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## How do you solve a problem like behaviour?

How do you halve the time to build a smart highway while reducing costs by 4% year-on-year? That is exactly what Highways England (HE) was aiming to do with its Collaborative Delivery Framework (CDF) by assessing key behaviours when procuring contractors. Kate Pilgrim of MDV Consulting spoke to Tony Turton, Product Development & Production Director at HE, who explained why and how they leveraged behavioural assessment to improve the delivery of £5 billion of motorway construction.

Having used behavioural assessment to a limited degree since 2007 on the 'Managed Motorways Framework' (MMF), Tony had seen the benefits it brought to contractor collaboration and programme efficiencies. Over a 30 year career involving contracting, it was apparent that successful contracts were ones where the relationships between the client and contractors were strong. *"At the beginning they (the contractors) sat at four different parts of the table but over the four year period people would ask, 'What are you buying your pipes at?' and 'Where are you getting your labour from?'. They could see that by driving greater collaboration they could lower the costs overall."* Learnings from others such as Anglian Water, Thames Water and Network Rail highlighted a growing trend, with behavioural assessment in procurement being allocated as much as 40% of tender marks.

Although the procurement behavioural element represented only 10% of the marks for MMF, results showed that using the right behaviours to encourage delivery partners and consultants to work together drove better results. The benefits of people collaborating more effectively saw better planning, risk management and a greater appreciation of the way things needed to be delivered, enabling the framework to easily surpass the £445 million efficiency target.

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*"The assessment effectively got them to the table but over four years I saw collaboration I had never seen before."*

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### The need for change

HE faced an ambitious ramping up of capital works delivery from an estimated £450 million to £3 billion over

a two year period, set against industry constraints around people capacity and capability. To deliver this growth they needed to work differently with their delivery partners, in a more sophisticated and integrated manner. To illustrate, Tony explained that by moving to a programme of works, the cumulative demand for certain materials is likely to highlight scarcities, potentially requiring contractors to delay projects for the good of the entire programme. Tony says, *"That is when behaviours really start making a difference. It is all well and good when a contractor is working but it will be different when contractors are not going to work for the benefit of the entire scheme of works."*

With a new Chief Executive, HE is focused on three clear imperatives; becoming world class in 'Health & Safety', 'Customer Service' and 'Delivery'. In delivering on these, HE's delivery partners need to demonstrate the behaviours required to mitigate against risks leading to a reduction of accidents, delivering projects which achieve good customer and stakeholder relationships, whilst also producing high quality work to better time and efficiency targets.

CDF, incorporating £5 billion of capital spend over four years, had clear objectives; to halve the time it takes to build a smart motorway and then halve it again, reduce unit costs by 4% year-on-year, obtain continual improvement on safety and build more sustainable ways of working. Change was needed to instigate more effective ways of working between the client, delivery partners and the supply chain.

Tony encouraged HE to go further with the CDF contractor procurement allocating 35% of 'quality' marks in the tender to key behaviours alongside aspects of 'price'. The aim was to secure delivery partners with whom they could build long-term relationships, contributing towards upskilling the industry and delivering greater productivity and efficiency.

### Making the case

With prior support from the Procurement Director, the proposed plan drew on evidence of benefits gained from previous experience at both the HE and other sectors. This was further facilitated by good stakeholder management which was used to discuss and allay

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concerns of leaders outside of the boardroom. Sign-off was helped by HE wanting to be at the forefront of behavioural change across the construction industry.

With the Board supportive of better collaboration, it was however imperative to follow the contracting principles of having the most economic and advantageous tender process. The onus was therefore on ensuring the behavioural assessment met the two critical rules of openness and transparency.

### Methodology

At a high level the behavioural framework was built around a core set of 12 behaviours and an in-depth understanding of how to measure these.

A multi-level approach was used for the assessment. Firstly, they asked tenderers to submit 'behavioural' biographies and case studies. They carried out leadership interviews, questioning three senior leaders from each of 36 tendering contractors. Finally, they chose five people from each contractor to attend a two-day assessment centre.

Whilst using a variety of written and practical assessments, the testing of the same core 12 behaviours was a constant throughout every activity, ensuring strong consistency was maintained with the measurement. As a result, assessors became adept at observing the evidence. This multi-level approach and consistency enabled HE to see the differences between tenderers who saw assessment as a hoop to jump through to win work and those with the right behaviours engrained throughout the organisation.

Finding sufficient assessors within HE was a key challenge. Board approval for 45 members of staff to act as assessors was obtained early on but, nearer the project implementation date, releasing staff during busy schedules became a problem. However, Tony believes that the positive assessor feedback means volunteers will be more easily obtained in future. *"We got such an insightful element of what behavioural assessment really means and what the advantages are."*

### Fairness and transparency

To meet the requirements for a fair and transparent process, HE put in several "checks" and "challenges". Briefing and training of their assessors was carried out before the assessments. External assessors observed the assessment centres to verify the judgments made by the

HE assessors - *"Did you really see that behaviour?", "Where was the evidence that you actually saw of that?"* Expert assessors also sat in the leadership interviews to provide "checks and challenges" and ensure consistency.

