AUTODESK. FMI

TRUST
MATTERS
THE HIGH COST OF LOW TRUST

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⬭ TRUST IN...

"TRUST IS THE NEW CURRENCY."

FOREWORD

"Trust is the new currency."

That billboard was displayed at the 2019 World Economic Forum, where the importance – and challenge – of retaining trust dominated the agenda.

Trust has become a buzzword in the business world. But the concept of trust has always been central to the construction industry.

Clients in the private and public sector make huge investments in building projects, having to trust that they'll get the outcome they're promised.

Every construction project involves a huge number of collaborators, from architects to quality surveyors. Each member of the ecosystem has to trust that work will be completed on time and to the standard required, and that they will be rewarded fairly upon completion.

And finally, there are the end users of the building. Whether they're working a shift, taking the train, or going to bed at night, members of the public need to trust that the infrastructure around them is safe.

Despite this, trust in construction has often been regarded as a very intangible quality, a secondary outcome of good projects – a "nice to have," rather than an attribute that directly impacts performance.

This report examines the relationship between construction firms and trust, identifying the behaviors that create trust and measuring how levels of trust directly impact project outcomes and financial performance.

It will also explore how technology can create trust, by improving transparency, enhancing communication, and providing evidence of success.

In 2019, Autodesk partnered with FMI to survey over 2,500 construction professionals worldwide. Participants were asked to rank the level of trust within their own organization and between collaborators on projects. The study suggests that businesses and project teams can not only measure trust, but actively improve it. Construction firms can take proactive steps to build stronger relationships, deliver more certain outcomes and, ultimately, improve their profitability.

DEMOGRAPHICS

The responses for this research represent the experience and opinions of 2,527 industry stakeholders – project owners, architects, contractors, and specialty trades – across eight countries and four continents.
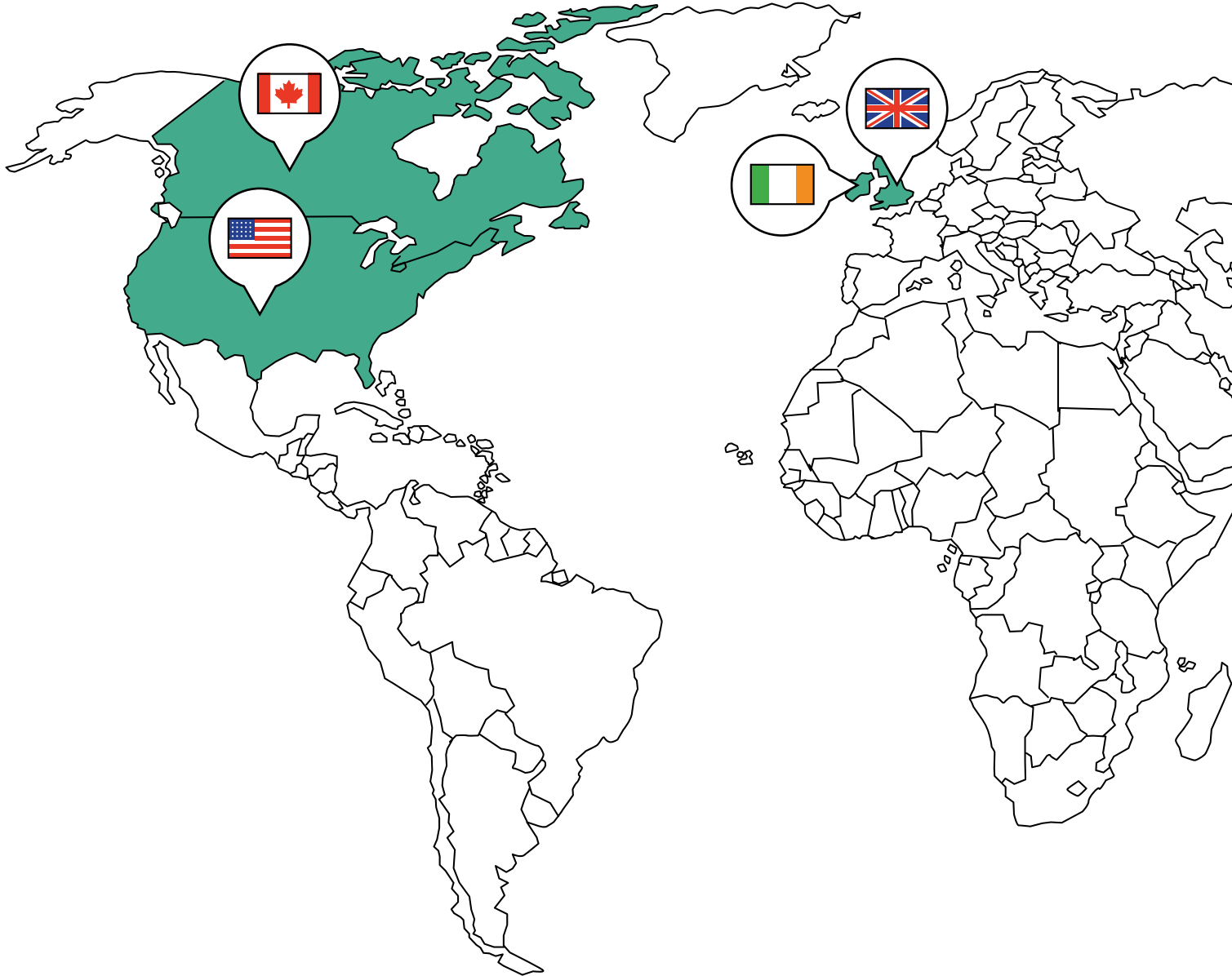
|	United States	United Kingdom	Canada	Australia	Ireland	Singapore	Hong Kong	New Zealand	TOTALS
Project Owners	114	51	21	31	14	17	28	15	**291**
Architects & Engineers	744	27	94	25	5	6			**901**
Contractors	409	121	50	76	47	34	19	19	**775**
Specialty Trade	374	41	40	46	29	9	5	16	**560**
TOTALS	**1,641**	**240**	**205**	**178**	**95**	**66**	**52**	**50**	**2,527**
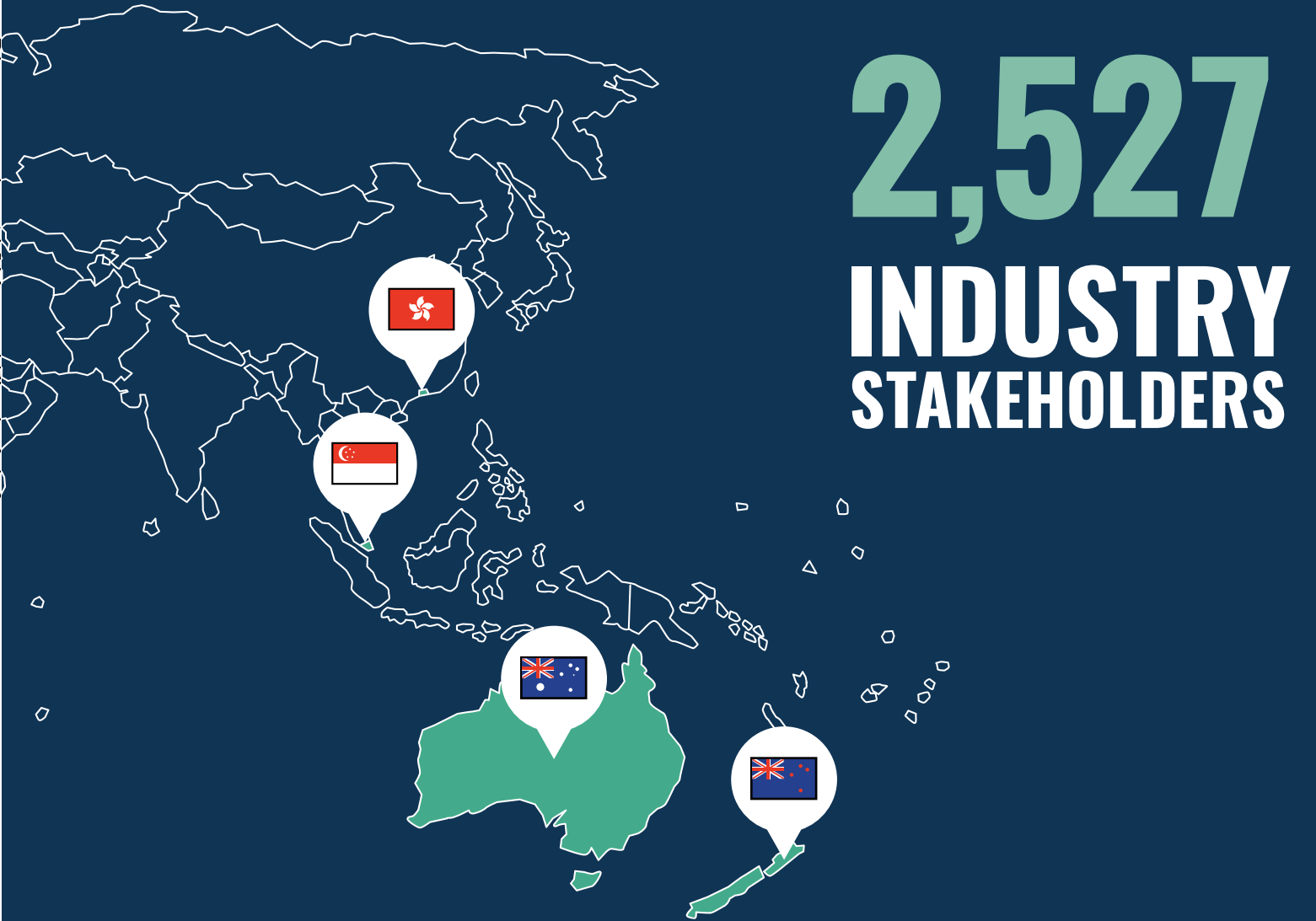
2,527 INDUSTRY STAKEHOLDERS

Respondents come from a wide range of organizations, in terms of their headcount and average project size.
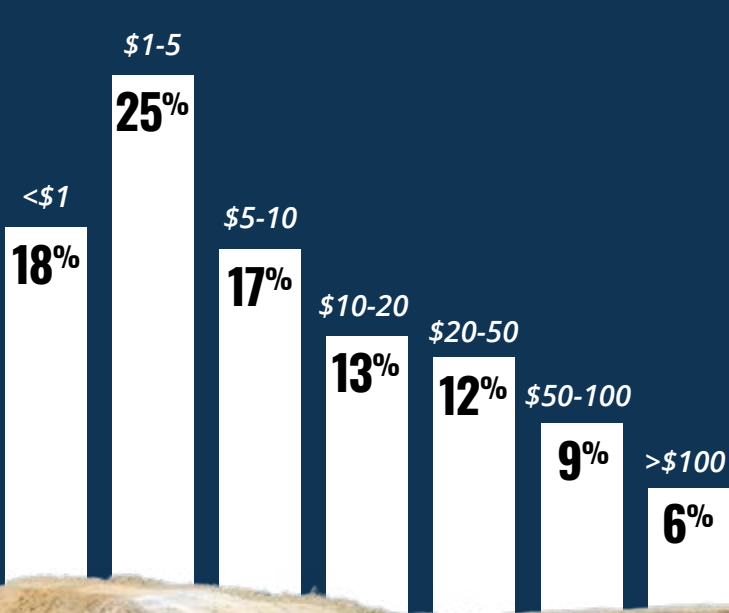
Distribution of response by:

COMPANY SIZE

How many people does your company employ?

<50
21%

>500
27%

50-100
18%

250-500
14%

100-250
20%
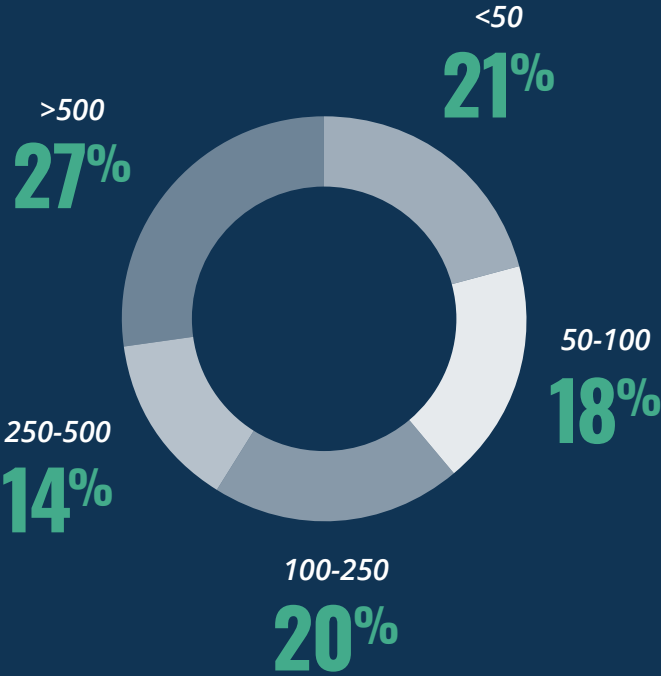
AVERAGE PROJECT SIZE

What is your average project value? (values shown in millions)

<$1
18%

$1-5
25%

$5-10
17%

$10-20
13%

$20-50
12%

$50-100
9%

>$100
6%

The majority of professionals surveyed focus primarily on project management, but significant proportions also deal with preconstruction, field execution, and corporate services. Most respondents have been with their organization for over two years; nearly a tenth have a tenure of over two decades.

Distribution of response by:

DAY-TO-DAY RESPONSIBILITY

Which of the following areas are you most involved with on a day-to-day basis?

Field execution
17%

Corporate services
15%

Preconstruction/ Estimating
20%

Project management
48%
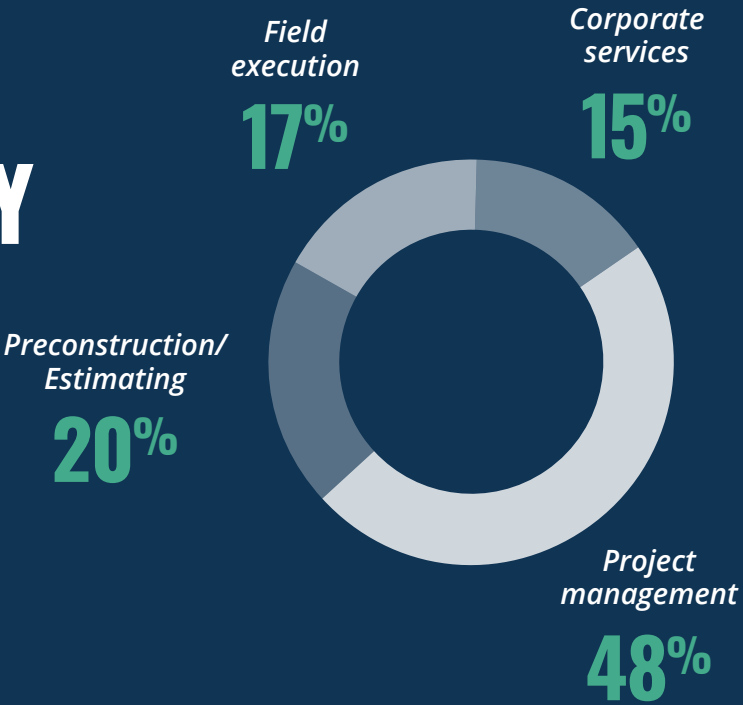
RESPONDENT TENURE

How long have you been at your company? (Years)

>2
21%

2-5
26%

5-10
26%

10-20
19%

>20
8%
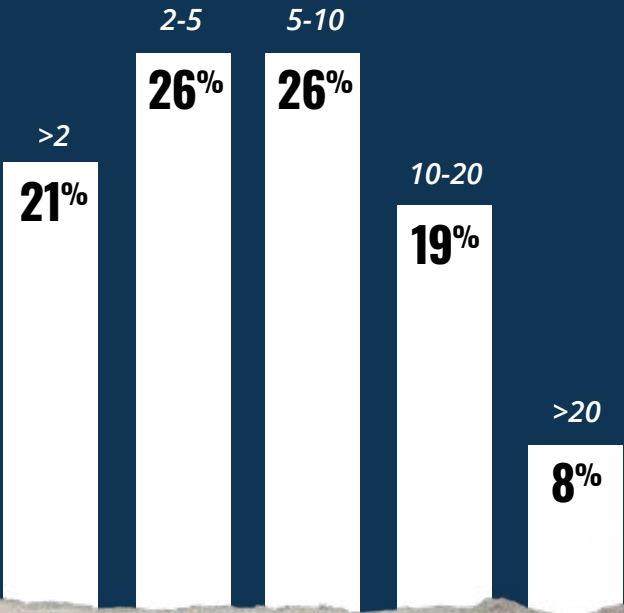
EXECUTIVE SUMMARY

It's no secret. The construction industry experiences waste and inefficiencies. In the US alone, missed schedules cost the industry an estimated $165 billion, or about 17% of the total multifamily, nonresidential building, and non-building construction spending for 2019. Less often measured is the extent to which trust, or lack thereof, contributes to the waste and inefficiencies.

Nearly all construction professionals (93%) report a basic level (average or above) of trust within their organization. Yet, the percentage of organizations with very high levels of trust is notably less.

Only 37% of construction professionals rate their organization as having high levels of trust. There are significant performance gaps between the highest trust and "above average" firms.

Organizations with the highest level of trust report millions of dollars' worth of benefits:

Lower voluntary turnover that would otherwise be spent on replacing staff.

SAVING UP TO $750,000

Fewer missed schedules, resulting in gains of up to

$4 MILLION A YEAR

Higher levels of repeat business, driving gross margins

2% - 7% HIGHER

Organizations with the highest levels of internal trust:

ARE TRANSPARENT

People are twice as likely to be explicit about their requests, compared to "above average" firms.

CREATE A SECURE ENVIRONMENT

The majority of high trust firms would retain all staff even without a confirmed pipeline of work (51%).

DEVELOP THEIR EMPLOYEES

Managers are twice as likely to share feedback (48% vs. 22% at "above average" firms).

High trust firms are half as likely to encounter the problems that commonly arise if data isn't shared fast enough – 18% say this rarely or never happens. Furthermore, high trust firms are twice as confident about meeting project schedules and budgets. Finally, we found that professionals at high trust firms are the most enthusiastic about taking on repeat work with collaborators across the construction ecosystem.

AS A RESULT

74% of staff would recommend their organization as a great place to work.

49% routinely exceed what is expected of them.

43% of the highest trust firms make collaboration central to how they work with other organizations across projects

When working with other firms, the highest trust organizations:

SHARE INFORMATION OPENLY AND EASILY

Two-thirds have a single source of truth for project information (66%)

RECEIVE RESPONSES TO QUERIES MORE QUICKLY

They are more than twice as likely to get faster responses from Owners (2.3x) and GCs (2.5x)

HEAR ABOUT PROBLEMS FASTER

Nearly one third believe GCs (32%) and Subs (30%) would share a potential problem immediately

TRUST IN THE
UNITED STATES

In the United States, construction is one of the largest contributors to the economy. According to the Bureau of Labor Statistics, the construction industry's workforce—including managers, estimators, architects, lawyers, and administrative personnel—comprises 6.71 million people[1]. The industry creates $1.3 trillion in new and refurbished structures each year and is a major customer base for other industries such as manufacturing.[2]

Like construction professionals in other countries, Americans felt that construction is largely built upon relationships and trust.

Organizations with very high levels of trust

SURVEY AVERAGE	**36%**
UNITED STATES	**36%**

A common topic of discussion among construction professionals is striking the balance between growth and trust within organizations. A project executive at a United States-based general contractor explained how growth has impacted their trust within the organization. "When I joined the company, there was a lot of interaction between contractors and the executive leadership, and you were able to form relationships and bonds. In the last seven or eight years, with the tremendous growth we've had, just naturally that is harder to obtain."

In other words, trust—forged through years of communication at all levels of the project teams—was a key ingredient of successful projects in previous years. In more recent years, with new players coming onto the scene without the relationship history, it's become harder to forge those bonds. This may be creating barriers to communication between leadership and other parts of the workforce.

