

A REPORT EXPLORING MANAGERIAL SKILLS,
TRAINING AND THE IMPACT OF THE RECESSION.



CIOB

THE CHARTERED INSTITUTE OF BUILDING





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INTRODUCTION

The Chartered Institute of Building (CIOB) is the leading professional body for managers in the global construction industry. Established in 1834, the CIOB continues to lead the way in promoting and maintaining standards of excellence in the sector.

The CIOB draws its members from a wide range of professional disciplines, from across the building and construction supply chains. These include clients, consultants and contractors, as well as specialists in regulation, research and education.

The purpose of this research is to investigate management in the construction industry. It explores managerial skills, training and the impact of the recession.

To ensure our research met our objectives we worked with change and talent management experts, Crelos¹, who offered us an excellent insight into management and leadership skills. ■

¹ www.crelos.com

This research will attempt to gain insight into what construction managers require and how they have responded to the financial crisis, which left many without jobs.



In 2009 there were over 200,000 construction managers in the UK, and a further 98,000 working as senior managers, executives and business process managers in the industry².

The CIOB is considered by many to be the leading Institute for management in the construction industry. Following on from our research into leadership in construction, we wanted to delve deeper and explore the skills and qualities needed by managers in the industry.

This research explored construction management and how it relates to management in more general terms. 70% of respondents felt that the qualities and skills needed by construction managers are different to those needed by managers in other industries, primarily because construction managers need to be more adaptable and flexible in their approach.

The research has revealed some interesting, yet concerning results; despite the industry's drive for diversity in recent years, 60% consider promoting equality and standards to be one of their weakest skills. The majority of respondents considered promoting equality and encouraging innovation to be their worst skills out of the list we were examining.

We also explored the training and development of managers and how the recession had impacted their careers. 64% of respondents stated that the recession had a negative impact on their role; however 45% also referred to positive impacts which occurred as well. Another consequence of the recession is that many in the industry are feeling demotivated; overall more than 41% referred to either they or their team feeling this way.

EXECUTIVE SUMMARY

This research has made us aware of the matters that need further attention, particularly diversity and innovation – key areas that are required to drive the industry forward. It has also become clear that the industry is starting to look beyond the recession; many are now looking at the positives and seeking new opportunities, whilst also examining what they need to develop. ■

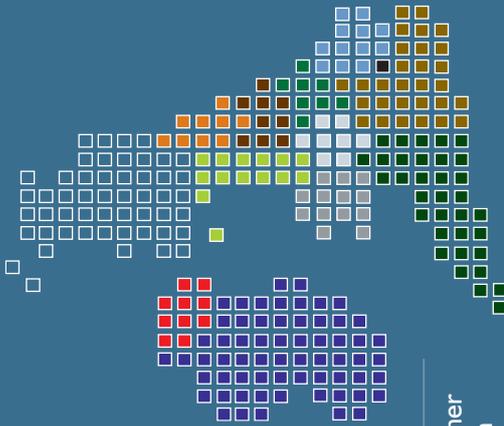
By Laura Warne,
Innovation & Research Manager



² Construction Skills Network, Blueprint for UK construction skills 2009-2013, p.4.

IT HAS ALSO
BECOME CLEAR
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RECESSION.

