**QUEEN'S
UNIVERSITY
BELFAST**

Critical Success Factors for Achieving Social Value in Construction Procurement

Murtagh, S., & Brooks, T. (2019). Critical Success Factors for Achieving Social Value in Construction Procurement. *Proceedings of the Institution of Civil Engineers - Management, Procurement and Law*, 172(5), 183–196. <https://doi.org/10.1680/jmapl.19.00005>

Published in:

Proceedings of the Institution of Civil Engineers - Management, Procurement and Law

Document Version:

Peer reviewed version

Queen's University Belfast - Research Portal:

[Link to publication record in Queen's University Belfast Research Portal](#)

Publisher rights

Copyright 2019 Thomas Telford. This work is made available online in accordance with the publisher's policies. Please refer to any applicable terms of use of the publisher.

General rights

Copyright for the publications made accessible via the Queen's University Belfast Research Portal is retained by the author(s) and / or other copyright owners and it is a condition of accessing these publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

The Research Portal is Queen's institutional repository that provides access to Queen's research output. Every effort has been made to ensure that content in the Research Portal does not infringe any person's rights, or applicable UK laws. If you discover content in the Research Portal that you believe breaches copyright or violates any law, please contact openaccess@qub.ac.uk.

Accepted manuscript

As a service to our authors and readers, we are putting peer-reviewed accepted manuscripts (AM) online, in the Ahead of Print section of each journal web page, shortly after acceptance.

Disclaimer

The AM is yet to be copyedited and formatted in journal house style but can still be read and referenced by quoting its unique reference number, the digital object identifier (DOI). Once the AM has been typeset, an ‘uncorrected proof’ PDF will replace the ‘accepted manuscript’ PDF. These formatted articles may still be corrected by the authors. During the Production process, errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal relate to these versions also.

Version of record

The final edited article will be published in PDF and HTML and will contain all author corrections and is considered the version of record. Authors wishing to reference an article published Ahead of Print should quote its DOI. When an issue becomes available, queuing Ahead of Print articles will move to that issue’s Table of Contents. When the article is published in a journal issue, the full reference should be cited in addition to the DOI.

Submitted: 10 February 2019

Published online in ‘accepted manuscript’ format: 27 August 2019

Manuscript title: Critical Success Factors for Achieving Social Value in Construction Procurement

Authors: Shauna R. Murtagh¹, Tara Brooks²

Affiliations: ¹Physical Programmes Department, Belfast City Council, 9 Adelaide, 9-21 Adelaide Street, Belfast, BT2 8DJ, UK. ²School of the Natural and Built Environment, Queen’s University Belfast, UK.

Corresponding author: Shauna R. Murtagh, Physical Programmes Department, Belfast City Council, 9 Adelaide, 9-21 Adelaide Street, Belfast, BT2 8DJ, UK. Tel.: 07955592524

E-mail: shaunamurtagh@gmail.com

Abstract

The delivery of social value is now an established requirement embedded in many public sector construction projects. Understanding factors for success will aid both contractors and commissioners to implement social value requirements. The literature on social value in construction suggests factors that may positively or negatively affect the successful delivery of social value. This study takes a sequential mixed methods approach to identify critical success factors using face to face semi-structured interviews with contractors and public sector commissioners in Northern Ireland, followed by a questionnaire survey of key factors identified from the interviews. Findings reveal five critical factors identified using factor analysis: organisational leadership; process and preparation, social and local awareness; effective support networks and industry focused strategy. Contractors and commissioners can differ significantly in their perception of the importance of certain factors. A maturity matrix is developed for commissioners and contractors to benchmark their level of maturity in terms of delivery of social value. Contractors and commissioners can use the identified factors to develop optimal conditions for successful social value delivery in construction projects in Northern Ireland.

1. Introduction

1.1 *Social value in construction*

Social value concerns the focused creation of additional community wellbeing as opposed to the pursuit of economic value and redefines the traditional value for money approach in public procurement and commissioning (Social Enterprise UK and Anthony Collins Solicitors, 2012; Young, 2015; Barman, 2016). The public procurement landscape was reviewed by MacFarlane (2014) who examined best practice examples and reported that the focus on social value in the UK is driven by a response to an increase in poverty and decrease in social mobility. Delivery of social value in public procurement can be achieved via the use of community benefit clauses or social clauses that meet specific local need such as reducing anti-social behaviour or addressing local employment issues (Young, 2015). Interest in the social and ethical impact of business is mounting. Loosemore (2016) interviewed 12 participants heading up successful social enterprise organisations operating in the construction sector and found that increasingly, companies are expected not simply to deliver a commercial return or social benefit, but also to provide a positive impact on communities – a view with which Murray and Dainty (2009), Wolstenholme (2009), Barman (2016) and Loosemore and Lim, (2017) concur. Raidén *et al.*, (2019) suggest that perceptions of social value may differ between contractors and public sector commissioners in terms of why it is being carried out and what it looks like in the construction sector. They find that companies may be motivated by self-interest such as a requirement to comply with the law or contract conditions, rather than public sector commissioners who may be motivated by a consequentialist ethical approach to improve

matters for the greater good. Some social procurement proponents have used the tension between social values and profit maximisation to further the cause of social value, for example by presenting the logic of delivering positive social change and subsequently increasing the taxpayer base (Troje, 2018).

The recent EU Directive on public procurement (2014) and the UK Public Contracts Regulations (2015) provide increased flexibility compared to previous legislation in terms of incorporating social requirements, providing better support for SMEs and a focus on employment and social inclusion. Analyses on the implementation of this EU legislation by Calleja (2016), Hannaford (2016) and Wiesbrock (2016) concurred that in order to be successful, social value requirements must relate to the subject of the contract, such as opportunities for the long-term unemployed where this is a strategic priority for the client. Through an evaluation of the legal framework for social value, Raidén *et al.* (2019) also found that it is important for requirements to relate to the core of the contract, citing that a failure to do so may result in a lack of enforcement by contract managers. The Public Services (Social Value) Act 2012 requires the public sector in England and Wales to consider economic, social and environmental well-being when procuring goods and services over the OJEU threshold. In Northern Ireland, a Social Value Act Bill was due to be brought forward to the devolved legislature prior to its collapse in 2017 (NI Assembly, 2016). Despite this, the Northern Ireland (NI) Assembly's Sustainable Development Strategy for Northern Ireland sets a policy framework for social value in public procurement (Department of Finance NI, 2016). The NI Executive introduced the 'Buy Social' model for social value in April 2016 following a

strategic review; it is used in procurements valued at over £2m for building contracts and over £4m for civil engineering contracts (Department of Finance NI, 2016; Department of Finance NI, 2017). In addition, some local authorities in the UK now have social value policies and toolkits in place (Manchester City Council, 2017; Belfast City Council, 2016; Lancashire Enterprise Partnership, 2016).

1.2 Knowledge gap and justification for research

Social value in construction is an emerging area of research. Given the recent introduction of legislation, there is relatively little existing academic research into social value in public procurement in the construction industry as noted by Burke and King (2015) and Loosemore (2016), and recently confirmed in Daniel and Pasquire's critical literature review (2019). Of the extant research, little primary data has been gathered and it is further noted that there is scant research examining social value in Northern Ireland.

Public sector activity accounts for over a quarter of construction output in the UK. Planned construction projects in the UK's Government Construction Pipeline were valued at £163 billion in 2016 in the Government Construction Strategy 2016-2020, hence procurers in the public sector have substantial influence on the industry (Cabinet Office and Infrastructure and Projects Authority, 2016). However, implementation of social value in public sector construction procurement remains low in England with up to three quarters of local authorities not embedding social value in procurement policy (Burke and King, 2015).

The UK construction industry is continuing to face a significant skills shortage (Mohamed, Pärn and Edwards, 2017; Morby, 2017). The Chartered Institute of Builders

estimate the construction industry needs at least 157,000 new workers by 2021 (Price and Wales, 2018). Increased implementation of social value through employment and employability clauses may contribute to combatting this shortage.