### Supply chain reaction

There was initial scepticism and uncertainty from the supply chain. If HE were going to go forward with it, what did that mean? How would it be measured? Would the measurement be fair and transparent? However, there was a general understanding that HE were putting together something called the Collaborative Delivery Framework and the clue was in the name. However, the assessment had to be in-depth enough to differentiate between organisations and to mitigate against those that had been trained in how to approach behavioural assessment. One question used to demonstrate what the assessment was trying to achieve was what suppliers were doing to bridge gaps in the capacity of resource in the sector. The organisations who out-performed in their answers were those who saw this as an industry-wide problem and who were taking a more strategic and collaborative approach to the issue.

From post-assessment feedback discussions with participants, Tony appreciates a positive change in the way the supply chain approaches behaviours. *"Most organisations have come away from the CDF assessment and gone back and said "We're going to transform, we are going to change the way that we do it" and most people are now bringing in behaviours as part of their day-to-day activities, not just for an assessment centre."*

### Doing things differently

Recognising the uncertainty of the supply chain, Tony thinks that better pre-engagement with participants to answer their concerns and brief them on the process will help in future tendering.

More use of the assessment data post-contract is another area where Tony believes greater benefit could be achieved for both the client and the contractor.

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*"If we look back you're building up quite a richness of data that you probably do not use to the maximum benefit."*

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*"We have observed some really good and some really bad but if you were trying to give feedback to every single person who has gone through, you would be there for weeks".*

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It is acknowledged that assessment of Tier 1 contractors alone does not go far enough. If behavioural change is to impact aspects such as safety, amongst the people actually delivering the vast proportion of work, then assessment needs to be moved down the supply chain to measure suppliers below Tier 1.

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*"Ultimately the project is actually built by the guy with the shovel and it's his/her behaviours that you are trying to influence as much as the organisation at a Tier 1 level."*

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### Emerging outcomes

Although still very early days, the experiences of the MMF show efficiency and cost benefits will arise for CDF. That HE used behavioural assessment to such an extent sent a strong signal to the industry that they wanted to set the foundation for identifying the right suppliers who demonstrate the right behaviours. *"Everybody was saying 'they really do mean this collaboration bit, they really do mean behaviours'. 'The fact was that we did it and we did it at such a depth, 35% of the marks, so intensive, over such a long time, set a real marker for the industry, it wasn't just about quality and price, behaviour underpinned everything we did.'"*

Whilst difficult to directly link efficiency outcomes to behaviours, Tony believes the open dialogue and relationships built from the right behaviours are integral to achieving tangible benefits in areas such as programme efficiencies, risk management, cost reduction and planning. Taking risk management as an example, if contractors and clients feel comfortable enough with each other to discuss and challenge, the allocation (and acceptance) of cost and management of risks will be substantially improved. *"If the dialogue is open, both sides say 'these are true risks and we think you are in a strong position to manage these'. It might be that actually they say 'I take some of your risks but you take some of these back.'"*

Better relationships coupled with the right incentives can be used to unlock efficiencies in productivity, says Tony. Sharing productivity metrics such as volume of concrete laid per day or length of time for the laying of pipes requires contractors to exhibit collaborative behaviours in order to share such commercially sensitive data. And yet contractors with the right approach understand the efficiency gains to be had by opening their books and sharing this information.

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*"I never thought I'd see the industry routinely share commercial aspects of a contract."*

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Tony also sees real mobilisation and capability benefits in doing programmes of work rather than projects with behaviour underpinning this. *"You'll start building long-term relationships because the team are 'gelled', so the mobilisation of the second one (project) is going to be much quicker than the first."*

### Evolving behavioural assessment

Tony cites behavioural assessment as a real enabler to reinforce and deliver on HE's health and safety, customer focus and delivery skills. Reducing accident frequency through behavioural change, understanding and dealing effectively with customers and stakeholders, and delivering efficient, innovative work can all be achieved with complementary delivery partners.

An appreciation of behavioural assessment as a continuum and not just at a point in time is driving and embedding the incorporation of behaviours within CDF's performance metrics in areas such as time, cost, client satisfaction and stakeholder engagement. The approach supports delivery partners working in the right ways. Tony explains *"It's going to be far easier (for the contractor) to write a bid for the next framework on the back of evidence of how they demonstrated the right behaviours."*

Having instigated real behavioural changes in the industry and specifically amongst the contractor leadership, Tony is not yet finished. His next challenge is to take behavioural assessment to other supplier levels, specifically those in Tiers Two, Three and Four. - *"I would like to test the collaboration at those levels."*

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