METHODOLOGY



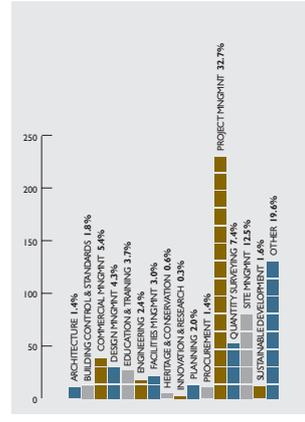
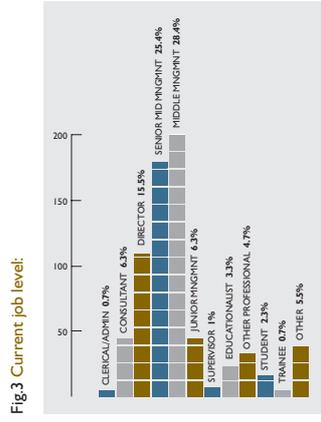
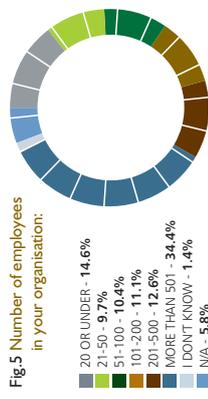
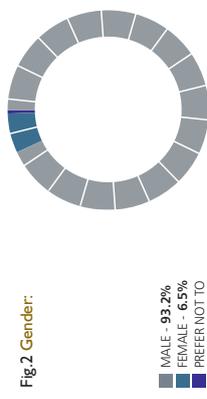
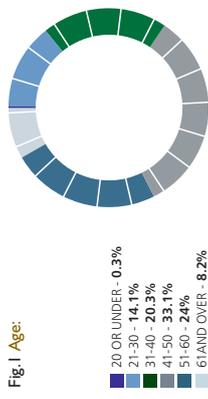
The questionnaire used to gather our research was developed in collaboration with Crelos, experts in change and talent management.

The survey was conducted using a web-based application and an email was sent out to 28,000 CIOB members.

Respondents were asked general demographic questions regarding their age (Fig. 1), gender (Fig. 2), job level (Fig. 3) and sector (Fig. 4), and the number of employees in their organisation (Fig. 5).



- Scotland (7%)
- Ireland (6%)
- Northern Ireland (2.1%)
- Wales (2.6%)
- North East (3.6%)
- North West (7%)
- Yorkshire (3.1%)
- East Midlands (6%)
- West Midlands (5.1%)
- East (3.8%)
- London (10.7%)
- South East (13.2%)
- South West (6.7%)
- Rest of the world (22.3%)



MANAGEMENT VS. LEADERSHIP

There has long been a debate about the differences between managers and leaders. Many describe leaders as visionaries, whereas managers are required to implement the vision through careful planning and organisation.

In an article written in the Harvard Business Review³, management is described as 'coping with complexity', whereas leadership is described as 'coping with change' – two distinctive and complementary systems of action (Fig.6).

It is evident that the industry lacks a clear definition of a leader; without definition it is difficult to assess the differences between a leader and a manager. It is also then difficult to define how leaders are selected and how they should be developed.

There is a consensus view that leadership is important, particularly in times of change, because vision and risk are essential in moving forwards. However, this does not make management less important; strong managers will ensure order during change and will manage the risks that inevitably arise.

MANAGING PROJECTS AND PROBLEM SOLVING SKILLS WERE CONSIDERED, BY THE MAJORITY, TO BE THEIR BEST SKILLS.

³ J.P. Kotter, 'What leaders really do', Harvard Business Review, December 2001.

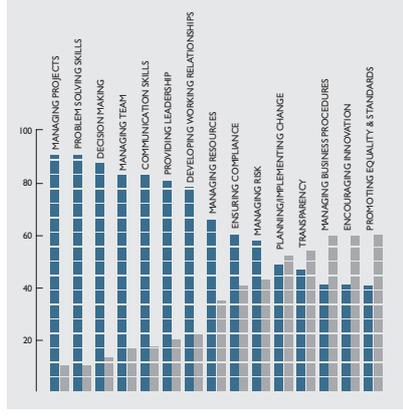
Fig.6 Systems of action:

MANAGEMENT FOCUS	LEADERSHIP FOCUS
PLANNING	VISION/MISSION
ALLOCATING RESPONSIBILITY	INFUSING VISION
CONTROLLING & PROBLEM SOLVING	MOTIVATING & INSPIRING
CREATING ROUTINE & EQUILIBRIUM	CREATING CHANGE & INNOVATION
POWER RETENTION	EMPOWERMENT OF OTHERS
CREATING COMPLIANCE	CREATING COMMITMENT
EMPHASIZING CONTRACTUAL OBLIGATIONS	STIMULATING EXTRA EFFORT
LEADER DETACHMENT & RATIONALITY	LEADER INTEREST IN OTHERS AND INTUITION
REACTIVE ENVIRONMENT APPROACH	PROACTIVE ENVIRONMENT APPROACH

Source: Schermerhorn et al., 1994

In this research we asked respondents to select their best and worst managerial skills. (Fig.7)

Fig.7 Best and worst managerial skills:



The majority felt that their worst skills were promoting equality and encouraging innovation. Both of these skills are often considered more in-line with leadership rather than management, along with planning and implementing change and transparency. However, despite leadership skills being considered among the worst, providing leadership is considered by 80% to be one of their best skills.



It is not surprising that managing projects and problem solving skills were considered by the majority to be their best skills. These are both key skills required by construction managers due to the nature of the projects with which they are involved.



development. Others said that it helped them 'think outside of the box' and explore practices and skills that they would not have done otherwise. (Fig. 11)

Many also emphasised that construction is a global industry and having an understanding of other cultures and experiences represents a twenty-first century way of working.

It has given them the opportunity to experience new challenges, which they would have otherwise not encountered, which have made them better managers.

The CIOB has been considering fair access to the professions in response to the Government's consultation document. Construction has long given opportunity to people from a variety of backgrounds and is pushing hard for a more diverse workforce. The CIOB also sees the importance of having people from both cognate and non-cognate routes to achieve this diversity. This will ensure the industry's leaders and managers have varied and distinct experiences and expertise, a strong fusion of people to improve construction (5).

The CIOB's research into leadership (4) exposed a clear lack of leadership within the industry, with many respondents unable to name any influential leaders in construction.

Only 28% of respondents from the UK had worked or studied internationally, compared to over three quarters of international respondents (Fig. 10).

Respondents who indicated that international experience did have an influence on their management skills described it as a positive one. Many stated that their insight into different cultures gave them a broader knowledge and understanding of management (5) and project

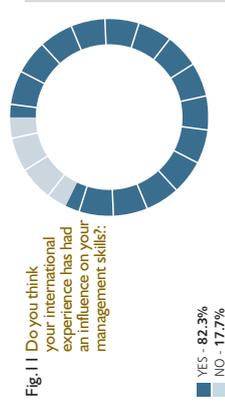
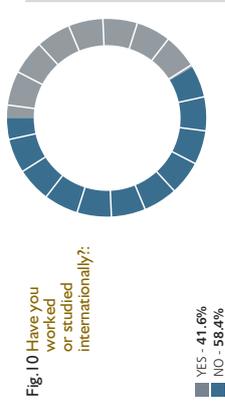
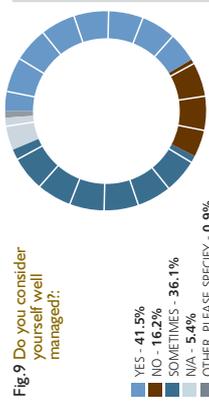
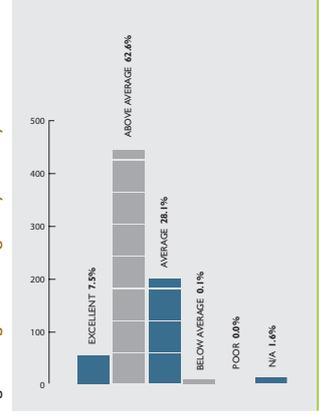


Fig. 8 How good a manager do you think you are?



(4) CIOB, Leadership in the construction industry, (2008) <http://www.ciob.org.uk/resources/research>

(5) CIOB, Submission on fair access to the professions, 2009. <http://www.ciob.org.uk/about/ciobpolicies/policyed>



THE CIOB'S RESEARCH INTO LEADERSHIP EXPOSED A CLEAR LACK OF LEADERSHIP WITHIN THE INDUSTRY.





