



The Blueprint for  
Change

# THE BUSINESS CASE

*FOR CULTURE*

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# EXECUTIVE SUMMARY

Culture in construction has long been viewed as a soft topic, something nice to have, but not necessarily tied to performance. That assumption is outdated. Culture is not a side conversation; it's a core strategy. When jobsite culture breaks down, so do safety, quality, productivity, and profitability.

This summary outlines how culture impacts four key pillars (Safety, Quality, Productivity, and Profitability) and why culture should be treated as a business investment.

## **Safety: Culture Reduces Incidents and Claims**

- Companies with strong safety cultures have seen an **85% reduction in TRIR** (*ABC*).
- **Highly engaged teams experience 63% fewer safety incidents** (*Gallup*).
- Psychologically unsafe workers are **80% more likely to be injured** (*NSC*).

Culture protects both your people and your premiums.

## **Quality: Culture Prevents Rework and Errors**

- Rework costs average **5–9% of total contract value** (*Navigant*).
- **48% of rework stems from poor data or communication** (*Autodesk*).
- Morale, mentorship, and clarity (all cultural) drive quality outcomes.

A culture of clarity and pride reduces costly mistakes.

## **Productivity: Culture Drives Performance**

- **High-trust teams are 3.3x more efficient** and deliver **2–7% higher profit margins** (*FMI, McKinsey*).
- Burnout and absenteeism cost employers **\$1,685 per employee per year** (*CDC Foundation*).

Culture isn't just about engagement, it's about execution.

## **Profitability: Culture Protects the Bottom Line**

- Turnover costs U.S. businesses nearly **\$1 trillion annually**, and **33% of an employee's salary** to replace them (*Workforce Institute*).
- Strong cultures boost retention by **30–50%** (*Deloitte*).
- Companies with great cultures outperform low-culture peers by **200% in shareholder return** (*McKinsey*).

Culture shows up in every line item from rework to retention.

**The Bottom Line: Culture is a Competitive advantage**



# THE BUSINESS CASE FOR CONSTRUCTION CULTURE

Often times when we talk about changing construction culture a lot of emphasis is put on the anecdotes and horrors stories many experience. However, while businesses want to do right by their people, they also need to ensure profitability so that those working for us can keep their jobs. So how can you reconcile the investment in culture with profitability. Over the next few pages we are going to explore how jobsite culture ties into safety, quality, productivity, and ultimately profitability. By the end of this business case you will know that changing your jobsite culture is the best decision for your workers, your profitability, and your company.

## DEFINING CULTURE

Before we dive into how jobsite culture affects these 5 areas, we must first define it. According to Merriam-Webster culture is *the set of shared attitudes, values, goals, and practices that characterize an institution or organization* or in our case an industry. That's why, when we talk about culture here, we're focused on the attitudes, behaviors, and norms that shape everyday life in construction.

So let's set the stage for what is normal in construction:

- **High Stress** - Construction is an industry where mistakes carry high stakes from project deadlines to potential injury. This creates an incredibly stressful environment. In fact:
  - Construction has the **3rd highest rate of burnout** in the U.S. workforce (Bachelor of Business Administration)
  - 47% of construction workers say they are **currently stressed** on the job (StrongArm Technologies)
  - 55% of construction workers attribute **poor mental health** to the industry/leadership (Construction Safety Research Alliance)
- **Overworked and Long Hours** - It is not uncommon for workers to have to work long hours and weekends to meet deadlines. Part of this can be attributed to the growing workforce crisis of not having enough workers to man the amount of work.
  - A **workforce crisis** where **annual spending** on construction over the past 15 years has increased **173%** while our **workforce** has only grown **33%** a widening gap that's increasing pressure and leading to longer hours on jobsites. (BLS Analysis).



- **Harassment and Discrimination** - Although construction is making strides to recruit to different genders and races one of the biggest barriers to retaining diverse talent.
  - Over 25% of women experiencing **harassment** and 66% experience **discrimination** (2021 IWPR and NIBS Surveys)
  - At least 40% of people of color experience **prejudice/discrimination** (2021 NIBS)
- **Tough It Out/Trial by Fire Mentality** - Construction culture often values toughness over transparency. Asking for help is seen as weakness, and new workers are frequently tested through a “trial-by-fire” period, where they’re expected to prove themselves without complaint. This mindset discourages injury reporting and mental health support:
  - 50% of workers believe it’s best **not to report minor injuries** (CPWR)
  - **2nd highest suicide** of any industry(CDC)
- **Aging workforce** - Construction is also losing a lot of experience to an aging workforce, and fewer seasoned mentors means newer workers are sometimes promoted before they’re ready.
  - Over 17 years the percentage of construction workers **55 and older** have almost **doubled**, from 11.5 percent to 22.7 percent (BLS)
- **Pride in Craftmanship** - One of the most powerful aspects of construction is being able to drive by a building and tell your family, “**I helped build that.**” The direct connection between daily tasks and the lasting impact of the structure creates a deep sense of purpose and pride that few industries can match.
- **Comradery** - Construction is known for forging lifelong **friendships that extend far beyond the jobsite gate**. Shared challenges, early mornings, and tight-knit crews often turn coworkers into family and that camaraderie is one of the industry’s most enduring strengths.

