The failure of the construction industry to accomplish significant gains in productivity is a plague that continues to haunt the nation’s economy. Unfortunately, the construction industry continues to resist implementation of some obvious solutions.

The problem can be best be appreciated by examining the impact of low productivity upon each of the major elements of the industry. When gains in productivity fail to keep pace with wage and price escalations, the results are crippling and widespread.

—The construction worker finds himself unemployed, because inadequate construction productivity results in fewer construction projects.
—The contractor’s profits disappear. Return on investment becomes marginal and the individual construction company becomes a poor place for investment capital. Why? Because low gains in productivity shrinks the market and expands labor costs—a double squeeze that erases the contractor’s profits.
—The owner cuts back on his plans for physical expansion because year after year of faltering productivity improvements gives him less and less physical product for his capital investment dollar.
—The nation’s economy also suffers in terms of foreign trade balance because the slacked pace of new and replacement facilities steadily erodes the nation’s capability to produce goods at competitive prices.

The problem is serious and worthy of a concerted effort to produce solutions. Unfortunately, applying the standard techniques of systematic problem solving to the productivity ailments of the construction industry is rather like untangling a Bulgarian gang tight.

The current dilemma is described by Kettering’s comment, “A problem well stated is a problem half solved.”

That’s where we’re at—with part of the solution. The dilemma is aggravated by the industry’s reluctance to adopt some of the obvious cures.

For the long term, the nation desperately needs a systematic analysis of construction productivity and a determined thrust (by public and private sectors) towards implementation of the solutions that flow from that analysis.

Meanwhile, both owners and contractors can begin doing something worthwhile about this problem. Remember, the following recommendations are not long-term cures. They are bandages and splints that ease the symptoms.

Two recommendations for owners and owning agencies.

First, examine your standard construction contract. Is it a one-sided document? Does it concentrate on the owner’s rights and ignore the contractor’s rights? If so, you should re-write it. Make it a fair and equitable instrument for both parties.

Second, do you, as an owner, insist upon an instant start? Do you force the contractor to begin pushing dirt while the ink is still wet on the contract? You should begin giving the contractor some elbow room. Allow him to plan and organize his work before the actual start of construction.

I also offer two recommendations to contractors, but first I must set the stage. Imagine yourself on a street corner, watching a man on a bicycle. He falls into an open manhole. You ask, “Now why on earth

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You might understand and appreciate the bicycle rider’s absent-minded accident if you knew he had discovered that morning, over the breakfast table, that his wife was having an affair with his best friend and, further, he expected to be fired that day when he arrived at the office.

The bicycle rider disappeared down that open manhole because he was distracted; he was not concentrating on his most important task.

The construction contractor suffers the same problem. He is distracted by an entire host of “time demanders” such as OSHA, unions, disputes over contract clauses, bureaucratic red tape, and paper work. The list is endless.

Peter Druker, in his excellent book, “The Effective Executive,” preaches that effectiveness is the by-product of concentration on the most important tasks. Owners, contractors, and designers do not enjoy the “luxury” of concentrating on the most important tasks. Their time and energy is consumed by the above-noted “time demanders.”

Several examples illustrate the impact on productivity when people fail to concentrate upon the critically-important issue of productivity.

California. With the first roll of film through his brand-new timelapse camera, the contractor finds a way to save $96,000. Two weeks later the camera is gathering dust in his closet. Why? The contractor “didn’t have the time” to continue using the timelapse system.

Arizona. The designer refused to consider the contractor’s $50,000 value engineering proposal. Why? Because the designer was “proud” of his original scheme and, further, he “didn’t have the time” to accomplish the suggested redesign.

Virginia. The curtain wall contractor encounters a massive differing site condition. The owner refuses to make the changes that would mitigate the problem. As a result, the contractor is forced to expend an additional $30,000. Why? Because the owner “didn’t have the time” to accomplish the needed re-engineering.

Note the common thread running through the above examples. In each case, the productivity problem is left unsolved because somebody “doesn’t have the time.” Also note the change in identity of the guilty culprit. Everybody gets in the act. Are you part of the problem or part of the solution?

Now to the two recommendations for contractors

First, recognize the impact of the “time demanders” on your operations. Restructure your management systems so that the most important tasks are receiving adequate attention.

Second, begin to insist, within

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