Companies with rapid growth commonly have challenges creating and maintaining trust across the organization. As a construction company scales, building those person-to-person relationships becomes more challenging. With more people on a project and teams scattered across larger geographic regions, collaborating with peers that you've not even met in person becomes the new normal. It is likely why only one-third of respondents report very high trust within their organization and only a quarter reported very high collaboration.

The project executive felt that focusing on creating trust at the regional level could solve this common challenge.

Organizations with very high levels of collaboration	**SURVEY AVERAGE**	**24%**
	UNITED STATES	**24%**

"One of the ways that we're building trust is by focusing on the regional offices and creating bonds at that level. We're modeling the regions after what the company used to be when it was smaller, and we're encouraging the regional leaders to do the things that the executive leaders did 10 years ago. This way we can still grow but foster those relationships and bonds regionally."

VIEW FROM THE SITE

A Mechanical Subcontractor's Take on Trust

A senior superintendent from a mechanical subcontractor noted the importance of building these trusting relationships in the field because, ultimately, the field team executes the work.

He takes additional measures to boost trust on projects. "I always compare my job to a music conductor. I don't do anything. I don't play anything. They do all of it. I just bring them together, so that they can accomplish the same thing."

A music conductor looks at the full picture—how the orchestra plays together. The superintendent's analogy here is accurate: a comprehensive overview is required throughout the project. That means great communication and an understanding of how each of the trades work together.

He continued: "I spend as much of my time out there with my staff teaching them the things that I know, so that they can continue to develop and learn to see the bigger picture."

He focuses on three things: spending one-on-one time with people, taking responsibility for the work, and having respect for others. That's how, he feels, a successful field superintendent builds teams and empowers employees on site.

As an example, he described how he [the superintendent] helped a new employee who was struggling to fit into the team. "Every tradesperson has their own process for doing things and it can take adjustment to learn the preferred method. This employee was having a difficult time understanding the process, so I had an in-person conversation with them and explained in a very informal, casual way exactly what was needed and expected."

"It wasn't 10 minutes after that he came up and thanked me for the conversation. He said it had really, really helped him, and that I had no idea the impact that it had made on him."

Examples like this are not uncommon, especially in the United States. Over one-third of all respondents in the US feel that employees in their organization almost always go above and beyond what is expected of them.

Organizations where employees almost always go above and beyond what is expected of them to help other employees

SURVEY AVERAGE	30%
UNITED STATES	34%

In this industry, things can go wrong at any time. While many errors may be unavoidable, teams can control how they respond. In this scenario, the superintendent believes in taking responsibility, because when he does, it leads to his employees trusting him.

"Often I'll tell somebody to do something and then things go wrong later. Somebody will come up and say, 'Why did that man do that?' I just tell him, 'Because I told him to.' I try never to blame an employee for something I did, and that's a big deal in our industry. It's easier to blame somebody else than take the blame yourself. When employees see you blame them, they will lose all trust in you."

When it comes to trust on the jobsite, he treats the external project partners the same way he treats his employees. To him, building trust means doing what you say you're going to do and treating people with respect. Ultimately, it all comes back to building relationships.

Building Trust, Employee Retention, and Return Business

Trust and relationships matter. These relationships are how the industry operates and often they lead to repeat work. This is especially true in the United States.

Organizations that work with repeat clients almost always, or more than 80% of the time

SURVEY AVERAGE	34%
UNITED STATES	54%

When asked how frequently they work with repeat clients, roughly a third of all respondents said almost always, or more than 80% of the time. When we look at the United States alone, the majority of respondents said that they almost always work with repeat clients.

Great relationship building based on communication between the field and the office means a more successful project. A forged relationship between contractors and architects facilitates communication in subsequent projects, and a history of successful projects leads to trust and loyalty between contractors and their clients, which results in future partnerships.

BENCHMARKING TRUST IN CONSTRUCTION

Trust is central to the construction industry, but, historically, it has been difficult to quantify. To understand how trust is created and the outcomes it can produce, construction professionals were asked to rate the levels of trust within their organization and between other companies on a project.

The research explored the behaviors and KPIs seen in organizations with differing trust ratings. Although many different kinds of businesses were surveyed, the link between trust and sustained success is conspicuous.

Defining Trust

Trust can be defined as how an individual or an organization views and relies upon other individuals and organizations across a company or project team.

In business, trust comes down to knowing what you'll get from others because their behavior and output are consistent.

For construction businesses, trust is experienced in two contexts:

ORGANIZATIONAL

The level of trust between people within an organization, such as between colleagues or between employees and managers.
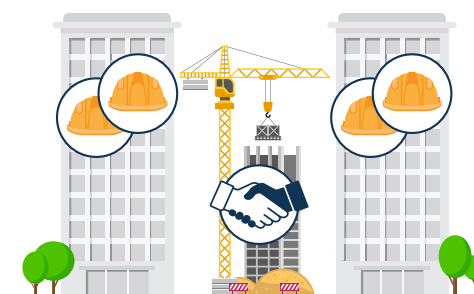
PROJECT

The level of trust between two or more external organizations, typically experienced during a construction project.

Trust is vital in construction because of how much each stakeholder and each step of a project relies on the performance of others.

"Trust is essential. Without it you don't go into business with companies."

Senior Project Manager, UK

Quantifying Trust

Construction professionals ranked the level of trust within their organization and between other companies across a project on a scale of 1–5 (very low = 1; very high = 5).

VERY HIGH

Trust extends throughout the organization and across all functions. Trust is core to the way they work.

ABOVE AVERAGE

These firms may have pockets of strong trust, but individuals may still distrust or feel suspicious of others, even unconsciously. To some degree, trust must still be earned.

AVERAGE TO BELOW AVERAGE

Employees of these firms may not be consistently trustful, and internal groups may feel suspicious of others. Individual employees may also act in their own best interest rather than for the benefit of their organization or other team members.
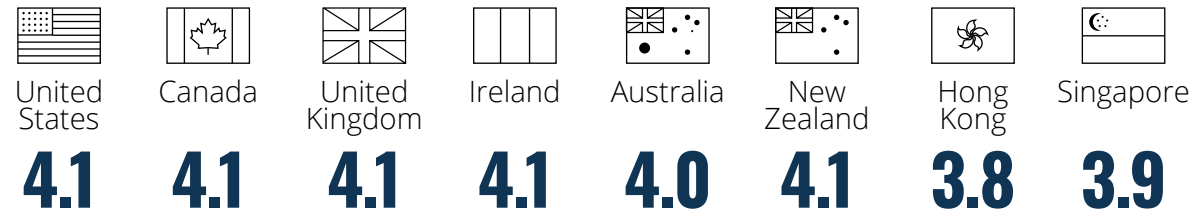
Good – But Not Good Enough

On average, construction professionals rated trust in their organization as "above average," or a 4.1. This indicates that it is unlikely people are operating with either low or no trust, but that trust must still be earned – and is unlikely to extend to everyone.

How would you rate the current level of trust that exists across your organization?

VERY HIGH
37%

ABOVE AVERAGE
34%

AVERAGE
22%

BELOW AVERAGE
5%

VERY LOW
2%
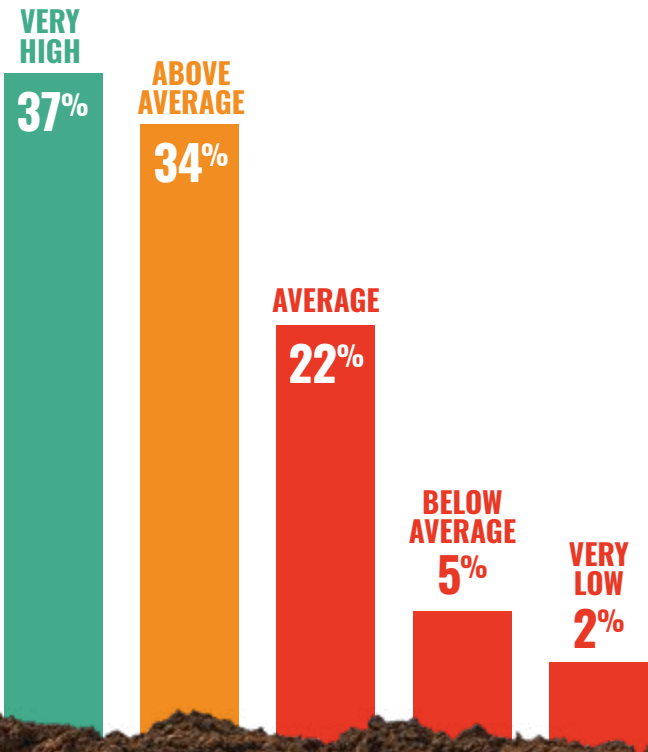
Levels of trust appear relatively consistent worldwide, with the United States, Canada, UK, Ireland and New Zealand all recording a mean score of 4.1 out of 5. The score for those countries with a slightly harsher view of trust don't deviate much from this, including Australia (4.0) and Hong Kong (3.8).

How would you rate the current level of trust that exists across your organization {5- Very high} – split by country

United States	Canada	United Kingdom	Ireland	Australia	New Zealand	Hong Kong	Singapore
4.1	**4.1**	**4.1**	**4.1**	**4.0**	**4.1**	**3.8**	**3.9**

The research found that most construction firms do not have a "very high" level of internal trust (63%). As the next chapter will explore, there is a significant performance gap between firms that scored "above average" and firms with the highest level of trust. Achieving the highest level of trust directly impacts a business's financials – so, when it comes to trust, good is simply not good enough.

63% OF FIRMS DO NOT HAVE A "VERY HIGH" LEVEL OF INTERNAL TRUST

TRUST IN THE UNITED KINGDOM

Construction in the United Kingdom represents a large sector of the economy. This industry annually accounts for billions in revenue and employs roughly 2.4 million workers.[3] Like their counterparts elsewhere, survey respondents from the UK feel that trust is an essential part of operating a successful construction business.

In fact, the United Kingdom respondents placed higher importance on trust and collaboration than the global survey average.

A Culture-based Approach to Collaboration

When asked about collaboration and trust, a senior project manager at a large UK-based general contractor said, "Organizational trust is essential in the construction business. Without trust, you don't successfully go into business with other companies."

He also feels that the successful delivery of projects requires trust across the entire team. At his organization, they've had success when team members addressed issues head on. By focusing on solutions instead of blame-laying, employees are willing to speak up when things don't go as planned. This appears to be a common theme, as more respondents the United Kingdom report "very high" levels of trust and collaboration than the average construction professional.

To achieve this culture-based approach to organizational trust, the senior project manager creates opportunities for people to collaborate. He starts early. Project meetings kick off before deploying to the project site. Once on site, the team has morning syncs to discuss the plan for that day. On a weekly basis, the team will mark up plans together and issue revisions. This may explain why respondents in the UK had the highest percentage of collaboration across all countries, scoring nearly 50% higher than the average.

Organizations with very high levels of collaboration

SURVEY AVERAGE	24%
UNITED KINGDOM	33%

Achieving Success through Clearly Defined Goals and Responsibilities

The head of BIM and digital engineering at a UK-based global construction company spoke about trust in her organization. She defines trust as teams working towards a common goal. "We set straightforward and simple strategic goals that everyone can buy into, which creates trust and efficiency. Everyone is more effective and not focused on potentially conflicting personal goals."

An area where the UK stands out is defining individual roles and responsibilities for teams. People know what they're supposed to be working on and how they personally can help achieve the organization's goals.

By defining individual responsibilities, workers can clearly understand their contribution to the whole. The correlation between organizational goals and organizational trust cannot be overstated. When each team member has a firm picture of the overall objective and clear direction for their part, the process runs smoothly.

The head of BIM and digital engineering pointed out that "When everyone works towards the common goal, they are more confident that their schedule and budget will be met. They know what work is getting done and when it will be completed."

Combining personal responsibility with organizational goals means projects are less apt to go over budget or fall prey to mistakes caused by a lack of communication. In fact, over one-third of respondents in the UK had

very high confidence in the project schedule, and 29% had similarly high confidence in the project budget.

Having the entire team working towards a common goal contributes significantly to successful project execution.

Trust and relationship-building initiatives contribute to better outcomes and greater project success rates.

Organizations where individual roles and responsibilities are well defined

SURVEY AVERAGE	32%
UNITED KINGDOM	38%

Respondents who were very confident that the project schedule will be met

SURVEY AVERAGE	27%
UNITED KINGDOM	38%

Respondents who were very confident that the official budget will be met (excluding change orders)

SURVEY AVERAGE	21%
UNITED KINGDOM	29%

The senior project manager also explained how his teams take it upon themselves to improve trust across projects. Each team member is empowered to identify situations where others may not trust them and focus on improving the relationship. They found that this boosted positivity. As a result, UK respondents scored higher on both trust (38% vs the average of 36%) and collaboration (33% vs the average of 24%).

Organizations with very high levels of trust

SURVEY AVERAGE	36%
UNITED KINGDOM	38%

TRUST AND FINANCIAL PERFORMANCE

The construction industry is built on relationships. Firms with higher trust have stronger relationships and perform more strongly overall. Having the highest level of trust brings three key advantages, each with direct financial benefits.

Higher Trust Means Lower Employee Turnover, Saving up to $750,000 a Year

One of the greatest challenges for the construction industry is the shortage of skilled labor, and it's experienced in nearly every country. In the UK, construction firms struggle to recruit for one in three roles[4], while 80% of US general contractors are finding it difficult[5] to hire qualified workers.

With new staff in short supply, voluntary turnover – when employees themselves choose to leave the business – is a significant issue. Experienced workers take skills and knowledge out of the organization when they leave. Moreover, the cost of replacing an employee is estimated to be one third[6] of their annual salary. Retention rates have a direct impact on the financial performance of each construction organization.

Levels of trust appear to have a direct impact on retention, as the firms with the highest trust report the lowest voluntary turnover. Turnover rates are good – staff are choosing to stay – at the majority of firms with the highest trust (56%), compared to nearly a third of firms (32%) where trust is above average.

Organizations with very low voluntary turnover

VERY HIGH 56%   **ABOVE AVERAGE** 32%   **AVERAGE OR BELOW** 16%
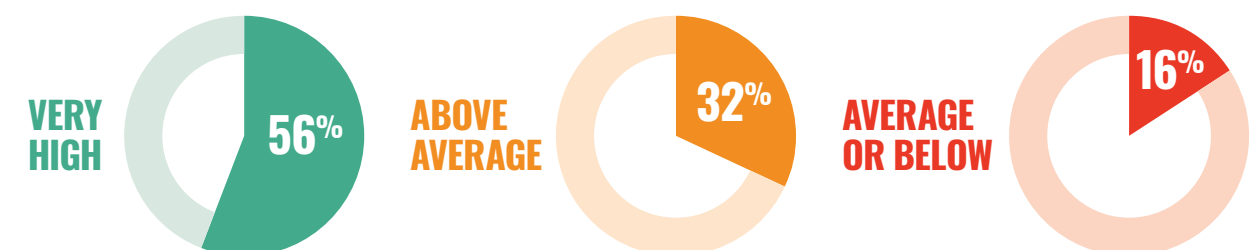
Given the costs associated with recruiting new employees, the firms with the highest levels of trust save as much as $750,000 annually on simply not replacing their staff, compared to what organizations with "above average" trust will spend.

BEHIND THE NUMBERS

The Cost of Poor Retention

In the US, the cost of voluntary turnover exceeds $600 billion a year, according to the Work Institute's Retention Report[7]– and this number is rising. Every time an employee leaves, organizations face direct costs, like severance pay, recruitment of a replacement, and training costs.

There are also hidden costs, such as the difference in performance of the new employee, lost business, lost knowledge, and decreased morale in the rest of the team. In fact, the Work Institute "conservatively" estimates that each lost employee in the US costs $15,000.

So, how much could firms save with a better voluntary turnover rate? The US Bureau of Labor Statistics assumes that the average employee turnover rate for the construction industry is 21%. Given that voluntary turnover at very high trust firms is likely to be 10% lower, FMI calculates that a contractor retaining 500 employees could save as much as $750,000 a year, without even considering other indirect costs.

The value of replacing employees, calculated by FMI

EXAMPLE COMPANY EMPLOYMENT
500

ESTIMATED VOLUNTARY TURNOVER RATE

Project Management
30%

EXPECTED VOLUNTARY TURNOVER

Laborer
50%

Project Management
$93,370

MEDIAN SALARY

Laborer
$34,810

DIFFERENCE IN TURNOVER COST
$749,364

VERY HIGH TRUST

2.5%
COUNT **12.5**

3.75 — COUNT — **6.25**

33%
OF SALARY ESTIMATED AS A COST TO REPLACE
ILR Worker Institute

$187,341

ABOVE AVERAGE TRUST

12.5%
COUNT **62.5**

18.75 — COUNT — **31.25**

$936,705

"With trust, you avoid a high turnover of contractors or employees. You develop a healthy environment where they want to work or projects that they want to work on."
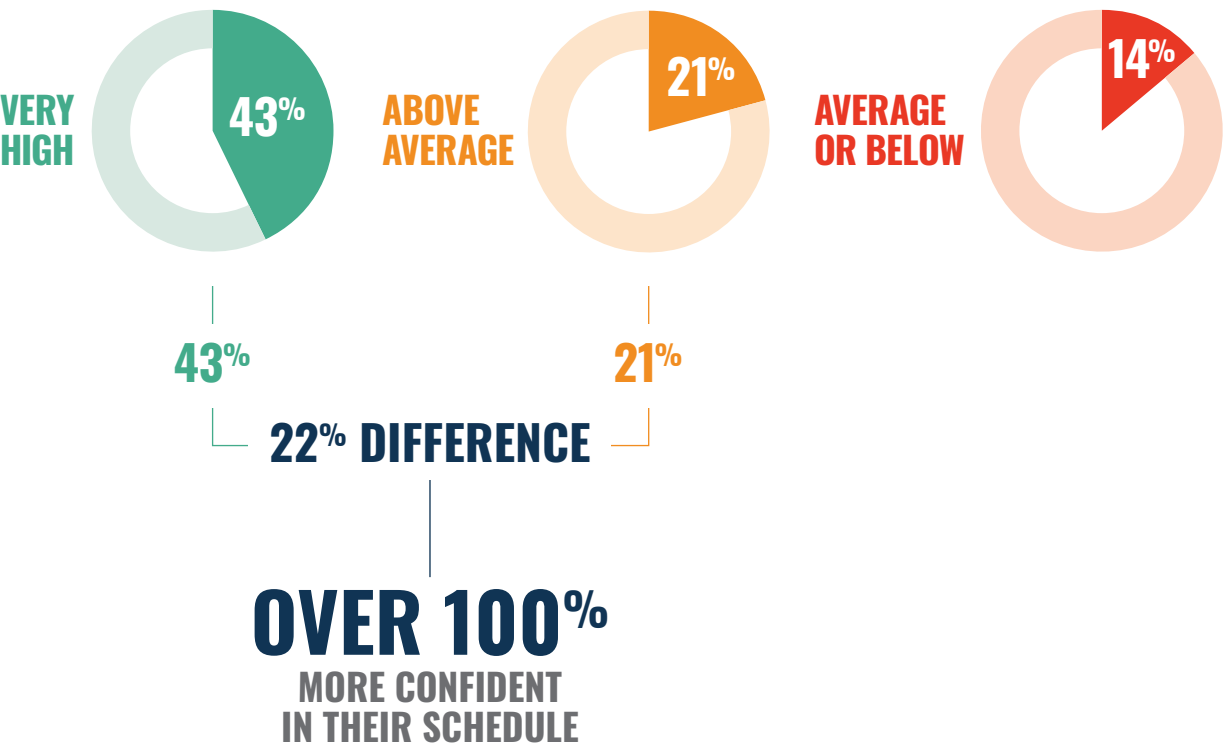
Service Manager, Australia

Higher Trust Organizations Miss Fewer Schedules, Saving Up to $4 Million Annually

