

The Role of the Organisation in Encouraging Diversity in the Workplace

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Abstract

Achieving diversity in the workplace is essential to Arup, both on philosophical grounds and for business performance reasons. Research indicates that heterogeneous companies outperform homogeneous ones, and that creativity and sound decision making come from diversity. Achieving and maintaining diversity, then, is crucial to good performance. Despite our commitment, however, we recognise that women are not yet reaching senior levels of our company, in numbers that reflect their share at graduate level. A diversity taskforce within Arup has investigated the issues and has developed a '12-point plan' to support and develop women in our company.

The 12-point plan fits well with the main identified causes of gender imbalance in the workplace. These being: a lack of flexible working practices, women's lack of self promotion and, within the construction and engineering sector, the perception of a glass ceiling for women.

Our approach has a number of strands:

- *Positive steps to eliminate discrimination*
- *A flexible work environment allowing life-balance choices*
- *Nurturing our staff through mentoring, appraisal and recognition of career stages and varying aspirations*
- *Efforts to get more women into leadership positions*

The 12 point plan to address gender issues globally in the firm consists of:

1. **'Supply'**: *We seek to identify male and female candidates for promotion to senior levels*
2. **'Demand'**: *We review tenure of leadership positions and opportunities for promotion, communicate the opportunities and encourage female staff to consider themselves for the positions*
3. **Receptive Culture**: *We are researching the effect behaviour of leaders has on the motivation of staff, both male and female*
4. **Celebrate Success**: *We publish success stories from all Arup backgrounds and roles; engineering and non-engineering; full and part-time roles*
5. **Life Balance**: *Life balance is an important challenge we are addressing by encouraging personal responsibility in an environment of appropriate expectations*
6. **Recruitment**: *Our recruitment process is focused on attracting more talented women*
7. **Recruitment**: *Gender awareness is being incorporated into programs for: recruitment training; induction; appraisal training; leadership development; exit interviews*

8. **Retention:** Programs are being modified to provide access to re-skilling and professional training on return to work
9. **Retention:** The firm is supportive of networking with supportive staff from Arup and other firms
10. **Retention:** Regular contact is maintained with staff on Leave of Absence
11. **Retention:** On return to work, links to 'buddies' with firsthand experience of the person's reason for a career break are being introduced
12. **Flexible working practices:** The possibilities for flexible working practices, including job share and part-time work, are being reviewed

While this programme has only recently been introduced, early evidence indicates that it is having a beneficial effect both on our ability to recruit and retain female staff and on their experience while they work with us.

1. Introduction

Arup is a global consultancy of designers, project managers, and consultants. With our historical roots in the construction industry, our staff predominantly has been male, and this has remained the case.

Despite this, our aim has been to maximise diversity within our organisation. For the sixth year running, we have been recognised as an Employer of Choice for Women with the Australian Government's Equal Opportunity for Women in the Workplace Agency. Arup was one of 131 Australian employers recognised for practices that supported women within its organisation. In the consulting engineering industry, Arup was one of only two firms cited. Existing policies and programmes include equal pay and conditions, some forms of flexible working including ability to work part time from home, and paid maternity leave.

However, we recognise that we are not doing enough and that women are not reaching senior levels in representative numbers. Arup has undertaken a programme to investigate the issues and develop possible solutions to improving this situation within the company. This paper discusses the findings of our investigation and presents the plan we have developed to try to overcome the issues. This is still at an early stage, and we will be monitoring the success of the plan over the coming years, adjusting it and trialling new initiatives to continuously improve the gender balance at senior levels of Arup.

Gender diversity is the first of a small number of diversity challenges that Arup will address progressively (e.g. ethnicity).

2. Why Diversity?

Arising from the philosophical basis of the company (Arup, 1970), Arup is committed to diversity in all forms. The underlying principles are summarised in the 6 key value statements of the company:

- Quality of work
- Total architecture (holistic design)
- Humane organisation
- Straight and honourable dealings
- Social usefulness
- Reasonable prosperity of members

However, it is by no means simply a social responsibility, or good corporate citizen action. Maximising diversity clearly fits with our corporate self-interest of recruiting and retaining the best possible staff.

Focusing specifically on gender diversity, research and common sense indicate that lack of women in top management positions has a negative economic impact on an organisation (Seeger, 2006).

2.1. Resource Shortage

Globally there is a shortage of engineers, particularly good engineers, with many organisations citing lack of good people being the main limiting factor to their growth. Declining birth rates, competition from other industries for engineering graduates, and greater demands from staff for life balance mean that this is not going to easily improve in the near future.

Women make up a reasonable percentage of engineering graduates, in the order of 17% (UNSW website, 2007). This is significantly lower than many other professions, and that shortfall should be addressed, however, that is outside the scope of this paper. To lose women from the company or even the profession further limits the growth and the success of any company and the industry in general.