Construction management is a modern profession that developed in an attempt to improve the construction process. The construction manager has been described as a person 'working with the owner, architect/engineer and contractors to create a more favourable environment for efficient construction practices' and someone who 'assumes the application of management to maximise the quality and minimise cost and time of delivery'⁶.



CONSTRUCTION MANAGEMENT

The first publicised use of the construction management concept was on the construction of the World Trade Centre in 1966. A construction management firm was employed to manage the project, with the purpose of coordinating and administering the 700 plus contracts involved⁶.

Prior to this, after the Second World War when there was a pressing demand for social and industrial building work, the Institute of Builders (early CIOB) made significant progress to plug the urgent gap for better construction management skills, that would make best use of scarce national resources.

However, this definition does not give a clear view of what constitutes a construction manager and the many sectors and skills it encompasses.

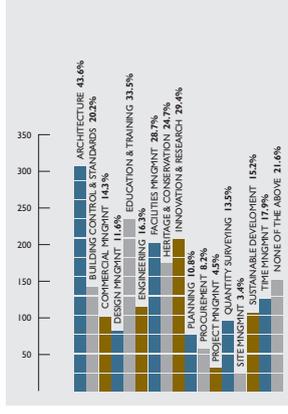
Definition problems often arise and this has been confirmed in our research. We asked respondents to state what sectors they considered to not be encompassed by the term 'construction management' from a list of various sectors and elements that relate to construction (Fig. 12).

⁶ P. Scott & E. Stovallier, The history of construction management, 1966.

NOT ONLY DO CONSTRUCTION MANAGERS NEED TO KNOW HOW TO MANAGE, THEY ALSO NEED THE TECHNICAL KNOWLEDGE TO PERFORM.



Fig. 12 Sectors related to construction management:



The biggest confusion seems to arise when considering whether architecture and those in education and training should be labelled under the term construction management.

It is apparent that the majority see construction management as encompassing a wide and diverse range of sectors and skills. The CIOB is currently working on a definition that will consider all elements of construction management and bring further clarity to the term.

Respondents were also asked to give their own definitions of construction management. The most common response was that a construction manager coordinates the whole construction process from pre to post construction and that it requires an array of skills, both technical and managerial. Many also stated that the term was difficult to define as it incorporates many different construction skills that already have their own definitions.

Respondents were asked if they thought the qualities/skills needed by construction managers are different from managers in other industries; those who stated they were (70%) were asked to state the differences (Fig. 13).

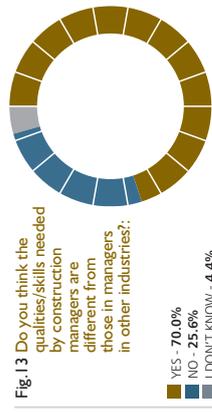


Fig. 13 Do you think the qualities/skills needed by construction managers are different from those in managers in other industries?:

Practically all respondents stated that construction managers had to be more adaptable as the industry was very unpredictable at times and they would have to adapt to different environments and people frequently.

They also stated that construction managers needed to be more adaptable because of the amount of changing legislation that affects the industry. Many felt that there tends to be a lot more legislation affecting the construction industry than other industries.

As well as being more adaptable, many stated that construction managers needed to be more flexible in their approach, again due to the changing environments that they encounter on a regular basis.

However, it is not clear whether the industry does differ with other industries in being more adaptable or if these skills are benchmarked with managers in other sectors.

It was also emphasised that the technical knowledge and experience needed by construction managers was also a major difference – not only do construction managers need to know how to manage they also need the technical knowledge to perform on a construction project. ■



TRAINING & DEVELOPMENT



89% OF RESPONDENTS CONSIDER IT IMPORTANT FOR MANAGERS TO HAVE A PROFESSIONAL QUALIFICATION.

