DIVERSITY, EQUITY AND INCLUSION

IN THE NEW ZEALAND CONSTRUCTION SECTOR

A gap analysis based on the Aotearoa Inclusivity Matrix

ACCORD DIVERSITY ROADMAP

DIVERSITY WORKS NZ | CONSTRUCTION SECTOR ACCORD

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FOREWORD

Tēna koutou katoa

It is my pleasure to present you with this Diversity, Equity and Inclusion in the New Zealand Construction Sector report, which is our first major output in the Construction Diversity Roadmap project – a visionary piece of work conceptualised by the Construction Sector Accord within the People Development Workstream.

Diversity is all around us; global economic trends, shifts in population structures, and improved communication channels have changed our organisations and how we operate. The key to unlocking the social and economic benefits of diversity is through cultures of inclusion. Increasingly, we see how organisations who take the lead in developing strong inclusion practices reap positive benefits in the form of safe and desirable workplaces where people contribute with maximum engagement.

The foresight by the Construction Sector Accord to commission this work, at this scale, is remarkable. While, in our work, we have seen industry organisations aggregate their memberships to collectively increase diversity, equity and inclusion (DEI) awareness, we have until now not seen an entire sector-wide future-focussed approach like this. This work opens a huge opportunity for the New Zealand construction sector to move collectively in meeting the increasing demands of population growth and the challenges of a rapidly changing employment and cultural landscape.

This report is the culmination of months of quantitative and qualitative research into the current state of DEI, as perceived by employers, employees, and industry leaders in the construction sector. Our team have gathered, processed, and refined a huge amount of data to identify where the gaps are, where there are areas of vulnerability and where there are opportunities. And I am particularly pleased with the way in which the numbers became real insights – root cause considerations which can inform the next important steps in the project.

The findings from this report will now form the foundations from which we will co-design a fit-for-purpose roadmap for the construction sector to support the recruitment and retention of a more diverse workforce.

Many thanks go to all who have contributed to this research. It is my dream that the articulation of the strengths and opportunities in construction will be owned by the sector for the sector, with a collective aspiration to shift the needle on DEI bit-by-bit over time.

Nāku iti noa, nā

Maretha Smit
Chief Executive
Diversity Works New Zealand
November 2021

INTRODUCTION

Workplace DEI is a priority to achieve social and economic progress for Aotearoa New Zealand – across all industries, regions and sectors. During the past decade there has been a strong emphasis on getting organisations engaged to develop an infrastructure within which all employees are valued for the many unique traits and characteristics that they bring, so everybody can contribute to their full potential.

Creating a diverse workplace is not just about encouraging different people into a profession, sector or industry, but also about helping them develop a career, encouraging collaborations among diverse team members, understanding performance from different perspectives, role-modelling behaviour from the top, and being conscious about the value that every individual brings to the workplace.

This study aims to provide the construction sector in New Zealand with an overview of the current state of DEI in the sector through the lens of the Aotearoa Inclusivity Matrix (AIM). Using this framework, we can assess the gains, detect the gaps and plan how to move forward into the future. This report gives an overview of commonly adopted practices, underpinning perceptions of their effectiveness and a series of insights from the literature and people in the industry to shape a multi-layered understanding of DEI across a fascinating and heterogeneous industry sector.

The report is divided in three main sections, the first of which comprises a review of the literature, an overview of the methods for data collection and analysis and a series of general findings. A second section concentrates on how the sector is performing according to the seven AIM components: leadership, diversity infrastructure, diverse recruitment, inclusive career development, inclusive collaboration, bi-culturalism and social impact. The final part of the report covers general conclusions based on the analysis of the findings.

DIVERSITY AND CONSTRUCTION

A BRIEF REVIEW OF THE NEW ZEALAND LITERATURE

The New Zealand construction sector is large and heterogeneous; it includes an assortment of numerous organisations, trades and professions working across all regions throughout country. In recent times, there has been an escalating case for improved levels of DEI in the construction sector. Although the sector has achieved some clear gains and positive changes over the past decade, there is still a significant journey ahead to achieve the goal of a diverse, equitable and inclusive industry.

In terms of research, there are still many unknowns when it comes to DEI in the sector. It is in this context that our first step in performing a DEI analysis of the sector, was to examine previous studies to identify areas of opportunity for further research in this scarce but increasingly growing body of literature.

Broadly speaking, the literature on DEI in construction is siloed and fragmented. It mostly comprises a series of studies and reports developed by government agencies, industry entities and associations, advocacy groups, and educational institutions. This body of literature is not iterative which makes it difficult to find suitable and pertinent data series for the purpose of analysis.

Considering this, our findings from the literature review can be divided into three major lines of exploration. The first two relate to topics that we consider to be relevant but not directly associated with DEI, and a third topic that deals with the small body of literature directly addressing the subject.

SKILLS SHORTAGES AS THE BURNING PLATFORM FOR CHANGE

A first line of exploration relates to the role of skills shortages in construction and the need to create pathways for new groups to compensate for these. In this regard, studies mostly concentrate on how the sector lacks domestic skills including specialised expertise in civil, water and structural engineering. For instance, results of a survey on the Covid-19 recovery (2021) show that at least half of employees in 20 per cent of firms in the construction sector are on a working visa (Te Waihanga, 2021).

The Construction Industry Survey (2021) revealed a major skill shortage in New Zealand's civil construction industry. The issue of shortages in the higher-skilled workforce, such as managers and professionals, is of specific concern, as raised in reports conducted by PwC New Zealand (2016), MBIE (2017), and Construction Sector Accord (2020).

Findings of a report to the Construction Strategy Group in association with the Construction Industry Council BRANZ, PwC (2016) identified Auckland, Canterbury and Wellington as the three main regions of construction activities, with 60 per cent of total employment in construction. Construction was identified as the second-largest sector for employment in Auckland, with 22 per cent of Auckland's employees working in Residential Building. From 2000 to 2019, the rate of employment and GDP doubled in the construction sector. Additionally, the number of businesses in the sector had 47 per cent growth in Auckland. These numbers highlight the significant contribution of the construction sector to New Zealand's economy and employment, and the associated risk that comes with skills shortages in the sector.

Although the literature sometimes suggests the need to increase diversity in the sector (mostly through migration) to compensate for these shortages, studies rarely explore the issue any further. This is particularly salient considering that better analyses of attraction and recruitment practices are pivotal to deepen our understanding of the needs of the sector, as well as the steps to be taken to help new groups get jobs in it.

SMALL AND MEDIUM ENTERPRISES (SME'S) IN DISTRESS

A second line of exploration deals with the challenges faced by small and medium enterprises (SMEs) to attract, grow and retain employees. Commonly referred to as the backbone of New Zealand businesses, SMEs have fewer than 20 employees, they account for 97 per cent of all New Zealand businesses and they employ around 30 per cent of all employees in the country.

Furthermore, SMEs have been referred to as increasingly contributing more to the construction sector than medium and large businesses. The operating profits of small construction firms with one to 19 employees increased by $1.25 billion to $1.97 billion between 2011 and 2019; this compared to an increase of $273 million to $728m in the same period for large businesses. Yet, as a ratio, the profit contribution of large businesses grew by 60 per cent over the period, while it grew by only 57.6 per cent for SMEs; this raises questions about whether large organisations have the advantage to attract and hire talented and experienced workers from SMEs, including those with a diverse background.

Considering their relevance, it was important to locate studies illustrating the specific challenges that such organisations face when it comes to DEI. Unfortunately, only a handful of studies indirectly elaborate on the needs or challenges of DEI in SMEs.

In a study that was conducted to explore the barriers to labour productivity in SMEs in the New Zealand horizontal infrastructure construction sector (Allan & Yin, 2010), the findings highlight that SMEs play a significant role in economic growth, employment and performance. The report indicated that, although the average age of workers in the construction sector is less than those across the rest of economy, the workforce in SMEs is ageing and that SMEs found it challenging to employ skilled young workers. Some of the suggestions offered to address this issue include employing young people with higher education backgrounds and providing employees with a clear career pathway in the sector. The report furthermore indicated that the number of women in the workforce is limited and that ethnic groups are underrepresented.

The lack of studies directly addressing DEI in small construction companies is indeed a big gap. Apart from the points raised above regarding influence and prevalence, it is clear that organisations with less than 20 employees face bigger challenges to understand, design and implement DEI initiatives, which may increasingly render them less attractive as employers and thus more exposed to talent risk. Furthermore, considering that sole traders in New Zealand are also part of this group, new questions about how they cope with an increasingly diverse customer base, supply chain structures and relationships with other organisations are among some of the unanswered questions we have on this issue.

GENDER AS THE PRIMARY FOCUS OF DEI IN THE SECTOR

A third and final line of exploration directly deals with the challenges faced by diverse workers to enter and grow in the sector. Again, this literature is scattered and fragmented, however, it is clear that the studies on diversity have increased over the past years. What is less explored is how to manage diversity strategically in the construction sector.

Most studies related to diversity and inclusion in the construction sector were focused on women compared to other dimensions of diversity. Although the construction sector is still male-dominated, statistics show that the number of women employed in the construction sector has been growing recently. Results from the research conducted by the Ministry of Women (2016) highlight that 13 per cent of the construction workforce (nearly 30,000) are women. In order to increase women's contribution in the construction sector and leadership positions, some organisations such as the National Association of Women in Construction, Mana In Mahi programme, and high school apprenticeship programmes have taken measures to better support women in the construction workforce.

In an investigation into barriers for women to succeed in the trades (Taffard & Williams, 2017), specific findings included a male-dominated culture, sexist comments made on-site, customer bias, and lack of support for women in trades. Similarly, results of the Construction Industry Survey (2021) identified that 50 per cent of employers in the civil construction industry do not have initiatives in place to support female employees in on-site roles.

A recent study to explore strategies to increase the number of women entering the trades (Domett & Coker, 2021) identified that the top reasons motivating women to take up positions in the trades included access to outdoors activities, removing stereotypes about women, rejecting the concept of being physically strong as a tradesperson, and being a role model for others.

A case study done by the Ministry of Women (2015) demonstrated how the Canterbury earthquake response created new opportunities to increase women's engagement in the construction sector. Some of the most effective initiatives to achieve increased participation by women in the sector included a clear business case, collective agreements, sharing of information, improved visibility through a library of relevant images and stories, and job opportunities specifically targeted at women in the rebuild.

The empirical evidence of the study which was published by the Ministry of Women (2017) indicates unbalanced gender distribution in industries. The evidence demonstrates the construction industry as male-dominated.

A limited body of research has explored ethnicity and age as diversity dimensions in the construction sector. According to Construction Sector Trends Quarterly Snapshot (2021), the ethnic diversity of the construction workforce is increasing. For instance, 30 per cent of the construction workforce identified as Māori, Pacific, or Asian ethnicity in the fourth quarter of 2020. In terms of age distribution, 15 per cent of workers are aged 24 years or below, 66 per cent of workers are aged 25 to 54 years, and 19 per cent of workers in the sector are aged 55 years and older.

The annual report of the Building and Construction Sector Trend which was published by the Ministry of Business, Innovation and Employment (2021) confirms that, with the growth of building activities, the number of staff in the sector has increased. The building and construction sector now employs nearly 10 per cent of employees in New Zealand. The report also indicates that the construction sector has seen an increase in the number of women, Māori, Pacific and Asian workers. Currently, 14 per cent of Māori staff in the construction sector are women.

Our literature review highlights the lack of studies allowing for a deep dive into the significance of bi-culturalism in the construction workforce. According to He kai kei aku ringa, a report commissioned by MBIE (2015), there are more steps to be taken to identify Māori firms within the construction sector. Moreover, there is a need for a method to better explore an accurate picture of Māori firms in the sector.

While there is some evidence that shows that many Māori in the sector hold skilled positions, such as technicians and trades workers, Māori are still twice as likely to be in low-skilled positions in the construction sector. According to reports, there are several training opportunities to upskill Māori employees with low levels of literacy and numeracy. The Te Puni Kokiri Cadetships Programme, for instance, offers a subsidy to employers in growth industries to support Māori cadets for at least six months.

TOWARDS AN UNDERSTANDING OF INCLUSION IN THE CONSTRUCTION SECTOR

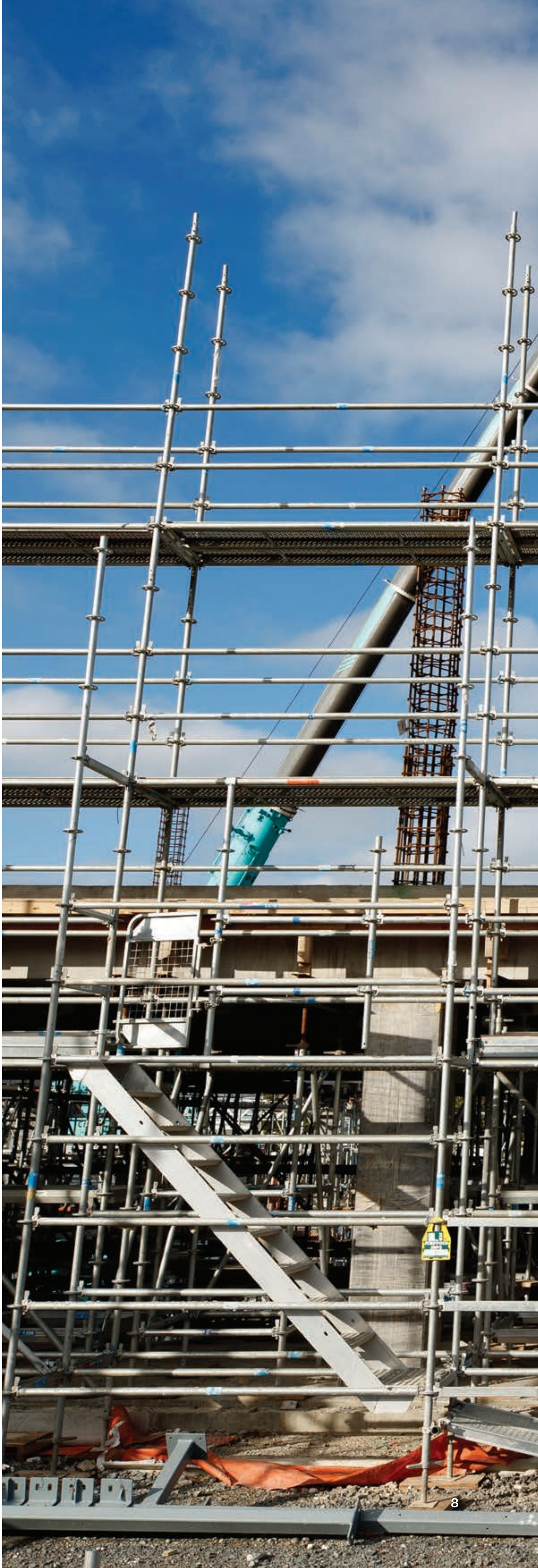
Workplaces are uniquely placed to support individual vulnerabilities and to become places of healing for those who have historically been marginalised. This role is critical in the construction sector with its high prevalence of mental health concerns and suicide.

Jenkin and Atkinson (2021) examined the construction industry suicide rates and found that, from 1 July 2007 to 30 June 2019, 97.9 per cent of suicide cases were male. The study found that men aged between 20 and 24 years had the highest rate of suicide. In terms of location, the highest rate of suicide was reported in Auckland. Builder's labourers, technicians and trades workers, painting trades workers, carpenters, electricians, carpenters and joiners, and plumbers were among the occupations with the high rates of suicide.

The more inclusive organisations become, the more people thrive, which unlocks creativity and resilience.

The small body of available literature has contributed to enhance our understanding of the complexities faced by the construction sector when it comes to DEI, but there are still many unanswered questions, and the needs and realities of some groups are still mostly unknown. The literature, to date, has addressed specific urgent priorities, but lacks a cohesive and more integral approach to understanding and integrating DEI as three co-existing elements to bring about transformation. An integrated DEI approach across a myriad of systems, procedures and mindsets is required for real change to be achieved.

Through this research project we have built on the existing body of knowledge by adopting a pan-dimensional approach to diversity, as assessed across a holistic framework for inclusion. With this, we aim to support the construction sector with a depth of understanding and insights that might contribute to building thriving workplaces for thriving people.



METHODOLOGY

The study was designed using a three-phase, mixed-method approach comprising two quantitative phases that ran simultaneously – an inventory of organisational practices in DEI and a perceptual survey among employees - and a subsequent qualitative phase comprising a series of in-depth interviews with a cross section of stakeholders in the sector.

THE AOTEAROA INCLUSIVITY MATRIX (AIM)

Questions for the two surveys were adapted from the assessment instruments related to Diversity Works New Zealand's Aotearoa Inclusivity Matrix (AIM). AIM is a five-level maturity framework for workforce inclusion with seven subjects of analysis: leadership, diversity infrastructure, diverse recruitment, inclusive career development, inclusive collaboration, bi-culturalism, and social impact.

This framework was originally designed to place an organisation at a point across seven diversity components and five maturity levels. Using AIM to create an overall sector score could give us an overly simplistic result, however, it is a means of guiding an exploration into factors across groups while uncovering distinctive nuances in the DEI journeys within the sector.

The five levels of maturity contained in AIM look to assess a DEI journey according to the following criteria:

MATURITY LEVEL	DESCRIPTOR
Starter	The organisation is located at a starting point in its journey with most components still to be developed. Absence of initiatives, processes and systems beyond compliance (whether formal or informal) is expected.
Emerging	The organisation has started a journey and developed some components in an informal or ad hoc manner. A strategic view, some core diversity components and stronger levels of formality are still to be developed.
Developer	The organisation enables core elements of DEI through formal processes, capability and support systems. This constitutes the basis for an expanded approach to DEI to be further improved.
Integrated	The organisation practices, understands and values DEI and proactively enacts and integrates these into its systems, processes and culture.
Advanced	The organisation has embedded a consolidated, holistic and strategic view to DEI and aims to ensure the development of further innovative best practice in a specific component.

