Equality, Diversity and Inclusion in the Construction Industry

CIF Member Guidance

Irish Centre for *Diversity*

CONSTRUCTION INDUSTRY FEDERATION

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The Construction Industry Federation (CIF) has commissioned the **Irish Centre for Diversity** to produce this **Equality, Diversity and Inclusion Guidance** in response to our commitment to increasing diversity within the industry. This document is designed to act as a high-level guide for organisations and professionals looking to gain an understanding of how to **improve diversity and inclusion** within their workplace and the wider industry.

What is Equality, Diversity and Inclusion?

Equality (of opportunity) is about creating a fairer workplace, where everyone can participate and have the opportunity to fulfil their potential. By eliminating prejudice and discrimination, organisations can provide employees and clients with the opportunity to flourish and experience a fair and diverse environment.

Diversity is any dimension that can be used to differentiate groups and people from one another. When it is used as a contrast or addition to equality, it is about recognising individual as well as group differences, treating people as individuals, and placing positive value on diversity in the community and in the workforce.

Inclusion allows those differences to work together in a way that not only benefits the organisation but also allows people to bring their best 'selves' to work. Workplace inclusion requires a shift in an organisation's culture and it is a recognition that policies alone are not sufficient to build an inclusive workplace.

These approaches recognise that in order to provide accessible services and to ensure we promote inclusive working environments, organisations may need to respond differently to both individuals and to groups. A holistic approach means making a commitment to equality through the recognition of diversity and the implementation of inclusion.

What's the reality?

Over the past 20 years, Ireland's business landscape has shifted, swinging from a centre of manufacturing to a predominantly knowledge-based economy. Along with it the Irish work force has also changed, with an influx of non-Irish nationals settling in Ireland, north and south. The number of working women and dual-career couples has increased, and, together with an ageing work force and matters of sexual orientation, all these issues fall under the umbrella term 'diversity'.

According to a recent CIF report (https://cif.ie/wp-content/uploads/2018/03/CIF-Membership-Diversity-SURVEY-REPORT.pdf) the construction sector in Ireland continues to be a male dominated sector with the average percentage of men working in member companies estimated at 89% compared to 11% of women. Furthermore, when comparing on-site and off-site roles, women only make up 1% of on-site roles compared to 46% of off-site roles.

Similarly, across other dimensions of diversity, such as ethnicity, age, sexual orientation, etc. under-representation is a common symptom across the sector (in most countries).

Not just the right thing to do... but a business imperative

Beyond the clear moral case for improving diversity and inclusion within the workplace, there is a significant business case as well. A *'Global Human Capital Trends'* report by Deloitte in 2017 highlighted the following trends:

- The proportion of executives who cited inclusion as a top priority has risen by 32% since 2014.

- Over two-thirds (69%) of executives rate diversity and inclusion an important issue (up from 59% in 2014).

- A 10% increase in inclusion can result in you winning back one day of work for every person you employ

- 38% of executives report that the primary sponsor of the company's diversity and inclusion efforts is the CEO.

McKinsey (a global business consultancy) found that gender-diverse companies were 15% more likely to outperform the industry average, whereas ethnically-diverse companies were 35% more likely to outperform industry average.

In 2014 Credit Suisse found a strong correlation between female representation at senior level and financial performance, with return on equities (ROE) reaching 14.7% in companies where women make up more than 15% of senior managers – dropping to 9.7% ROE for companies where fewer than 10% of senior managers were women.

For the London 2012 Olympics, Stephen Frost, (Head of Diversity and Inclusion) stated that *"Diversity in our workforce led to better customer service as we had a phenomenal skill set available to welcome the world"* and that *"Diversity in our supply chain helped save £112 million of our projected £1.3 billion spend. This was largely achieved through decreasing barriers to entry, increasing transparency and competition, driving down costs, and sourcing new and innovative ideas."*

Eurovia and Ringway make up one of Europe's leading transport infrastructure companies, providing highways maintenance, network management, emergency response and environmental services across the UK. The company, like many in the sector is ultimately male dominated. The company acknowledged that diversity and inclusion have a big impact on winning work and so aims to identify and respond to clients' particular interests and perspectives on diversity and inclusion even before a bid is submitted.

In order to raise the bar on diversity and inclusion, the company undertook a series of initiatives which included working towards an external accreditation for its work on diversity and inclusion through Investors in Diversity, training was offered to all managers and employees and the organisation's value of Respect was cascaded down into the appraisal system with staff required to set diversity and inclusion objectives. The following, quantifiable benefits were identified through an organisational survey:

- A greater diversity of recruits, from a wider talent pool.

- A greater diversity of people progressing through the organisation.

- Benefits to corporate reputation via publicity, benchmarking and awards.

- Benefits in terms of creativity and innovation.

- An increase in employee engagement

Delivering impact and maturity through Equality, Diversity and Inclusion

Whenever an organisation begins or advances its equality, diversity and inclusion journey, it is important to acknowledge that there is no 'right way' of doing things. Some organisations will be at a very early stage of their journey and will be looking to understand why embarking upon it is important for them, or how they should begin. Others will already be at an advanced level and will have both the leadership and accountability around EDI in place with a programme of initiatives to support the implementation.

