

BARRIERS TO EMPLOYMENT FACED BY DISADVANTAGED GROUPS TARGETED BY NEW SOCIAL PROCUREMENT POLICIES

Martin Loosemore¹, Suhair Zaid Alkilani² and Robert Mathenge³

^{1&3} *Faculty of the Built Environment, University of New South Wales, Red Centre Building, University Mall, Kensington, NSW 2033, Australia*

² *Australian Pacific International College, Sydney, Australia, NSW 2000, Australia*

Social procurement is an increasingly popular policy mechanism to encourage construction firms to employ people suffering disadvantage in the communities in which they build. However, research into the challenges which policy-makers might face in implementing these new employment requirements. To address this important question, a survey of seventy Australian construction subcontractors shows that the main barriers to the implementation of new social procurement employment requirements are: A lack of government support and incentives; the cost of training, supervision and workplace support for targeted groups; and a perception that these groups are a risk and not able to fit-in and work effectively in the construction industry. These findings provide a more nuanced understanding of the challenges involved in social procurement implementation. This is important in reducing the risk that social procurement policy runs ahead of industry practice and capability to deliver on what are becoming an increasingly complex array of employment requirements.

Keywords: diversity, gender, disability, social procurement, social value

INTRODUCTION

In its simplest terms, social procurement is “the acquisition of a range of assets and services, with the aim of intentionally creating social outcomes (both directly and indirectly)” (Furneaux and Barraket, 2014: 269). As Loosemore (2016) and Raiden et al., (2019) note, this essentially involves requiring a supply chain to create ‘social value’ either directly (by for example employing disadvantaged people) or indirectly by requiring their supply chain to do the same. While some social procurement policies are agnostic about the disadvantaged groups they seek to help, others are more targeted. For example, in countries like Australia, Canada and South Africa there has been a long-term focus on Indigenous people (see for example the Australian Indigenous Procurement Policy 2015 - Australian Government 2015).

Despite a growing body of research in social procurement outside construction (see for example Barraket et al., 2016), there is a lack of sector-specific research in industries like construction. Nevertheless, while industries like construction offer enormous potential opportunities to help address social challenges through employment for disadvantaged groups, recent research indicates that there are

¹ m.loosemore@unsw.edu.au

numerous challenges to overcome in implementing such policies. For example, Loosemore (2016) and Barraket and Loosemore (2018) found that social procurement is largely driven by commercial imperatives and is constrained by the construction industry's established governance, management, leadership, organisational arrangements, systems, structures and competencies. Petersen's (2018) review of social procurement employment requirements in the Swedish construction industry, shows that the effective implementation of social procurement will require significant institutional change, driven by the need to combine commercial and public interest and new blended forms of institutional logics which see the concept of value more broadly than simply economic.

While the growing body of work on construction social procurement is throwing light on the general institutional changes it may require, less is known about the specific barriers to employment faced by the disadvantaged groups being targeted by social procurement policies. These cohort groups vary from one social procurement policy context to the next in response to community needs and impose a complex and demanding web of new employment requirements on those firms tendering for public and private sector construction contracts that incorporate social procurement requirements. For example, the recently released Victorian Social Procurement Framework in Australia (Victoria State Government 2018) requires all Victorian Government departments and agencies to consider employment targets for Indigenous people, disabled people, women, long-term unemployed, disengaged youth, single parents, migrants and refugees, and workers in transition. For an industry with a strong stereotype image of what the ideal construction worker should look like ("one of a macho, blocky, big muscly able-bodied person, and that this person would probably be a man" Ormerod and Newton 2013: 933) these emerging social procurement requirements present a significant new challenge. It is in within this context that the aim of this paper is to investigate the barriers to social procurement employment requirements in the construction subcontractor supply chain, since this is where the majority will be employed. More specifically, this paper explores the barriers to employment that are likely to be faced by a range of disadvantaged groups commonly targeted by social procurement policies (Indigenous, Disabled, Women, Disengaged Youth, Migrants and Refugees, Ex-Offenders).

Employing the disadvantaged

There has been very little construction management research into the employment of disadvantaged groups typically targeted by social procurement policies. This is somewhat surprising given that some groups (such as Indigenous people, youth and migrants) are heavily represented in the sector. For example, a recent report by Construction Skills Queensland (2018) in Australia found that Indigenous workers are 30% more likely to work in construction than in other industries. The construction industry has therefore become a major focus for Indigenous social procurement policies in countries like Australia, Canada and South Africa (Denny-Smith and Loosemore 2017). However, despite some research into Indigenous construction businesses in countries like Australia, Nigeria and Papua New Guinea (Adams 1997, Dania *et al.*, 2014, Wasi and Skitmore 2001, Denny-Smith and Loosemore 2017) there has been little research into employment of Indigenous people in construction. Disengaged youth (people 15-24 years old who are not engaged in work or study) are another neglected group in construction research, despite the construction industry being a major employer of youth. Indeed, the Australian construction industry is the largest employer of youth of any sector in that country (ABS 2016). Nevertheless, in