It is important that managers receive appropriate training and development to ensure their skills are kept up-to-date and in-line with recent changes in regulation and innovation.

Responses show that Continuous Professional Development (CPD) is the most common way of developing managers, with 55% stating this formed part of their development.

Fig. 14 In your organisation, how are managers developed?:

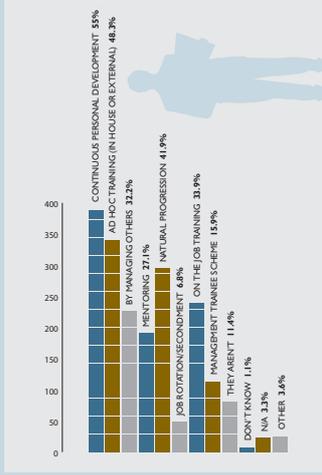


Fig. 18 How has having a professional qualification helped you?

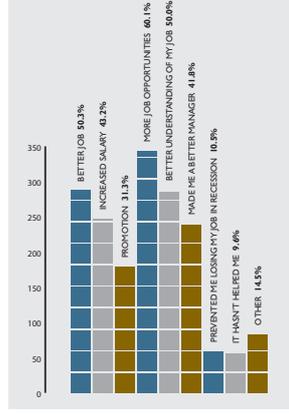


Fig. 19 Of the managers you work with, what percentage have a professional qualification?

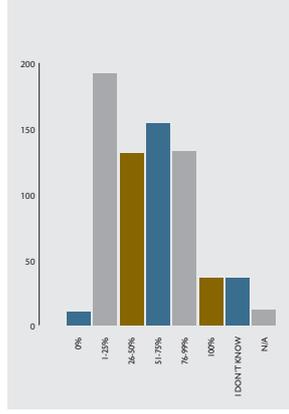


Fig. 15 Does your company support your future development?:

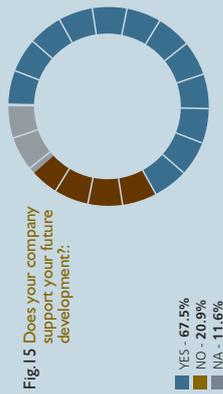


Fig. 16 How important do you think CPD is for managers:

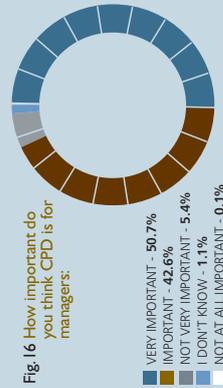


Fig. 20 Do you have a professional qualification?:

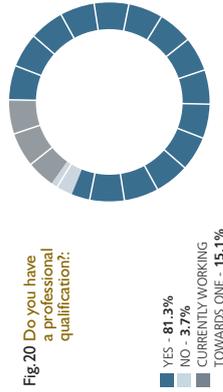
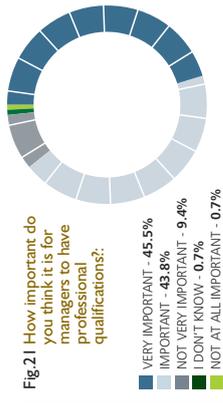


Fig. 21 How important do you think it is for managers to have professional qualifications?:



As well as being the most popular way to develop managers, CPD is considered by 93% of respondents to be important for managers to undertake (Fig. 16).

This highlights a key training opportunity in developing the skills that were considered among the worst in the previous section.

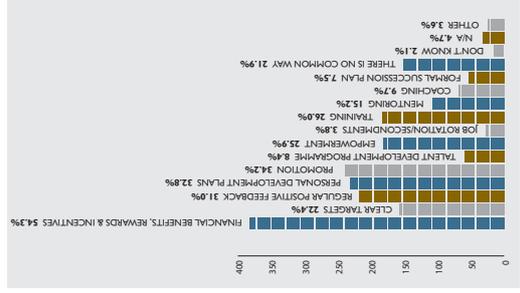
89% of respondents consider it important for managers to have a professional qualification (Fig. 21).

