these issues.

Local authority and public sector housing clients took the lead using the toolkits and People Performance indicators with their suppliers.

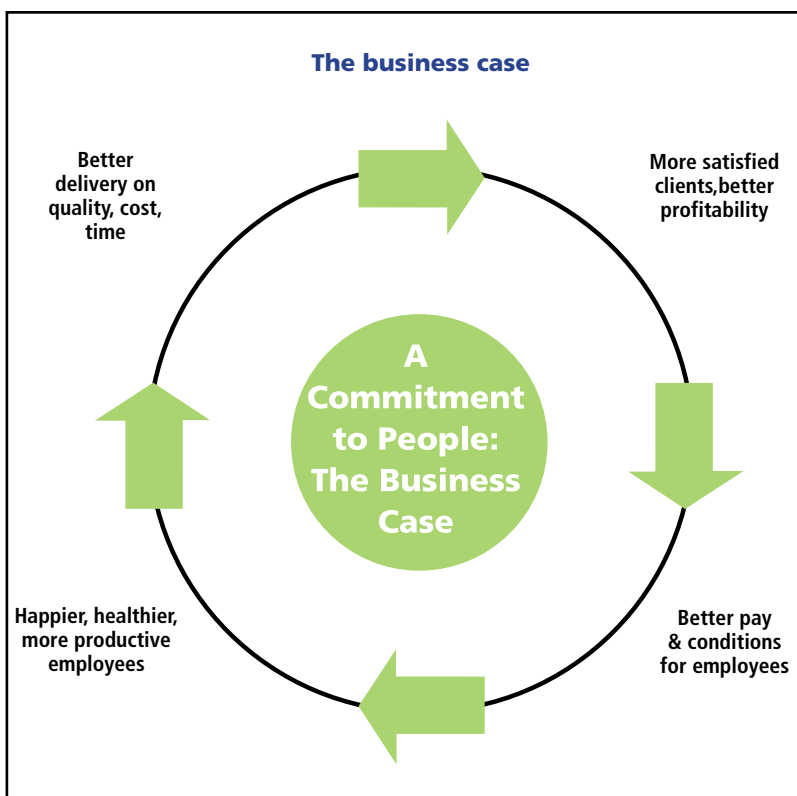
Clients and designers proved difficult to involve at project level but readily adopted the toolkits and People Performance Indicators where applicable to their company. In particular this group used the Career Development and Lifelong Learning and Workforce Satisfaction toolkits.

Take up of the toolkits depended on the level of awareness and understanding of the issues. For example the potential benefits of equality and diversity and how they could be dealt with were not clearly understood, and this was reflected in the low uptake of this particular toolkit.

Most trialists quickly prioritised safety and site welfare facilities for action. They knew the practical steps to take. They understood their impact on performance.

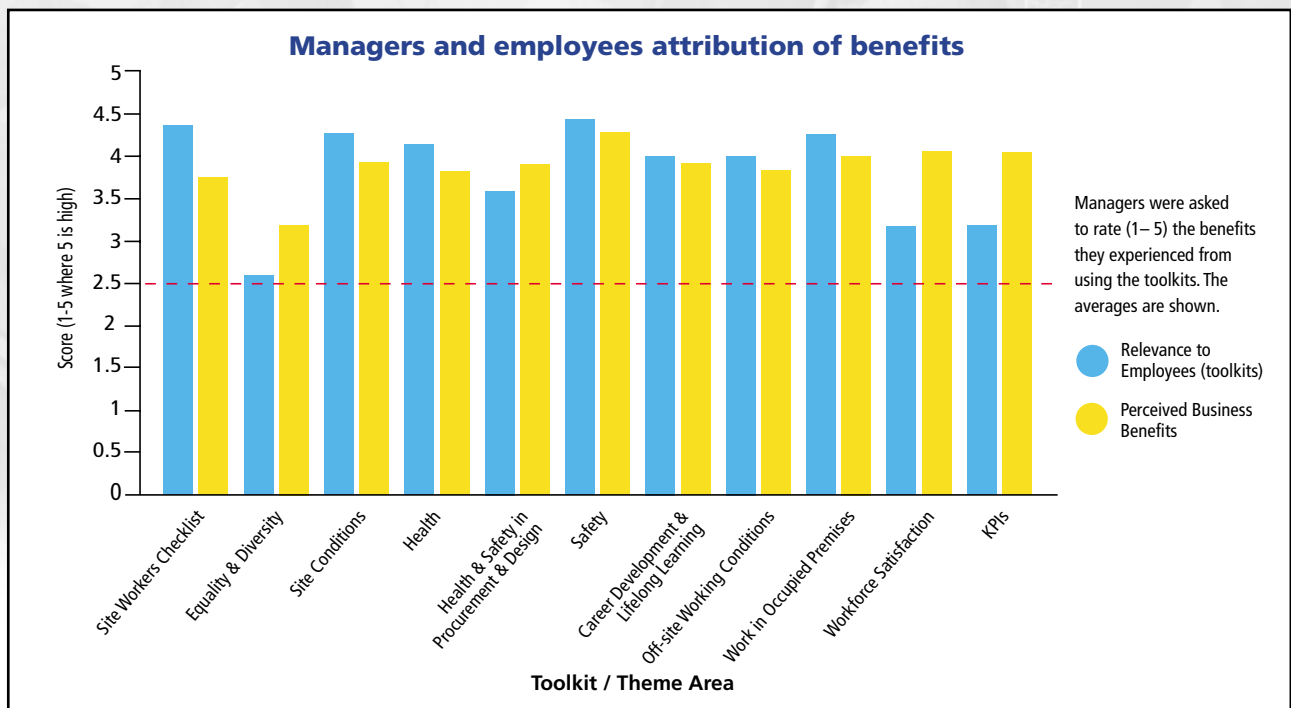
The business case

The business case presented in **A Commitment to People "Our Biggest Asset"** was developed along the lines of the diagram below:



The trial programme showed that the majority of managers understood the principles behind this model, but found it difficult to translate their understanding into action. This was primarily because they readily recognised the immediate additional costs but did not see the consequent benefits. If project and other managers' perception is that benefits occur beyond the project's completion, there is little immediate incentive to ensure that people issues receive equal attention to time and budget concerns. This misunderstanding also applies to small firms where the perceived benefits are beyond their current business-planning horizon. As a result, clients, project managers and small firms saw investment in 'people' issues as an altruistic act, not one of immediate benefit to their business success.

Unless the business case is established in a way that addresses the needs of smaller firms and projects, there will be insufficient motivation for the industry at large to invest in its people.



Analysis of the responses to the structured interviews undertaken during the trial programme demonstrated the following key areas where participants reported measurable business benefits:

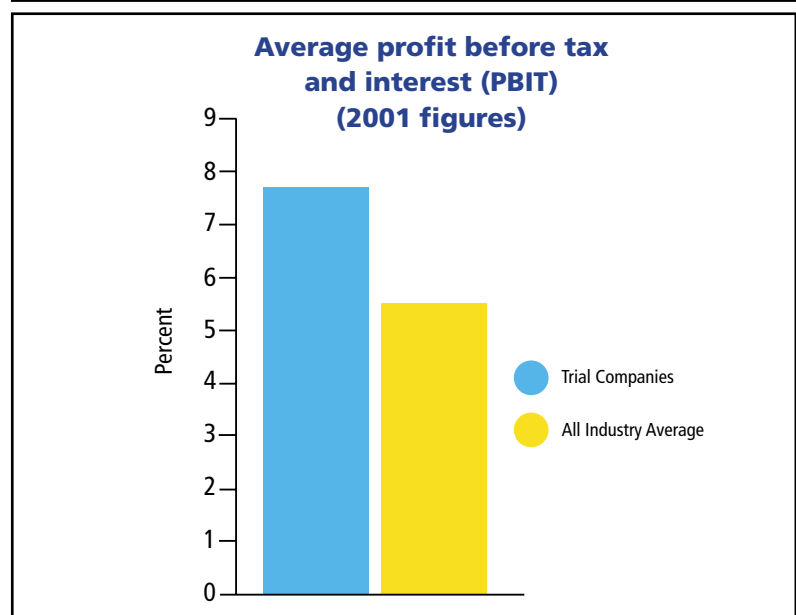
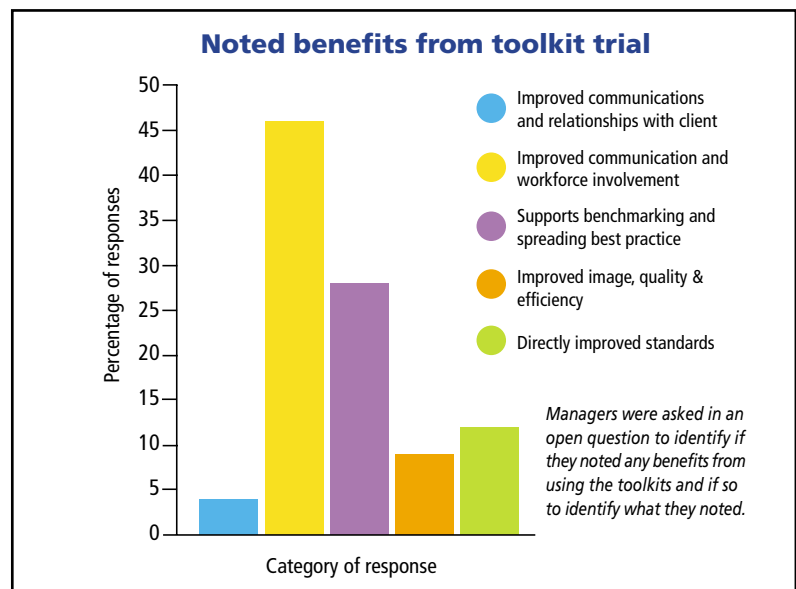
Graphs of perceived importance; reported business benefits and area of impact presentation.

The recent report of the Construction Research Innovation and Strategy Panel's (CRISP) Working Group on Culture and People⁴ supports the view that the business case to encourage the industry to improve performance in the 'people' area is at present inadequate.

Work in this area has been undertaken in other industrial sectors by, for example, liP UK, the Chartered Institute of Personnel and Development, City and Guilds, and a variety of academic and other institutions. These should be examined to support the development of the business case for construction.

An effective business case must take account of the time durations applicable to projects, and be relevant to small firms. Use of one or more of the following Construction Industry Key Performance Indicators can produce tangible benefits:

- Customer Satisfaction
- Profitability



⁴ Culture and People in construction – a research strategy (June 2002)

- Productivity
- Predictability
- Safety
- Quality.

DTI has agreed to provide funds for a preliminary study to support the business case for Respect for People. This will take account of work carried out in other industries.

Proving the business case remains a core theme for Rethinking Construction and the demonstration projects and organisations provide a valuable resource.

Recommendation:

3. *Every demonstration project and organisation should adequately address and provide quantifiable data on 'people' issues.*

Rethinking Construction messages

Client leadership

Client leadership is vital in delivering Respect for People. A positive approach to people issues when appointing suppliers can significantly influence the supply-side ability to adopt exemplary standards. Clients are increasingly recognising the value to their business of proper attention to all the people who work for them.

Client organisations compete to recruit and retain good quality people. Consequently, the need for their own suppliers to adopt similarly appropriate strategies is not lost on them, particularly if the case is

supported by measured evidence. Most construction companies are unable to provide this information to their clients. Regular use of the Respect for People toolkits and People Performance Indicators could provide the hard evidence as well as other benefits.

Typically, managers in construction are reluctant to challenge their clients to support a more effective approach to people. However, when the costs and risks associated with high staff turnover, poorly motivated, and untrained people on the delivery of the project were considered some were able to present to their clients the mutual business benefits that could accrue.

In *Reaching the Standard*⁵ the role of the toolkits in supporting improvements against the Clients Charter⁶ are identified.

Discussions with members of the Confederation of Construction Clients, the Office of Government Commerce and others revealed that many clients remain unsure how to incorporate Respect for People into their procurement, contract and management approaches. In the revised toolkits greater emphasis is applied to concept design, planning, and procurement. These stages produce greatest benefits at lowest cost.

Considerable information exists but as yet has not been collated into a clients' Respect for People guide to best practice. Rethinking Construction will work with the Strategic Forum to produce this guidance and make it available to all those offering independent advice to clients.