many countries, disengaged young people face complex and interrelated barriers to finding and maintaining employment which are often exacerbated in construction due to historical reductions in apprenticeships and training, increasing workplace casualisation, declining working conditions and the lack of capacity to carry unproductive youngsters as they learn their trade due to high time and cost pressures on projects (Chan and McCabe 2010). Although there has been no research into refugees in the construction industry, the employment experiences of immigrants has received some attention with research showing that poor language, discrimination, a lack of locally recognised qualifications and perceived safety and productivity risks are common barriers to employment (Loosemore *et al.*, 2011, Hammond, *et al.*, 2016, Khatleli 2015). Ex-offenders represent another under-researched group in construction, despite the industry offering many opportunities for their reintegration into the workforce and it being a priority industry for government ex-offender rehabilitation in some countries (see for example the UK's National Association for the Care and Resettlement of Offenders 2018).

However, research outside of construction highlights the numerous barriers that they face in gaining employment, which include: lack of education; negative stigmatisation, stereotypes and discrimination; adverse impacts on customers and other employees; safety, security and productivity risks; and the need to manage ongoing interpersonal challenges such as mental health problems, physical, psychological, substance use and a lack of education and skills (Baldray and Russell 2017). Research into disability employment in construction has also been scant but shows that people with disabilities face significant wage differentials, stigmatisation and discrimination by employers (Ormerod and Newton 2013, Quaigrain and Issa 2018). People suffering disability are widely seen as a risk rather than an asset in construction and tend to occupy administrative and office-based roles which preclude them from promotional opportunities given to people in more project-based roles. Of all the disadvantaged groups targeted by new social procurement policies, women represent the most well researched group in construction, revealing a wide range of barriers to employment for women which include the macho culture of the industry; stereotype images of women not being able to work in construction; long work hours and presenteeism; sexism, harassment and discrimination; rigid workplace practices; informal and non-transparent recruitment practices (the old boys network); and subconscious bias - to name just a few (Dainty *et al.*, 2004, Sang and Powell 2012, Lingard and Lin 2012, Galea *et al.*, 2015). However, the vast majority of research has been focussed on women professionals and barriers to employment for women targeted by social procurement policies have received less attention.

METHOD

To investigate the employment barriers that the above groups face in the construction supply chain, an online survey was conducted of subcontractors across the construction supply chain in Australia. The on-line survey comprised two sections. The first section required respondents to provide general demographic information about the nature, employment size, turnover of their company and age of their company. The second part of the survey included questions about: The priorities given to hiring individuals from disadvantaged groups (Indigenous, Disabled, Women, Disengaged Youth, Migrants and Refugees, Ex-Offenders); barriers to employment for these groups; and the past and current representation of disadvantaged groups in the subcontractor supply chain. The questionnaire was pretested with a small sample (10) of subcontractors and respondents were purposefully selected from a sampling frame of individuals who made hiring

decisions in registered sub-contracting organisations across a representative sample frame of trades. A total of 100 sub-contracting businesses in Australia were invited to participate and 70 usable responses were received, a very high response rate as illustrated in Table 1. The responses were analysed by reporting the frequency of responses across all questions and cohort groups.

Table 1 Sample structure

Characteristics	Frequency	Percentage %
Industry experience		
0-5 years	5	7.1
6-10 years	19	27.1
11-15 years	20	28.6
15 and over years	26	37.1
Trade		
Service Trade (ST)	26	37.1
Structural Trade (STT)	27	38.6
Other	17	24.3
Annual turnover		
0 - 1 million dollars	17	24.3
1 - 5 million dollars	29	41.4
5 - 10 million dollars	17	24.3
Over 10 million dollars	7	10.0
Company size		
0 - 10	11	15.7
10 - 50	43	61.4
50 - 100	14	20.0
over 100	2	2.9

RESULTS AND DISCUSSION

Table 2 shows the perceived barriers to employment for each group and Table 3 shows the relative barriers to employment in rank order for each cohort group. It is notable how varied the barriers to employment are across the different disadvantaged cohort groups. This indicates the complex challenges which policy-makers may have in providing support for the implementation of their social procurement policies.

