

‘FALSE COHERENCE’ AND ‘COHESIVE FRAGMENTATION’ IN CONSTRUCTION’S POST-WAR CORPORATISM 1945-70

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The paper reviews the institutional framework of construction, its practices of corporatist co-ordination and the managerialist re-organisation of the Ministry of Public Building and Works (MPBW) until 1970 from government reports and other publications. The interpretation of reports and their contexts are related to the state of construction’s managerialism, which reflects the indeterminacy and instability of construction. The nine reports from 1962 to 1967 imply ‘a general crisis of construction’ partly induced by the emergence of active planning through NEDC. This is reflected in a complex managerial restructuring of MPBW construction’s sponsoring ministry, which sought better co-ordination of the public client. It is argued that public policy was aspirational: hoping that construction would assist economic growth by yielding to the current managerialism and failed to distinguish the roles of government as client, sponsor and economic planner.

Keywords: co-ordination, corporatism, managerialism, ministry, reorganisation.

INTRODUCTION, METHODOLOGY AND PRE-ASSUMPTIONS

The paper partly analyses the post-war institutional framework of construction until 1970 reviewing government reports and other publications. Particular reports and initiatives are discussed in their contexts, to develop wider conclusions. This accords with contextualist research which “...is concerned with the event in its setting; the truth theory has to be qualitative confirmation since the context will change and knowledge will also need to change, and the root metaphor is the historical event.” (Pettigrew 1985) Construction reports are a sequence of contexts. Questions arise as to how well reports are understood in comparison to each other and their contexts. The paper assumes that the reports are symptoms of the instability and indeterminacy of construction processes, which create recalcitrance (Reed 1989) for initiatives from influential stakeholders. The nine reports from 1962 to 1967 imply ‘a general crisis of construction’. This ‘rewrites history’ suggesting that policy has resisted an appropriately complex model of construction, **hoping** that construction as a service facilitating economic growth would yield to corporate managerialism.

POSTWAR REPORTS AND THE FRAGMENTATION OF CONSTRUCTION:

Post-war reports treat construction’s fragmentation as self-induced and remediable, providing evidence of an ongoing process of fragmentation, which the authors hope may be arrested. Latham (1993) comments:

"...this interim report does repeat and reinforce some guidelines for good practice in the construction process which have long been advocated but are by no means being followed. It has been a depressing experience to re-read previous reports to the Government including those of Sir Harold Emmerson (1962) and the Banwell Committee (1964). Many of the problems which they tackled still persist..." appropriately linking two reports: "What is made clear is that if efficiency is to be increased, procedures and relationships must be improved..." (Emmerson 1962).

His report led to Banwell and BICRP, which attempted to deal with fragmentation by a focus on 'contracts and communications'. Emmerson discussed the previous official report (Phillips 1950), focussing upon initiatives to improve the co-ordination of construction, and was involved in the BICRP as a project trustee. Yet he was upbeat about construction's post-war performance:

"Because this study is intended to detect signs of ill-health it may give a false picture. I must, therefore, emphasise most strongly that in a more balanced survey I should wish to pay tribute to the remarkable recovery of the building materials industries and the construction industries from the war period when they were practically closed down; their flexibility in meeting new demands on their services in the past fifteen years; the introduction of new materials, increased mechanisation and new techniques; the steady rise in output, and the avoidance of major industrial disputes." (Emmerson 1962)

Emmerson's sophisticated appreciation befits a past Principal Secretary in MPBW from 1944–1955. He distinguishes two levels of fragmentation. A weakly co-ordinated industry exacerbated fragmentation between design and construction itself. As active planning through the NEDC developed Emmerson sought to strengthen corporatism by enhancement of the role of national co-ordinating bodies:

"One result of my survey might well be a review of these arrangements, and an examination by the National Consultative Council of ways in which its usefulness could be extended and its authority enhanced."