This research focuses on Northern Ireland where the labour market is strengthening, unemployment continues to fall and economic inactivity is declining (Department for the Economy NI, 2017). The unemployment rate in NI is 3.1% which is lower than that of the UK in general at 3.8% (NISRA, 2019b). Despite these positive signs, NI continues to have the lowest economic growth in the UK, with a GVA increase of 1.1% compared to the UK wide GVA increase of 1.6% (ONS, 2017). Using the new ONS approach of GVA(B) which is a balanced estimate of regional Gross Value Added, Northern Ireland is ranked 10th out of the 12 regions of the UK (Department for the Economy NI, 2018). The rate of working age economic inactivity, while declining, remains higher in NI (25.9%) than the rest of the UK (20.9%), as it has been for the past three decades (NISRA, 2019b). Unemployment is falling, however the long-term unemployment rate (i.e. of all those unemployed, the share who are out of work for more than one year) for Northern Ireland is 40% against a UK average of 28% (NISRA, 2019a). Existing income and employment indicators which measure deprivation are non-comparable across the UK, however, Abel, Barclay and Payne (2016) produced an adjustment methodology which identifies Northern Ireland as the most deprived area of the UK with 37% of the population living in the most deprived fifth of the UK. In Northern Ireland, there is potential to actively address these issues and formalise the existing policy framework through the introduction of social value legislation. Industry focused research on the successful

delivery of social value in construction and the resultant social benefit can help to frame the ongoing formulation of policy and could inform upcoming social value legislation.

Taking the gap in knowledge and the particular need for intervention in Northern Ireland into account, the aim of this research is to explore the critical success factors (CSFs) involved in successfully delivering social value via public sector procurement in construction in NI to maximise social benefit.

The construction industry in Northern Ireland is an important part of the regional economy, but is not without its unique challenges. McArdle and Gunning (2018) found through interviews and quantitative research that the market is highly competitive and that clients have a narrow focus on economic value which encourages low tenders, leading to a claim culture. In this highly competitive regional market, there is opportunity for policy and law makers to widen the procurement landscape and provide leadership in the area of community benefit through social value in NI.

The remainder of this paper is structured as follows: the first section takes an overview of existing relevant literature. Next, an explanation of the method used is given followed by the presentation of the key findings. Finally conclusions are drawn and recommendations made, both for industry (changes in practice) and academia (areas for further research).

2. Literature review

2.1 Defining social value

Lord Young reviewed the Social Value Act in 2015 and asserted that social value concerns the focused creation of additional community wellbeing as opposed to the pursuit of economic

value and redefines the traditional value for money approach in public procurement and commissioning – a view shared by the Social Value Guide (Social Enterprise UK and Anthony Collins Solicitors, 2012). Public procurement can achieve more than basic provision of amenities. It can affect policy, improve industrial progress, pursue social aims and boost innovation (Calleja, 2016). In his review of the Act, Young (2015) found that delivery of social value in public procurement can be achieved via the use of community benefit clauses that meet specific local need such as reducing anti-social behaviour or addressing local employment. As identified in Young's review (2015) and in a subsequent literature review by Cartigny (2017) as well as in the construction industry press (Morby, 2017), a clearer definition of social value is necessary to enable commissioners to deliver social value in construction procurement. In response, a recent definition developed by Raidén *et al.* (2019) via a comprehensive evaluation of existing literature, principles and concepts, states social value more clearly as:

'...the 'social impact' any organisation working in the built environment makes to the lives of internal and external stakeholders affected by its activities, including those working in the industry and in the communities in which it operates.' (Raidén *et al.*, 2019, p.32).

2.2 Social value legislation

Northern Ireland is not governed by specific social value legislation. As a devolved administration, the Public Services (Social Value) Act 2012 ('the Act') does not apply to NI, and the Assembly collapsed before a Bill could be brought forward calling for similar primary

legislation (NI Assembly, 2016). In lieu of legislation, the Sustainable Development Strategy for NI sets a policy framework for social value in public procurement through social inclusion and equal opportunities (Department of Finance NI, 2016). The Social Value Act requires the public sector in England and Wales to consider economic, social and environmental well-being when procuring goods and services over the OJEU threshold. A review by HM Government (Young, 2015) found that awareness of the Act is increasing but deployment of social value in procurements remains low in comparison to the overall size of public sector procurement. A comparative study of recent OJEU contracts by Cartigny (2019) analysed construction contracts by comparing their social value requirements, and found that there was a significant overall increase in emphasis on social value. This was attributed to increases in Scotland and Wales rather than in England where social value was already a consideration before the introduction of the Act. While the study is referred to as a UK-wide study, it is unclear if OJEU contracts issued in Northern Ireland were considered. In 2017, some UK industry representatives called in the press for reform to procurement rules to achieve more social value for the public with a target of up to £14bn for regional supply chains; including £3.4bn for the construction industry, suggesting that they saw benefits in the existing legislation, but for them it does not go far enough (Morby, 2017).

EU Procurement Directives and regulations seek to open out the market and safeguard the EU's principle of freedom of movement of goods and services (Chartered Institute of Building, 2014; Hannaford, 2016). The recent EU Directive on public procurement (2014) and the UK's Public Contracts Regulations (2015) provide more flexibility, better support for

SMEs and a focus on employment and social inclusion but they must be directly related to the delivery of the contract, for example by providing employment opportunities (Calleja, 2016; Hannaford, 2016; Wiesbrock, 2016). Cartigny (2017), Young (2015) and Arrowsmith and Kunzlik (2009) have debated how far commissioners can seek social benefit as secondary policies without overstepping EU legislation. Wiesbrock (2016) pushes the argument further, arguing that existing legislation does not go far enough and that the use of price:quality tender evaluations should be mandatory, effectively prohibiting lowest price procurement exercises and stimulating all three pillars of sustainability i.e. economic, social and environmental aspects. To ensure adherence to the EU principle of freedom of movement, social value through procurement to benefit local communities must not put non-local bidders at a disadvantage (Young, 2015; Cartigny, 2017). Commissioners are however free to consider social value as widely as they want to, including for goods and construction works above and below OJEU threshold or through initiatives such as targeted recruitment and training (Young, 2015).

2.3 The rise of social awareness in the private sector

As social value legislation has emerged in the EU and UK, the corporate world has come under increased scrutiny from the public in terms of social action and impact, and has begun to appreciate that social value can bring a range of benefits to business alongside compliance. Companies are increasingly expected to deliver more than simply providing a commercial return – they are expected to deliver a positive impact on the communities with which they come into contact (Murray and Dainty, 2009; Wolstenholme, 2009; Barman, 2016; Loosemore

2016; Loosemore and Lim, 2017). Companies may be initially motivated by a requirement to comply with the law or their contract conditions rather than a consequential ethics approach to undertake action for the greater good (Raidén *et al.*, 2019). In Sweden, proponents of social value use a range of persuasive strategies to put forward their point of view including using tension between values and profit maximisation and appealing to moral sympathies by discussing the beneficiaries of social procurement initiatives and the subsequent impact on the tax base (Troje, 2018). This is an example of the non-moral motivation exhibited by business as explored in Raidén *et al.* (2019), in that businesses can deliver social value activity but it may be due to a desire to improve their financial standing for instance through reputational enhancement, rather from driven by a moral motivation to do good. The success of businesses with social leanings which deploy what has been termed a ‘caring capitalism’ approach may be evaluated in other ways that are not based on purely monetary terms (Barman, 2016). Gonzalez-Perez and Leonard, (2013) and Howes and Tah (2003) show that the private sector sees a relationship between social responsibility and company reputation). International benchmarking frameworks are also starting to develop including the Sustainable Stock Exchanges Initiative (Raidén *et al.*, 2019) and FTSE4Good Index Series, which measures the performance of companies with robust Environmental, Social and Governance practices. In terms of social governance, the matrix measures customer responsibility, human rights and community, labour standards and health and safety (London Stock Exchange Group Plc., 2018). No positive link can be conclusively made between social responsibility and the financial performance of a firm (Murray and Dainty, 2009; Gonzalez-Perez and Leonard,

2013), however, the introduction of these new business monitoring tools indicates that raising their social reputation is fast becoming a priority for profit making organisations and indicates that social value can be of mutual benefit to private and public sectors alike.

