

## CONSTRUCTING A DIVERSE WORKFORCE – HOW WE CAN WORK TOGETHER TO PLUG THE DIVERSITY GAP IN THE CONSTRUCTION SECTOR

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### INTRODUCTION

**"The theme for Black History Month in the UK is "Time for Change: Actions not Words."**

The construction industry has for a long time now looked inward to evaluate and discuss how it can improve itself. One such area of focus has been Diversity and Inclusion ("D&I") in the sector or its supposed lack thereof. This year, the theme for Black History Month in the UK is "Time for Change: Actions not Words" which has been deliberately chosen for us to take accountability for our progress. Making platitudes on our commitment to change will no longer cut it.

### SOCIAL VALUE

Social value ("SV") have been the buzzwords in the sector for the past few years, often heard in tenders, pitches and even mission statements. Businesses understandably take huge pride in their achievements on this front, leading to it being used as a metric for measuring a company's contribution to the wider society. Interestingly though, despite the sector's push for SV on projects, the SV of having a diverse workforce seems to have been overlooked. It must be readily accepted that the benefit of having an inclusive and diverse workforce cannot be overstated as it not only improves the overall work culture in an organisation but also helps to mirror the society we live in.

### PROFITABILITY OF DIVERSITY

**"Improved diversity in the workforce will lead to increased innovation and value creation."**

Another key benefit of having a diverse workforce is the profitability it produces. Statistics show that businesses that are diverse are more likely to have an economic advantage over their less diverse counterparts. According to Forbes, firms are 33% more likely to be profitable if their executive teams represent more cultural and ethnic minorities.

A recent McKinsey study suggests that improved diversity in the workforce will lead to increased innovation and value creation. It further suggests that organisations that do not prioritise D&I in its values and culture *“are likely to decline”*. The report found that large companies with greater ethnic and cultural diversity were 36% more likely to outperform less diverse counterparts. Similarly, companies with greater gender diversity were more than 25% more likely to have above average profitability than companies in the fourth quartile. It is thought that with a more diverse leadership and workforce, companies will develop increased in-depth consumer insights and will be able to reach larger consumer markets that mirror its workforce.

The results are in and they show that companies with diverse workforces outperform less diverse peers. If the construction sector is to get to grips with its D&I standing, it will have to consider the SV and increased profitability of having a diverse workforce if it is ever to effect real and lasting change. Arguably, this is more important than ever given the turbulent financial position in the UK and the substantial rise in costs of energy, materials and labour which will continue to squeeze the already modest profit margins in construction.

**"The Ethnicity Pay Gap ("EPG") has and continues to be proof that inequality still exists in the workplace for people of colour."**

## ETHNICITY PAY GAP

The positive aspects of a diverse workforce seem to be accepted as a principle but nonetheless there is evidence that colleagues from diverse backgrounds are paid less, a fact which seriously undermines any attempts for a diverse future in construction. The Ethnicity Pay Gap ("EPG") has and continues to be proof that inequality still exists in the workplace for people of colour. Closing the EPG has been a hot topic when discussing diversity in the workplace. The disparity that sometimes exists between the pay grades of people of colour when compared to their white

counterparts is alarming. According to GOV.UK, the 2021 figures reveal that there was a 23% EPG for hourly rates between white and BAME people, whilst a staggering 71% EPG existed for bonuses. Unlike with the Gender Pay Gap, the current UK regulations do not require employers to publish figures relating to its EPG. Notwithstanding, some companies like CBRE have already taken the initiative to do so voluntarily which is commendable and will hopefully inspire other organisations to follow suit. At WFW, we voluntarily published our EPG for the first time this year.

By publishing and closing the EPG, there will be greater transparency, which will promote trust amongst workers and management. This will no doubt build confidence and fairness to encourage the retention of diverse talent, all of which are key attributes of a productive and globally competitive workforce.

## IMPORTANCE OF ALLIES

Allyship in the workforce is crucial to increasing diversity and inclusion and minimising the effect of systemic and structural disparities for diverse talent. But more simply, an ally in the workforce is someone who supports and is willing to use their privilege to take action to help colleagues from underrepresented groups.

Allyship is continuous. If carried out successfully, it is a role that forms part of everyday encounters in the workplace and relies on the ally to make the effort to learn, listen and support bringing about change.

**"Allyship in the workforce is crucial to increasing diversity and inclusion."**

From the perspective of leaders in industries such as construction, fostering workplace allyship will lead to higher productivity and increased talent retention and engagement. This is why it is critical for leadership to create safe spaces for employees to come together and have difficult conversations in order to bring about meaningful change.

## ACTION POINTS

Organisations and employees can take the following actions to implement change in the construction industry:

"Mentorship is often critical to career development and can be instrumental to retaining diverse talent."

- **Statistics.** The first step to increasing diversity and inclusion in the industry is for construction companies to address their current data and statistics. Collecting and analysing diversity statistics will allow companies to recognise areas where they are doing well and provide an insight into areas which can be improved;
- **Recruitment.** It is crucial for recruiters to not only cast a wider net when sourcing candidates for potential roles, but equally to address any existing biases within the recruitment process. Employers are increasingly using contextual recruitment to identify candidates with the greatest potential. This is a step that we have taken at WFW and it has helped us to identify raw and diverse talent through gaining a better

understanding of the context in which a candidate's grades have been achieved; and

- **Mentoring.** Mentorship is often critical to career development and can be instrumental to retaining diverse talent. It is the responsibility of organisations to not only successfully recruit a wider pool of candidates, but also to ensure that diverse talent is nurtured and supported after entering the industry. Effective mentorship can help to achieve this. Examples of mentoring programmes in the sector include the 'power mentoring' programme by Black Professionals in Construction (BPIC) and the Women in Architecture mentoring scheme.

## CONCLUSION

Ultimately, the more inclusive the construction industry becomes, the better it will serve the needs of wider society. It will be more profitable and retain its diverse talent. Encouraging greater diversity within the sector will benefit the entire industry and society as a whole.

Although much time has passed since the job of promoting racial justice and diversity was left solely to people of colour, this Black History Month we encourage our allies to continue to help us carry the mantle by effecting change wherever you can, as it is incumbent on all of us to be the change we want to see.

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