

Commercial in Confidence



# Investors in People First Assessment Report

K.H.Construction  
Cambridge

Assessor: Lesley E Ling  
On-site Date/s: 3<sup>rd</sup> September 2008.  
Recognition Date:

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## **1. Introduction**

K.H.Construction is a small building company operating mainly in the Cambridge area. Set up by the two existing partners approximately 10 years ago they work in the residential market focusing on extensions to domestic properties and the occasional new build. Since the commencement of trading they have built an enviable record for quality of craftsmanship and service which has allowed them to grow from 2 employees with a turnover of £80,000 per year in their first year of trading to a turnover of £1.5 million in the last year and a permanent workforce of (excluding the partners) of 9. They also have a network of high quality sub contractors who provide additional services as and when required. This rapid growth has been achieved without the need for any marketing activity. All their work has come from referral by existing customers and uniquely in today's economic climate they retain a full order book for the next six months.

Both partners are passionate about the quality of work and service they provide to their customers and this has permeated to each and every member of the workforce. Everyone interviewed demonstrated a high level of pride in their work and a clear understanding of how they could contribute to an excellent product and service for the customer.

The partners are also passionate about the people they employ and one of the main critical success factors described in the business plan is creating a workforce who are enthusiastic and happy at work. The interviews and discussions with the staff showed that they have been successful in achieving this. The employees were well motivated, interested in the business and its future, equally passionate about quality, well informed about what was happening in the business and what was planned for the short term future, involved, empowered and well trained and developed.

The company whilst small currently has 2 apprentices one in plumbing the other in carpentry but all staff have been encouraged to gain vocational qualifications regardless of age. They also operate a structured programme of ongoing "Tool Box" talks to regularly update people on the use of new equipment and materials and to keep health and safety at the forefront of people's minds.

At present there are no plans to grow the business further as the current owners prefer to keep the business at a size which they can personally manage. However, they are open to new opportunities and consider each opportunity as it arises.

This is a young company with an enthusiastic workforce owned and lead by a partnership that are proud of their people, passionate about all aspects of quality and extremely hard working. They thoroughly deserve to be recognised as Investors in People.

The company were introduced to Investors in People by the CITB to whom they pay a levy for training activities. Their decision to move forward with Investors in People was based on a genuine desire to give something back to their people and to give the company credibility in what is becoming an increasingly competitive market.

## **2. Assessment and Client Objectives**

The objectives for this assessment which were discussed and agreed at the planning meeting were straight forward. The company wanted:

- To achieve accreditation as an Investor in People for the benefit of their employees and to give them credibility in the market.
- To give them an independent view of their people practices from which they would hopefully gain confirmation they were taking the right approach.

## **3. Assessment Plan**

The on site assessment took place on 3<sup>rd</sup> September 2008. During the on site visit evidence was gathered from the business plan, learning and development plans and business swot and Pestle analysis and Management Charter. Interviews were conducted with 8 of the 11 people. Originally the plan was to interview all 11 people but one was off sick, another on holiday and one of the apprentices was at college for the day.

## **4. Executive Summary**

The key findings of the assessment indicated that K.H.Construction meets all the evidence requirements of the current version of the International Investors in People Standard. The below summary represents the assessment findings within the context of identified strengths and suggestions for further development:

### **4.1. Key Strengths**

- Clear vision and mission supported by a simple yet effective business plan.
- A learning and development plan linked to both business needs and personal aspirations of the employees.
- An excellent people culture in which people feel empowered, involved, consulted, cared for, recognised, developed and treated fairly and equally.
- A set of defined management capabilities is in place which sums up the culture of the organisation and they way managers should act and behave and what people can expect from them.
- Very positive and strong employee management relationships which are based on open and honest communication and feedback and mutual trust.
- An informal but successful employee recognition strategy is in place.
- The partners meet every employee almost daily to discuss work and any problems, issues or concerns which may arise. They also hold regular staff meetings to discuss plans for the future and they take an interest in the personal lives and well being of the employees.
- Learning begins with induction which is managed by the partners and this is supported by an on ongoing programme of learning for all employees to which they can contribute ideas and aspirations as part of the annual appraisal process.
- The company are committed to continuous improvement in all areas and can quantify the benefits gained and improvements made through their investment in people.