SCOPE OF THE STUDY

The study's three lenses of empirical analysis (two surveys and a set of in-depth interviews) were designed to provide a comprehensive and multi-layered scope of the construction sector. The two surveys give an account of employers' and employees' experiences with DEI through daily practice. It should be noted that survey respondents were not asked to give their perceptions of the sector but rather talk about their real-life experiences within their organisations. The interviews with stakeholders provide a further layer of richness by complementing the surveys with a broader perspective about how the sector and its challenges are perceived in the voices of diverse stakeholders, including front line workers, supervisors, partners, leaders and industry group representatives, giving an overall picture of DEI in the sector.

The employer survey further expands the analysis by exploring different nuances across three variables: geographical location, organisation size and industry group according to the following:

Geographic location: This classification responded to the country's division, not just in the two traditional geographic regions (North and South), but also on the differentiation between large urban centres (Auckland, Wellington and Christchurch) and less populated regions of both the North and South islands.

Organisation size: Our taxonomy included four groups according to their numbers of employers; these were structured considering differences between small and large organisations and and nuances between mid-size organisations. These four categories consisted of companies with 1-19 employees, 20-99 employees, 100-249 employees, and more than 250 employees.

Industry group: From the perspective of organisation operations, the industry was classified into three main groups: construction contractors and specialist trades; professional services; and the public sector.

Finally, for the employee survey, the study aimed to provide a picture of the sector's complexity in terms of diversity which goes beyond the traditional gender and ethnicity dimensions. In that regard, participants in this part of the study made for a richer diversity tapestry that includes age, sexual orientation, language, physical ability, neurodiversity and religion. 95 per cent of respondents identified themselves with at least one of these dimensions.

THE SURVEYS

This report is informed by two surveys. The first was a progressive multi-layered instrument of 140 questions structured as seven separate collapsing trees, which measured the inventory of organisational practices based on AIM components and the associated levels of maturity. Participants with low levels of maturity in one component were not asked to complete all the questions in that component. Instead, once a level had been determined, they were moved to the next component. In that regard, only those with a higher level of maturity in a given component were asked more questions until the relevant level of maturity has been determined.

A total of 377 organisations took part in this survey. Given the difficulties of creating a statistically representative sample, considering the high levels of survey saturation and heterogeneity in the group of analysis, it was decided at the inception of the project that a purposive sample was a better avenue to producing robust results. An adequate representation of three factors were considered in the design of such a purposive sample: type of organisation (ie main type of business), size (reflected as number of employees), and geographical location.

The second survey was an employee survey in the form of a Perceived Diversity Climate (PDC) oriented instrument, designed following contemporary synergistic perspectives on DEI measurements and management. Its design comprises three main sections. The first aims to reveal participants' overall positionalities towards DEI. A second section explores synergies between perceived experiences and specific components of DEI-related systems as set out in the Aotearoa Inclusivity Matrix (AIM). A final section examines specific perceptions of employees pertaining to at least one diversity dimension which could result in specific challenges or disadvantages in the workplace.

Most questions in this survey asked employees to rate how much they agree or disagree with a series of statements. These ratings ranged from 0 (for completely disagree) to 4 (completely agree). To provide a better view of the data within the statistical minorities (where specific diversity dimensions are more likely to be located), data from this survey was processed by dividing perceptual ratings into three groups. The first group labelled "Negative perceptions" captures ratings ranging between 0-1; a second group labelled "Mid-range/relative positives" captures ratings between 2-3; finally, "Absolute positives" captures ratings of 4.

A total of 1,154 employees answered this survey. Similar criteria to the employer survey were used in terms of location, industry groups and size. In addition, we also considered adequate representation across multiple demographic groups, each understood as a diversity dimension (e.g., age, ethnicity, disability, age).

THE IN-DEPTH INTERVIEWS

For the qualitative phase of the project, the original plan was to conduct a series of focus groups across three locations in New Zealand. This was disrupted, however, by the sudden lockdown in Auckland due to Covid-19 and we pivoted to a series of 18 in-depth interviews with relevant stakeholders in the construction sector. Through these interviews, we obtained further insights into the challenges of building a more diverse, equitable and inclusive culture in construction.

For the interviews, a questionnaire with 17 semi-structured questions was designed. Rigorous research protocols were followed, including briefing participants about the project, and obtaining their consent to participate and to be recorded. For confidentiality purposes the names of the participants and their organisations are not provided in this report. Nonetheless, interviewee profiles were rich and diverse. People working in the field, representatives of sector groups, leaders from big and small organisations and other relevant stakeholders were interviewed in this phase.

Interviews lasted for around an hour and an interpretation of results was conducted using a multi-layer coding process that resulted in a series of codes (also referred to in this document as themes) that inform our findings.

GENERAL FINDINGS

Overall results of the study showed a mixed picture for the construction sector in New Zealand, with numerous gains accumulated over the years, yet many areas that require further development and others that remain mostly untouched. To provide some context to our general findings it is important to highlight that our results in terms of DEI practices in the sector show significant differences in terms of factors and maturity levels across organisations. Secondly, leaders need to recognise that transforming such conviction into formal action is paramount for success.

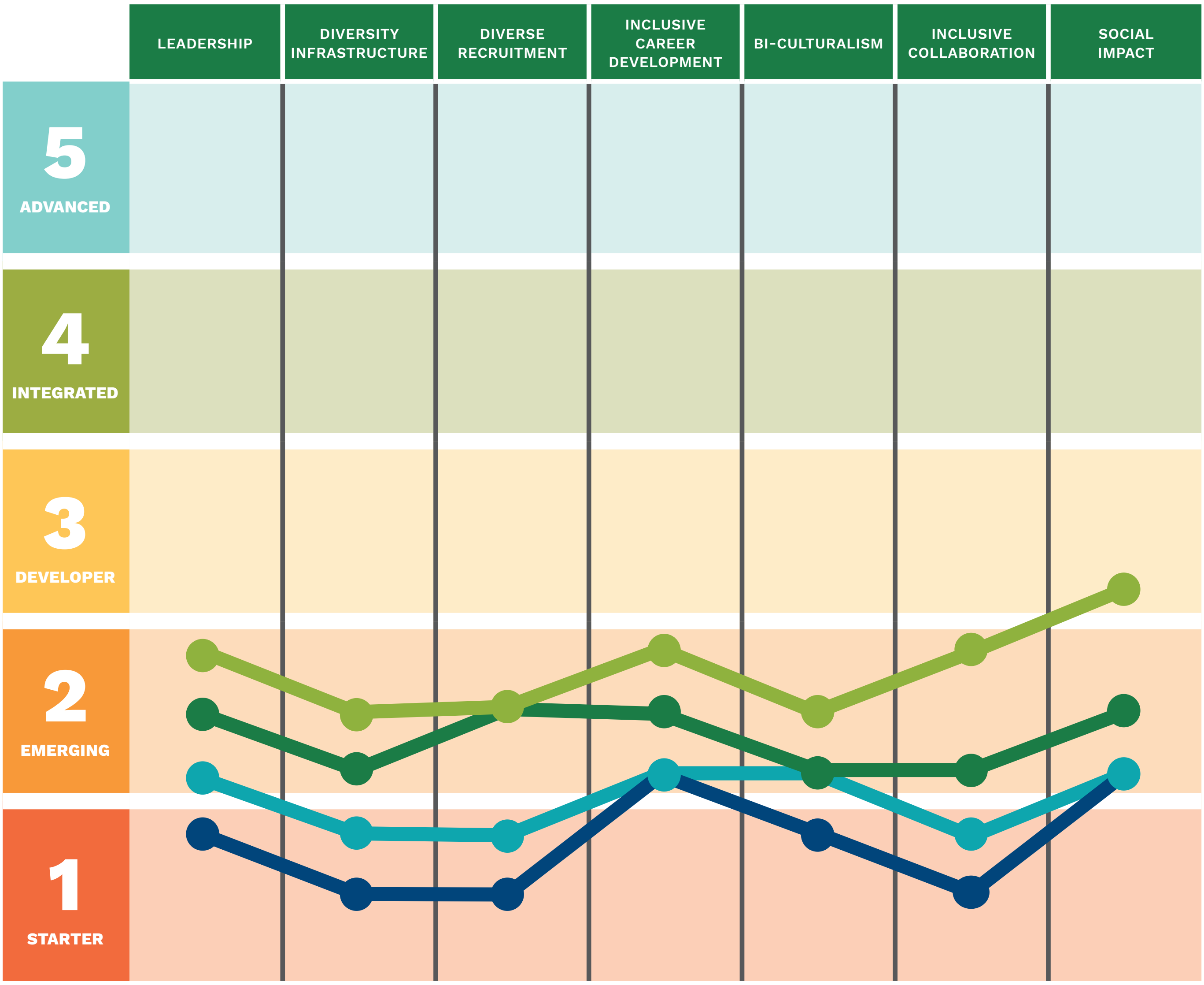
DEI MATURITY LEVELS ACROSS THE CONSTRUCTION SECTOR

		AIM MATURITY LEVELS									
		Starter		Emerging		Developer		Integrated		Advanced	
		No of orgs	%	No of orgs	%	No of orgs	%	No of orgs	%	No of orgs	%
AIM COMPONENTS	Leadership	79	20.95%	216	57.29%	47	12.47%	21	5.57%	14	3.71%
	Diversity infrastructure	223	59.15%	93	24.67%	25	6.63%	15	3.98%	21	5.57%
	Diverse recruitment	238	63.13%	53	14.06%	15	3.98%	32	8.49%	39	10.34%
	Inclusive career development	176	46.68%	80	21.22%	27	7.16%	70	18.57%	24	6.37%
	Inclusive collaboration	108	28.65%	211	55.97%	36	9.55%	10	2.65%	12	3.18%
	Bi-culturalism	248	65.78%	61	16.18%	5	1.33%	29	7.69%	34	9.02%
	Social impact	103	27.32%	154	40.85%	92	24.40%	0	0.0%	28	7.43%

Data in this table represents findings from the employer survey

AIM MAPPING

Using the average scores from the total and disaggregated data, we have created a broad representation of maturity levels across all seven AIM components, both for the construction sector generally and for each of the industry groups.



Mapping of the various industry groups revealed distinct patterns of maturity across the AIM framework.

GENERAL INSIGHTS

Results from the employee survey and interviews with stakeholders provided the analysis with a rich tapestry of perspectives. Gaps, vulnerabilities and areas of opportunity will be covered in the conclusions of the report; nonetheless in our combined analysis of our research instruments we observed that:

1. Appetite for DEI in the construction industry is genuine, with most leaders convinced that this is the way to a more sustainable future.
2. While some organisations have impressive inventories of DEI initiatives, others lack the most basic foundations of diversity management. This is regardless of size, geographical location and industry group.
3. Levels of maturity per AIM component are rarely consistent across organisations, with organisations tending to focus more on some factors, while neglecting others.
4. In its response to DEI, the construction sector is not a homogeneous entity. Rather, it is a complex sector shaped by numerous industry groups, trade types, organisational size and geographical locations, with each of these factors creating different needs and realities for the workforce. This presents significant complexities in the attempt to provide one unique and consolidated approach to DEI.
5. The data shows clear differences in the average maturity between industry groups, which could suggest there will be inherent tensions when these groups collaborate. For example, a female working in the professional services group may encounter attitudes and behaviours when working on a construction site that are very different from those she experiences within her own organisation. This is an area that would benefit from further research.
6. Most organisations struggle to move beyond the first two levels of maturity across all factors, however, once they reach a certain point in their journey, they are more likely to capitalise on their gains to achieve high levels of maturity.
7. Although there is a sincere commitment (and some improved practices) to recruit more diverse talent, better procedures to fully shape a more diverse workforce are urgently required.
8. Deeply entrenched cultural factors were overwhelmingly present in our analysis. While some are a justifiable source of pride and identity valued by the people in the sector, others were found to present significant barriers for people from diverse groups to build long-term careers in the industry.

LEADERSHIP

Good leadership is a necessary condition for DEI in any organisation. Research shows that a committed, active and supportive leadership team is a determining factor in respect of making a real impact. In this context, leaders firstly need to be convinced about the positive outcomes that a diverse workforce can bring to their organisation. Secondly, leaders need to recognise that transforming such conviction into formal action is paramount for success.

THE EMPLOYER SURVEY

Results from the employer survey reveal promising outcomes about the first aspect (convinced leaders), but gaps are present in respect of the second aspect (moving to formal action).

Around 80 per cent of surveyed leaders stated their support for DEI. An interesting finding is that such support was evident regardless of the nature of the business, its size or whether it was a public or private entity. The vast majority of respondents were positioned somewhere within the four most mature categories of AIM for the leadership component. Only 20.95 per cent of respondents expressed zero interest in diversity equity and inclusion, which positioned them in the Starter level.

Generally, this means that the number of organisations that do not consider DEI as a strategic priority to be addressed from the top of the organisation is very low. In addition, when respondents in the Starter group were asked about the reasons why they do not consider diversity to be relevant, the most common answers were: not having any problems regarding diversity (53.16 per cent); having more important priorities to concentrate on (30.38 per cent); not believing in DEI at all (10.13%) and having no budget to expend on DEI (6.33 per cent). These results are encouraging since they indicate only a small minority (3.4 per cent of the total survey population of 377 employers) either openly oppose DEI or consider it to be financially unviable from the leadership perspective.

LEADERSHIP	
Starter	20.95%
Emerging	57.29%
Developer	12.47%
Integrated	5.57%
Advanced	3.71%

We do, however, know that even a small minority might have a significant impact on the overall culture and reputation of an organisation or industry, therefore pathways to influence this minority are required.

The leadership journey, as revealed by the data, followed an interesting path. The 79.05 per cent of organisations that acknowledge the importance of diversity faced an important roadblock when trying to move to the developer category. In fact, the majority of 57.29% per cent of all respondents remained in the Emerging level. This indicates that, even though diversity is regarded as important, more formal action to make it work is required to support the creation of diverse cultures of equity and inclusion.

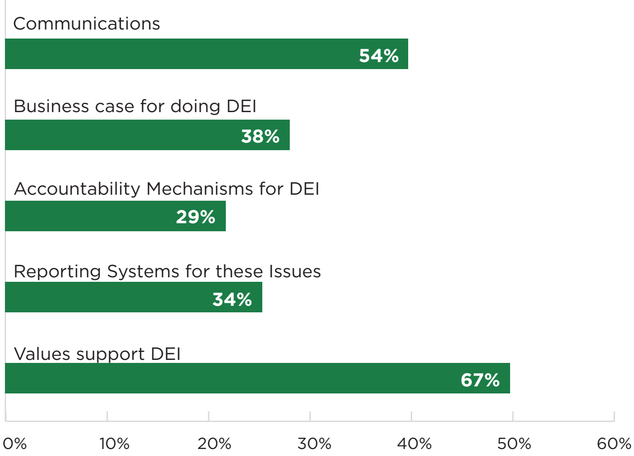
A closer examination of the responses that positioned organisations in the three most mature levels for the leadership component (Developer, Integrated and Advanced) revealed striking gaps. The 82 participants moving up to more mature levels did so because they had at least some basic formal actions in place. Some of these were relatively simple to implement, but the mere existence thereof conveyed important messages about the culture. For instance, 55 respondents mentioned having organisational values correctly aligned with or supportive of DEI, and 44 stated having formal communication mechanisms regularly used to reaffirm their commitment to diversity.

Probably the biggest gap found in this section is the lack of a formal business case for DEI among respondents. There is overwhelming evidence supporting the point that organisations lacking a business case will find it more difficult to implement DEI initiatives and to provide everyone in the organisation (especially sceptics) with strong reasons to support such initiatives. In fact, only 31 out of the 82 respondents in the three most mature categories mentioned having a clear business case.

> "I always like to see more females on the project because I got a better outcome, and my project was usually better because I had the two entities approaching it in different ways."

Another concerning gap is the absence of formal reporting mechanisms in relation to DEI. These normally range from simple statistics about how diverse groups of employees are represented in the organisation to more sophisticated reports giving an account of how specific plans are developed and key performance indicators are achieved. Reports do not necessarily mean complex documents but can also refer to simple records formally socialised from the top of an organisation to create awareness and ignite action. In this context, it was surprising to find only 28 respondents with formal reporting systems. Although organisational size provides for a good explanation for this gap, it is worth mentioning that there were organisations in the less than 20 and the 21 to 99 employees groups that reported having these types of control systems in place.

FORMAL LEADERSHIP ACTION



Leadership actions implemented by organisations in the top three levels of maturity on the Leadership component (n=82).

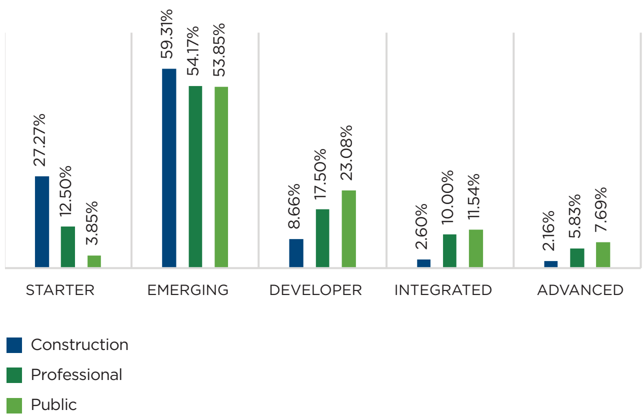
Respondents moving to the two top categories did so because their initiatives were found to be more robust. Indeed, all of them reported having leaders who actively enact DEI values, their reporting systems are used to inform strategy, they have clear accountability systems (normally placed at the top rather than in HR), have mechanisms to protect the DEI gains during a downsizing process and they benchmark themselves against other organisations in New Zealand, in general, and in the construction sector, in particular.

The analysis of maturity across variables (location, size and industry group) shows that organisations in Auckland and Christchurch had the lowest representation in the Starter level. This finding argues against traditional ideas around South Island organisations being more openly resistant to DEI. Nonetheless, Christchurch reported the most visible concentration in the Emerging category when compared to any other region. This suggests that although levels of interest in diversity may be high, 70 per cent of leaders have not been able to move from priority identification to formal action. Furthermore, Christchurch is the only region with no respondents in the advanced level of the matrix when it comes to leadership. This indicates that the main barrier in this region is capability, rather than resistance, which could be easily addressed through external support.

