

# BUILDING FUTURE FIT ORGANISATIONS

---

Construction sector  
performance measurement  
Learning lessons and finding opportunities

PERFORMANCE BEYOND PROFIT  
Vignette of a purpose-driven  
construction company

---

*July 2020*

**Author**

Puck Algera, *Kin Strategy*



purpose | **strategy** | impact



Funded from the  
**Building Research Levy**

**Resilient**   
**ORGANISATIONS**  
[www.resorgs.org.nz](http://www.resorgs.org.nz)

# Contents

---

Project background	1
Performance beyond profit: Vignette of a purpose-driven construction company	2

# Project background

---

This case study is part of a BRANZ-funded project which aims to inform the development of a performance measurement framework for the New Zealand construction sector. In this research we analyse a number of international and cross-sectoral performance measurement systems. In each case study we seek to understand why performance is measured, how and what is measured, how the system is implemented, and how effective the system is at monitoring and driving performance improvement in the sector. We have synthesised lessons from across the case studies to develop guidance for the New Zealand construction sector on how to curate and implement an effective construction sector performance management system.

This is one of the case studies that contributes to this project.

The full report is available at <https://www.branz.co.nz/pubs/research-reports/er55/>.

## Acknowledgements

We would like to thank BRANZ for co-developing this project and funding it through the Building Research Levy. This project demonstrates the Building Levy being applied to better support not only the safety of our buildings but to enhance the wellbeing of the construction sector and the community the sector serves.

We are also grateful for the time and insight offered by industry practitioners, peak body representatives, government officials, and researchers that have contributed to this research. We hope that this project contributes toward a more sustainable and resilient future for the construction sector.

## Project contributors

Charlotte Brown, *Resilient Organisations*

Puck Algera, *Kin Strategy*

Richard Ball, *Resilient Organisations*

Rod Cameron, *Independent*

Sophie Horsfall, *Resilient Organisations*

Eirini Konstantinou, *University of Cambridge*

Kristen MacAskill, *University of Cambridge*

Joanne Stevenson, *Resilient Organisations*

# Performance beyond profit: Vignette of a purpose-driven construction company

---

Within the construction sector there are a number of companies that explicitly and actively focus on non-economic attributes in relation to both the organisation itself and its developments. This vignette looks at a New Zealand-based purpose-driven construction and development company focused on housing and community projects. This company exists because they care about people and the spaces they live and operate in each day, and their mission is to ensure that every family in New Zealand has access to warm, safe and affordable housing.

They are driven by this mission and its derived objectives, not just by profit. They seek to:

- **Eradicate homelessness.** They seek to provide affordable housing for New Zealanders. This means developing housing specifically for people who could otherwise not afford it and not asking for the maximum price. In addition, over the past 3 years they have donated a home in Fiji and Nepal for every home they have built in New Zealand.
- **Create flourishing communities.** They see design as critical in creating and supporting community, and want to stimulate a move away from insularity and 'everyone on their own'. This means:
  - A focus on who they build for. They look at how communities come together and connect, and how to stimulate that through design
  - Create developments that encourage a mixed tenure of people (age, race, background) to live together
  - Medium density housing
  - Including communal and green spaces as part of the design.
- **Value their people.** They see people at the heart of everything they do. This is reflected in how they treat employees and support their growth and wellbeing. For instance:
  - They are mindful about diversity within the workplace and attract a diverse range of people (gender, race). They have quite a few women in roles traditionally filled by men
  - Empowering the workplace is key. They are moving away from a top-down hierarchy where people are 'managed' to a more vertical structure where people are empowered to act. Manager titles are eradicated and they use 'leaders' instead
  - They invest in training and apprenticeships.
- **Deliver Homestar 6 housing.** A house rated 6 or higher means that it is easier and more cost effective to keep warm, is healthier and more environmentally friendly than a typical new house built to code.
- **Reinvest profit margins into charitable causes that support the mission.**
- **Support like-minded partners.** They seek out build partners that are on board with the purpose, have similar values and are not focused on profit alone. They do not have a formal selection

process but they review whether there is a focus on community outreach and giving back to community. For instance, they procure socially for impact by engaging business partners that also invest in training and apprenticeships, as well as mutual partnerships in community projects.

- **Environment.** They focus on site waste minimisation with assistance from waste management businesses such as WasteCo and Green Gorilla (currently achieving nearly 70%).
- **Sharing knowledge.** They provide significant advice and pro bono work to community housing partners, charities, churches on housing development strategies, and using their land to unlock housing opportunities.

They accept that supporting these objectives may result in less (short term) profit. They focus instead on building an organisation that can last a 100 years or more. This means making decisions not with short term gains in mind but with a focus on sustainability and the long term.

Assessing their performance in these non-economic areas is still in development. They currently measure things like:

- Number of people housed through their developments, and who they have built for
- Number of volunteer hours worked by staff
- Number of people supported through the charities they support
- Number of houses built overseas
- Number of people no longer homeless or now in decent housing
- Number of affordable housing units built
- How much they invest or donate to charitable causes
- Homestar rating assessment: They rate the performance of their houses against the Homestar rating system, which looks at categories like: density and resource efficiency; energy, health and comfort; water, waste, materials and site management.

However, they have not yet settled on a way to measure more qualitative, social outcomes, like those related to community impact. They are working on it, with one of their staff having just completed a social impact measurement course. While they don't measure employee related outcomes as such, they measure and recognise their values performance through monthly nominations and through the 360 annual reviews. This provides monthly recognition and reminders, but also year-on-year improvement measurements. Discussions among staff about how well the company is 'performing' in applying its values and what can be done better, are encouraged.

In an industry where competition is high, and cost and time drive most of the decisions, it is relatively unusual for companies to adopt social objectives without the client or government requesting it. At the same time, this is not a company that ignores its long-term sustainability. In fact, they believe that by focusing on a wider set of objectives they will ultimately deliver better housing for clients, create better and reliable relationships with building partners, have a committed workforce and as such be more sustainable in the long run.