Phillips (1950) was the departure point of the sequence of official reports and processes of corporatist co-ordination: a template eliding technical and managerial rationality into putative solutions to 'problems of construction'. It replicated the corporatism of the National Consultative Council established in 1944 and the wartime consensus between trades union officials, industrialists and academics (Taylor 1971). Afterwards co-ordination proceeded partly indirectly with establishment activists operating through networks. One member, Sir Hugh Beaver, wartime Controller General of the Ministry of Works and later Managing Director of Guinness, exemplifies this. As chairman of the Board of Building Education (BIM 1956, Board of Building Education/IOB 1959) he participated in partial government sponsorship of the emerging management and management education movement in construction. Chairman of the Tavistock Institute of Human Relations (Higgin and Jessop 1963) at the time of its selection to conduct a radical analysis of construction, he denoted TIHR's quasi-corporatist standing: safe hands for an innovatory project of which he became a trustee (Crichton 1966).

Other initiatives included the National Joint Co-ordinating Committee (NJCC) of Architects, Builders and Surveyors established in 1954, which sponsored the Howard Robertson Report (1954) on Contract procedures and the Hall (1964) inquiry into joint

education for construction professionals and managers. Emmerson (1962) refers to the Hall inquiry and to a conference at RIBA in 1956 which resolved in favour of inter-professional training leading to a scheme for a "...staff college of advanced building technology in London intended to serve in the first instance the contracting side ...This scheme has hung fire..." MPBW had no direct representation on Hall; official support came from the Education ministry. It recommended commonality for technical, economic, legal, historical and managerial content including reference to the client and was supported by the Board of Building Education. Hall refers to a difficulty in seating representatives of building services, a serious anomaly in view of their value and importance but representative of problems of fragmentation. As the co-ordinating body for production the NJCC was the sponsor of the BICRP which Alsop (1964) saw as explicitly focussed on operations.

The Board of Building Education was involved in a study of roles in construction which BICRP researchers considered important (Higgin and Jessop 1963). Alsop (1964) refers to "...wider studies relevant to recruitment and training. In this group falls work with the Institute of Builders on site management..." This links the management movement for construction to a 'communications movement' among managerial activists (LMBA 1958) seeking to address problems of co-ordination.

Emmerson (1962) reveals other areas of weak co-ordination. Since the Building Apprenticeship and Training Council Report of 1956 there had been no review and development of training arrangements at different levels. He recommends action by "...the National Consultative Council (NCC) of the Minister of Works." Phillips recommendations on incentive pay were unrealised. Official figures indicate that 14% of operatives were on incentive schemes compared to 42% of manufacturing. However "...many practices of extra payments adopted by individual firms in conditions of labour shortage" had proliferated. Firm price tendering had arrived in April 1957 subject to conditions: "...one that the work was thoroughly planned in advance, and the other that the estimated contract period should be not more than two years." Emmerson argued that this had been successful where the conditions applied but Higgin and Jessop (1963) comment that these conditions had not been met as extensively as previously assumed.

The importance of the Public Client and the Public Interest in greater efficiency remained. Emmerson details initiatives, confirmed by Alsop (1964), for co-ordinating public procurement across departments: CLASP; work co-ordinating the sizes of building products which could yield significant rationalisation; attempts in the context of NEDC planning to co-ordinate government departmental procurement more effectively and the continuing importance of standardisation and prefabrication. Phillips (1950) noted that the complexity and size of public procurement and the public client's role had been poorly co-ordinated post-war, arguing for improvements and "...clear leadership to diverse approaches to construction and the implications of research for public procurement." The wartime Ministry of Works assisted "...but in our opinion the concentration of these functions has been allowed to fall short of the point at which full advantage would be reaped."