Completing work on time impacts the financial performance of every construction firm. Missing schedules can lead to higher costs for staffing, equipment, and materials – as well as the lost opportunity of taking on other work. Delays can also damage a firm's relationships and reputation.
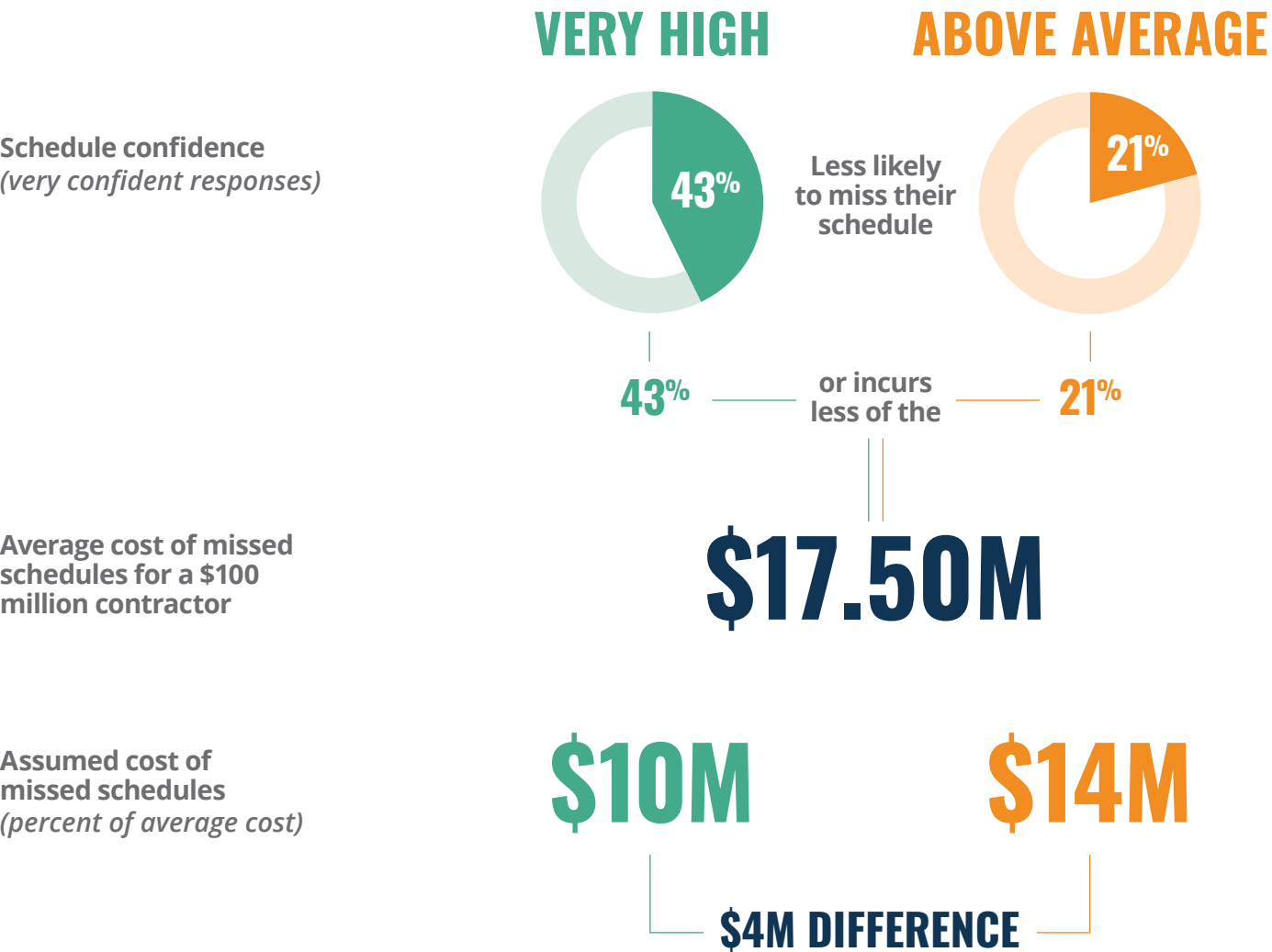
Construction businesses with the highest levels of trust are the most confident about meeting their project schedules. In fact, organizations where trust is very high are twice as confident as those where trust is "above average" (43% compared to 21%). This may reflect organizations' sense of the reliability of their employees – and their strong relationships with other businesses.

Respondents that are very confident the project schedule will be met

VERY HIGH 43%   **ABOVE AVERAGE** 21%   **AVERAGE OR BELOW** 14%

43%   21%

22% DIFFERENCE

OVER 100%
MORE CONFIDENT IN THEIR SCHEDULE

Missing deadlines can be expensive. According to FMI estimates, missing schedules can cost a $100 million contractor approximately $17.5 million a year in direct and indirect expenses. Compared to organizations where trust is above average, organizations where trust is very high could benefit by as much as $4 million a year by meeting their deadlines.

Breakdown for the benefit of meeting deadlines

VERY HIGH   **ABOVE AVERAGE**

Schedule confidence
(very confident responses)

43%   Less likely to miss their schedule   21%

43%   or incurs less of the   21%

Average cost of missed schedules for a $100 million contractor

$17.50M

Assumed cost of missed schedules
(percent of average cost)

$10M   **$14M**

$4M DIFFERENCE

"When everyone works towards the common goal, they are more confident that their schedule and budget will be met."

Head of BIM, UK
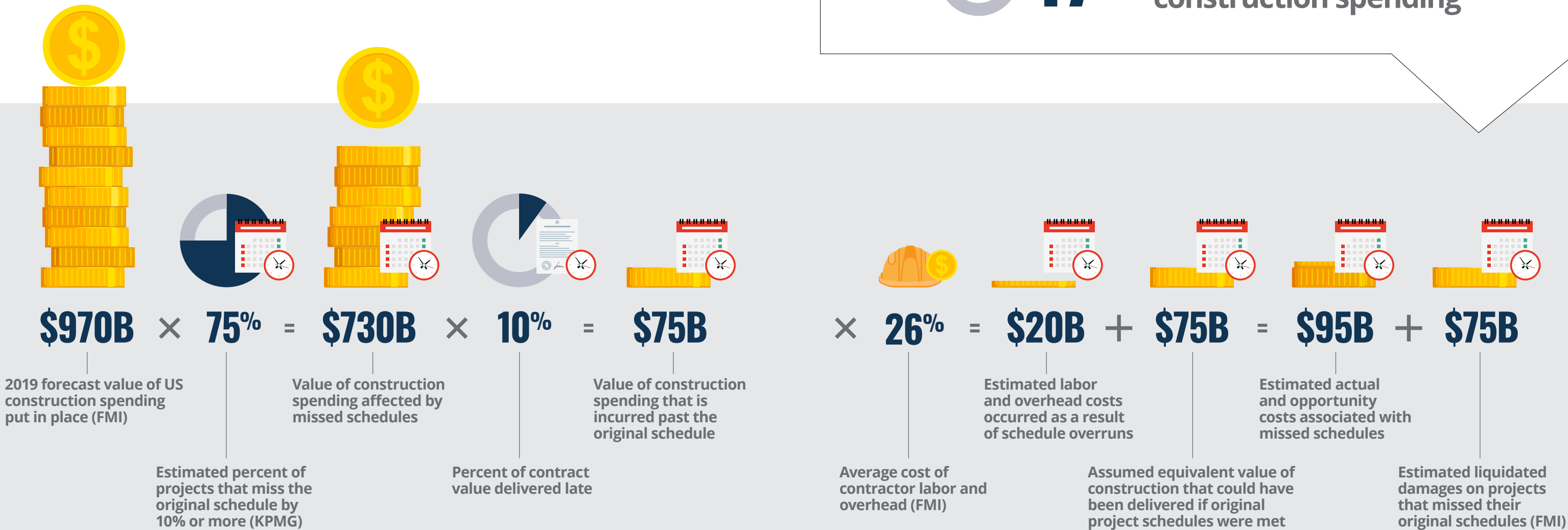
BEHIND THE NUMBERS

The Punctuality Bonus

When each project has so many variables, meeting deadlines is challenging. But missing them can be expensive. In the US alone, according to FMI, the cost of missed schedules is estimated to be roughly $20 billion per year, excluding single-family construction projects.

And this amount does not even factor in the opportunity costs and liquidated damages, which could increase the cost of missed schedules to $165 billion – or about 17% of the total value of construction spending put in place for multifamily, non-residential building, and non-building facilities and infrastructure.

Cost of missed schedules in the US construction industry **$165B**

OR

17% of total value of construction spending

$970B × **75%** = **$730B** × **10%** = **$75B**

$970B
2019 forecast value of US construction spending put in place (FMI)

75%
Estimated percent of projects that miss the original schedule by 10% or more (KPMG)

$730B
Value of construction spending affected by missed schedules

10%
Percent of contract value delivered late

$75B
Value of construction spending that is incurred past the original schedule

× **26%** = **$20B** + **$75B** = **$95B** + **$75B**

26%
Average cost of contractor labor and overhead (FMI)

$20B
Estimated labor and overhead costs occurred as a result of schedule overruns

$75B
Assumed equivalent value of construction that could have been delivered if original project schedules were met

$95B
Estimated actual and opportunity costs associated with missed schedules

$75B
Estimated liquidated damages on projects that missed their original schedules (FMI)

Higher Trust Firms Get More Repeat Business, Potentially Boosting Gross Margins by Millions

Repeat business is profitable. Returning clients keep the business pipeline full, and also provide significant financial benefit over newer unfamiliar customers.

Acquiring a new client is estimated to cost 5 to 25 times[8] more than continuing with an existing one, and research suggests that increasing client retention by 5% can increase profits by 25% to 95%[8]. Once again, the highest trust firms report the most success with retaining clients.

At firms where trust is very high, the majority of respondents (57%) say more than four out of five of their projects are repeat business. This is significantly higher than firms where trust is lower: in fact, the lower your level of trust, the less you can expect repeat business.

Organizations that work with repeat clients more than 80% of the time

VERY HIGH 57% **ABOVE AVERAGE** 42% **AVERAGE OR BELOW** 35%

57% 42%

15% DIFFERENCE
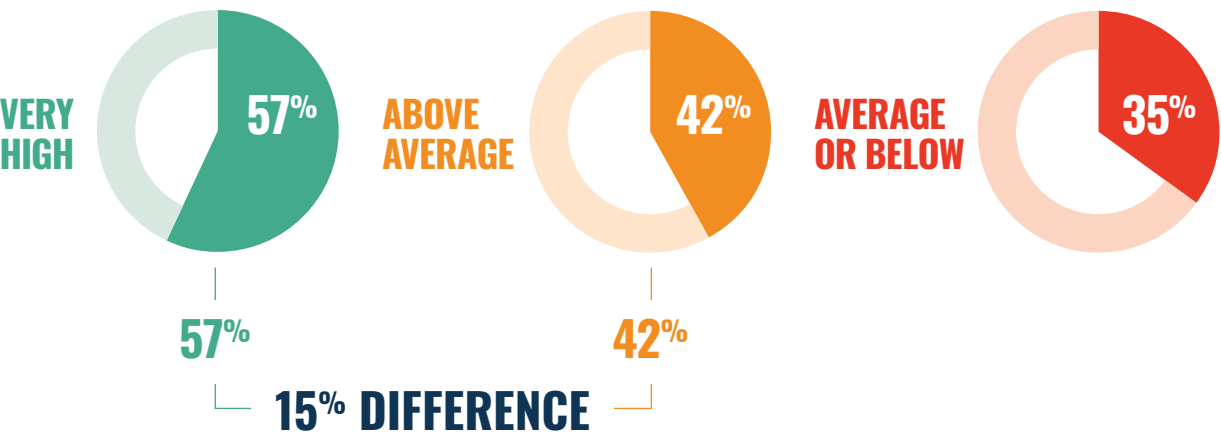
Across the board, firms with the highest level of trust can expect 5% more repeat business than those where trust is only above average. That would translate to gross margins 2%–7% higher: the highest trust firms could expect gross margins several million dollars higher than organizations of a similar size but lower trust.
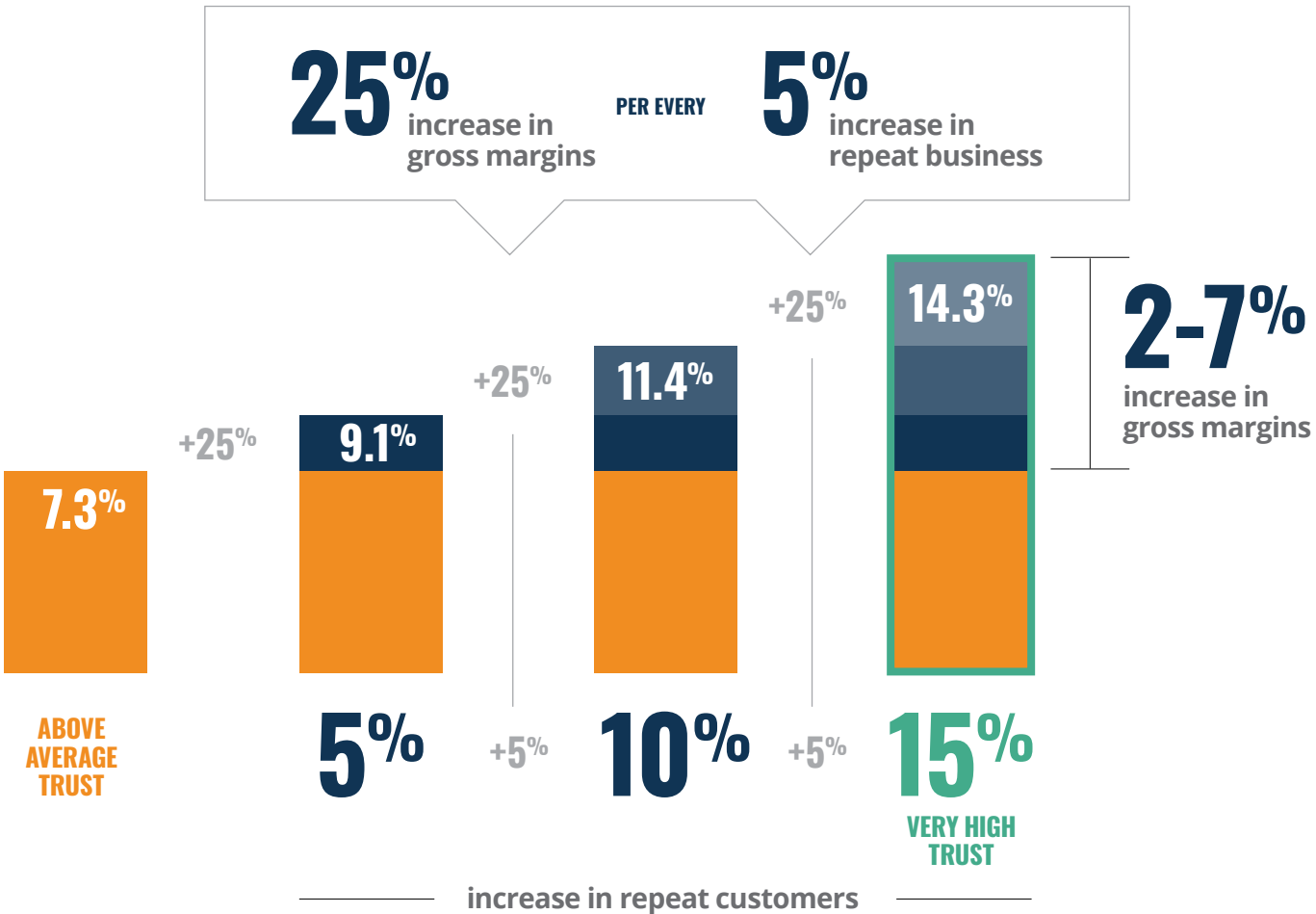
The Benefits of Repeat Business

How can higher trust translate directly into higher gross margins? FMI's gross margin benchmark for all construction contractors in the US is roughly 7.3%. With a difference of 15 percentage points in the projects conducted with repeat clients for organizations with very high trust and those with above average trust, the potential difference in gross margins equates to 2 to 7 percentage points (i.e., 9% to 14%).

Very high trust organizations with an example revenue of $100 million a year may be achieving gross margins several million dollars more than an organization of similar size with above average trust.

Breakdown for the impact of greater repeat business on gross margins

25% increase in gross margins **PER EVERY** **5%** increase in repeat business

14.3%

+25% 11.4%

+25% 9.1%

7.3% **+25%** **+25%**

2-7% increase in gross margins

ABOVE AVERAGE TRUST

5% +5% **10%** +5% **15%**

VERY HIGH TRUST

increase in repeat customers

Why Client Loyalty Means Higher Profits

Most construction companies instinctively know the value of a loyal client. But the financial returns might be higher than you imagine. Bain & Company found that a 5% increase in customer retention can produce an increase in profits of between 25% and an astounding 95%[9]. Why is that?

Firstly, the cost of serving retained clients is lower, because you've already completed the onboarding process. There's no need to align your technology, confirm billing processes, and even conduct background checks – cutting upfront admin costs and delays. This can make a significant difference to the profitability of each job and adds up over time.

The Harvard Business School has outlined a loyalty ladder[10] that describes how customers behave as they become more committed to an organization. Their behavior progresses from endorsing your services and resisting the approaches of competitors through to paying a premium to do business with you.

Customers are often willing to pay more to work with a company they're familiar with, rather than take a risk on a newcomer. Equally, return customers will tend to buy more over time. This relates to trust: the customers know they can depend on a certain outcome. Finally, returning customers are likely to refer others to your company, driving further business.

Retention, Reliability, and Repeat Business

Above average can often mean high levels of performance, but in construction it's not enough to be above average. By creating an environment where trust is at the highest possible level and extends throughout the ecosystem of a project, organizations can realize three important benefits: higher retention, more reliable project performance, and more repeat business. Together, these can add up to many millions of dollars in financial advantage.

In the following chapters, we'll unpack the attributes and behaviors associated with trust to determine why greater trust leads to better performance – and how every organization can achieve it.

"With repeat work, you develop a deeper relationship. Through that relationship, you build even more trust and it makes where the work is more enjoyable."

Superintendent, US

TRUST IN
NEW
ZEALAND

The construction industry in New Zealand has grown tremendously in recent decades. There are currently more than 255,000 workers employed in the construction trade and it's estimated that the industry will grow by 20%, adding 50,000 new jobs in the next few years.[11]

Collaboration and trust are both highly prized in New Zealand. With a population of less than 5 million people, the connection between workers, companies and clients is often both professional and personal.

"In New Zealand, you tend to know everyone. You know them as businesses but also as individuals. This helps to foster trust because the relationship becomes personal rather than contractual," explained the chief project specialist at a New Zealand design firm.

The trust in this intimate setting allows for more natural collaboration. In this way, the client can have excellent input into their project while getting the benefit of their contractor's expertise.

With the small market, repeat customers are essential. New Zealand companies foster great relationships with their customer base because repeat business is born from a good reputation.

"This repeat work builds trust because you know that when someone says they're going to do something, they will. As a result, collaboration is easier," the chief specialist explains.

Companies in New Zealand foster collaboration by sharing models with the architects and engaging in an open dialog throughout the process. This makes it easier for both parties to develop cohesive plans for the project. Communication is key and new software and technology allows for a better flow of information.

"You can do things the most efficient and effective way, and you can share things when you have things on the cloud. If you do it the right way, the overall cost is less," the chief specialist explained.

Organizations with very high levels of trust

SURVEY AVERAGE	36%
NEW ZEALAND	40%

In New Zealand, trust is not only about building relationships but also maintaining them. To build trust, communication is essential. Because the population is small, you'll know people on a more personal level, but that doesn't negate the work it takes to maintain any real relationship.

Building trust with stakeholders means investing the time to get to know them, learn about their personality and how to best communicate with them. To maintain the relationship, you need to follow through and be dependable. If you promise a deadline or deliverable, you need to stand behind your word and meet the deadline. By doing so, you develop a reputation for reliability. Being late or delivering less than promised will hurt your ability to maintain relationships.

In construction, things do not always go according to plan. You might hit a snag that sets the schedule back. The best way to maintain your relationship with clients and all parties concerned is to be fully honest and transparent about any issues as soon as possible.

Organizations with very high levels of collaboration

| SURVEY AVERAGE | 24% |
| NEW ZEALAND | 30% |

VIEW FROM THE SITE

The Importance of Trust and Autonomy

"You have to have trust for staff autonomy. If you don't trust your staff, then you end up being autocratic and you basically become a micromanager," a commercial project manager from a New Zealand construction company explained.