The benefits of having a professional qualification in the industry are very evident from these results. In the current job market having a professional qualification can make a significant difference, with more opportunities for better jobs.

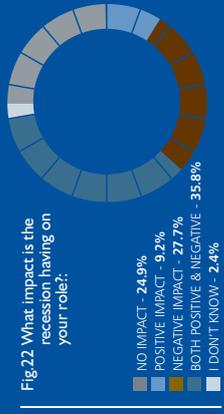
Crelos commentary

'With 55% of managers stating they are developed using CPD, this lack of leadership skills may point to an insufficient focus on developing leadership skills in the construction industry's CPD. Without these skills the industry may be hindered in moving past the recession, repeating mistakes observed in the last recession during the late 1980s'

Fig. 17 In your organisation, what is the most common way of retaining and/or rewarding managers?:



MANAGEMENT DURING THE RECESSION



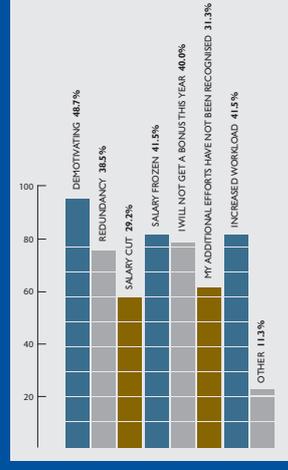
The recession has meant new and difficult challenges for managers in the industry. Many have had to learn new skills and adapt to changes quickly and without much guidance or reward.

It is during this time when leaders and strong management are essential to provide vision and the ability to adapt to the change and succeed through this economic crisis.

Despite almost three quarters stating the recession had an impact on their role, 54% received no additional support or training to help them take on this new challenge (Fig.25).

As shown in the graph above (Fig.22), respondents were asked to state whether the recession was having a positive, negative or both positive and negative impact; depending on their response, some were directed to an open-text box asking them to state the positives or the positive and negatives.

Fig.23 What negative impact is the recession having on your role?



MANY HAVE ACQUIRED NEW SKILLS WHICH THEY WOULD NOT HAVE DONE OTHERWISE.

The following are the open responses for both the positive and negative impacts of the recession:

POSITIVES

- Many have acquired new skills which they would not have done otherwise
- They are seeking out new and more diverse challenges to survive the recession
- The majority stated that they have had to become more efficient in the way they work to reduce costs but maintain quality
- Others have had to learn to adapt and become more flexible to survive the changing and uncertain future
- Many reported that they had been given new opportunities and responsibilities
- The industry has become more streamlined excesses and workers who did not benefit the industry have been cut.

NEGATIVES

- Many have had their pay cut or have not received a pay increase when taking on more responsibility
- The industry has had to make a lot of redundancies and this has meant losing many talented employees
- Respondents were reporting more stress and pressure because of their uncertain job prospects
- Many have a lot more work to do because of staff cuts, but less time to complete it due to reduced hours
- Many are de-motivated because of the amount of work and the lack of reward but worried about job security, so continue to work hard.



Crelos commentary

“Like most industries, the construction industry is suffering from high levels of disengagement and risk losing talented employees to other organisations, or worst, to organisations outside of the industry. We believe that there is a window of opportunity for the industry to show vision and engage with its talent pool. Staff movements post recession are also an opportunity for the industry to attract new talent from other industries.”

Responses have shown that many are taking the initiative to develop new skills and take on new challenges in response to the negative impact of the recession. These individuals highlight the leadership potential in the industry, and the economic climate has borne out this opportunity to identify and develop future leaders. This is important to ensure a new vision and positive change in construction.