This flourish of reports focussed concerns on recurrent issues of contracts, communications, research and innovation and their dissemination. However a confusing range of players was involved. Emmerson was sponsored by the minister Lord John Hope and recommended the establishment of Banwell. This was undertaken by Geoffrey Rippon, Hope's successor, who sponsored Woodbine Parish

(1964). The NJCC sponsored the BICRP in which Woodbine Parish was active. These initiatives became enmeshed in the active planning emerging after establishment of the NEDC, chaired by Sir Hugh Beaver indicating his long career as a corporatist. NEDC reported on Construction (HMSO 1964). In Action after Banwell (HMSO 1967) it argued that the NJCC be strengthened to act as principal co-ordinating body for construction, incorporating Building Service engineers and subcontractors and supported by a full-time secretariat. This implied: acting upon difficulties highlighted by Hall (1964); reducing the significance of the NCC; a managerial focus on construction processes as facilitators of economic growth and an enhanced role of EDCs for construction and civil engineering to institutionalise improved co-ordination. By the late 1960s Construction EDC appeared to have taken over co-ordination from MPBW. Previous concerns remained including variations; planning and continuity of public sector procurement; planning of the construction process and availability of information to the client.

We know the views of Malcolm Hislop who was involved in construction's corporatism and the active planning of the sixties. He joined MPBW from private industry in 1964 working under Sir Donald Gibson in the Directorate General of Research and Development heading "... a management consultancy group working mainly among public authorities and professional firms. In 1969 he became director of the Manpower Planning Division of Establishments Directorate, MPBW." (Brech 1971). MPBW Reorganisation sought to realise Phillips recommendations on the public client. However "...reorganisation...itself has taken a number of years and has been overtaken by further re-organisations" (Hislop 1971).

REORGANISATION OF THE MBPW

This was preceded by the formation of the Directorate General of Research and Development in 1962 from the War Office and MPBW after a successful experiment in collaborative design (Architects Journal 1962). Harold Macmillan personally forced through this change nominating his own candidate as minister to speed up the public building programme. (Pollitt 1984) The white paper of December 1963 was an ex post facto justification of a change pushed through in six months. This must have had a destabilising effect on construction as a whole. The change of Minister hastened development of an organisational structure far in advance of construction as a whole: a combination of Strategic Planning, project management and R & D to attain better integration of public sector procurement. The re-organisation sought control and delegation of: national public clients; a regional organisation, which integrated teams for projects up to £20,000 and £10,000 in areas; co-ordinated local clients and relationships with construction. Nationally, Directorates General were to co-ordinate: Administrative and Financial and Professional and Technical staff. Directorate General of R&D would co-ordinate innovation.

This was justified (HMSO 1963) by the importance of construction for economic growth and demands for improvements in quality and productivity under conditions of labour shortage. Islands of excellence were insufficient. "The scale on which modernisation is required is so large and the problems so complex that a strong lead from the centre is essential." In April 1963 MPBW became responsible for annual government procurement worth £250m, seeking integration of procurement for Civil Departments; HQs of Service Departments and Post Office, Armed Services and Air Ministry operational units; scientific research stations; prisons and law courts; maintaining major public buildings and equipping and maintaining others. Directorate

General of Research and Development became responsible for: development groups in MPBW; co-ordinating and extending other building research and development groups; developing new, rapid methods of construction and standardisation of components; links with construction; dissemination of best practices and Building Regulations from the Ministry of Housing and Local government in 1964.

This complex re-organisation and managerialisation sought better co-ordination and reconciliation of conflicting principles from four previous works organisations which displayed a wide diversity of organisational and professional role cultures and leaderships; relationships of professionals, administrators and regional practices. Staff of 86,000 included 22,757 administrative and professional and 63,000 industrial including 22,000 locally engaged abroad. The organisation had to: rationalise expenditure of £250m, including £77M on maintenance by offering a similar service to a number of departments; retain best practice and experience and develop benefits from close contact with the DG of R&D. Professional establishments included: 350 architects; 700 civil engineers; 600 mechanical and electrical engineers and 550 quantity surveyors, 200 maintenance surveyors, and 220 estates surveyors. Re-organisation sought an appropriate balance of skills and opportunities for professional development and creativity. The professional heads and Controller General of Works would constitute the Directorate General of Works. Headquarters organisation focussed on economies in administration and professional staffs and reconciling conflicting principles: administrative and accountability related to financial votes; professional efficiency and effectiveness and past allocations of responsibility. Service Departments would still manage their land surveying work.

