A New Institutional perspective on gender equity in a large construction company

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The construction industry remains the most male dominated sector in Australia. Despite several decades of formal gender equity initiatives by government and business, there is little understanding of why there has been little change to the hierarchical and numerical underrepresentation of women. Using a New Institutionalist perspective, more specifically concepts of robustness and revisability, the nature and intent of formal gender equity policies and practices are analysed through a single case study of a multinational construction firm. Through in-depth interviews with senior management and a documentary analysis of formal equity and diversity policies it is concluded that the robustness and revisability of policies and practices are critical to achieving lasting change in gender equity in the construction industry, as is a focus on men as well as women and gendered practices in policy design.

Keywords: gender, policy, equity, diversity, new institutionalism.

Introduction

The lack of gender diversity in the construction sector is a persistent problem recognised in Australia and elsewhere, which exacerbates skills shortages, reduces productivity and constrains innovation (Toohey et al. 2009). Despite many reforms to increase the representation of women in construction, it remains the most male

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dominated sector in the country; in 2012, women's participation was 11.6% of the Australian construction (EOWWA 2012), a figure typical of many Western countries (Sang and Powell 2012). Gender segregation is horizontal and vertical, with men numerically and hierarchically overrepresented (Sang and Powell, 2012) and dominating senior 'technical', 'fee-earning' careers. Early enthusiasm from women about their own careers in the sector decreases with increased exposure to the workplace (Dainty et al. 2000), with women leaving the industry 39% faster than their male colleagues (APESMA 2010).

Laws and regulations underpin the legal case for gender equity and diversity in Australia, including state and federal sex discrimination and harassment laws (Sang and Powell 2012). The federal government requires companies with more than 100 employees to report on the gender composition of their workforce (WGEA 2012). In 2010 the Australian Stock Exchange (ASX) also introduced requirements for disclosure of diversity policies and gender targets for all publically listed corporations. Despite these initiatives, barriers to gender equity remain as result of the masculine workplace culture features of which include long hours and 'presenteeism', a lack of networking opportunities, bias and discrimination in recruitment and progression practices (Sang and Powell 2012; Dainty et al 2000; Watts 2007).

Given the intransigence of gender inequity in construction, a fresh approach to the problem is needed. The aim of this paper is to meet this need by drawing upon 'new institutionalist' (NI) theory to analyse the intent and nature of 'formal' policies and practices to attract, retain and support the progression of women professionals in the construction industry. This is an important contribution to the construction industry gender debate in two main ways. First, it addresses the fact that much research in this field is theoretically weak. There is at present limited conceptualisation of the formal

gender diversity policies and practices designed to address the masculine workplace culture and gender imbalance. Second, as emphasised in NI theory, the operation of these formal policies are often influenced by informal rules and practices. It is therefore essential to understand the nature of formal policies before we can comprehend whether and how informal gendered rules and practices intersect with formal gender diversity policies (Chappell and Waylen 2013). This paper is the first step in understanding the operation and interaction of formal and informal rules and practices on gender diversity outcomes in the Australian construction industry.

New Institutionalist theory

NI theory has developed around four main perspectives: rational choice; historical; organizational (or sociological) and discursive institutionalism (Hall and Taylor 1996). The basic premise across these perspectives is that organisational rules "matter" (March and Olsen 1984: 747) in defining and organising decision-making (Lowndes 1996). Rules and procedures are devised by people to enable, constrain and shape behaviour (DiMaggio and Powell 1983). They are a product of human agency and are constructed through negotiation, conflict and contestation (DiMaggio and Powell 1991). Rules and procedures or 'institutions' outline acceptable behaviours and sanctions imposed for non-compliant behaviours (Lowndes 1996; March and Olsen 1984). They may be formal (e.g. policies, legislation) or informal (e.g. norms and practices). Formal rules are consciously designed and clearly specified (Lowndes and Wilson 2003), disseminated and enforced through official channels (Helmke and Levitsky 2004), whereas informal rules are tacit and enforced unofficially through informal power structures and culture (Helmke and Levitsky 2004).

The design of institutional rules is the result of multiple designers with different perspectives about their origin, nature and intent (Lowndes and Roberts 2013). Furthermore, policy designers face constraints and challenges in the creation and implementation of new rules and procedures as organisations (Newman 2001). Once designed, weak implementation or a lack of appraisal of policies will ensure that policies are ineffectual (Meyer and Rowan 1991). Based on the constraints and challenges associated with institutional design, Lowndes and Wilson (2003) propose that good policy design consists of 'robustness' and 'revisability'.

Robustness refers to the maintenance of institutional strength and resistance to change over time. It is operationalised through: 1) clarity of values underpinning and being tied to policy design; and 2) the nature and effectiveness of policy enforcement, usually through sanctioning. Together a good fit between values and enforcement, help policies to 'stick' and shape organisational behaviour (Lowndes and Roberts 2013).