	MATURITY LEVELS PER LOCATION (LEADERSHIP)				
	Auckland	**Wellington**	**Christchurch**	**Rest of North Island**	**Rest of South Island**
Starter	17.73%	25.00%	14.89%	24.47%	27.27%
Emerging	55.32%	47.92%	70.21%	59.57%	56.82%
Developer	13.48%	18.75%	8.51%	10.64%	11.36%
Integrated	7.80%	4.17%	6.38%	3.19%	2.27%
Advanced	5.67%	4.17%	0.00%	2.13%	2.27%

When it comes to industry groups, a dual reversed pattern can be seen. This is a trend that we will also observe in future sections pertaining to the other AIM components. In the first two maturity levels, we see, from highest to lowest representation, construction contractors and specialist trades, professional services and the public sector. This order is reversed in the two highest maturity levels. This may be attributed to the effects of targeted public policy in DEI implemented inside public organisations.

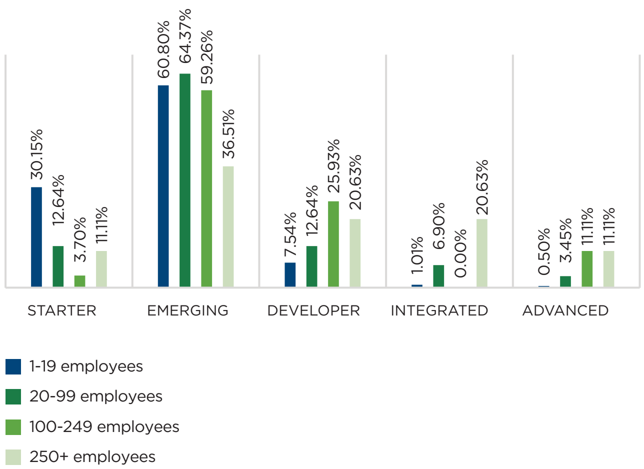
MATURITY PER INDUSTRY GROUP (LEADERSHIP)



> "I think we need to actually go out of our way to introduce diversity at those top-of-the-table positions so that people have got some role models, something to aspire to."

Finally, our correlational analysis based on organisation size (in terms of employee numbers) revealed that, in the broadest possible sense, larger organisations (those with more than 100 employees) were more frequently placed at the most advanced levels of maturity, while the smaller ones are more likely to be located at the beginning of the maturity spectrum. This finding is hardly surprising but an interesting anomaly in the data is that there was no organisation in the medium/large category (100-249 employees) at Level 4 maturity (Integrated), yet 11 per cent of organisations of this size made it to the Advanced category. This finding suggests that once a certain level of maturity is achieved, some organisations may be more likely to take their accumulated gains to move further on in their journey.

MATURITY PER ORGANISATION SIZE (LEADERSHIP)



THE EMPLOYEE SURVEY

Gathering and examining employees' perceptions of leadership is a difficult task. This is because many of the hard factors examined in the employer survey (e.g. reports, accountability, metrics) are not that easily recognised or evaluated by employees. This leaves perceptions of leadership that are based mostly on subjective evaluations of the quality of diversity and inclusion initiatives (mostly diversity infrastructure) in the organisation, plus how visibly senior leaders address diversity issues.

When asked about the importance of DEI for senior leaders in the workplace, 26.45 per cent of employees completely agreed that their senior leaders actively try to promote and champion DEI; this contrasts with the 15.74 of respondents who rated the efforts of their leaders in the lowest levels of the spectrum. In that regard, most participants (49.87 per cent) seem to recognise the positive efforts from leadership but still believe there is more to be done. This was represented by answers in the mid-range or cautiously optimistic levels.

LEADERSHIP	NEGATIVES	MID-RANGE/ RELATIVE POSITIVES	ABSOLUTE POSITIVES
Senior leaders in my workplace see DEI as very important and champion it from the top.	15.74%	49.87%	26.45%

When responses are disaggregated across the diverse groups (see table below) we studied as part of this analysis, results reveal interesting variations. In all groups except people with English as a second language (ESL), negative perceptions were higher among members of specific diverse groups when compared to the average responses. Interestingly, relative positives also increased among two groups – women and people under 25 ESL. Absolute positives increased among Māori, disability and ESL. These results suggest that, while certain groups are more critical of their leaders, they are also generous in recognising when good work is being done.

This insight can dismantle stereotypes about how diverse groups see leaders. Probably the best examples to illustrate this proposition are Māori and disabled participants who, regardless of having higher levels of negative perceptions, also have higher rates on absolute positive ones.

Another interesting finding relates to the perceptions of younger workers who seem not just more critical of senior leaders but also more reluctant to score them with absolute positives.

LEADERSHIP

Senior leaders in my workplace see DEI as very important and champion it from the top.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	15.74%	49.87%	26.45%
Women	21.41%	52.24%	16.67%
Māori	23.36%	41.12%	30.84%
Under 25	19.78%	56.04%	19.78%
English as a Second Language (ESL)	14.96%	47.44%	32.48%
Disability	17.86%	41.43%	29.29%

THE IN-DEPTH INTERVIEWS

The qualitative phase of the project provided us with further insights into the patterns that emerged from the data. Overall, participants talked about a series of motivating forces behind leaders' interest and engagement with DEI. Many observed that there is a long-held perception in construction that leaders are active builders of pathways for people to move up in their careers. This will be further explored in the inclusive career development section, nonetheless, it is important to mention that often leaders are referred to using expressions such as trailblazers, mentors, role models, champions and opportunity seekers.

In equal terms, however, leaders were often referred to as solid preservers of the status quo in an industry perceived as highly masculine and rough. In this context, contrasting terms such as conservative, gatekeepers, limited in views, not future thinkers and money-oriented were also suggested in participants' narratives.

In the broadest possible sense, participants talked about two fundamental issues regarding leadership. The first one was "fear" and the second one was "lack of clarity". In regard to the former, participants frequently spoke about how leaders are often in a difficult position. Although many leaders may honestly care about diversity, they regularly feel cautious about what they say and do when it comes to diverse groups and have concerns about how their comments and actions may result in negative optics for them and their organisations. It is because of this fear that leaders commonly make bad or limited decisions regarding diversity. Furthermore, this fear may well be a reason that leaders express interest in the issue but fail to move forward in their journeys.

The second finding in this section correlates to this previous one – the lack of an understanding of the underlying reasons for and first steps to crafting a diversity and inclusion journey. It is clear that the majority of leaders in the construction sector care about workers, look for ways to support them and try to role model what they consider to be positive behaviour. But without a holistic, integral view of where the organisation should be, they can't create the synergies to support diverse groups in the workplace.

At the same time, participants' testimonies give an account of how difficult it is for leaders to prioritise topics related to DEI due to constant pressures from deadlines, financial matters, health and safety requirements and labour shortages. A common theme across narratives was about the heterogeneity of the sector and the gigantic contextual differences across size, location and type of organisation. For instance, participants frequently referred to the challenges that small organisations faced when compared to medium and larger sized ones. Showing "the way" to what was commonly referred to as "two men, a van and a dog" companies was raised as a recurring issue.

Similarly, participants referred to how within the construction contractors and specialist trades group, there are some trades that require targeted attention depending on the specificities involved. Although this was overwhelmingly recognised as "the most difficult to permeate" industry group, some of its subsectors (and leaders) are perceived to be more open to DEI than others. It is in this context numerous participants suggested that more support to show leaders the "way to go" was needed.

QUICK INSIGHTS

- Leadership commitment in the sector is generally satisfactory, but the reputation of the sector's culture may still be influenced by the 3.4 per cent who openly oppose DEI.
- The main gap in the Leadership component is the absence of a DEI business case, behind which all employees can mobilise.
- What gets measured, gets done, and leaders need to define and monitor relevant metrics that will shift the organisational culture.
- Without a holistic, integral view of the organisation's DEI journey, leaders can't create the synergies to support diverse groups in the workplace.
- As they grow and learn in this space, leaders need support to engage with diverse groups in ways that will not reflect negatively on them and their organisation in the event of mistakes being made, therefore neutralising the underlying fear.

DIVERSITY INFRASTRUCTURE

Diversity infrastructure is defined as the combined set of DEI interventions purposely designed to directly support workers from diverse demographic groupings. This is different from other systems and processes that are normally designed for all employees, which are also the subject of analysis in other parts of this study. A healthy diversity infrastructure has two main components – a solid set of foundations and sensitively built and efficiently managed support structures.

Foundations are core components without which it would be near impossible to make progress in a DEI journey. Most practitioners and academics agree on at least these five core components:

FOUNDATION	REASON
Clear DEI rationale	Gives clarity to the organisation, its employees and other stakeholders for the reasons behind DEI efforts. It also helps inform sceptics who may not see clearly why this should be important.
Data and metrics	Informs efforts with reliable data about who works within the organisation, how they progress or simply what their experiences of DEI are.
Grassroots decision-making group	Having a formal group that consults with people from diverse backgrounds about their experiences and needs is important. Without this, organisations face the risk of either being uninformed or condescending in the decisions they make about diverse employees.
Strategy	Without a specific set of outcomes (preferably with embedded KPIs), diversity infrastructures tend to float with no sense of purpose or direction.
Visibility	Well-planned, constant reminders that DEI is important to the organisation. Without visible commitment, even the best efforts tend to fade away over a period of time.

Support structures, on the other hand, refer to the direct programmes and initiatives organisations implement to level the field among groups of workers. Support structures exist, based on the understanding that the workplace was created generations ago, with and for a more homogenous group of employees and because of that, new heterogenous groups may find existing systems inadequate for them. Support structures function as pillars supporting new groups differently according to their specific needs. While some pillars are similar across groups, others can be more targeted. For instance, a work-life balance policy may be used by several groups while a religious accommodation policy or a Rainbow policy are designed to ensure that there are formal support structures available to a specific group.

"In my own experience, bringing people into your business that have developed this field as their career path and have expertise in frameworks can move you along a lot faster."

THE EMPLOYER SURVEY

The analysis of responses regarding diversity infrastructure revealed significant challenges in meeting basic requirements of DEI. An opening filtering question asked employer representatives, in the broadest possible sense, if their workplace had effective initiatives to support employees from diverse backgrounds. At this stage, we didn't ask about core foundations, or even whether such initiatives were formal or informal. Yet, an overwhelming majority of 223 organisations (59 per cent) responded that they did not have initiatives, while 154 respondents (41 per cent) reported that they did.

Those who answered that they didn't have initiatives, were asked about the reasons behind such a lack of DEI infrastructure. The most common arguments in this regard were: not having any problems regarding diversity (23 per cent); having more important priorities to concentrate on (22 per cent); having no budget to expend on DEI (4 per cent); and not believing in DEI (4 per cent). Around nine per cent of respondents in this category selected the "I am not sure why" category.

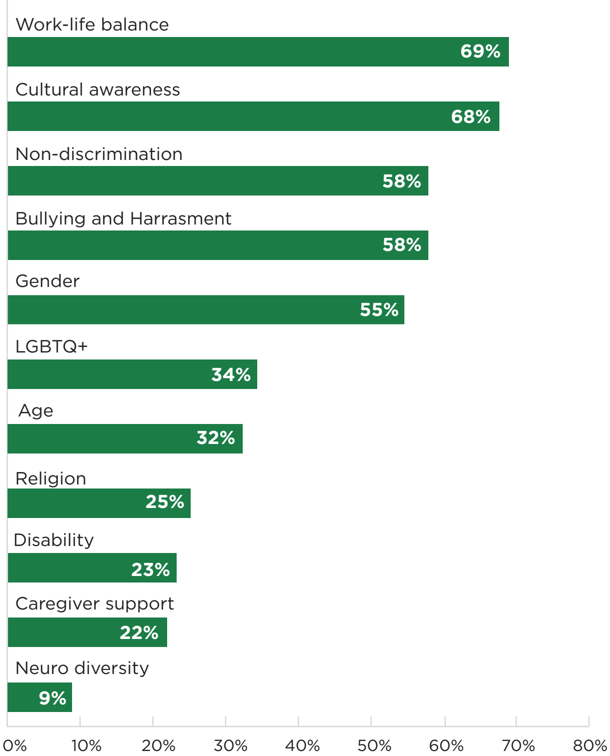
For this reason, 59 per cent of respondents were positioned in the Starter category while the remaining 41 per cent (154) made it into higher levels of maturity.

DIVERSITY INFRASTRUCTURE	
Starter	59.15%
Emerging	24.67%
Developer	6.63%
Integrated	3.98%
Advanced	5.57%

To expand on our analysis, we asked respondents what types of initiatives were included in their infrastructure (see table below). Unsurprisingly, broad support initiatives such as work-life balance, non-discrimination and bullying and harassment prevention were most popular. More targeted initiatives such as those built to support Rainbow, religious, disabled and neurodiverse employees were far less popular. The two obvious exceptions to this divide are gender and cultural awareness, which are both targeted initiatives that are in place in more than half the organisations that have progressed beyond the Starter level of maturity. This may well reflect important changes in the construction labour market, and also how organisations now perceive the actuality of having more women, migrant and Māori workers.

> "Everybody will tell you they want things to change but nobody wants to change themselves."

TYPES OF INITIATIVES

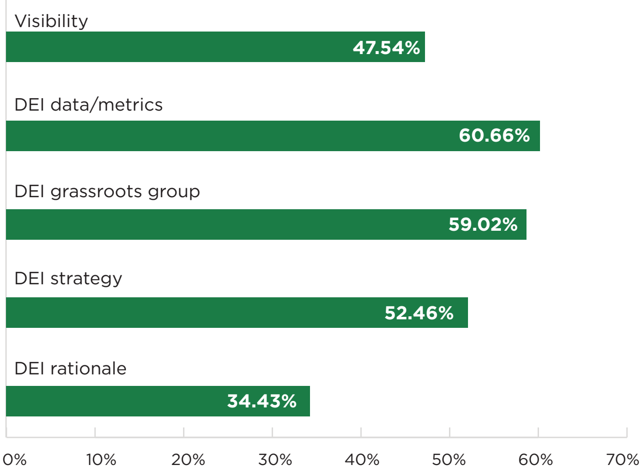


Initiatives implemented by organisations in the top four levels of maturity on the Diversity Infrastructure component (n=154).

To locate participants in the subsequent levels of maturity, we asked them whether those initiatives were formal or informal. Only 61 respondent organisations (16 per cent) had at least some levels of formality and therefore move to the three highest levels of maturity. The remaining 93 (24.67 per cent) are in the Emerging category.

We then explored how the basic foundations of diversity were working for 61 respondents who made it through the previous filters. Several gaps were detected through this analysis. Overall, our analysis found that the five foundational elements were not equally present among respondents. Moreover, when we look at them separately, none of these foundations are present in any more than 37 organisations (10% of the total survey population).

DEI FOUNDATIONS



DEI foundations present in organisations in the top three levels of maturity on the Diversity Infrastructure component (n=61).

DEI Infrastructure is a critical component of any diversity and inclusion journey, and we wanted to expand our knowledge of how some of these foundations were being addressed by organisations.

We therefore asked the 37 respondents who reported having some sort of data collection what type of data they were gathering and what it was being used for. Thirty-three were collecting data on gender, 26 on ethnicity, 28 on age, 19 on sexual orientation, 15 on disability, nine on religion and only four on neurodiversity. When asked about how this data was used, most respondents asserted that data was used to inform their strategies.

Broadly speaking, respondents who moved up to subsequent maturity levels did so because they were able to turn data into specific metrics. They also constantly monitored the efficiency of their infrastructures, had good, reiterative perceptions of diversity among the workforce, their infrastructures had achieved local or international recognition, and they have engaged with specific diversity accreditation programmes.

The analysis of maturity across variables (location, size and industry group) shows that, when it comes to location, respondents in the North Island are less likely to be at Starter level, and more likely to be at a higher maturity level compared to those in the South Island (see table below). This suggests that a big proportion of organisations in the South Island currently face major challenges with starting to build even simple diversity infrastructures, which may be the reason why there were no respondents from either Christchurch or the rest of the South Island categories placed in the advanced category.

MATURITY LEVELS PER LOCATION (DIVERSITY INFRASTRUCTURE)

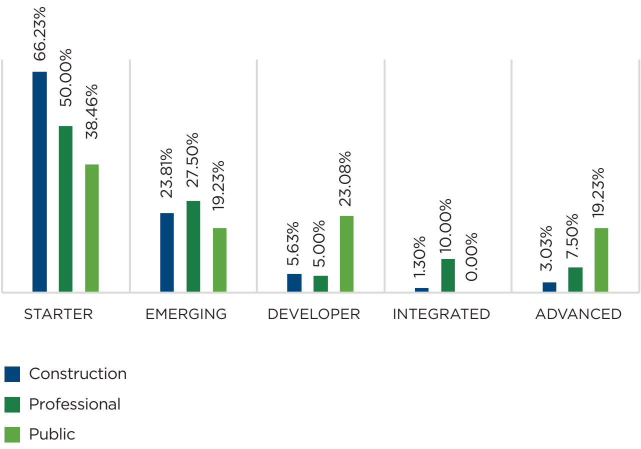
	Auckland	Wellington	Christchurch	Rest of North Island	Rest of South Island
Starter	53.90%	60.42%	72.34%	54.26%	72.73%
Emerging	22.70%	25.00%	23.40%	29.79%	20.45%
Developer	6.38%	4.17%	2.13%	10.64%	4.55%
Integrated	7.09%	2.08%	2.13%	2.13%	2.27%
Advanced	9.93%	8.33%	0.00%	3.19%	0.00%

When we look at industry groups, around 90 per cent of construction contractors and specialist trades are located in the first two levels of maturity, along with 80 per cent of professional services organisations and around 60 per cent of public sector organisations. This shows that, although differences across groups are clear, all groups still face clear challenges when it comes to building infrastructural foundations and support structures which are important milestones to move forward into higher levels of maturity. However, 40 per cent of organisations in the public sector were placed in the Developer and Advanced levels of maturity, which may be explained by mandatory requirements regarding diversity infrastructures in the New Zealand public sector.