With more trust between the leadership and staff, the more employees are empowered to make decisions and the less micromanaging will occur. There are many downsides to micromanagement. It's a poor use of time for those in executive positions who could be more productive in other areas, and it tends to diminish company culture and leave staff feeling less secure about their contributions to the company.

The project manager found that autonomy drives performance and employee retention. Employees who are empowered to make decisions will perform better overall and feel more responsible for the project and company.

"If you don't have a high level of organizational trust, you will lose employees," he explained.

People want to be able to develop, and to do that, they need to be challenged. Being micromanaged makes employees feel their worth is diminished. Autonomy allows them the room to exceed what's expected of them.

This is consistent across the country. Respondents from New Zealand were more likely to say that employees almost always go above and beyond to help others. In fact, New Zealand has the highest percentage among all countries.

Organizations where employees almost always go above and beyond what is expected of them to help others

| SURVEY AVERAGE | 30% |
| NEW ZEALAND | 34% |

Building Trust on the Jobsite

"Open and clear communication is critical not only for trust but also project success," the project manager said. "Part of communicating clearly is that your requests are understood."

Respondents from New Zealand were 50% more likely to strongly agree that people were explicit about requests compared to the average.

Respondents that strongly agreed most people in their organization were explicit about their requests (e.g. why the request is being made, what the objectives of the request are, etc.)

| SURVEY AVERAGE | 22% |
| NEW ZEALAND | 34% |

Another part of building trust on the jobsite is delivering on promises. While you won't have control over every issue, it's essential to make every effort to deliver on schedule and to take responsibility for any delay.

"External stakeholders will trust you if you have a history of delivering," the project manager explained.

"In the construction industry, your actions become your reputation. If you always deliver on time and with the highest quality, your coworkers and clients will trust that you will deliver with every new project."

Delivering on time with the highest quality builds a reputation that draws clients back.

The last aspect to building trust on the jobsite is fostering a real relationship with clients, stakeholders, coworkers, and employees. Being professional and collaborative facilitates these relationships. Making communication more personal also helps to secure lasting relationships. People are more comfortable doing business with those who they have an easy relationship with; they're more likely to contact a company for return business when they feel they have a personal friend there, rather than just a contractual relationship.

At the end of the day, construction is still a relationship business.

INTERNAL TRUST IN CONSTRUCTION

In any organization, trust must begin from within. If you can't trust your colleagues, you can't expect your partners or customers to trust them either. Organizations contain all kinds of relationships – between peers, managers, leadership teams, and support teams – and trust has to be consistent between them all. So what attributes do the highest trust organizations share, and how do they impact their performance?
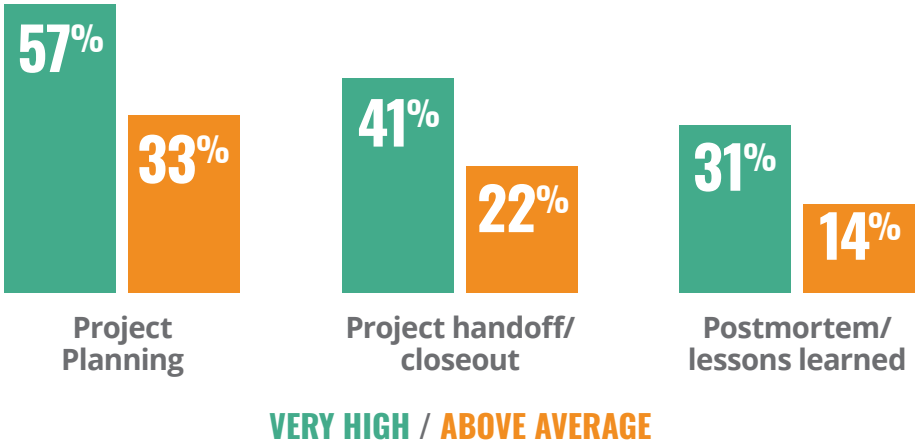
"Trust is the base of our company."
Innovation Manager, Greece

High Trust Organizations are Transparent and Consistent

Consistency fosters trust. Across project planning, building, close out, and lessons learned meetings, organizations with the highest levels of trust are significantly more likely to take a consistent approach to their work. Consistent processes ensure that employees know what to expect and what is expected from them from project to project.

Organizations that consistently conduct the following meetings

57%	33%		41%	22%		31%	14%
Project Planning			**Project handoff/ closeout**			**Postmortem/ lessons learned**	

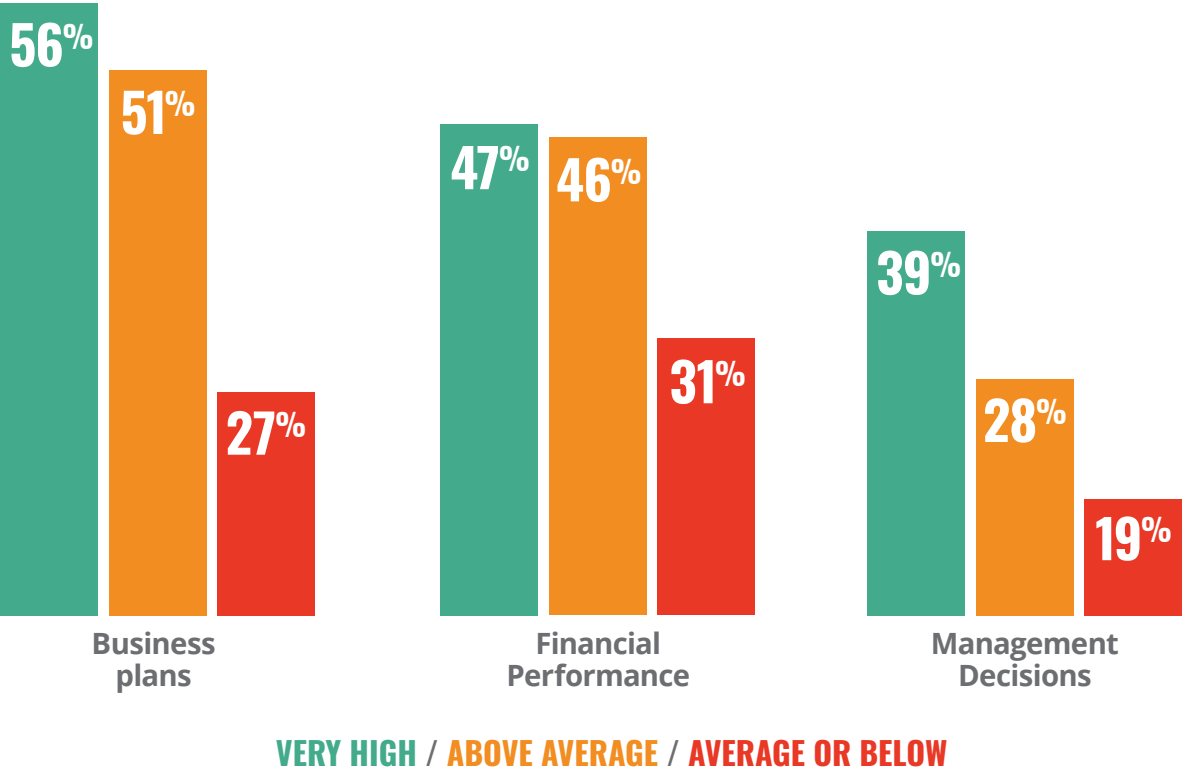**VERY HIGH** / **ABOVE AVERAGE**

Internal communications are similarly consistent. When requests are clear, employees understand what's desired and can focus on completing the task, while managers can be confident about the outcome – fostering trust on both sides.

**Organizations where people are almost always explicit with their request**

VERY HIGH **40%**

ABOVE AVERAGE **17%**

AVERAGE OR BELOW **5%**
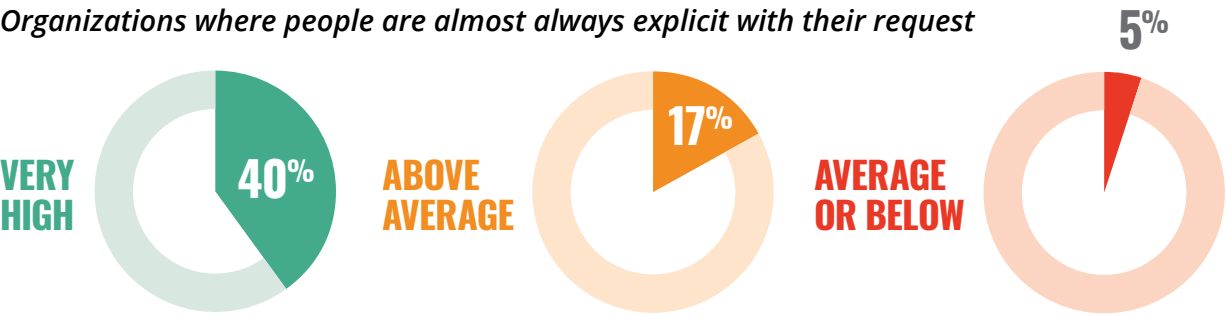
This transparency in communication extends to the overarching business strategy and performance. There's a correlation between firms that have the highest level of trust and willingness to share business plans, performance metrics, and the explanations for management decisions.

Organizations that freely shared the following information to those internally

Business plans	Financial Performance	Management Decisions
56%	47%	39%
51%	46%	28%
27%	31%	19%

VERY HIGH / ABOVE AVERAGE / AVERAGE OR BELOW

Even sharing commercially sensitive information creates a sense of openness about how the company is performing, why decisions are being made, and where the business is heading. Such transparency helps to create a sense of ownership among employees.

VIEW FROM THE SITE
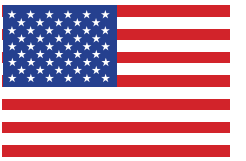
Trust in an American Employee-owned Company

According to an executive at an employee-owned construction firm in Detroit, trust is everything – because construction is all about relationships: "At the end of the day, we don't sell anything but our people. It's critical that our owners trust us, that the architects trust us, and that the subcontractors trust us. Without that, we don't exist."

That trust starts from within the organization: "We have to know that the teams we build truly trust each other and are working well together."

Transparency about the overall performance of the company is important to keeping employees focused on the work. "For an individual within the company, it's the peace of mind and the stability. You're not worried about what is going to happen tomorrow and wondering, 'Am I going to have to be out looking for another job?' It allows the individual to focus on doing their job and not the background noise."

Because the company is employee-owned, workers tend to be more engaged, but it's even more important to create strong trust by sharing information. "At my company, our CEO just yesterday stood in front of everybody on a telecast to divulge information about our performance. As we have an Employee Stock Ownership Program, every individual owns shares of the company and our retirement is directly tied to its success. There's that added level of responsibility to each other, and therefore you have that additional trust."

High Trust Organizations Create a Safe, Secure Environment

Organizations that have the highest levels of internal trust create a safe and secure environment for their employees. This may manifest in a willingness on the part of employees to share information, opinions, or suggestions with their superiors.

Almost all professionals at the highest trust organizations say that their colleagues will share their thoughts (93%). Expressing opinions to a manager can be stressful and even come with a sense of risk, but this kind of open feedback will significantly benefit a business over time.

Those that are extremely or very likely to express their opinions or offer suggestions to superiors

VERY HIGH 93%

ABOVE AVERAGE 87%

AVERAGE OR BELOW 63%
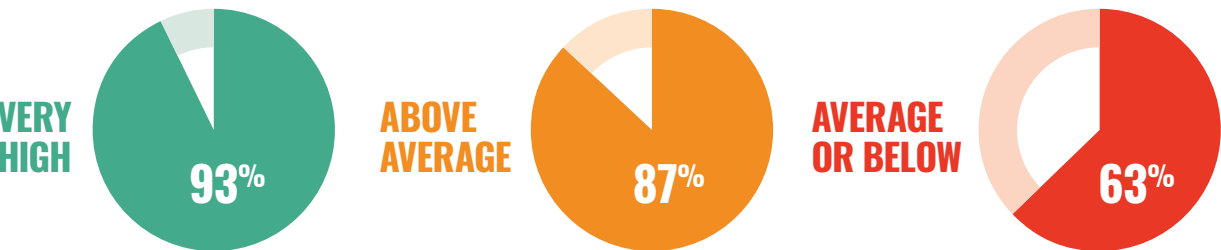
As well as communicating positive news, it's important to assess how willing employees are to share bad news. In organizations with the highest internal trust, employees don't fear reprisals for sharing bad news – and so aren't afraid of doing so. Trust is higher when employees know what to expect and aren't worried about unanticipated repercussions from sharing information.

Organizations where people are not at all fearful of reprisal for sharing bad news

VERY HIGH 30%

ABOVE AVERAGE 18%

AVERAGE OR BELOW 13%
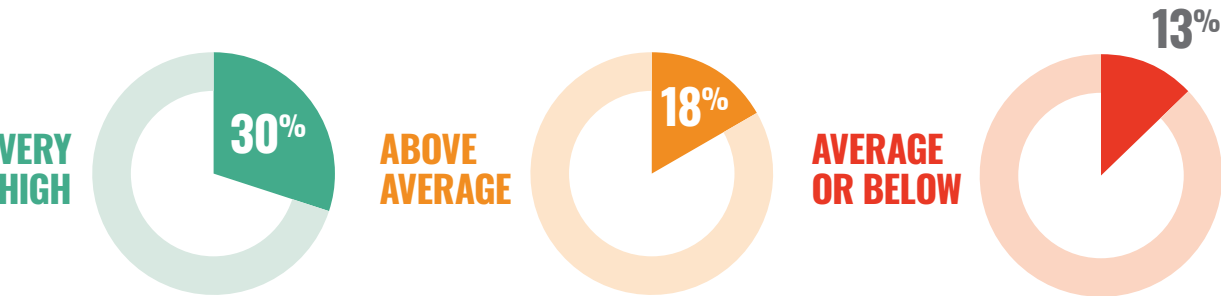
Workers' confidence in their business also relates to their overall sense of job security. Notably, organizations that have the highest levels of trust are three times more likely than organizations where trust is low to retain their staff even if they don't have an established pipeline of work.

Those that believe their companies are extremely likely to carry additional staff even if the organization does not have the project volume to support the staff

VERY HIGH 51%

ABOVE AVERAGE 32%

AVERAGE OR BELOW 17%
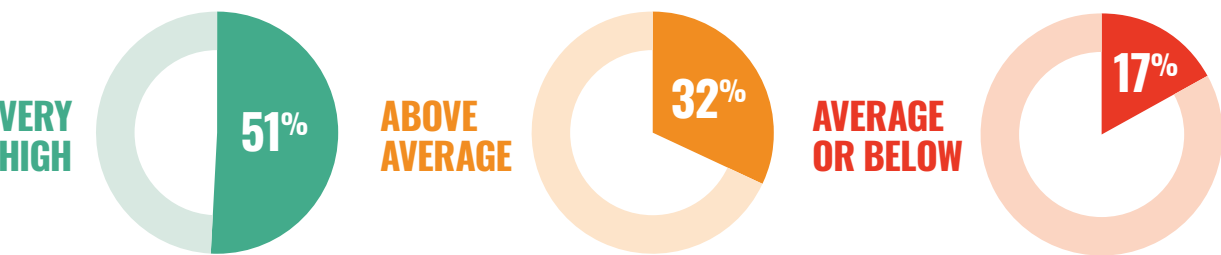
For employees, job security represents the ultimate measure of trust in their employer. A safe, secure environment helps employees to focus on their work and volunteer information that benefits the business, without worrying about the consequences.

"With trust, people are a lot more comfortable to speak out, share ideas, to voice their opinions, than they are afraid to say something that's going to go against what the management believes."

Senior Project Manager, Canada

Underestimating the Value of Job Security

With talent at a premium in the global construction industry, it's important for firms to understand what attracts candidates to roles. But employers might not appreciate the most important factors for workers, as the 2014 Towers Watson Global Workforce Study[12] found when surveying a group of 1,600 companies and 32,000 employees worldwide.

Workers said they are most attracted to careers with advancement opportunities, a good salary, and challenging work. In the eyes of employees, salary and advancement are certainly important – but, job security is the second-highest priority when looking for a new role. Employers, by contrast, rank this as their seventh-highest priority.

At many companies, employers are failing to appreciate the significance of job security for attracting candidates and keeping them engaged with the business once they're in place. For construction businesses, this could be a vital step in sourcing much needed talent and fostering greater trust in the workforce.

High Trust Organizations Develop Their Employees

One factor that fosters employees' trust is having a manager who is clear about their expectations and provides regular feedback on performance. At organizations where trust is higher, leaders are better at setting what is expected of employees through clearly defined roles and responsibilities.

Those that strongly agree that individuals' roles and responsibilities are well defined in their organizations

VERY HIGH 54% **ABOVE AVERAGE** 27% **AVERAGE OR BELOW** 10%
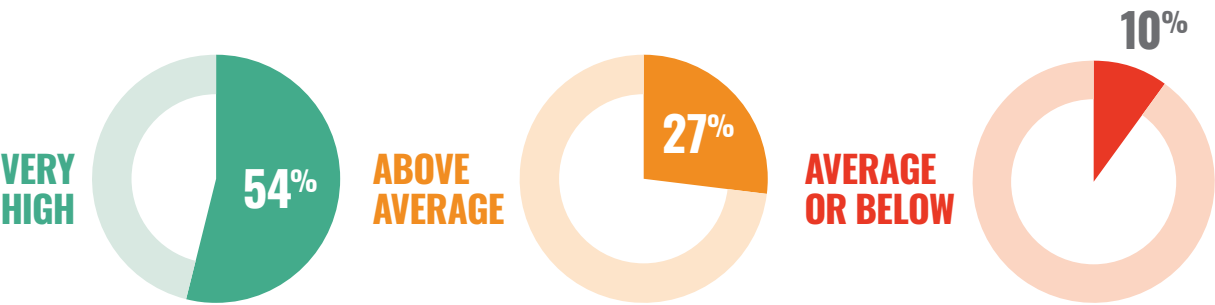
Equally, employees get clearer information about how successful their performance has been and how they are perceived by the organization. Notably, in both cases, respondents from the highest trust organizations are twice as likely to share clear information with employees than those where trust is "above average".

Those that strongly agree that their organization provides candid feedback

VERY HIGH 48% **ABOVE AVERAGE** 22% **AVERAGE OR BELOW** 8%
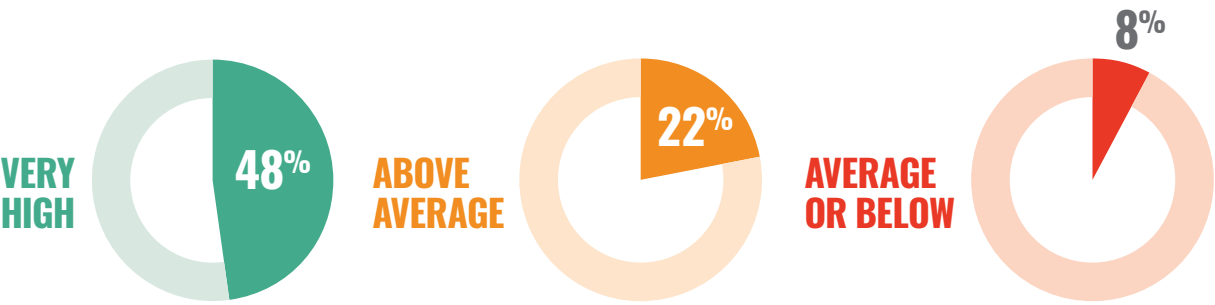
Employees at high trust organizations say getting clear and consistent feedback is a significant advantage. It's like a traveler trying to find a location. Being given direction by a stranger might help, but it's much better if you can use a GPS device that tracks your location accurately and can be checked as you walk. Although both methods provide you with directions to your destination, one of them makes you feel more confident you'll arrive.

Critically, clear feedback from the firm fosters the ongoing development of employees. In turn, that creates higher engagement and a sense of investment in the company.

