

MAKING CONSTRUCTION A GREAT PLACE TO WORK: CAN FLEXIBLE WORKING HELP?

A VIEW ONE YEAR ON

Review supported by:



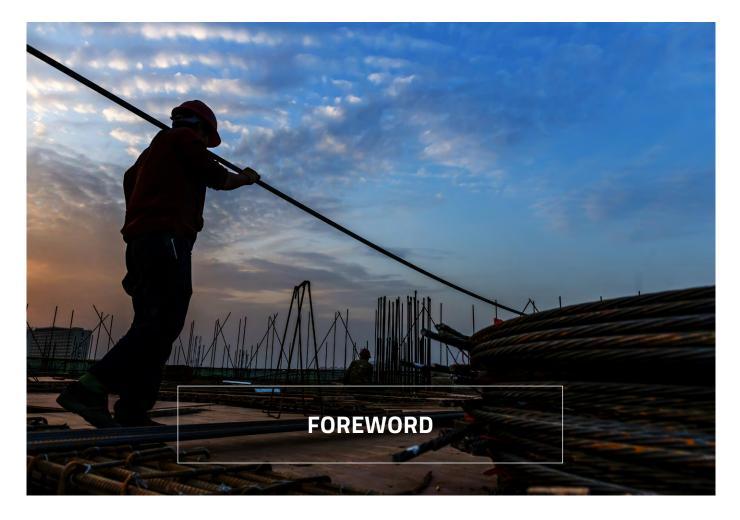


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SKANSKA



I was over the moon to read what those on the front line of construction had to say about the impact of our flexible working project with Timewise. The overwhelmingly positive response demonstrates that we can make a real difference to people's lives and tackle some of the longstanding issues in our industry by providing a better work-life balance. The fact that offering more flexibility has no detrimental effect on a project's programme or budget is a real bonus.

One of the most difficult decisions for many people is finding a job that is compatible with the range of responsibilities they have outside of work – whether that is a family, caring for someone, managing a health condition or pursuing a hobby. Full time or traditional working hours often do not allow people to work and fulfil their personal responsibilities, and so they opt out of the workplace. This adversely impacts women and minorities, increases labour and skills shortages, and exacerbates the challenges created by the increased cost of living.

Flexible working arrangements enable more people to step into, and stay in, work. A win-win for everyone: employers have the workforce they need and can confidently invest in training and development, whilst workers maintain their career and income at the same time as meeting their commitments outside of work.

Reducing the stresses of everyday life whether through less commuting, more suitable start and finish times, reduced hours or simply being able to attend an appointment without losing a day's pay makes a huge difference. A happier workforce is more productive with greater job satisfaction, less sickness absence and better mental health – a virtuous circle that encourages more people to join our industry and enables businesses to grow.

With such positive results, particularly around diversity and well-being, Build UK will continue to champion flexible working and I would encourage other industry organisations to do so too. If you aren't already having the flexible working conversation within your business, it is definitely one worth starting – I promise you won't regret it.

Suzannah Nichol MBE

CEO, Build UK

INTRODUCTION

I am delighted that this review, one year on from the completion of our Construction Pioneer Programme, indicates that flexible working is perceived to be a success story by the four firms involved in the pioneer pilots. The firms have rolled out and built further on their learnings from the programme, with no reported detrimental effect on budgets or timelines and suggestions of positive impact on staff well-being and performance.

For me, the headline impact is that the participating firms believe flexible working has been a key contributor to a huge reduction in sickness absence – of over one third in two of the firms. This is a tremendous result, especially given that one of the main drivers for running the pilot programme was a concern around the sector's poor mental health and well-being record.

Firms are also reporting increased productivity levels through the use of hybrid working, which they feel is the result of having a happier workforce better able to manage their commitments outside of work.

Flexible working has proved to be such a success for the pilot firms that they have felt able to offer flexibility from the point of hire, promoting it in their job adverts. This is a complete paradigm shift for the construction industry, and in time should do much to address gender imbalance.

Of course, adapting to flexible working is a process that will take longer than the short timeframe of a couple of years, so there are still areas where there is more to do. One of these is consistency across the different departments and roles within an organisation, to iron out pockets of resistance. Hybrid working has been easy to roll out for head office staff, but trickier for site-based 'knowledge' workers, and hugely challenging in manual roles. Job design around time-based forms of flexibility needs more attention, to provide a degree of equity for site-based employees. Another, more difficult challenge is ensuring that flexibility ripples down fully to the sub-contracted frontline workforce. Over the last year, the four firms have primarily focussed on finding the right working patterns for their own employees. One firm did engage their subcontracted workers in the original pilot and continues to encourage flexible patterns for them. But the next step is for all four firms to begin open conversations with the supply chain, to ensure that some form of flexibility is available across the sector, including for all frontline workers whether employed or sub-contracted.

Conversations need to reach upwards too, to involve clients. There is a potential difficulty around who reaps the benefit of cost savings from flexible working. For example, if a project adopts an output based model for pay, and as a result fewer hours are worked, will workers be paid the same amount for the job, or will clients expect to pay less? Timewise advocates the need for fairness, with some of the savings being used to benefit frontline workers, whose experience of long, demanding working patterns is compounded by low pay.