Two other important factors were observed in our correlational analysis. The first was that the construction contractors and specialist trades group and the public sector group had significantly lower levels of representation in the integrated level than in the advanced level. This reinforces our assertion that once organisations start getting involved and investing in their DEI journeys, they create incentives to move forward and achieve better results. The second was the fact that all groups had representation at the advanced level.

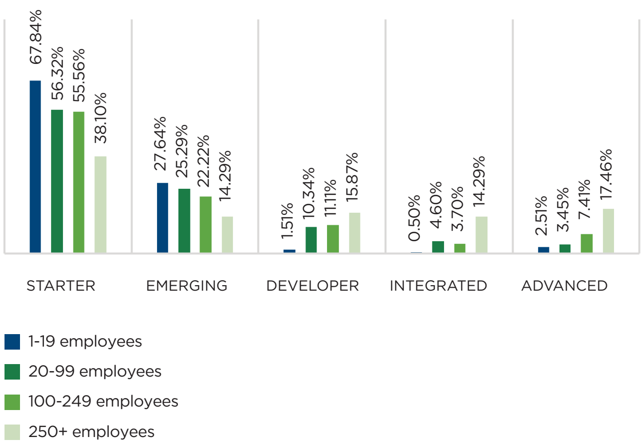
> "In very small businesses who are owner-operated, the owner is on the tools. He doesn't have time to think about this stuff. He's just trying to get through the day and pay some bills."

MATURITY PER INDUSTRY GROUP (DIVERSITY INFRASTRUCTURE)



Finally, in terms of organisational size (see graph below) the two groups comprising of organisations in the smaller categories (1-19 employees and 20-99 employees) had higher numbers in the Starter level compared to medium-large and large organisations.

MATURITY PER ORGANISATION SIZE (DIVERSITY INFRASTRUCTURE)



THE EMPLOYEE SURVEY

Employees' perceptions of diversity infrastructures are important since they speak to two fundamental issues: how supported people feel by DEI initiatives; and how they see such protections as part of an organisational plan to create a culture of inclusion. In this context, employees were asked to rate these two factors (support and strategic view). Half of the total respondents placed their answers somewhere along the middle of the spectrum (mid/range and relative positives). Nonetheless, when it comes to both extremes of the range, important differences were found.

While about 12 per cent of respondents gave negative rating in respect of their organisation's diversity infrastructure, the negative ratings escalated to almost 19 per cent when asked about the existence of a clear and visible plan to support DEI. These answers are concomitant with the findings in the employer survey suggesting that scattered initiatives, often informal, may hinder the transit to higher levels of DEI maturity.

Notably, the absolute positive ratings given to both questions show significant variations, but did not significantly affect percentages in the mid-range/relative positives, which remain around 50 per cent. This suggests that even groups of employees which tend to score organisations higher in respect of perceived infrastructure were more reluctant to give full positives when it comes to the existence of a plan.

DIVERSITY INFRASTRUCTURE	NEGATIVES	MID-RANGE/ RELATIVE POSITIVES	ABSOLUTE POSITIVES
My workplace has ways to support employees from many diverse backgrounds to fit in.	11.84%	50.90%	29.73%
My workplace has a clear and visible plan to support DEI.	11.84%	47.89%	22.04%

Disaggregated responses by diverse groups show interesting variations in these perceptions (see tables below). Although the general trend regarding half of all responses concentrated at the centre (mid-range/relative positives) can still be observed, the numbers at both extremes of the spectrum have significant variations for almost all groups. Indeed, except that the numbers of negative ratings in both questions increased. Significant numbers of women and Māori respondents reported negatives on both questions, and workers under 25 years of age also reported negatives in respect of the second question.

Consistent with observations in the Leadership section, Māori and people with disabilities, although more critical than the average respondent, were also more likely to give higher ratings when it comes to absolute positives when compared with the average.

My workplace has ways to support employees from many diverse backgrounds to fit in.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	11.84%	50.90%	29.73%
Women	16.24%	54.12%	16.24%
Māori	17.76%	46.73%	31.78%
Under 25	13.19%	56.04%	21.98%
English as a Second Language (ESL)	9.40%	50.85%	35.04%
Disability	13.57%	48.57%	31.43%

My workplace has a clear and visible plan to support DEI.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	18.74%	47.89%	22.04%
Women	23.52%	51.29%	16.24%
Māori	25.23%	36.45%	25.23%
Under 25	26.37%	46.15%	18.68%
English as a Second Language (ESL)	11.97%	46.15%	29.06%
Disability	20.00%	48.57%	31.34%

IN-DEPTH INTERVIEWS

Again, the interview phase endeavoured to shed further light on the data patterns and, through these interviews, our analysis revealed two major findings. The first we called "siloed infrastructures" and the second one was coded under the name "kaleidoscope of realities".

With regards to "siloed infrastructures", interviewees showed a clear interest in making DEI work for their organisations, industry groups and even the country as a whole. Yet, when speaking about diversity infrastructure, interviewees predominantly referred to solutions for some specific diversity groups, while others were constantly absent from the narrative. Most commonly, interviewees' answers referred to women, Māori, Pacific Peoples, neurodiverse workers and, to a lesser extent, younger workers. Other dimensions of diversity such as Rainbow, religion, disability, older workers and gender fluidity were barely mentioned.

This finding is in line with what we observed in our desk analysis of literature, which is similarly scattered and fragmented. More importantly, when speaking to interviewees about some of these absent dimensions, they gave vivid accounts of how a lack of infrastructure to support them in their workplace affects not just opportunities but their overall wellbeing. Of course, these types of narratives were also found in the testimonies given by Māori, women and younger workers, but the types of exclusionary behaviours reported, for instance, by members of the Rainbow community were of significant concern. When talking about these issues participants mentioned how a non-masculine appearance in some parts of the industry is still a big issue with regards to how people are perceived and accepted.

Even though there were some dimensions of DEI on participants' radar, it was clear that these have not been addressed by organisations from a more integrated perspective. A good example of this is neurodiversity. Interviewees' testimonies suggest that a large population of workers with "different learning styles" may exist in the industry but, when asked about how much the sector knows about this group or what targeted actions have been designed and implemented, most interviewees mentioned that actions have historically been limited.

Our second thematic finding, "kaleidoscope of realities", has an influential effect across all areas in this report. Just like in a kaleidoscope, the industry has clear boundaries and a series of distinctive colours and nuances. Yet, when pointed in the direction of specific trades, different combinations provide a different reality, which determines how easy or difficult it is for workers from diverse groups to be properly supported.

Testimonies also revealed that these differences sometimes make it difficult for employees in sectors where the situation is "not that bad" to push for better diversity infrastructure. This is based on the presumption that, even though things are not perfect, they are far better than what they are in other parts of the industry.

Small organisations and specific trades such as those related to what was called "putting together the bones" of a structure (e.g. digging, brick-laying, structural-related work and heavy equipment operations) were normally considered to be the toughest for workers from diverse groups to find effective support structures.

A concluding finding in this section regarding the concept of the kaleidoscope is that, even though all five foundations of diversity (as mentioned in the introductory paragraphs of this section) were recognised by participants as important for all industry groups, trades, organisational sizes and geographical locations, it was also reiteratively mentioned that different organisations may not know about the basics of DEI. And, even if they did, they require special support to build these foundations according to their specific needs and challenges.

QUICK INSIGHTS

- All subsectors reported significant challenges in meeting basic requirements in respect of targeted DEI policies and processes.
- Employees do not perceive organisations to have sufficient understanding of diversity, and they indicated that there is limited access to visible plans to support DEI.
- Diversity management in the sector is largely defined by targeted initiatives to support women and Māori employees, with limited recognition of any other dimensions of diversity.
- Research outcomes indicate that the sector might employ a large population of neurodiverse workers, however, actions to support these employees are limited.
- The big discrepancies in DEI experiences between industry groups provide difficulties for employees in sectors where the situation is "not that bad" to advocate for better diversity infrastructure.

DIVERSE RECRUITMENT

Diverse recruitment refers to the conscious and planned efforts organisations make to increase the number of workers to reflect a better match with societal and demographic changes in New Zealand. International best practice suggests that a major milestone in the DEI journey of most organisations is when a distinction is made between simply removing barriers to attract diversity in job candidates, and purposedly building a diverse team to capitalise on the positive outcomes that diversity and inclusion can bring to organisations (also called the diversity dividend).

Considering this, the AIM framework indicates a pathway that starts from a place where no interventions (and sometimes not even awareness) exist, through a series of stage gates where barriers are systematically removed, up to the highest level of purposive diversity in recruitment at the end of the spectrum.

THE EMPLOYER SURVEY

Diverse recruitment rated the second-highest among the seven AIM components when it comes to the total number of organisations located at the Starter level. This is particularly significant for an industry under pressure to deliver to an increasing pipeline of work, while simultaneously adapting to the social licence challenges brought about by an increasingly diverse society. Here, it is important to highlight that when participants were asked about their views of diverse recruitment, 31 per cent asserted this is not considered to be a priority “at all” or were uncertain about whether it is one.

The 69 per cent of organisations who reported diverse recruitment as a priority, or at the very least as an important issue, were asked whether they were currently addressing diversity through recruitment efforts, and 28 per cent of the total number of organisations mentioned they were not, which kept them in the Starter level.

A third question regarding the types of initiatives organisations were actually implementing, increased the number of organisations at Starter level to 63 percent (238 organisations) while 36.87 per cent (139 organisations) moved to the higher levels of maturity.

DIVERSE RECRUITMENT	
Starter	63.13%
Emerging	14.06%
Developer	3.98%
Integrated	8.49%
Advanced	10.34%

In considering the most common initiatives (whether formal or informal) reported by participants who indicated progress in this area, it was a surprise to note that unconscious bias prevention, the most common recruitment initiative across New Zealand workplaces generally, only attracted 35 per cent responses, placing it at third priority and significantly lower than creating diverse talent pools (65.33 per cent).

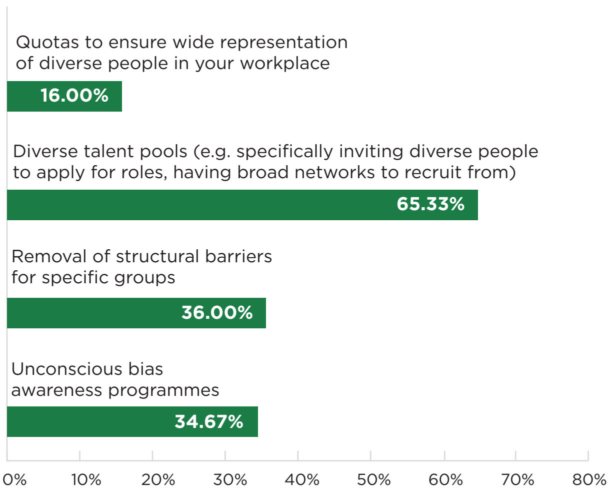
Diverse talent pools was the most mentioned initiative, which was an interesting finding since this, although highly recommended in the literature, were normally not as common as unconscious bias prevention or the removal of structural barriers (which came second). Considering large scale efforts to increase representation of specific groups (notably women and

> “If I’m looking at a company and I don’t see people like me working there, I’m probably less inclined to go. I think often we’re scared if we’re completely honest.”

Māori) in construction, we would have expected a higher level of focus on self-imposed quotas as an initiative to attract diversity into the sector.

TYPES OF DIVERSE RECRUITMENT INITIATIVES

(Formal or Informal)



Types of initiatives implemented in organisations in the top four levels of maturity on the Diverse Recruitment component (n=139).

Exploring the formality of these initiatives further, it was found that 86 respondents (22.81 per cent) had solid grounds to move to the three higher levels of maturity in this component. The diverse groups that received the highest percentage of mentions in terms of being targeted through formal recruitment initiatives were: women (38 per cent); Māori (33 per cent); and Pasifika (27 per cent). Initiatives targeting the disability, neurodiversity or over 55 years of age groups were significantly lower.

Of the 86 respondents within the higher levels of maturity, 15 were positioned as Developers (Level 3), 32 as Integrated (Level 4) and 39 as Advanced (Level 5). In other words, instead of finding a decreasing number of organisations as we progressed in the analysis, we found that most of them were moving forward to higher levels of maturity once they have broken through the Level 2 barriers. This finding is consistent with other results located across this report.

Transition to the last two levels was determined firstly by having effective mechanisms to detect biases in job ads, welcoming practices in diverse recruitment and sensitive interview processes, and secondly by having a diverse and proactive culture looking to purposely recruit people from different backgrounds.

The examination of recruitment across our three specific variables (location, size and industry group) indicates again a higher concentration of organisations in the first two levels of maturity in the South Island, when compared to the North Island. Nonetheless, both examined South Island groups (Christchurch and Rest of South Island) were represented in the highest levels of maturity and the Rest of the South Island group had a higher number of respondents at Advanced level than Wellington (see table below).

MATURITY LEVELS PER LOCATION (DIVERSE RECRUITMENT)

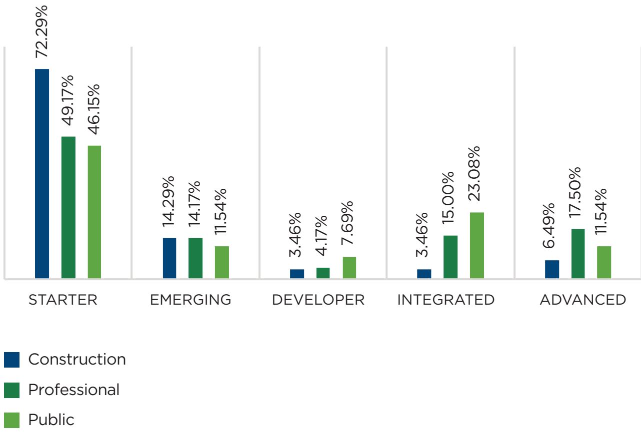
	Auckland	Wellington	Christchurch	Rest of North Island	Rest of South Island
Starter	58.87%	58.33%	72.34%	61.70%	77.27%
Emerging	14.89%	16.67%	10.64%	14.89%	11.36%
Developer	2.13%	8.33%	4.26%	5.32%	2.27%
Integrated	11.35%	10.42%	8.51%	6.38%	2.27%
Advanced	12.77%	6.25%	4.26%	11.70%	6.82%

Results for variances across industry groups (see table below) revealed similar patterns to the ones found in previous sections of this report, with significantly more organisations in the construction contractors and specialist trades being positioned at lower levels of maturity, and fewer in higher levels of maturity. Consistent with previously observed trends, professional services had the second highest representation within the lower levels of maturity, but surprisingly this group scored significantly higher in the advanced category.

Generally speaking, public sector organisations followed the trends found in previous sections, although this group's scores at lower levels of maturity were higher than observed in other components and, similarly, fewer public sector organisations were positioned at higher levels of maturity compared to the other components.

This finding may signify that, even though good diversity infrastructure levels exist in the public sector, diverse recruitment practices are still difficult to champion.

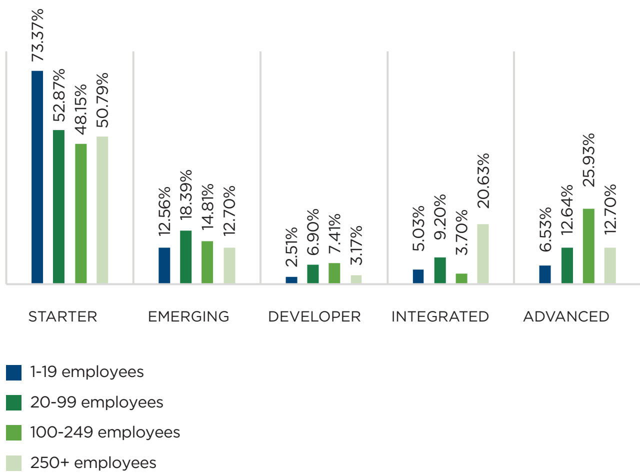
MATURITY PER INDUSTRY GROUP (DIVERSE RECRUITMENT)



Finally, our analysis of correlations per organisation size revealed that small organisations find it significantly more difficult to implement diverse recruitment. Numbers at the Starter level were significantly higher in this group than for any other examined group. That being said, small organisations still had representation across all levels of maturity in this component. Again, the numbers of small organisations in maturity Levels 4 and 5 were significantly higher than those in Level 3, which confirms the proposition that, once organisations find their way into DEI, they continue their journey through the design and implementation of increasingly better practices.

Similarly, another interesting finding was that organisations in the 100-249 employees size category scored significantly higher at Advanced level, than any of the other organisation size groups, including large organisations.

MATURITY PER ORGANISATION SIZE (DIVERSE RECRUITMENT)



THE EMPLOYEE SURVEY

The employee survey had only one question related to diverse recruitment, which aimed to measure perceptions of whether organisations were proactively looking for diverse talent. We found no significant variations in the responses on the three categories of analysis when compared to previous components. In that regard around half responses were in the mid-range/relative positive category while negatives were around 13 per cent and positives 29.30 per cent.

DIVERSITY RECRUITMENT	NEGATIVES	MID-RANGE/ RELATIVE POSITIVES	ABSOLUTE POSITIVES
My workplace actively tries to recruit employees from many different backgrounds.	12.88%	46.24%	29.30%

When examining variations across specific diversity dimensions, it was found that the trend towards negative perceptions observed in previous sections was repeated, with women, Māori, and people under 25 returning a higher percentage of negative scores. However, this trend was less prominent in this component than in others, except for Māori.

A similar trend was observed on the absolute positives where numbers were closer to the average than what we had observed elsewhere in the study. This suggests that respondents across all groups were better aligned with the average perception, which is a result of two factors. The first is that those groups that were less likely to give an absolute positive in other sections had more positive opinions about recruitment practices and therefore scored closer to the average (e.g. women). The second factor is that those groups who were more likely to commend efforts above the average in other components, were less likely to do so in this particular case (e.g. Māori and people with disability). The only exception here were employees with English as a Second Language whose perceptions were significantly higher in the positives than for the other components, which could suggest that they were influenced by their personal position as beneficiaries of such diverse recruitment initiatives.