2.4 Methods of achieving social value in construction procurement

Through procurement, the public sector can try to ensure that the construction industry adheres to socially responsible principles via mechanisms such as contract clauses. An exploration of the legal context of social value by Raidén *et al.* (2019) found that it is important for requirements to relate to the core of the contract, citing that a failure to do so may result in a lack of enforcement by contract managers. Raidén *et al.* (2019) also indicate that commissioners should consider social value at all stages of project development and delivery, and that the requirements should be part of the contract, however some have disputed whether contract clauses as an enforcement mechanism can provide social value (Gonzalez-Perez and Leonard, 2013). Mechanisms to include consideration of social value in procurement can be categorised thus: they are either a condition used in the award of contract i.e. a core requirement assessed at PQQ stage such as a requirement to provide examples of completed projects or training and education; or they relate to delivery i.e. the subject of the contract; or they are confirmed via a post-award voluntary agreement following a negotiated procedure (Cartigny, 2017). Using the first method where benefits are core requirements, MacFarlane finds a social benefit method statement is used to score the tender and the procurer must name the partners to be used by the contractor. This approach is often used in Scotland and Wales via OJEU Section 111.1.4 ‘other particular conditions’ (MacFarlane, 2014). In this scenario if a

social clause target or KPI is missed then this can affect the opportunity for securing further work (Department of Finance NI, 2016). The second method involves social value as a contract performance condition. The third method, a post-award voluntary agreement, is dependent on the contractor's corporate social responsibility stance. This approach is considered weaker than other methods and can depend on contractors' good will (MacFarlane, 2014). The social enterprise sector may help the construction industry deliver social value, but as Loosemore (2016) concluded by interviewing 12 leaders of social enterprise organisations, the potential of this sector is not well understood by the industry and they face barriers to entry into the construction market in terms of their organisational scale and capacity (Barraket and Loosemore, 2018).

Young (2015), Cartigny (2017) and Hargrave (2017) suggested that the tools used to measure social value outcomes were not satisfactory. In recognition of this issue, Raidén et al. (2019) put forward a new assessment framework for social value in construction that aims to bridge this gap in the industry. Built on a combination of existing methods augmented by real world experience, this new framework seeks to introduce a connection between the early planning stages of development and the assessment stage of social impact.

2.5 Identifying success factors

A strategic organisational approach that advocates cross sector collaboration and partnerships, was identified as important in creating social value by Raidén *et al.* (2019), who emphasised that there is no one size fits all solution to social value delivery, rather it is dependent on an organisation's maturity level and resources. Leadership, effective project management and

linking social clauses to the subject matter of the contract were also found to be critical. Awuzie, Farag and McDermott (2018), using case study research, identified that the attributes of the client can impact on delivery of social value, in particular the ability of the client to convey their particular values and their ability to secure a project manager who will act as a champion for social value. Focus on value for money has been found to be key by Lord Young in his 2015 review of the Act (Young, 2015). Young also cited pre-market engagement, a wider organisational strategy, and understanding inclusion in each phase of procurement key for realisation of social value. Local activity is an important factor for success as exemplified by NHS Glasgow through an on-site recruitment presence (MacFarlane, 2014). MacFarlane asserts that understanding the legal parameters within which one is working is critical (MacFarlane, 2014); NHS Greater Glasgow and Clyde sought legal advice before including targeted recruitment and training in a specification and it was considered acceptable because of the link between the core health function of the organisation in terms of the link between health and employment. However, solicitors advised the client against including supply chain opportunities (MacFarlane, 2014). A case study approach by Awuzie and McDermott (2016) found that the type of contract selected by commissioning organisations impacted on their delivery of social value objectives and could be considered a success factor, for example contracts that allow for SMEs to take part in major project delivery. Other success factors identified to date include adopting a specific policy; monitoring in the contract conditions; support for contractors and commissioners; a systems approach; high level leadership; a

champion for each benefit; watching out for policy drift; and a small list of requirements (MacFarlane, 2014).

Prior to the establishment of the Buy Social model, research in Northern Ireland by the Northern Ireland Council of Voluntary Organisations (NICVA) and a local consultancy (RSM McClure Watters) investigated social clauses in both services and works contracts and found success factors included Construction & Procurement Delivery, formerly the Central Procurement Directorate (CPD) working with the construction sector and commissioners to create awareness and develop processes; the role of the Department for Employment and Learning in keeping costs down by linking to unemployed people; social clauses forums for those considering including clauses in contracts; how-to toolkits including one specifically for construction contracts, and the availability of support for contractors from the public sector and the voluntary and community sectors. Key challenges in delivering social value in construction projects in Northern Ireland had been found to be a lack of an overall strategy including unclear outcomes and joined up central government departments; a perception that the Northern Irish construction industry can be overly litigious; that inclusion of social value in tenders may boost challenges; monitoring and evaluation and enforcement (NICVA and RSM McClure Watters, 2013).

2.6 Barriers to social value delivery in construction procurement

While this research focuses on identifying factors for success, some consideration is given to the barriers to social value delivery that have been identified to date. Young (2015) cited the fear of overstepping EU legislation as a barrier, however, two key cases in the EU law courts

addressed this fear. *Gebroeders Beentjes BV v State of Netherlands [1988]* states that the list of tender award criteria is non-exhaustive, and can therefore include a criterion relating to employment of the long term unemployed, so long as it doesn't put other Member States at a disadvantage; and *Commission v French Republic [2000]* sets out that participation in a local campaign against unemployment is a permissible evaluation criterion so long as it is compatible with other EU law (Hannaford, 2016). Commissioners are free to consider social value 'as widely as they wish' outside of legislation, including for goods and construction works above and below OJEU threshold (Young, 2015, p.8). Social value delivery can be hindered by a lack of guidance, social value having low prominence in tender criteria and fear of legal challenges in relation to procurement (Burke and King, 2015). MacFarlane (2014) in one of the early studies in this area identified barriers as the potential impact on project time and quality; the addition of new requirements; exclusion of social requirements in the procurement exercise potentially due to fears about resources being diverted from the core product; lack of knowledge around how to deliver a benefit; the package not aligning with the employer's priorities; unauthorised changes in the contract due to support organisations leaning towards their own priorities; a perception that the contract condition approach would threaten existing relationships of goodwill with contractors; and lack of commitment and skills.

As noted above in the discussion on methods of social value delivery, the Social Enterprise (SE) sector may provide an answer but barriers are plentiful as SE is not well understood or well represented in construction (Loosemore, 2016). Joint working between the public sector, private sector and social enterprise, referred to as social value co-creation, is in

its infancy and is driven by business interests, affected by industry patterns and institutional requirements. The main barriers for SEs to engage in the construction industry are organisational scale, capacity and resultant position in the supply chain (Barraket and Loosemore, 2018). A major overhaul of standard procurement approaches is required if SEs are to break down these barriers including separating out work packages, lowering tender compliance responsibilities, updating the traditional view of value being lowest price, integrating social value requirements into existing subcontracts and testing the powerful role of existing supply chains and negative perceptions of the types of people employed by social enterprises (Loosemore 2016).

3. Research method

This study seeks to further the pursuit of knowledge and theory development by considering participants as two distinct cultural groupings within a professional context using a phenomenological approach. Studies of this nature can determine shared perspectives in groups of people who have experienced the same phenomena. This is a common approach in construction project management research (Fellows and Liu, 2015) and is considered appropriate for the topic of perception of success factors in delivering the objective of social value. To meet the aim of this research, a sequential mixed methods approach is taken to identify, collect and analyse the required information. A targeted literature review was undertaken using published books, papers and articles in order to establish a grounding on the topic and identify potential gaps in knowledge. Search terms included: ‘social value’, ‘social value...construction’, ‘social sustainability’, ‘community benefit...construction’, ‘public

procurement...construction'. From the literature review, topics were identified for further exploration with interview participants. Qualitative research consisted of six guided semi-structured interviews, three with public sector construction procurers and three with contractors, all of whom were well informed about the topic.