So there is much more change to come. The construction industry is grappling with a range of challenges, not least continuing skills shortages, which flexible working can help to address. We trust that the sustained success of the pioneer programme, amongst our four trailblazing partners and increasingly others, will continue to catalyse industry action. There are clear benefits for construction firms and all those who work for them, now and in the future.

Emma Stewart MBE

Founder and Development Director, Timewise

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BACKGROUND, AIMS AND METHODOLOGY

ABOUT THE INITIAL FLEXIBLE WORKING PROGRAMME

This review is an update, one year on, of the findings of the 'Construction Pioneer Programme', which was codesigned by Timewise and Build UK with support from Barclays Life Skills and CITB. This 18 month programme of flexible working pilots began as the pandemic hit in early 2020, with the report published in June 2021.

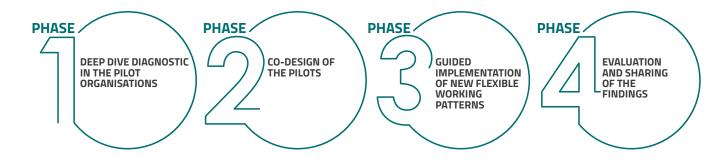
The aim of the pilots was to test whether improved access to flexible working for site-based construction teams could address some of the cultural issues and demanding work patterns that contribute to the sector's struggle to attract and retain talent. Furthermore, it hoped to tackle construction's challenge with gender diversity, and address its troubling record on mental health and well-being, which is in part fuelled by a culture of long hours.

Four leading UK construction firms took part in the pioneer pilot programme: BAM Construct, BAM Nuttall, Skanska UK and Willmott Dixon. Between them, they directly employ almost 60,000 people.

ONE YEAR ON – THE AIMS OF THIS REVIEW

The purpose of this report is to share updated insights from the pilot organisations, to see if any long term changes are taking root, and to understand how flexible working is impacting the working culture. We also looked for emerging impact on business performance, and on the well-being of employees. To do this, we focussed our attention on:

- 1. Leadership and management support and endorsement
- **2.** The enhancement of management capabilities to roll out further actions
- **3.** The extent to which operatives feel more supported to work flexibly and in doing so manage their well-being
- **4.** Analysis of data reflecting the potential impact on performance
- **5.** An update on wider dissemination and industry action on flexible working, as a result of the dissemination of the original pilot findings and ten point plan.



The programme followed four phases:

During the pilot programme, different flexible working practices were tested across different sites, depending on their specific operating constraints. The pilots took place against a backdrop of pandemic restrictions.

Our full report on the programme, <u>'Making construction</u> <u>a great place to work: Can flexible working help?'</u> concluded that flexible working can be implemented successfully for construction site workers, with no detrimental effect on the budget or schedule. And most importantly, there were positive shifts in well-being, job satisfaction and working culture. For example, the proportion of workers who agreed that "My working hours give me enough time to look after my own health and well-being" increased by more than a third over the course of the pilot programme.



METHODOLOGY

For this report we revisited the recommendations from the initial programme, and evaluated how the pilot firms have been doing against these over the last year. Our review comprises four activities:

The approach was primarily qualitative, comprising 13 interviews with senior leaders across the four firms, including central leads and also the project leaders from each of the original pilot sites. We also held interviews and a focus group with a selection of 9 workers from the pilot sites. And we ran a second focus group with 21 workers who had no involvement in the pilots, in order to assess the extent to which internal communication and organisational changes were rippling out across other projects following the pilots. Interviewees and focus group attendees were selected by the senior leaders or HR representatives who were leading on this programme within each firm. It is acknowledged that this means there is potential for selection bias, and the participants cannot be considered fully representative of the wider workforce.

2. We reviewed data supplied by HR leads from all four firms, to look at business benefits alongside employee benefits. The data focused primarily on changes in sickness absence rates across their whole workforce (not just on the pilot sites).

B. We have also included some wider analysis, conducted by Timewise and the Institute for Employment Studies, which looks at the potential return on investment for construction firms which take action on flexible working.

Finally, we have assessed media coverage of the topic of flexible working in the construction sector, and of the pilot programme specifically. We also interviewed Suzannah Nichol, CEO of Build UK, to gain her views on the growth of sector interest in new ways of working, and the extent and speed of change.

SECTION 1: THE EMPLOYEE EXPERIENCE

A good place to start this report is by noting the reported positive impact that increased flexible working has had on the lives of many employees, in the four firms which participated in the pilot programme. While recognising that not all outcomes can be attributed just to this programme, qualitative feedback from the firms suggests it had played a major part.

A consistent theme in our conversations with leaders, managers and workers was that even slight adaptations to ways of working enabled people to better manage the challenges of day to day life, taking away potential stressors. The perceived benefits have been manifold.

Most of the interviewed workers felt they could openly discuss flexible working and make changes in collaboration with their manager. For example, some employees fed back that they felt more able to have an honest conversation about needing to leave early to collect a child from school. It was felt that there was an increased understanding and trust from managers that employees would get their work finished at home later that day. Employees highlighted that this takes away the stress from having to arrange alternative childcare, or in some cases take the one-day absence that might be necessary when there was no alternative to a childcare emergency.