> I think it is possible [to bring more diversity into the industry] but it takes a hell of a lot of perseverance and hard work. But they're the trailblazers and we've had a few senior females in our business who have done extremely well. I think over time the pathway is becoming easier, more accommodating."

My workplace actively tries to recruit employees from many different backgrounds.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	12.88%	46.24%	29.30%
Women	14.82%	50.35%	24.71%
Māori	19.63%	41.12%	28.04%
Under 25	14.29%	41.76%	28.57%
English as a Second Language (ESL)	8.55%	38.89%	41.03%
Disability	12.14%	47.86%	29.29%

IN-DEPTH INTERVIEWS

Interviewees' testimonies of diverse recruitment followed two major narrative lines. One involved the confusion organisations still face distinguishing between equity and equality, and a second referred to how cultural expectations of "fit", both by employees and organisations, have an impact on recruitment practices and programmes.

In terms of the narrative related to equality and equity, participants constantly mentioned how common views in the industry normally start with the idea that inclusive recruitment is about "treating everyone the same". In that regard, there is an overall tendency to concentrate on the "objective" attributes of a candidate rather than considering the distinctive characteristics of diverse groups that may be perceived as irrelevant to the workplace. Therefore it's easier to remove barriers for groups such as people without local experience or those without high levels of English proficiency, than it is to include people from different religious backgrounds or those from the Rainbow community, to give an example.

While some considerations in diverse recruitment were found by interviewees to be normal and useful, others seem to be more challenging. For instance, when talking about the impact of unconscious bias in recruitment practices, it was found that some participants, especially those working in companies with high levels of maturity, were surprised to find that not much was being done in respect of this basic aspect of recruitment. Other respondents, however, simply labelled these types of initiatives as unnecessary, due to the fact that "everyone is treated the same".

Interviewees working in the not-for-profit and advocacy sectors highlighted the importance of understanding diversity dimensions and their unique characteristics when it comes to recruitment. Some mentioned how, often, the industry has been shaped by self-made people who started as sole traders and then gradually expanded their business. It was mentioned that this "self-made trajectory" makes it difficult for individuals to fully appreciate examples of best practice and to be open-minded beyond traditional in-groups.

Concerns about how women, members of the Rainbow community, religious minorities and other diverse groups are perceived by recruiters in the sector were raised by some participants. They expressed that being unfamiliar with members of such groups, results in recruiters being worried about a candidate's performance or ability to fit in with a job.

The second line of exploration refers to "expectations to fit in". In this regard, interviewees commonly gave testimonies of a rough and masculine industry where employees knew "what they are getting into" and were therefore expected to develop some "thick skin".

Although the consequences related to these testimonies are better aligned with the AIM components in the upcoming sections of the report (career development and inclusive collaboration) reputationally, these perceptions also play an important role in recruitment.

Even the interviewees working in organisations with high levels of maturity talked about how difficult it was to remove negative stereotypes and assumptions regarding the performance of specific groups in the industry. These include, for instance, women doing physical labour, or gay and gender diverse people being openly effeminate, and people with a disability performing up to expected standards.

QUICK INSIGHTS

- The sector, across all industry groups, are finding it difficult to adapt recruitment practices to expand the talent pipeline with people from diverse groups.
- Organisations are finding it difficult to approach recruitment through a lens of equity, as result of the prevailing view that "everyone should be treated the same".
- The "self-made trajectory" of the sector presents barriers for successful individuals to be open-minded beyond traditional in-groups, and to adopt practices that are different to what has worked for them in the past.
- The expectation of employees to assimilate into dominant groups ("grow a thick skin" and "learn to fit in"), is a significant barrier to DEI progress in the sector.

INCLUSIVE CAREER DEVELOPMENT

Inclusive career development is an umbrella category, which consolidates a number of factors which contribute to the fair, inclusive and equitable transit of people from non-dominant groups through the progression pipeline of an organisation, across the employee life cycle. As such, it comprises components such as promotion, remuneration, training and development, performance management and the overall shaping of a culture where personal and professional growth programmes are mindful of the specific needs and challenges of people from non-dominant groups.

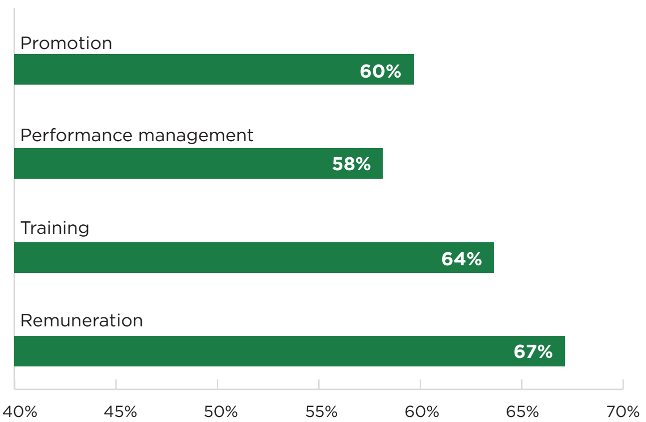
THE EMPLOYER SURVEY

Our analysis of inclusive career development started with a closed question regarding whether organisations were taking steps to make career development (training, promotion, remuneration, performance management, etc.) mindful of DEI. Fifty-seven per cent of respondents (214 organisations) indicated they were, however, after a control question regarding what types of steps were taken, this figure reduced to 53 per cent (201 organisations), leaving around 47 per cent (176 organisations) at the Starter level of maturity.

INCLUSIVE CAREER DEVELOPMENT	
Starter	46.68%
Emerging	21.22%
Developer	7.16%
Integrated	18.57%
Advanced	6.37%

On further exploration of what areas of concern organisations in the four highest levels of maturity were concentrating on, we found that the most common area of action is remuneration, closely followed by training, promotion and finally performance management (see table below). This finding may be attributed to external incentives and trends regarding equal payment such as pay gap and pay equity analyses. Also, although such numbers may look significant, it is worth mentioning that their counterparts (organisations not doing anything in each of these areas) are also high and deserve further attention.

AREAS OF FOCUS ON INCLUSIVE CAREER DEVELOPMENT



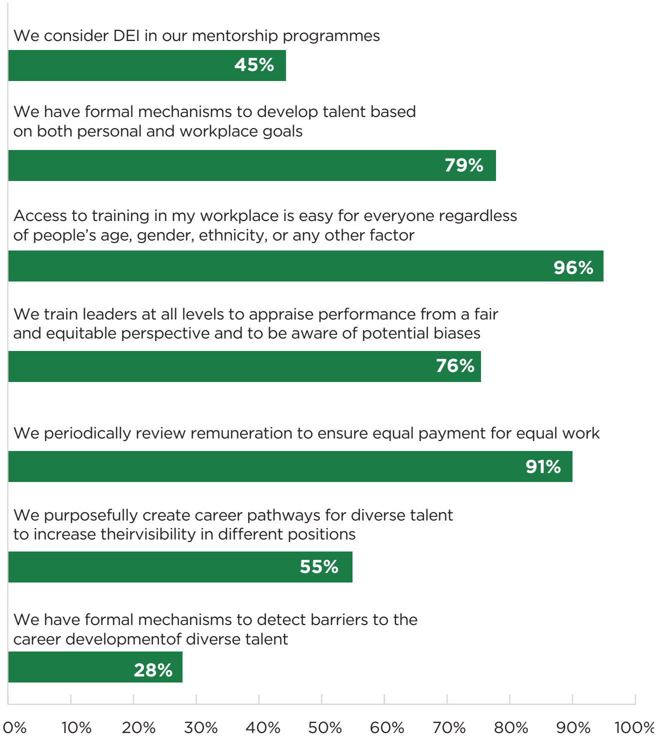
Areas of focus in organisations in the top four levels of maturity on the Inclusive Career Development component (n=201)

When asked whether such efforts were formally addressed, around 21 per cent of organisations answered that they were addressing these issues mostly informally or through ad hoc practices. These organisations did therefore not meet the criteria to proceed to the next levels of maturity, resulting in 32 per cent of organisations (121) proceeding into more mature levels.

The 32 per cent of organisations who proceeded beyond the second level of maturity, were then asked about specific elements in their formal initiatives (see table below). Training and remuneration were again the most popular formal initiatives, followed by inclusive talent development practices based on the individual. Next was training for managers to understand performance from an inclusive perspective. Interestingly, traditional methods of development in the industry, such as mentorship programmes, came second to last, while the detection of barriers to career development was significantly lower than all the other initiatives.

CAREER DEVELOPMENT INTERVENTIONS

(Developer and higher)



Interventions implemented by organisations in the top three levels of maturity on the Inclusive Career Development component (n=121)."

Organisations with a solid inventory of practices (25 per cent) moved to the two highest levels of maturity, where they were further assessed in terms of: how and how often they evaluate their achievements in career development; whether or not they have merged inclusion into talent succession frameworks and practices; how proactive they were in embedding DEI into career development; and how prepared the overall organisational culture is to support people of all different backgrounds. About 18.57 per cent of all respondents were positioned in Level 4 (Integrated), while 6.37 per cent made it to Level 5 (Advanced).

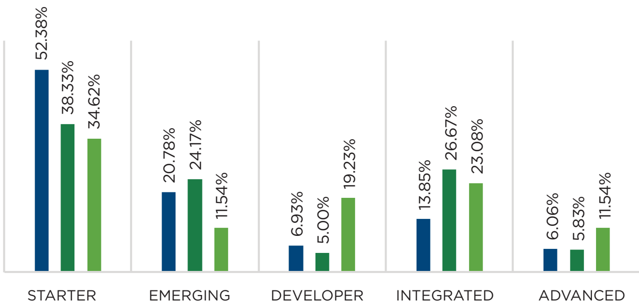
In terms of correlations across the three factors of analysis (location, industry group and size), percentages show similar patterns to those observed in previous categories. When it comes to location (see table below) the South Island had a higher percentage of organisations in the Starter level compared to the three North Island groups. Noticeably, the third level of maturity (Developer) had significant representation across all locations. Once again, this pattern is consistent with previous results. Christchurch had no organisations in the Advanced level of maturity, and the Rest of the South Island group scored higher than Wellington in this factor.

MATURITY LEVELS PER LOCATION (INCLUSIVE CAREER DEVELOPMENT)

	Auckland	Wellington	Christchurch	Rest of North Island	Rest of South Island
Starter	40.43%	47.92%	61.70%	42.55%	59.09%
Emerging	21.28%	22.92%	17.02%	25.53%	13.64%
Developer	8.51%	6.25%	6.38%	7.45%	4.55%
Integrated	21.99%	20.83%	14.89%	13.83%	18.18%
Advanced	7.80%	2.08%	0.00%	10.64%	4.55%

Analysis per industry group also showed similar patterns, with organisations in the construction contractors and specialist trades scoring higher in the first two levels of maturity and lower at the higher levels. That being said, there was a greater percentage of organisations from this group represented in the higher maturity levels when compared with the other components. This may be indicative of the high presence of apprentices in this industry group. The other two groups did not show any significant variations.

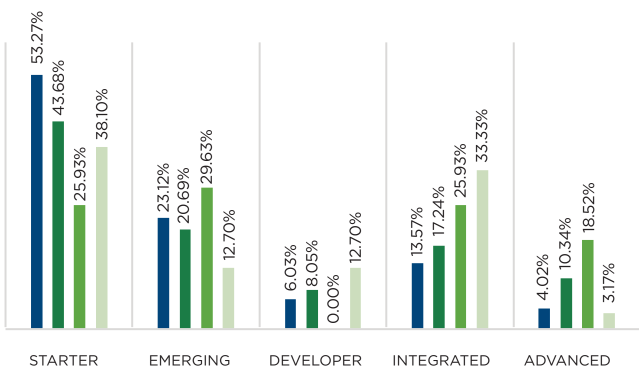
MATURITY PER INDUSTRY GROUP (INCLUSIVE CAREER DEVELOPMENT)



Construction
Professional
Public

From the perspective of organisational size, we found that, although organisations representing the two smallest categories were more likely to be found at Starter level, they also had representation in the Advanced level, outperforming large organisations. This is an important finding that confirms that higher levels of maturity can be found in all organisations regardless of their size. Another finding was that a high percentage of large organisations did not progress beyond the lowest maturity levels.

MATURITY PER ORGANISATION SIZE (INCLUSIVE CAREER DEVELOPMENT)



1-19 employees
20-99 employees
100-249 employees
250+ employees

> "I have heard comments like, 'Oh, will she be physically strong enough?'. And then you get a huge range, like you could look at a guy and go, 'Is he going to be physically strong enough for that job?'"

THE EMPLOYEE SURVEY

Perceptions of inclusive career development were structured around four different aspects. Firstly, we investigated traditional hygiene factors such as access to training, promotion and benefits. From there, in the final question, we measured the overall perceptions regarding support for people to grow in the organisation.

Given both the large number of questions in this section, and some of the unique findings identified, we were able to integrate average responses and variances across people from diverse groups in our analysis.

Results show that organisations' investment in training initiatives are returning positive results. No other question in the survey received such significant differences between the two extreme ratings – this was the highest incidence in responses for absolute positive ratings (53.38 per cent) and the lowest for negative ratings (7.19 per cent).

These results present us with noteworthy contrasts within which to explore variances across specific diverse groups. Although disaggregated results once again point to a more critical voice across diversity dimensions, gaps were lower for the women and under 25 groups regarding both the negatives and the absolute positives.

Māori on the other hand had higher percentages in the negatives and lower in the absolute positives, and this is the first time we see the ESL group scoring above the average when it comes to negatives and below when it comes to positives. This raises some concern regarding efforts to value people from diverse ethnicities through career progression opportunities, or whether efforts towards diverse recruitment are purely geared towards finding basic labour in a difficult market.

These findings therefore signal a critical consideration regarding barriers to access training in organisations and, even though the differences are only marginal when compared with previous responses, they suggest a relevant finding within diverse groups where members often find it difficult to be openly critical of structures of authority.

> "People in the past have taken great pride in giving their apprentices a hard time. It was almost like a sport to send your apprentice home frustrated or broken or whatever. It takes a long time to change those kinds of attitudes when there's no circuit breaker in the middle."

The overall positives started to erode slightly in the follow-up questions.

When exploring equal benefits, although figures still show an overall positive picture, numbers for the negative scores increased while those for the absolute positives started to decline. A notable finding on this question is that, while negatives did not increase significantly for women in relation to the average, this group was considerably more reluctant to score their organisations with absolute positives. Māori, on the other hand, were significantly more critical (the percentage of negative ratings for this group was more than double than for the average) and less likely to give an absolute positive rating to the issue of benefits. Finally, although the ESL group returned to lower negative and higher absolute positive ratings compared to the average, these differences were minimal, which is significant when compared with their responses in other sections of this study.

Our last specific factor of exploration related to equal chances for promotion and here we observe an even further decline in positive responses. Overall, 13 per cent of participants provided negative ratings, while less than 40 per cent gave absolute positives.

One notable variance was found in the ESL group. As mentioned, this group had been very cautious about giving negative ratings throughout the survey and they were more likely to provide absolute positive ones. Yet, when it comes to equal opportunity to be promoted, the number of absolute negatives presented a major variance, registering more than three percentual points higher than the average.

My workplace gives employees from diverse backgrounds equal access to training opportunities.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	7.19%	35.10%	53.38%
Women	8.24%	42.12%	55.71%
Māori	14.95%	39.25%	42.99%
Under 25	8.79%	37.36%	51.65%
English as a Second Language (ESL)	7.26%	36.75%	52.99%
Disability	5.00%	28.57%	56.43%

My workplace ensures benefits are accessible to all and do not discriminate against any particular employee or group	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	8.75%	37.52%	48.35%
Women	10.35%	45.18%	38.82%
Māori	18.69%	36.45%	25.23%
Under 25	7.69%	46.15%	41.76%
English as a Second Language (ESL)	7.69%	41.88%	47.86%
Disability	7.86%	35.00%	50.71%

In my workplace employees coming from a diverse background have the same chance to be promoted as everyone else.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	13.46%	40.38%	39.49%
Women	18.59%	45.41%	28.71%
Māori	19.63%	40.19%	34.58%
Under 25	7.69%	46.15%	38.46%
English as a Second Language (ESL)	16.67%	36.32%	41.35%
Disability	12.86%	36.43%	28.57%

A final question regarding perceptions of career development referred to the overall effort made by organisations to ensure that people from diverse backgrounds receive adequate levels of support to succeed in the workplace. The picture here was significantly less positive, with higher numbers in the negatives and lower in the absolute positives when compared to all previous questions in this section.

Furthermore, women, Māori and people with disability were more likely to score their organisations negatively. But at the same time Māori and people with disability were able to recognise good work and provide absolute positive scores above the average when there was a perception of good work. Interestingly, people under 25 years scored lower in the negative ratings but were also more reluctant to provide absolute positive ratings to their organisations.

"There are a lot of those kind of older, old-school mindsets. Like, 'This is how it's always been done.' The industry is quite male-orientated, it's quite macho, and you've got those old relics still around. It's slowly changing but it's still got a long way to go."

My workplace makes visible efforts to ensure employees who are disadvantaged are given all the support and help they need to succeed in our workplace.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	14.47%	50.17%	25.30%
Women	19.76%	52.24%	17.65%
Māori	22.43%	44.86%	29.91%
Under 25	10.99%	60.44%	19.78%
English as a Second Language (ESL)	13.68%	48.29%	30.34%
Disability	16.43%	46.43%	28.57%

IN-DEPTH INTERVIEWS

The analysis of qualitative data on inclusive career development followed two coded paths. The first broadly refers to how traditional views of forging a career in construction are still ingrained within numerous conscious and unconscious understandings of the sector. The second refers more broadly to the barriers faced by diverse groups when trying to build a long-term career.