Example

Client leadership: ACTA

The Airport Construction Training Alliance (ACTA) – a BAA inspired initiative – is well on the way to slashing the incidence of reportable accidents on BAA construction sites to *One in a Million* hours worked by 2004, less than one-tenth of the present industry average. A contractor chairs ACTA's One in a Million board, evidence that the supply chain is picking up the client's lead.

Recommendation:

4. *A simple, clients' guide to best practice in covering Respect for People in construction should be developed.*

Integrated teams and supply chains

Rethinking Construction and *Accelerating Change* both advocate the benefits of integrated teams and

⁵ *How the respect for people toolkits support: Benchmark Index, Considerate Constructors Scheme, Construction Clients Charter, EFQM Excellence Model, Investors in People and ISO 9000 – 2000*

⁶ www.client-success.org.uk

supply chains. The toolkits and People Performance Indicators assist the development of effective communications and performance measurement of 'people' issues.

The Tavistock Institute investigated 'project chemistry' in 2001⁷ with the assistance of Rethinking Construction demonstration projects. They identified that projects with good 'chemistry' have processes in place that align measurement with a focus on the 'hard' business objectives and the 'soft' needs of the people involved. They showed that projects:

"require specific and well thought out 'project level' human resource policies, initiatives and investments to produce consistently high performance."

By integrating the toolkits and performance indicators with other business and management measurement processes, a useful framework can be developed that is capable of realising this objective.

Evidence from more than half the respondents indicated that managers identified significant communications improvements throughout their supply chain, as a direct consequence of the structured approach provided by the toolkits.

Example

Integrated team – The Pavement Team

The Pavement Team is a fully integrated structure, meeting the needs of a virtual company. Staff are seconded from BAA, AMEC and 2nd tier suppliers. They share office facilities where IT and administration are provided by AMEC. It is all about getting best value for money – capital costs down 30% over five years, construction time down and consistently delivered on programme. Productivity is well above industry average but not at the expense of the accident rate – among the lowest in the UK.

Accelerating Change

Accelerating Change recommends that a toolkit is developed to support the integrated team approach. Any such toolkit should necessarily incorporate Respect for People issues.

Standardisation, off-site fabrication and pre-assembly

Construction process carried out in a controlled factory environment can offer real benefits to working people. Off-site manufacture can lead to on site process change, but detailed consideration of this is outside the scope of this report. **A Commitment to People "Our Biggest Asset"** recommended that a toolkit be developed to cover the factory environment. Given the increase in off-site pre-fabrication and pre-assembly this should now be given priority.

The trial shows that the toolkits can be applied in both on-site and off-site (office) environments. It would be a small next step to trial them in the off-site fabrication and pre-assembly.

Recommendation:

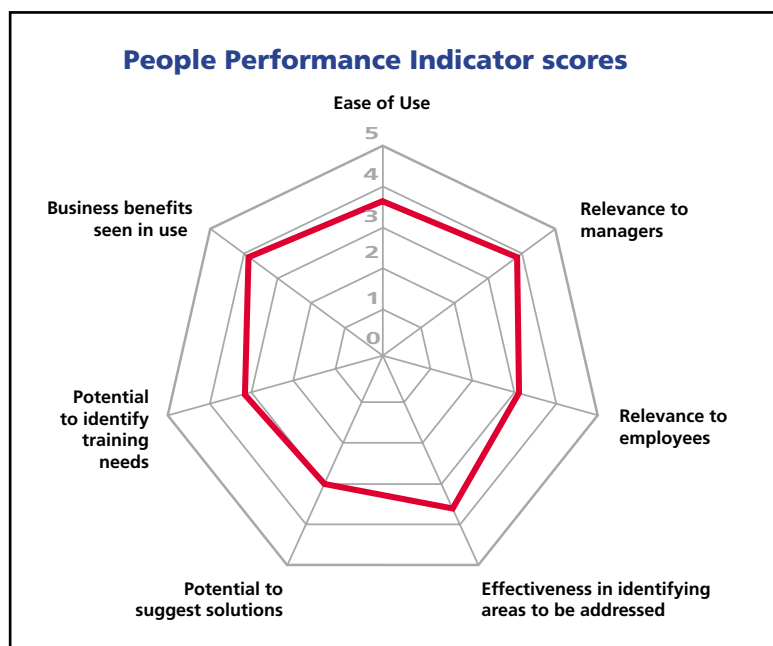
5. *The toolkits should be trialled in the off-site fabrication and pre-assembly environment to provide feedback for the design of variants.*

People Performance Indicators (PPIs)

Based upon the performance indicators recommended in **A Commitment to People "Our Biggest Asset"**, the Respect for People Working Group published in May 2002 the first set of People Performance indicators. These measures provide the construction industry with an opportunity to benchmark and act on 'people' trends. Construction is leading the way and other industrial sectors have already expressed interest in taking a similar approach.

A recent survey for Rethinking Construction has shown that People Performance Indicators are often used to measure project rather than

⁷ In search of Project Chemistry, Tavistock Institute, 2001



KPI	Definition
Employee Satisfaction	How satisfied direct employees are with: <ul style="list-style-type: none"> ■ the amount of influence they have over their jobs ■ the amount of pay they receive ■ the sense of achievement they get from their work ■ the respect they get from line managers/supervisors.
Staff Turnover	The number of direct employees that have left and been replaced, expressed as a percentage of the average number of direct employees per year.
Sickness Absence	The number of working days lost due to sickness per direct employee per year.
Safety	Reportable accidents per 100,000 employed per year.
Working Hours	The number of usual hours worked per week per direct employee in his/her main job. The total number of hours worked should include all overtime paid and unpaid.
Travelling Time	The number of minutes spent travelling on the single journey from home to work each day per direct employee. Travelling time should not include time spent returning home, business mileage and time spent travelling during working hours, e.g. between sites.
Diversity	To be defined
Training	The number of training days (on and off-the-job) provided per employee per year.
Pay	The gross weekly earnings (before tax) per full time direct employee
Investors in People	Determine the number of workers in your workforce and the number that are covered by Investors in People recognition.

company performance. Many of the People Performance Indicators are also suitable for use on projects, as they are derived from data captured from individual responses. Combined with the Construction Industry Key Performance Indicators they provide an integrated performance-reporting tool for business and people indices. It has been shown that projects benefit from an examination of performance against a selection of these indicators, particularly if they are applied across the entire project.

Example

Use of the People Performance Indicators: Walter Llewellyn and Sons Ltd

Llewellyn adopted the People Performance Indicators at both company and project levels. They report the advantage of using the PPIs at project level is that they provided an insight to the softer issues, something very hard to measure. The PPIs are proving to be useful measures as Llewellyn apply for recognition by *Investors in People*. They have learned not to take the result of a particular KPI at face value – the root causes can be very enlightening.

Regular use of the People Performance Indicators will help companies understand key areas of concern and to examine their performance. They also help capture the underpinning data that supports the business case to clients when companies are tendering.

Most firms participating in the trial already collected the necessary data through payroll, induction, training or other records. Additional data collection was therefore kept to a minimum.

The Relationship between the People Performance Indicators and the Toolkits

The People Performance Indicators provide a mechanism for benchmarking key areas of the people agenda against pan-industry data. They provide a framework that shows company/project performance in relation to the whole industry, and can be used to establish trends as an

aid to understanding the business, and to provide an overall picture of 'people' performance. With one or two exceptions,⁸ the scope of an individual KPI is often wider than that of one toolkit and there is not generally a direct correlation between the KPI and a particular toolkit.

The toolkits examine the underlying issues that affect performance on a day-to-day basis. Used correctly they provide support for a culture of continuous improvement in 'people' areas and contribute to an effective process. Regular use of the toolkits will lead to improvements against the Respect for People Indicators.

⁸ Employee satisfaction (from the 'Workforce Satisfaction' Toolkit); and Travelling time and Working hours (from the 'Working Environment Individual Checklist and Scorecard')

Additional work is needed to complete a full suite of performance indicators. In particular indicators are needed for:

- *Company benchmarks for Equality and Diversity in the workplace*
- *Measures that support better understanding of Health issues*
- *Percentage of workforce qualified/certified.*

Specific items are addressed under the relevant Action theme.

In preparing the initial set of PPis several data sources were used. To provide effective benchmarks for the industry the source data needs to be standardised and collected annually.

Recommendation:

6. *The underpinning data for the People Performance Indicators should be standardised and collected at least annually across the construction sector.*

Accelerating Change

The Accelerating Change report has set out a number of additional measures to evaluate the culture change necessary in the industry. Those directly relevant to the 'people' agenda are:

- *To develop and implement strategies which will enable the industry to recruit and retain 300,000 qualified people by the end of 2006*
- *To achieve a 50% increase in suitable applications to built environment higher and further education courses by 2007*
- *To achieve a workforce certificated as fully trained, qualified and competent on all projects no later than 2010.*

Benchmarking clubs

A key component of the trial was to identify whether the toolkits and People Performance Indicators provided an effective tool to support benchmarking activities. The trial proved that they did.

The existing Respect for People trial companies and projects will be encouraged to continue supporting the people issues benchmarking club that will seek to encompass the whole industry. Rethinking Construction will press for inclusion of People Performance Indicators and toolkits in other established benchmarking activities.

Develop a supportive network

At the start of the trial period, a number of firms and projects expressed interest in the programme but decided not to participate. Given that the process was voluntary the response from firms willing to participate was surprisingly high. Additional work to identify why those firms and projects that expressed interest but declined to participate was undertaken.

One hundred and ninety five interviews and meetings were held to explore the underlying reasons. Three key needs emerged:

- *Co-ordinate industry efforts to improve 'people' issues*
- *Develop a network that supports small firms better; and*
- *Articulate the business case for small firms and projects.*

Establish an industry 'people' co-ordination group

Progress towards Respect for People demands effective management and co-ordination. Identifying trends in the 'people' area is a long-term commitment and achieving culture change even more so.

A common uncertainty of participants was the longevity of the 'push on safety and people'. The implicit message was that if one does nothing it may well go away. To drive the changes necessary it is essential that a sustained programme of work is taken forward.

To manage this requires effective co-ordination of the considerable but disparate efforts currently being made. Unless workers and managers sense this is a top priority, it will be hard to convince them to take action.

Confusion over terminology, messages and objectives was common. There is a considerable effort being made but its net result remains diluted. There is a role for co-ordination of the drive towards better Respect for People. We welcome the intention of the Strategic Forum to address the confusion over the multiplicity of initiatives.

Recommendation:

7. *There should be better coordination among key partners to monitor and review progress towards the industry Respect for People targets to ensure they are delivered.*

A network of support for managers

Managers expressed a need for additional support in seeking to address people issues. In larger firms the resources to achieve this are available from within. Smaller firms and project teams are more likely to require external assistance.

Rethinking Construction has demonstration projects at its core. The core of the Respect for People trial has been the trialists. Their experience can be capitalised upon to spread the message to their peers.

Recommendation:

8. *A network of regional champion companies should be established to assist the wider adoption of Respect for People.*

To reduce confusion and ensure that those seeking to support construction's effort to improve are aware of the toolkits, performance measures and other tools, such as the Blueprint for Building performance, a brief training module will be required that can be widely delivered.

Recommendation:

9. *A short 'train the trainers' package should be developed and delivered to those who make regular contact with construction firms in an advisory capacity.*

Investors in People

Investors in People (IiP) is a national quality standard. It is recommended as a key success indicator by **A Commitment to People "Our Biggest Asset"**. This recommendation is reinforced in '**Accelerating Change**' and remains central to the development of an enhanced 'people' culture. Construction is under-represented in the take up of IiP by comparison with other industries.

Around 54% of participants were working towards or had been recognised as an Investor in People, against the current construction industry norm of 15.4%⁹. The trial highlighted three principal reasons for this under-representation in the industry at large:

- *The case had not been made*
- *IiP was thought to be too bureaucratic*
- *IiP was not seen as relevant to the business needs of construction firms.*

These are commonly held misconceptions. Rethinking Construction is working with partner organisations to provide clearer, readily available evidence of the benefits of IiP, and to recommend a few simple routes to recognition suitable for most construction firms.

Principal amongst these is the **Blueprint for Building Performance** currently being jointly promoted by the Construction Industry Training Board, Construction Confederation, Construction Industry Council and Chartered Institute of Building.

In the People Performance Indicators an indicator of industry performance in coverage of its workforce by recognised firms has been developed. It is appropriate that this is used as an objective against which industry performance can be evaluated to determine the level of penetration of the Respect for People message.