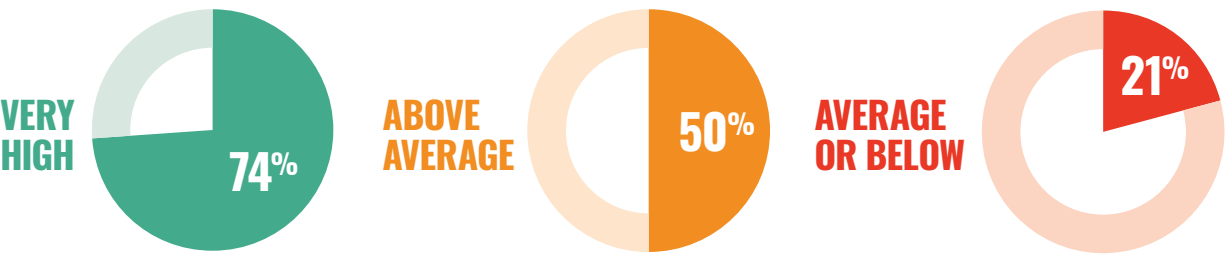# The Benefits of Internal Trust

Survey respondents show that construction firms with the highest levels of internal trust exercise consistency and transparency through internal processes, open communication, and employee development. So, what benefits do these organizations enjoy, thanks to these behaviors?

Higher Engagement

Firstly, individual employees are more engaged with the business – and will even promote it to others. At firms where trust is highest, employees are significantly more likely to recommend the business to their acquaintances. Conversely, at organizations where trust is average or below, employees would go so far as to dissuade people they know from working there, making them active detractors of the business.

An individual's willingness to recommend an organization as a place to work is a strong sign of trust and demonstrates a high level of engagement, as employees are effectively risking their own reputations, too. But it's also an incredibly powerful way for firms to win business or improve their recruitment efforts.

Those that are extremely likely* to recommend their organization as a great place to work to a family member or friend. *(Response, 9 or 10 out of 10)

VERY HIGH **74%**   **ABOVE AVERAGE** **50%**   **AVERAGE OR BELOW** **21%**

Having more engaged employees delivers a number of benefits for a business. Absenteeism is likely to be lower and, in the long term, retention will be higher. Overall, organizations with the highest levels of internal trust will benefit significantly through the day-to-day performance of their employees.

BEHIND THE NUMBERS

Understanding Net Promotor Score

A valuable measure of employee engagement is whether a person would recommend the firm as a place to work. This can be measured through the Net Promoter Score®, or NPS®, which measures the likelihood of a person recommending someone or something on a 10-point scale from 0 (not at all likely) to 10 (extremely likely).

Respondents must answer a 9 or 10 on this scale to be considered "promoters." Promoters are likely to be highly engaged, loyal employees, who might even help to attract further candidates to the business.

By comparison, respondents that answer a 7 or 8 on this scale are described as passive. They are not particularly engaged or are disengaged and seldom go above and beyond what is required of them. Respondents that answer a 6 or less are described as "detractors," suggesting they are actively disengaged employees who might even dissuade others from dealing with an organization.

Understanding your NPS can be the first step in improving it. American Express introduced NPS to measure employee satisfaction in its service teams. By analyzing and acting on employee feedback, the business achieved 50% lower employee attrition in its US service centers.[13] For construction firms, achieving similar results could be powerful.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

Detractors   **Passives**   **Promoters**
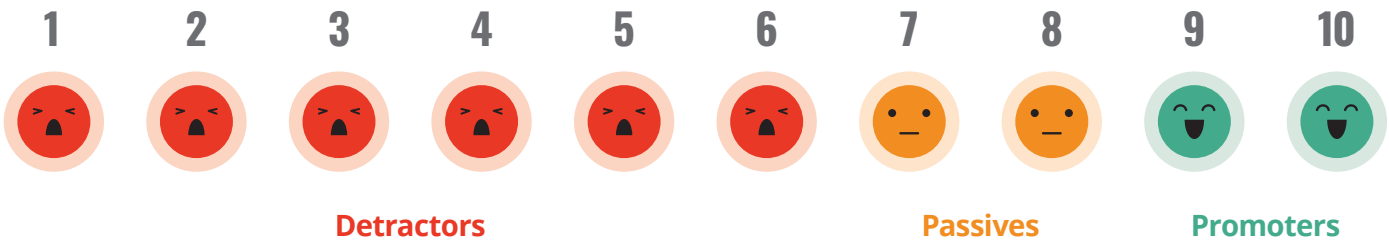
Net Promoter Score = % Detractors - % Promoters

VIEW FROM THE SITE
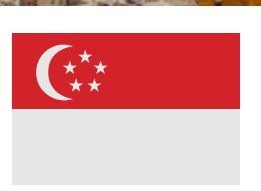
Empowering Employees
In Singapore

At a construction firm in Singapore, two managers rate the level of organizational trust as high, partly due to transparency in the business: "I've been given access to all the information and whatever I need to operate in my job without barriers."

The company has worked hard to build a culture of open communication regarding both expectations of employees and their performance: "We expect feedback to happen on a consistent basis. Everyone's responsible for giving feedback and receiving and asking for feedback. We reinforce that constantly."

This ongoing communication facilitates a culture of continuous improvement and is part of the company's strategy to empower employees and promote greater engagement: "We actually tell employees specifically that they are trusted to make decisions and do things without seeking approval from 12 layers of hierarchy. This empowers them."

Trust will be important to the future of the organization and the motivation of the workforce: "In my view, trust engages people because it creates ownership and a personal commitment to the business."

INDUSTRY INSIGHT
Engagement and Productivity in the UK

Productivity in the UK construction industry has been stagnant for nearly 20 years. The Digital Groundwork report[14] from PlanGrid sought to explore construction firms' biggest productivity challenges – and how technology can help to improve performance. The research underlined that, at its simplest level, the performance of every construction firm comes down to one thing: its people. But unfortunately, skilled workers are a scarce resource in the UK.

The UK construction sector loses around 140,000 workers a year due to retirement and natural turnover. As a result, firms struggle to recruit for one in three roles[4], giving construction the most acute worker shortage of any industry – and professionals say that the skills shortfall is directly impacting productivity.

When identifying barriers to productivity in their own company, industry professionals commonly point to a lack of skills among employees (40%) and talent shortages (39%). When technology is used to remove day-to-day frustrations and improve business processes, employees are more engaged and productive.

Read more in The Digital Groundwork: Beyond Construction's Productivity Gap

Higher Productivity

Employees of firms with a high level of trust are more engaged and therefore they are also more productive and do better quality work. Equally, the greater the level of trust, the more likely employees are to exceed what's expected of them. There's a notable difference between the most trusted firms and firms that are just above average: the highest trust firms are twice as likely to outperform.

Organizations with employees that almost always go above and beyond what is asked of them

VERY HIGH 49%　　**ABOVE AVERAGE** 24%　　**AVERAGE OR BELOW** 11%
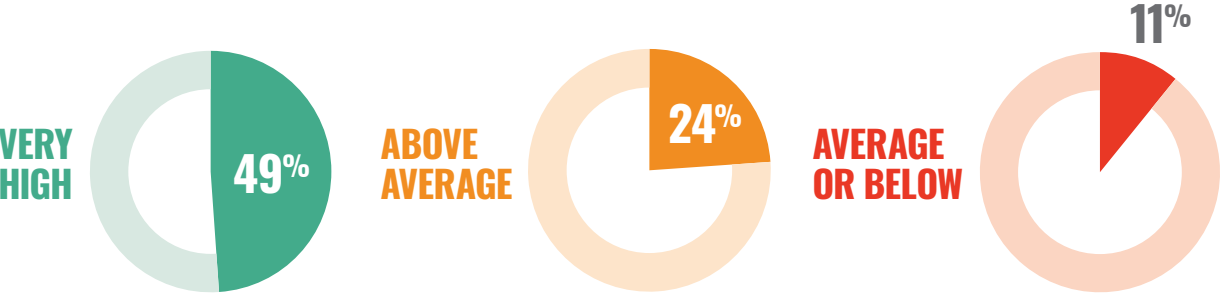
In firms where trust is at its highest, employees are also much more likely to go above and beyond when it comes to helping each other. These organizations foster a more positive working culture that will, in turn, deliver better results for the business.

"You operate almost seamlessly when you can trust one another. My team knows that they can come to me for anything, and vise versa."

Superintendent, Canada

VIEW FROM THE SITE

Exceeding Expectations in Australia

Trust is very high at a specialty contractor in Australia. According to one of its leaders, this was a result of their managers getting to know their teams well: "With my direct employees, I've got more formed personal relationships, and that builds a good, trusting environment."

The benefits of that high level of trust are significant for the business: "Employees get to take on more responsibilities and more roles. You empower people to do their own work; there's no need to micromanage them. They have more control about what they're doing and more say in the business, rather than just being another number. As a result, they are more productive."

Over time, employees feel more personally invested in the business: "Building trust among employees and workers keeps them more interested in wanting to grow the businesses, rather than just come to work, do their job and go home. When you build trust, you get a lot more output from them in return."

The Value of Internal Trust

Firms where trust is at its highest enjoy improved employee engagement and even better productivity. Employees not only trust their firm; they feel trusted in return, and are more empowered and invested as a result.

The gap between these top-performing businesses and those where trust is rated as merely "above average" is significant. Once again, when it comes to trust, good isn't good enough.

Internal trust is built on consistency and transparency. Digital tools can play a critical role in helping to capture and transmit information within an organization – but equally, supporting repeatable processes in the business, so that everyone knows what to expect.

Creating a strong foundation of internal trust delivers many benefits, but it's also a crucial stepping stone for fostering strong external trust, as the next chapter will explore.

TRUST IN
IRELAND

The construction industry in Ireland has seen a 4% growth in the past year. It currently employs 144,000 workers and occupies a significant sector in the annual economy.[15]

The Irish are more collaborative and trusting than the average. In fact, they were one of the highest-scoring countries. A common theme in Ireland was the concept of a "personal touch" when it came to trust and relationships. Teams found great value in having someone on site to collaborate with and felt it was important to extend that collaboration to the office.

A foreman manager at an Irish general contractor explained: "Familiarity is the key to building trust. When staff have worked together for a long time, they build a relationship that becomes like a second family." This is especially true of employees who stay with the same company for many years, or even their entire career.

"We all grew up with the company. I would rate our trust level as well over 95%," he added. "Additionally, we're a hands-on organization. We have a person on site, using technology to constantly communicate with those in the office. This provides a bit of comfort for all parties."

Cultivating authentic relationships among employees translates into great recommendations and referrals for new employees.

The company invests heavily in training and helping their employees flourish. They also invest in the technology that allows their company and employees to complete projects efficiently. This combination creates an environment where employee satisfaction is very high and turnover rates are exceptionally low.

The foreman manager estimates that current employees who came to the company through personal referral easily comprise 70% to 75% of their workforce. This close-knit type of environment fosters better growth and mentorship opportunities for the younger tradespeople, and a more pleasant work culture overall.

Organizations with very high levels of trust

SURVEY AVERAGE		36%
IRELAND		40%

The Irish respondents indicated that the level of trust in their organization was significantly higher than average. Much of this reflects the culture involved in creating a tight-knit and loyal workforce that's intimately involved and loyal. By cultivating employees through referrals and building trust within the company, these Irish construction companies have made larger enterprises feel like family-owned businesses.

There's an inherent level of trust in working alongside the same people for a prolonged period of time; there's also an ease of communication that allows for better teamwork. This may be a key reason that respondents indicated a high level of collaboration among stakeholders.

Organizations with very high levels of collaboration

SURVEY AVERAGE	24%
IRELAND	30%

BUILDING TRUST WITH A "WE," NOT A "ME"

In Ireland, the collective is more important than the individual. The Irish foreman manager explained that a high level of trust and the relationships built over time meant that each of his workers felt committed to the company. They weren't interested only in advancing their own careers, but in doing the best job possible for the client and the company.

"It's all about trust. And if you trust a person, you have to say that we deliver better together," he said.

Employees who feel supported make autonomous decisions more confidently and feel freer to create a path forward with far better results.

"There are going to be mistakes from time to time; there's no question about that. If you have to make a decision on the spot, you need to be in an environment where you know you're going to be backed up," the foreman manager explained.

The Irish contractors say they continue to grow and evolve because they are always learning and all opinions are valued. This fosters great respect and trust between all of the stakeholders in a project.

The foreman manager stated: "Someone might be too shy to share, so you make a point of valuing every opinion. Every day is a school day. You're learning something all the time."

When construction teams bring people together to express their opinions, often they get a significantly better result than they would inside a silo. He elaborated: "How do you know what's going on if you don't engage?"

Outcomes are improved when all the stakeholders are listened to. One person working in a specific area may have a better perspective on the issues and solutions than another person in a different location. No one person can see and hear everything on a jobsite. The best way to gather all the pertinent information is to trust each of the workers to relay their own experience. All of these different opinions work together to form a fuller picture.

"People can express their ideas. You have a collective view. No one's going on a solo run. You have the benefit of other ideas and other opinions," he explained.

This mentality is why the Irish construction workforce were much more likely to express and offer their opinions.

Organizations where individuals are extremely likely to express their opinion or offer suggestions to their superiors

SURVEY AVERAGE	**32%**
IRELAND	**40%**

In this environment of trust and support, the outcomes improved on each job. The foreman manager explained that when they delivered a quality product at the right price and on time, the volume of repeat business continued to grow. This theme was common across all Irish respondents. Nearly one half almost always work with repeat customers, a significantly higher figure than the survey average.

Organizations that work with repeat clients almost always, more than 80% of the time

SURVEY AVERAGE	**34%**
IRELAND	**42%**

Creating an Inclusive Culture to Improve Outcomes

An environment that begins with a tight-knit team of employees who trust each other generates a great sense of pride in the job. This culture needs to be cultivated by every employee, but it is well worth the effort. Employees feel heard. New tradespeople build their skillset faster and with excitement, and all parties feel a sense of responsibility to each other and the overall completion of projects.

This inclusive culture boosts employee satisfaction and, overall, a better standard of work. Stakeholder investment in the everyday work as well as the final outcome results in superior craftsmanship .

While these results rely heavily on an environment where workers know each other well and work together for long periods of time, this culture can be cultivated. The essential ingredients for building a company where each stakeholder trusts their coworkers and their leadership starts with respect and engagement. All opinions should be valued and workers need to be supported so that they can continue to improve their craft.

TRUST AND COLLABORATION

External trust is about the relationship between organizations, especially those collaborating on a specific project. External trust is particularly important in construction when it's normal for a large number of companies to work together and depend on each other for success. So how do construction firms foster trust amongst their collaborators – and how does that trust impact project performance?
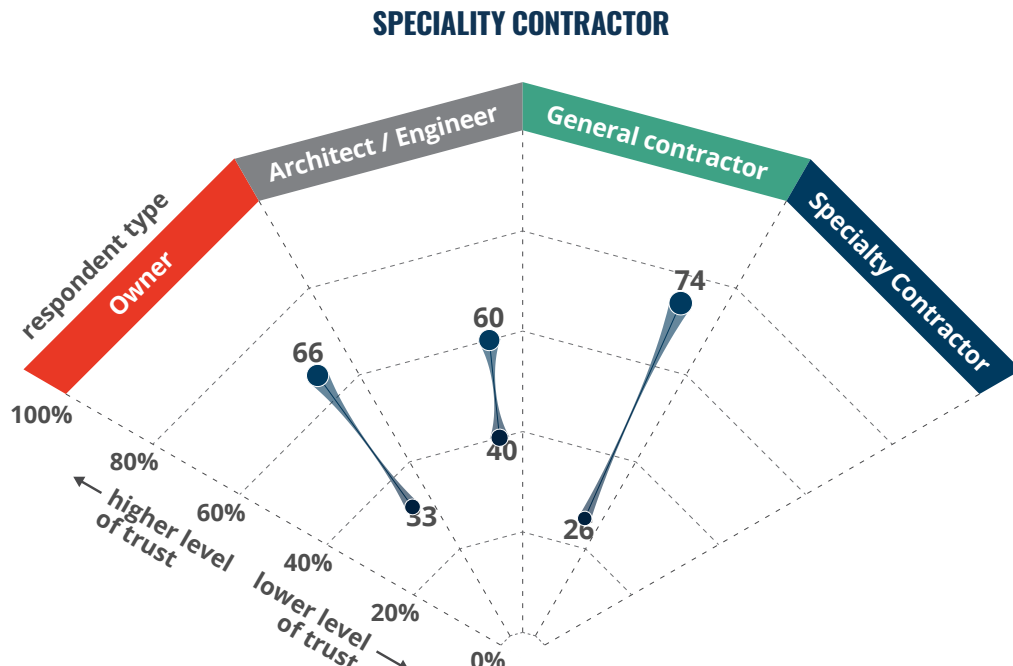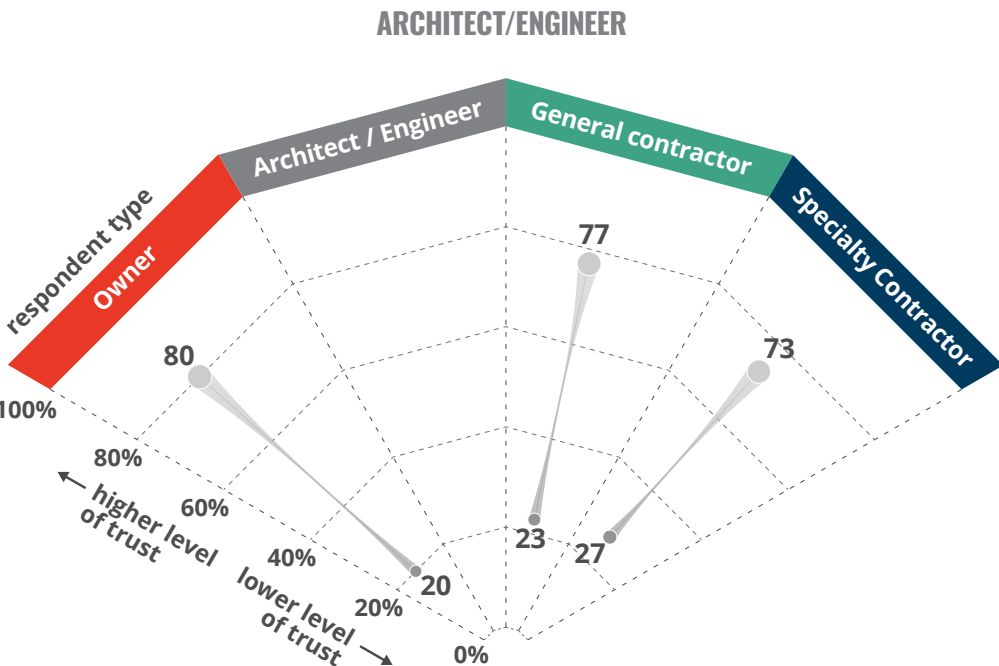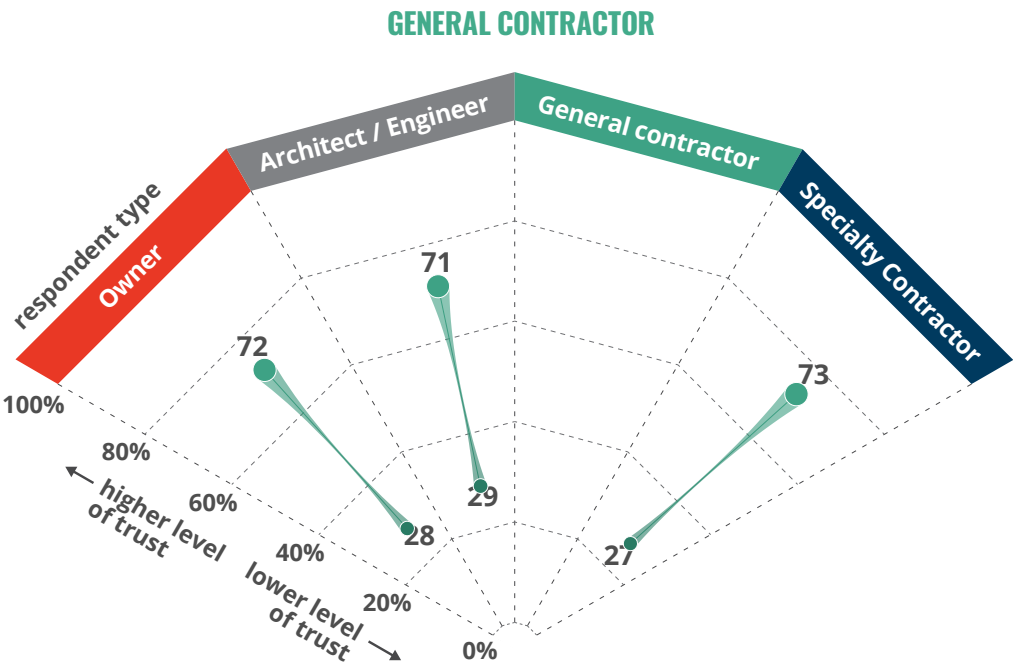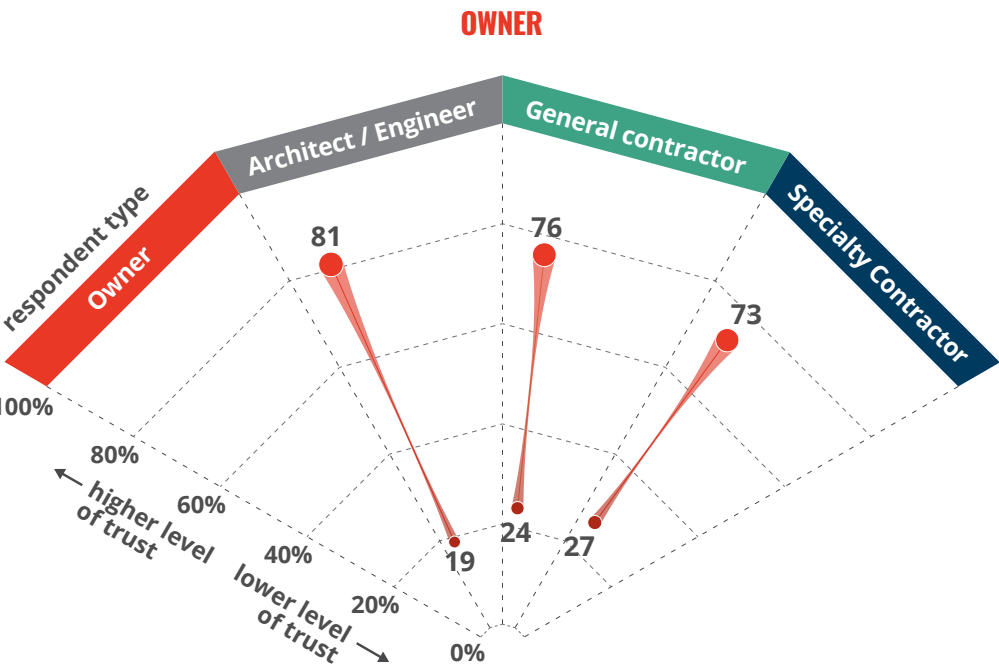
Mapping External Trust

In construction, if you trust your partner, you'll collaborate more effectively. But trust is not created equally and not all partners are equally as trusting. Projects bring together hundreds of people across dozens of companies, and this results in areas of both higher and lower levels of trust.