In Table 2, lack of government support ranks as the highest ‘overall’ barrier to the employment of these groups which suggests that social procurement legislation is not being accompanied by the necessary support structures to enable it to be implemented effectively. Reading horizontally across each row, this is the biggest barrier for disengaged youth and ex-offenders with women coming a close second. Not surprisingly, this is the least problem for indigenous and disabled people since the Australian government has put significant resources into these areas. Nevertheless, the inclusion of women is a surprise given the enormous focus on gender diversity in construction and in Australian business more widely (Galea *et al.*, 2015). Our results suggest that this may not be filtering down to subcontractor level.

Since lack of government support ranked as the highest barrier across all cohort groups our results suggest that governments may need to rethink the support, they offer to help industry implement these policies. This is especially important given Loosemore and Reid’s (2018) recommendation that building supply chain capacity in

existing subcontracting companies should be a priority for governments in supporting the implementation of their new social procurement policies (rather than relying on social enterprise development as much policy and research does). Given Loosemore and Lim's (2018) recent research which showed that subcontractor corporate social responsibility (CSR) practices in the construction sector are largely compliance-based,

Table 2: Perceived barriers to the employment compared across disadvantage groups

Barriers	Overall			Indigenous			Disabled			Women			Disengaged Youth			Migrants Refugees			Ex-Offenders		
	Σ	%	Rank	F	%	Rank	F	%	Rank	F	%	Rank	F	%	Rank	F	%	Rank	F	%	Rank
Lack of support	360	83.7	1	48	68.5	5	49	70	4	68	97.14	2	69	98.57	1	57	81.43	3	69	98.57	1
Cost of training	319	75.9	2	33	47.1	6	7	100	1	43	61.4	4	68	97.1	2	65	92.8	3	40	57.1	5
Inability to fit in	226	53.8	3	3	4.29	6	50	71.4	3	59	84.2	1	19	27.1	5	57	81.4	2	38	54.2	4
Low technical skills	207	49.2	4	3	4.29	6	51	72.8	3	34	48.5	4	55	78.5	1	52	74.2	2	12	17.1	5
Cannot work long hours	207	49.2	4	0	0	6	69	98.5	1	68	97.1	2	67	95.7	3	1	1.43	5	2	2.86	4
Cost of supervision	205	48.8	5	8	11.4	6	69	98.5	1	12	17.1	5	67	95.7	2	30	42.8	3	19	27.1	4
Poor productivity	200	47.6	6	2	2.86	5	5	7.14	4	8	11.4	3	47	67.1	2	69	98.5	1	69	98.5	1
Untrustworthy	185	44.0	7	38	54.2	3	0	0.00	5	0	0.00	5	64	91.4	1	26	37.1	4	57	81.4	2
Work commitment	182	43.3	8	0	0	5	57	81.4	2	40	57.1	3	70	100	1	0	0	5	15	21.4	4
Cause of conflict	179	42.6	9	39	55.7	3	0	0	5	0	0	5	65	92.8	1	11	15.7	4	64	91.4	2
Lack qualifications	170	40.4	10	39	55.7	3	3	4.29	5	0	0	6	50	71.4	2	70	100	1	8	11.4	4
Risk to reputation	168	40.0	11	24	34.2	3	0	0	5	0	0	5	66	94.2	2	8	11.4	4	70	100	1
Literacy/numeracy	166	39.5	12	29	41.4	3	5	7.14	4	0	0	6	63	90	2	67	95.71	1	2	2.86	5
Poor education	164	39.0	13	30	42.8	3	3	4.29	4	0	0	6	60	85.7	2	70	100	1	1	1.43	5
Cultural differences	138	32.8	14	62	88.5	2	0	0.00	5	6	8.57	3	1	1.43	4	69	98.5	1	0	0.00	5
Unreliability	131	31.1	15	0	0	5	49	70	2	6	8.57	3	69	98.5	1	1	1.43	4	6	8.57	3
Poor communication	118	28.1	16	8	11.4	3	0	0.00	4	0	0.00	4	39	55.7	2	70	100	1	1	1.43	3
Modifying workplace	115	27.3	17	0	0	3	70	100	1	45	64.2	2	0	0	3	0	0	3	0	0	3
Health needs	113	26.9	18	1	1.43	3	70	100	1	42	60	2	0	0	4	0	0	4	0	0	4
Poor work quality	108	25.7	19	0	0	5	37	52.8	2	2	2.86	3	68	97.1	1	0	0	5	1	1.43	4

Note: Sum = the frequency of all "Yes" answer by all participants for all disadvantage groups per barrier; F = frequency of "Yes" answer for the barrier by all participants for each disadvantage group; % for overall is the sum divided by (70*6) *100; % for each disadvantage group is the frequency divided by 70

our findings suggest that policy-makers may be under-estimating the support that is needed in an industry that cannot be counted-on to respond in a values-driven context.

