

CITB SNAPSHOT REPORT

Building Engagement: Encouraging Leadership in Construction



Research summary

A snapshot report into how empowering employees can improve business in the construction industry.

April 2018



Summary



This short report provides details of research conducted by the Leadership and Engagement Thought and Action Group (TAG) (part of Engage for Success) on behalf of the Construction Industry Training Board (CITB).

The research investigated the links between leadership with engagement in two large firms within the construction industry and highlights practical steps that can be taken in further developing engagement within these organisations and others in the industry.

Key Factors

The findings within the report consequently allow us to draw on recent research by the CITB into distributed leadership in construction SME's to further

support the need for construction industries to develop practical ways to heighten leadership and engagement in and across organisations.



Key Recommendations

This report has reviewed two pieces of recent research into the construction industry and makes recommendations to organisations in the sector to help develop leadership that facilitates higher levels of engagement as a crucial precursor to organisational performance and well-being. These are centred on organisations being able to:

- **Search, Recognise and Reward best practice** in shared/distributed leadership whilst also looking to places where managers are maintaining team boundaries and team direction. We would suggest that from the research into SMEs that this is occurring in places within organisations and that some work in searching these best practices out will be beneficial. Once best practice has been found we would suggest that these are recognised and rewarded as part of the ongoing performance management systems in organisations.
- **Provide training opportunity for managers** to look at issues of delegation around business planning, maintaining team boundaries and team direction.

- **Develop guidance and best practice** around organising business planning that involves a broader range of staff as well as how best to maintain team boundaries and team direction.
- **Involve a great number of staff in training and development** around business planning, strategic thinking and leadership.
- **Structure and formalise communication** between leaders and staff.
- **Support those newly emerging as leaders** in developing their communication, decision-making and people management skills, as well as their ability to maintain team boundaries and team direction.

By following these steps organisations can further develop the level to which engagement is enhanced within their management groups.



Introduction to CITB



CITB is the Industrial Training Board (ITB) for the construction industry in Great Britain (England, Scotland and Wales). CITB's role is to promote training to achieve a fully skilled, safe, and professional construction industry.

CITB supports the view that, the recognition of strong leadership within the sector is instrumental to improving levels of performance and productivity. Previous work by CITB, including research into Management and Supervisory Skills (2011) to identify opportunities for training and development of the sector's workforce, and the development of occupational standards for leadership and management demonstrate our ongoing commitment to addressing skills gaps/shortages in this important area.

In more recent times the publication of two government industrial strategy papers (Construction 2025: Industrial Strategy: Government and Industry in Partnership (2013) and Building our industrial Strategy (2017)) recognise the additional effort required to build upon existing 'leadership' standards. In the time between these two publications, the CITB has worked arduously to highlight the benefits of good leadership and improve the related training standards within the sector. This has included extensive consultation with our key

stakeholders within the industry, such as employers and federations, and additionally we have worked to extend our network of contacts by connecting with leadership specialists from academia, recognised bodies such as the Leadership Trust, The Chartered Institute of Personnel Development and the Engage for Success Movement to deliver the following initiatives:-

- Creation of the 'Leadership Standard Working Group'; this brought together stakeholders from all corners of the industry (and outside) to collaborate and produce an industry first, a recognised leadership qualification.
- To further enhance leadership practice and go beyond the recommendations of current government publications. We appreciate that, for the sector to be truly driven by effective leadership, practice must reflect the supply chain nature of 'our' industry and involve leaders both positioned at the top making strategic decisions and also those located throughout the supply chain, positioned appropriately to implement performance-enhancing activity. In acknowledgment of this, we commissioned the following pieces of research.



The Impact of Distributed Leadership on Productivity in Construction SMEs

(2016), aimed to observe distributed leadership further down in the supply chain, first it examined the existing landscape appertaining to leadership involvement, the mediums through which leadership involvement are enhanced; and the potential benefits generated through subscribing to these initiatives at Small to Medium Enterprise Level.



