

This is the story of how HR and organisation development (OD) became integral to the building of the Olympic park for London 2012. And how, in their absence, it could have all gone very differently.

Cast your mind back to 6 July, 2005. The winners of the bid to host the 2012 Olympic games are about to be announced. Expectant crowds have congregated in the two remaining finalist host cities – London and Paris. “I was actually in Paris on the day of the 2012 announcement,” says Diane Jones, head of HR at CLM, tasked by the Olympic Delivery Authority (ODA) to project manage the Olympic park’s construction in east London. “The French weren’t too pleased,” she deadpans.

“I remember the day very clearly at Laing O’Rourke too,” says Caroline Blackman, its OD director at the time and subsequently head of OD at CLM. “It was a really exciting moment. At that time construction was booming – it was just mass recruitment.”

As the crowds in Trafalgar Square cheered, the big players in global construction congregated. Everyone wanted a slice of the almost £3 billion budget cited in the London bid, with many predicting the final budget would be far higher (it was to more than double by 2010). The scale of the task was to transform the wastelands of the Lower Lea Valley near Stratford, contaminated by centuries of industrial pollution, into a regenerated area of astounding facilities including a velodrome, basketball arena, aquatic centre and centrepiece athletics stadium, as well as a press centre, Olympic village and much more besides.

IMAGES: ODA

Two hundred buildings on site would need demolishing before work could even begin.

The American construction firm CH2M Hill scoured the UK for firms with the required expertise, to form a partnership and bid for the ODA contract. Laing O’Rourke and Mace, who had worked together on Heathrow Terminal 5, provided the right fit, and a delivery partnership was born. “Delivery partnering is where you take programme management, project management and construction delivery and put them together,” explains Blackman. The concept is a recognition that the specialist skills required for such mega projects cannot be met by a single company.

“We tried all sorts of imaginative names,” says Blackman, “but decided to just go with the initial letter of each partner, so CLM.” No hierarchy, simply alphabetical order. Each of the three organisations became known as the parent companies by CLM staff, many of whom were hired specifically for the Olympic task. With the contract won, work properly began on site in September 2006.

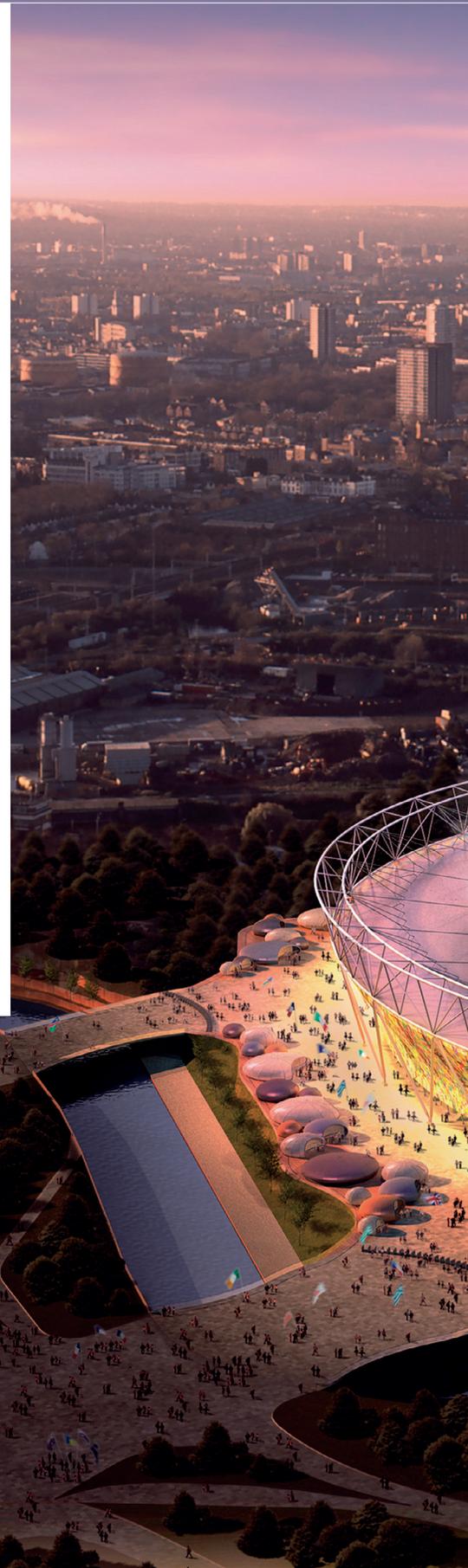
THE STRATEGY

The raison d’être of CLM is clear: “The ODA said to us ‘We need stadiums by this date – here are the guys who are going to build it – now you work it out’,” says Jones, simplifying for effect. “Working it out” involved mapping out a formal workforce strategy, while being flexible enough to adapt to events as they occurred.