### **4.2. Business Improvement Suggestions**

The assessor accepts that the business does not want at the present time to grow nor do they want to become too formal in their approach but they may like to consider the following suggestions.

- Try introducing a few top level Key Performance Indicators against your critical success factors.
- Consider taking a slightly more structured approach to performance appraisals. For example a simple form with a set of common areas to be discussed with each employee. These could include time keeping, willingness to learn new things, working relationships and team working but would not impact on the informal, employee centred approach you now take.
- The company may benefit from the governments Train to Gain initiative particularly in helping employees gain additional qualifications.
- The partners may also benefit from joining a business organisation such as the Chamber Of Commerce as this will open up new opportunities for learning particularly for the partners.

## **5. General Findings Relating to the Principles of the Investors in People Standard**

### ***Principle One – Developing Strategies to Improve the Performance of the Organisation***

#### COMMENTS IN RELATION TO

- The strategies for improving performance
- Strategies for learning and development
- Strategies for managing people
- Strategies for leadership and management

The partners have developed a simple business plan which contains a statement of purpose, vision, set of values, critical success factors and objectives. Throughout the plan quality of product and service is embedded as is the commitment to the workforce to provide satisfying and enjoyable working lives. At present there are no KPIs in place and this has been suggested as a future development. However, processes are in place to ensure sustainable and acceptable profit margins, service quality and business management.

Whilst only the partners are involved in the development of the business plan, staff are able to contribute to the development of objectives relevant to each project undertaken. For example they can input ideas and suggestions to the way projects are managed, the materials which are used, the way it is completed and the timescales for completion.

The assessor found that people throughout the organisation were very focused on the need to deliver a quality a product on time for the customer and how they were expected to contribute to this. For example.

“It’s important to always listen to the customer.”

“Doing a good job first time means the customer is happy and it saves time later as snagging will be shorter.”

“We are often working in people’s homes where they are still living when we are working so keeping the place tidy and safe is important for us and the customer.”

“If we tell a customer we will be there at a certain time we must ensure we are.”

The company have developed a simple but effective learning plan for the employees. It details the need for effective induction and ongoing learning in the use of new materials and equipment, cross training to allow trades people to take on a variety of tasks associated with other trades, health and safety, customer awareness and investment in future skills through the development of apprentices. Resources are provided in the form of money and time and impact measures are identified for example in the provision of cross training by evaluating the time and cost of jobs attained through not having to move specialists around from job to job so frequently, in the number of incidents and accidents which occur and the company’s ability to comply with safety legislation and through feedback from customers on the level to which they were satisfied with the product and service delivered.

People said they were able to ask for training at any time but that this is also always

discussed during their annual appraisal. For example people have asked and received support for further qualifications, specialist health and safety training and training in the use of new materials. They also understood clearly what any investment in their learning aimed to achieve. For example. "To let me do small things which otherwise the carpenter or plumber would have to do. This saves loads of time." "To improve the quality of my work. I have learnt so much about what real quality is since I joined this firm."

The partners have worked hard to build strong working relationships with every one of their employees. They talk to each of them on almost a daily basis and hold staff meetings to discuss issues, problems and future plans. They ask and invite people to put forward ideas on how projects should be managed and carried out and constantly review with them if they have the right resources and skills to complete the projects as planned. They hold annual performance reviews with every employee and try to accommodate both business and personal needs into peoples training plans. They also work closely with the college to ensure the on the job experiences offered to their apprentices matches the schedules of learning managed by the college. The assessor found that people believed the partners were genuinely committed to the development and training of everyone and that they felt able and encouraged to put forward ideas and suggestions which would improve quality of product and service and personal performance at any time. "This is only a small firm but there are lots of chances to learn new things." "Our knowledge and skills are respected and we are often asked what we think about the way a job could or should be done."