A CITB Collaborative project with the Leadership Trust and the CIPD/Engage for Success investigating the link between Leadership and Employee Engagement. (2017)

Observes leadership practice from two unique standpoints, first from the higher end of the supply-chain where the major construction companies are situated, additionally it conducts an internal investigation of these organisations to ascertain existing involvement levels among employees, offers recommendations on how practice can be enhanced/ supported and potential benefits to those who adopt.

As a result we have been able to improve our leadership understanding and the drivers that are shaping our leadership context.

Consequently, the CITB is better-positioned to begin assisting those wishing to embrace the leadership agenda. It can do this by offering guidance on implementing best practice, how leadership skills can be improved through entry-level and continuous-learning initiatives.

Furthermore it can begin to provide significant evidence on how attention to these may lead to positive outcomes for those who adopt.

The CITB can point to many positives in assembling an initial evidence-base and developing industry led standards, but recognises continual efforts are required to provide relevant and up to date insight and support to the sector in highlighting the benefits of good leadership.



Background to the Research



It would seem from research already conducted¹ that parts of the construction industry has in recent years experienced some difficulties with employing aspects of good leadership practice. Those operating within the construction sector will, however, be aware that it can be a complex terrain to negotiate². The industry relies heavily on the integration of those with semi skills, recognised trades, management teams and design professionals to produce quality outputs. Furthermore, these differing groups may never meet through their work and this may be the case right up to point of delivery³.

The popular practice of subcontracting also means that many contracts may involve numerous design, supplier and construction organisations, as a result many projects will involve cross-functional teams, virtual teams and fragmented work groups. This will typically involve multi-organisational project delivery structures and many workers from different organisations collaborating on a project⁴.

The implications for this type of arrangement in the construction sector may be detrimental to any organisation attempting to improve performance⁵. In response we have seen efforts and interventions taking place within the sector. For example, there has been an

increased requirement to improve supply chain management and attempts to improve the cohesion between the work taking place at operational and management levels. We have also seen calls through many factions within the sector to improve stakeholder compliance which has been difficult considering the competitive nature between parties while simultaneously having the need to collaborate. Nevertheless there have been attempts to improve cooperation to achieve project outcomes⁶. Such shifts in the sector have raised interest in industry-specific demands towards leadership, empowerment, team work, collaboration and improved performance. When considering the shift in the roles and responsibilities and the change this is likely to engender, it is possible to see how investigating leadership and engagement in the sector may support the emerging interests and mitigate improvements to performance.

The Leadership and Engagement Survey Key Findings

The leadership and engagement survey was initiated within two large UK-based construction companies and was completed by 814 managers and employees. The survey covered 12 factors⁷ that were likely to be linked to engagement within the organisations. Of these factors the most highly correlated within both organisations were distributed/shared leadership, managing team boundaries and the manager's provision of team direction⁸.

We therefore look at these factors in more detail within this report and provide some guidance to the participating organisations and the wider construction industry in helping to develop engagement across their organisations and, subsequently, projects. Firstly, we describe each of the three factors highlighted in more detail below:

Shared/Distributed Leadership – For the purposes of this leadership and engagement survey shared or distributed leadership was described as the extent of distribution of decision making responsibility across leadership roles, the level of contribution to the strategic direction of the organisation, the level of two-way communication amongst managers, the contribution towards the business planning process and the level to which emerging leaders are supported by the company⁹.

Managing Team Boundaries – The leadership and engagement survey took managing team boundaries as the extent to which managers protect their team from external factors and events, help teams communicate with each other, advocates on behalf of their team to other in the organisation and helps resolve conflict between teams¹⁰.

Manager's Provision of Team Direction – The leadership and engagement survey took the provision of team direction as the extent to which managers ensure that a team has clear performance goals, has a clear direction and provides a clear direction of where the team is going¹¹.

Lastly the survey assessed engagement as the outcome variable and hence we need to explore the defining statements for this outcome factor, highlighted below:

Engagement – in the survey engagement was described as the extent to which respondents to the survey feel that they are bursting with energy, strong and energetic, feel like going to work in the morning, enthusiastic about their work, inspired, proud and willing to go beyond what is expected of them¹².



From the survey findings we can conclude that when organisations and managers have the skill and subsequently are seen to show distributed/shared leadership behaviour this appears to be an important aspect in creating engagement in the organisations from the construction industry surveyed for this report.