“At the beginning, we thought we’d all be here until the opening ceremony on 27 July 2012,” says Diane Jones. She had been senior vice-president, HR, for Alstom Transport in

*It's all on schedule – partly thanks to HR and OD's double act managing a highly complex construction programme and three-way joint venture. **Tim Smedley** reports*

THE RACE OF THEIR LIVES



CLM's key milestones to August 2011

- ✱ Construction of the velodrome completed and the venue ready to be handed over. **January 2011**
- ✱ All utilities made operational across the park. **February 2011**
- ✱ Construction of the handball and basketball arenas completed. **April 2011**
- ✱ Construction of the Olympic stadium to be completed and the venue ready to be handed over. **June 2011**
- ✱ Construction of the aquatics centre to be completed and the venue ready to be handed over. **July 2011**
- ✱ Construction of the international broadcast centre/main press centre to be completed and ready for occupation. **August 2011**



Big picture A computer-generated impression of how the finished Olympic stadium might look

Paris, and was attracted by CLM (and her parent company CH2M Hill) to work on the Olympic project. “Then, as we planned what we needed and when, we realised that the majority of people would actually go by 2011.”

Blackman explains: “The birth to death of this organisation, CLM, was over a six-year period. We would be starting in 2006 and be over by the end of 2012, with the majority of our people gone by mid-2011.

“Unlike a normal construction project, where you keep the same people for as long as you can, we knew we would be going through organisational phasing. This started with mobilisation, went through design and procurement, followed by two phases of construction before handover and close. We mapped that out and recognised where we would peak, which was at the start of construction in 2009.”

Peter Shipley, deputy programme director, headed up the joint venture – or “JV”, as the partnership model is known in the industry – on behalf of CH2M Hill from the start. “The philosophy was not to employ people into the JV, but to employ people to parent companies and permanently second them in,” says Shipley. “But your performance and bonus is judged by the JV. People knew their success relied on its success.”

CREATING A CULTURE

Having artificially spliced three large companies together to form one small project management team, the difficulty HR and OD faced was in creating a unified culture. The clarity of CLM’s task was a useful starting point. Michael Lytrides, project manager on the international broadcast and press centre, explains the on-site demands: “We administer the contracts, we look after the logistics of the entire park, and, individually on each venue, we are there to manage contractors [of whom there can be several hundred on site] and make sure they deliver to time, below budget.”

To do this, everyone must pull together, with any sense of competitive rivalry stamped out from the off. Alex White, a performance assurance manager for CLM, confirms that’s been her experience of her four years on site: “I’ve worked for Mace for 11 years now, so I suppose I’ve been bred in a certain way. But here you can’t tell who’s who – you’re just working with CLM... it’s become like one company.”

This has been more challenging with senior staff. “You end up having to unpick their learning, then re-chip them with ‘the way we do things round here’,” says Blackman. Unlike in the wider industry, hierarchy is a little-



‘The Olympics are the ultimate on anyone’s CV, and the opportunity to work with the best people on such a project appears the ultimate motivator’

used term within CLM. “There’s no shame moving down the organisation,” says Jones. “If you’re a member of the executive committee this week, but not the next, this isn’t because you haven’t performed – it’s because there’s now a different need. You go into a role because you can add value, you go out as the organisation or the need changes.”

RECRUITMENT AND DOWNSIZING

If a job specification for a necessary vacancy arises from the line, it is sent to the three parent companies to check if they have internal candidates. “If not, we then decide which parent company wants those skills and go to the open market,” says Jones.

This process can have the unusual result of staff being hired for companies that they may effectively not work for. Peter Ellis, head of contract services, describes CLM interviews at the height of its recruitment: “I think a lot of people were interested in coming in and working on the job, on the Olympics – they didn’t have a perception that they wanted to

work for either C, L or M.” Peter Shipley, who helped design CLM’s structure, elaborates: “All three parents saw this as one of the advantages of the programme – to hire good new people. Because it’s such an exciting project, you attract the best of the best... it’s the job of the parent company over the years to win them over.”