Recently the partners have set out in a Management Charter the capabilities they believe they need to lead, manage and develop people effectively. This charter sums up what they have always believed a manager should do and the culture of the organisation. Its key characteristics are two way respectful and honest communications with people. Ability to delegate and trust others. Helping employees learn new things from managers, colleagues and external activities. Involving and empowering the people. Giving constructive feedback. Creating and enjoyable working experience. Effective business management and attention to customer satisfaction. The key aspects of this charter have been shared with employees who now know what to expect from their managers. For example. "They need to keep us informed with what's happening." "They should help us learn new skills." "Respect our knowledge and skill and use it fully." "Give us feedback on how we are doing." "Appreciate what we do and how hard we work."

**Principle Two – Taking Action to Improve the Performance of the Organisation**

## COMMENTS IN RELATION TO

- The effectiveness of leadership and management
- Recognising and valuing contribution
- Encouraging ownership and responsibility
- The effectiveness of learning and development

The partners were able to describe processes they have in place through which the defined management capabilities are demonstrated. This included holding daily discussions with employees, annual appraisals, organising Tool Box talks, teaming people up to share knowledge and skill and making sure people understood what was expected of them by when and to what standard. They also review with people their work on almost a daily basis giving people constructive feedback on their performance and suggesting ways in which they could improve where appropriate. This is also done on a slightly more formal basis through the annual appraisals. Throughout the assessment people spoke very highly of the partners and their abilities in managing the people, the work loads, the business and the customers. "They do what they say they will and do it quickly." "They organise learning events like the Tool Box talks." "They hold staff meetings." "They organise staff events and outings." "They give us feedback almost daily." "We have annual reviews with the partners."

The partners show to people that they value and recognise their contribution by giving them almost daily feedback, praise and thanks and by organising for them outings and events such as Christmas parties, summer outings for them and their families to the seaside and trips to high profile football games. This was confirmed by all members of the workforce during the interviews. Without exception people felt they made a positive contribution to the business and confirmed that they felt valued and recognised. "This is the best firm I have ever worked for." "You are made to feel that you really matter here." "You are always told if you have done a good a job but they don't shy away from telling you if it's not good enough." "X and X organise lots of activities for us and our families. We went to the seaside, on a working day and still got paid. Have parties at Christmas and even play rounders in the summer together if the weather is good."

The partners promote the sense of ownership and responsibility by involving people in the planning process for projects, listening to their ideas and suggestions and where appropriate acting on them. They do this on almost a daily basis as they visit each project to check on progress and ensure people have the relevant resources and skills to fulfil the project plans and meet the customer's expectations. The people employed at K H Construction are craftsmen in their own right with very high levels of skills, knowledge and experience which are respected and fully utilised by the partners. The assessor found that people felt very involved in the decision making processes and confident about expressing their ideas to the partners. "They always ask what I think" "They trust me to get on with it and do the right thing."

Once the training and learning needs at all levels have been identified and planned the partners take responsibility for making sure the needs are met. For example they organise regular tool box talks on a variety of subjects for all the employees. Identify relevant courses such as digger driving or NVQs. Team people up so they can learn from each



other, this is particular pertinent to the cross skills programme and share their own knowledge and skill with people as and when required. People were able to describe a number of things they had learnt and how they had applied this to their job. For example. "I have learnt about how to use power tools safely. I can now use them confidently and properly and am much better at handling them." "There are lots of new materials available now which were not around when I did my apprenticeship but I have learnt about how these behave and how to cut and use them." "Since being here I have learnt more about quality than in any other job I have done. I now take pride in my work and my skills." "I am a carpenter by trade but by learning a little about the plumbing side I can do simple things like fit sinks which saves time and makes it better for the customer."

Induction is managed by the partners. It focuses heavily on health and safety, the standard of which exceeds legislative requirements and quality of product and service which forms the basis of the company's unique selling proposition. During the induction people are also introduced to the company culture, what the partners expect in terms of attitudes at behaviours at work and what they can expect in return. They are then teamed up with an experienced work mate who acts as their informal mentor during the initial weeks. The partners meet with all new employees daily to monitor progress, ensure any training needs are met and that the new employee is feeling comfortable and confident within the business.