This relationship, however, does not work in isolation and thus is not the sole factor related to improved levels of engagement. Distributed/shared leadership behaviour seems to work in conjunction with

at least the other two commonly correlated leadership factors here: A manager's ability to manage the boundaries of a team and to provide direction to the team.

Whilst we will come back to these two latter variables in our recommendations, it is the result of connecting distributed leadership with engagement that is prominent given research already conducted by the CITB, highlighted below.

Links to the Distributed Leadership in SMEs Research



With the results of the survey conducted by Engage for Success highlighting the importance of shared/distributed leadership, we can therefore establish a close link to research previously conducted by the CITB¹³. This research scopes the level to which this form of leadership is seen and/or understood by SME companies in the construction industry. This research found that:

- Most SME business planning is done centrally and that CEOs and MDs are 'afraid to let go.'
- Most construction SMEs have good structures in place to enable the involvement of a broader range of staff in business planning. These

organisations foster two-way communication that helps to engage staff in discussion about strategy.

- There was a mixture in views about leadership, where good leaders were seen onsite, some new leaders lacked communication, decision-making and people management skills which limited their contribution to business performance.
- Where employers have implemented forms of distributed or shared leadership it has been generally found to have a positive impact on performance, most notably because of better use of staff

knowledge and skills, improved staff motivation and retention and a better work organisation.

These findings have been reiterated through the survey on leadership and engagement, which focused on larger organisations,

and therefore help us to feel confident of the impact of shared/distributed leadership has on small to large organisations in the construction industry.



Recommendations for the Construction Industry

Indications from this report and the previous distributed leadership research, highlighted above, show promise and possess potential to be responsive to the needs of individuals, harness a positive workplace culture and improve areas of performance. We believe therefore that the importance of engagement and its link to distributed leadership needs to be recognised to facilitate these improvements further.

Engagement and distributed leadership should be seen by the sector as a key ingredient in retaining and developing a workforce which recognises inter-professional/craft workers who are ubiquitously involved at various stages of a project, who are best positioned to drive productivity measures and generate sustained performance improvements¹⁴.

The CITB research¹⁵ set out the main components of distributed leadership and these were determined as the processes of enabling employees to collaborate, sharing of knowledge and contributions to strategic decision-making. The extent to which these can be practised will depend on the specific parameters set out by construction organisations, the skill and motivation of managers to show distributed leadership behaviour and the organisation's structural and cultural circumstances. Distributed leadership strategies employed must therefore be consistent to the organisations operational and business requirements.

From this combined look at both pieces of research we make the following recommendations for the development of leadership that can support higher levels of engaging in construction organisations and there cross-organisation project:

- **Search for Instances of Distributed Leadership**

– one of the first recommendations we would suggest is that organisations should search out best practice in shared/distributed leadership amongst their managers whilst also looking to places where managers are maintaining team boundaries and team direction. We would suggest that from the research into SMEs that this is occurring in places within organisations and that some work in searching these best practices out will be beneficial.

- **Recognise and Reward**

– once best practice has been found we would suggest that these are recognised and rewarded as part of the ongoing performance management systems in organisations. As part of this process, it is important for organisations to be able to highlight and share with managers and employees what might be seen as instances of distributed

leadership within the specifics of their organisation. Here we recommend highlighting particular individuals who are ‘distributing leaders’¹⁶ and hold them as role models.

This is particularly important as moving towards a distributed understanding of leadership may be a difficult shift in mind-sets for some organisations and this will provide an individualised ‘fire break’ to work from.

This may also mean running workshops for members of the organisation to discuss and debate issues of what distributed leadership is in their respective organisations. The descriptors of distributed or shared leadership from above can be used as a basis for discussion, but we would suggest the creation of learning networks and co-consulting activities¹⁷ within and across organisations will also help.

- **Provide training opportunity for managers**

to look at issues of delegation and co-creation around business planning, maintaining team boundaries and team direction. To develop this in a distributed sense may mean situating around a wider change process, involving the



discussion of historical and cultural factors¹⁸, this then provides a context for the development intervention or practice and can lead to deeper collective sense-making¹⁹ that creates new meanings and understandings²⁰ for the utility and skill of distributed leadership. Training itself can already have an energising effect with subsequent higher levels of employee engagement²¹.