With reference to the first topic, some participants described career pathways in construction in terms of a guided journey, historically conceived as supportive of the transition of workers from “boys to men”. In that regard, the industry is sometimes portrayed as a rough environment and success in it depends on correctly assimilating into the culture. Some participants, specifically those working in or for the construction contractors and specialist trades group, gave testimonies outlining the historical understanding and current reputation of construction sites as tough and masculine environments. These perceptions create behavioural expectations for people from diverse backgrounds.

Interestingly, when talking about issues such as remuneration, access to training and even performance appraisal, participants did not seem to identify specific issues requiring urgent attention. Most comments, stories and suggestions related to the issue of overall culture at macro (industry) and micro (organisational) levels.

With the second topic, related to barriers faced by people from diverse groups, there was ample reference to how difficult it is for some employees from non-dominant groups to move up the organisational ladder – regardless of whether this is in professional services or in hands-on types of trades.

As previously mentioned, barriers often originate in common stereotypes about how people perform or would perform in a more senior role. For instance, interviewees commonly refer to specific migrant groups as committed, hardworking people, yet they recognised how sometimes it is more difficult for them to be promoted due to their communication skills.

Somewhat unsurprisingly, most of these migrant groups were in the English as a second language (ESL) group examined in the previous section. This finding would help explain why, even though respondents in this group were generally cautious to give negative ratings, they did so in respect of opportunities to access to training, as well as promotional opportunities.

Once again, testimonies gave account of multiple realities and challenges for members of diverse groups across the industry. These can be broadly summarised in terms of how, although the industry now seems to be more open to providing pathways for new non-dominant groups, the sentiment within the industry remains conservative and even protective of a traditional culture that people are proud of.

This is a significant finding since industry culture, for most diverse groups, seems to be more important as a signal of inclusion than more traditional markers such as career development.

QUICK INSIGHTS

- Employees in the sector view investment in career development as an important indicator of inclusion.
- Career development initiatives rarely include detection of barriers to career progress, which is of specific concern for neurodiverse employees.
- Responses signal concern regarding career progression opportunities for people from diverse ethnicities, with perceived barriers originating in common stereotypes about how people would perform in a supervisory/managerial role.
- Industry culture is of major concern and, despite perceived progress, the view is that overall industry sentiment remains conservative and even protective of a traditional culture that people are proud of.

INCLUSIVE COLLABORATION

Inclusive collaboration refers to an organisation's internal capability to successfully enhance joint efforts and teamwork between members of diverse and non-diverse groups. Inclusive organisations encourage open conversations, empower employees, foster continuous dialogue and allow team members to understand different perspectives.

Inclusive collaboration goes beyond the role of leaders to create and manage organisational culture – instead, it demands of every individual employee to participate and contribute to the vision of creating a culture that will make people from diverse backgrounds feel welcome and valued. Achieving maturity in this component requires trust and a supportive culture throughout the workforce, and this simply cannot be achieved with a scattered series of initiatives. Rather, clear direction and a formal set of initiatives are required to grow internal capability.

THE EMPLOYER SURVEY

Considering the novelty of looking at inclusive collaboration from a DEI perspective, the starting point of analysis was a filter to separate organisations who consider the promotion and management of collaboration between diverse and non-diverse employees to be important, from those who believed it to be irrelevant. There were 108 organisations (28.69 per cent) identified in the second group (those not supporting or unsure about inclusive collaboration) and they were consequently located at the Starter level for this component. This finding was particularly worrisome considering the challenges teams within the sector face, as well as the increasingly diverse population of the sector. Hesitance towards inclusive collaboration poses significant risks to the construction sector in general and organisations in particular.

INCLUSIVE COLLABORATION	
Starter	28.65%
Emerging	55.67%
Developer	9.55%
Integrated	2.65%
Advanced	3.18%

There were 269 participants who stated that inclusive collaboration was important, however, when asked whether any formal initiatives were in place to manage or promote collaboration, only 58 organisations responded affirmatively, leaving 201 organisations (55.97 per cent) at the second level of maturity (Emerging).

The remaining 58 organisations who progressed past the second level, were asked about the types of formal actions used to implement more inclusive forms of collaboration (see graph below). Here, participants selected options from a pre-determined set of answers but were also able to mention any non-listed initiatives. The most commonly used interventions related to increased awareness about diverse communication preferences (55 per cent), considering inclusive leadership a default skill for all managers (41 per cent), embedding diverse collaboration in learning and development (L&D) strategies (40 per cent), and continuously mapping the skills necessary for inclusive collaboration (34 per cent). Additional responses included developing metrics for collaboration, generating visibility for inclusive collaboration from senior leaders setting standards for collaboration and including collaboration within the organisational values, to mention some.

> "I think sometimes you need a comment from a senior leader to say, 'The expectation is this for collaboration,' and then that aligns the team of people together and it's how we interpret how to be collaborative."

FORMAL INITIATIVES FOR INCLUSIVE COLLABORATION

(Developer and higher)

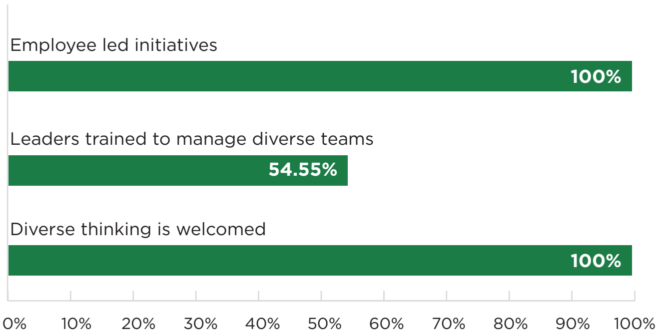
Initiatives implemented by organisations in the top three levels of maturity on the Inclusive Collaboration component (n=58).

Only 22 organisations reported a comprehensive inventory of actions, thus progressing to consideration for the final two maturity levels, while 36 (9.55 per cent) remained at Level 3 (Developer).

Our subsequent consideration was to explore the types of actions taken to improve on and implement existing initiatives. Organisations were asked what mechanisms were used to track and measure inclusive collaboration and 86 per cent of organisations in this group do so through performance management systems, while 63 per cent use learning evaluation systems or surveys as means of assessment.

In the final set of questions in this component, participants were asked about three core issues regarding inclusive collaboration. These were whether diverse thinking was welcomed, if people in supervisory or leadership positions were trained on managing diverse teams, and whether employee-led initiatives existed in the workplace (see graph below.)

INTERVENTIONS TO FOSTER INCLUSIVE COLLABORATION



Advanced interventions present in organisations in the top two levels of maturity on the Inclusive Collaboration component (n=22).

Interestingly, all 22 respondents who progressed beyond Level 3 were open to supporting employee-led initiatives and welcomed diverse thinking. However, these numbers dropped by almost half in respect of formal programmes to promote inclusive leadership. Considering that this group is located at the top levels of maturity for this component, this is an important finding as this would suggest a lack of inclusive leadership skills across the whole sector.

Twelve organisations (3.18 per cent) were positioned at the Advanced level. These were assessed in terms of cultural indicators that confirm if inclusive collaboration has permeated the organisational culture.

In terms of correlations, the three big urban centres (Auckland, Wellington and Christchurch) have a smaller percentage of organisations at the Starter level than the other two geographical locations. There is also minimal variation of results between the urban centres.

Christchurch had the smallest percentage of respondents at Starter level, however, with the addition of Level 2 results, Christchurch was significantly overrepresented in the first two maturity levels, with 98 per cent of responses from this region in these two categories. Overall, the responses within the first two levels are high across all locations, which is cause for concern.

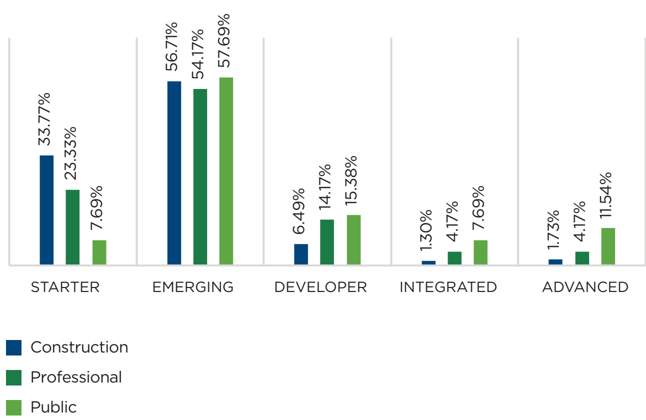
The biggest surprise, however, was that the group "Rest of the South Island" had a percentage of organisations at Advanced level that was three times higher than any of the other locations.

MATURITY LEVELS PER LOCATION (INCLUSIVE COLLABORATION)

	Auckland	Wellington	Christchurch	Rest of North Island	Rest of South Island
Starter	26.95%	25.00%	23.40%	32.98%	34.09%
Emerging	53.90%	58.33%	74.47%	51.06%	54.55%
Developer	12.06%	10.42%	0.00%	12.77%	2.27%
Integrated	4.26%	4.17%	0.00%	1.06%	2.27%
Advanced	2.84%	2.08%	2.13%	2.13%	6.82%

In terms of industry groups, the distribution of positions followed previously observed patterns, with organisations in the construction contractors and specialist trades category having a higher presence at lower levels and lower presence at the higher levels when compared to the other industry groups(see table below). A simple look at the figures reveals that the bottleneck for most organisations is once again in the transit between Emerging and Developer levels, which suggests that a better planned and more formal approach to inclusive collaboration is required to move all groups forward in their DEI journeys.

MATURITY PER INDUSTRY GROUP (INCLUSIVE COLLABORATION)

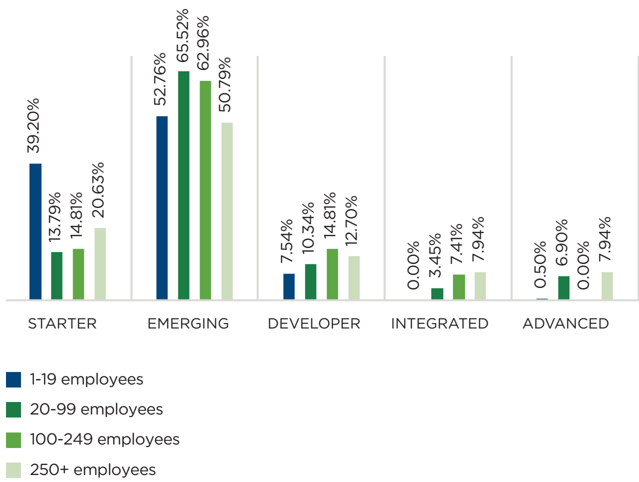


The analysis revealed a similar situation when data is examined from the perspective of organisational size and most organisations across size subgroups seem to encounter a barrier to progression at the Emerging level. While this is a finding of some concern, it is also one that is easy to remedy, considering that most formal initiatives used to progress to higher levels of maturity comprise relatively easy actions to implement.

A promising finding, once again, was that all size subgroups had a presence at the higher levels of maturity. This finding was consistent across correlational analyses in the other components we have explored and confirms that organisational size is not a barrier to becoming an exemplar in DEI for the sector.

> "Education is a really important piece to acceptance because with people, it seems that if they don't understand it's very difficult for them to be inclusive. So, build that education process up first."

MATURITY PER ORGANISATION SIZE (INCLUSIVE COLLABORATION)



THE EMPLOYEE SURVEY

The employee survey posed four questions about inclusive collaboration, with each analysed separately to illustrate variations across groups. It is worth noting that this set of questions was the most consistent in terms of higher numbers of absolute negatives than any other set of questions throughout the survey. This illustrates that people in general, and members of diverse groups in particular are vocal about issues of inclusive collaboration and organisational culture.

The first question reflected on the inclusion of diverse perspectives in the decision-making process. In keeping with previously observed trends, the majority of respondents positioned in the "mid-range/relative positives" group, with negative perceptions at 17 per cent of all respondents (the third highest absolute negative rating in the entire questionnaire), and absolute positives at 22 per cent (the second lowest absolute positive rating in the questionnaire).

Results show similar patterns to those observed in previous sections, and all examined groups, except for people under 25, presented a higher number of negative opinions when compared to the average response. Interestingly, women, in addition to scoring higher negative ratings compared to the average, were the only group to provide lower than average scoring in the absolute positives.

The second question enquired into the ability for employees to disagree without fear of repercussions. The answers here, in general, were similar to the previous ones except for the absolute positives which were significantly higher. Looking a the negative ratings, young employees under 25 and the ESL group were below the average while all other groups were above. The Māori group had the highest negative response which contrasted with this group scoring higher than the average when it comes to recognising good work (33.64% returned an absolute positive rating)

Leaders in my workplace include diverse workers points of view when making decisions.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	16.94%	50.82%	22.30%
Women	25.41%	50.12%	15.76%
Māori	19.63%	50.47%	24.30%
Under 25	16.48%	49.45%	25.27%
English as a Second Language (ESL)	17.52%	44.02%	31.20%
Disability	19.29%	39.29%	29.29%

In my workplace, I can disagree without fear of negative impact.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	16.33%	49.78%	32.15%
Women	21.41%	54.35%	23.53%
Māori	23.36%	42.06%	33.64%
Under 25	13.19%	61.54%	20.88%
English as a Second Language (ESL)	13.68%	49.57%	36.75%
Disability	20.00%	44.29%%	32.14%

A third question looked at ways of solving conflicts in a clear, fair and effective manner. The average negative ratings decreased slightly for this question. However, negative responses were still high compared to other sections of the study. Most other patterns across groups were similar to those previously examined in this section, with women and Māori scoring significantly higher in the negative ratings and women also scoring significantly lower in the absolute positives. These results suggest that, in general, women seem to be more sceptical when it comes to evaluating the clarity, effectiveness and fairness of conflict resolution in their organisations.

The final question on inclusive collaboration looked at whether managers were sufficiently trained to deal with disagreement and how to encourage positive collaboration. This question received the second-highest negative ratings in the questionnaire, with numbers over 17 per cent.

When the responses were explored from the perspective of specific diverse groups, around a quarter of Māori and women scored their organisation negatively. The contrast between the negatives rates given by these two groups and the ESL group is interesting. This finding suggests that, although the ESL group has been less vocal in this question, and their positive opinions of their manager being prepared to deal with disagreement are high. Previous research has shown that members of this group, especially people from historically more hierarchical cultures, tend to be less open when discussing their relationships with such structures.

> "As a project manager, for instance, your whole role is about collaboration, your whole system approach is to engage with everybody, tell everyone what's happening, book everybody in that time so everyone's aligned."

My workplace has clear, fair, and effective ways to solve conflicts.	**NEGATIVES**	**MID-RANGE/RELATIVE POSITIVES**	**ABSOLUTE POSITIVES**
Average	15.73%	50.56%	25.06%
Women	23.29%	50.12%	15.76%
Māori	24.30%	45.79%	27.10%
Under 25	15.38%	52.75%	18.68%
English as a Second Language (ESL)	12.82%	45.73%	32.48%
Disability	16.43%	45.00%	32.86%

In my workplace managers are trained to deal with disagreement and encourage positive collaboration.	**NEGATIVES**	**MID-RANGE/RELATIVE POSITIVES**	**ABSOLUTE POSITIVES**
Average	17.20%	48.57%	25.32%
Women	24.00%	50.12%	15.76%
Māori	26.17%	37.38%	31.78%
Under 25	16.48%	47.25%	21.98%
English as a Second Language (ESL)	14.53%	41.03%	44.02%
Disability	20.00%	40.71%	30.00%

IN-DEPTH INTERVIEWS

During the interviews with stakeholders, participants talked about two core and interrelated topics. One was the need to upskill people in supervisory and leadership positions to manage people who are demographically different to them. The other was the difficulty some people in the industry have in valuing soft skills, particularly those related to diversity, equity and inclusion.

Participants who have faced barriers to being accepted in the workplace gave vivid accounts of how people within the industry not only tend to collaborate more with people coming from a similar group than them, but also how they can be more empathetic towards their own group, while ostracising those who are different. The perception is that these tactics are deployed as an attempt to force people from different demographics to leave. This confirms that improved collaboration skills are not only important for managers but also for the entire workforce.

But, just as such skills are acknowledged to be important, it was commonly mentioned that the sector still struggles to value most soft skills since these are considered as being opposed to imagined notions of resilience that the industry requires because of its "tough" nature. Some interviewees mentioned that these skills are sometimes viewed as "fluffy stuff", and not perceived to be of value when compared with the complex technical skills required in the sector.

As some of our participants suggested, there are expectations and understandings of the sector as a tough place to work and grow. From this perspective, expectations to fit in involve a tacit reciprocal agreement of not being fussy about issues such as communication, collaboration or even working relations.

Moreover, some areas and sectors of the industry were referred to as places where one doesn't end up "by choice" but rather because it was the only employment option available. This created a perception that developing inclusive skills was not necessary when managing staff with no other career options who would stay with the organisation whether or not their experience was positive.

QUICK INSIGHTS

- Overall industry "culture" is a significant issue, with concerns in respect of fair and equitable levels of empathy directed at people from diverse groups.
- Women were most polarised in their responses to inclusive collaboration, with less perceived tolerance for the traditional industry culture.
- Women were also less satisfied than any other group with the conflict resolution processes and practices in the industry.
- The industry does not seem to value behavioural skills, such as collaboration, conflict resolution and communication, as required professional competencies.
- Leaders are perceived to not have the skills to manage people who are demographically different to them.

BI-CULTURALISM

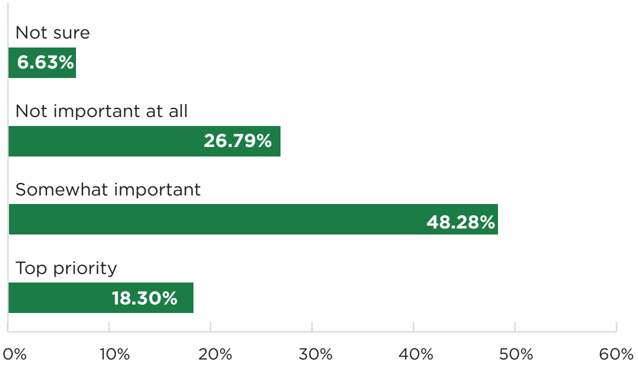
Bi-culturalism is a core element of DEI in Aotearoa New Zealand, recognising the partnership with the indigenous people of the land, and the manner in which their culture has shaped a rich tapestry of understanding that makes Aotearoa unique in the world. An inclusive journey towards bi-culturalism is not an easy endeavour, especially considering that, despite the efforts and advocacy by a myriad of organisations, there is still plenty to be done to mend structural inequities and build a common view that values and supports cultural integration.