The majority of managers we interviewed felt they were more open to trying out different ways of working, recognising that if it benefits their team then it benefits the business too. At one firm there was an example of workers staying late for a concrete pour, with their manager accepting or even expecting that they would start later the next day, so they would be less fatigued and less likely to be unwell.

Employees in the focus groups, and respondents to HR staff surveys, often reflected that when they are better able to manage their work life balance, they will show up to work happier and be more productive. Additionally, colleagues who are less stressed and fatigued have a positive impact on those around them too, so the whole sense of team spirit is heightened.

There was also evidence, from interviews and HR feedback, of a reduction in one-day sick days. Employees who were too unwell for a long commute and a day of meetings might nevertheless feel up to working from home, supporting their team remotely or catching up on report writing. This of course needs to be managed carefully, to ensure that people don't push themselves beyond what they feel well enough to do.

On the whole, feedback has been overwhelmingly positive and highlights that all four firms have communicated that they are open to flexible working, and in most instances have enabled it across their workforce. There are still a few pockets of resistance, reported by several of the interviewed leaders and HR managers, and in some cases an element of fear that flexible working will encourage the wrong behaviours. However, this is being increasingly challenged by colleagues and managers.

I have a team member who has Parkinson's and he now does not work on Wednesdays to break up the week and make it more manageable for him. MANAGER, BAM CONSTRUCT

- ⁽¹⁾ "Before flexible working people were shattered. If they had to stay late for a concrete pour they would still come in at 7am the next morning because they would be worried about 'knowing looks' if they arrived late. That's all gone now; if you finish late you come in later. People are less fatigued and happier. MANAGER, WILLMOTT DIXON
- Even if people just miss the commute a couple of days a week it can have a wide-reaching impact on their sense of well-being. MANAGER, SKANSKA UK
- Because the teams are getting more done in less time, they feel they have permission to put themselves first. FRONTLINE WORKER, BAM CONSTRUCT
 - In a recent poll survey, over 50% of our people said they'd had a conversation with their manager about flexible working. MANAGER, SKANSKA UK

SECTION 2: PROGRESS MADE BY THE PILOT FIRMS, AGAINST THE RECOMMENDATIONS IN THE 2021 REPORT

In summary, the same positive story of the original programme still appears to ring true a year later:

- There was no reported adverse impact on project timelines, quality standards or costs when flexible working was increased.
- There have continued to be perceived positive shifts in attitudes to flexible working and improvements in well-being, across all the firms that participated in the pilot programme.

In this section, for each recommendation made in the original report on the pilot programme, we have captured the latest key insights from the firms, including some areas where there is room for further improvement.

1. CULTURE AND LEADERSHIP

2021 RECOMMENDATION

Determine a clear vision that starts at the top, with senior leaders advocating the benefits of flexibility and taking a proactive approach.

Across the board, the leaders we talked to were clear on their vision for flexible working, and their view was reinforced by the positive impact they saw for their workforce.

Further down the organisations, most of the managers and workers we spoke with appreciated the clear direction and parameters set by their business leaders, which enabled a culture of trust in managers and teams to work out the best ways of working for their projects. Interviewees also welcomed the move away from rigid process and restrictive rules, and the instigation (by managers and supervisors) of more informal conversations about ways of working.

All the leaders acknowledged that the cultural shift to accepting flexible working will take some time to embed comprehensively across their organisations. For example, managers need to be encouraged to be consistent in how they facilitate conversations about flexibility, and how they respond to requests for a range of flexible working patterns. Nevertheless, broader benefits of improving flexible working are being observed, busting the myth that flexibility is just about childcare and improving gender balance. For example, using flexible working to help older workers achieve a better life balance can be a win-win for both sides, in a sector that is worried about its ageing workforce.

- Previously there was an 'all or nothing' approach, but now we are keeping people in the workplace a bit longer by being able to provide better balance at the later stages of their career. LEADER, BAM CONSTRUCT
- I've worked hard on trying to set the tone as a leader. In the past I've been guilty of working late or sneaking out down the back staircase if I'm leaving early. Now I make sure everyone sees me leaving early, even if sometimes I could stay and do more. LEADER, SKANSKA UK
- Men want agile working as well as women and we are seeing more of our male workers taking an active role with their children, including us as leaders. LEADER, WILLMOTT DIXON
- I've been really open as a leader about how I've spent the last ten years hauling myself out of bed and around the motorway, and how I have now had my eyes opened about how much better flexible working is for my well-being. LEADER, BAM CONSTRUCT

2. MANAGEMENT CAPABILITY

2021 RECOMMENDATION

Equip managers with skills and capabilities to design flexible jobs that are suitable for different site circumstances, and to manage flexible teams.

Training and resources

There is a recognition that manager capability is a critical factor in unlocking possibilities for different ways of working. All of the participating firms invested in training and resources for managers and teams during the pilots, and have generally extended these out across their whole organisation.

Most managers are finding the resources and tools valuable and, in turn, this is leading to workers feeling more comfortable to have a conversation about flexible working with their managers.

