

# Building resilience in 2020

The construction industry has been left reeling from the body blow delivered by COVID-19. But this will pass, and being resilient will help navigate the crisis and prepare for recovery and future opportunities.

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**COVID-19** has impacted every corner of society and will do so for many months to come. With most construction work initially suspended, construction companies have struggled to manage cash flow, retain staff and remain viable.

There is some light at the end of the tunnel for the sector with the government's pledge to fund significant built infrastructure projects. The challenge is bridging this immediate crisis and positioning to excel and take advantage of the economic stimulus activities.

### ***Being ready for anything***

The construction sector is no stranger to disruption. In recent years, market volatility, material quality issues and large company failures have plagued the sector. Earthquakes, climate change, disruptive technology and, dare we say, pandemics are now also high on people's risk radars.





Figure 1: Indicators of resilience. (Source: Resilient Organisations.)

Disruption has become business as usual, and it is more important than ever that we think about what it takes for the construction sector to be ready for anything.

Resilient organisations are those that can both weather the storms of change and find an opportunity to emerge in a stronger position. They plan for the unexpected and build the capacity to adapt to new situations.

Beyond having good financial management that can help to buffer disruptions, this means planning and practising the skills necessary to respond positively to disruptions. It also means developing leadership capability, a supportive, innovative, inclusive and learning culture and quality relationships with customers, suppliers and competitors.

So what can organisations do now? How can they navigate the immediate crisis and also position themselves strongly for the future?

### **Show leadership**

Whether you are a senior manager in a large multi-national construction company or run a small or medium enterprise, there are some key principles to follow through any disruption:

- Know your goals and articulate them clearly.
- Be consistent and stay true to your values.
- Involve others in planning and decision making. Seek out multiple and diverse perspectives - from labourer to key supplier to bank - actively listen and critically evaluate any decisions you are making. For example, get a trusted

colleague to play devil's advocate for any decision you intend to make.

- Lead with your heart as well as your head and show empathy and compassion for people. Realise everyone will deal with this situation in a different way.
- Take time to pause and reflect and change course if you need to.

### **Involve staff now**

Involving staff now will lead to better outcomes in the short and long term. Be open and honest with staff even if hard decisions have to be made. Involve them in the deliberation process and seek out creative solutions to the challenges you are facing. Use a two-way forum wherever possible (including video-conferencing) so staff know that they are heard. ➤

The construction sector is familiar with the challenge of attracting and retaining skilled staff. This is one way of gaining a strategic advantage once the work starts flowing again. Staff engagement now will build trust and loyalty long term.

### **Look out for staff wellbeing**

People are at the heart of resilient organisations, particularly in a labour-intensive industry such as construction.

During a crisis response and recovery, it is critical for leaders to look out for their staff, key business partners, their family and themselves. This is especially important given the growing awareness of mental health issues within the sector. The sector must pull together to look out for each other.

Where possible, invest in online staff or team training and development. Even just organising a virtual social event can help staff feel valued and build teams ready to make the most of opportunities going forward.

### **Plan ahead but adapt to changes**

While it may feel like planning ahead is impossible given the uncertainty we are facing, it is really important. Look ahead for 1, 3, 6, 12, 18 months and start asking ‘what if’ questions. What possible and diverse scenarios exist for demand and revenue? Critical supplies or costs? Retention and availability of staff?

After considering the possible futures, buy yourself time and don’t lock yourself into a course of action unless you know it is right. Seek out a variety of options and look at what other people are doing in your sector and outside.

Think several moves ahead but be ready for things to change. Make peace with the fact that you will have to adapt.

### **Do the right thing**

Some actions may help in the short term but have poor outcomes in the longer term. This is particularly important when it involves your organisation’s reputation, either internally among staff or externally with customers and suppliers.

If you are perceived as acting selfishly or against the interests of those you depend on, it will negatively impact on goodwill and willingness to support your organisation’s recovery.

### **Keep communicating**

As we immerse ourselves in responding to the crisis, it is easy to forget how important it is to share and listen to those that we depend on or who depend on us.

Provide regular business updates, sharing what you know, what you are doing and planning and what you want them to do. If nothing has changed since your last update, say so - even that is keeping people informed.

Ask for updates from others.

Be open, honest and listen for feedback. Don’t be afraid to ask for help if you need it - even if it is simply asking for patience and understanding as you work through what needs to be done.

Good communication will grow relationships and set you up for recovery.

### **Work together**

It may sound clichéd but we are stronger together. This means making the most of the

people and knowledge within your organisation as well as those outside it.

The construction sector is a notoriously competitive and fragmented sector. While competitive behaviour drives down prices, it also drives risky behaviour. This in turn leads to quality issues and organisations working on very thin margins, which exacerbates vulnerability to disruptions and impacts business performance.

When times get tough, it is natural to want to retreat, but it’s now that we need to reach out to our business partners, subcontractors, suppliers and competitors. It’s now we need to openly share stories, resources and strategise so everyone can pull through this crisis.

### **Learn from the experience**

This won’t be the last crisis situation facing the sector. Make sure you take time to learn and reflect on how you coped and what you can do to improve, and be sure to celebrate the successes too.

What organisations do now and how they navigate the next few months will help to build a more reliable, resilient and sustainable industry that is better able to proactively manage all kinds of disruptions and perform better day to day.

All this helps towards the Construction Sector Accord’s vision for the sector of providing ‘safe, healthy and durable homes, buildings and infrastructure that support the wellbeing of our communities’. ◀

**For more** See *Striving through: Managing your business in a crisis* and resilience quick start guides. These are available to download from [www.resorgs.org.nz/resources](http://www.resorgs.org.nz/resources).