The sample was taken from Northern Ireland. A purposive sampling method was used to ensure that participants had expertise in social value in public procurement, either from the procurement or tender and delivery perspective. The sample of public sector participants was taken from larger local authority areas or those with significant capital investment programmes. The qualitative data collected via the interview was transcribed verbatim from an audio recording and was analysed via NVivo software to code it to nodes previously identified during the literature review. Data was coded in the first cycle for category and theme as recommended by Miles, Huberman and Saldaña (2014). The provisional deductive coding framework was developed based on the key findings from the literature review and interview schedule. The coding system was then further developed, including new areas raised by participants, into a tree comprising up to two generations of nodes beneath top level nodes, one area referring to the content of the data e.g. issues and one area for type e.g. challenge, opportunity or critical success factor. The questionnaire was developed using themes identified during the qualitative analysis stage.

In terms of justification of the distribution used in the quantitative stage, the data was gathered via selected sampling so that it was applicable to the research aim of investigating critical success factors experienced in the NI construction industry. This meant that specific

participants in the NI construction industry were targeted, from both commissioning/procuring side and the contracting side. A total of 59 responses were received from 35 requests. Every invitation included research information, a link to the questionnaire and a request to circulate the survey to peers. This peer-sharing approach means that the response rate is difficult to tabulate. The selected individuals and organisations included 12 contractor organisations, three central government departments responsible for capital development namely the Department for Finance, the Department for Communities, the Department for Infrastructure as well as the Strategic Investment Board, the Non-Departmental Public Body responsible for Buy Social, the central government initiative on social value. All 11 local authorities in Northern Ireland were contacted. The survey was also distributed via professional social media platforms and the Buy Social contractors' forum. The pool of participants is constrained because there are a limited number of contractors and public sector project managers with experience in social value in Northern Ireland. In addition, social value is only applied to contracts above a specific threshold depending on the employers' approach which means not all contractors have experience of delivery.

The responses collected included participants in industry, and client representatives from local and central government. The number of responses received is considered to be acceptable for analysis, particularly given the comparatively restricted pool of potential respondents. The majority (63%) of research participants were based in large organisations and 75% had direct experience of delivering social value in construction on more than one project in Northern Ireland.

A limitation of this research is the questionnaire sample size which could be considered modest (59) with which to extrapolate the findings to the wider population of the NI public sector construction industry however the population of potential participants was restricted to a defined group of people in construction project management. The research may also have been limited by a central government firewall blockage and the subsequent reliance on pdf copies circulated by staff which may have deterred potential participants. Participants who completed the survey online provided more responses to the three open questions than those who completed the form by hand, even though they were non-compulsory questions. During the qualitative stage, a limitation may have arisen where participants from private industry may have been reluctant to speak negatively to the interviewer about the concept of social value due to the sensitivity of the topic and a fear that it could impact on future tenders with the author's employer, however the author does not participate in tender evaluations for contractor procurements. Potential interviewees were assured that there is negligible risk of conflict of interest nor any potential that taking part in the research would impact any future tender submissions from contractors. In addition, an emphasis was placed on the ethical approach to confidentiality and data security was placed in the pre-interview participant information given to interviewees. The prospective participants were reassured that their responses would be completely anonymised in order to build their trust. This research was carried out in Northern Ireland and as such the findings cannot be transposed wholesale to the UK; however, many of the themes and concerns generated will apply more widely and can help inform practice and research in the UK.

4. Findings

4.1 Key findings

The key findings from this research are the five critical success factors identified in social value delivery which have in turn informed the development of a maturity matrix. This matrix was developed from the themes arising from the CSFs and can act as a benchmark for contractors and commissioners in social value delivery. Finally, a selection of the perspectives of participants from the interviews is presented to illustrate the richness of the data that was used to develop the questionnaire and the subsequent tools.

4.2 Identification of critical success factors

The qualitative themes were developed into an online questionnaire, responses gathered, and from the resultant quantitative analysis, five critical success factors for delivering social value through public sector construction procurement are identified using SPSS software. These five factors account for 57% of the total variance through Exploratory Factor Analysis (EFA) with a rotated component analysis and are categorised as follows: organisational leadership; support networks; process and preparation; social and local awareness; and industry focused strategy. These critical factors comprising 24 contributing variables are shown in Figure 1. Through sample T-test analysis, statistically significant differences between contractors' and commissioners' responses were discovered in the following variables: 'understanding legal parameters'; 'flexible approach' and; 'social responsibility is part of contractor's core values'. These factors could be considered more important to contractors than to commissioners.

4.3 Development of maturity matrix

A maturity matrix has been developed based on the critical success factors identified in this study and is shown in Table 1. The matrix was developed through an analysis of each CSF and the contributing themes which define those factors e.g. the CSF of ‘organisational leadership’ was identified through EFA and the contributing themes feeding into this factor had been identified in a cognitive mapping exercise. These contributing themes included policy, prioritisation, senior leadership and benefit to the company. Three levels of maturity in delivering social value are proposed in the model: Level 1 - consideration of social value; Level 2 – achievement of contractual requirements for social value, and Level 3 – achievement of strategic goals. The model provides illustrations of the activities that may take place at each level in relation to each critical success factor and the elements that may contribute to these factors. The matrix is divided into discrete sections for commissioners and contractors in recognition of the potential for differing perspectives between the two groups.

4.4 Participants’ perspectives

In the interests of the phenomenological nature of this study, perspectives of the participants are explored from three outlooks as exhibited in the interview data: mutual benefit, shared understanding and cultural shift.

- ***The mutual benefit of social value: finding a win-win scenario***

The importance of the contractors’ level of social awareness recurred across several interviews from both client and contractor sides, featuring in comments such as: “...if

the company is really into CSR and social value then it is going to be an easy battle.”

The availability of adequate resources to develop and deliver social value was also identified as an area of interest to both contractor and client interviewees. Addressing the industry wide skills shortage through apprenticeships can be said to have benefits for both public sector clients and construction companies, however there was an indication that the public sector may prioritise the reduction of long term unemployed rather than focusing on apprentices. At a project level, some contractors considered that unanticipated additional resources required to deliver social value could result in a hidden cost to the project, for example when no candidates of an acceptable standard can be found. An academy approach was favoured by multiple interviewees to address the issue around the supply of candidates. Interviewees described the training situation thus:

“...the bodies involved in it were disappearing and reforming and rebranding so it was always hard to tell who you were dealing with.”

And:

“...the network of training organisations is at best non-structured and at worst self-serving and not there to service the end user.”

- ***Seeking a shared understanding of outcomes***

According to the interviewees, a shared understanding of the goals of social value achievement for a project is more likely to be achieved where there is standardisation through clarity in the clauses themselves, and in the reporting formats and monitoring requirements used. Where long term outcomes are tracked and measured, the data can

be fed back to the staff delivering the clauses. The interviewees said:

“...the shortfall was always that we didn’t actually analyse the outcomes, we just had the numbers.”

And:

“Did those people all drop off back into welfare or not or what happened? ... the outcomes is the bit that really matters and that is much more difficult to measure - who tracks those people, do those people want to be tracked? That is much more difficult.”

- ***Making a cultural shift***

The interviewees felt that good communication, good interpersonal relationships, leadership and flexibility contribute towards achieving a cultural shift towards seeing the delivery of social value as the norm, saying:

“It is a wee bit like health and safety it took years and years to get health and safety to get taken seriously, because it is a cultural thing ultimately.”