- **Develop guidance and best practice** around organising business planning that involves a broader

range of staff as well as how best to maintain team boundaries and team direction. This means guidance on developing 'leadership' as well as 'leaders', where the aim is to develop a community of practice based on social and relational processes which complements the development of a small body of skilled individuals²². In addition this also involves that top managers publicly role model and endorse that distributed leadership is a key element of the leadership quality managers across an organisation need to show²³.



• **Involve a great number of staff in training and development** around business planning, strategic thinking and leadership. Here the object could be to create a strong sense of belonging to the organisation which also has links to developing distributed leadership²⁴. Interestingly the present research shows that show higher levels of identification with and a sense of pride for the participating organisations which may a fruitful fundament other organisations could find or create. Here the focus should be on leadership development as building capacity in anticipation of unforeseen challenges rather than the development of particular skill sets²⁵. Leadership therefore is seen as a social process engaging members of a community²⁶.

• **Structure and formalised communication** between leaders and staff with the

aim of developing climate of dialogue which is important in develop leadership in a distributed way²⁷.

• **Support those newly emerging as leaders** in developing their communication, decision-making, people management skills, as well as their ability to maintain team boundaries and team direction. Again learning networks and co-consulting activities in and across organisations would be a useful way forward in enabling this to happen²⁸.

Generally for these suggestions to be impactful there needs to be recognition by the industry that leadership learning and development is a process of co-participation²⁹ and not about just the development of individual leaders, but shared leadership capacity of organisations. By following these steps organisations can further develop the level to which engagement is enhanced within their management groups.



Conclusions

we encourage organisations to contact the CITB and Engage for Success to find out more about what they can do to develop leadership for higher levels of engagement.

We would also suggest that further research is needed in this area and believe that the collaborative connections that have been made with Bristol Business School and Henley Business School will be helpful.

If you would like to take part in further research, please contact the CITB and/or Engage for Success.

Footnotes

¹See Chan P, Clarke L. and Dainty A. (2010) 'The Dynamics of Migrant Employment in Construction: can supply of Skilled Labour ever match Demand?' in Who needs migrant workers: labour shortages, immigration and public policy, ed. Ruhs M. and Anderson B., Oxford: Oxford University Press; Clarke, L., McGuire, C. and Wall, C. (2012) 'The development of Building Labour in Britain in the Twentieth Century: is it distinct from elsewhere in Europe?' in Human Resource Management in Construction: Critical Perspectives, ed Dainty, A. and Loosemore, M., Oxford:Routledge; Dainty, A. and Loosemore, M. (2012)'HRM in Construction: Critical Perspectives,' in Human Resource Management in Construction: Critical Perspectives, ed Dainty, A. and Loosemore, M. (2012) Oxford:Routledge.

²Her Majesty's Government (2013) Construction 2025: Industrial Strategy: Government and Industry in Partnership. [online]. London: HM Government. [cited 26th June, 2017]. <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210099/bis-13-955-construction-2025-industrial-strategy.pdf>; Her Majesty's Government (2017) Building Our Industrial Strategy. [online]. London: HM Government. [cited 27th June, 2017]. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/586626/building-our-industrial-strategy-green-paper.pdf

³Clarke, L., McGuire, C. and Wall, C. (2012) 'The development of Building Labour in Britain in the Twentieth Century: is it distinct from elsewhere in Europe?' in Human Resource Management in Construction: Critical Perspectives, ed Dainty, A. and Loosemore, M., Oxford: Routledge; Ness, K. and Green, S. (2012)'Human Resource Management in the Construction Context: Disappearing workers in the UK' in Human Resource Management in Construction: Critical Perspectives, ed Dainty, A. and Loosemore, M., Oxford: Routledge.

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⁵Clarke, L., McGuire, C. and Wall, C. (2012) 'The development of Building Labour in Britain in the Twentieth Century: is it distinct from elsewhere in Europe?' in Human Resource Management in Construction: Critical Perspectives, ed Dainty, A. and Loosemore, M., Oxford: Routledge.