**Principle Three – Evaluating the Impact on the Performance of the Organisation**

## COMMENTS IN RELATION TO

- The impact of learning and development on performance
- Continuous improvement of the approach to managing and developing people

The partners keep a close watch on the resources expended in developing people in both financial terms and lost opportunity costs. They were able to quantify organisational improvements attained through this investment such as customer satisfaction which they follow up after each job and on time payment by customers. The company have no and have never had a customer who has refused to pay for any work done. They have also gained all their work through referrals by previous customers allowing the company to grow from a turnover of £80K to £1.5 million in 10 years. This is because they provide a quality product and service which they are able to do because of their on going investment in the skills and craftsmanship of their people and their attitudes to customers. The company also have an excellent safety record with only a few minor incidents occurring through temporary lapses in concentration. People too were able to see improvements in their performance gained through investment in their learning. In particular people referred to the cross skills training which has added to their job satisfaction as well as customer satisfaction, safety standards and on going development. Some people also said their attitude to learning had changed. "I used to think that you did your apprenticeship and that was it but here I have realised that there is always something new to learn."

Over recent years the partners have developed many improvements to the way they lead, manage and develop people. For example introduction of the annual appraisal process, development of tool box talks, investment in apprentices and improved communication with employees to promote involvement and empowerment. For the employees, the biggest recent improvement has been in communication about the business and its future. This had made them feel relatively secure in the current difficult climate and helped them understand how they can make a positive contribution to the future success of the business. It has also opened up new horizons for some people who want to learn more, become even more skilled and advance as much as they possibly can within the industry.

## **6. Conclusion**

Having conducted the assessment in accordance with Investors in People UK and The Assessment Network's guidelines, I am pleased to recommend to the Recognition Panel that K.H.Construction be recognised as an Investor in People.

The assessor would like to extend her personal thanks to everyone at K. H. Construction for their contribution to this assessment. Talking with the people was a very enjoyable and pleasant experience. They are a great team.

## **7. Recognition Panel Feedback**

I enjoyed reading about K H Construction. As some one who has just selected a builder for my own house extension I found the report very informative. Quality is one of the key aspects that I used to select my builder and the same philosophy came over very strongly from K H Construction. I would support your comments on developing KPI's for the company. I would add that the organisation could benefit from ensuring the surrounding properties to those they are working on are also contacted and advised what the building process will involve and how it may impact upon them. I have found that has made a significant impact on my neighbours and how they feel about the builder. In these difficult economic times such an approach may help with future business.

What also came through was the development and realisation of the subject of 'life long learning' which is so important to keeping a workforce at the top of their profession ensuring that everyone has the skills to meet modern times. With the construction industry having a poor record in terms of Health and Safety, seeing a company focus on this area was pleasing. As a smaller organisation this is an area that they could sideline and thankfully K H Construction sees it as one of there important areas.

I would support your suggestion Lesley, that this organisation be recognised in terms of IIP. F R Jones.

It was just great to read your report on KH Construction ....what an enlightened management team

I was impressed with their reason for pursuing IIP " to give something back to their people "

As ever Lesley your suggestions and recommendations in your report on changes to practices are thoughtful and offer real value to the organisation

An easy decision to endorse your recommendation that they be recognised as an Investor in People

Lawrence Smith

## **8. Next Review**

Recognition as an Investor in People is subject to reviews against the Investors in People Standard every three years. Therefore K H Construction will be required to be reviewed

no later than 3<sup>rd</sup> September 2011 although it is entirely possible to be reviewed prior to this date.

For guidance in respect of future Investors in People review options please contact your local Investors in People Centre, The Assessment Network, on 01480 479 222.

### **9. Quality Assurance**

The Assessment Network Ltd is responsible for the Quality Assurance of this assessment and will invite a representative from K H Construction to take part in a Quality Assurance Questionnaire. This questionnaire was devised and developed by Investors in People UK, with the objective of receiving client feedback in order to provide for a consistent approach to the assessment and recognition process. Further details will be forwarded by The Assessment Network Ltd in due course.

Signed: ... *Lestey E Ling*

Date: 4<sup>th</sup> September 2008.