Revisability is the capacity for policy amendment or alteration, which is needed when a policy fails to achieve its objective. It is operationalised through: 1) flexibility and adaptation of policy design through policy learning over time; and 2) variability in policy design and the extent to which there is tolerance of different design variants in different locations (Lowndes and Wilson 2003). This is relevant to construction where policies often originate in head office and are implemented on-site.

Method

This paper presents preliminary analysis of the first phase of a larger research study examining gender diversity in the Australian construction industry. It uses a case study approach to examine formal rules and their robustness and revisability. The single case

study approach is frequently used both in organisational and institutional research (Lowndes and Wilson 2003) to provide a valid and nuanced, though not necessarily generalizable, view of reality (Flyvbjerg 2006), as well as an opportunity to test theories (Patton and Appelbaum 2003), such as NI.

This study focuses on a large publicly listed multinational tier-one construction contractor, which operates in the commercial, residential, engineering and infrastructure markets. The company structure is typical of large construction companies, being led and managed by a Board, CEO and executive management team, composed of regional and discipline specific executives, legal counsel and corporate affairs.

Data was collected through a documentary analysis of human resource management (HRM) documents, including policies and strategies relating to gender equity, staff surveys and pay equity analysis. Semi-structured interviews were also conducted with nine purposefully sampled policy designers, human resource managers and business leaders, including the Chief Operating Officer. The interviews aimed to develop an understanding of the gender diversity policies in use and how these policies were sourced, (re)designed, disseminated, measured and enforced. Interviews were recorded with permission from participants and transcribed verbatim and anonymised to protect interviewee identities.

Designing new gender diversity rules

Interviewees indicated that best practice in people management was a long-standing company core value and business goal, with gender diversity initiatives receiving greater focus in the last 5 years. As one of the Business leaders stated:

I've always felt that we recognised diversity, even though we may not have used the word back in the 90s or 80s, I still feel for [company] *there was a recognition and a respect that this place is better if it's made up of different people. Not saying it was successful in doing that, but I think it was always on the radar. I think over the last couple of years it's just become a little bit more clearly stated.* **RESP #3 Business Leader**

The development of gender diversity policies was thought by most respondents to be underpinned by a combination of factors including: leadership, business imperatives, external regulation and talent attraction and development. Three respondents discussed the role of a former female chairperson of the company and other high profile women in helping diversity issues gain momentum within the company.

Back about five years ago, we had one female board member who started to ask questions about how we were looking in gender diversity and that led to putting a global head of diversity role in place. That person's remit was to gather data, to see how we're going. And it became pretty clear that gender diversity was one of the biggest challenges in the broader diversity space. From there it was a case of 'what are we going to do about it?' **RESP #2 Human Resource Leader**

Another interviewee spoke about the role of the ASX in moving gender issues from a diversity and HR frame to *'being at the forefront of the attention of the business leaders'* (RESP #1 Business Leader). This respondent also noted that the ASX regulations complemented their existing strategies.

Although most interviewees indicated that the company took gender diversity seriously, most were unable to recall policy specifics. A company restructure three

years ago after several new business acquisitions, may have been why policies had yet to filter through the business; whilst another business leader reasoned that information bombardment prevented them from being familiar with policies.

In the last five years, the company has introduced a variety of formal gender diversity policies, sourced and developed internally by management or via external consultants. These included parental and care leave, leadership training for women employees, women support groups, a flexible work policy and unconscious bias training and the establishment of a diversity strategy and committee with a gender subgroup. Policies such as the code of conduct and parental and care leave appear to respond to and exceed the company's legislative responsibility. Most of the gender diversity strategies and initiatives had a women focus, such as the CEO Women's Program and the Women's Resilience Program, treating the concepts of gender and sex as the same thing.

More generic initiatives that are likely to have gendered outcomes include the development of a flexible work 'position statement', underpinned by company values. This initiative enables employees to discuss their individual flexibility needs with their manager. Respondents expressed excitement about this initiative, however it was acknowledged that there had been poor take-up. One respondent reasoned that employees perceived it as a women-centric policy. He also noted that workplace expectations, particularly when projects were near completion or behind schedule, had not yet shifted:

> *It's challenging for some managers to think differently - its construction - you*
>
> *need to be here from six in the morning to eight o'clock at night and every*
>
> *Saturday, and every second Sunday, or every rostered day off, because that's*

how we did it, back in the day and so that is challenging for some managers to think that way...