5. Discussion

5.1 Maturity matrix as a benchmarking tool

The maturity matrix at Table 1 is intended for use as a benchmarking tool by both contracting firms and the public sector. Organisations can use the model to better understand their own position and the potential that can be achieved. It can act as a roadmap in terms of potential future actions and activities, and can help to demonstrate leadership at a strategic level.

5.2 CSFs: the bedrock of the maturity matrix

The five critical success factors form the bedrock of the maturity matrix and as such they are presented individually in the context of social value literature.

- **CSF 1: Organisational leadership**

‘Organisational leadership’ is identified as an overarching critical factor for success and consolidates a range of variables relating to the governance and strategic approach taken by those involved in project delivery, both on contracting and commissioning sides. It includes: senior leadership, client policy and the perception of the benefits from social value at an organisational level. This supports research by Young (2015) and Hargrave (2017) which asserted that organisational strategy is critical for success in social value in general. Leadership in social value at high level has been identified as good practice for both commissioners and contractors by Raidén *et al.* (2019) and MacFarlane (2014) and this study provides evidence to support this position in the Northern Ireland construction context. Questionnaire participants agreed or strongly agreed that in order to achieve success, senior level leadership should be exhibited by the client (97%, $M = 4.6949$), and by the contractor (98%, $M = 4.6271$), where 1 represented ‘strongly disagree’ and 5 represented ‘strongly agree’. Young (2015) identified adopting a specific policy for social value as good practice and this study indicated that this is valued in the Northern Ireland public sector construction industry. This factor ranked 19 ($M = 4.3051$) which was lower in terms of importance than

leadership but received notable support with 90% of participants agreeing or strongly agreeing that it was important that the client has a specific policy for social value.

While conclusions cannot be drawn from this research regarding the link between financial performance and the delivery of social value, it does show in terms of the perception of benefits at an organisational level, that 88% of participants agree or strongly agree that both public and private sector organisations involved in social value through construction contracts see benefits to their organisation. Existing research is inconclusive on the question of whether a positive approach to social value has a corresponding positive effect on a company's financial performance (Murray and Dainty, 2009; Gonzalez-Perez and Leonard, 2013). Raidén *et al.* (2019) highlight that commercial organisations may carry out social benefit actions, but the driver may be that the results will improve profits or market share rather than ethical considerations.

- **CSF 2: Effective support networks**

'Effective support networks' is identified as an underlying factor for success and focuses on the third parties that clients and commissioners work with during a project to deliver social value. It refers to support during the delivery of social value from educational facilities, employability agencies and training providers, as well as a joined-up approach between training providers and the exploration of a role for social enterprise (SE). Young (2015) proposed that good practice for social value delivery included support for contractors and commissioners, further evidenced by Raidén *et al.* (2019). This study has found through qualitative and quantitative research that

cross-sector relationships with training providers and other third parties can be critical to delivery. This kind of joined-up approach from training providers ranked 8 in terms of agreement from participants ($M = 4.4915$) with 97% responding that they agree or strongly agree that this is an important factor for success. Support from training providers was perceived to be important to success (95% agree or strongly agree, $M = 4.4576$); as was support from education providers (93% agree or strongly agree, $M = 4.4068$) and employability organisations (95% agree or strongly agree, $M = 4.3898$). Research suggests that the SE sector may provide an answer for delivering social value from construction. Suggestions for future research from Loosemore in 2015 and 2016 include probing what part public sector initiatives can play; and what role SEs may have in the context of the increasing demand for CSR in construction. This study contributes to this research topic by finding that there is support from both the private and public sector construction industry for SEs to take on a role within the industry in terms of successfully delivering social value (85% agree or strongly agree; $M = 4.0508$). Roles explored in qualitative research interviews for SEs included as micro/small scale construction firms within the supply chain; as training services or as a brokerage service to locate candidates.

- **CSF 3: Process and preparation**

‘Process and preparation’ is identified as an underlying factor for success and comprises the individual factors of consistent monitoring requirements, consistent reporting formats and time available to develop and deliver social value. This factor

describes the optimal conditions at the early stages of project development and the systems used throughout project delivery. Young (2015) proposed that good practice for social value delivery included clarity on requirements including monitoring and measurement was critical for commissioners. Well defined processes were identified in this study as a key concept during the qualitative stage. This study indicates that it is important to participants that processes include clear monitoring and measurement requirements (93% agree or strongly agree, $M = 4.3051$) and that the reporting process is consistent (93% agree or strongly agree, $M = 4.339$). Resourcing was another key area identified at the concept analysis stage of this study but had not been identified during the literature review. This study indicates that having adequate time to prepare, deliver and manage the social value outputs of a contract is part of the underlying factor of process and preparation in successful delivery (88% agree or strongly agree, $M = 4.339$).

- **CSF 4: Social and local awareness**

This study has identified ‘social and local awareness’ as a critical success factor. This factor brings together a range of related items concerning how sensitive and alert both clients and contractors are to the drivers and specific need for social value. It includes the importance of contractors having social responsibility as part of their core values, as well as all parties having a positive attitude towards social value. This factor also emphasises the importance of proportionate pre-market engagement so that the client understands what is feasible. Social responsibility as a core value within a contractor’s

organisation was considered a factor for success by both contractors and commissioners more strongly in the qualitative stage than the quantitative stage where 85% agreed or strongly agreed, $M = 4.1695$. Young (2015) suggested that clients should investigate feasibility via pre-market engagement and this study demonstrates that this may be considered important for success in the NI construction industry (88% agree or strongly agree, $M = 4.2712$).

- **CSF 5: Industry focused strategy**

‘Industry focused strategy’ is identified as the fifth critical success factor and comprises items relating to the wider macro-environment of social value in construction. A key element within this underlying factor is that clauses are targeted at problems specific to the construction industry such as the skills shortage and ageing workforce. This seeks to create a win-win scenario whether the motivation of individual organisations is moral or non-moral and stimulated by self-interest (Raidén *et al.*, 2019). It also incorporates the importance of measuring outcomes over the long term to demonstrate benefits and the importance of introducing legislation on social value in Northern Ireland. Young (2015) identified that managing the contract and measuring outcomes for social value was an important element in good practice. This study provides supporting evidence that it is important that outcomes are measured over the longer term to demonstrate benefits (90% agree or strongly agree, $M = 4.2881$). The importance of outcomes was also identified in the cognitive mapping exercise as part of the qualitative research stage. Adequate tracking of long-term

outcomes for those who participate in social value exercises, such as long-term unemployed people or apprentices, could also provide verification on a case-study basis that could be communicated back to those delivering the clauses. This feedback may help to pursue the strategic goal of shared understanding. Young (2015), Cartigny (2017) and Hargrave (2017) suggested that the tools used to measure outcomes were not satisfactory, subsequently followed up by a new framework in Raidén *et al.* (2019). This study indicated only moderate support for the statement ‘there is poor awareness of how to deliver the anticipated social value outcomes (64% agree or strongly agree, $M = 3.5424$) which could indicate that participants saw the delivery of long term outcomes as a challenge but not a major concern. The public sector in NI is delivering social value through construction under a policy framework in the absence of social value legislation (NI Assembly, 2016; Department of Finance NI, 2016). This research provides data to indicate that both contractors and commissioners working in the public sector of the NI construction industry may welcome the introduction of specific social value legislation (78% agree or strongly agree, $M = 3.9322$) however the qualitative data indicated that a cultural shift in attitude and behaviour could be more beneficial.

5.3 *Variance between contractors and commissioners*

In addition to the findings on success factors, this study has also found a significant difference as shown in Table 2 between contractors and commissioners from local and central government in three areas: ‘understanding legal parameters’, ‘flexible approach’ and; ‘social

responsibility is part of contractor's core values'. The research data shows that all three of these items could be considered more important to contractors than to commissioners. Of note is the prioritisation of legal parameters by contractors which is reflective of the self-interest motivation discussed in Raidén *et al.* (2019). Contractors may perceive success as contract compliance leading to increased profits. In the wider context, social value legislation in Northern Ireland may give contractors the clearer understanding of legal parameters that they may be seeking around social value.