"In the construction industry, your actions become your reputation. If you always deliver on time and with the highest quality, your coworkers and clients will trust that you will deliver with every new project."

Chief Project Specialist, New Zealand

Breaking Down Trust Across the Jobsite

When asked about the areas of high or low trust, the organizations responded in the following ways:

OWNER

Values shown: 81, 76, 73, 19, 24, 27

GENERAL CONTRACTOR

Values shown: 72, 71, 73, 28, 29, 27

ARCHITECT/ENGINEER

Values shown: 80, 77, 73, 20, 23, 27

SPECIALITY CONTRACTOR

Values shown: 66, 60, 74, 33, 40, 26

Putting all the groups together, while most have high trust for the others, the degree of trust is not even across the board.
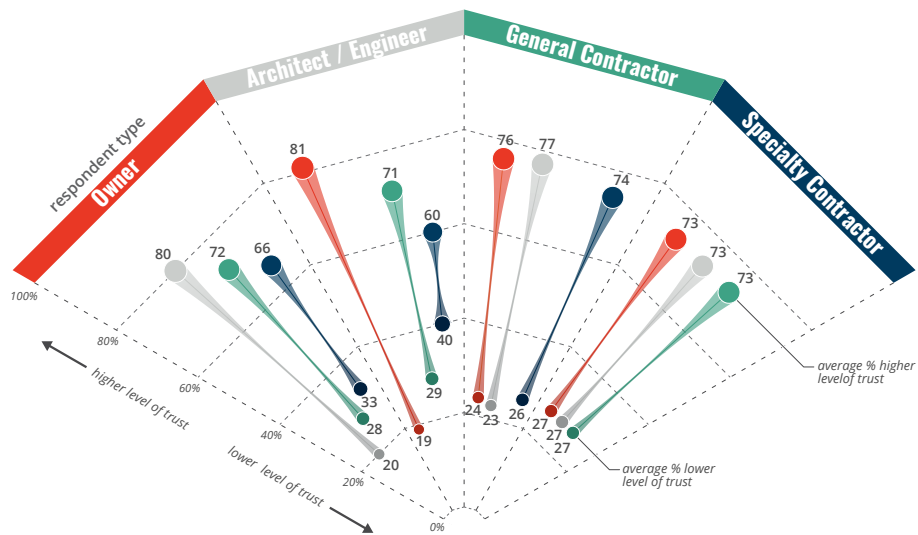
Additionally, there are areas of "mismatched" trust, where one group trusts another but the trust is not reciprocated. For example, the relationship between specialty contractors and architects/engineers. Nearly three-quarters of architects/engineers reported having a high degree of trust for specialty contractors. However only 60% of specialty contractors report a high level of trust with architects/engineers.
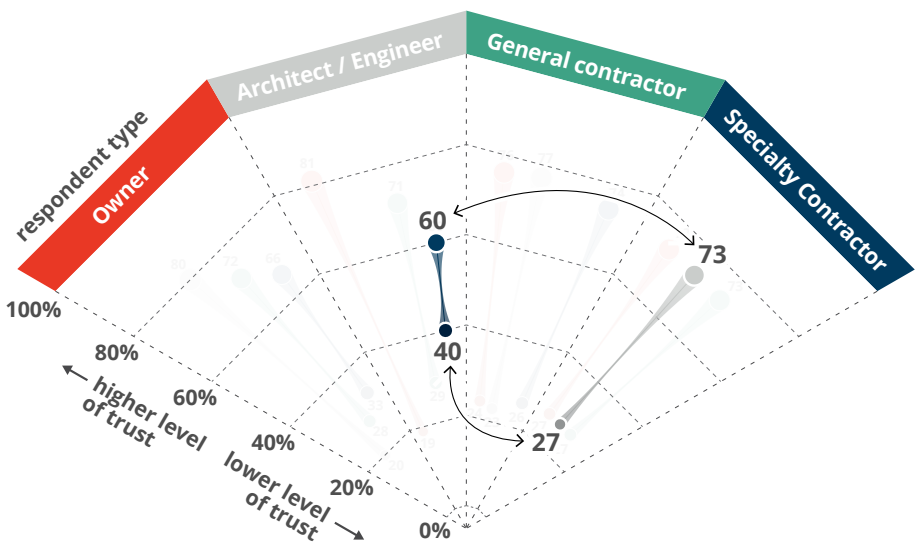

One potential driver for this mismatch is the level of direct collaboration between the groups. Specialty contractors are often working onsite, collaborating closely with both the general contractor and other specialty contractors. The majority of their interactions with the architect/engineers is managed by the general contractor through formal processes (inspections, RFIs, change orders, etc.), giving the specialty subcontractor little time to get to know and develop a relationship with the architect/engineers. Additionally, most of those formal processes, such as a change order, are initiated when something goes awry and are often very tense. As a result, the positive touchpoints between the two parties are infrequent at best.

Leveraging Internal Trust to Promote External Trust and Collaboration

While the degree of trust between project stakeholders currently varies, it does not have to stay this way. There is evidence that having a higher level of internal trust in turn makes a firm more focused on collaboration. Thus, project stakeholders can increase trust and collaboration on the jobsite by focusing on internal trust.

The relationship between internal trust and external collaboration is clear. Those at organizations with the highest levels of trust are twice as likely to report that collaboration is central to how they work (43%), compared to firms where trust is only "above average" (19%).

Organizations with very high collaboration among stakeholders across their projects

VERY HIGH 43%   ABOVE AVERAGE 19%   AVERAGE OR BELOW 8%
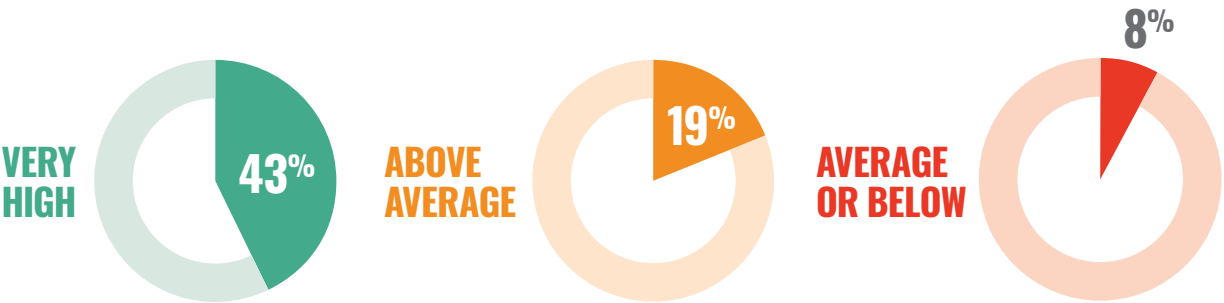
An organization that lacks a very high level of trust internally – or worse, is outright distrustful – is unlikely to trust other project team members enough to effectively collaborate, especially over the length of a project. By contrast, the organizations that have the highest levels of internal trust carry over many similar behaviors to their external partners, fostering a culture of transparency and consistency, driving better results.

High Trust Organizations Share Information With Collaborators Openly and Easily

Whether it's within your business or from a collaborator, being able to access the information you need, when you need it, is core to completing work. In fact, construction professionals in the UK reported that lacking the information needed was the biggest blocker to productivity in their business, according to previous PlanGrid research[16].

Sharing information transparently is also a key part of building trust in relationships. When project information is shared readily, collaborators can see for themselves that other stakeholders are meeting their commitments – and not keeping a lid on bad news. At the highest trust organizations, professionals are much more likely to report that key project information flows freely between stakeholders (43%), ensuring that every collaborator is empowered to get their work done.

Respondents that strongly agree that data and information necessary to ensure a successful project outcome flows freely and without hindrance on their projects

VERY HIGH 43%   **ABOVE AVERAGE** 19%   **AVERAGE OR BELOW** 8%
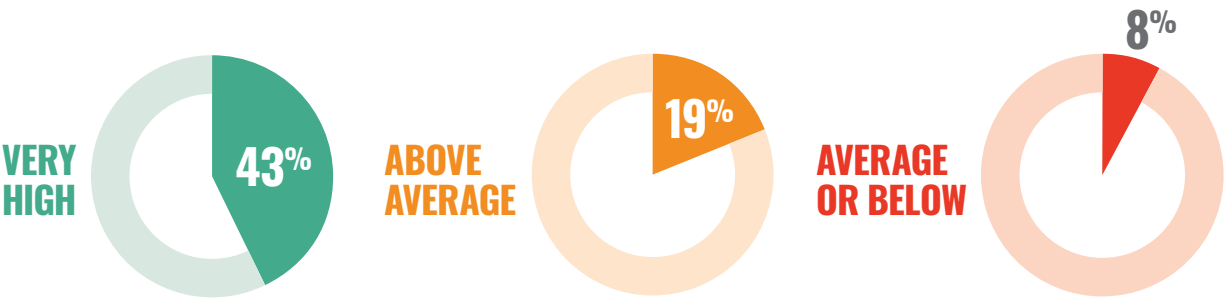
In the highest trust organizations, data can also be accessed easily by other stakeholders – and, importantly, it usually comes from one primary source (66%). In organizations where trust is much lower, this is significantly less common (28%).

Centralizing information not only avoids the issue of version control for documents like project drawings, but reduces the chance of conflicting sources of data, which can result in mistakes or even disputes down the line. Ensuring that everyone can access the same source of truth is an important step in fostering trust.

Those that say project data and information is easily accessible and from one primary source

VERY HIGH 66%   **ABOVE AVERAGE** 50%   **AVERAGE OR BELOW** 28%
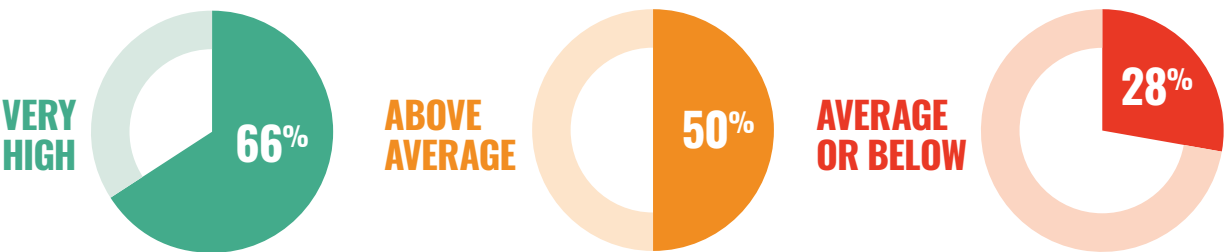
VIEW FROM THE SITE

A Single Source of Truth for Fast-moving Projects

A fast-growing Canadian company was developing 1 million square feet of office space. Initially, the construction teams were focused on one building, delivering one floor at a time, but the company's rapid growth has widened the focus to multiple buildings in multiple countries.

"The main driver for a lot of our spaces is our headcount and our growth," noted the project development lead. The schedule is always a huge priority, because we've doubled every year since inception." To keep up with all of the builds, the team needs to start construction at a 70% set – making clear communication with the wide range of subcontractors critical. According to the project manager, "The biggest thing from our side was that people weren't working off a bunch of different designs."

The company decided to adopt construction technology that would act as a single source of truth for all collaborators. The information is "all in one central place: all the trades work from the platform. Because of the way it's set up, all the information has to go to the administrator, who is the contractor or construction manager. They vet the information and then post it. That way everybody knows what is on the platform is the truth."

Having a central source of truth also helps to prevent errors: "It helps out in the field, because if you see an issue, you can quickly pull out your phone or your tablet, and you have all of that information there. Before, you'd have to have the roll of drawings with you, which is potentially a thousand sheets. Back in the days before modern construction software, quality assurance was so inefficient and it took a lot longer, whereas now the technology has streamlined decisions."
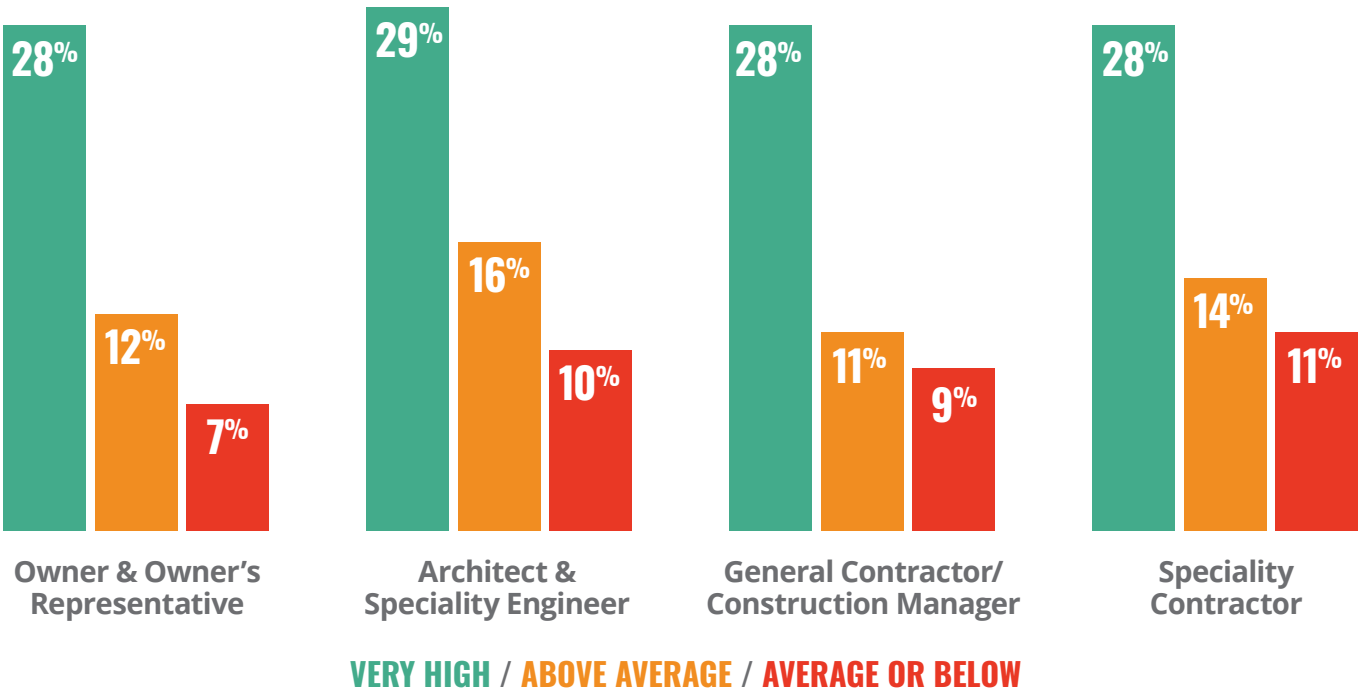
With a single source of truth, the Canadian company can trust that projects will be completed on schedule, supporting the further growth of the business.

High Trust Organizations Get Faster Responses to Queries

Knowing that you'll get answers when you need them is another important element in collaborating effectively. Waiting for instructions, information, and resources is a common source of unproductive time, and it can quickly undermine relationships between firms.

Once again, construction firms with the highest levels of internal trust are more likely to receive faster responses to their requests. Importantly, when at the organizations where trust is highest, professionals are more likely to get faster responses from architects, owners, and subcontractors.

Those that are extremely satisfied with the promptness with which questions/requests are answered/fulfilled by the following project team members

Owner & Owner's Representative
- 28%
- 12%
- 7%

Architect & Speciality Engineer
- 29%
- 16%
- 10%

General Contractor/ Construction Manager
- 28%
- 11%
- 9%

Speciality Contractor
- 28%
- 14%
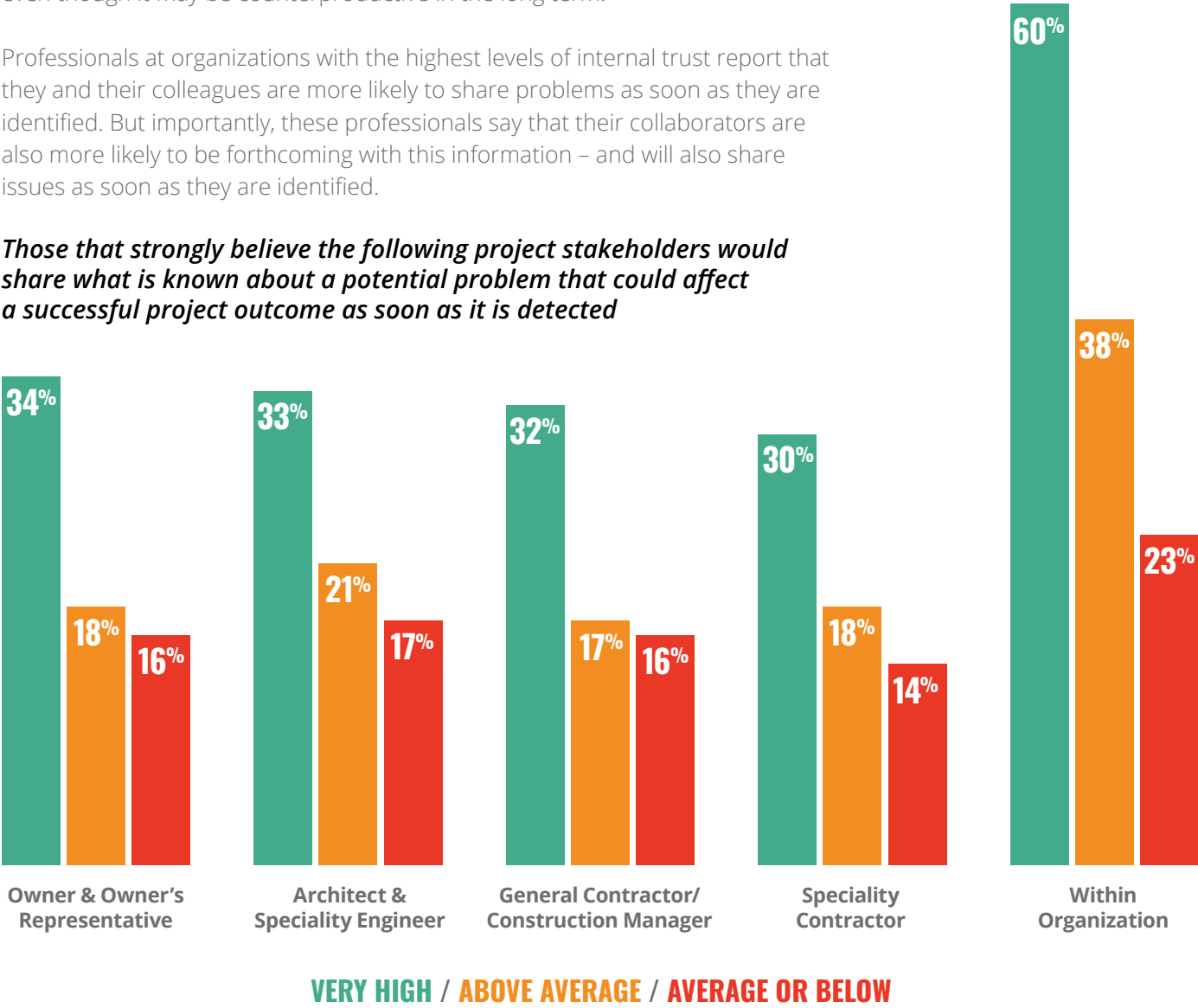- 11%

VERY HIGH / ABOVE AVERAGE / AVERAGE OR BELOW

Receiving a fast response comes down to the quality of the relationship and the levels of trust between partners. Fostering a culture of open and speedy communication makes construction firms more likely to receive that behavior from their partners, too.