Fig.26 What do you think is the impact of the recession on your team?:

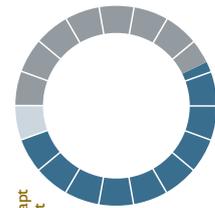
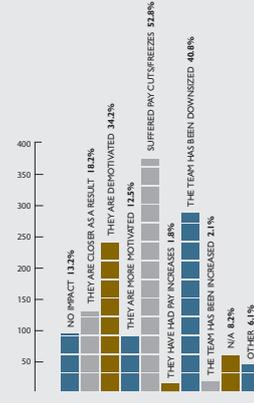
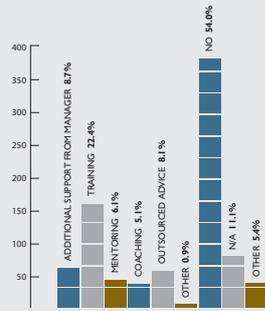


Fig.24 Have you had to adapt your skills as a result of the recession?:

Fig.25 Have you received any of the following during the recession?:



The recession has forced the industry to change, to seek other skills and practices to survive. It has also had to become more efficient due to the huge number of skills lost. It is important for the industry to crystallise and maintain these practices for when the industry workload increases.

46.2% of respondents stated that their companies had been downsized as a result of the recession (Fig.28). Of that 46.2%, a fifth indicated that over 50% of their workforce was downsized (Fig.27):



Fig.27 What percentage of your workforce downsized as a result of the recession?:

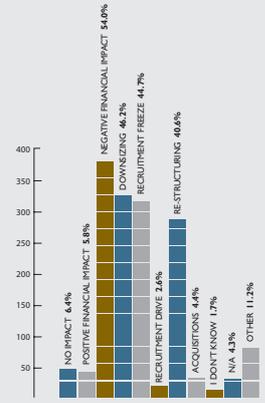
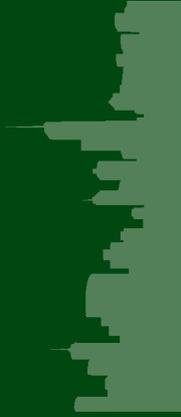


Fig.28 What are the impacts of the recession on your company?:



Three common themes occurred

in the open text responses:

1. The most common response was that respondents want to pursue other higher education qualifications and also reach their full member status of the CIOB and other professional institutions to improve their skill set and opportunities.
2. A greater knowledge of innovation is required, particularly regarding sustainable construction. Respondents want more access to information on innovative practices and updates on other advancements in the industry. A better understanding is required before innovative practices can be utilised on a wider scale.
3. Respondents want to enhance their industry experience and knowledge and also explore the other industries and their expertise. Many stated they wanted to look to other industries to learn new skills, which could be utilised in the construction industry to improve processes.

Respondents were asked what they needed to move forwards and tackle the challenges facing the industry (Fig. 29).

RESPONDENTS STATED THAT THEY NEEDED TO BE MORE OPTIMISTIC AND POSITIVE AS IT IS AFFECTING THEIR TEAMS.



Other responses include a need for more motivation and confidence despite the uncertainty of the current climate and patience to continue through the hard times.

Many also indicate the need for more 'soft skills' such as presentation skills, communication and administration.

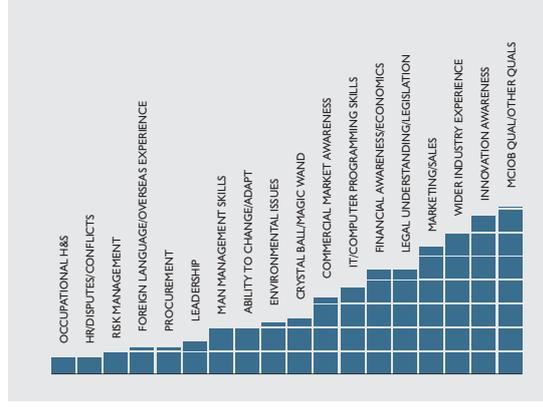
Computer skills include basic level use and also interest in learning and using new programmes, such as for design.