⁹ Investors in People 2002

Recommendation:

10. *The number of construction workers working for firms recognised as an Investor in People should increase by 20% per annum.*

Company and project factors

The importance of people to business (project) success was widely recognised by management teams involved in the trial. Managers reported they felt ill-equipped and lacked appropriate strategies that could help them improve. Many reported a lack of support from parent firms unless they could produce a convincing case to senior management.

Example

Code of Training Practice: Nottingham City Council

From its position as construction client and planning authority, Nottingham City Council encourages the industry to source labour locally. Recruitment policies of inclusion and integration lead to a workforce that better reflects the ethnic and gender make up of the city. Support for the code brings together CITB, local education colleges and employment services.

Composition of the workforce

The industry is highly fragmented. Currently 33% of the workforce is self-employed and those that work for companies employing seven people or fewer represents 90%¹⁰ of registered firms. There is also a substantial unregistered workforce that estimates¹¹ consider to be in the order of 300,000-400,000.

Securing change in such circumstances will always be difficult. Small firms are difficult to reach with the key messages. They have limited resources to apply effort to change and have a short financial planning horizon, and are less convinced by business case arguments focused on producing long-term return.

Larger and medium enterprises, project-based work, and certain clients groups (e.g. Housing and Local government) provide the most effective route to drive Respect for People messages into this diverse group. By encouraging their suppliers to take simple steps and ensuring continuous improvement they can affect large numbers of smaller firms. It is not unreasonable for those placing these requirements on their suppliers seek to develop appropriate strategies to support them.

The term 'Small and Medium Enterprises' (SMEs) was open to misinterpretation. Therefore bands were established on which to examine the effect of the toolkits and performance measures. Five bands were selected:

- *Firms employing greater than 300 people (large often national firms)*
- *Those employing between 50 and 299 (medium, regional and national firms)*
- *Those employing 25-49 (often small regional and local firms)*
- *Those employing 8-24 (small local firms)*
- *Those employing 7 or less (micro firms).*

The communication, level of internal support and ability to react varied dramatically between these size bands but not often within them. It seems this structure may be of assistance in future consideration of the needs of SMEs.

¹⁰ *Construction Statistics Annual, DTI 2002*

¹¹ *'Undermining Construction, The Corrosive Effect of false Self-employment' Institute of Employment Rights (2001)*

Accelerating Change

In examining the communication and image issues presented by small and medium enterprises the Strategic Forum for Construction recommended in **Accelerating Change** that:

"It is now time to take a step back and carry out a full review of all the initiatives that are currently underway and assess the real value they are adding to making the industry an attractive sector to be employed in."

This is to be welcomed and indeed in publishing the revised toolkits and in 'Reaching the Standard' that accompany this report much of this has been done to produce the 'Help sheets' in each toolkit and the cross-maps to six key industry programmes. The Forum also recommended that:

"...the Strategic Forum will ensure the production (for SMEs) of a single signposting booklet pointing the way towards the most effective people initiatives by the end of 2002"

There is scope to refine and repackage the toolkits and signposting 'Help sheets' for micro firms (those employing 8 or less) and this is a necessary evolution.

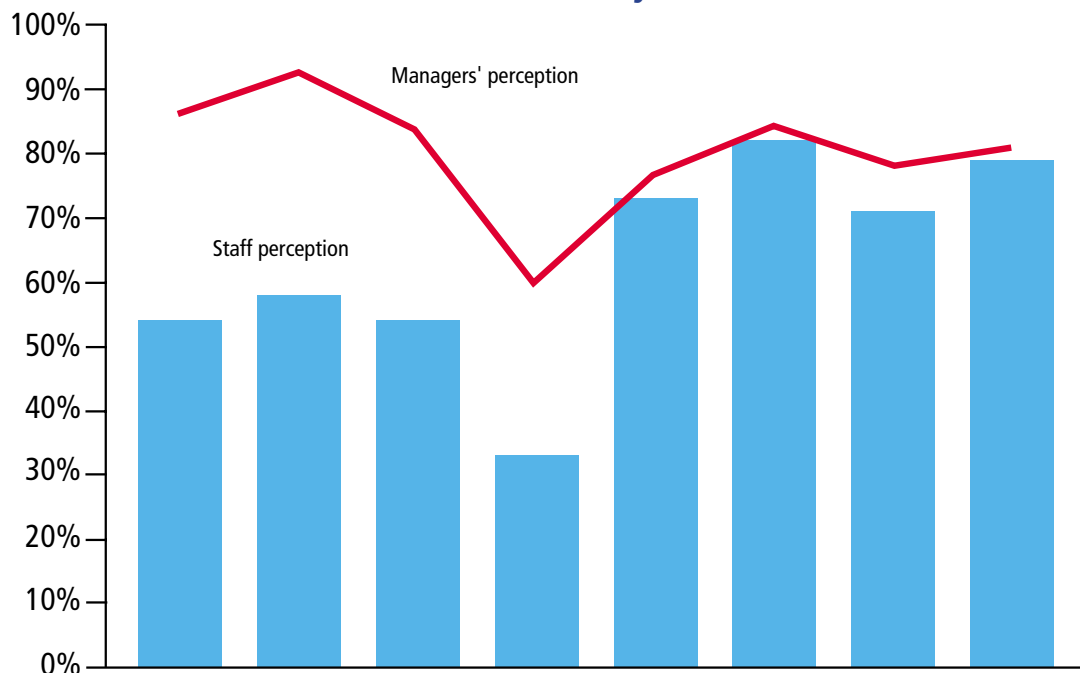
The toolkits and People Performance Indicators were tested by a small number of micro and small local firms and found to be suitable for them, if a little cumbersome.

Workforce involvement

All those working on and off-site contribute to a successful project or firm. However, barriers to effective communication exist throughout the industry between professions, different trades and through the management hierarchy.

The toolkits positively affect workforce involvement by providing a structured non-threatening approach to involve people in the process of improvement. Many firms participating in the trials encouraged their sub-contractors to complete the toolkits. Completion of them was often delegated to junior staff and site workers to reduce management workload and provide different views. An unplanned benefit of this action was more regular and frequent communication on other issues, including suggestions for improvements or hazard spotting which had not previously been forthcoming. This relies upon open communication of the results and commitment to take action on areas of under-performance.

Managers and workforce perception to a staff survey



Managers and staff were surveyed separately using the same questionnaire in a contractor involved in the RfP trials. The graphs shows the managers' perception (the red line) and the staff views (blue bars). Where there are gaps there is wide difference in views and these areas need to be addressed. To preserve anonymity details of the specific questions have been removed.

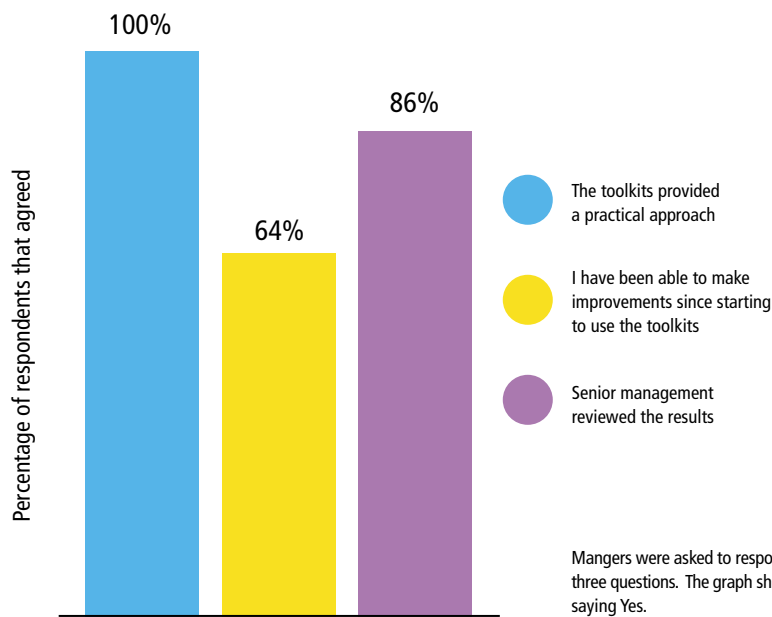
A 'Site Worker Checklist' was included with the original suite of tools. A Workforce Satisfaction Checklist was also subsequently developed. Since these are developed particularly for individuals on site, Trades Unions were involved in this aspect of the trial. The results shown in the charts below were surprising.

Example

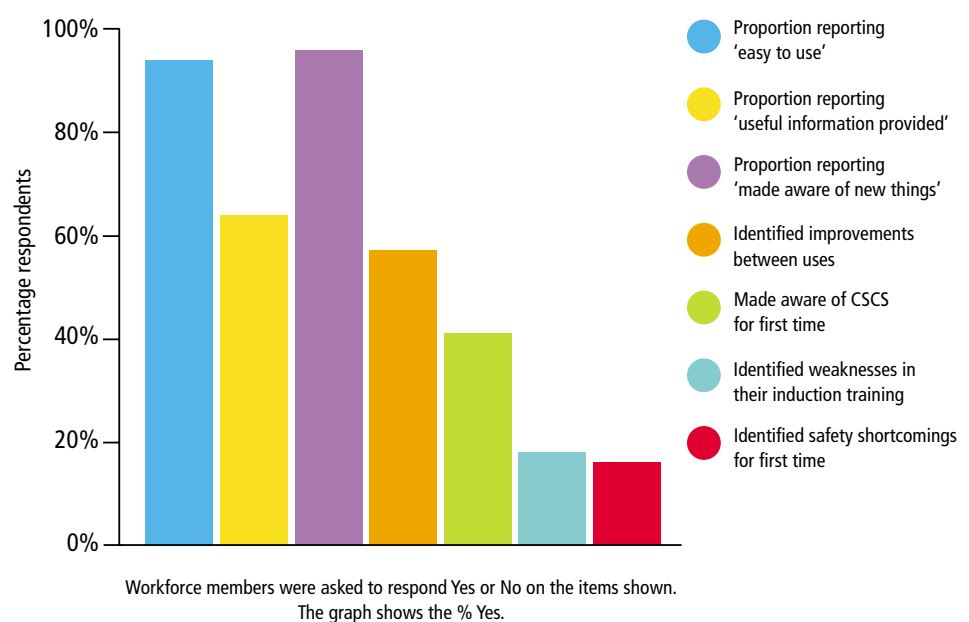
How toolkits help workforce to understand the issues: Transport and General Workers Union

The TUC estimates that compensation for injuries and ill health has cost the construction industry £300 million over the last five years. During the trial, the union used the toolkits across the whole of the UK either on specific projects or through field representatives. Their verdict is that the toolkits provided an instant analysis of critical areas, catching problems before they happen and leading to improvement.

Managers' responses to toolkits



Responses from workforce to toolkits



In the light of these findings, the revised toolkits place much greater emphasis on involvement of the workforce on a systematic and regular basis.

Action themes

Seven 'Action Themes' were identified in '*A Commitment to People "Our Biggest Asset"*' and these have constituted the Respect for People agenda. Progress in one theme area will inevitably mean consequential action in another. They provide a useful framework to examine the key Respect for People issues but the trial showed some of the the division was unnecessary. Following the trials the amended 'Action Themes' are:

- *Equality and Diversity in the workplace (page 21)*
- *Working environment and conditions (page 23)*
- *Health (page 26)*
- *Safety (page 28)*
- *Career development and lifelong learning (page 31).*

Each theme area is supported by data from the trial and the common elements have been examined:

- *Overview – including reflection on progress since
A Commitment to People "Our Biggest Asset"*
- *The business case*
- *Supporting toolkits*
- *Conclusions and recommendations for future work.*

The revised toolkits include detailed instructions for use based on the experiences of the trial participants, one or more scorecards and checklists, and 'Helpsheet' signposting sources of help and other references applicable to that theme area.

Equality and diversity in the workplace

Overview

Under representation

Employment in the construction industry remains unrepresentative of the general labour force. At a time of serious skills and labour shortages in many parts of the country the industry is effectively turning its back on considerable proportions of the available workforce. Despite considerable effort to understand the causes and affect change, little has changed since the publication of *A Commitment to People "Our Biggest Asset"*.

Lack of understanding

The trial identified a low-level of understanding of equality and diversity issues.