In this regard, AIM presents an opportunity to distinguish between the shades and nuances of gradual initiatives such as awareness and celebration, through to the development of more sophisticated strategies to integrate Māori views and cosmologies into organisational development strategies.

THE EMPLOYER SURVEY

No other AIM component had a higher percentage of organisations in the Starter level of maturity than bi-culturalism. Two filtering questions were designed to assess the beginning of participants' journeys. First, we asked participants if addressing bi-culturalism was important for their organisation. The majority (66 per cent) responded it was, while around a quarter (27 per cent) responded that it was not.

BI-CULTURALISM AS A PRIORITY



Perceptions of the importance of bi-culturalism across the total population of employer responses (n=377).

Participants who openly opposed bi-culturalism were then asked to choose from a series of predetermined options to explain the reasons behind their answers. The most selected responses were that that Māori were not seen as a separate group; followed by views that everyone should be treated in the same way. A small number of participants wrote individual opinions on the matter.

Participants who supported bi-culturalism were asked a series of follow-up questions, designed to uncover initiatives, steps they take to increase maturity and types of actions being implemented, in order to detect further gaps.

Based on responses received, it was established that a significant number of organisations that report on the importance of bi-culturalism are not taking any further steps in that regard, which is the main reason behind the large number of organisations located at the Starter level (65.78 per cent.)

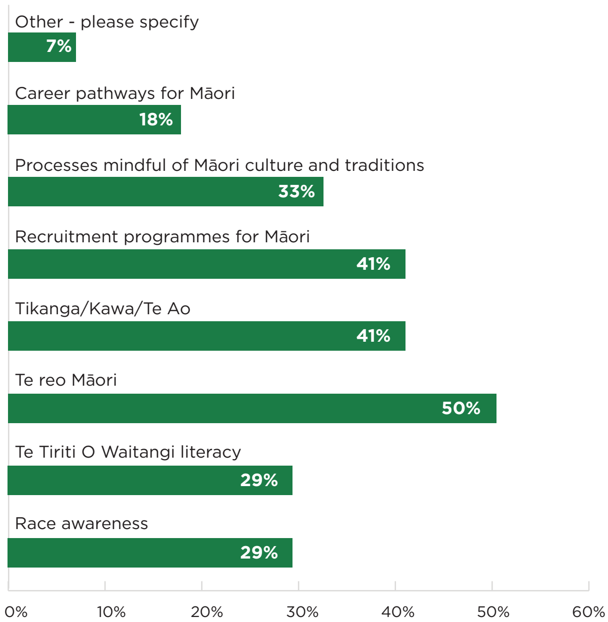
> "It's sort of that 'I grew up this way and I never had a problem,' or, 'I'm not racist but you'll never catch me speaking te reo'".

BI-CULTURALISM	
Starter	65.78%
Emerging	16.18%
Developer	1.33%
Integrated	7.69%
Advanced	9.02%

In respect of subsequent levels of maturity, organisations were asked about the types of initiatives implemented in an attempt to improve bi-cultural appreciation and cultural competency. There were 129 organisations (34 per cent of the total of respondents) that reported having implemented at least one bicultural initiative. The most commonly mentioned initiatives included: Te Reo Māori programmes (50 per cent), Tikanga/Kawa/Te Ao related initiatives (41 per cent), recruitment initiatives targeting Māori (41 per cent), and development of systems and processes mindful of Māori culture and traditions (33 per cent).

Upon asking respondents about the extent to which initiatives were formally embedded, a further gap was detected. The group was almost equally divided with 68 organisations (18 per cent of the total) reporting formal initiatives and 61 organisations (16 per cent of the total) reporting informal initiatives. This suggests that more support is required to help organisations that are already investing in these types of initiatives to anchor progress within more strategically embedded plans.

BI-CULTURALISM RELATED INITIATIVES FORMAL OR INFORMAL

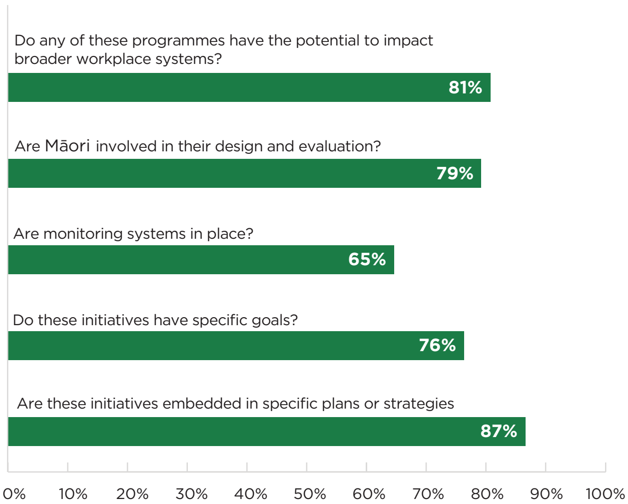


Initiatives implemented by organisations in the top four levels of maturity on the Bi-culturalism component (n=129).

Respondents who reported having formal processes and initiatives were then assessed against higher levels of maturity, which involved consideration of such initiatives against five predetermined factors: its potential to impact broader systems, the participation of Māori in the design and evaluation processes, the existence of monitoring mechanisms, the existence of specific goals and the perceived potential for broader impact.

Responses to these questions were impressively and unexpectedly high, which is encouraging in terms of the level of commitment of organisations, as well as the ability that organisations with higher levels of maturity have developed to build on accumulated gains.

ASSESSMENT OF INITIATIVES PER ORGANISATION



Assessment of initiatives by organisations in the top three levels of maturity on the Bi-culturalism component (n=68).

As such, 63 of the 68 organisations who reported formal initiatives progressed beyond Level 3, leaving only 5 (1.33 per cent of all respondents) in the Developer category. This again, supports the hypothesis that once organisations begin a more structured DEI journey, they are more likely to continue on that path.

The inventory of practices of the 63 organisations in higher maturity levels was further assessed in terms of continuous improvement, effectiveness to promote the recruitment and career development of Māori talent, clarity in goals, proactive collaborations with Māori and reporting systems, and self-perceived levels of success. Results were again high, which positioned more than half of this group (40 organisations) at Level 5 (Advanced), and a total of 29 organisations (7.69 per cent of all participants) remaining in Level 4 (Integrated).

All 34 organisations at the Advanced level (9.02 per cent of all participants) had a good range of positive responses in terms of successful and proactively improved cultural practice. Relevant factors of analysis included whether they considered their organisations as places where bi-culturalism is seen as a positive aspect of everyday practice and where they successfully addresses stereotypes about Māori, proactively recruit and develop Māori talent, have good levels of Māori cultural competence, use a bicultural lens to design and analyse broader processes and systems and proactively honour their responsibilities under Te Tiriti o Waitangi.

In our correlational analysis, we found similar patterns to the ones observed in previous sections, with organisations in the South Island having higher numbers in the lower levels of maturity and lower numbers in the highest levels of maturity. Similarly, organisations in the construction contractors and specialist trades group scored higher at the Starter level than any other industry group and, when combined with responses in the Emerging level, the data indicates a significant 88 per cent of organisations from this group are concentrated at the beginning of their bi-cultural journey.

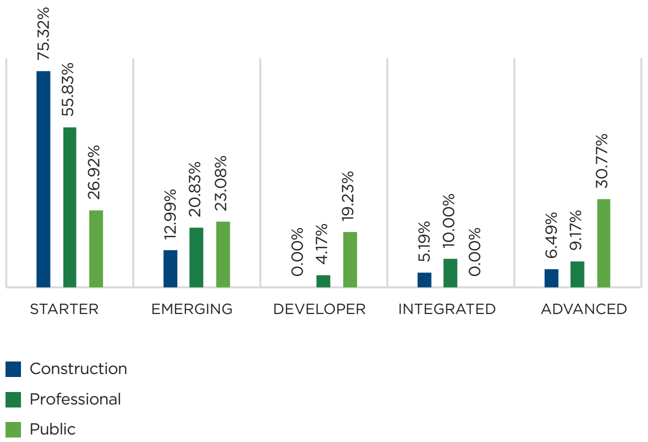
Public sector organisations showed a stable presence across levels, with numbers at the Advanced level significantly higher than the other industry groups. This may well be attributed to governmental policies, but it raises the question as to why such policies have not influenced almost half of the organisations in this group that are still located at the first two maturity levels.

Organisations in the professional services industry group followed similar patterns to those previously observed.

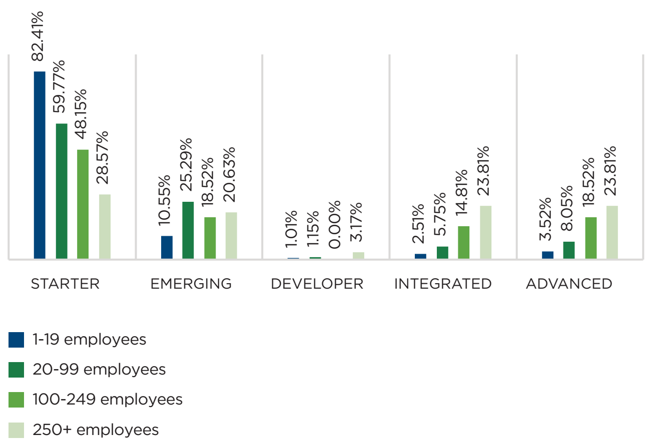
MATURITY LEVELS PER LOCATION (BI-CULTURALISM)

	Auckland	Wellington	Christchurch	Rest of North Island	Rest of South Island
Starter	62.41%	62.50%	76.60%	60.64%	81.82%
Emerging	14.18%	18.75%	12.77%	23.40%	6.82%
Developer	2.13%	4.17%	0.00%	4.26%	0.00%
Integrated	11.35%	4.17%	8.51%	0.00%	6.82%
Advanced	9.93%	10.42%	2.13%	11.70%	4.55%

MATURITY PER INDUSTRY GROUP (BI-CULTURALISM)



MATURITY PER ORGANISATION SIZE (BI-CULTURALISM)



Finally, from the perspective of organisational size, it is noteworthy that small organisations (less than 20 employees) have a significant presence at the Starter level and, when combined with responses in Emerging level, the data shows that 93 per cent of the total responses from this group are in the first two maturity levels. This highlights the importance of additional support structures for small organisations in the design and implementation of bi-cultural programmes. That said, some organisations in the smaller group did indeed make it through all the filters to the highest levels of maturity.

> "I was at a meeting the other day and they were talking about the Treaty of Waitangi and in 30 years in construction I've never been to a meeting where the Treaty has even come up. It wasn't something we learnt in school... my grandchildren are learning [but in my case] there is that fear of offending people by saying the wrong thing."

THE EMPLOYEE SURVEY

In the employee survey we asked only one question regarding perceptions of bi-culturalism in the workplace (see table below).

BI-CULTURALISM	NEGATIVES	MID-RANGE/ RELATIVE POSITIVES	ABSOLUTE POSITIVES
My workplace is a good partner with Māori.	10.72%	47.45%	31.85%

Results again reflect the majority of responses located in the mid-range/relative positives group. This means that even though perceptions of "good partnership with Māori" are at the centre, most respondents are less likely to give an absolute positive rating. On the other side of the spectrum 10.72 per cent of respondents gave absolute negative ratings to this factor.

When differences in perceptions are analysed across diverse groups, it was found that Māori were almost twice as likely to provide negative ratings, compared to the average, yet they were not reluctant to give a positive rating when deserved. The gap between the average absolute positive and the Māori group absolute positive was around three percentage points.

Expressions of perceived organisational allyship with Māori were more likely to be found among women and young workers who tended to be more inclined to score with negatives and more reluctant to give absolute positives. Workers with disability had only slight variations to the average and the ESL group showed significant variations in both negatives and absolute positives. This suggests that they tend to see their organisations as good partners with Māori and are less likely to be extremely critical in that regard.

"I don't know how to speak Māori; I don't know what any of these signs mean. But if you do it over a period of time and bring everyone on the journey, and explain to them what the language is, and the importance and the significance behind it and the meaning behind it, then I think people are going to jump on board and want to embrace it much more."

My workplace is a good partner with Māori.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	10.72%	47.45%	31.85%
Women	13.65%	52.24%	25.53%
Māori	19.63%	41.12%	28.04%
Under 25	14.29%	53.85%	24.18%
English as a Second Language (ESL)	5.13%	41.03%	44.02%
Disability	9.29%	42.14%	35.71%

IN-DEPTH INTERVIEWS

Conversations with stakeholders revealed two major insights to frame the data. Firstly, it was found that organisations have various interpretations of bi-culturalism and a journey into it. For some, this mainly meant awareness, while for others bi-culturalism offers an opportunity to rethink and redesign systems to form an integrated view within which to consider Māori values, systems and worldview.

A common topic in this section was how the journey was to be created. Often, participants acknowledged the richness of Māori culture and clearly identified specific areas of opportunity to incorporate from a systems design perspective.

Some interviewees commented on how foreign companies seemed to perform better in terms of recognising indigenous populations in the creation and execution of projects. Generally, though, participants who have been working in the bi-cultural space for a longer period shared some sound perspectives regarding, for instance, how to take a fully integrated approach to incorporating Māori understandings of water and whenua into their programmes and initiatives, building long-term relationships with iwi, and empowering Māori communities.

Interviewees also often referred to how interest in te reo Māori and Tikanga has been growing among the workforce over the past decade. Often, these initiatives seem to create an important sense of pride that could be easily used to ignite further change. The qualitative findings in this component corroborate the quantitative findings, with a pattern emerging where participants who have clearly invested resources use these types of initiatives to trigger further curiosity and ignite change in their organisations.

A second thematic line during the qualitative phase was extracted from a combination of responses under the codes, “fear” and “lack of knowledge”. Here, some participants showed clear interest in bi-culturalism but expressed that a lack of clarity about how to address the issue, combined with a fear of being perceived as culturally insensitive. This disincentivises them to move forward in their bi-cultural journeys. It was suggested that such considerations may be even more pronounced among small organisations where these topics may be seen as important, however, other priorities tend to take over.

QUICK INSIGHTS

- Bi-culturalism is the component on the AIM framework where organisations demonstrated least maturity.
- There is a high level of resistance to embrace bi-culturalism as a component of workplace inclusion, due to views that that Māori is not a separate group and that everyone should be treated in the same way.
- In the public sector, where there are targeted mandates to improve outcomes for Māori, significant progress has been made with bi-cultural knowledge and maturity in workplaces.
- Improved adoption of te reo Māori and tikanga in workplaces leads to an important sense of pride that could be easily used to ignite further change.
- Lack of clarity on how to embark on a bi-cultural journey, combined with the fear of being perceived as culturally insensitive, disincentivises progress in this component.

SOCIAL IMPACT

Social impact refers to proactive ways of identifying and managing organisational impacts on society, including employees, customers, stakeholders, and the external environment. It is a strategic organisational advancement that aims to empower society by supporting human diversity and improving inclusion processes.

Studies show that employees with a sense of impact and purpose through their work have more productivity and better mental health and wellbeing.

THE EMPLOYER SURVEY

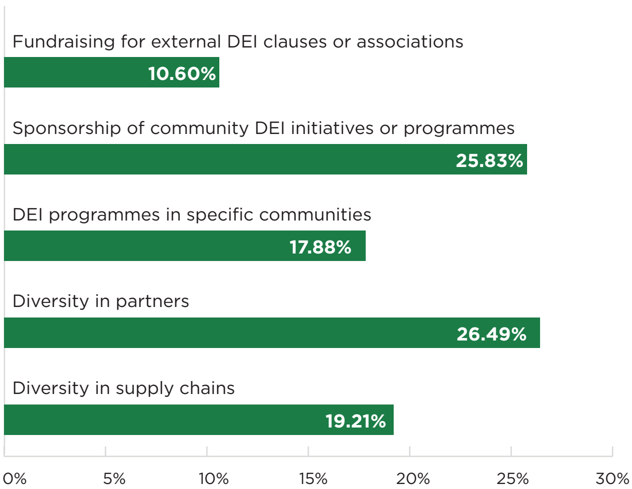
Results from the employer survey show that more than two-thirds of respondents (72.68 per cent) indicated their support for DEI through initiatives beyond the four walls of their organisation. This reflects high levels of awareness of the social responsibilities that organisations have towards the many communities, customers and partners within which they operate.

When asked whether such levels of awareness have resulted in specific actions, 40.85 per cent of participants responded they didn't and were thus positioned at the Emerging level, while 32 per cent of the total respondents have developed at least some initiatives.

SOCIAL IMPACT	
Starter	27.32%
Emerging	40.85%
Developer	24.40%
Integrated	0.00%
Advanced	7.43%

There were 28 organisations (7.43 per cent of respondents) that reported having formal initiatives. Having diversity partners and sponsoring DEI-oriented programmes in specific communities were the two most commonly mentioned impact initiatives, closely followed by diversity in supply chains. Directly developing interventions in communities and contributing to fundraising initiatives were the two that received the lowest numbers.