The need to become more adaptable, flexible and efficient were also common responses and these tie in with other themes evident from the results.

Generally, respondents stated that they needed to be more optimistic and positive as it is affecting their teams and resulting in a de-motivated workforce.

Many also stated that they did not need any further skills. ■

Fig.29 What skills are needed to move forwards?:



1. CPD must address managerial skills:

Continuous Professional Development courses must ensure they are addressing management skills. The results have shown that the majority of respondents found promoting equality and standards to be one of their worst skills; CPD should be used to help managers improve this and other weak skills, as this in particular is important for the future of construction. CPD can also be utilised to tackle current skill requirements, such as improving motivation in the industry and other soft skills.

2. Encourage more leadership:

Leadership is needed to create vision in the construction industry and pursue innovation and change. Respondents are calling for more innovation; however it often needs leadership to drive this forward. The industry should be unified under one vision and to achieve this it needs strong leadership.

The industry must also ensure it retains people who have the skills to show true leadership potential. The recession has helped shine a light on prospective leaders and companies must ensure these people are developed appropriately.

3. Research is required into soft skills:

Further research is required to establish how construction managers have developed their soft skills. Training processes which address these skills should incorporate all management skills and focus on areas that tend to be of particular weakness. It should be established how managers have developed these skills they rate most highly and investigate whether other weaker skills could also be taught in this way. It would also be interesting

to see how training soft skills in the construction industry compares with management training in other industries.

4. Industry must continue to 'think outside the box':

New skills should be developed by learning from other industries to ensure a better functioning construction industry. Many respondents have said that the recession has forced them to learn new skills and this has improved the way they undertake their jobs. It is important that this continues to happen after the recession to further improve construction.

A working group should be established for construction professionals to come together with experts in other industries to share best practice and help each other improve.

5. Efficiency should be crystallised:

Many respondents to the survey stated that their business and the way they work have become more efficient during the recession. This efficiency must be crystallised to ensure it is maintained once the industry workload increases.



This research was done in collaboration with Crelos. Crelos is a leading organisational change and talent consultancy with a proven track record of improving the effectiveness of individuals, teams and organisations. Our approach to work is underpinned by what we call 'precision business psychology': We take the very best proven and scientific research regarding how and why people react and behave as they do. Through consultancy, assessment, coaching and professional development we help leaders differentiate their business by accelerating effective and sustainable corporate change, developing their board and leadership teams, designing and delivering successful talent strategies and development programmes.

The Chartered Institute of Building

The Chartered Institute of Building (CIOB) represents for the public benefit the most diverse set of professionals in the construction industry.

Our Mission:

To contribute to the creation of a modern, progressive, and responsible construction industry; able to meet the economic, environmental and social challenges faced in the 21st century.

Our 7 Guiding Principles:

- Creating extraordinary people through professional learning and continuous professional development.
- Promoting the built environment as central to the quality of life for everyone everywhere.
- Achieving a sustainable future, worldwide.
- Advocating exemplary ethical practice and behaviour, integrity and transparency.
- Pursuing excellence in management practice, and technological innovation rooted in evidence based science.
- Being socially responsible and working responsibly.
- Enabling our members to find an emotional resonance with the Institute; their success is our success.

We have over 46,000 members around the world and are considered to be the international voice of the building professional, representing an unequalled body of knowledge concerning the management of the total building process.

Chartered Member status is recognised internationally as the mark of a true, skilled professional in the construction industry and CIOB members have a common commitment to achieving and maintaining the highest possible standards within the built environment.

The Chartered Building Company and Consultancy Schemes (CBCs) are a vital part of the CIOB, providing the Institute's members with a further business perspective.

To find out more about the benefits of either individual CIOB membership or CBC schemes go to our website www.ciob.org or call us on +44 (0)1344 630 700 today.



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