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Improving construction productivity: Why we are not asking the right question - by Nancy Greenwald

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“If I had an hour to solve a problem and my life depended on the solution, I would spend the first 55 minutes determining the proper question to ask, for once I know the proper question, I could solve the problem in less than five minutes.” - Albert Einstein

Well-meaning thoughtful leaders in the construction industry spend a great deal of time asking the question: What can we do to improve? Some important concepts have emerged from asking this question and these concepts have been transformed into meaningful action. There is incredible talent, knowledge, capability, and skill in the industry. There is no shortage of excellent ideas for changing processes. For example, modern project delivery methods like design-build and Integrated Project Delivery (IPD); new project management methodologies that incorporate lean principles; and new technologies like Building Information Modeling (BIM) all provide opportunities to enhance integration in project teams and improve results. Yet despite the quality of thinking and the emergence of new and valuable tools, the construction industry remains one of the least productive industries in the world. United States construction-sector productivity is lower today than it was in 1968.

STOP! Read that again...United States construction-sector productivity is lower today than it was in 1968.¹

We are quite literally throwing away money through poor productivity. And the consequences are serious!

“If nothing changes, the industry will fail to deliver the infrastructure and housing the world needs.”²

It's time to rethink. Instead of asking “What should we start doing differently,” let's ask the question: “What should we stop doing?”

In my capacity as executive director of the Construction Institute, I have talked with many of the best minds in the business who represent all aspects of the industry, owners, architects, engineers,

contractors and subcontractors, technology firms, attorneys, and accountants, among others. Several themes emerge strongly from these conversations.

Stop trying to avoid risks

We need to put an end to the culture of risk avoidance that fosters damaging (and expensive) hostility between project stakeholders. We need to move away from the notion of shifting problems to others to openly identifying, discussing, and solving problems collectively. Make no mistake about it, construction is a risky business and risk avoidance has been written into the many types of contracts the industry employs. We need to change contracts to match the relationships we want, so they do not impede rational, timely conversations because every party is trying to avoid liability. Liability avoidance behaviors inevitably raise the costs of dealing with any risk.

Stop utilizing industry talent to generate paperwork that is designed to avoid risk

This is a corollary of the first theme. Documenting activities and decision-making is important. But the important question is what types of reporting and oversight are really needed to move a project forward while providing checks and safeguards for participants. Let's stop producing paperwork and repeating tasks to avoid liability. For example, contractors and subcontractors routinely create their own versions of BIM models, while the architects and engineers may each generate their own. Everyone is reluctant to share. This redundancy of effort, driven by the desire to avoid blame, is expensive and slows productivity. We need to remove unnecessary constraints.

"Any competent person who can work without unnecessary constraints can blow the lid off anyone else," said Greg Luth, of Gregory P. Luth & Associates, Inc.³

Stop using the same approaches while demanding better results

Because construction is risky and costs are high, many owners and developers, particularly in the public sector, are reluctant to deviate from what is familiar. But adversarial relationships can never produce effective results in our industry. We need to shift to more collaborative relationships and more effective information sharing and decision-making.

Focus on a collective effort to produce an excellent project

It's long past time to recognize that forging new relationships, embracing new processes, and engaging in collective problem solving is the path to increased productivity.

The mission of the Construction Institute of the University of Hartford is to promote cross-industry collaboration. It is currently working on creating an industry manual "Protocols for Best Practices in Construction Project Communication," under a grant from the American Arbitration Association. Learn more at construction.org.

(Endnotes)

1 Jonathan Woetzel, Mukund Sridhar, & Jan Mischke, "Opinion: The construction industry has a productivity problem – and here's how to solve it" Marketwatch, March 6, 2017, <http://www.marketwatch.com/story/the-construction-industry-has-a-productivity-problem-and-heres-how-to-solve-it-2017-03-04>

2 Id.

3 Greg Luth is a pioneer and industry leader in rethinking and implementing innovative industry processes, including HD BIM. Luth was a speaker at the Construction Institute's 8th Annual Visionaries Forum in April, 2016. The quotation is paraphrased from an interview in June.

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