High Trust Organizations Hear About Problems More Quickly

Open communication isn't only about sharing good news. Passing on bad news about errors, delays, or other project challenges can be daunting, especially when it's with an external collaborator. It can be tempting to delay the communication, even though it may be counterproductive in the long term.

Professionals at organizations with the highest levels of internal trust report that they and their colleagues are more likely to share problems as soon as they are identified. But importantly, these professionals say that their collaborators are also more likely to be forthcoming with this information – and will also share issues as soon as they are identified.

Those that strongly believe the following project stakeholders would share what is known about a potential problem that could affect a successful project outcome as soon as it is detected

Owner & Owner's Representative
- 34%
- 18%
- 16%

Architect & Speciality Engineer
- 33%
- 21%
- 17%

General Contractor/ Construction Manager
- 32%
- 17%
- 16%

Speciality Contractor
- 30%
- 18%
- 14%

Within Organization
- 60%
- 38%
- 23%

VERY HIGH / ABOVE AVERAGE / AVERAGE OR BELOW

Sharing issues more promptly not only creates trust in an organization's own transparency, but equally ensures that partners are less reluctant to share challenges of their own. This in turn builds a stronger relationship, where collaborators tackle issues together, rather than assigning blame.

VIEW FROM THE SITE

Technology and Transparency

A specialist subcontractor operating in Wales was frequently experiencing challenges in communication between the head office and jobsites. The company often saw a breakdown in communications where the team responsible for the commercial management of the business simply wasn't aware of what was happening on the ground.

"We were constantly running into difficulties where issues on sites were reported too late or not at all," a director noted. "It could take days, weeks, or even months to pass the necessary information between individual sites and the head office, which could create a real divide between project teams and the head office. Our quantity surveyors simply weren't fully aware of the actual progress on a project or the status on the site."

Implementing new construction technology enabled the team to share information between the site and head office in real time and created a new culture of transparency in the business. Teams are encouraged to be open and upfront about the status of work, while management can check the progress on projects instantly.
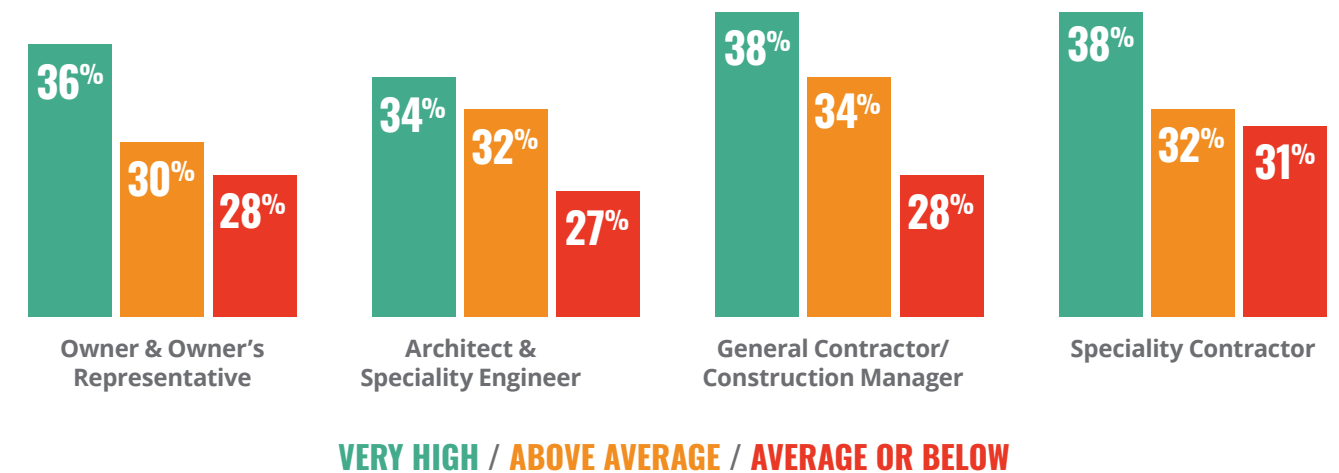
Software has similarly helped to improve communication with their clients. Project teams feel more confident reporting changes to the client and can report on projects in a timely and productive manner. "The transparency this has brought to the business is absolutely priceless," concluded the director.

How Trust Benefits Collaboration

Creating closer, more trusting relationships with collaborators delivers a number of benefits. Firstly, it's easier to overcome the mistakes or surprises that are almost inevitable on a project. Construction has a high number of variables, whether that's unforeseen site conditions, unusually poor weather conditions, or a simple human error. The sheer complexity of completing a project makes it virtually inevitable that something unexpected will happen.

No matter the level of trust in their organization – and, consequently, the quality of collaboration – construction professionals report that they receive data with inaccuracies from their collaborators. These aren't just simple slips but issues that can compromise the management and delivery of a project. And it can happen to anyone.

Those that very rarely receive data and information with errors or other inaccuracies from the following project groups

Owner & Owner's Representative	Architect & Speciality Engineer	General Contractor/ Construction Manager	Speciality Contractor
36% / 30% / 28%	34% / 32% / 27%	38% / 34% / 28%	38% / 32% / 31%

VERY HIGH / **ABOVE AVERAGE** / **AVERAGE OR BELOW**

The best collaborators were found to be much less likely to encounter problems resulting from errors that weren't pointed out fast enough. The ability to respond to errors and surprises quickly minimizes their negative consequences, and it helps collaborators avoid the need for costly or damaging rework later in the project.

Those that very rarely encounter surprises on the project due to important data/information not being shared in a timely manner

**VERY HIGH** 18% **ABOVE AVERAGE** 11% **AVERAGE OR BELOW** 7%
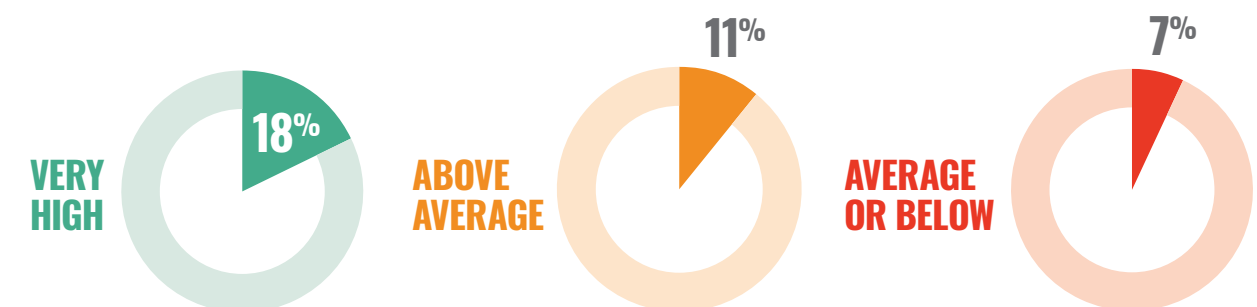
The Cost of Rework

Mistakes and the time spent correcting them are a common drain on project profitability. In Construction Disconnected[17], FMI and PlanGrid explored the causes of rework and the total cost of mistakes to the construction industry.

With US construction spending at $1.3 trillion and rework representing approximately 5% of that spend, the issue is estimated to cost the US construction industry over $65 billion annually.

In the US, rework directly caused by inaccurate, inaccessible and incompatible project data accounts for 48% of the total quantity. As a result, poor project information results in more than $31.3 billion of rework annually in the US alone. Implementing more connected communications and technology could help more construction firms to build right first time and significantly boost their profitability.

48% ($31.3B)
of all rework in the US is caused by poor data and miscommunication

22% poor project data ($14.3B)

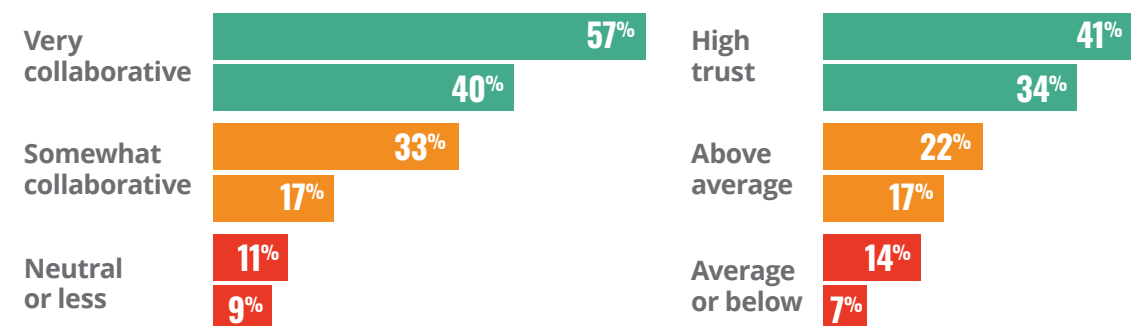**26%** poor communication ($117B)
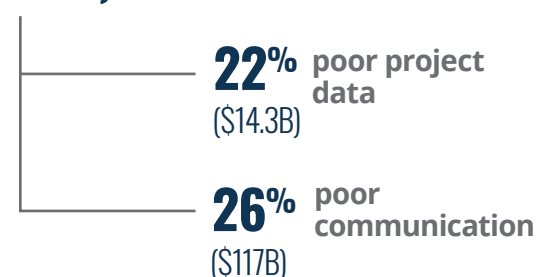
Overcoming unforeseen errors benefits other areas of project performance; namely, meeting timelines and budgets. Running late can have serious implications for profitability, such as unforeseen labor costs, additional equipment, and issues with supplies, as explored in the previous chapter, Trust and Financial Performance. Missing the schedule can also cause damage to a firm's relationship with a client and lead to lost opportunities.

Lateness is a challenge particularly associated with mega projects due to the large number of variables involved, and the costs can be significant. According to research from McKinsey, nine in ten mega projects involve cost overruns of more than 30%, and three-quarters of mega projects are delivered at least 40% late[18].

However, according to the construction professionals we surveyed, organizations with the highest levels of trust and the highest focus on collaboration are also the most confident that both the schedule and the budget will be met.

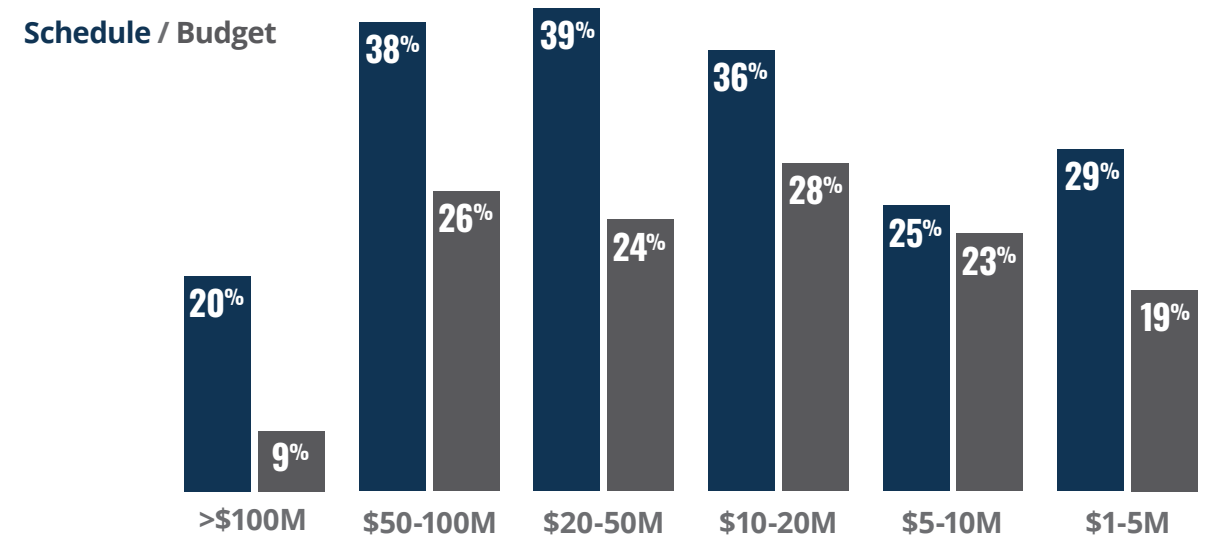*Those that are extremely confident the project schedule will be met* / *Those that are extremely confident the project budget will be met*

	Schedule			Budget
Very collaborative	57%		High trust	41%
	40%			34%
Somewhat collaborative	33%		Above average	22%
	17%			17%
Neutral or less	11%		Average or below	14%
	9%			7%

In fact, the levels of internal trust at an organization are actually a better indicator of confidence in the schedule and budget than project size. By freely sharing information, responding to queries quickly, and being prepared to report bad news, high trust organizations are the best placed to build right first time and deliver successful projects.

Those that are extremely confident the project schedule and budget will be met based on Average Project Size

Schedule / Budget

|	>$100M	$50-100M	$20-50M	$10-20M	$5-10M	$1-5M
Schedule	20%	38%	39%	36%	25%	29%
Budget	9%	26%	24%	28%	23%	19%

Excitement for Future Collaboration

At firms where trust is at its highest, professionals tend to work openly and consistently with other businesses, creating stronger relationships, supporting smoother collaboration, and delivering better outcomes over the course of a project. In turn, this creates greater enthusiasm for working together in the future.

The firms with the greatest trust are in turn happiest to work with participants across the construction ecosystem in the future – setting the business up for success across multiple projects in the long term.

For those project team members you have most frequently worked with, how excited are you to work with them again? (1=Not excited at all, 5=Very excited)

VERY HIGH

ABOVE AVERAGE

AVERAGE OR BELOW
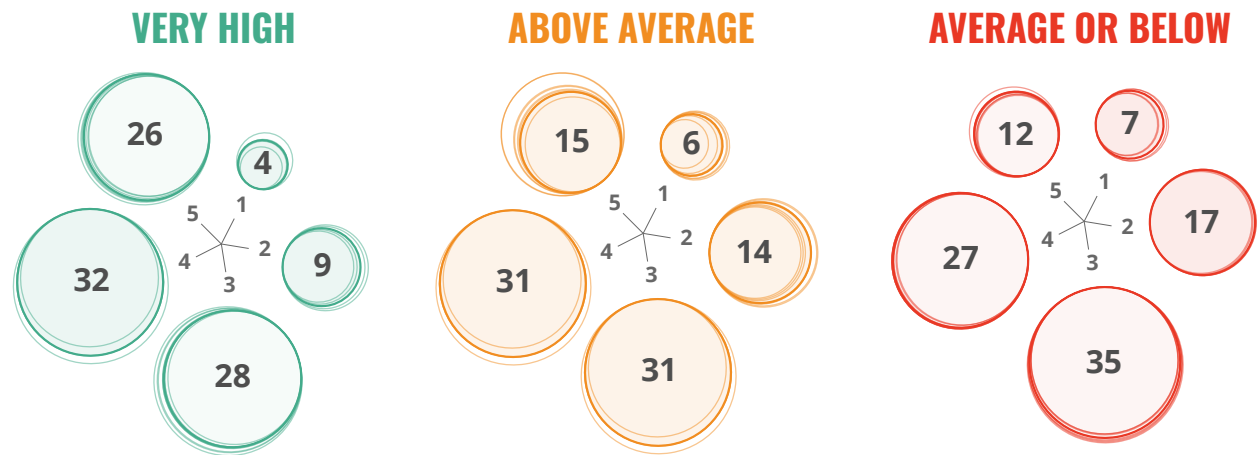
High trust organizations are more collaborative, have higher confidence in the project outcomes, and are more optimistic about the future. As a result, they are more excited for future work with other organizations on their project.

When looking at this across different organizations on the jobsite, the enthusiasm towards future work is not as clearly defined. Across the board, owners are slightly more excited to work with architects/engineers, general contractors, and specialty contractors, but the variance is much less compared to the variance between high trust and average or below trust organizations.

For those project team members you have most frequently worked with, how excited are you to work with them again? (1=Not excited at all, 5=Very excited)
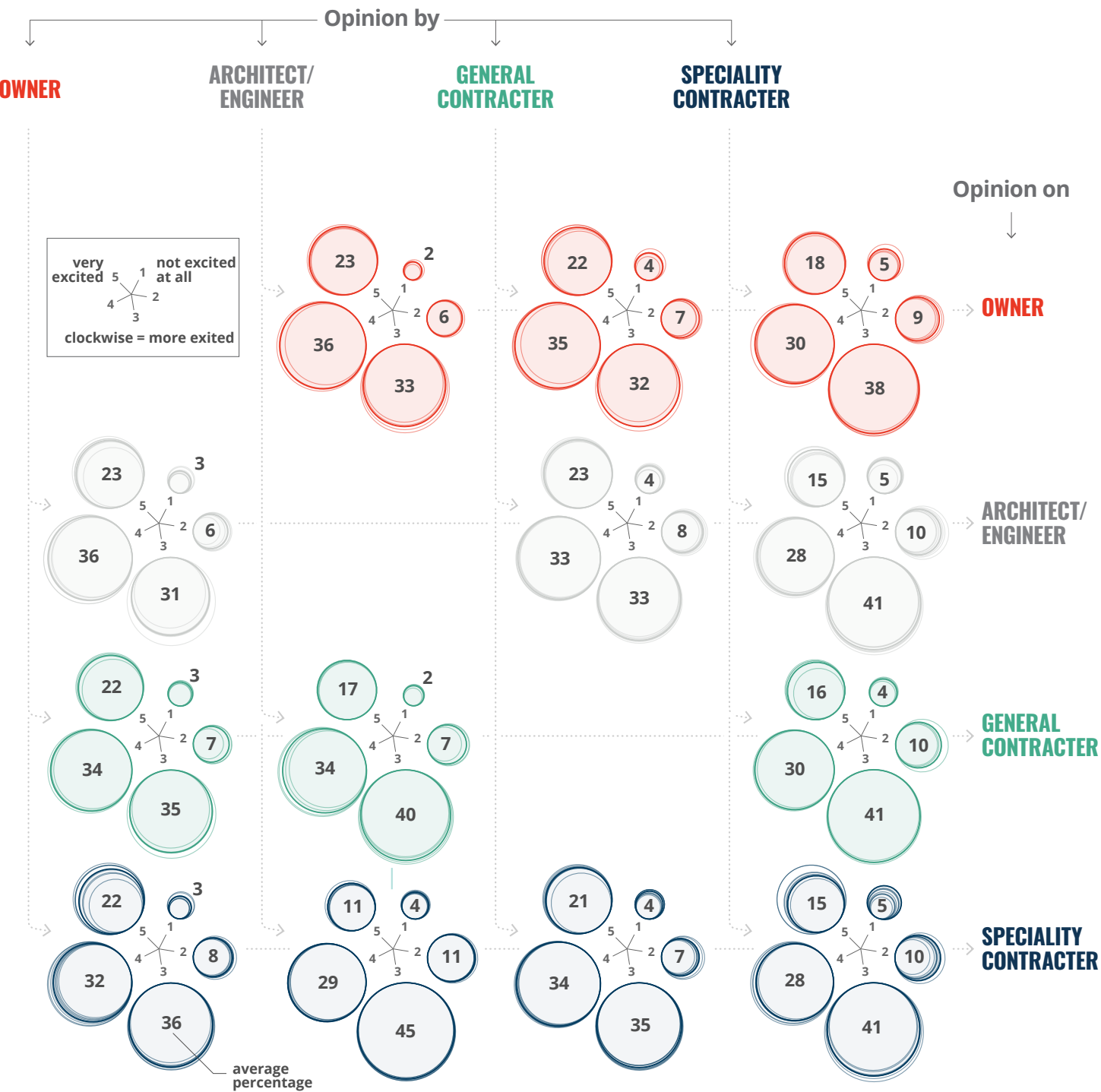
VIEW FROM THE SITE

Creating Strong Relationships – and Getting Repeat Work

A multinational contractor headquartered in the UK has worked hard to build a culture of trust, starting first within their organization. According to a senior project manager, trust starts with strong personal relationships: "We talk to each other and don't hide behind screens. If there is an issue, we deal with it head on and work together. There isn't a blame culture. There is a culture of getting it done and making it happen."