Work was organised 'functionally' as a set of inter-related Directorates for client(s) departments; housing projects; special and large engineering projects for any client and one partly dedicated to special architectural needs. An Assistant Secretary for administrative and financial accountability partnered one (or two) professional Director(s) of Works. A Maintenance and Minor new Works Directorate was responsible for policy, standards and costs, regional devolution and the loading and general operations of regions including projects up to values discussed later. Directorates were multi-functional with all appropriate relevant professional and technical skills and executive and clerical support. Responsibility for programmes would rest with Directors of works and individual projects with nominated staff. Collaboration, clear communications and devolution were recognised. Delegation would relate central expertise to multi-functional, mixed skills teams in which professionals would work in parallel. Management responsibility for projects would operate through professional responsibility.

A rhetoric of common enterprise with complementary partners and clarity of responsibilities was offered. A complex relationship of administrative and professional staff would exist with administration responsible overall for particular procurement decisions including cost and general policy and professionals providing cost estimates, design, planning and execution. Both would consult extensively over changes in scope, time and cost. Executive staff would assist administrators and professional grades. Delegation to this lower level would not compromise the professional execution of professional work and reflected pressures accruing from shortages of professional staffs. The white paper comments:

*“For the ministry, at any rate, the integrated or group system is the more efficient, as it brings together all the professions as a team working together to achieve the same corporate purpose, and makes it possible to place full responsibility for the task as a whole on the leader. It breaks down inter-professional rivalries and **appears** to be accepted outside the public service as being the best modern practice.”*

It would be important to collate experience, work out future policy on R &D and centralise and make available sources of advice and current best practice for both client areas and technical and professional sectors through nominated Directors of Works. Regions would replicate such delegation, integration, standardisation and nominated responsibilities. DG of R&D would drive development projects; maintain contact with procuring ministries and co-ordinate learning from innovations in Works Directorates and MPBW, external research and organisations. It would develop: building, QS and engineering services; innovations in projects drawn from MPBW programme; focus on industrialisation, co-ordinate scattered development projects and improve professional contributions; management by consultancy, training, education and internal advice; disseminate R&D and improve take up of new ideas. Directorate General sought formal and informal co-ordination; formulation of long-term standards for the ordinary works programme and serviced various committees.

Regional decentralisation would rationalise previous variations in the structure, scope and range of services operated or projects executed. Regional directors would be responsible for relationships with construction. Territorial organisations would be integrated including overseas. Regions would procure projects up to £20,000; operate maintenance services; provide certain site control and post-contract services for major new works within integrated professional groups including Estate Surveyors and maintain relations with construction including DG R&D innovations. Delegation of new works would develop with regional offices designing and executing projects up to £100,000. Undue dispersal of scarce skills would be avoided. Time was required to develop such regional capacity.

PUBLIC SECTOR ORGANISATION AND DEMAND

The range of public clients indicated problems of co-ordination. 200 councils with populations over 60,000, including 32 London boroughs, were significant. From 1964 to 1969 Local Government reorganisation reconfigured construction procurement. River and water boards; national corporations; regional hospital boards and central government departments procured. MoD and the Board of Trade procured through MPBW. Housing, LOGO, Education, Health and Transport “...influence standards and the amounts spent in their particular fields and the Treasury has overall financial control.” Common needs across public organisations induced a degree of rationalisation and some overall co-ordination. Local Authority consortia such as CLASP “... have developed...because here the design professions have been able to identify themselves with the client...” (Hislop 1971)