In terms of the type of support needed, there is little existing research. However, our results indicate that policies that provide monetary support to employers and which

provide training to employees to make them productive and safe would be most effective since our respondents perceived the disadvantaged groups we explored to require more training and supervision and to work at lower productivity rates than other employees. For example, in Australia, there are a number of financial incentives and wage subsidies to help companies employ eligible job seekers including disabled, young people, mature age, long-term unemployed, Indigenous, or principal carer parents (Jobactive 2019). A lack of technical skills is also something that government can address through the provision of targeted training subsidies to address historical educational disadvantage in many groups. For example, in the context of Indigenous people, Perry (2017) shows that educational disadvantage is a major problem - especially for those who live in regional areas. According to Legrain (2017), other useful educational initiatives, for groups such as refugees and migrants include those to enable the upgrading of qualifications to local standards or to have existing qualifications better recognised in a local context.

In addition to a lack of support, Table 2 also shows that subcontractors are concerned about the costs of complying with these new social procurement requirements which is not surprising given the highly competitive nature of the construction supply chain and market. Since most jobs are won on small differences between subcontractor price, the employment of these disadvantaged groups could make the difference between winning a job or not. However, we note that there is currently no reliable data on the extra costs (if any) of employing these cohort groups, and more research is needed in this area. Looking across the various groups in Table 2, perceived extra costs is the largest issue for disabled people (100% of the sample ticked this box), followed by disengaged youth and migrants and refugees. The third greatest barrier in Table 2 is the inability of these cohorts to fit in to the traditional construction workforce with women, migrant refugees and then disabled people suffering the most. There is a significant body of work reviewed earlier which shows that construction has traditionally excluded these groups from the workforce, and it would seem that these people are still seen as outsiders.

Other prominent barriers include: lack of technical skills (disengaged youth, migrants and refugees, disabled); inability to work long hours (disabled, women and disengaged youth); cost of supervision (disabled and disengaged youth); low work productivity (ex-offenders and refugees and migrants); untrustworthiness, (disengaged youth and ex-offenders); lack of commitment (disengaged youth, disabled); and cause of workplace conflict (disengaged youth, ex-offenders). In Table 2, the average 'overall ranking' across all barriers for each cohort group is as follows: disengaged youth (2.1); migrants and refugees (2.85); Disabled (3.1); and ex-offenders (3.45); women (3.7); and Indigenous (4.2). In other words, across the range of barriers we identified in our survey, disengaged youth face the highest perceived barriers to employment in the construction supply chain, followed by migrants and refugees, disabled etc. This indicates where policy-makers should focus their attention in providing support to implement their policies.

The prominence of disengaged youth as the most disadvantaged group is somewhat surprising given the industry is the largest employer of youth in Australia. There is clearly a need for much more research into this group since very little currently exists in construction apart from notable exceptions such as Chan and McCabe (2010).

Table 3: Perceived barriers to the employment for each disadvantage group

Barriers	Rank of Barriers for each Individual Disadvantage Group					
	Indigenous	Disabled	Women	Disengaged Youth	Migrants & Refugees	Ex-Offenders
Lack of support	2	6	1	2	5	2
Cost of training	5	1	5	3	4	5
Inability to fit in	10	5	2	12	5	6
Low technical skills	10	4	8	9	6	12
Can't work long hours	14	2	1	4	12	9
Cost of supervision	9	2	9	4	7	7
Poor productivity	11	2	3	2	11	10
Untrustworthy	4	10	12	6	8	4
Work commitment	14	3	7	1	13	8
Cause of conflict	3	10	12	5	9	3
Lack qualifications	3	9	12	10	1	10
Risk to reputation	8	10	12	5	10	1
Literacy/numeracy	7	8	12	7	3	12
Poor education	6	9	12	8	1	13
Cultural differences	1	10	10	13	2	14
Unreliability	14	6	10	2	12	11
Poor communication	9	10	12	11	1	13
Modifying workplace	14	1	4	14	13	14
Health needs	13	1	6	14	13	14
Poor work quality	14	7	11	3	13	13

CONCLUSIONS

This paper aimed to investigate the barriers to employment that are likely to be faced by a range of disadvantaged groups commonly targeted by social procurement policies. It is clear from our research that emerging social procurement policies are imposing an onerous, complex and overlapping set of employment requirements on a construction supply chain which is neither experienced nor equipped to meet them. If the barriers we have exposed are not addressed, then there is a real danger that policy will run ahead of practice and that the ambitious targets being set will not be met. Our results indicate that policies which not only set targets, but which also provide support and removes barriers to employment could be a powerful way for social procurement policy-makers to encourage the employment of disadvantaged groups in the construction supply chain. Setting targets without an understanding of supply chain capacity to deliver on those targets is likely to be counter-productive and undermine the intend of these policies.

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