Equality and diversity extend beyond obvious issues such as harassment or discrimination. They involve improving understanding of the implicit messages that current recruitment and retention policies have, and revisiting these in light of the needs of a more diverse workforce¹². The issue is not restricted to women, manual trades or visible minorities and must be seen in the widest context, including diversity of age and those with disabilities. Aspects such as poor welfare facilities, poor interview and development experiences, inadequate pay, scant attention to work-life balance issues and lack of equality in the promotion process all feature as barriers to recruitment and retention.¹³

Most reports into equality and diversity in construction refer to a need for more training and awareness in equality and diversity issues. The trial supports this view and suggests training should be extended to everyone.

Many small-scale initiatives

We examined the number of initiatives currently underway in construction and identified 52 of national significance. This is an area where small projects abound, serving to add considerably to the confusion experienced. Better co-ordination is necessary.

Migrant labour

The increasing use of migrant labour is of increasing importance. But limited information is available. The effects of this are already presenting challenges of language, safety, cultural barriers and harassment in certain areas. There is no easy solution but it is clear the industry must respond pro-actively to this challenge by adopting better equality and diversity approaches.

The business case for equality and diversity

Those companies attracting and retaining a diverse workforce often excel in other 'people' issues. They tend to be the most desirable companies to work for, and often have little difficulty recruiting and retaining good quality people.

Most managers do not see immediately the relevance of this theme if sufficient labour is available to meet their urgent needs. Firms tend to respond to legislation rather than adopting a pro-active stance.

Those companies that had taken action had usually done so for the following reasons:

- Their clients or legislation demanded it
- They identified a need to fill emerging gaps in their workforce and had to look outside their usual recruitment pool
- To improve the image of their firm.

Toolkits

Equality and Diversity
in the Workplace

Work in Occupied
Premises

Workforce Satisfaction

Example

Diversity analysis in response to Local Authority client Request: Emmanuel Whitaker Ltd

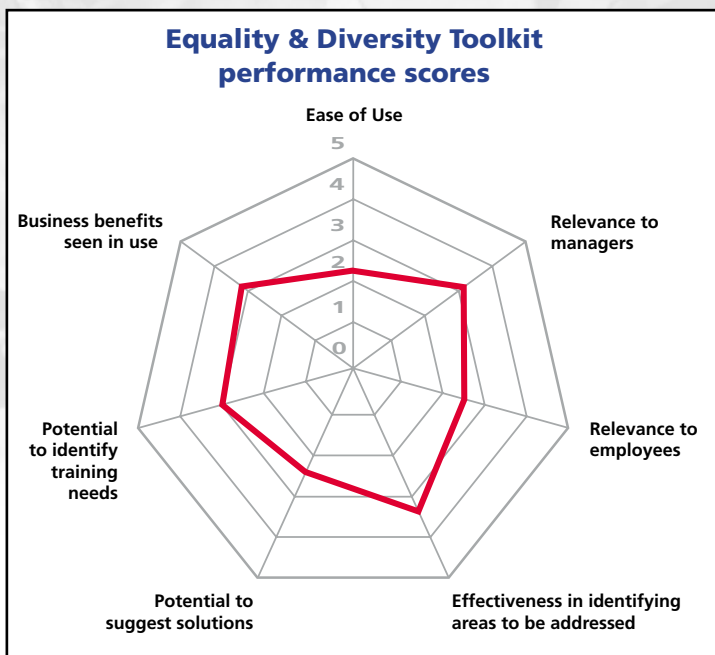
Emmanuel Whittaker used the toolkits as part of a drive to match the diversity of the workforce with the local community. They concluded that the dearth in ethnic minority employees means the company is losing out on a large pool of local resources that would bring specialist skills and new approaches.

¹² The Housing Forum report '20 ideas for delivering the 3Rs: recruitment, Retention and Respect for People' is a good example of what can be done at a simple and practical level.

¹³ Retention and Career Progression of Black & Asian People in the Construction Industry, Royal Holloway College & CITB

The business case for equality and diversity remains poorly understood and may be difficult to quantify. There are established business drivers to which the industry responds. This study shows that company

image, and the moral and legal arguments may be more effective in driving change than a purely business case based argument. Data to underpin the business drivers remains scant.



Supporting toolkits

Generally, there was a low uptake of the Diversity toolkit resulting from the low significance generally attributed to the theme.

Following extensive consultation and additional research the toolkit was extensively revised and is published with this report.

Conclusions and recommendations

Target

Achieving a representative workforce provides a suitable overarching measure of the impact of Respect for People. If

pay, conditions, health, safety, career development and other concerns are effectively dealt with construction becomes a more attractive place to work. A wider variety of people will seek careers in construction as it becomes more desirable, leading to improvement against the target.

Data is available from the Labour force survey and other sources providing information at a national and industry level to track changes in the representation of the industry. The number of people in construction industry from non-white origin 2.3%; number of women in construction 9.2%¹⁴. It is appropriate to use this as a foundation for a target to address under-representation.

Recommendation:

11. The industry should substantially increase the number of people entering it from under-represented groups with an initial target of not less than 20% per annum.

Indicator relevant to companies

During the trial several indicators of equality and diversity were developed and tested. None were found to be effective in providing a measure that:

- Was simple to use (not requiring a computer)
- Was relevant to firms and projects operating on a local, regional or national basis
- Highlights the difference between a company's current labour force and their potential recruits.

Recommendation:

12. Further work is needed to develop a draft indicator of Equality and Diversity performance for the industry and gathering of supporting data. This work should aim to report an initial indicator in 2003 with a view to testing and refining the indicator thereafter.

Supporting data

The difficulty in understanding what is happening and developing an effective performance indicator for use by companies was due to a lack of good quality information.

Recommendation:

13. More information is needed to establish the level and extent of job applications to the industry, dropout during training, numbers entering the industry and subsequent retention. This data is required at regional and local levels and should cover all aspects including gender, visible/non-visible minorities and disability issues.

¹⁴ Office of National Statistics, Labour Force Survey 2002 (average percentage over previous 12 months 2001-2)

Working environment and conditions

Overview

Impact on image

The working environment speaks volumes for how people are valued. It contributes substantially to the overall image created of construction. Some of the best sites have working environments that exceed those found in many offices, though these are unfortunately still rare.

Legal minima exist¹⁵ yet it is still often the case that even these minimum provisions are not in place. Construction sites remain the shop window of the industry and an untidy and shabby looking site is a poor advert for the industry. Programmes such as the *Considerate Constructors Scheme* are to be applauded.

The 'site worker checklist' was initially provided as an addition to the suite to improve workforce involvement. Initial assessment of manager's perceptions resulted in this receiving low priority. After use, its significance became apparent and it became one of the most successful of the toolkits. Building on this experience the toolkit now includes the Workforce Satisfaction Toolkit featuring:

- The workforce satisfaction questionnaire
- The working environment questionnaire.

Consideration of the 'soft' issues

Working Conditions is the term applied to those 'softer' factors often closely related to culture, including terms and conditions of service, management approaches, pay and reward and behaviours. The Workforce Satisfaction toolkit has been developed to support investigation and consideration of these issues.

In *A Commitment to People "Our Biggest Asset"* the Site Welfare toolkit tackled the physical environment on site and the 'off-site working environment' toolkit, and the 'softer issues' of communication, culture, and behavioural issues. Trialling revealed that this separation was not helpful. The items addressed by both toolkits were applicable to all. Consequently a single theme is presented encompassing on and off-site situations and workforce satisfaction.

The distinction between on and off site only reinforces the hierarchy between 'staff' and 'weekly and hourly paid' manual workers who tend to suffer from the poorest working environment and conditions of service.

Employee satisfaction

A Commitment to People "Our Biggest Asset" identified employee satisfaction as possibly the most significant measure of progress within the Respect for People agenda.

In the revised toolkits, additional emphasis has been placed upon systematically obtaining the views of individuals. This is a key element of the overall approach of Respect for People and has been shown to yield the greatest results. The Workforce Satisfaction toolkit features questionnaires for individuals. An associated Employee Satisfaction People Performance Indicator was also published. Taken together these provide a useful mechanism to benchmark employee satisfaction.

Clients and professionals spend limited time on site

Clients and their consultants often have only a limited presence on site and consequently do not adequately anticipate the needs of those that do. During the early stages of a project this can lead to a situation where contractors are forced to provide solutions that are inadequate and may be more expensive than a well-planned approach. The general view seems to be that it is a contractor's problem rather than one affecting the whole supply-chain involved.

¹⁵ Construction (Health, Safety and Welfare) Regulations 1996

Induction processes are poor

Responses to the toolkits and attendance at many site and company evaluation meetings identified that for many, starting with a firm or project is a haphazard activity, with induction processes usually being restricted to immediate safety issues. There is often little attempt by managers to give new recruits the whole picture or to explain how they fit in the organisation, details of their immediate tasks and objectives, and how these contribute to those of the firm or project.

There is little in the way of initial mentoring to ensure the new starter has sufficient opportunity to ask questions or resolve issues of significance to them, all of which affects their ability to contribute quickly.

Example

High quality worker facilities attracted and retained workforce: Woolgate Exchange

A buoyant market for labour and contractors meant that attracting and keeping the right people could make or break the project. Contractor Interior's basic premise was that workers need to be happy on site for the project to succeed. Investing in quality worker facilities had a radical effect on staff retention. A nearby, similar-sized Interior project with more traditional facilities recorded 40% more churn.

The business case for better working environment and conditions

A workforce whose physical needs for shelter, eating areas and changing rooms or personal space, and whose well-being is secured through good terms of service, pay and pension provision display higher motivation and deliver higher levels of quality, efficiency and service.

Trial evidence shows that attention to working environment and conditions does have a positive effect on staff turnover, absence and motivation. This in turn can lead to improvements in service and quality levels, a willingness to contribute to the team and help deliver better performance in programme and planned financial performance.

Supporting toolkits

During the trial, working environment was seen as being crucial to the development of an effective approach to Respect for People. There was an inadequate understanding of the contribution of the 'softer' issues.



Conclusions and recommendations

Ask the workforce

Use of the site worker checklist and workforce satisfaction questionnaires has shown that there can often be a wide gap between the perceptions of management and their workforce. This has occasionally led to expensive inappropriate actions being taken from best intentions while the item of real concern goes unresolved.

The Workforce Satisfaction and Working Environment Questionnaires provide standard template surveys from which 'satisfaction' can be derived and benchmarked against the KPI. Developed following guidance from leading polling organisations and based upon the DTI Work Employee Relations Survey it allows comparison to independently verified data providing a national benchmark for construction and other industries.

Companies and projects that used the workforce satisfaction questionnaire and the working environment questionnaire were often astounded by the results. They all indicated that they would be repeating the process regularly.

Recommendation:

14. All employers and project teams should measure – at least annually – their whole workforce to determine their satisfaction with working conditions and environment.



Inductions

We identified little evidence of quality induction processes, and this became more apparent when the toolkits were used by trialists and their workforce. This is an important area needing urgent attention.

Recommendation:

- 15. Every firm and project should review its induction training so that the whole workforce receives details of the organisational structure, immediate and long term aims, explanation of standards and practices, rewards and penalties, and provides support through an effective mentoring approach.*

Site image

The Considerate Constructor scheme is a valuable approach to ensuring that the image of the industry is improved. The toolkits can assist in this and ensure that the site represents an advertisement for the industry. In **Reaching the Standard** the support available from the toolkits and performance measures is identified.

Recommendation:

- 16. All sites should be registered with the Considerate Constructors Scheme.*

Health

Overview

Health receives too little attention

Too little conscious attention is given to occupational ill health. By its nature, ill health effects are usually slow to be realised, but its costs and long-term implications are far more significant than those of accidents where there are immediate visible impacts. This is especially so in an industry reliant on hourly/weekly paid workers who often receive no benefits if they are not at work.

Stress and overwork

Stress is of increasing concern to middle managers and in particular sectors of the industry as they face ever-greater pressures and longer working hours. To address this some companies now provide:

- *Health screening and surveillance*
- *Drug and alcohol testing*
- *Workforce assistance programmes*
- *Flexible working arrangements.*

Generally the above remain restricted to larger firms, and then only to directly employed staff. People Performance Indicators already address working hours and travelling time to help identify trends that

contribute to stress. Mechanisms need to be identified that provide similar support to projects and smaller firms for their whole workforce, including sub-contractors.

Example

Manual handling

A Respect for People trials advisor visited a multi-storey, concrete-framed building site in Leeds. He was shown a tidy site with two tower cranes. There were pallet trucks on each floor for moving pallets of blocks. Using the Health Toolkit with the site agent he revealed that two labourers had been carrying fire doors to where they had to be fitted, all day for the past three days. The agent said they had about another three days of this to do and acknowledged a manual handling concern.