There are several steps that can be taken by organisations in their quest to become diverse and inclusive organisations. The following diagram represents a **3 stage maturity model** that organisations can roughly map themselves against.

Where does your company currently stand?

EDI APPROACH		
Level 1 **Compliance focus**	Level 2 **Culture focus**	Level 3 **Business imperative**
Often about compliance to legal duties with limited focus on increasing diversity and inclusion Implementing EDI initiatives on an ad hoc basis, focusing on specific demographics e.g gender	Data-led insights that help tackle both systemic and behavioural barriers. Led by leaders that are held accountable for EDI results and model inclusive practices	The organisation firmly believes that difference leads to the creation of business value. EDI is an integral part of business strategy and organisational goals including talent management

RESPONSIBILITY FOR IMPLEMENTING CHANGE		
Level 1 **Compliance focus**	Level 2 **Culture focus**	Level 3 **Business imperative**
Human Resources / Legal Team / D&I specialist	Organisational leaders/ managers	Everyone in the business and led by CEO

EXAMPLES OF EDI APPROACH

Level 1 Compliance focus	Level 2 Culture focus	Level 3 Business imperative
• Very limited approach to EDI	• Data exists that allows for a sophisticated understanding of EDI	• Impact of EDI commitment and action seen in organisational demographics
• Limited diversity (especially at senior roles)	• EDI linked to business strategy	• High feeling of belonging by employees
• Diversity is often seen as a risk	• EDI high priority for senior leaders/CEO but not fully embedded	• EDI embedded into structures, behaviours and systems
• Any EDI activity is limited to one off events, training or specifically focussed on recruitment	• Focus on culture change	• Inclusive mindset across all levels of employees
• Business case not clearly articulated	• Organisational systemic barriers understood	• Inclusive talent management systems in place
• Definition of diversity is limited with little focus on inclusion	• Talent management not fully linked to business and EDI goals	• Flexible and agile working seen as key to business success
• Ad-hoc and/or one-off initiatives including training or employee resource groups	• Regular monitoring of progress	• Diversity seen as a key factor to high-performance
• Not everyone has bought into the EDI vision with some resistance		• Supplier diversity and commitment to EDI challenged

SAMPLE ROADMAP FOR EACH STAGE

Level 1 Compliance focus	Level 2 Culture focus	Level 3 Business imperative
1. Develop a shared understanding of what EDI means to the organisation through consultation activities.	**1.** Raise knowledge and awareness of what EDI means for the organisation and why it is important through formal and informal learning interventions.	**1.** Make sure EDI programmes are resourced consistently.
2. Articulate why this is important and widen the narrative to diversity of thinking and inclusion.	**2.** Create a comprehensive picture of the organisation using data – identify trends, potential barriers and gaps.	**2.** Implement key training interventions to shift both behavioural and systemic barriers e.g. unconscious bias training.
3. Make sure all written commitments including policies are up to date and relevant.	**3.** Understand how the data links to business strategy and align EDI goals to strategic outcomes (e.g. Increased market share, reduction of employee turnover, innovation, supplier diversity).	**3.** Build capacity of middle managers.
4. Develop an EDI communications strategy to spread the message.		**4.** Actively monitor and measure impact of EDI on organisational goals.
5. Provide leaders with EDI related training including inclusive Leadership.	**4.** Regular messages from CEO/senior staff that challenge status quo and promote inclusion.	**5.** Monitor employee perceptions on an annual basis through surveys and engagement activities.
6. Develop capacity to collect data across key functions (e.g. recruitment, talent management, supplier diversity).	**5.** Create data led, talent management processes that are linked to reward and recognition (e.g. linking reward to inclusive behaviours, or developing diverse talent pools as part of succession planning).	**6.** Reinforce key EDI messages to make sure momentum isn't lost.
7. Develop a programme of interventions that act as catalysts for culture change and to challenge possible resistance.		**7.** Review, revisit and refresh annually.
		8. Benchmark externally.
		9. Communicate successes and areas of development both internally and externally.

Overall, the above model presented provides a broad overview of how an organisation can either begin its EDI journey or move from one stage to the next. Ultimately, key steps include challenging current practices, which are heavily weighted towards simply collecting diversity metrics, holding events, and training. Instead, organisations should reflect on their end goals and begin with the question of why EDI is important to them. Following the model, the organisation then can redefine and reset cultural norms, while reshaping behaviours. Leaders are a powerful force in creating inclusive organisations, setting the scene, objective setting and aligning EDI with key business strategies.

Finally, no one is expected to achieve high levels of success instantly, as inclusion often requires small steps that are implemented in a 'little and often' approach.

The Irish Centre for Diversity was commissioned by the CIF to produce this guidance for members. Often, getting started or moving from one level to the next can require support, and the Irish Centre for Diversity can provide non-judgmental, impartial and expert support to help you achieve your EDI goals.

If you would like to find out more, please visit the website: **www.irishcentrefordiversity.ie***, email:* **enquiries@irishcentrefordiversity.ie** *or call one of the following numbers:* **(+353) 87 167 8857 or (+353) 51 348 340.**

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