5.4 Comparison with findings in literature

In contrast with the findings by MacFarlane (2014) that social value may have an impact on the time to deliver a project or the quality of a project, this study finds that is not the perception of participants. Content analysis indicated that there was widespread support for the concept and participants saw value in it for their organisation. The quantitative data indicated that social value does not have a negative impact on project time or quality. Participants disagreed with the statements: 'social value in construction has a negative impact on the time required to deliver the project' ($M = 2.3051$, $SD = 0.85610$) and 'social value in construction has a negative impact on project quality' ($M = 2.1186$, $SD = 0.93005$).

Regarding the extent to which participants see benefits to their organisation from social value, the study aligns with the finds of Awuzie, Farag and McDermott (2018) which posited that it is important that the client conveys their values during the procurement exercise. Multiple regression indicated that two variables could predict the extent to which participants

see benefits to their organisation from social value ('client identifies their priorities; 'social responsibility is part of the contractor's core values').

The early case studies by MacFarlane (2014) also indicated that local activity such as an on-site recruitment presence was central to success, however this research could indicate that this may not be considered one of the more important factors for success within NI public sector construction as it was not identified as a success factor through the qualitative or factor analysis and the mean was below 4 ($M = 3.9492$, $SD = 0.79706$). This may be due to contractors having more of a reliance on third party support organisations such as employment agencies, training providers and educational institutions to provide candidates rather than opting for direct recruitment on site.

5.5 Methods of social value delivery

A range of methods for delivering social value had been identified by Cartigny (2017) and MacFarlane (2014), including conditions in the award of contract; part of the subject of the contract; or post-award voluntary agreement. Young (2015) indicated that social value should be considered at pre-procurement stage. This was borne out by the quantitative data. At the quantitative stage, 69% of participants indicated that social value should be considered at pre-procurement stage, 34% at PQQ stage, 24% at ITT stage and 9% as a condition of contract (multiple answers were permissible). The qualitative research found that for participants, social value requirements are generally within the contract conditions. Contractors interviewed appeared content with this approach as it is easier to enforce within their organisation in that scenario. Contractors appeared to have embedded socially conscious attitudes, be it for morale,

reputation or tendering purposes. The standardisation of reporting is perceived by several interviewed to be important. Fragmentation of training providers is seen to be a challenge by contractors and commissioners. Time to prepare clauses is perceived by some as an issue for delivery which could worsen if project specific clauses became an expectation.

5.6 Exiting the EU and the impact on social value

The UK's exit from the EU is likely to impact the NI construction industry but the nature and extent of the impact is unknown. The UK construction industry relies on skilled workers from the EU due to a UK wide skills shortage (Mohamed, Pärn and Edwards, 2017; Morby, 2017) and leaving the EU may exacerbate this shortage. Conversely it may provide openings to legislate more strongly for social value as a requirement in procurement (Jackson, 2017). This study was inconclusive on whether those surveyed considered that exiting the EU may result in a reduction of social value in construction procurement ($M = 3.6949$, $SD = 0.98706$) however this study has demonstrated that 'industry focused strategy' in social value can improve the success of social value. This includes a focus on activities or clauses to address the skills shortage (apprenticeships) rather than unskilled short term vacancies.

5.7 Overcoming challenges – an academy approach

The qualitative stage of this study explored opportunities for improvement that could contribute to social value in Northern Ireland. This included the development of an academy between public sector commissioners that could supply a steady stream of candidates to contractors. Participants indicated support for an academy approach ($M = 4.1017$, $SD =$

0.73567). Participants also indicated an interest in exploration of new roles for social enterprise organisations in the field of construction and social value ($M = 4.0508$, $SD = 0.77512$). The other two proposals scored means of under 4 and could be considered to have received less support from participants. The idea of a paid service to locate candidates had inconclusive results ($M = 3.5085$, $SD = 0.97154$). The final suggestion was an idea raised in the qualitative stage of the introduction of a social value fund. This concept had also been identified in the literature review (Lancashire Enterprise Partnership, 2016; Manchester City Council, 2017). Results in this study were ambiguous (3.3898 , $SD = 0.97154$), hence from this study it cannot be stated conclusively whether participants would support the introduction of a social value fund in Northern Ireland.

5.8 Contribution to knowledge and implications for practice

This research has contributed to the field of social value in construction by identifying five critical success factors in delivering social value; exploring areas of similarity and difference between commissioners and contractors on critical factors for success; exploring the impacts of social value on construction firms; investigating the successful methods of delivery, and providing an insight into the industry's attitude towards the lack of, and potential for, legislation specific to Northern Ireland on social value.

This knowledge can be used by both contractors and commissioning bodies to ensure success. Contractors may find this research useful to inform both their internal social responsibility frameworks and when tendering for public sector construction projects. Commissioners may find this research useful when developing or enhancing social value

policy or frameworks. Commissioners seeking to work cooperatively with contractors on social value may pay particular attention to factors indicated to be more important to contractors i.e. having a flexible approach, having social value as part of contractor's core values and understanding the legal parameters for social value.

6. Conclusion

Critical success factors for delivery of social value through procurement in public sector construction in Northern Ireland include: organisational leadership; effective support networks; process and preparation; social and local awareness and industry focused strategy. These factors were identified by qualitative and quantitative analysis, and account for 57% of the variance in the data from the EFA. The importance of having a flexible approach, having social value as part of contractor's core values and understanding the legal parameters for social value could be considered more important to contractors than public sector commissioners for achieving success.

6.1 Recommendations for future research

This study is the first of its kind in Northern Ireland. Further research could build on the foundation provided in this study in terms of exploring challenges to delivering social value. Research could also explore the delivery of social value further in construction, linking more strongly to achievement of longer-term outcomes. At an industry level, case studies of existing academies, social value funds and the range of roles for social enterprises in delivering social value in Northern Ireland construction would also be productive.

6.2 Wider implications of the study

This research has contributed to the field of social value in construction by identifying the critical success factors in delivering social value; exploring areas of similarity and difference between commissioners and contractors on what the critical factors are for success; exploring the impacts of social value on construction firms; investigating the successful methods of delivery, and providing an insight into the industry's attitude towards the absence and potential introduction of specific legislation on social value in Northern Ireland. Social value clauses, properly designed and implemented in construction contracts, hold the potential to impact positively on Northern Ireland where the long-term unemployment rate is well above the UK average. This study should help both commissioners and contractors to evaluate and enhance their social value processes and activities. In addition, should social value legislation be brought forward for consideration by a re-established NI Assembly, this analysis will help to inform the debate on the necessary conditions for efficient and effective delivery of social value in practice.

Acknowledgements

The authors would like to acknowledge Belfast City Council for financially supporting this research, along with all the participants for their invaluable contribution to this study.

References

- Abel, G.A., Barclay, M.E. and Payne, R.A. (2016) 'Adjusted indices of multiple deprivation to enable comparisons within and between constituent countries of the UK including an illustration using mortality rates'. *BMJ Open*, 6(11), pp. e012750-e012750.
- Arrowsmith, S. and Kunzlik, P.F. (2009) *Social and environmental policies in EC procurement law*. Cambridge: Cambridge University Press.
- Awuzie, B., Farag, F. and McDermott, P. (2018) 'Achieving social value through construction frameworks: the effect of client attributes'. *Proceedings of the Institution of Civil Engineers - Management, Procurement and Law*, 171(1), pp. 25-31.
- Awuzie, B. and McDermott, P. (2016) 'The role of contracting strategies in social value implementation'. *Proceedings of the Institution of Civil Engineers - Management, Procurement and Law*, 169(3), pp. 106-114.
- Barman, E. (2016) *Caring capitalism: the meaning and measure of social value*. Cambridge: Cambridge University Press.
- Barraket, J. and Loosemore, M. (2018) 'Co-creating social value through cross-sector collaboration between social enterprises and the construction industry', *Construction Management and Economics*, 36:7, pp. 394-408.
- Belfast City Council (2016) 'Item 8d: Social Clauses Policy Adoption and Outputs Update', *Minutes of Strategic Policy & Resources Committee meeting 22 January 2016*. Available at: <https://minutes3.belfastcity.gov.uk/ieListDocuments.aspx?CIId=163&MIId=5798&Ver=4> (Accessed: 3 May 2018).