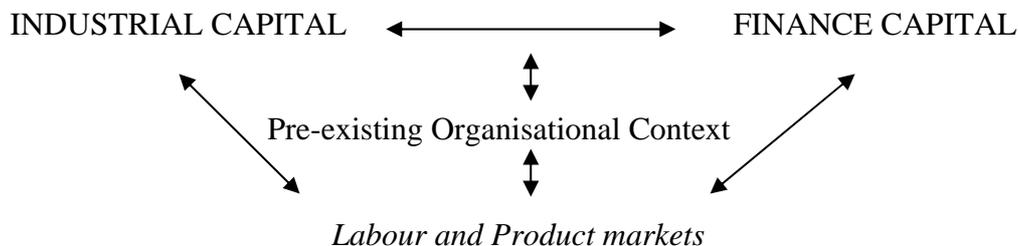
It is not apparent that public policy distinguished the roles of the public sector: as a client; of MBPW as sponsor of construction; construction’s role in economic planning and development and the possible conflicts of these roles in practice. Construction output was equivalent to 9% of UK industrial production with 7% of the labour force or 1.85m people excluding those working in components or materials. It accounted for 50% of gross fixed capital formation, two thirds in new structures. Public procurement

rose from 40% of demand in 1960 to 46% in 1964 and 68% by 1968. These figures suggest marked practical difficulties in preventing role conflicts despite figures suggesting that productivity per man rose by 50% from 1958 – 68. This is raised here as a matter for further inquiry. (Hislop 1971)

As MPBW re-organisation proceeded new co-ordinating bodies emerged to deal with specific areas of work suggesting that this "...strong lead from the centre..." was under early pressures from a fragmenting context. These included a Computer Committee, Maintenance Committee, the Winter Building Advisory Service and the Joint Building Group as an informal forum for matters of common interest. Parties to construction tended to establish approved joint groups for functions requiring their agreement "...either as bridges over gulfs which should not be there, or as the beginnings of constructive collaboration from which bigger things might emerge." (Hislop 1971) The overall sense is of a set of institutions often conflicting, often collaborating, drifting into poor alignment as a consequence of decisions taken elsewhere in the political economy such as the re-structuring of public procurement and institutions and the emergence of active planning. Yet it was interspersed with important innovations in techniques and organisation, which became lost.

SYSTEMATIC MANAGEMENT AND CONSTRUCTION 1945-70

Systematic management related the division of labour; the structure of control and the employment relationship. It emerged in America from 1880 – 1920 from: the formal organisation theorists; the shop management movement and cost accounting aligning technical and formal rationality into an overall approach to managing a business. Production control systems were linked to costing and the creation of a centralised staff. This generates a stratified model of the inter-relationship of product market, labour market, organisational context and industrial and finance capital:



In Britain pre-war, Laissez Faire as an ideological barrier, the 1920/21 recession and labour supply conditions blocked the diffusion of Scientific Management and expectations for managerial change raised by the 1st War. Systematic management was adopted slowly and patchily (Littler 1982). Financial rationalisation from 1919 – 39 concentrated British industrial capital as highly as American. A weak renewed attempt at rationalisation reflected expansion of new industries and decline of the staples. This hardly reached the shop-floor. Scientific Management lacked institutional support from government as in Japan and business schools and management institutions as in America. Bedaux was the dominant approach limiting "...the restructuring of management implied by classical Taylorism, and enabled the control system to be clipped onto the existing management structure." In Britain "...rationalisation generally was uneven...the traditional assembly industries, such as building (and) the gang work industries were not affected ..." Planned and semi-planned industries were most affected cutting across older and newer sections of

industry through orientation to a mass market with a semi- or unskilled labour force. Capitalistic work organisation responds to "... certain trade or exchange relationships. If price ceases to be the exclusive factor in exchange, and non-price factors (design, reliability, quality) assume a larger significance then this is likely to result in a structural shift in work organisation and an ideological shift in management theory." (Littler 1982).

