Productivity in construction; to what extent can a focus on Construction SMEs transform industry productivity?

Productivity is important. It is the main cause of economic growth, wage growth and increased living standards. The Construction industry is the least productive industry in the UK economy and therefore has an unrivalled opportunity to contribute to realising the benefits of greater productivity. The Construction sector has a small number of highly-productive firms, but the productivity of the majority of firms is low. These firms are mainly Small and Medium sized Enterprises (SMEs) and constitute the majority of businesses in the industry. Improving the productivity of these firms has the greatest potential to increase the productivity of the sector.

Through a combination of a survey and semi-structured interviews with Construction SMEs, the author investigated to what extent they recognised the issue of productivity, had knowledge of productivity reports and used productivity enhancing measures. The research found that the issue of productivity is not universally acknowledged, there is little knowledge of published productivity reports and the use of productivity enhancing measures is mixed. The investigation found a clear gap in approach to productivity between government and construction industry leaders on the one hand and construction SMEs on the other. This gap needs to be bridged if the industry is to transform productivity. The research concludes that much more needs to be done to communicate the concept of productivity to Construction SMEs, encourage networking, promote the use of digital solutions and raise the profile of management training. Without these measures, transformational construction productivity improvements are unlikely to occur, which will be to the detriment of the industry, the UK economy and the standard of living of its citizens.

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