2.2. Wasted Resource

Women represent a significant percentage of junior engineering staff. However, too many of them are being lost (from companies and even the profession) often at a point when they have gained good experience and skills, and are of great value to the company. Finding and training replacements is a time consuming and costly exercise and allowing good staff to join competitors (if that is where they go) is to the detriment of the company. Losing skills from the profession in a time of resource shortage also has an adverse effect on the whole industry.

It appears that the lack of women at the top of organisations has a negative effect on other women aspiring to these same positions. The lack of women role models is often cited as one of the main causes for the absence of women in senior positions (Jacobs, 2004). This means that talented women are not reaching their full potential and the industry is missing out on the benefits of these skills.

2.3. Company Performance

It has been found that diversity stimulates conflict, which promotes creativity, and which may in turn lead to improved decision making (Robbins et al., 2004). In a design and solution focussed consultancy, creativity and good decision making are key to our successful business, but it is also more than that. Findings demonstrate that heterogeneous organisations generally outperform homogeneous ones. It is also generally acknowledged that women make decisions based on different factors than men and this encourages the positive conflict and creativity. So, keeping and promoting women is not just about keeping up numbers or lack of resources; the diversity itself is important.

2.4. Female Leadership Traits

Anecdotally, women in general seem to have different leadership traits than males, and there are suggestions that women managers outperform men in areas such as communication, performance management, productivity, meeting deadlines, and generating new ideas (Moskal 1997). Women are generally seen to be more effective in consensual based decision making, a model that is becoming more common throughout the business community (Appelbaum et al, 2003). Finally, some research indicates that women are more persuasive, take greater calculated risks and are more driven to accomplish tasks than their male counterparts (Greenberg et al., 2005).

2.5. Female Clients

Women are not only part of our workforce, they are also clients. Interviews conducted as part of a research project (Seeger, 2006) and our own experience suggests that female clients have a positive view of senior

women in the supplier organisation. They may also perceive a better alignment between their needs and the understanding of their consultants where women are in senior positions in the consultancy.

2.6. Attracting Female Resources

Finally, in competing for graduates and in attracting staff (male and female) from other organisations, the ability to demonstrate that a company has the right environment for women to thrive and succeed is important. Women managers appear to create a work environment that is attractive to other women (Smith et al, 1994) as well as to men, and this helps in recruiting the best possible staff.

3. The Position in Arup

Understanding the above benefits, and with the philosophical desire to have an equitable and diverse company, in 2005 Arup created a global 'diversity taskforce' to assess and understand the situation within our company. Many aspects of diversity will be explored by this taskforce over time; the first of these is gender diversity.

The taskforce interviewed female technical staff globally throughout the company, interviewed a number of female staff who had left the company, studied staff numbers at different levels of the organisation, and reviewed exit information data to try to understand the reasons for women leaving the company. The findings made for disappointing reading, given that we thought we had made a concerted effort and had achieved some good results. However, on a whole, the results were not surprising. The numbers of senior women in other organisations are also few and far between, demonstrating that this affects the entire profession.

While Arup employs a higher percentage of women graduates amongst its graduate intake pool than the percentage on university courses, and has good percentages for the industry throughout our junior staff grades, the numbers of women start to decline significantly at the more senior levels. There are few at Principal level.

There are several reasons for this. It can be partially explained by the lower percentage of women engineering graduates amongst the age range typically of our Principals, partially by some women choosing to take career breaks, and partially by some women leaving their careers to raise a family; however we do not believe that this is the whole story. The suspicion is that the rest are simply not reaching senior management, and are either remaining stuck at lower levels or are leaving the profession due to lack of career advancement.

4. Why Aren't Women Reaching Top Management?

There appear to be several reasons why women aren't well represented at senior levels in construction and engineering companies. This is aside from taking career breaks to raise families, and the lower numbers of women graduates in the age brackets that would be expected to be at senior levels. There are two reasons that particularly stand out. The first is the difficulty of maintaining a career at the same time as raising a family. In the construction industry, part time working is not common and it has been traditionally considered that this is almost impossible in consulting where the perception is that the client and design team expect access to the consultant, at the very least, during all business hours (and usually longer), of every working day.

While the second issue is more ambiguous, it is an extremely important consideration. A number of authors (e.g. Jacobs, 2004) claim that the lack of self-promotion in women is one of the most prevalent reasons why women do not make it to the top in significant numbers. A recent interview-based research project identified that 80% of respondents from the construction and engineering professions felt that women needed some sort of support and encouragement to consider themselves capable for leadership positions and to promote themselves respectively (Seeger, 2006). The findings also identified that the only effective method leading

to the continuous and sustainable advancement of women into top management positions is active recognition of women with high potential. This counters women's lack of self-promotion.

Further, within the construction industry (some would argue more so than most others), there remains a perception that a glass (sometimes called concrete) ceiling exists.