FORMAL ACTIONS TO PROMOTE SOCIAL IMPACT

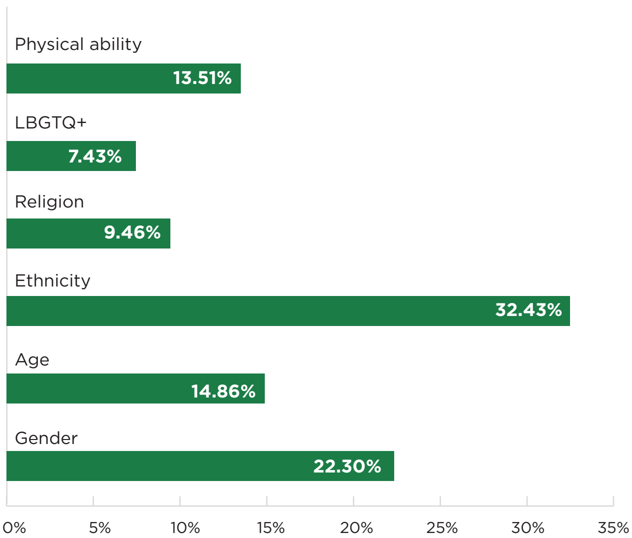


Actions to promote impact implemented by organisations in the top two levels of maturity on the Social Impact component (n=28).

Given the maturity and extent of the initiatives, all of the remaining respondents proceeded to Advanced level, and no respondents were positioned at the Integrated level of maturity for this component.

This again talks to how once organisations invest enough in one component, they tend to progress all the way to the highest levels. In a further exploration of what diversity dimensions were at the centre of these initiatives (see table below), it was found that the most common were ethnicity, gender and age. At the bottom of this list were religion and Rainbow while physical ability scored in the middle.

FORMAL INITIATIVES FOR DIVERSE PEOPLE

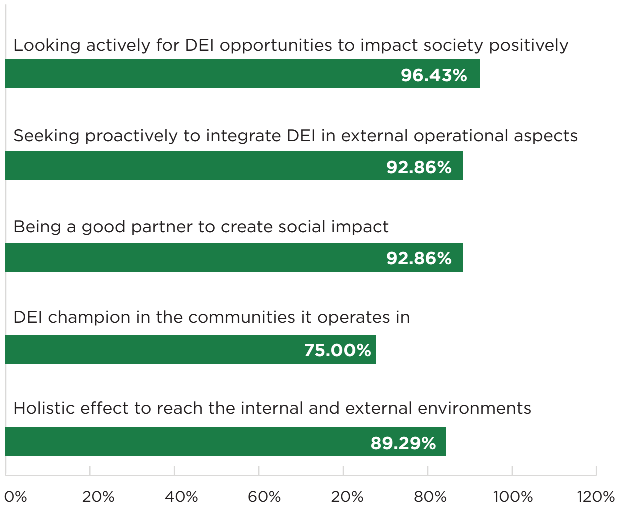


Diverse groups targeted with impact initiatives by organisations in the top level of maturity on the Social Impact component (n=28).

Among the more mature organisations in this component, 89.25 per cent considered their organisations' approach to DEI as a holistic effort to reach the internal and external environments and 92.86 per cent indicated that their workplace creates positive social impact across communities, especially those that are historically marginalised. 75 per cent identified their workplace as a DEI champion in the communities and 96.43 per cent actively look for DEI opportunities to positively impact society.

These findings highlight that organisations with higher levels of maturity have developed formal actions to successfully build innovative societal bridges to positively influence diversity, equity and inclusion in the external environment.

ASSESSMENT OF FORMAL INITIATIVES SOCIAL IMPACT



Assessment of impact initiatives by organisations in the top two levels of maturity on the Social Impact component (n=28).

An analysis of maturity across variables (location, size and industry group) shows that respondents in the Starter level had higher representation in the Rest of South Island (36.36 per cent). Similarly, the Rest of South Island is the only location with no respondents in the Advanced level for this component.

Christchurch ranked the highest in the Emerging level, with 48.94 per cent of responses, and Auckland had the highest number of responses at the Developer level (29.08 per cent). The Rest of North Island scored highest in the Advanced level with 12.77 per cent of responses.

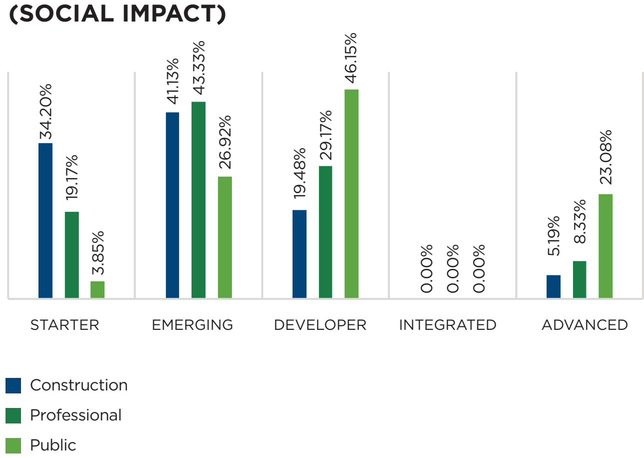
While all organisations had difficulties implementing formal initiatives to address DEI with external communities, the data for the three most mature levels indicates that generally the North Island has a more mature approach, compared to the South island, in applying formal actions.

SOCIAL IMPACT MATURITY LEVELS PER LOCATION

	Auckland	Wellington	Christchurch	Rest of North Island	Rest of South Island
Starter	24.11%	31.25%	21.28%	29.79%	36.36%
Emerging	39.01%	41.67%	48.94%	36.17%	45.45%
Developer	29.08%	22.92%	23.40%	21.28%	18.18%
Integrated	0.00%	0.00%	0.00%	0.00%	0.00%
Advanced	7.80%	4.17%	6.38%	12.77%	0.00%

In terms of industry groups, around 75.33 per cent of responses from construction contractors and specialist trades fell in the first two levels of maturity, professional services had around 62.5 per cent and the public sector had 30.77 per cent. The public sector had higher concentrations in the higher levels of maturity compared to the two other industry groups. These results signal targeted public policy to implement DEI within the context of consideration of the external environment.

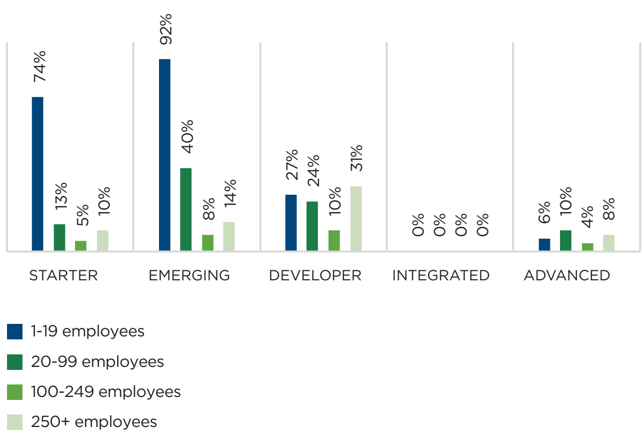
MATURITY PER INDUSTRY GROUP (SOCIAL IMPACT)



Finally, our analysis of correlations per organisational size shows that large organisations have more maturity when it comes to social impact. Responses at the Starter and Emerging levels were significantly higher for small organisations than for other organisational sizes. Medium-sized organisations (20-99 employees) had representation across all levels of maturity (except Level 4 as mentioned above) and their numbers in the Emerging category were higher than other levels.

The data revealed that all organisations face challenges to apply formal initiatives to address DEI with external communities. Consequently, they found it difficult to move beyond the Developer level to higher levels of maturity.

MATURITY PER ORGANISATION SIZE (SOCIAL IMPACT)



THE EMPLOYEE SURVEY

The employee survey had only one question related to social impact, aimed at exploring employees' perceptions of social impact in a general way.

As shown in the table below, 54.11 per cent of responses were in the mid-range/relative positive category while negatives were 12.71 per cent and positives were 25.76 per cent.

SOCIAL IMPACT	NEGATIVES	MID-RANGE/ RELATIVE POSITIVES	ABSOLUTE POSITIVES
My workplace makes visible efforts to make positive change towards diversity in the overall communities it operates in.	12.71%	54.11%	25.76%

When examining variations across specific diverse groups, results show the concentration of responses in the mid-range/relative positives group. Disaggregated responses from these groups indicated that people with disabilities (17.83 per cent), Māori (16.82 per cent), women (14.53 per cent), and people aged under 25 (14.29 per cent) provided higher negative scores when compared with the average for this component.

While disabled people had more negative perceptions compared to other groups, they also had a higher score in absolute positives. This confirms the trends observed to date. Similarly, findings related to the perceptions of the ESL group also reflect the established trend of being less critical and more likely to score their organisation with absolute positives.

"We're talking about a sector that understands it is not achieving what it aspires and wants to achieve in a diversity piece. So, I think the sector is very upfront about that and is absolutely looking for whatever avenues it can undertake and being creative to improve the situation and context within the sector."

My workplace makes visible efforts to make positive change towards diversity in the overall communities it operates in.	NEGATIVES	MID-RANGE/RELATIVE POSITIVES	ABSOLUTE POSITIVES
Average	12.71%	54.11%	25.76%
Women	14.53%	50.35%	24.71%
Māori	16.82%	54.21%	23.36%
Under 25	14.29%	53.85%	24.18%
English as a Second Language (ESL)	11.11%	49.15%	34.62%
Disability	17.86%	46.43%	28.57%

IN-DEPTH INTERVIEWS

Interviews with stakeholders revealed two themes that deserve attention.

It was commonly observed that organisations' interest in social impact does not originate from one place but rather from a variety of stimuli ranging from organisations wanting to "do the right thing" to being motivated by "powerful incentives" contained in public procurement processes. For instance, when discussing the desire to "do the right thing", interviewees sometimes referred to the construction industry as one that has been historically shaped by values such as resilience, solidarity, and social responsibility.

Often, participants reflected how some leaders preferred to be discreet about the social projects that they support. Others mentioned that being one of the few industries still able to operate during the Covid-19 pandemic came with an increased sense of social responsibility. Less positive sentiments expressed include views that social impact initiatives sometimes originate from guilt. According to these respondents, some leaders find it easier to do good in communities than address some of the DEI issues within their own workplaces.

Participants commonly referred to the impact of public procurement processes influencing social impact considerations in organisations. A few even mentioned that some international organisations have been more successful than local ones in shaping a more strategic approach to social issues as part of their business strategy when looking to secure New Zealand government projects.

The second theme that emerged suggested that, despite incentives to influence behaviour, there is still no clarity about what this involves and how to properly develop initiatives more strategically. Even interviewees from the public sector struggled to illustrate what good social impact in the DEI space would look like, with their narratives diving into topics that would normally sit outside the inclusion remit, such as sustainability and green economy, but also covering more relevant initiatives, such as the need for companies to connect with the communities in which they operate.

Some relevant DEI topics such as diversity in supply chains, support for diverse customers and diversity-sensitive partnerships were mentioned by interviewees when referring to social impact, however, participants from the public sector rarely talked about these and concentrated instead on more abstract initiatives.

This observation is of value, considering that there is overwhelming evidence to suggest that targeted public policy to promote social impact is effective. The findings in the qualitative research would suggest that a clearer sense of direction from the public sector was required to make this happen in a more effective way.

QUICK INSIGHTS

- While some organisations may include social outcomes in their DEI strategies as a result of wanting to "do the right thing", organisations are largely motivated by incentives contained in public procurement processes.
- Most organisations demonstrate a lack of clarity about what social impact involves and how to properly develop initiatives more strategically.

CONCLUSIONS

The contents of this report reveal the complex and numerous problems, realities, gains and perspectives within the construction sector. In the broadest possible sense, the interpretation of its results can be summarised in five fundamental gaps, three main areas of vulnerability and four points of opportunity.

These gaps, vulnerabilities and opportunities will inform the design of a roadmap.

DETECTED GAPS

1) KNOWLEDGE GAPS

The knowledge gaps identified cover both information about what good DEI looks for the sector in general and its subsectors in particular, as well as the minimum requirements to foster safe, diverse, equitable and inclusive environments.

The challenge in this regard involves understanding that the many complexities of the industry may require not one single approach but a series of solutions to generate and disseminate knowledge that is relevant to the many subsectors, including types and sizes of organisations and geographical locations.

Knowledge creation and dissemination for current and future leaders is a priority since curiosity and awareness can only move organisations to a limited point. Building strong rationales for diversity that resonate across all subsectors is in that regard only a first step but indeed a most needed one at this stage.

2) DIVERSITY DIMENSIONS GAPS

As this study illustrates, currently, the industry has generally operated in silos when it comes to targeted groups. While some good gains have been slowly but steadily accumulated over the past decade, there are groups that remain unsupported.

While there is still a long way to go when it comes to building more welcoming and equitable environments for women and Māori to grow a career in the sector, advocacy groups have supported the creation of some basic diversity infrastructure. This has not been the case, or at least not to the same extent, for other groups such as people with disabilities, members of the Rainbow community, workers of specific age groups (e.g. over 55 or under 25), just to mention some.

Neurodiverse workers and migrants who speak English as a second language are two groups that require particular attention since they seem to have an important presence in the sector but only basic support structures to grow fair and equitable long-term careers.

3) PROCEDURAL GAPS

A lack of formal initiatives was identified in this study as a major problem for organisations. Although formality in itself is not a silver bullet, it provides DEI initiatives with a more permanent and standardised type of framework that is necessary to ensure that engineered solutions do not get bottlenecked by managers or supervisors.

The study reveals that formality is sometimes understood differently by people in the industry and that good levels of involvement, control and accountability over diversity initiatives across the organisation can sometimes supersede a good set of traditional "formal policies". Furthermore, the study reveals that all five foundations of diversity, as covered in the diversity infrastructure section, are relevant to the sector but that some organisations find various ways to address these in an efficient manner without having a proper framework.

The challenge in that regard is how to further protect those gains through at least some basic formal structures. This enables continuity of initiatives and strategies even with changes in personnel or senior leadership and embeds sustainable best practice.

4) INCLUSION SKILLS GAPS

There is a growing interest in better collaboration and connectivity in diversity, but this cannot occur simply by being more aware and hoping for the best. New types of workplaces require a commitment to growing the skills to efficiently manage differences, dissent, cultural meanings and grow diverse thinking.

As noted in the report, the construction sector is one with high levels of technical expertise but moderate levels of behavioural skills. Furthermore, soft skills are sometimes seen as unnecessary or even counterproductive. In that regard, the challenge is twofold. On the one hand, it involves upskilling an existing workforce with a basic set of inclusive skills while, on the other, setting new parameters for inclusive collaboration based on these skills.

5) CULTURAL GAPS

A major issue identified in the study involves the intricate network of explicit and hidden understandings, meanings, assumptions and expectations regarding the sector and how this does not fit the needs, realities or expectations of diverse groups. As the study revealed, workers are more driven by notions of having a fair and welcoming environment in which they are valued and can grow, and this may supersede even issues such as remuneration, prestige or working conditions.

The sector has many cultural factors to be proud of. Notions of resilience, solidarity and community participation were clear in the study. The challenge now is to retain these positive cultural aspects while weaving in others, including the te ao Māori worldview, to address workplace DEI.

Furthermore, it is important to acknowledge that cultural change takes a long time to take place and requires a myriad of views and, more importantly, actions. From this perspective, leaders, allies, and diversity champions play a pivotal role in igniting change.

AREAS OF VULNERABILITY

1) SMALL ORGANISATIONS

Small organisations, particularly those with less than 20 employees were consistently overrepresented in the lowest levels of maturity across all assessed factors. Other data shows that it is extremely difficult for these organisations to develop integral and efficient DEI initiatives considering the external pressures to operate and be financially sustainable.

But just as such challenges and pressures exist, data from this report also shows that it is possible and there are examples of high levels of maturity in these organisations across most of our assessed factors.

2) CONSTRUCTION, CONTRACTING AND SPECIALISED TRADES

Construction, contracting, and specialised trades is another subgroup that was constantly overrepresented in low levels of maturity across the seven examined components. Furthermore, this group was constantly referred to as facing the most challenges with regard to shaping a new type of working culture, more mindful of DEI.

But this sector is also described as probably the most contradictory, with numerous pockets of opportunity and resistance across sub-trades. While some, such as electricians, plumbers and carpenters, seem to be more open to diversity, others have more difficulties to adapt due to firmly rooted cultural assumptions and expectations.

3) ORGANISATIONS IN THE SOUTH ISLAND

This study provided a more nuanced view of how organisations in the South Island see and manage DEI. It illustrates how real curiosity and interest exist and how, for many organisations in the South Island, DEI is a deeply felt priority. Data also shows that sometimes organisations in the South Island outperform their North Island counterparts when it comes to representation in the high levels of maturity for specific factors.

Yet results also show that organisations in the South Island have important challenges when it comes to moving from a place of seeing diversity as important to one where things happen in a more stable, organised and widespread manner.

OPPORTUNITY POINTS

1) MOTIVATED LEADERS

Data regarding leadership provided an encouraging picture for the sector. The three analysed aspects of the study (the employer survey, the employee survey and the in-depth stakeholder interviews) gave account not just of good levels of awareness but often of relentless efforts to make things work. That does not mean that there is no resistance to DEI at the leadership level but, overall, results show this as an area of opportunity.

2) SUPPORTIVE ALLIES

The study also gives multiple accounts of support both from members of existing diversity groups and from diverse allies across the spectrum. In general, participants in this research were supportive of DEI and see this as a way into the future. Also, diverse workers were notably supportive of groups different from their own. Moreover, young workers were constantly mentioned as being not just more receptive to DEI but also as active allies, opening doors for diverse groups. This is an encouraging sign that may reflect not just good momentum but an important generational shift regarding how the workplace is perceived.

3) CRITICALLY OBJECTIVE DIVERSE GROUPS

An interesting opportunity point found in the study refers to the critical opinions of diverse employees. The data revealed more negative perspectives regarding organisational DEI among members of diverse groups, which was somewhat expected. But the study also revealed that, even when talking about their own groups, diverse workers are not afraid to recognise good work when this takes place. This is an important finding, especially considering that the employee survey included multiple workers working in different situations, and thus offering multiple perceived realities.

4) EXISTING BEST PRACTICE

Finally, the study contributed to breaking down stereotypes about best practices as a phenomenon occurring just in large, urban organisations working in specific subsectors. As we reiteratively highlight across the report, positive results were found in all sorts of organisations, and behind such numbers, there are examples of best practices that can be inspiring to the sector as a whole.

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