DIVERSITY, EQUITY AND INCLUSION

DIVERSITY AND INCLUSION IN THE AUSTRALIAN CONSTRUCTION INDUSTRY

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WHAT'S THE PROBLEM?

Ideally, any industry or profession would optimise its performance partly through representing the national population it serves. This diversity would promote a greater understanding of projects, and the people impacted and/or served by the project. Furthermore, a diverse, representative workforce would ensure organisations would be able to serve clients better with staff who have greater empathy and understanding of their clients' needs and capacities. That's the ideal, but how diverse and inclusive are we?

> **"…Achieving comprehensive D&I remains a significant challenge."**

The Australian construction industry is one of the most culturally diverse industries, with over half of its workforce born overseas; a sharp contrast to the national average of about 27% (ABS, 2021). This diversity also encompasses gender, disability, sexual orientation, and age. Recognising the undeniable shift towards greater diversity in the workforce, coupled with the untapped benefits of diversity and inclusion (D&I), the Australian construction industry is actively exploring strategies to enhance its inclusivity and embrace this diversity.

However, despite the implementation of formal policies and initiatives aimed at addressing D&I management in the construction sector, achieving comprehensive D&I remains a significant challenge. This is exacerbated in some respects by the absence of standardised benchmarks and clearly defined processes for assessing the efficacy of these programs, which leaves organisations to rely on self-assessment methods.

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[1] Australian Bureau of Statistics 2021, 'Cultural diversity of Australia', *ABS*, <abs.gov.au/articles/cultural-diversity-australia>.

THE BENEFITS OF DIVERSITY AND INCLUSION

Five major benefits of increasing diversity and inclusion in an organisation include:

1. BETTER MORALE

When employees feel included, their morale and enthusiasm are enhanced. Morale reflects the mental and emotional condition of the workplace and the employees' beliefs in the organisation and its goals. Job satisfaction declines when morale is low and can impact home life too. D&I training includes implementation of coping mechanisms, resilience tools and policies to support staff to boost trust and to maintain a safe, healthy workplace.

2. INCREASED PRODUCTIVITY

Improved staff morale is related to better productivity, as greater buy-in to the company mission and vision results in greater inputs of time and energy. D&I advisors can act as a bridge to voice employees' concerns to management, enabling positive actions to be taken, which can positively impact productivity and quality of work.

3. HIGHER SOCIAL CONSCIOUSNESS

Underlying morale and productivity is the sense of responsibility managers and employees feel for each other within an organisation. This 'sense of belonging' has a positive impact on people. D&I training, which promotes care, compassion, and connectivity, can help employees know that they are appreciated and a valued part of 'the whole'. Compared to using financial incentives to increase output, this team-centric approach fosters enduring commitment.

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4. POSITIVE PARADIGM SHIFT

Society is shifting its views on race relations, inclusion, and diversity. Previous practices were inadequate at best. A genuinely inclusive workplace encourages authentic and actionable discourse and collaboration.

5. BETTER BOTTOM LINE

With better morale, productivity, social consciousness, and a positive paradigm shift, the financial health and performance of a company are positive. People perform better when they are connected and included. Research shows that organisations with happy, healthy staff are more likely to increase revenue and profit.

> ## "…How do professional practices and businesses increase inclusivity and diversity in their workforce?"

THE CHALLENGES WE FACE

The Australian construction industry faces numerous challenges in building a diverse workforce that is reflective of the nation's population. Furthermore, the solutions to these challenges are complex. Existing literature predominantly concentrates on identifying and elucidating critical issues such as inequality, bias and discrimination, attraction, and retention of under-represented groups, including women, LGBTQ+, people with disability, and the dearth of diversity within the construction industry.

Given the barriers, how do professional practices and businesses increase inclusivity and diversity in their workforce?

There remains a pressing need for a proactive and more rigorous adoption of evidence-based strategies to support the industry in its efforts to improve workforce D&I. Research has identified the issues minority groups face but there is a need to focus on identifying ways to assess and mitigate them. The challenge lies in the uncertainty surrounding the selection of appropriate metrics and indicators for assessing and enhancing workforce D&I within the organisational setting, as well as the degree of influence each indicator holds. Uncertainty in measuring the D&I program effectiveness affects various stakeholders, mainly:

- *Construction companies and industry associations:* It creates assessment challenges, potentially costly in terms of time and resources, hindering industry-wide progress in social sustainability and D&I.

- *Underrepresented groups:* Lack of measurements prolongs ineffective programs, dissuading their participation in construction careers, worsening labour shortages, and raising costs.

CLOSING THE GAP

We need to agree on a framework to facilitate the assessment of D&I programs in the Australian construction industry. An agreed industry framework will enable companies to evaluate their D&I within their operations against a standardised benchmark and decide whether to focus on one specific aspect or address multiple facets of D&I.

This approach will yield advantages and benefits for all parties involved in the construction industry.

Academics at UTS are working on a project to establish metrics and guidelines that empower the construction industry and its organisations to effectively assess the success of their D&I programs. With these metrics in place, it will be possible to measure the impact of D&I initiatives across our industry. This not only enables organisations to pinpoint their areas of strength but also facilitates the identification of areas for improvement and allows us to share best practices, thereby accelerating the collective progress towards achieving greater diversity and a more inclusive workplace environment.

We will be using a mixed-methods approach, combining qualitative and quantitative methods to conduct multi-phased research. This will result in the identification of key indicators and metrics for assessing D&I program success. These metrics will develop benchmarking tools for performance evaluation against industry standards, which can be followed by the establishment of a feedback loop, an iterative process for testing the effectiveness of the metrics, and the creation of training materials for implementing these metrics. If you are interested in participating in the project, please contact the authors.

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