However, there are still pockets of resistance in all four firms, for example a lack of trust to allow site workers to leave early or work from home. To deal with this, the HR team in one firm introduced an agile working toolkit for managers, to support them to encourage a team-based approach to agreeing working preferences and to be more consistent in approach, rather than responding to requests at an individual level. HR teams could also help by providing practical training to understand different forms of flexible working and how to capture and respond to workers preferences; they could also provide coaching for individual managers who struggle to understand the case for change.

Improving job design

The pilots, and the impact of the pandemic, have led to a fundamental change in the types of flexibility being adopted on construction sites. Previously, flexible working tended to consist of a small number of formal requests for part-time arrangements. Now, flexible working is more widespread, but tends towards informal arrangements, especially partial home-working but also flexibility around working hours.

Feedback suggests that there is still less acceptance of more formal patterns of work such as reduced hours. This is an area where a lack of job design capability may be at play, as latent demand for part-time work is never surfaced in a climate where it is assumed it can't be done. Some employers have recognised that they need to provide further support, and their HR teams have begun to develop guidance on how to properly design jobs with built-in formal flexibility, adjusting KPIs and adapting schedules to ensure that the workload is commensurate with the hours, and can be delivered effectively.

Managers need to role model flexibility

Several managers recognised that excluding themselves from changes to working practices created a perception that they were shouldering the impact of empowering their teams to work less. In reality, like the rest of the team, it was just a habit they needed to break. There were instances where managers acknowledged feeling guilty about leaving early, but they recognised the importance of 'leaving by example' and that it was important for them to 'walk the talk'.

- Previously there was less demand for flexibility, but the flexibility that was agreed was more formal. Now there are fewer formal arrangements, but definitely more flexible working overall.
 - We are having more conversations with people about reducing hours, but we still need to do some work around making sure that roles are achievable in the reduced time, and that we are not just expecting individuals to squeeze a full time role into part-time hours. MANAGER, BAM NUTTALL
- "

I didn't realise the impact I was having by liking to work until late, so now I make a point to 'leave by example'. MANAGER, WILLMOTT DIXON



3. ADAPTING TO NEW WORKING PATTERNS

2021 RECOMMENDATION

Trial new approaches at a team level before embedding and scaling out successful learning through guidance and further training.

Because the firms we engaged with had all conducted trials already, as part of the pilot programme, they have generally spent the last year rolling out their learnings across their organisations. The recommendation still holds for construction firms that are new to flexible working to trial different working patterns before scaling them out.

Different forms of flexible working

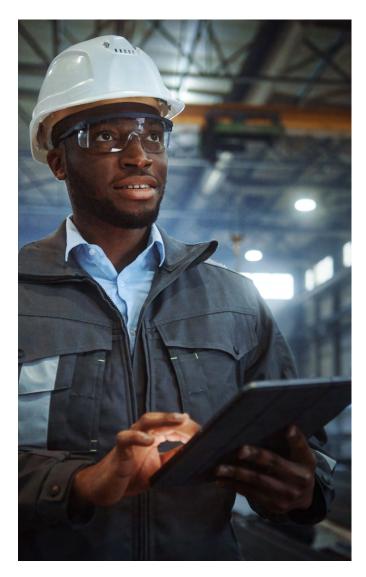
Our four pilot firms primarily manage builds rather than actually doing the building, and have therefore tended to focus on embracing hybrid working across their organisations. They have flexed work between office, site and home to save money by releasing office space, and to move closer to their sustainability goals.

However, this focus on hybrid working is largely a result of pandemic enforced home-working, and it is vital to explore a wider variety of flexible options in order to maximise the impact for the greatest number of workers, many of whom cannot work from home. One of the firms had taken steps to address this, introducing a 'Flex It' initiative which provided a matrix for people to understand the different types of flexibility using the simple Timewise model of 'where, when and how much'¹, exploring which types of flex suited the constraints of different roles.

There is wide recognition amongst leaders and managers that no two projects are the same and there cannot be a 'one size fits all' approach to flexible working. For those who want to get off early on a Friday because they're staying away from home we have a rota in place and they cover the lates during the week so it really is give and take. FRONTLINE WORKER, WILLMOTT DIXON

Even as a site manager, everyone has at least a day a month working at home and appreciate the fact that doing certain tasks at home enables greater focus and greater productivity.

We are continuing to pilot different initiatives for ways of working across new sites.



Team approach, based on trust

The managers and workers we spoke with all said that flexibility works best by understanding individual needs and then working out as a team how to support each other at the same time as delivering for the business.

A general shift appears to be emerging, from presenteeism to performance based on outputs; a key to this is developing a culture of trust. Trusting that good employees will deliver good outcomes, and empowering them to choose the location or way of working that enables them to be at their best, is proving to be good for them and good for business.

However, one of the leaders we interviewed was concerned that the balance had tipped a little too much towards what the individual needed rather than what was right for the business. Conversations were now happening to recognise the need to achieve a better balance for both sides. This is to be expected – implementing flexible working is an evolution, with best practice arrived at by constantly trialling and then making adjustments.

Tension between flexibility and tight deadlines

The earlier phases of build projects tend to lend themselves more favourably to flexible working than the later stages, as deadlines approach. This is especially true if there have been problems with unforeseen delays and there is a last minute drive to meet timelines and budgets. The firms acknowledge the increased importance of allowing for setbacks in the early planning phases, adjusting timelines and budgets from the outset.



FLEX EXPERIENCES: THREE EXAMPLES

- One of the participating firms has found that their focus on how many hours should be worked was actually becoming a barrier to success for flexible working. At a project level they shifted the focus to being more flexible about working hours, and found the result was actually a reduction in hours, with less overtime being worked.
- Another firm decided to give workers an equipment allowance if they would be working from home regularly, and more than 75% of their employees now work from home for at least one day a week.
- Yet another firm told us of a site where workers have been offered the flexibility to start later or leave early. The site is open 8 till 6, but there is a rota system for locking up so that not everyone has to be there all of the time.
- Our business has been very open about not having too many rules or constraints. It feels like we've given power back to our people. The challenge is now about reaching the best outcome when you work it out as a team. As managers, we've really learned to listen to our people and we're seeing the benefits in terms of retention and loyalty. MANAGER, WILLMOTT DIXON
 - This year, our people satisfaction survey scored 93% for the statement 'I have the support and trust I need to work in an agile way ' which is an increase from 88% previously. MANAGER, WILLMOTT DIXON

4.FAIRNESS AND INCLUSIVITY

2021 RECOMMENDATION

Consider options for flexibility in every role (frontline workers as well as knowledge workers) to ensure fairness and inclusivity.

Fairness is a key issue in the implementation of flexible working, and it generally means two things:

- Finding ways to offer some form of flexibility to all employees. Of course, not all types of flexible working are appropriate in all roles – home-working, for example, is not possible for manual jobs. But some form of flexibility can always be found, and offering an element of control over working patterns, for example through time-based flexibility, helps to provide a degree of equity.
- Once the process of job design has identified appropriate flexible patterns for the different role types, the approach needs to be applied consistently across the business.

Site-based 'knowledge' roles

Most site-based employees of the four participating construction firms have roles that focus on the management, supervision and coordination of third party workforces. They therefore generally have some parts of their roles (such as reporting, analysis and planning) that can be completed remotely; and as a result of the pandemic, home-working had become the focus for flexible working for many of the managers and workers we talked to. However, on some sites, there was a question of fairness around the division between site-based roles that could and could not be partially worked from home. A particular challenge is to have sufficiently qualified personnel on site at all times, to cover any unexpected critical issues. The smaller the site, the harder it is to ensure this.

There was evidence that (to ensure fairness) some teams have been requiring people to remain on site for all work, even though this is not in complete alignment with their revised company policy. A few sites have tried to address the problem by adopting a rotational approach, while others were exploring suggestions such as roving managers. This issue is still a 'work in progress', with firms grappling with how to ensure a fair and consistent approach.

OUTSIDER OBSERVATION

An interesting observation that Timewise was able to make from our external viewpoint, is that similar roles have been categorised differently across the organisations, with regard to capacity for partial home-working. It may be that some of the continuing barriers to home-working stem from cultural norms of visibility and 'being in it together', rather than taking an objective job design approach to identify tasks that are best achieved together versus solitary tasks that can be done remotely.



What about manual construction roles?

Progress has been slower for those roles where physical presence is always required on the construction site. Naturally, this is more challenging as one option for flexibility (home-working) is removed from the equation.

However, some of the firms are looking to improve the availability of other types of flexible working. For example, BAM are taking steps to educate managers that while all kinds of flexibility might not be available in all roles, there should be some type of flexibility available in every role; employees who cannot do their job at home might be able to vary their start and finish times to support their life commitments outside of work.

Again, however, this is an unresolved issue that requires more improvement. Some managers are concerned that an imbalance in the availability of flex will lead to a shortage of workers willing to take on frontline and site management roles; they say they are already beginning to notice a swing from apprentices and graduates towards more 'office-based' functions.

And, of course, there is a massive segment of workers who are largely untouched by improvements made within the big construction firms: the sub-contracted workforce. One firm did include their subcontracted workforce on one project in the original pilot, and has continued trials since then; they are now planning a larger trial at another site and have also shared their findings with their other labour suppliers to encourage wider adoption. However, in general over the last year, the firms have primarily concentrated on implementing flexibility for their own employees and it will be a while before the progress ripples out widely across the sector. Once the large construction firms have got their own houses in order, they will need to start having open conversations with their sub-contractors, to ensure transparency over working hours for frontline manual workers.

Inclusivity for different groups of people

Whilst there may still be some issues around fairness and consistency that need to be ironed out, the interviewees described observing a cultural shift that they believe has benefited many people. Groups such as parents and carers, older workers and those with health concerns often struggled with the demanding schedule of long hours based on site. We found indications that this may have changed for the better, with many workers reporting ways in which their lives have become less stressful.

Mothers may further benefit indirectly too. As one HR lead commented, offering flexibility to all enables more men to take a more active role in family life, which supports greater choice and opportunity for their partners.

- We recognise that some ways of working are just not possible for site teams, but we are trying to work with them to enable other forms of flexibility. MANAGER, SKANSKA UK
- I have a couple of people on my new site who are struggling with mental health issues and we have agreed to reduce their working hours down to four days. This helps them to manage their lives outside of work and they are absent less as a result. MANAGER, BAM CONSTRUCT
- One of our site-based office workers was struggling with menopausal hormone imbalance, and we agreed for her to start later a few days a week so she could find more time for exercise, which helped her symptoms. MANAGER, WILMOTT DIXON

I would have looked at retiring in not too many years but now I think when I'm 55 I'll go down to four days a week and stay on a bit longer. MANAGER, BAM CONSTRUCT



5. FLEXIBLE HIRING

2021 RECOMMENDATION

Advertise roles with flexible working from the point of hire, to attract a more diverse pool of skills and talent.

The participating firms reported that working patterns are a hot topic in recruitment. Candidates come to interviews having read up on their policies, and ask questions about the detail of flexible working options.

All four firms now offer flex from day one and advertise flexibility in their recruitment campaigns. This is a notable change to have happened over the course of one year, and shows the leadership commitment to flexibility for the long term.

Having made this leap, some firms are already looking to improve further, by dropping general statements about flexibility in favour of being more specific about the types of flexible working possible for each role. One of the firms has moved particularly quickly, revising all of their key life cycle templates to include prompts for managers to consider flexible working – writing changes into templates for job descriptions, interviews, induction planners, 100 day reviews and PDR's.

All four firms strive to have diverse shortlists, as they recognise the strategic imperative of having a diverse talent base in their businesses, especially with regard to gender balance. The gender pay gap is still a major concern and the firms are taking action to improve the attractiveness of the sector to women. Greater opportunity to work flexibly has the potential to be an integral asset in their employee value propositions.

It will take time for female representation to shift significantly across the construction industry, but there are some encouraging trends – as shown by accolades such as Willmott Dixon being listed by <u>The Times as a</u> <u>Top Employer for Women</u> for four consecutive years, and Skanska Group coming fourth in the <u>Forbes list of the</u> <u>World's Top Female-Friendly Companies in 2021</u>. Ways of working and flexibility definitely come up more often in the conversation at recruitment. MANAGER, SKANSKA UK

We have recruited more people on the basis we've been more open to flexibility.

It's early days, but we're hoping that by offering flexibility at the point of hire, we'll begin to see more applications from women. MANAGER, SKANSKA UK

The headline for us is to attract, retain, develop and promote the best people, and in order to do this we need to offer agile or flexible working. This is really resonating across the business. Our leaders understand that the next generation of leaders are looking for a company with purpose, and expect diversity as a given. Flexible working is one of the things that will help us improve our diversity, especially gender diversity.



6. CLIENT BUY-IN

2021 RECOMMENDATION

Share insights with clients, to improve their understanding of the positive benefits of flexible working and unlock barriers to its implementation while the contract is in process.

Over the last year, the pilot firms have largely taken an internal focus, concentrating on finding flexible arrangements that enable their employees to meet both their personal needs and the business needs.

They are at different stages when it comes to expanding the sector's take-up of flexible working through conversations that reach out to clients or ripple through to the supply chain. They are, however, aware that this will be a crucial next step in the journey to improving flexible working across the sector in a sustainable way.

Our focus groups highlighted a possible dilemma around 'who reaps the benefits', as flexible working practices can potentially lead to a reduction in business costs (for example through office savings, or reduced absence). Some interviewees felt this might explain some of the unspoken tensions around talking to clients about flexible working. On the one hand it can illustrate that an organisation is taking a positive approach to Equality Diversity and Inclusion (an important consideration for clients when awarding contracts); but on the other hand, potential financial savings could lead to a client expectation to see a reduction in their costs.

Timewise believes the industry will need to moderate the discussion between clients and employers in order to address this issue and explore some solutions. One possibility is to consider passing some of the savings to the supply chain to help low-paid frontline workers who are unable to benefit from working at home.

- We have not done as much externally as we could because the focus has been on getting our own house in order and working out how to get the messages and principles out to sites. LEADER, SKANSKA UK
- Clients, tier one contractors and the supply chain need to have conversations about ways of working, collaborating to improve flexibility instead of trying to do it on their own. SUZANNAH NICHOL MBE, CEO, BUILD UK





Using the excuse of contracts being already in place is not really true when it comes to managing client expectations about flexible working. Contracts change all the time throughout the project and we just need to ensure that they support the different ways of working together.

7. BUSINESS PERFORMANCE

2021 RECOMMENDATION

Measure the return on investment of flexible working in terms of project performance and productivity, at minimum ensuring it doesn't have a detrimental effect on budget and timeline.

The original pilot programme was really looking to prove that flexible working had no detrimental effect on business performance, and indeed no evidence was found to suggest otherwise. This positive result seems to have held true over the last year - the four firms have reported that (based on their commercial data for project timelines and budgets) there have been no observed schedule delays or excess costs that could be attributed to flexible working.

But what has surprised the participating firms is that flexible working is perceived to be having a positive impact on the bottom line. Less need for office space means reduced overheads such as rent, heat and lighting. Less need to travel to meetings means reduced expense claims. A happier and healthier workforce means less lost time from sickness absence. Some firms are even reporting improvements to productivity, because their employees are being empowered to work in ways that suit them better.

One of the findings of the original pilots was an improvement in self-reported well-being and, in the year since then, the firms believe increased flexible working has been the key contributor (albeit not the only one) to a staggering reduction in sickness absence. Willmott Dixon reported that overall sickness absence has reduced by one third since 2019 and Bam Construct by one tenth; Skanska reported that one-day sickness absences have more than halved, while Bam Nuttall saw this reduce by a third.

These reductions are more significant in the context of the national sickness absence rate for the construction industry as a whole in the UK: ONS data² shows an increase in sickness absence in 2021, at the time that our four firms saw a decrease. They appear to be bucking the industry trend, which could suggest their levels of sickness absence have been influenced by their direct interventions.

For those organisations still struggling to understand the business case for action, these improvements have the potential to make a dent in the sector's annual absence loss (£160m in 2018) reported by the Health and Safety at Work Executive.

Wider analysis conducted by Timewise with the Institute

for Employment Studies also highlights the potential return on investment of flexible working. We looked at the cost of investing in a flexible working pilot, in construction and four other sectors, and assessed how soon the cost could be recovered through reduced turnover or sickness absence. The analysis showed that in a construction firm of 200 frontline employees, all it takes is for 7 fewer staff to leave each year (out of the average industry rate of 68) for the investment in flexible working to be recovered within three years. Alternatively, 1 less sick day per person per year (the average frontline construction worker takes 8.4 sick days) would be enough to break even over 3 years. The potential for scalable returns is significant.

- **C** Production has not dropped, it may even have gone up. **MANAGER, BAM CONSTRUCT**
- Flexible and agile working continue to be a core part of helping us achieve our sustainability goals. LEADER, WILLMOTT DIXON
- Some people make the assumption that everyone is taking advantage, but actually some people working remotely are working harder than they would on site or in the office. The issue is not with their performance, it's about trust and having the right performance measures in place ie output not presenteeism. MANAGER, BAM NUTTALL
- Our division has had less churn and I think this is because we have implemented better flexibility, whereas the other regions seem to have more churn and be less open to flexibility. MANAGER, SKANSKA UK

We would know if productivity dropped. We have had big challenges in terms of labour shortages and supply shortages, but productivity has not been a challenge since introducing flexible working. LEADER, BAM CONSTRUCT

SECTION 3: WIDER INDUSTRY CHANGE

One of the core aims of Timewise's pioneer pilot programmes is to share the insights in order to drive wider industry awareness and action on flexible working. So, as part of this one year review, we have captured the interest and exposure that the construction programme received. We have also looked at the emerging engagement taking place within the sector, to see the extent to which the programme has been effective in catalysing change, compared to the pre-pandemic years.

It's fair to say that, even before the programme took place, many industry leaders (not least the four pioneer firms which took part in the pilots) had begun to recognise the potential benefits of flexible working, especially as a tool to address the challenge of gender diversity. And we must also acknowledge that our programme coincided with periods of enforced home-working during the pandemic, which catalysed action on flexible working and shattered many of the old perceptions. So, when we shared the findings of the programme, it was to a sector of increasingly open minds.

Nevertheless, the launch of the programme report received an astonishing amount of attention...

HOW WE SHARED THE INSIGHTS OF THE PILOT PROGRAMME

The report attracted considerable media attention, featuring heavily in the trade press, numerous HR titles and even reaching the nationals with coverage by BBC news and Radio 4 Women's Hour. Social media shares of the report and video have reached tens of thousands of people.

Timewise and our construction partners have also spoken at numerous events, webinars and podcasts to showcase the findings and recommendations of the programme to industry bodies and initiatives including FIR and Civil Engineering Contractors Association, Inspiring Women in Construction, and the Association of Geotechnical & Geoenvironmental Specialists. Build UK and Timewise also worked together to raise awareness amongst construction industry leaders across Build UK's membership and beyond. In promoting the programme's findings, we have highlighted the need to design better flexible work post pandemic, to ensure a fair and consistent approach for frontline workers alongside offering hybrid working to office staff. The insights have even been shared with other frontline sectors, through case studies disseminated by CBI, Greater Manchester Employment Charter, London City Hall's Employment Standard network and through the government's Flexible Working Taskforce.

Increased awareness has resulted in a recognition that flexible working is not only possible in the construction sector, but also beneficial. We are starting to see a groundswell of action, even receiving an enquiry from the Australian construction taskforce! At employer level in the UK, there has been uptake from further firms engaging with Timewise including Balfour Beatty, Bouygues UK, Chevron, Danny Sullivan Group, Kier Group, Multiplex, Sir Robert McAlpine and St Modwens. Between them these firms employ almost 100,000 people, which highlights the huge potential impact that wider action could have on employees' lives.

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The builders with the secret to worklife balance



Elisabeta has to be on-site to work but she can still work flexibly

Elisabeta Danilo has had a fresh burst of motivation this year after her boss gave her a bit more flexibility around her working hours.

She gets her "life-stuff" done more easily and has more time with her 17-year-old daughter.

THE ROLE OF INDUSTRY BODIES

Timewise and Build UK's original report also called on construction industry leaders to take action, specifically the Construction Leadership Council. We had 3 asks:

- Advocate and promote our 10 point action plan
- for improving flexible working for all roles in construction.
- Commit to measure the ratio of jobs advertised as flexible at the point of hire, through the new Talent Retention Scheme Jobs Portal, and then trial prompts to encourage recruiters to offer flexible working in their job adverts.
- > Embed flexible job design training into existing
- leadership and management programmes, to build capabilities.

We are pleased to have seen progress on all of these:

Firstly, the CLC has indeed both <u>advocated and promoted</u> <u>the 10 point plan</u> through its network. It has also made a commitment in its latest <u>Construction Skills Plan for 2022</u> to develop an industry diversity plan, establish common diversity measuring and monitoring systems, and set targets for recruitment, retention, and progression.

Secondly, the CLC Talent Retention Scheme jobs portal now includes a prompt for all employers to state in their job posts whether the role is part-time or full time AND whether flexible working is available more broadly. Candidates can now search for vacancies specifically referencing flexible working. This field was not available before, and we hope it will now start to encourage more employers to proactively consider whether they can overtly offer flexible working at the point of hire, as a route to attract a wider and more diverse pool of talent.

Thirdly we are pleased to see that CLC's Skills plan 2022 includes a call to action for all firms to adopt the <u>Fairness</u> <u>Inclusion and Respect programme</u> that offers online training and advice on implementing flexible working, including some Timewise resources.

At the same time, other industry groups are taking action too. Timewise has recently worked with Build UK Trade Association Member, Federation of Piling Specialists, to produce <u>guidance for its members on how to implement</u> <u>flexible working</u>. And Build UK continues to champion the agenda, highlighting action on flexible working as a key priority in tackling the gender pay gap, as part of its annual benchmarking report for its members. More broadly, the government's Flexible Working Taskforce has included case studies from the programme in its recent guidance on hybrid working.

WHERE NEXT?

In summary, the Timewise pioneer pilot programme has had a high profile, attracting widespread interest. It's encouraging that the sector is retaining some of the home-working adopted over the pandemic, now in the form of hybrid working, and is keen to explore how to ensure that flexible working reaches the frontline too.

But there is still a long way to go, and we hope that the encouraging findings from this 'one year on report' will help to catalyse further action.

More endorsement and investment is needed from industry leaders to highlight flex as a key tool for attracting talent, enabling high performance and delivering on ED&I. Industry leaders and industry bodies can also do more to facilitate conversations between clients, construction firms and supply chains so that flexibility can be scaled out fully across the industry, as there are still significant barriers when it comes to the subcontracted workforce. To support this, we call on the CITB to develop more comprehensive training for managers, on understanding flexible job design and how to implement flexible working on construction sites.

The CLC also need to do more to highlight the benefits of flexible hiring to those firms posting jobs on the CLC Talent Retention Scheme jobs portal. So far, the ratio of vacancies stating flexibility remains remarkably low at just 1% (22 of 1,655 vacancies at the time of writing this report). This is disappointing in light of the fact that the <u>Timewise Flexible Jobs Index</u> shows that the national ratio of flexible construction jobs is 12%. We would urge CLC to include a more overt call to action for firms to adopt flexible working, highlighting it as a key tool to attracting and retaining talent.



Even in the short pilot programme, we could see suggestions that entrenched views were beginning to shift and it is fantastic to be able to report that the momentum appears to have kept going over the last year, and to be continuing.

We observed indications of perceived positive change across all the 5 areas we determined to look at:

- leadership endorsement
- support to build manager capabilities
- employee experience of increased flexible working
- business performance, particularly a correlation between flexibility and reduced sickness absence
- wider industry awareness and take up.

Without doubt, there is a swell of opinion that flexible working is good for business. However, we must recognise that attitudes and behaviours have developed over decades and will take more than one year to change. There are pockets of resistance which need to be challenged, in order to ensure fairness and consistency across organisations.

There is also a persisting concern that flexible working is harder to achieve on site. The ongoing challenge is to decouple remote and hybrid working from other forms of flexible working. Construction leaders and managers need to improve their understanding of time-based forms of flexibility and make them available to frontline workers, to give them greater input and control over their work and ensure an element of equity with other workers.

Interviewees have reported improvements in terms of increased employee engagement, loyalty, well-being and performance. Reductions in sickness absence were also observed. And we know that having seen these returns, the four pilot firms appear committed to rolling out and going further by continuing to build management capabilities and by exploring time-based flexibility alongside hybrid patterns. Other firms in the sector are following suit, starting out on their journey to increased flexible working; although there is still a long way to go to reach down to smaller firms who lack the internal capacity and capabilities to implement a comprehensive approach to flexibility.

The critical step now, is for industry bodies to convene wider conversations with clients and supply chains so the impact cascades across the wider workforce and potential commercial gains are shared by all.

Flexible working is less of a subject in its own right in our organisation, we now try to weave it into other communications so that it's just become the way we work. MANAGER, BAM CONSTRUCT



Timewise is a multi-award winning social business and leading change agent in the flexible working sphere. We conduct research, share market insights and deliver consultancy services to help employers attract and develop the best talent. We also run Timewise Jobs, a jobs board for roles that are part-time or open to flexibility.

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