I think there's still a lot of reluctance to use it. I think people look at it and go it's good that the company has flexible working but I'll never do it, and I wouldn't expect my team to do it. I think it's probably they relate it to women, and yes it is a gender diversity initiative, so I think that's seen in the workplace. **RESP#3 Business Leader**

Another interviewee argued that the flexible work initiative was established to support divorced men with caring responsibilities:

My belief is the reason why work life balance is coming in, and flexible work, has nothing to do with women. It has to do with divorced dads. So the only reason it's back on the agenda is because you have all these divorced dads who have to pick their kids up once a week at a certain time. So fundamentally the correlation between women and rights really only happened because all of a sudden men need to do the same stuff women had to do for years. **RESP #8, Business Leader**

While diversity was identified as one of the company's three core principles, for interviewees it appeared to be less of a priority than safety and sustainability in terms of importance. One interviewee spoke about how safety initiatives had gained momentum in the company after reaching a crisis point, but thought this critical 'crisis' driver was missing in relation to diversity. This crisis point occurred 14 years ago after a number of people were killed in one year on construction sites, resulting in the company being blacklisted from tender lists. The crisis pushed the company to

change their practices and exceed industry and legislative safety requirements.

Another interviewee also spoke about diversity being a secondary priority:

> *We would all like to say that our principles are equal* – [diversity] *doesn't get the airplay you know. Safety has strong airplay and it's hard to top it, for good reason. First and foremost we don't want to hurt anybody regardless of who they are, and we don't want to hurt the public– you can't avoid it. Then everything else is vying for second spot.* **RESP#3, Business Leader**

Robustness and Revisability

The work of NI theorists Lowndes and Wilson (2003) suggests that the more robust and revisable the formal rules are, the more likely they are to become entrenched. Applying this framework to the company's gender diversity policies and initiatives, a mixed picture emerges.

Policy robustness is operationalised through a clear tie to values and effective enforcement of policy. Company values underpin and were identified in some policies, such as those associated with the flexibility, diversity strategy and the code of conduct but were absent from those associated with equal opportunity, gender equity, recruitment and talent and succession. Interviewees indicated that diversity was a core principle yet lower down the value hierarchy. It was also evident from the flexibility initiative that documented values may not be the only values adhered to by employees and that other values, in this case, presenteeism and getting the job done, were disrupting policy intentions.

Enforcement was not specified in policy documents, with the exception of the code of conduct - where a breach was subject to disciplinary measures determined by the company - and the diversity strategy, which described positive sanctioning - via a

reward and recognition framework. Enforcement strategies were not detailed by interviewees. However, some interviewees felt the enforcement of gender diversity initiatives was weak, since they relied on manager discretion and were not a key performance indicator. Company gender diversity initiatives were reportedly communicated to employees online and through 'road shows' led by senior managers. Yet the responsibility for policy dissemination and training lies with operations managers. Operations managers, who were predominantly men, were the interface between project leaders and senior management. Policy dissemination and enforcement relied on their discretion, interpretation and prioritization. Knowledge of the extent to which policies and initiatives were being followed within the different company locations was poor. This suggests that internal enforcement of policies was limited and reliant on the discretion of key actors.

Revisability is operationalised through the variability of policy design and capacity for policies to be adapted over time through flexible designs that respond to context. Whilst revisability processes were not highlighted in policy documents, there were opportunities for employee feedback via surveys and statistical analysis of women in the organisation and communication with management. In response to these initiatives a diversity committee and policies such as the flexibility initiative were established. On the job learning from programs such as the flexibility initiative have highlighted challenges, yet whether these were acted on was unclear. Whilst the diversity strategy states that it aims to understand the state-of-play at policy commencement it does not stipulate how the strategy will be monitored. Policy variability was thought to be high, particularly for projects in remote locations, with interviewees acknowledging a higher degree of innovation among projects closer to head office. It was unknown whether all policies were filtering through to regional project sites.

Conclusion

This paper aimed to draw upon NI theory to analyse the intent and nature of 'formal' policies and practices to shift the gender imbalance in construction. Our results indicate that although gender diversity in construction has been on the agenda for several decades, for our case study company it has only recently emerged as a tangible issue for business leaders. Using a NI framework this paper has provided preliminary insights into the nature and intent of formal gender diversity policies within a major construction firm. In the case study company many of the policies that were established focused overwhelmingly on women and were not particularly robust or revisable according to Lowndes and Wilson's (2003) definition. This is significant because the combination of revisability and robustness are both critical to embedding new rules and achieving change, in this case to gender practices.

Subsequent stages of this research will include comparison studies investigating the approach of other tier one multinational construction companies. We also acknowledge that individual formal policies and initiatives do not stand alone, but are embedded and intertwined in an environment with other formal and informal rules which both compliment or confound them (Lowndes and Roberts 2013). Future stages of the research will therefore investigate the informal rules, practices and narratives which exist within companies and how these interact with formal rules so as to understand the intransigent problem of gender inequality in construction.

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