⁶Opoku, A. and Ahmed, V (2014) "Embracing sustainability practices in UK construction organisations: Challenges facing intra-organizational leadership", *Built Environment Project and Asset Management*, 4(1), pp.90 – 107.

⁷These factors were – Manager's provision of team direction, senior management's provision of company direction, shared/distributed leadership, leadership honesty and integrity, managing team boundaries, integration with internal teams, integration with external teams, autonomy given by the manager, identification and pride, personal development and training, work life balance, work environment.

⁸Other factors were correlated to engagement with each organisation, but the three identified were consistently the highest within both organisations, with the proviso that one organisation also had a high correlation with Leadership Honesty and Integrity, whilst still correlated with engagement in the other organisation it was less so.

⁹Construction Industry Training Board (2016) The Impact of Distributed Leadership on Productivity in Construction SMEs [online] Bircham Newton: CITB. [cited 24th July, 2017]. <http://www.citb.co.uk/documents/research/dl%20report%20cipd%20formatted%20annex%20excluded.pdf>.

¹⁰Morgeson, F. P., DeRue, D. S., & Karam, E. P. (2010). Leadership in teams: A functional approach to understanding leadership structures and processes. *Journal of Management*, 36: 1–39.

¹¹Morgeson, F. P., DeRue, D. S., & Karam, E. P. (2010). Leadership in teams: A functional approach to understanding leadership structures and processes. *Journal of Management*, 36: 1–39.

¹²Schaufeli, W.B. & Bakker, A.B. (2003). Utrecht work engagement scale: preliminary manual, version 1, Occupational Health Psychology Unit, Utrecht University, Utrecht. Costa, P. L., Passos, A. M., & Bakker, A. (2016). The work engagement grid: predicting engagement from two core dimensions, *Journal of Managerial Psychology*, 31 (4): 774-789.

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¹⁴Thorpe, R., Gold, J and Lawler, J (2011) Locating Distributed Leadership, *International Journal of Management Reviews*, 13, pp239-250.

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¹⁷Cope, J., Kempster, S., and Parry, K. (2011). Exploring distributed leadership in the small business context. *International Journal of Management Reviews*, 13: 270-285; Thorpe, R., Gold, J., Anderson, L., Burgoyne, J., Wilkinson, D., and Malby, B. (2008). Towards 'leaderful' communities in the north of England: Stories from the Northern Leadership Academy. Cork: Oak Tree Press.

¹⁸Bolden, R. (2011). Distributed leadership in organisations: A review of theory and research. *International Journal of Management Reviews*, 13: 251-269; James, K.T., Mann, J., and Creasey, J. (2007). Leaders as lead learners: A case example of facilitating collaborative leadership learning for school leaders. *Management Learning*, 38: 79-94; Ross, L., Rix, M., and Gold, J. (2005a). Learning distributed leadership: Part 1. *Industrial and Commercial Training*, 37: 130-137; Ross, L., Rix, M., and Gold, J. (2005b). Learning distributed leadership: Part 2. *Industrial and Commercial Training*, 37: 224-231.

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²²Bolden, R. (2011). Distributed leadership in organisations: A review of theory and research. *International Journal of Management Reviews*, 13: 251-269; Day, D.V. (2000). Leadership development: A review in context, *Leadership Quarterly*, 11: 581-613; Iles, P., and Preece, D. (2006). Developing leaders or developing leadership? *Leadership*, 2: 317-340.

²³Bruch, H., and Vogel, B. (2011). *Fully charged: How great leaders boost their organization's energy and ignite high performance*. Boston: Harvard Business Review Press.

²⁴Edwards, G. (2011). Distributed leadership and concepts of community. *International Journal of Management Reviews*, 13: 301-312.

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We would also like to thank some other members of the Engage for Success Leadership and Engagement: Thought and Action Group (TAG) who have also contributed to the development of this report - Terry Grouk (Enhancing Ltd), Nigel Girling (Babington Group) and Vlatka Hlupic (Westminster Business School, University of Westminster).

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This report has been produced with the collaborative support of:

