

1 The Culture Change

In his introductory statement to *Accelerating change* (Egan, 2002), Sir John Egan said that 'Integrated team working is key. Integrated teams deliver greater process efficiency and by working together over time can help drive out the old style adversarial culture, and provide safer projects using a qualified, trained workforce. It is self evident that teams that only construct one project learn on the job at the client's expense and hence will never be as efficient, safe, productive or profitable as those that work repeatedly on similar projects. I want to see expert teams coming together to deliver world class products, based on understanding client needs.'

This identification of the need for a cultural shift in the construction industry was set out in *Constructing the team* (Latham, 1994) and was driven forward in *Rethinking construction* (Egan, 1998) and in *Delivering better services for citizens* (Byatt, 2001). They all proposed a move away from tendering solely on the basis of lowest price to a value-based selection process including a shifting of emphasis from initial purchase costs and short-term savings to whole-life costs and longer-term objectives to ensure overall best value.

Partnering and integrated teamworking affords a way of achieving better value in whatever way this is defined by the client. However, many organisations are still reluctant to embark on the partnering and integrated teamworking route or are failing to apply a structured approach to lead to major value enhancements in timeliness, better quality and lower costs. Our emphasis on a structured approach is deliberate. In our experience, the greatest value enhancements have accrued to those organisations that select their teams and operate their arrangements in a structured way – planning training, workshops

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and social events months or even years ahead so that diaries can be committed. Partnering and integrated teamworking, like any other long term relationship, requires a long term commitment.

This book will outline the steps and techniques we have used and developed over the past ten years to introduce and implement successful partnering and integrated teamworking within organisations and project teams in the public and private sectors with clients, consultants, constructors and specialists.

First, the team needs to decide whether it is partnering or whether the separate organisations are forming a partnership. We have noticed that many individuals and organisations use the terms *partnering* and *partnership* interchangeably, frequently using *partnership* in a loose way to describe cooperative working and long term contracts. This is becoming regular practice and it may be that the law will recognise this in due course. However, our understanding is that, as the law stands at present, a partnership is a legal entity in which each of the organisations or individuals that holds itself out as being a partner, is jointly and severally responsible for the debts and obligations of all other partners. This book is focusing on partnering and integrated teamworking as we define below.

The definition of partnering that we propose is a development of a definition first put forward in *Trusting the team* (Bennett & Jayes, 1995). Our definition is, 'an integrated teamworking approach to achieve better value for all partners by reducing duplication and waste of resources, based on mutual objectives, a robust approach to issue resolution and a proactive approach to measurable continuous improvement.'

We see integrated teamworking as a tool in support of the partnering approach but one that could be applicable to all construction projects, not only those with formal or informal partnering arrangements. Our definition of integrated teamworking is taken from the Integration Toolkit published by the Strategic Forum for Construction (<http://www.strategicforum.org.uk/sfctoolkit2/home/home.html>) 'a single team focused on a common set of goals and objectives delivering benefit for all concerned.'

Perceptions and behaviours across the industry have changed considerably since the early 1990s. The concept of a formal construction contract in which the various members of the team are contracted to trust each other might have seemed like an alien concept to most of the industry fifteen years ago. An increasing proportion of directors,

managers and staff from all organisations involved in construction – clients, consultants, constructors, specialists and other interested parties – understand the business case for working collaboratively and the performance of the industry is improving year-on-year, as demonstrated by the construction industry key performance indicators (Constructing Excellence, 2004).

As a result of the changing attitudes and perceptions, there may be a need for partnering training within individual organisations. The need for such training will depend to a great extent on the current culture of the organisations:

- have they been working collaboratively for some years?
- does the relationship clearly exhibit all three key features of partnering (mutual objectives, issue resolution and continuous improvement)?
- do the individual team members understand the value criteria of their own organisations? For example, is defect-free completion worth anything? If so, is it 0.1%. 1.0% or 10.0% of the capital contract value?
- are there some members in the organisation who, despite an attempt to introduce a partnering culture, are adversarial in their nature and working practices?

Support from a partnering trainer/facilitator will enable the team members to bring their preconceptions into the open within the safe environment of training workshops. It is important that concerns and fears should be aired, assessed and addressed by management and colleagues before embarking on a programme of partnering and integrated teamworking. Dealing with issues in a non-confrontational way, showing respect for each other's views and continually seeking to improve, will help the team to gel and pull in the same direction. Team members will learn to recognise non-partnering behaviour and language and the negative impact these have on the delivery of added value.

