

LOOKING FURTHER AFIELD

Overseas experience is also being used to assess how New Zealand's construction industry productivity might be reformed. At the heart of the findings are what brings about the change and how to grow and manage the productivity improvements.

By Peter Cunningham, CEO, Construction Clients' Group

One of the methods used to improve construction industry productivity – which is 50% lower in New Zealand, when compared, for example, to the United Kingdom – has been to look at the international experience in gaining improvements.

BRANZ, as part of the sector Productivity Partnership, is working with Constructing Excellence NZ to review the outcomes and report the experiences of various international reform programmes. Several countries have been assessed to help develop a programme that responds to the industry reform challenge in New Zealand.

What brings change

A common model for change emerged from the project with two main parts – the drive for change and a cycle of continuous improvement.

THE DRIVER

Several factors may be behind the drive for change:

- Event for change – an event or series of events triggering a need for change. Often, a report or series of reports combined to bring concerns to a head.
- Vision – the development of a strategy for change, often involving the formation of a special forum/organisation to set the vision.
- Government/leadership intervention – most countries assessed have experienced some form of government intervention in the form of funding, leadership or ownership of the programme, whether in partnership or consultation with industry.

CYCLE OF CONTINUOUS IMPROVEMENT

Once change has been instituted, a cycle of continuous improvement is underpinned by establishing the following:

- Framework for change and goal-setting.
- Knowledge creation and awareness – raising awareness of perceived problems and established targets.
- Industry engagement and collaboration – development of ideas and initiatives for change.
- Critical mass – a 'tipping point' where sufficient numbers of industry organisations are engaged.
- Evidence and measures – demonstrating the change achieved towards goals and providing the business case for further change.

What should New Zealand do?

While approaches have differed from country to country, common themes are the basis of further research internationally and in New Zealand.

From these, recommendations for a reform programme here have been formulated:

- Government intervention – explore funding options from industry, government and research organisations for a public/private office that will drive the programme with government support and leverage.

- Framework and goal-setting – see the New Zealand construction industry as holistic and set clear overall industry targets as part of a framework addressing all the issues that form the system's performance.
- Knowledge creation and awareness – develop a reform programme with a clear awareness-raising and communications strategy.
- Industry engagement and collaboration – create collaborative partnerships between industry, government, academia and various industry bodies to develop a programme seen as a 'one-stop shop' for all matters relating to industry productivity improvement. This might not carry out all the activities (as in Singapore), but would act as a doorway for those wishing to engage in improvement, best practice and innovation.
- Critical mass – the reform programme's governance body should commission research into what would typify a New Zealand construction industry critical mass.
- Evidence and measurement – being in a position to measure performance and prove the case for change has been a critical aspect of the change programmes in the countries assessed. Hence, a key recommendation is to reinstate the national benchmarking programme to enable the reform programme to be monitored and encourage more of the sector to engage in benchmarking and improvement. The present measures should also be investigated against those of the countries researched, for example, the USA's Project Central, the UK's KPIzone and the Benchmark Centre for the Danish Construction Sector.

Blueprint for the future

A proposed *Blueprint for productivity reform in New Zealand* includes 12 key international themes for improvement (see Figure 1).

For further information, see *Constructing Excellence* at www.constructing.co.nz.



Figure 1: International themes for productivity improvement.