At the time of going to press, CLM employs around 340 staff. “Since the programme began, over 1,200 people have been through CLM, and we haven’t finished yet,” says Jones. “Roughly, each post has been turned over three times. Last year we had 92 people start, 167 people leave, and on one day in September we had 34 people start on the same day. On average, between 2008 and 2009, we had five to 10 people starting every week.” From its peak in July 2009, CLM effectively demobilised 30 per cent of its workforce in an eight-month period (see bar chart, facing page).

While in any other context that would sound chaotic, in this one it’s a testament to incredibly precise workforce planning. It was also fair and transparent – everyone at CLM understood the grand plan.

Jerry Morgan, CLM head of design and engineering, had one week left when he spoke to *PM* in late 2010. He describes the impact of such churn: “I’ve been in my position for nearly 10 months, and we have dropped my team size by half, but we’ve tried to maintain almost the same amount of work. I’m leaving at the end of next week, but still working 50 hours a week. And people who are already doing a 50-hour week have got to pick up what I do.” However, when he adds: “I don’t think it’s been painful to people or demotivating”, he seems genuine.

CLM's winning team Diane Jones, head of HR (left), and Caroline Blackman, head of OD

The Olympic Games are the ultimate on anyone's CV, and the opportunity to work with the best people on such a project appears the ultimate motivator.

PERFORMANCE AND REWARD

It seems surprising to talk about the employer brand in a temporary organisation, but not so for Blackman. "We care about that CLM brand. I've worked on other JVs that have tried to keep the parent company systems going, but you don't then get collaboration because you don't have the things that hold it together: performance management and reward." Jones adds: "We don't talk much about it but there is a good reward scheme here."

Indeed there is. In November 2010 the ODA announced a hefty £10 million of performance payments for CLM. This was, however, in recognition that the delivery partnership was on target to make cost savings of £300 million to the project overall.

CLM operates a performance management system whereby every member of staff has a set of defined objectives. Each objective links to a key performance indicator as agreed by the ODA, and each KPI links to a milestone (see panel, page 19). These objectives, alongside the behavioural framework aligned to vision and values, and the individual's overall performance, are then evaluated to produce a performance score. This score forms the basis of an employee's bonus.

Michael Lytrides explains how this works in practice: "We have target programmes that are

ahead of the contract programmes. Contractors are incentivised to beat their contract dates. [The international media centre] is on schedule to do that at the moment. It is linked to our reward."

Blackman and Jones also place emphasis on the non-financial reward schemes they have designed. Jones says these include a CLM monthly magazine and quarterly whole-team meetings to celebrate success and present awards. "Leavers get framed photos of the Olympic park, with signatures. At the same time, we keep everyone focused on the key milestones and have a budget for individual teams to celebrate their milestone successes."

This mentality that everything is built around success is key. "Every single problem so far has been overcome, and a lot of that has to do with the energy you create. We do have people who don't make it, but we exit them with dignity," says Blackman.

HR AND OD WORKING TOGETHER

Blackman and Jones appear an effective team. Blackman is the more senior, with a seat on the executive board, but they work as a unit. They make an interesting case study in effective partnering of OD and HR at a senior level. "In previous lives, Caroline has probably had to report to HR, and I've had OD reporting to me," says Jones. "Here it's more or less on a par."

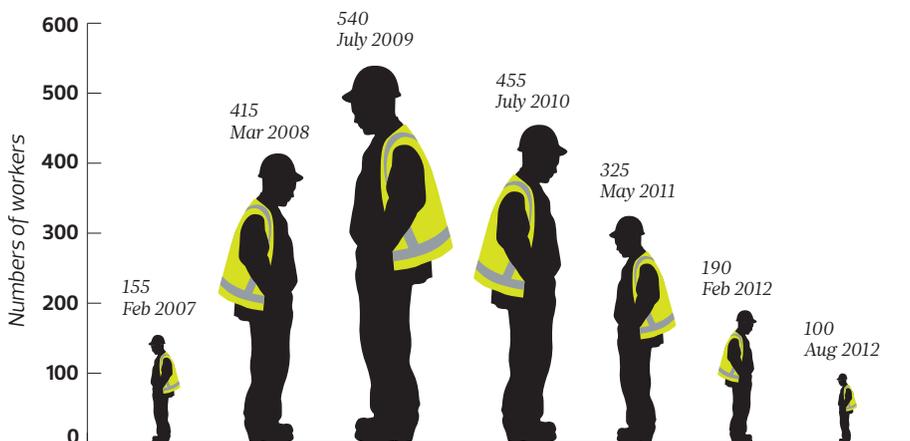
"My role in OD is so much about driving business performance," says Blackman, "and then Di focuses on making sure all the HR elements work. I'm very focused on planning