These are the everyday realities of construction culture. Understanding these norms helps us see why culture isn’t just a soft issue, it’s a performance factor hiding in plain sight. Now let’s dive into how this culture affects safety, quality, productivity, and profitability.

## SAFETY

Whenever you walk onto a construction site, safety is preached as the number one priority, and for good reason. A strong safety program with fewer injuries not only protects your people, but it also reduces workers’ compensation claims, insurance premiums, EMR, and costly downtime. But here's the key question: **how exactly does jobsite culture affect safety?**



A lot of the cultural norms we've already identified, like the "tough-it-out" mentality, underreporting of injuries, and fear-based communication, directly undermine psychological safety, which is the very foundation of a strong safety culture. Let's look at the data to understand the connection:

- **Safety Culture Reduces Incidences**

- Companies that cultivate a genuine safety culture (not just safety policies) see significant reductions in injuries. In fact, a STEP program developed by ABC encourages the use of tools like safety orientations, toolbox talks, and site safety committees. While these may seem procedural, they create consistent touchpoints with leadership and build trust through follow-through. Participants in this program noticed a **reduction in their TRIR by 85%** (ABC). That's not just a win for worker safety, it's a business win. Fewer incidents mean fewer claims, lower EMR, reduced insurance premiums, and better control of workers' comp costs. In other words, culture protects both people and profit.

- **The Connection Between Employee Engagement and Safety**

- There is a clear correlation between employee engagement and safety. When workers feel engaged, that their voice matters, that leadership cares, and that they are part of the mission, they make safer decisions. According to Gallup, **highly engaged teams have 63% fewer safety incidents** compared to disengaged teams (Gallup). Employee engagement is not an accident, it is a reflection of the culture we create.

- **Psychological Safety and Physical Safety**

- IConstruction often focuses on PPE, equipment, and fall protection. But psychological safety (the ability to speak up, ask for help, or admit a mistake without fear) is just as critical. Workers who feel **psychologically unsafe are 80% more likely to be injured** on the job (NSC).

When we zoom out and look at the everyday culture on many jobsites, we see the barriers clearly:

- A "tough-it-out" mentality that discourages vulnerability and reporting
- Harassment and discrimination that silence underrepresented workers
- Burnout and stress that erode decision-making and awareness

These are not just HR issues, they are safety risks. If we can begin addressing these cultural challenges head-on, we don't just create better jobsites, we create safer ones.



# QUALITY

Our next cornerstone in construction is quality. We ensure our quality through work-in-place check lists, first-delivery inspections, 3rd party inspections, and of course punchlists. But let's be honest: if we don't get it right the first time, it's going to cost us. And not just time, it hits budgets, reputations, and relationships.

When we try to improve quality, we often default to planning better or inspecting more. And while those tools are important, there's another powerful lever we can pull to raise the bar: **culture**.

Let's break down how jobsite culture directly impacts the quality of what gets built:

- **Poor Culture Increases Rework and Errors**
  - Rework is one of the most expensive quality costs. Rework is one of construction's most costly quality issues. **Direct rework averages 5% of contract value**, and with **indirect costs** like delays and supervision, the total impact climbs to **9%** (*Navigant Construction Forum*). Culture plays a major role: **48% of all rework stems from miscommunication and poor project data** (*Autodesk*). When jobsite culture lacks clarity, trust, and collaboration, errors go unreported and quality slips.
- **Morale and Quality Compromises**
  - One of the most visible challenges in construction is low morale. When team morale drops, it affects everything, from productivity to safety to quality. Workers who feel undervalued or burned out are more likely to disengage and stop caring about the quality of their work. According to the Project Management Institute, **poor morale directly contributes to rework and quality breakdowns** (*PMI*). A culture that values people creates people who value the work they produce.
- **Lack of Training and Experience Contributes to Errors**
  - With a "trial by fire" mentality, mentorship and training often fall by the wayside, even though new hires need guidance the most. **Nearly 48% of all workers' comp claims come from first-year employees** (*Travelers, 2022*). And while quality-specific stats are harder to isolate, research confirms the link. A 2024 study on structural safety found that **most construction errors stem from human and organizational factors** (like unclear communication, poor supervision, and lack of training) rather than technical flaws (*van Gulijk*). These issues are often cultural, not individual.