When challenged about how this could have been avoided, the agent suggested that the cranes could have been used if the project had been replanned to leave space through the curtain wall to sling the doors to their respective floors. The pallet trucks could have then been used to move the doors into position. In all it was thought the operation would have taken about half a day with minimal manual handling.

The business case identified during the subsequent examination was:

- *Person-days saved = 11 days.*
- *Savings and improved quality due to less damage to doors resulting from reduced handling and risk of damage during storage on site for up to six days.*
- *Improved morale and increased chance of recruiting more labour (a key issue on this site).*

Opportunities of emerging technologies

Design professionals, material suppliers and advances in construction techniques and technology have potential to make a real difference to the health of construction workers. In particular the greater use of off-site fabrication, pre-assembly and manufacture, specification of non-hazardous materials and designing out health risks are key to reducing ill health in construction.

A Commitment to People “Our Biggest Asset” called for a step change in the way that health was managed. This potential has yet to be realised as the recent HSE discussion document **Revitalising Health and Safety in Construction** confirms.

The business case for health

The trial has shown that fear of compensation and prosecution is often the main reason that health issues are considered important. Construction is still perceived by the public as an unhealthy industry and this affects its image and choice as a career.

Good health management does not need to add significantly to costs, and the trial programme has shown that proper attention delivers positive benefits, particularly a reduction in sickness absence.

Addressing health issues through the design process often leads to continuous improvement in process efficiency, e.g. the avoidance of double handling materials, quicker delivery of material to the working face, etc.

People who perceive their health is being safeguarded are likely to be more loyal and motivated.

Much has been written about the costs associated with ill health, though in the current climate where employers rarely foot this bill the arguments clearly have little resonance with the majority. Of increasing importance is the effect that a poor health record can have on insurance premiums and potential civil action.

Supporting toolkits

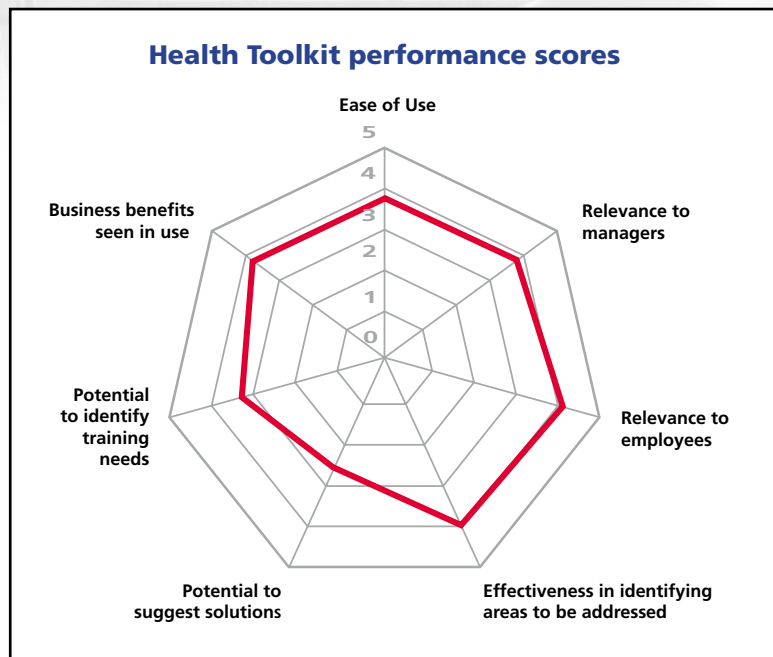
The trial has shown that managers generally consider health to be less important than safety. Anecdotal evidence indicates that this is due to the common 'Health and Safety' terminology rather than a proper consideration of the issues. Trialists considered the separate toolkit on health was key to raising their game on this issue.

The accompanying Health and Safety in Procurement and Design toolkit required the involvement of the project team in early consideration of the health issue, but this was not so well received. Clients and designers found its relevance difficult to see and the Health Toolkit particularly was perceived to be a 'site' issue and nothing to do with them. Consequently, the level of participation from this group was low. The redesigned toolkit dispensed with the 'Health and Safety in Procurement and Design' and provides a chronological approach, making the link between planning and site activities more apparent.

Example

Health issues revealed by toolkit: Pearce (Retail services) Ltd

Despite a 92% score for the People Performance Indicator Sickness Absence, the Health toolkit highlighted a number of health issues such as stress at all levels, the need for more forklift operators to reduce manual handling and vaccination against infectious diseases for first aiders. Pearce is integrating some of the toolkits into their measurement system to be rolled out across all projects.



Conclusions and recommendations

Cause and effects of ill health

There was difficulty in obtaining data for many of the measures suggested in *A Commitment to People "Our Biggest Asset"*. The under-pinning data necessary was not available and in some cases did not exist. Ill health remains an area that requires further in depth exploration in relations to the immediate and wider social cost implications for businesses, e.g. the links to insurance and benefit provision or latent potential liability arising from neglect of a duty of care.

Recommendation:

17. *Data on the causes and effects of ill health should be collected in a format that can be used to develop a suitable performance measure and to identify trends.*

Training

The trial established that the level of understanding of occupational health and in particular the benefits that can be revealed when it is effectively addressed during early phases of a project and in consideration of the processes used. Training that highlights good management practices and benefits of effective health strategies would be of considerable value.

Recommendation:

18. *A supportive health based training programme should be developed for on and off site activities that can be delivered by in-company health and safety professionals.*

Safety

Introduction

Work in construction need not involve risk and accidents are not inevitable.

Experience from the demonstration projects has shown there are number of key areas in which management can take further action to minimise risk.

Procurement and Partnering

Rethinking Construction encourages project teams to work together at an early stage to drive changes in the way a project is designed and constructed. A key spin off is that minimising risks including the risk of accidents commences at the concept and feasibility stage of a project. The composition of the project team is vital and should involve partners committed to eliminating risk. Selecting project partners on the basis of quality rather than cost will enable suppliers to concentrate on managing risk and safety. Involving those that have to construct the project, especially specialist sub-contractors early on in the project is essential if safety risks are to be avoided or reduced.

Project partnering has an important part to play in delivering both client satisfaction and commitment to minimise risk. Potential benefits of shared commitment cover training and development aspects, efficiencies arising from long term planning, and safer construction techniques.

Process mapping

Many reported accidents arise when construction activities take place "out of process". Management must ensure that processes are properly mapped; risks identified and attributed; appropriate measures implemented and early corrective action taken, to reduce the likelihood of accidents occurring. A key component of more effective project management and featuring significantly in *Rethinking Construction* the health and safety benefits of improving the project process remain largely untapped.

Behaviour-based approaches to safety

Many site managers expressed the view that the key to success in reducing accidents was a change in the willingness of the workforce to accept risk and a reduction of the 'macho' culture. A better understanding of risk amongst the workforce and the attitude that promotes the reporting of near misses is essential on every site. Training was identified as the principal method to overcome this.

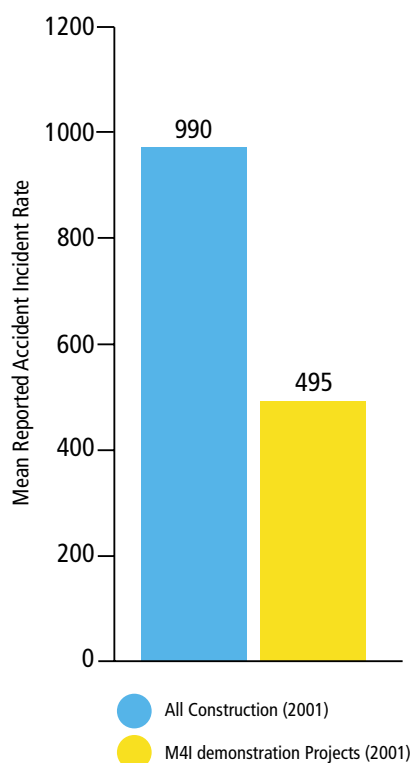
Work was started with a number of leading-edge companies and projects within the Respect for People trial to examine the behaviour issues affecting safety performance on site and to produce some simple guidelines that others may follow.

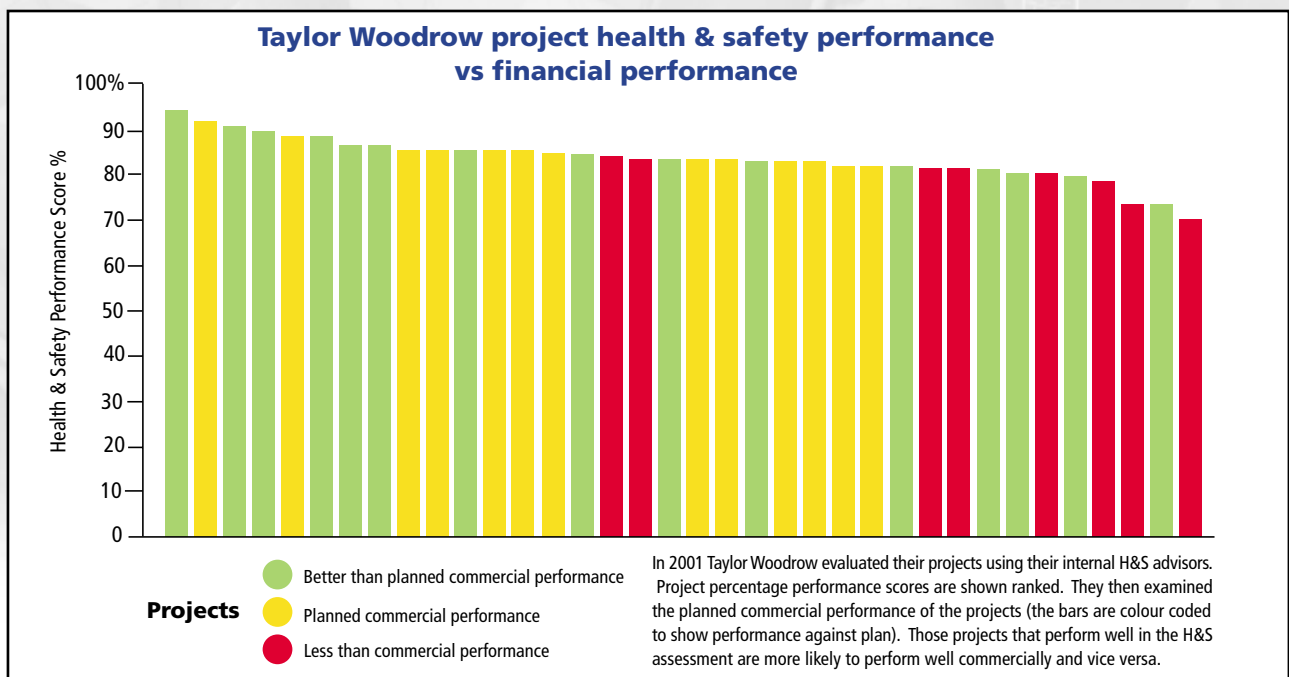
Elements of the HSE Climate Survey have been included in the Working Environment Questionnaire as an indicator of safety culture. The full Climate survey remains a useful tool and more companies should use it.

The business case for safety

Comments made by trialists indicated that clients are increasingly demanding higher levels of safety performance before and after the award of contracts. Their reputation is at stake and the consequent risks to their overall construction programme are high. Many construction firms are reporting difficulties in obtaining employer and public liability insurance with a dramatic and detrimental impact on their costs. The issues are complex, but a more proactive approach to safety management by companies will become an increasingly important factor.

Comparison between demonstration projects and all industry mean accident incidence rate





The quote often repeated amongst safety professionals and industry managers that:

A tidy site is a safer site.

remains largely true. A safe site is also likely to be an efficient, well-managed one. For a long time good safety management has been equated with good general management and project effectiveness, but there has been little data to support this view.