LINKS & NOTES

- The Olympic Delivery Authority www.bit.ly/ODA2012
- CLM www.clmdelivery.co.uk
- Olympic Park legacy company www.legacycompany.co.uk
- Olympic Delivery Authority's equality and diversity strategy bit.ly/dMHXkO
- **PM news** 'McDonald's to help recruit Olympic volunteers' /olympics710
- **PM news** 'Freedom-of-information request reveals Olympics skills legacy' /skills610
- **PM feature** 'What does OD do?' /od69
- **PM feature** 'How to... develop your OD skills' /od29

The changing workforce of a delivery partnership

How CLM's workforce has been scaled up and down, and an approximate projection of how it will downsize, according to business need:



To use **PM** links, key in the full website address first, followed by the link, eg, 'www.peoplemanagement.co.uk/pay910'



ahead: do we know what the obstacles look like? That allows us to keep the HR team well informed on what roles we need going forward.”

This is a moving feast. “If an HR practitioner from a FTSE company saw our job descriptions they’d have apoplexy!” laughs Jones. “They’d say ‘there’s not enough behavioural elements – there’s not enough profiling’: but you haven’t got time to do that here... If I briefed a consultant today, by next week it would have changed again – so we have to evolve internally.”

This, they both believe, happens best when you have OD and HR working together, rather than vying for position – or, as Blackman points out, with one entirely absent: “Because such projects are so dynamic and fast moving, what’s been missed in the past is that OD element. You’ve got to be very strategically focused.

‘You’ve got to keep changing the organisation and its direction, and that’s only achieved through managing people really effectively’

You’ve got to keep changing the organisation and its direction, and that’s only achieved through managing people really effectively.” It’s a lesson most organisations could learn from, not simply other partnerships.

LEGACY AND DIVERSITY

Perhaps one word, even more so than “milestones”, looms large at CLM: legacy. Most aspects of building the Olympic park are similar to any other construction project, but on a bigger scale. However, the Olympic factor is unique, as is its legacy. “Before this gets handed over to the final owner, you’ve got to run the biggest show in the world,” says Jones.

Then there’s the legacy on CLM staff. As Peter Ellis says: “Our previous project at T5 was brilliant until the baggage system went wrong. But everyone will be talking about this!”

But perhaps most important is the legacy of employment and skills post construction. This was a big aspect of London’s Olympic bid, and subsequently CLM’s contract. This was to be achieved by working with the contractors on site – which, at its peak, could total 11,000 workers at any one time – on reach-out projects such as providing advice and guidance on joining the industry at local community centres, job centres, town halls and schools.

This was no token aspiration – tough goals were set. A commitment to deliver 350 apprenticeship opportunities was reached at the end of 2010. A goal of 15 per cent of workers recruited from the five host boroughs – Newham, Hackney, Waltham Forest, Tower Hamlets and Greenwich – was exceeded, taking it to 20 per cent; 12 per cent of the workforce were previously unemployed, compared with a target of 7 per cent; and 19 per cent were black, Asian and minority ethnic, improving on the 15 per cent aimed at. More than 200 security guards, mostly from the local area, have trained for an NVQ level 2 in security provision while on site. A London 2012 Women into Construction project was set up. The list goes on. And, says Peter Shipley, “We achieved it with a strong HR group.”

A personal HR view



Joanne Sturgess, HR business partner, CLM:

“I worked for a recruitment agency, and before that London Underground, and I wanted a more generalist role. It was a time when you could just put your CV on a job site and the phone would start ringing. An agency rang me up and said, ‘How do you fancy working for London 2012?’ I hadn’t heard of CLM, never worked in the construction industry, didn’t know anything about the joint venture partnership set-up. So until I got here, I didn’t really realise how it all worked. It was my first project – the Olympics!

“I suppose for HR people it can be quite a challenge – I was hired here two years ago to do recruitment. Although I was employed by Laing O’Rourke, I was hiring for the other two parent companies as well, so needed to know all three sets of terms and conditions. We were recruiting a high volume at that point, and it was a challenge to make sure we were hiring into the right family, and giving them the right T&Cs!

“After eight months, I was asked to work for my parent company Laing O’Rourke and initially I felt a bit torn. I would look after seven to eight small projects that I would go out and visit, but mostly I was based in head office. Then after 18 months I was sent back to CLM. Actually, it was a great 18 months and I’m much more useful to the people here for it.”