- Burke, C. and King, A. (2015) 'Generating social value through public sector construction procurement: A study of local authorities and SMEs'. *Proceedings of the 31st Annual ARCOM Conference, 7-9 September, Lincoln:UK, Association of Researchers in Construction Management*, pp. 387-396.
- Cabinet Office and Infrastructure and Projects Authority (2016) *Government Construction Strategy: 2016 – 2020*. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/510354/Government_Construction_Strategy_2016-20.pdf (Accessed: 9 December 2017).
- Calleja, A. (2016) *Unleashing social justice through EU public procurement*. New York: Routledge.
- Cartigny, T. and Lord, W. (2019) 'Evaluating social value in the UK construction industry'. *Proceedings of the Institution of Civil Engineers – Management, Procurement and Law*, 172(1), pp. 8-16.
- Cartigny, T. and Lord, W. (2017) 'Defining social value in the UK construction industry', *Proceedings of the Institution of Civil Engineers - Management, Procurement & Law*, 170(3), pp. 107-114.
- Chartered Institute of Building (2014) *Code of Practice for Project Management for Construction and Development*. 5th edn. Chichester: Wiley Blackwell.
- Daniel, E.I. and Pasquire, C. (2019) 'Creating social value within the delivery of construction projects: the role of lean approach', *Engineering, Construction and Architectural Management* (Forthcoming).

Department for Business, Energy & Industrial Strategy (2017) *Industrial Strategy: Building a Britain fit for the future* (Cm 9528). Available at: <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future> (Accessed: 1 December 2017).

Department for the Economy NI (2018) *DfE Economic Commentary Winter 2017/18*. Available at: <https://www.economy-ni.gov.uk/sites/default/files/publications/economy/DfE%20Economic%20Commentary%20-%20Winter%202017.pdf> (Accessed: 5 March 2018).

Department for the Economy NI (2017) *Economy 2030: A consultation on an Industrial Strategy for Northern Ireland*. Available at: <https://www.economy-ni.gov.uk/sites/default/files/consultations/economy/industrial-strategy-ni-consultation-document.pdf> (Accessed: 4 May 2018).

Department of Finance NI (2017) *Procurement Guidance Note PGN 06/10 Construction Procurement Policy Framework*. Available at: https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/PGN-06-10-Construction-Procurement-Policy-Framework_1.pdf (Accessed on 10 October 2017).

Department of Finance NI (2016) *The 'Buy Social' Construction Model*. Available at: <https://www.finance-ni.gov.uk/articles/buy-social-construction-model> (Accessed: 29 December 2017).

European Parliament and Council Directive 2014/24/EU on public procurement and repealing Directive 2004/18/EC [2014] OJ L 94/65.

Fellows, R. and Liu, A. (2015) *Research methods for construction*. 4th edn. Chichester: John

Wiley & Sons, Ltd.

Gonzalez-Perez, M. and Leonard, L. (2013) *International business, sustainability and corporate social responsibility*, Bingley: Emerald.

Hannaford, S. (2016) 'Public Procurement', in Furst, S., Ramsey, V., Hannaford, S., Williamson, A., Uff, J., Hughes, S., Thomas, D. and Keating, D. (2016) *Keating on construction contracts*. 10th edn. London: Sweet & Maxwell/Thomson Reuters, pp. 445-507.

Hargrave, R. (2017) 'Seven ways to improve the Social Value Act', *The Guardian*, 15 August [Online]. Available at: <https://www.theguardian.com/voluntary-sector-network/2017/aug/15/seven-ways-improve-social-value-act> (Accessed: 27 December 2017).

Howes, R. and Tah, J.H.M. (2003) *Strategic management applied to international construction*. London: Thomas Telford.

Jackson, M. (2017) *Opportunities for public procurement post-Brexit*. Available at: <https://cles.org.uk/wp-content/uploads/2017/10/Opportunities-for-public-procurement-post-brexit-FINAL-web.pdf> (Accessed on: 11 April 2018).

Lancashire Enterprise Partnership (2016) *Social Value Toolkit*. Available at: <http://www.lancashirelep.co.uk/lep-priorities/growth-deal/social-value.aspx> (Accessed: 29 December 2017).

London Stock Exchange Group Plc. (2018) *FTSE4Good Index Series*. Available at: <https://research.ftserussell.com/products/downloads/FTSE4Good-brochure.pdf> (Accessed: 16 May 2019).

- Loosemore, M. (2016) 'Social procurement in UK construction projects', *International Journal of Project Management*, 34(2), pp. 133-144.
- Loosemore, M. (2015) 'Building a new third construction sector through social enterprise', *Construction Management & Economics*, 33(9), pp. 724-739.
- Loosemore, M. and Lim, B.T.H. (2017) 'Linking corporate social responsibility and organizational performance in the construction industry', *Construction Management & Economics*, 35(3), pp. 90-105.
- MacFarlane, R. (2014) *Tackling poverty through public procurement*. Available at: <https://www.jrf.org.uk/report/tackling-poverty-through-public-procurement> (Accessed: 10 October 2017).
- Manchester City Council (2017) *Social Value Toolkit for Suppliers 2017*. Available at: http://www.manchester.gov.uk/downloads/download/6648/social_value_toolkit (Accessed: 29 December 2017).
- McArdle, G. and Gunning, J.G. (2018) 'Enhancing value for money in public procurement of Northern Ireland construction projects'. *Proceedings of the Institution of Civil Engineers – Management, Procurement and Law*, 171(5), pp. 207–219.
- Miles, M.B., Huberman, A.M. and Saldaña, J. (2014) *Qualitative data analysis: a methods sourcebook*, 3rd edn. London: Sage.
- Mohamed, M., Pärn, E.A. and Edwards, D.J. (2017) 'Brexit: measuring the impact upon skilled labour in the UK construction industry', *Structural Survey*, 28(6), pp. 264-279.
- Morby, A. (2017) *Scape calls for procurement shake-up to unlock social value*. Available at:

<http://www.constructionenquirer.com/2017/07/06/scape-calls-for-procurement-shake-up-to-unlock-social-value> (Accessed: 1 December 2017).

Murray, M. and Dainty, A. (2009) *Corporate social responsibility in the construction industry*, London: Taylor & Francis.

Northern Ireland Assembly (2016) *Motion: Social Value Bill*. Available at: <http://aims.niassembly.gov.uk/plenary/details.aspx?tb=0&tbv=0&tbt=All%20Members&pt=0&ptv=0&ptt=All%20Items&mc=0&mcv=0&mct=All%20Categories&mt=0&mtv=0&mtt=All%20Types&sp=1&spv=0&spt=Tabled%20Between&ss=bIxxkLNq8Ov6JRMsaSdLUw==&tm=2&per=1&fd=01/01/2012&td=28/12/2017&tit=1&txt=1&pm=0&it=1&pid=1&sid=p&doc=256385&pn=0&ba=0&sd=0&se=> (Accessed: 29 December 2017).

Northern Ireland Council for Voluntary Action and RSM McClure Watters (2013) *Social clauses in Northern Ireland: a research paper*. Available at http://www.nicva.org/sites/default/files/d7content/attachments-articles/cee_social_clauses_2013.pdf (Accessed: 27 December 2017).

Northern Ireland Statistics and Research Agency (2019a) *Northern Ireland Labour Market Report June 2019*. Available at: <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/labour-market-report-june-2019.pdf> (Accessed: 2 August 2019).

Northern Ireland Statistics and Research Agency (2019b) *Northern Ireland Labour Market Report July 2019*. Available at: <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/labour-market-report-july-2019.pdf> (Accessed: 2 August 2019).