But it's also important to build relationships with people in other companies to collaborate successfully: "Without the trust you don't go into business with companies." That comes down to open, regular communication throughout a project. "We have joint meetings and coordination workshops before we get to the site, then morning briefings with all supervisors, and weekly meetings to mark up plans." Technology plays an important role in this open communication.

The organization encourages team members to overcome any issues proactively during the project. "You can always sense when someone doesn't trust you or doesn't buy into whatever the meeting is about. People in my team have identified others that we have problems with, and have then taken time to build a relationship with that person. It's often about ensuring people know that they're being listened to."

As a result of this culture of trust, the contractor enjoys long-standing relationships with clients and is frequently awarded repeat work: "We get a lot of repeat work, especially in the education and healthcare sectors. One reason is that we've proven we will manage those projects successfully. We often keep the same subcontractor, supply chain, consultants and specialists from project to project. It means we're not reinventing the wheel for every project, but keeping the best bits. It benefits our clients – and repeat work for us leads to repeat work for others down the supply chain."

Building Trusted Partnerships

There is a clear relationship between external trust and successful collaboration. Businesses that are transparent with project information, making it accessible when partners need it, will create strong lines of communication and more easily identify challenges in the process.

Technology can also play an important role for collaborators in providing a single, trusted source of information. Cloud-based digital platforms, accessible from the site and updated in real-time, allow collaborators to trust the reliability of information – and each other. This creates a strong basis for partners to overcome errors, delivering on time and on budget, while fostering a long-term relationship.

Construction firms can gain significant benefits from building trust within the organization and with partners outside it. The next chapter will explore the practical steps that every organization can take to increase levels of trust and improve their performance.

"We talk to each other and don't hide behind screens. If there is an issue, we deal with it head on and work together. There isn't a blame culture. There is a culture of getting it done and making it happen."

Senior Project Manager, United Kingdom

TRUST IN
CANADA

In Canada, construction employs more than 1 million workers, and the total value of active construction projects in 2019 was estimated at CAD 1.4 trillion.[19] Though construction's impact on the economy in Canada tends to rise and fall with other economic factors, it remains a firm source of employment and commerce.
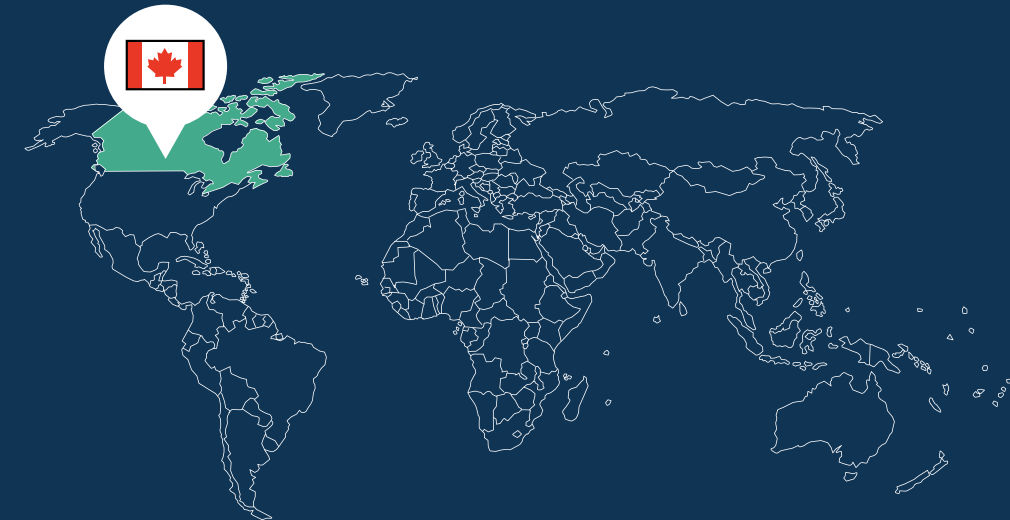
When looking at organizational trust, Canadians are more collaborative and trusting than other nations. Furthermore, many Canadians feel that organizational trust is best facilitated by those at the leadership level.

A superintendent from a Canadian general contractor shared his thoughts about organizational trust: "I think organizational trust is when you can trust that people leading the company are taking it in the right direction."
The superintendent's company is an employee-owned company where leadership creates opportunities for their employees to grow and learn. The result is an increase in both trust and employee engagement across the organization that helps propel successful projects.

When leadership creates an opportunity for employees to feel valued and to improve their craft, they foster an environment of mutual trust. More Canadians report "very high" levels of trust and collaboration than their counterparts in other nations.

Organizations with very high levels of trust

SURVEY AVERAGE	36%
CANADA	39%

Organizations with very high levels of collaboration

SURVEY AVERAGE	24%
CANADA	27%

VIEW FROM THE SITE

Creating Trust From the Top

Fostering a culture of trust starts with company leadership. When a company values each employee and creates opportunities for their growth and success, the employee is more invested in the company and its goals.

A project manager from the same Canadian general contractor shared his thoughts on trust and openness in the work environment. "Trust encourages transparency. People are more comfortable speaking out, sharing ideas and voicing their opinions. They are not afraid to say something that opposes the management's viewpoint. It is very powerful."

This open communication allows leadership to fully understand their workers' experiences. This makes the project far more successful and it helps to build relationships within the company and team.

When asked how likely individuals are to express their opinions or offer suggestions to supervisors, more than 8 out of 10 Canadians answered "extremely" or "very likely".

Organizations where individuals are very or extremely likely to express their opinion or offer suggestions to their superiors

CANADA **81%**

Empowering Employees through Trust

The Canadian project manager indicated that to create trust from the top down, teams must encourage managers to empower their employees to drive change within the organization. He explained: "Each employee needs to feel supported and trusted to make the appropriate decisions Most importantly, they should also feel empowered to offer their opinion."

Organizational trust comes from decisions made by a team empowered by leadership to make them. Often things arise that are not foreseen on a job site. Employees shouldn't be afraid to make the best decision for the job, company, and client. Instead, they should be mentored to offer as much information on the project at hand as possible.

Transparency is Critical on the Jobsite

Transparency goes hand-in-hand with trust. It's impossible for employees to trust leadership if they don't have all the information available. If they're missing key facts, they can't offer educated opinions or make optimal judgments on the project. Each stakeholder needs to be aware of all pertinent information that can impact the process.

"The biggest trust builder would be transparency," the project manager explained. "If you do an Integrated Project Delivery (IPD) project where everything is open book and everybody's rates are open to each other, there are no surprises. Across the board, the team is aware of all information—including profit."

Having access to all the data in real time is key to empowering your stakeholders. When asked how easy it was to get project data from one primary source versus multiple sources, the majority of Canadians said that it was "extremely" or "very easy", highlighting the dedication to transparency.

Organizations where it was very or extremely easy to get all of the project data and information you need from one primary source

SURVEY AVERAGE **50%**

CANADA **56%**

Canada's Trust and Collaboration Driven by Leadership

Trust and collaboration are essential to a company culture that promotes satisfaction in employment and productivity. This type of environment starts with leadership and is fostered in every position within the construction company.

"When you have true trust, everyone's working collaboratively for the same end goal rather than just looking to safeguard their own piece of the pie," said the project manager.

Canadian construction professionals actively build and model trust for the organization from the highest level in leadership on down. They also emphasize transparency within their companies and on jobsites. This manifests in people speaking their minds and sharing the information they have in an empowered way.

THREE STEPS TO INCREASE TRUST AS A CONSTRUCTION BUSINESS

Creating a high-trust environment delivers significant benefits in construction. Employees are more engaged, loyal, and productive. Meanwhile, when it comes to external partners, greater trust leads to more effective collaboration and significantly increases the likelihood of successful project outcomes.

High trust doesn't happen by accident. As the research shows, the highest-trust firms practice key behaviors both internally and externally. Every organization can take steps to improve their level of trust.

1. Measure Organizational Trust

The first step is to determine the current level of trust within your organization. This doesn't have to be a complicated process: a short survey of two to three questions may be enough. Routinely measure and monitor the level of organizational trust as consistently as you would measure and monitor the success of your business development, financial forecasts, and clients' satisfaction because the same elements are important to business success.

Questions to ask include:

- How do you rate the current level of trust in the organization?
- Do your co-workers always have the best intentions in mind when working together?
- How often are your expectations met by co-workers?
- Do your co-workers respond quickly to questions (e.g., return email, phone calls)?
- How easy is it for someone new to the organization to earn someone else's trust?

The research indicates that a very high level of trust delivers significant benefits and so should be every business's target. However, only around a third of organizations currently operate within this category. A trusted environment must include all teams, managers, leaders, and support staff. Trust measurement should be organization-wide.

Surveying all employees about the level of trust they perceive within the organization will uncover where trust may be lacking, areas where trust is high, and lessons that can be leveraged. This is a key starting point for long-term improvements.

2. Minimize Uncertainty

Trust is all about consistency, so the next step is to continually eliminate or minimize anything that causes uncertainty within the organization. In most cases, this simply means better communication. Bad news is usually easier to handle than no news. When people are uncertain of something, they naturally begin to assume the worst. This leads to fear, which in turn can prevent or hinder needed action and good decision making. This fear can also damage trust amongst peers and their managers.

Eliminating or minimizing organizational uncertainty also means being clear about expectations. To achieve this:

Be transparent.
As much as possible, share with employees what the organization is doing and how it is performing. Most employees want their organizations to succeed and want to be a part of it.

Ensure roles and responsibilities, as well as the consequent expectations of employees, are well defined and known.
Employees who don't understand their role and responsibilities are unlikely to be effective and may not do the work they should focus on. Teams may focus on low-priority tasks, leading to redundancies at best and errors at worst. Remember that clearer communications improve trust and overall productivity.
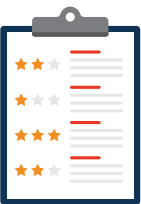
Provide ongoing and candid performance feedback.
Employees must know if they are executing their roles and responsibilities effectively. Good feedback follows the pattern of "What I appreciate about your work is…" followed by "I feel like you could be even more effective if…" This makes it clear which are the correct actions and behaviors, while reinforcing expectations. FMI's research has demonstrated that feedback provided this way is well received and actioned. In addition, this approach is specific and developmental, supporting the employee development that in turn drives loyalty.

Communicate clearly, directly, and simply.
Make requests easy to understand and explicit. Subject lines in an email, for example, should be simple and limited to a single issue. Complex issues or requests should be discussed in person when possible.

Encourage input from others and create opportunities for the sharing of suggestions.
Trust is increased when employees feel free to share ideas which they know will be considered seriously. Share examples of employee ideas that have made significant contributions to the organization.

Be consistent in your processes (e.g., meetings, project planning, postmortems, reports).
Routine further eliminates uncertainty. When employees know what to expect from others and of themselves, the foundations for trust are built.

3. Simplify How Teams Collaborate

Finally, whatever the levels of organizational trust, most businesses can achieve significant benefits from simplifying project team collaboration.
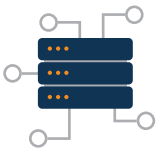
Make communication easy and transparent.
This especially true for document sharing and editing. Have a single source for all project data and information that can be easily accessed by all team members.

Be solutions-focused, not blame focused.
This framework will increase the likelihood that team members will bring attention to problems before they escalate.

Develop informal personal contracts between team members.
These are not signed and written legal contracts, but rather agreements about how things will be done. For example, what is the communication plan for team members? How should decisions be made? Who has the authority to make what decisions, and when? Establishing answers to these questions will help facilitate trusting relationships.

Creating even better relationships with collaborators will drive enthusiasm for further work together. Remember that trust is an attribute formed over the long term. Continual attention and care will enable your organization to maintain high levels of trust – and mutual success with your partners.

TRUST IN
AUSTRALIA

The construction industry is a large part of the economy in Australia. It represents 8% of the GDP[20] and is one of the country's fastest-growing industries. Some of this is due to the steady increase in population in Australia, and there's little doubt that this industry will continue to drive a large portion of the nation's economy.

In Australian construction teams, trust is important to getting the job done. Trust energizes people in the field. Individuals can be relied upon to complete their assigned work and are confident that the company will follow through with their commitments.

"When you can rely on your colleagues to carry out their jobs, you don't have to micromanage people," explained an Australian estimator working at a design-build general contractor.

This type of trust allows each professional to concentrate on their own responsibilities while having the support of the company around them. If you're confident that coworkers are completing their tasks on time, you can work with less stress and more confidence in your own ability to control your piece of the project.

"Organizational trust is when organizations follow up on their commitments and make sure that they stand by what they do, or what they say they're going to do," explained a managing director at an Australian specialty contractor.

Trust is key at all levels of the construction industry. The company itself must take responsibility for its schedule and deliverables, regardless of extenuating circumstances. By the same token, each worker must be responsible, so that the whole team wins together and takes responsibility together.

Organizations with very high levels of trust

SURVEY AVERAGE	36%
AUSTRALIA	38%

There is also an emphasis on individual freedom in Australian construction. Avoiding micromanagement is a key part to letting employees know that management trusts them to do their jobs. Empowering employees with proper training and the right amount of freedom means that the work gets done with confidence. However, individual freedom should not be more important than collaboration. They should work together because the team aspect of a project is what drives success. Australian respondents indicated a lower than average score for collaboration, which may indicate that individual freedom is being emphasized to the detriment of collaboration.

Organizations with very high levels of collaboration

SURVEY AVERAGE	24%
AUSTRALIA	20%

Impact of Trust on Retention and Productivity

A service manager at an Australian specialty contractor explained the impact that trust has on productivity as well as retention within his organization.

Micromanagement should be avoided. With a high level of trust in place, there is no reason to over-manage employees or subcontractors.

"We get increased productivity if the trust is in place," he explained.

When there's trust, employees can complete the job they specialize in or the task they've been assigned. They don't need close oversight once they've already been trained and vetted. This type of environment allows the workers to carry out their tasks confident that their company backs them.

Managers can set their workers up for success by clearly defining expectations and making requests explicit. When compared to other nations, respondents in Australia were more likely to do both of these things, ultimately empowering individuals to succeed on their own terms.

Australian respondents overwhelmingly agreed that roles and responsibilities were clearly defined in the organization.

Respondents who strongly agreed that individual roles and responsibilities are well defined in their organization

SURVEY AVERAGE **32%**

AUSTRALIA **42%**

Respondents that strongly agreed that most people in your organization are explicit about their requests (e.g., Why the request is being made, what the objectives of the request are, etc.)

SURVEY AVERAGE **22%**

AUSTRALIA **26%**

This individual empowerment has a ripple effect. When employees are set up for success and not micromanaged, they are more likely to be engaged and productive.

The service manager explained: "With more trust from management, then there's more trust in the employee and they get to take on more responsibilities and more roles."

When employees understand their responsibilities, they experience more job satisfaction. They are motivated to work, having a vested interest in the company's success, not only their own. They get the satisfaction of accomplishment and a feeling of contribution from their part in the whole.

"If you can build trust amongst employees and workers, you get a lot more output from them and that keeps them more interested in wanting to grow the business, rather than just come to work, do their job, and go home."

The service manager said candid feedback was critical to maintaining trust and employee engagement. He takes steps to ensure that there is transparency around how his employees are performing and gives them

the opportunity to voice their opinions. To facilitate this transparency, they meet at least once a month to discuss progress and review current information.

"This meeting brings every employee in the business together. We discuss any issues that we're having or any feedback that I can give them individually or as a group." Additionally, the leadership meets with workers individually when feedback might not be appropriate in a group setting, giving employees confidence that their manager has their best interests in mind. The service manager promotes an open-door policy, meaning employees are encouraged to reach out when necessary. This open-door policy exemplifies the survey data indicating that organizations in Australia provide performance feedback.

Respondents that strongly agree their organization provides candid performance feedback

SURVEY AVERAGE **28%**

AUSTRALIA **29%**

Leveraging Strong Relationships to Increase Productivity

Relationships are at the heart of successful construction companies. Professionals who take the time to set their employees up for success provide a safe environment for the exchange of feedback. This helps to build trust and boost employee engagement, which underlies job satisfaction.

"You avoid a high turnover of contractors or employees. You develop a healthy environment where they want to work or projects that they want to work on. When the trust is there, you don't find yourself sorting through different contractors, different players. You build a strong base," said the service manager.

Employee retention is indicative of a productive company culture where less time has to be spent in training. Employees who are engaged and feel valued are more committed to the company and team. The company flourishes and individual employees keep improving their craft.

FURTHER READING

## Interesting in learning more about trust and the construction industry?

Learn more about why even the best teams have challenges with trust and what you can do to overcome those hurdles and build a cohesive, effective team in **Patrick Lencioni's Five Dysfunctions of a Team**.

Hear from one of the world's leading authorities on trust explain how trust is the single more critical component of a successful leader and organization in **Stephen Covey's Speed of Trust**.

Learn more about the importance of information-sharing on the jobsite in Construction Disconnected.

Explore the importance of technology in tackling construction's productivity problem in The Digital Groundwork.
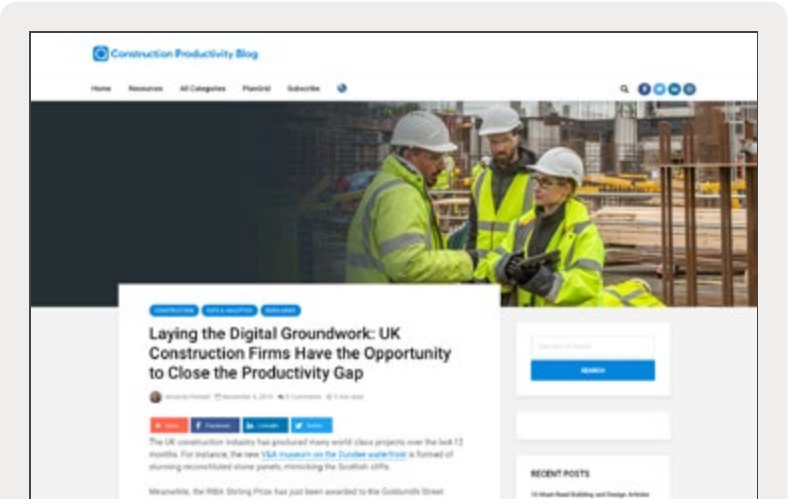
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