Scientific Management in construction reflected intrinsic difficulties revealed by the Gilbreths. Frank Gilbreth had a middle-class background yet started as a bricklayer's apprentice. He rose through foremanship, and management to run a construction firm. He developed a detailed, prescriptive approach to construction standardising processes and procedures to rationalise the diversity of methods amongst bricklayers. He confronted, but never resolved, the difficulties created by distance and separation of construction sites from head office for the rationalisation of labour. His 'Field System' standardised rules and procedures for all sites taking the separation of planning and working to its' extreme logical conclusion (Pollard 1974).

Pre-war unemployment resolved construction's organisational problems (Allen in Phillips 1950). Indeterminacies were off loaded on to labour where high levels of supply guaranteed flexibility obviating any need for costly managerial planning systems. These remained to be developed post-war. Construction from 1945-50 was preoccupied with re-establishing a working labour force, which had halved due to conscription and other effects losing 230,000 employees including 63,000 semi-skilled operatives. Full employment required "...substitutes for the harsh pressures which were once exerted by unemployment..." including incentive schemes, craft interchangeability, better co-ordination of labour between jobs and the right spirit of co-operation which Philips argued could be resolved by leadership. However skill composition shifted. Specialist firms remained the same numerically but electrical contractors doubled from 1945 to 1949 indicating the role of electrification in post war modernisation. Wartime denied construction the successful experiences of rationalisation and systematisation in other industries, raising questions about the viability of Phillips prescriptions.

In post-war planning corporate managerialism constituted the paradigm received by government from business in an ideological context, which accepted management as a source of prosperity and progress (Child 1968). The prescriptions of 'management' as putative solutions to assumed 'problems of construction' represented an uncritical transfer of ideas. However the elision of managerialism from the corporate economy requires a transmission mechanism including relevant existing practices. LCC 'Cost and Value Contracts', are a restricted example, but viewed as 'administration of contracts' (Simon 1944).

In the 1960's systematic management was restricted. Emmerson reported that 14% of operatives were on incentive schemes compared to 42% of manufacturing. Scientific management and planning methods showed little penetration with "...the often uncritical and inappropriate application of techniques of 'scientific management'. We have yet to see these techniques used as true planning tools. Usually they are abandoned in the face of the inevitable uncertainties encountered. At best they are kept up to date after the event as a record...The inappropriate use of mechanistic management tools such as the critical path method ...leads to antagonism to all control techniques..." (Crichton 1966). "In the management movement of Britain no major industry has been as little in evidence as construction..." Brech (1971)

DISCUSSION AND CONCLUSION

Three areas have been discussed: Informal efforts to co-ordinate construction via establishment networks in the 1950s; managerial restructuring of MPBW to improve co-ordination of public procurement and the state of systematic management in construction. As concepts of active planning emerged informal corporatism was viewed as falling short given the role of construction in economic growth. MBPW was re-organised as a driver of innovation and managerialised far in advance of then current construction practices.

Higgin and Jessop (1963) comment that previous reports "... have not been able to do more than canvass best opinion and agree general precepts on that basis." and note the scarcity of examples of project management. Expansion of public sector demand of almost 50% in four years, the distributed procurement system, and the considerable rise in productivity lead to further fragmentation by stretching the capacity of construction and existing practices of systematic management. 'False Coherence' lay in the prescriptions of the network of metropolitan activists and administrators and, later, the NEDC planners. 'Cohesive Fragmentation' and the lack of systematic **management** partly reflected the exigencies of **constructing**. This did not imply the absence of **managing** rather the absence of institutionalised managerialism and the difficulties of transferring it into construction. Higgin and Jessop (1965) comment:

"For three centuries the industry has been struggling to reconcile technical interdependence and organisational independence. This struggle has not been made easier by the alternating impatience or indifference of society, according to the high or low level of demand for the industry's services. We suggest that the industry need not continue to be controlled only by the forces acting on it externally and internally."

questioning the relevance, by the 1960's, of the post-war discourse of a self-fragmenting construction as a problem for society resolved by internal solutions of better contracts and communications and implying that society fragments construction through the all pervading conflicts of interests, values and shifting expectations which permeate and de-stabilise the constructed world.

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