Office for National Statistics (2017) *Statistical bulletin: Regional gross value added (balanced)*,

- UK: 1998 to 2016. Available at: <https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedbalanceduk/1998to2016#main-points> (Accessed: 5 March 2018).
- Price, K. and Wales, S. (2018) *Skills shortage in the UK construction industry*. Available at: <https://www.constructionglobal.com/mission-critical/skills-shortage-uk-construction-industry> (Accessed: 4 May 2018).
- Raidén, A., Loosemore, M., King, A. and Gorse, C. (2019) *Social Value in Construction*. Oxford: Routledge.
- Reid, S. and Loosemore, M. (2017) 'Motivations and barriers to social procurement in the Australian construction industry'. *Proceedings of the 33rd Annual ARCOM Conference, 4–6 September*, Cambridge: Association of Researchers in Construction Management, pp. 643–651.
- Social Enterprise UK and Anthony Collins Solicitors (2012) *The Social Value Guide*. Available at: http://www.socialenterprise.org.uk/uploads/files/2012/03/public_services_act_2012_a_brief_guide_web_version_final.pdf (Accessed: 12 January 2018).
- Troje, D. (2018) 'Rhetorical Strategies to Diffuse Social Procurement in Construction'. *Proceedings of the 34th Annual ARCOM Conference, 3-5 September*, Belfast, UK, Association of Researchers in Construction Management, pp. 505-514.
- UK, *Public Services (Social Value) Act 2012, c. 3*. London: The Stationery Office.
- Wiesbrock, A. (2016) 'Socially responsible public procurement: European value or national choice?', in Sjøfjell, B. and Wiesbrock, A. (2016) *Sustainable public procurement under*

EU law: new perspectives on the state as stakeholder, Cambridge: Cambridge University Press.

Wolstenholme, A. (2009) *Never waste a good crisis: a review of progress since Rethinking Construction and thoughts for our future*. Available at: http://constructingexcellence.org.uk/wp-content/uploads/2014/12/Wolstenholme_Report_Oct_2009.pdf (Accessed: 18 April 2017).

Young, D. (2015) *Social Value Act Review*. London: Cabinet Office.

Table 1. Independent-samples t-test: Contractors and commissioners. Significant differences are displayed across variables between contractors and public sector commissioners

		Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
B6. Understand legal parameters	Equal variances assumed	9.217	0.004	1.981	44	0.054	0.31349	0.15827	-0.00547	0.63246
	Equal variances not assumed			2.112	42.973	0.041	0.31349	0.14841	0.0142	0.61279
B20. Flexible approach	Equal variances assumed	0.92	0.343	2.721	44	0.009	0.64683	0.23772	0.16774	1.12591
	Equal variances not assumed			3.071	43.079	0.004	0.64683	0.21061	0.22212	1.07153
B21. part of contractor's core values	Equal variances assumed	0.016	0.901	2.387	44	0.021	0.60714	0.25431	0.09461	1.11967
	Equal variances not assumed			2.445	39.215	0.019	0.60714	0.24833	0.10494	1.10934

Table 2. Maturity matrix for social value delivery. Maturity matrix for social value delivery developed from critical success factors

Critical success factor	Key themes	Maturity level of social value delivery		
		Level 1 <i>Consideration of social value</i>	Level 2 <i>Achievement of contractual requirements for social value</i>	Level 3 <i>Achievement of strategic goals: mutual benefit; shared understanding; cultural shift</i>
Industry focused strategy	<ul style="list-style-type: none"> Construction specific Outcomes Legislation 	Commissioner	Commissioner	Commissioner
		<ul style="list-style-type: none"> Little consideration of wider industry context Outputs are measured but outcomes are not considered i.e. what difference did it make No engagement with development of legislation 	<ul style="list-style-type: none"> Some consideration of wider industry as well as own priorities Outcomes are considered but not monitored at senior level Awareness of any emerging legislation consultation 	<ul style="list-style-type: none"> Strategic engagement with industry to identify mutually beneficial targets Outcomes measured on a long-term basis; case studies developed and fed back to delivery teams Input as required if/when legislation is brought forward
		Contractor	Contractor	Contractor
	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Little consideration of industry context or challenges No interest in taking part in longer term monitoring Opposition/apathy to development of legislation 	<ul style="list-style-type: none"> Seeks to work with client on a project by project basis to find mutually beneficial targets Takes lead from client on monitoring outcomes Apathy to development of legislation 	<ul style="list-style-type: none"> Engagement with government/industry forums to identify mutually beneficial targets An interest at senior level in long term outcomes Constructive input at industry level in development of legislation
		Commissioner	Commissioner	Commissioner
		<ul style="list-style-type: none"> Ad hoc social value activity 	<ul style="list-style-type: none"> Social value processes but no formal policy 	<ul style="list-style-type: none"> Social value policy is in place led by senior level champion
Organisational leadership	<ul style="list-style-type: none"> Policy, Prioritisation Senior 			

	leadership				
	– Benefit to company				
		Contractor	Contractor	Contractor	
	–	– Little interest in social value at senior level	– Some interest in social value at senior level	– Sees a range of monetary and non-monetary benefits through social value	
		Commissioner	Commissioner	Commissioner	
		– Requirements are vague or excluded	– Requirements are standard and assumed to be clear	– Contractor has confirmed requirements are clear; or clauses form part of contractor's bid	
	– Requirements	– Insufficient time spent considering social value at pre-procurement stage	– Minimal consideration at pre-procurement stage	– Sufficient time at pre-procurement to design-in project-specific social value	
	– Resourcing	– Non-standard reporting format is accepted	– Reporting format is included in documentation	– Standard reporting format is used for all procurements	
	– Reporting format	– Unclear monitoring requirements at procurement stage; or monitoring at end of contract only	– Sporadic monitoring during contract delivery	– Regular monitoring using an early warning style approach	
	– Monitoring framework				
Process and preparation		Contractor	Contractor	Contractor	
		– Little or no effort to clarify unclear targets	– Some effort to clarify unclear targets	– Contractor confirms requirements; or clauses form part of contractor's bid	
		– Insufficient resources allocated at delivery stage	– Ad hoc resources at delivery stage	– Dedicated resource to coordinate / liaise with commissioner	
	–	– Ad hoc and/or incomplete monitoring reports are provided on non-standard format	– Monitoring reports are submitted using format provided but can be irregular or incomplete	– Regular submission of monitoring reports using format provided; sub-contractors are briefed	

Social and local awareness	– Social responsibility – Pre-market engagement – Attitude	Commissioner	– Contractor's CSR is not important during procurement – Clauses are set and enforced without checking if they are deliverable – Negative attitude	Commissioner	– Contractor's CSR may be considered at PQQ stage – Explores feasibility via previous experience to determine what is deliverable – Neutral attitude to social value	Commissioner	– Procurement exercise requires social responsibility as part of contractor's core values; social value may be in award criteria – Explores feasibility via previous experience and pre-market engagement to determine what is deliverable; Positive attitude
		Contractor	– Contractor has low interest in CSR – Negative attitude	Contractor	– Contractor has some experience of CSR – Neutral attitude to social value	Contractor	– Social responsibility is part of the contractor's core values – Positive attitude
	– Locating candidates – Integration – Social enterprise	Commissioner	– Little assistance provided to contractor – No direct contact with third party support organisations	Commissioner	– Provides a signposting service between contractors and third parties i.e. training providers to help locate candidates	Commissioner	– Pro-active support to link contractor to support organisations – Facilitates and encourages a joined up approach from trainers – Actively explore a potential niche for social enterprises to operate in construction or brokerage to deliver social value
		Contractor	– Perfunctory effort to locate candidates – No direct engagement with support organisations	Contractor	– Some effort to work with support organisations to locate candidates	Contractor	– Builds long term relationships with several support organisations to ensure candidates are located when required

Figure 1. Five critical success factors for the delivery of social value in construction procurement. Five critical success factors for the delivery of social value in construction procurement have been identified through EFA: organisational leadership; support networks; process and preparation; social and local awareness; and industry focused strategy