Supporting toolkits

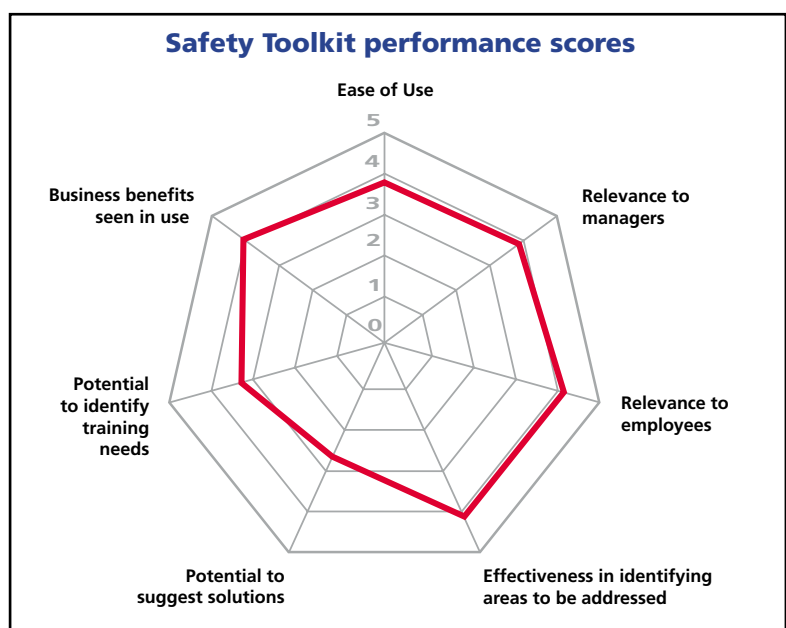
To help companies move to a more integrated style of working, the safety toolkit now includes a 'Concept, Planning and Design' checklist which suggests some of the areas that the project team may consider early in the process. This has led to a project (rather than site) based toolkit that supports more involvement by the client and design team.

A personal risk assessment toolkit is also included. Designed to be used by all workers, it should be used just before an unfamiliar task is started, or if a familiar task is undertaken in an unfamiliar environment. It incorporates a simple, ready to use risk analysis and an aide memoire.

Conclusions and recommendations

Industry target

At the Safety Summit in February 2001, the industry produced seven action plans and targets to address the poor safety record of the industry. Comments received during the trial (if true) indicated confusion among some industry managers who are not clear which target to respond to. In 1998 *Rethinking Construction* identified a target of a 20% per annum improvement in the number of reportable incidents. The trial and *Rethinking Construction* demonstration projects have proved that more ambitious targets are achievable. It is unacceptable for the industry to carry on killing and injuring people at current rates.



The current accident incidence rate is 990 per 100,000 employed (adjusted for under-reporting)¹⁶.

Recommendation:

- 19. The industry should wholly adopt the Rethinking Construction target of a 20% per annum reduction in reportable incidents.*

An effective predictive indicator

The Safety Performance Indicator has recently been enhanced to allow for under-reporting and it provides separate details for companies with a turnover above and below £10 million. These measures however remain reactive, showing past performance, and do not indicate future trends.

Many companies are adopting a measure of 'working hours since the last lost time accident' as a pro-active safety indicator. However, an effective predictive measure is still not available and this needs to be identified and suitable data collected. This is now an urgent need to drive the safety agenda forwards. Near-miss reporting is becoming a regular feature of best practice approaches adopted by some companies and may be the key to this difficult issue.

The Health and Safety toolkit provides a useful mechanism for companies to examine their performance, and provides a 'forward looking' tool to determine effectiveness in health and safety. Further work is necessary to develop more effective safety performance indicators that evaluate safety behaviour likely to lead to accidents.

Recommendation:

- 20. Every project – no matter what size – should regularly use the Health and Safety toolkit published with this report.*

¹⁶ DTI/CBPP/Rethinking Construction Industry Progress 2002

Career development and lifelong learning

Overview

Forecast skills requirements

The development of new technologies and faster pace of change in construction inspired by Rethinking Construction makes the need for an effective approach to Lifelong Learning more significant for the construction industry. Recent work by the Construction Industry Training Board¹⁷ highlights no fewer than six top skills changes for senior managers, business developers, professionals and site managers. Unless companies adopt an approach to enhance current capability, it is unlikely that these will be met.

Inhibiting factors

A Commitment to People “Our Biggest Asset” identified a number of factors as inhibiting the establishment of lifelong learning.

These have been validated through the trial. Notably the boom bust cycle remains a concern of industry managers even after a number of years of growth. Trialists repeatedly mentioned the fear that the next recession was due and this led to a short-term view. This short-termism affected manager’s willingness to consider adoption of lifelong learning strategies.

Many larger firms and clients with their developed human resource and training strategies are well

placed to assist smaller firms not as well equipped. Those larger firms in the trial tended to be active in other areas of the Rethinking Construction agenda such as the development of supply chains and integrated project teams. In this context they were able to support their smaller partners to examine and develop appropriate career development strategies. Their human resource teams recognised the value of such approaches and often acted as champions.

However it was widely accepted that there were difficulties caused by excessive workforce mobility, lack of resource and poor communication at the third and fourth tier supplier levels.

Skills Changes likely to affect the industry:

For senior managers:

- Long term planning based on economic and market analysis
- Identifying and establishing suitable partners and alliances
- Building up a strong network of suppliers / sub-contractors to deliver construction programmes
- Communicating a clear vision of the industry and the company to shareholders, government and potential employers
- Being aware of current and emerging legislation relating to working conditions, the environment and new forms of contract
- Changing company culture to offer a long term and rewarding career to those joining the company.

For professionals:

- Understanding all aspects of the construction process
- Cost analysis and modelling
- Facilitation and communication
- Risk assessment for financial, technical and regulatory factors
- Identifying suppliers and specifying pre-fabricated materials and methods
- Logistics, project management and scheduling.

For site managers:

- Supply chain integration – managing a team of diverse suppliers
- Logistics and planning
- Re-engineering the process and construction site
- Waste management.

Table of Inhibiting Factors

Work patterns vary considerably and the workforce tends to reconfigure on a project-by-project basis:

- There are many small enterprises and sole traders
- The short-termism of many employers, whose horizon tends to be the completion of the next project is at odds with the long term vision to drive lifelong learning strategies
- There is no tradition of career planning in the industry.

¹⁷ Skills Foresight report, CITB 2001

Personal development

The increasing emphasis on safety has led many representative organisations and companies to accept the need for structured training and development for all members of the workforce.

These companies provide opportunities for work-based learning and support personal development activities – often as a part of an approach that embraces Investors in People.

Development programmes should operate in parallel with a properly developed approach to career development. However, advancement within most firms is achieved largely due to a combination of circumstance and opportunity, rather than as a result of a predetermined plan to prepare people for more demanding, rewarding roles.

Mentoring, coaching and other development strategies commonplace in other sectors are still the exception rather than the rule in construction. Little use is made of Continuing Professional Development (CPD) to enhance 'soft' skills as these still focus largely on technical issues.

Professional institutions have a key ability to encourage the integrated team approach and to focus thinking and effort on the 'soft' management skills as much as on the technical. Their requirements for achieving chartered status and continuing professional development provide opportunities to properly equip construction professionals for the 21st century. There is scope for them to review their requirements and encourage cross-discipline working with a focus on 'people' management issues.

Work with a number of key firms from around the industry during the trial and other studies has shown that advancement still tends to be based on technical rather than managerial competence, with few in managerial positions bringing fresh perspective from other industries – though this is changing slowly in response to staff shortages. There are still relatively few opportunities where excellent technical/craftspeople who do not wish to fill management positions, can be appropriately recognised and capitalised upon to provide senior grade mentors.

A better understanding is needed of the relationship between learning opportunities, personal growth and performance and innovation.

Rethinking Construction recently published *The why, what and how of partnering the supply chain*¹⁸, the first of their case studies based on organisations applying Rethinking Construction principles. A further study has been commissioned into the training needs that support the implementation of Rethinking Construction based on the findings of the demonstration projects. A report will be produced in the next few months.

The business case for career development and lifelong learning

Lifelong Learning is necessary to bring about the culture change and increased competitiveness of the industry envisaged in *Rethinking Construction*. Indications from trialists identified that the business case for career development was not readily seen by managers operating on a short term cost benefit basis. Consequently, investment, support and allocation of time for this important activity are not readily forthcoming. There are also differences in approach between sectors with designers and consultants paying more attention to the development of their workforce.

Studies¹⁹ amongst the current student population conclude that while entry level pay is a factor in influencing career choice, 65% of students report that career prospects are more important. A well-developed strategy is thus a considerable advantage in the 'war for talent'.

Benefits of lifelong learning strategies include:

- *Ability to respond to increasing pace of change thus maintaining/extending competitive advantage*
- *Higher levels of motivation and consequent affects on staff retention (saving on the considerable replacement costs)*
- *Reduced risk – leading to potential insurance savings*

¹⁸ *The How, Why and What of Partnering the Supply Chain Rethinking Construction, 2002*

¹⁹ *CIPD 2002*

- Improved health, safety, environmental and business performance
- Enhanced image
- More efficient flexible workforce.

Supporting toolkits

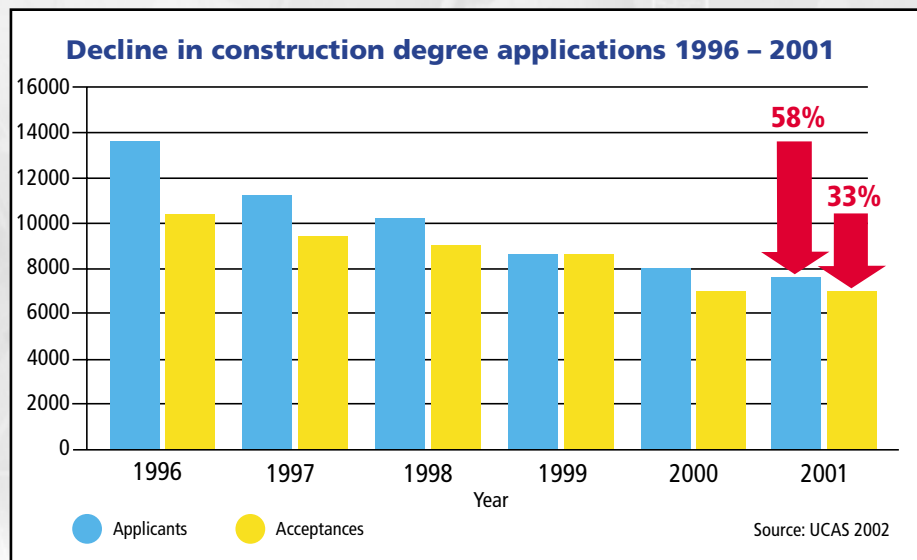
The Career Development and Lifelong Learning toolkit was designed as an introduction to the Investors in People philosophy and as a simple progress check.

Broadly welcomed by trialists, especially those seeking progression towards Investor in People (IiP) recognition the toolkit was repetitive of those standards and other similar tools. Trialists not seeking IiP status found it difficult to use and its relevance questionable.

At the same time it was recognised that there was scope for assistance with the development of appropriate training plans. Small and medium companies and most projects did not often develop an appropriate training needs analysis to assist them deliver immediate or medium term objectives.

During the trial it became apparent that there was little support available to these companies and projects to conduct a simple training needs review, and to establish a training plan that supported their business objectives. Simultaneously CITB were piloting a new approach to their grant scheme based on the production of a training plan and developed a toolkit with which to prepare one.

The revised toolkit for this theme is entitled **Training Plan** and is based substantially on CITB model. Those companies that wish to use it and who are eligible for training grants from CITB should contact their local CITB office for a copy.



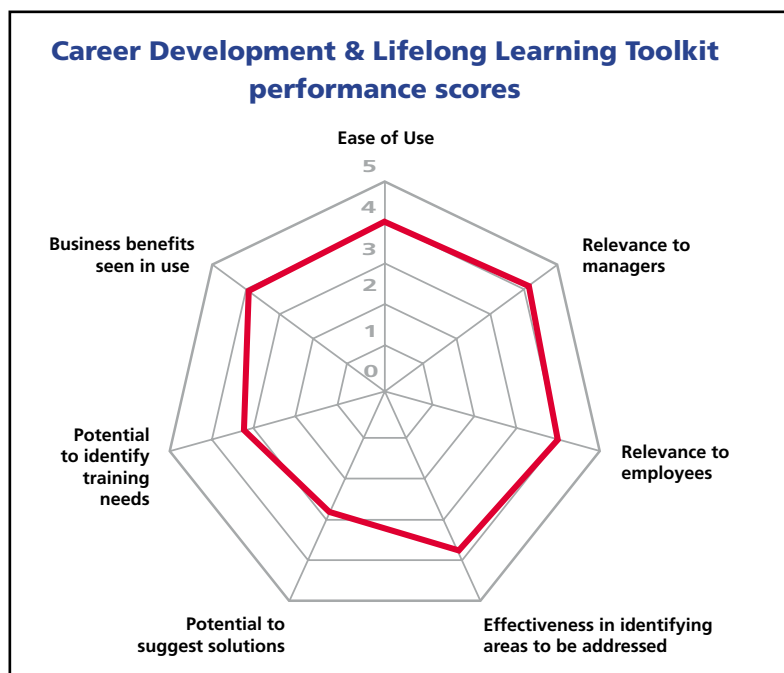
Conclusions and recommendations

Supporting performance indicators

Two principal performance indicators were proposed in *A Commitment to People "Our Biggest Asset"* to support the Career Development and Lifelong Learning theme area:

- The percentage of workforce qualified/certified, and
- Annual training/development days per employee.