At the end of the day, quality isn't just about inspections and checklists, it's about people. When jobsite culture supports communication, mentorship, and morale, crews are more likely to take ownership, speak up, and get it right the first time. But when culture breaks down, so does the work. If we want to build better, we have to build a culture that values quality from the ground up.

## PRODUCTIVITY

When we think about productivity, we often track man-hours, square footage, and project timelines. But the real drivers of performance, communication, morale, and leadership, start with culture. How people feel about coming to work ultimately shapes how they perform once they're there.

Let's explore how jobsite culture affects productivity outcomes:

- **Trust and Team Performance**

- When people know that their teams and leaders have their back they show up differently and perform better. This translates to **higher rates of on time delivery** and even a **2-7% higher profit margin** for high trust teams (*FMI/Autodesk*). McKinsey research reinforces this, identifying trust as a top driver of success, **accounting for 70% of the difference between high- and low-performing teams**. And if that's not enough, **high-trust teams are 3.3x more efficient** (*McKinsey*). How do we create trust? By taking care of our people and creating a culture where communication is open, support is consistent, and leadership follow through. Trust isn't built with a program or a poster, it's built through every day actions that show workers they matter.

- **The Effect of Stress on Productivity.**

- Almost **80% of people admit that stress negatively impacts** their ability to do their jobs and in the same study they found an even higher percentage **70% of construction workers felt stressed at work** (*Cambridge*). When workers are under stress for long periods of time this can lead to serious burnout. And burned out employees are **63% more likely to take sick days and 2.6 times as likely to actively seek a different job** (*Gallup*). This doesn't just slow progress it can put entire schedules at risk.



- **Caring for Workers Improves Retention and Efficiency**
  - With construction struggling to keep up with demand, our workers are our most valuable asset. When turnover happens, it doesn't just disrupt a company — it disrupts schedules, budgets, and momentum. Field roles, in particular, are some of the hardest to fill, with a shrinking pool of qualified candidates and one of the highest turnover rates in the industry (*FMI*). **So how do we get people to stay and stay engaged?** According to FMI, **company culture is one of the top two factors for attracting and retaining talent**. When we build strong, people-first cultures, we boost engagement and that can **reduce employee turnover by 20% to 40%** (*Gallup*). Retention is so important because it keeps experienced workers on site and jobs on track.

At its core, productivity is about more than output, it's about conditions. When stress is managed, trust is high, and people feel supported, crews move faster, make fewer mistakes, and stick around longer. Culture isn't just a background variable, it's the engine of productivity. If we want stronger performance on our jobsites, we have to invest in the people who make that performance possible.

## PROFITABILITY

We often talk about culture in terms of engagement, morale, or safety, but let's be clear: culture is also a cost center. When culture breaks down, the result isn't just frustration, it's rework, injuries, absences, turnover, and rising overhead.

Here's how culture directly affects profitability:

- **Safety: Injuries Are Expensive**
  - We've already established the strong connection between jobsite culture and safety, but what's the actual impact on the bottom line? According to the the National Safety Council, **workplace injuries cost employers an average of \$1,100 per worker and \$1.31 million per death** (*NSC*). Beyond direct costs like medical expenses and lost time, injuries also drive up insurance premiums and affect your Experience Modification Rate (EMR), which in turn can impact your company's ability to win future work.
- **Quality: Rework Bleeds Budget**
  - Quality and culture are deeply interconnected, and we've already touched on the high cost of **rework**, which falls between **5% and 9% of contract value on average** (*Navigant Construction Forum*).





- When culture supports communication, mentorship, and morale, teams get it right the first time and keep profits intact.
- **Productivity: Absenteeism Adds Up**
  - Burnout and stress don't just slow productivity, they also increase absenteeism. The CDC Foundation reports **absenteeism costs employers approximately \$1,685** per employee each year (*CDC Foundation*). When left unchecked, absenteeism can lead to turnover, compounding the cost.
- **Retention: Turnover Hurts the Bottom Line**
  - Turnover is expensive. It disrupts projects, drains team cohesion, and erodes momentum. **Turnover costs U.S. businesses nearly \$1 trillion annually, and replacing a single employee costs about 33% of their base salary** (*Workforce Institute*). But there's a solution: according to Deloitte, companies that invest in **strong learning cultures** (a key component of broader company culture) **see 30–50% higher retention** (*Deloitte*). Investing in culture doesn't just help people stay, it saves money.
- **The Bottom Line Culture Breeds Profit**
  - Even if none of stats hit home, this one should. **Companies with high-performing cultures outperform median cultures by 60%, and outperform low-culture companies by 200% in total shareholder return** (*McKinsey*).

Culture affects every dollar you touch. From jobsite safety to schedule integrity, labor costs to long-term margins, the return on cultural investment is real. When we treat culture as a financial strategy, we don't just protect people, **we protect profitability.**