Most people are conditioned to oppose change if it is seen as a threat and not as an opportunity. Management must handle the change to partnering and integrated teamworking sensitively if the team is to develop a cooperative culture which delivers better value, in place of an adversarial culture targeted at driving lowest price. Feedback must be sought at all stages from team members,

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considered and acted upon, to maximise the benefits of integrated teamworking.

The Construction Industry Council highlights the effort needed to maximise the benefits of partnering and integrated teamworking but also underlines the importance of having fun as a team. 'This is where cooperative networks start to form and are shaped so that all members of the team succeed in both their personal and corporate objectives. The aim is to get the team working creatively, cooperatively and even more for them to have fun as a team. Energy and effort put in here will generate creative thinking, understanding and innovative working that will later benefit the team and the project' (Construction Industry Council, 2002).

Because partnering and integrated teamworking requires considerable effort and resource in the early stages, organisations may question the need for partnering and may wish to tender on price as they have always done. However, price-only tendering sets up conflicting objectives within the project team. A key project that is delivered on price yet, through a lack of mutual understanding, misses other client objectives such as timely delivery and fitness for purpose, may reduce value to the client. Partnering and integrated teamworking enables all team members to align their objectives, focusing on the client's objectives whilst identifying and meeting the objectives of all other organisations.

The added value provided through partnering and integrated teamworking will require a clear business case if it is to convince directors who may, themselves, be rewarded by standing orders or company rules that are based on a lowest price strategy. We have worked with project teams who have identified benefits greater than the 10% of total project costs identified in *Trusting the team* (Bennett & Jayes, 1995). Those who are committed to implementing partnering and integrated teamworking must clearly demonstrate the added value of this approach to directors and auditors by quantifying added value from their own experiences or from nationally published case studies.

Once a partnering route is chosen, the integrated team should be selected on the basis of a weighted matrix of price and other value criteria. The selection process should not be a shortlist to pass a quality hurdle, followed by a tender fight to appoint on lowest price. In our opinion, this is only an extension of an approved list and evidence of a sustained lowest price culture. The industry needs

to rethink the whole selection process. The team should be brought together as early as possible in order that all share a common understanding of each other's value criteria and the ways in which they are to be delivered. At this early stage, all organisations and team members will have the opportunity to input their own expertise and suggestions, creating a climate for innovation and the delivery of better value for all.

The initial partnering workshop brings the team members together to define their mutual objectives, set up processes for managing the resolution of issues and address opportunities for continuous improvement. Depending on the team's needs, this workshop could be paired with workshops on value and risk management. These workshops will all assist in building the integrated partnering team ethos as well as defining and refining the scheme.

Following early workshops there may be a need to involve specialist sections of the team (task groups) to address further specific topics. The results from the task groups should be fed back to the team through the core group and the partnering champions. The effectiveness of the core group or partnering champions is critical to the success of the relationship. Good communication is key. All team members need to understand their interdependency. If everybody understands each other's roles and responsibilities and can trust each other to do what they say they will do, there should be a significant reduction in wasted resource and added value for all.

During the remainder of the project, the team should meet on a regular basis in continuous improvement workshops which may be targeted at specific areas of the project. These workshops may also afford an opportunity to develop the team through non-project team-focused exercises and social events.

After handover, the team should meet again for a post-project review to celebrate the success of the integrated team and the project, close out any remaining issues, agree and report on KPIs and take forward the successes and opportunities to their next projects. When learning is captured and applied to future projects, all members of the integrated team will benefit from the learning curve and all organisations and individuals will obtain increasingly better value.

To assist the industry to achieve the key targets of *Accelerating change*, the Strategic Forum for Construction launched an Integration Toolkit (Strategic Forum for Construction, 2003). This includes a maturity assessment grid which identifies typical behaviours in key

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areas of integration and cultural change. For example, under the heading 'awareness', the maturity assessment grid identifies three mindsets:

Historic – We believe that the industry is made up of individual organisations who are only interested in their own activities
Transitional – We realise that we can perform better if we understand how those close to us up and down the tiers of the chain are involved
Aspirational – We understand that the whole industry is interconnected and that most of what we and others do affects each other's performance.
(www.strategicforum.org.uk/sfctoolkit2/home/home.html)

We believe that there is a drive within the industry to change to a value-based culture. This shift will take time and there will be considerable challenges to individuals and organisations implementing change programmes. However, we have seen the benefits demonstrated in public and private sectors by organisations who have been prepared to commit time, energy and resource to making this work through successful partnering and integrated teamworking.