The first Indicator has not been published, as there is not yet a standard definition of 'qualified/certified' that applies to all sectors. The Construction Skills Certification Scheme (CSCS) is becoming widely accepted as the standard competency registration scheme for the construction industry.



Purists will argue that any measurement does not account for quality or relevance of training and that remains true. However construction is far from possessing widespread development and training strategies needed to support future changes. In an industry that has a considerable proportion of unqualified people and poor image associated with career development an empirical measure remains valid despite these shortcomings.

Recommendation:

- 21. A People Performance Indicator that uses CSCS as its basis for the indicator of qualification/certification should be developed within the next two years.*

Linking training cost to benefits

The business case for small firms and projects remains underdeveloped. Shorter financial horizons and an indistinct link between cost and short-term relevant benefits have made this difficult.

Recommendation:

- 22. The business case for training should be developed further.*

Future skill requirements

The table of future skills requirements shows that there is a growing need to develop and continue to invest in our current management, technical and craft skills sets. This is a continuous cycle to support innovation and continuous improvement. Those well established companies in other industries possessing continuous improvement cultures value ongoing learning as a key business success factor. They place considerable emphasis on 'soft' management training. Construction can continue to learn from these organisations.

Recommendations:

- 23. Firms should equip the next generation of managers with the skills to implement effective monitoring and develop programmes covering people issues.*
- 24. Those responsible for craft training should also promote better health, safety and team working.*

Annex 1 – Membership of the trial steering group and sub-groups

Respect for People SG

Michael Ankers –	Construction Products Association
Bob Blackman –	TGWU
George Brumwell –	UCATT
Alan Crane –	Rethinking Construction
David Crewe –	Rethinking Construction
Rodger Evans –	DTI
Bridget Fidler –	Construction Industry Council
Annette Fisher RICS –	Fisher Associates
Noel Foley –	Consultant
Sheila Hoile –	CITB
Ellie Johnson-Searle –	Construction Confederation
Zara Lamont –	Confederation of Construction Clients
Michael McDermott –	DTI
Brian Moone –	Construction Best Practice Programme
Stephen Ratcliffe –	Construction Confederation
Sandi Rhys-Jones –	Rhys Jones Consultants/Change the Face of Construction
Peter Russian –	Investors in People UK
Adrian Terry –	Respect for People
Don Ward –	Design Build Foundation
Philip White –	Health and Safety Executive
Clive Young –	DTI

Review Panels Equality and Diversity

Dr Barbara Bagihoile –	Loughborough University
Frazer Clement –	CITB

Dr Andy Dainty –	Loughborough University
Bridgette Fidler –	CIC
Julie Fuller –	Bramall Construction Ltd
Emmanuelle Gateaud –	Equality Direct BSS
Eustace Gordon –	Commission for Racial Equality
Haroona Irshad –	MACE
June Jackson –	Royal Holloway College
Miriam Lewis –	Carillion PLC
Pete McGuire –	City Wide Construction Programme
Mr Aaron Mounds –	CITB
Miss Chrissie Pepper –	Loughborough University
John Sharman –	Equal Opportunities Commission
Stef Stefanou –	Chairman John Doyle Group PLC

Health and Safety

Gillian Birkby –	Mayer, Brown, Rowe and Maw
Dr Andy Colvin –	Rail Link Engineering
Dr Alistair Gibb –	Loughborough University
Thouria Istephan –	Associate Foster and Partners Riverside
Ray Spooner –	Carmelcrest
Philip White –	HSE

Working Conditions/Personal Working Environment

Keith Allen –	Capital Projects Construction AMEC
George Brumwell –	UCATT
Karen Gough –	Sky Blue Carillion
Thouria Istephan –	Foster and Partners
Ray Spooner –	Carmelcrest
Philip White –	HSE

Workforce Satisfaction

Keith Allen –	Capital Projects Construction AMEC
George Brumwell –	UCATT
Karen Gough –	Sky Blue Carillion
Debra Humphries –	ACAS
Ray Spooner –	Carmelcrest

Training Plan

Keith Allen –	Capital Projects Construction AMEC
Karen Gough –	Sky Blue Carillion
Thouria Istephan –	Associate Foster and Partners
Pete McGuire –	Nottingham City Council
Eddie Ruthven –	CITB
Ray Spooner –	Carmelcrest
Mark Way –	RMJM

Case Study Review Panel

Jim Meikle –	Defence Estates Quality Directorate
Paul Lightfoot –	Doncaster Metropolitan Borough Council
Paul Mason –	James Nisbett and Partners
Bob Arnold –	London Borough of Lewisham
Ron Edmondson –	Waterloo Air Management

Trial Team

Tim Embley –	Trials Advisor
Richard Gage –	Trials Advisor
Mark Lythaby –	Trials Officer
Adrian Terry –	Project Director

Final Toolkit Production

The Stables Team

Annex 2 – Trialling Organisation and Projects

Alan Conisbee and Associates	Greenwich Millennium Village	Oxfordshire County Council
Aqumen Defence	H and P Campbell Ltd.	Pearce (Retail) Ltd
BAA ACTA	Hart Housing Association	Posford Duvivier
Balfour Betty Major Projects	Health and Safety Executive (Scotland)	Powerminster Ltd
Barnsley	Hull City Services - Construction Division	Rail Link Engineering
BIRSE Construction	Hyde Construction	Rok Group
Bournville Village Trust	Infracore Sub-Surface Ltd	Richard Hodgkinson Consultancy
Bramall Construction Ltd	Islington and Shoreditch Housing Association Ltd	SBT
Building Design Partnership	James Nisbett and Partners	Schofield Lothian Ltd
Buro Happold Ltd	John Doyle Group PLC	Sentinal Housing Group Limited
Cambridge City Council	John Mowlem and Co. Plc	Serco Property and Design
Cambridge City Council (Property Services)	Knowsley Design Consultancy	Shepherd Construction
Camden Local Education Authority	Laing Ltd	Shillam and Smith
Capita Infrastructure	Lancashire County Council	Simons Group Ltd
Carillion Highway Maintenance Ltd	Lansbury West Estate	Skanska Project Management Services
Carlisle Works	LCR Highways Limited	South Staffordshire Housing Association
Circle 33 Housing Trust	London Borough of Barking and Dagenham	South West Water
City of Wakefield Metropolitan District Council	London Borough of Camden	Southwark Building Design Service
Citywide Construction	London Borough of Hillingdon	Stanhope Bovis
Coventry City Council	London Borough of Lewisham	St Georges Wharf
Cumbrian Industrials Ltd	London Borough of Southwark	Stoke-on-Trent Council
Curtins Consulting Engineers	Loughborough University	Symonds
Defence Estates	Lovell Partnerships Ltd	TGWU
Derg Water Treatment Works	MACE	The Guinness Trust
DLG Architects	Michael Dyson	The Pavement Team
Doncaster Metropolitan Borough Council	M. J. Gleeson Group Plc (Sheffield)	The Vale Housing Association
Drake and Scull Engineering Ltd	Morris and Spottiswood	Thomas Vale Construction
Dundee City Council	Mouchel	Totty Construction Group PLC
E. G. Carter Co. Ltd.	Mowlem Civil Engineering	UCATT
Earth Tech Engineering Ltd	Neath Port Talbot CBC	Unicorn Consultancy
Emanuel Whittaker Ltd	NHBC Engineering	United House Ltd
F Hall and Sons Ltd	North British Housing	Vanoord ACZ Ltd
Fosroc Construction	North Tyneside Building Services	W S Atkins plc
Frank Haslam Milan and Co Ltd	Optima Housing Association	Walter Llewellyn and Sons Ltd
Galliford PLC	Oscar Faber	Waterloo Air Management
GCP Chartered Architects	Ove Arup	Wates Construction
George and Harding Ltd	Overbury	Willmott Dixon Construction Ltd
Graham	Oxford Citizens Housing Association	Willmott Dixon Housing Ltd
		Woolgate Exchange

Annex 3 – Rethinking Construction

What is Rethinking Construction?

Rethinking Construction was initiated by the report of the Construction Task Force chaired by Sir John Egan in 1998. The principles are simple:

- *Client leadership*
- *Integrated teams throughout the delivery chain*
- *Respect for people.*

The objectives are to achieve radical improvements in the design, quality, customer satisfaction and sustainability of UK construction and to be able to recruit and retain a skilled workforce at all levels by improving its employment practices and health and safety performance.

The task force proposed seven targets for improvement, which underpin Rethinking Construction:

- *Reduced capital cost*
- *Reduced construction time*
- *Better predictability*
- *Fewer defects*
- *Fewer accidents*
- *Increased productivity*
- *Increased turnover and profit.*

How are we doing it?

Since the publication of the report, the Rethinking Construction agenda has been taken forward through a dynamic partnership between government, clients and industry. This has been given a further boost by the creation in 2001 of the Strategic Forum for Construction that brings together all the key industry representatives in pursuit of improvement.

At the heart of the Rethinking Construction initiative is the Demonstration Projects Programme. This provides the opportunity for leading edge organisations to promote projects that demonstrate innovation and change which can be measured and evaluated. These are either site-based projects or organisational change projects. To date there are more than 400 of these projects in the programme, which taken together outperform the average of the UK industry against the key indicators.

Because of the progress we are making, the Department of Trade and Industry will support the Rethinking Construction initiative for a further two years from April 2002. It is also backed through the direct engagement of hundreds of companies and industry organisations, government departments including the Treasury and the Department of Transport, Local Government and the Regions, as well as the Housing Corporation.

Each day, more and more organisations are getting involved with Rethinking Construction as the impact of our work gathers momentum. Enlightened clients are seeking to work with people who are committed practitioners of this agenda. At the same time the government is requiring the principles of Rethinking Construction to guide clients' procurement practices in both central and local government.

Our four key strategic objectives

1. Proving and selling the business case for change –

Through effective monitoring and evaluation of Demonstration Projects and Organisations, and the collection of KPIs, to deliver clear evidence to the industry that continuous business improvement is achieved by following the principles and targets of Rethinking Construction. To place particular emphasis on clients, integrated supply teams and respect for people issues.

2. Engage clients in driving change

To encourage clients to promote Rethinking Construction through involvement in demonstrations and commitment to the Clients' Charter.

3. Involve all aspects of the industry

To ensure that every sector of the industry is represented by active demonstration of the Rethinking Construction principles.

4. Create a self-sustaining framework for change

To ensure that the industry takes responsibility for developing and maintaining continuous improvement, nationally and regionally.

All this is underpinned by the programme of dissemination, support and advice provided by the Construction Best Practice Programme.

What is left to be done?

The key areas still to be addressed by Rethinking Construction are:

- *Continue to prove the business case through demonstrations, with a growing emphasis on organisation change projects*
- *Identify gaps in the business case that need to be filled*
- *Identify gaps in industry involvement, taking the message to SMEs and encouraging their wider engagement*
- *Build a strong national support network across all the English regions, Northern Ireland, Scotland and Wales.*

How can you get involved?

Would you like to work with us or find out more? We would very much welcome your involvement.

You can do this by:

- *Nominating a Demonstration Project*
- *Becoming a member or sponsor*
- *Joining a working group that would benefit from your expertise*
- *Supporting your local Construction Best Practice Club*
- *Participating in Rethinking Construction events that are run across the UK.*

Because of the varied nature of the industry and its products, there are a number of streams of activity within the Rethinking Construction initiative. These are:

The Movement for Innovation (M⁴I) – which focuses on the general construction industry,

The Housing Forum – which concentrates on the public and private housing sector,

The Local Government Task Force – which is promoting the Rethinking Construction agenda within local authorities as major clients,

The Respect for People – to help improve recruitment, retention and health and safety, and The Construction Best Practice Programme – which is the main dissemination arm for Rethinking Construction.

Annex 4 – Links to Accelerating Change

Accelerating Change the report of the Strategic Forum for Construction identifies two principal objectives addressing people concerns:

- *Its members will develop and implement strategies which will enable the industry to recruit and retain 300,000 qualified people by the end of 2006, and result in a 50% increase in suitable applications to built environment higher and further education courses by 2007.*
- *To achieve a workforce certificated as fully trained, qualified and competent on all projects no later than 2010.*

Referred to as a 'manifesto for change' **Accelerating Change** has already taken on board a number of key recommendations flowing from the Respect for People trials. Use of the Respect for People toolkits and People Performance Indicators is recommended by the Forum.

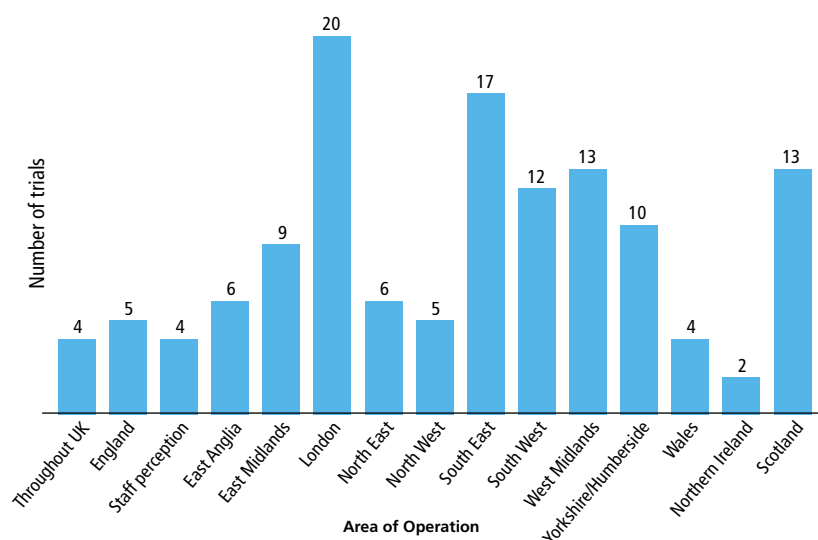
In this report, a number of recommendations are made that will assist in realising the recommendations set out in **Accelerating Change**:

- *Ensuring that a review of key initiatives is undertaken and results in a cohesive, deliverable strategy, by the middle of 2003 that works in support of the overall vision expressed in this report*
- *Developing a code of good working practices for site by the end of 2003, which will be adopted by clients, employers, employees and trade unions*
- *Pressing for a more concerted initiative to be developed to take this forward and make the business case for liP*
- *Addressing issues of professional development for graduates progressing into management roles*
- *Delivering on these actions is urgently needed if the industry is to have the graduate population and skills it requires to achieve the radical improvement in performance promoted in 'Rethinking Construction'*
- *All industry sectors should identify how to demonstrate that they have a qualified workforce*
- *Adopting existing SINVQs at levels 3,4 and 5, supported by programmes such as the CIOB's Site Management Education and Training Scheme, and CITB's portfolio of management and supervisory training*
- *Developing some robust examples of how changing a people culture (whether it be for example, investment in training, diversity initiatives or good health and safety performance) can change a business positively.*

Developing a communication plan to spread its message throughout the SME sector; and to help those SMEs wanting to address the issue the Strategic Forum will ensure the production of a single signposting booklet pointing the way towards the most relevant and effective people initiatives by the end of 2002.

Annex 5 – The “Respect for People” Trial

Regional distribution of trials



There were 87 companies and 6 projects operating 130 trials of the toolkits across the UK.

During the structured interviews we asked managers that had used the toolkits to rate them and a series of questions on their use. In some circumstances a number of managers in the same company or on the same project were involved to ensure a cross section. The table and graphs below show their responses. Not all answered every question but all data from those that did has been included so the counts may vary.

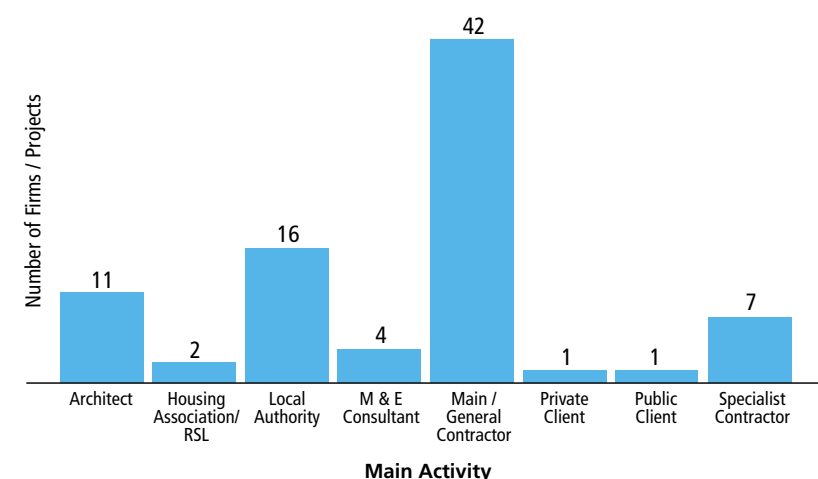
The graphs and tables below provide analysis of the trial community.

Companies and projects were invited to participate in the trial of the toolkits and indicators. There were three objectives:

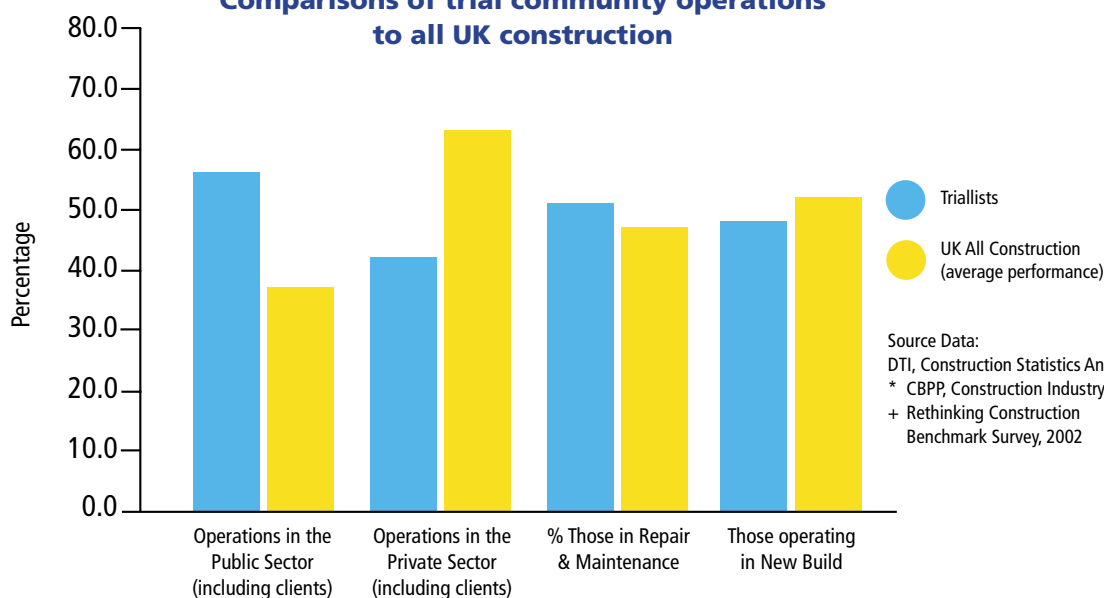
- To test the performance indicators and toolkits reports to establish their effectiveness
- To gather data to develop the benchmarks and publish industry performance on people issues
- To demonstrate and learn from innovative practices in the way people are recruited and treated.

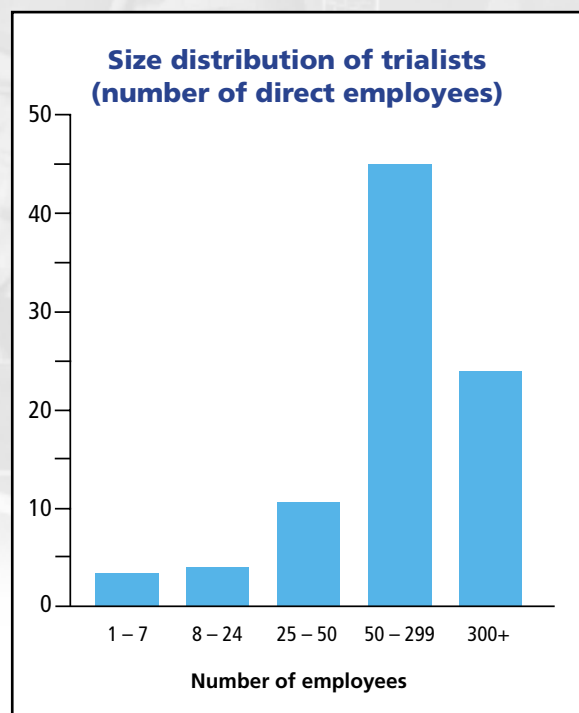
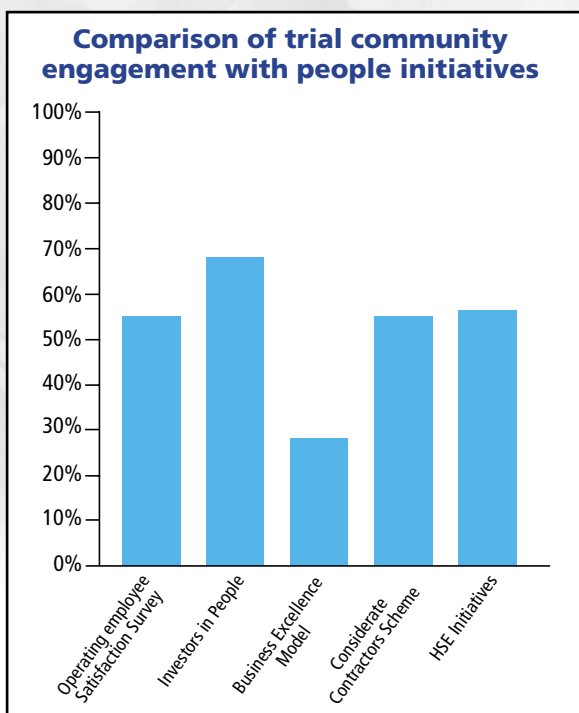
Participants were invited to use one or more of the toolkits and submit the results through a

Activity distribution of trialists



Comparisons of trial community operations to all UK construction





Benchmarking Club established in support of the trial. Additional data was collected by means of structured interviews, questionnaires and examination of supporting performance measures.

The most popular methods of communicating results to their workforce were:

- Part of existing progress review meeting and internal newsletters (84% each)
- Face to face discussion (83%)
- Noticeboards (74%).

The least popular methods were Intranet (50%) and Internet (33%). Note these had a low response rate of 8 and 9 responses respectively.

Glossary of terms & acronyms

CBPP	Construction Best Practice Programme	LFS	Labour Force Survey
CCC	Confederation of Construction Clients	LGTF	Local Government Task Force
CGTF	Central Government Task Force	M4I	Movement for Innovation
CIC	Construction Industry Council	NVQ	National Vocational Qualification
CIEC	Construction Industry Employers Council	OGC	Office of Government Commerce
CILN	Construction Industry Learning Network	OSAT	On-Site Assessment & Training
CITB	Construction Industry Training Board	PII	Partners in Innovation
CPA	Construction Products Association	SMEs	Small & Medium Enterprises
CPD	Continuing Professional Development	SSC	Sector Skills Council
CRISP	Construction Research and Innovation Strategy Panel	Strategic Forum	The Strategic Forum for Construction
CSCS	Construction Skills Certification Scheme	SVQ	Scottish Vocational Qualification
CTA	Certificate of Training Achievement	TGWU	Transport & General Workers Union
DTI	Department of Trade and Industry	TUC	Trades Union Congress
GCCP	Government Construction Clients Panel	UCATT	Union of Construction & Allied Trades Technicians
HSC	Health & Safety Commission	Workforce	All workers including employees and the employees of other organisations
HSE	Health & Safety Executive	Employees	Direct employed staff working for a company / organisation
IiP	Investors in People	Firms	Companies / organisations
KPI	Key Performance Indicator		



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