For women to reach the top positions there appears to be a belief that they need to be, or need to be perceived to be, even more effective than their male colleagues. Many women, however, cannot or are not willing to self-promote in that way. There is also a concern that bosses promote people like themselves, and that is generally male. Both the reality and perception need to change to encourage women to stay and be successful in our profession.

Interestingly, some feedback indicates that some women, generally younger engineers, are hostile towards any actions aimed specifically at women, seeing this as discrimination itself, and suggesting that they cannot make it on their own, or when they 'make it', it will be attributed to positive discrimination. These are generally women who have not yet found the glass ceiling and have high numbers of women contemporaries. Attitudes seem to change at more senior levels, as a greater understanding develops of the specific challenges to women in a male-dominated organization.

5. The Action Plan

From the above study a plan was developed within Arup to improve gender diversity throughout all levels of Arup. The approach has a number of strands:

- Positive steps to eliminate discrimination and harassment in all forms,
- A flexible work environment allowing life choices,
- Nurturing our staff through mentoring, appraisal and recognition of career progression and aspiration,
- Getting more women into leadership positions, and
- Communicating the program effectively to all staff.

These ambitions were distilled into a 12-point plan, which will be discussed more fully in the next section.

1. **Supply:** identify candidates for promotion
2. **Demand:** promotion opportunities
3. **Receptive culture:** creating an organisational culture receptive to women
4. **Celebrate Success:** communicating successful advances – story telling
5. **Life Balance:** for all staff but specifically for women
6. **Recruitment:** attracting talented women
7. **Gender Awareness in Recruitment, Induction, Appraisals and Leadership:** part of general training for all staff
8. **Retention:** reskilling and professional training
9. **Retention:** networking
10. **Retention:** contact maintained with staff of Leave of Absence
11. **Retention:** Linking Returnees with 'buddies'
12. **Flexible working practices:** defining them, designing them and implementing for all staff

6. The Rationale

Research and anecdotal evidence has indicated that the twelve point plan should address the main issues why women are not achieving their potential in construction and engineering. This is discussed in more detail below.

6.1. Supply

Identifying high potential candidates, both male and female, is a formal part of the staff review process. The process is used to ensure any personal prejudices a manager may have are removed. As there is a natural tendency of people to favour and promote others like themselves, and a risk of gender based bias, organising for high potential candidates for senior positions to be identified at Board level helps prevent staff 'getting stuck' at a certain level. It also helps senior staff challenge each others' biases and encourages development of the firm's staff. In terms of promotion of women, this approach when used in conjunction with coaching and active encouragement helps to overcome any tendencies toward women's lack of self promotion.

A current issue under debate is whether or not candidates should be told that they have been identified as 'high potential'. The risk is in disappointing the individual if they are then not considered to have reached their potential and are not promoted. However, with ongoing dialogue and performance management this would make this less likely. As such it is likely that the decision will be to inform staff. Openness and transparency of the process is seen as important, as is communication. More work is required in this area for this to be more effective.

The company does not support the idea of positive discrimination, as philosophically we believe the best person for the position should be promoted to it, regardless of gender, ethnicity, religion and so forth. Additionally, respect for any leader is difficult to maintain if the perception amongst the reporting staff is that they did not deserve the position.

6.2. Demand

The demand side of the equation is aimed at alerting all staff to leadership opportunities. With a broad knowledge of the opportunities that are arising, women can be actively encouraged to consider themselves for roles, again addressing the lack of self promotion. For Board level positions and executive committees advising the board, different tenures of position are used to create ongoing opportunities through rotation of opportunities.

At lower levels, positions throughout the company are advertised internally via an electronic communication to all staff. Opportunities for transfers between offices and between groups are communicated by encouraging staff to consider overseas trips, with support from HR.

Again openness and transparency of the process is seen as important, as is the communication. More work is required in this area to be more effective.

6.3. Receptive Culture

Understanding the effect of leaders' behaviour on all staff is part of good management. Good leaders encourage their staff and provide feedback to coach and mentor them for success. Appropriate behaviour should be a given. However, anecdotally this is not always the case in construction and engineering, particularly towards women. While the taskforce did not find this to be a specific problem at Arup, greater understanding of the issues facing women, and greater appreciation of the differing skills that women may bring to an organisation, are crucial to encouraging women to remain in the company and rise into senior leadership positions.

Educating all staff on the benefits of diversity is fundamental to removing the perception that certain activities support women, thus being positive discrimination. This is undesirable, and is simply of no value. Furthermore, presenting a business case for such activities is far more powerful than just presenting the moral or philosophical obligations of such activities. At the same time as undertaking the activities in the 12-point plan, internal communications and external papers such as this will be used to promote the rationale for supporting women in our company.

It is considered that the leaders of the company need to speak directly and frequently about these issues, as

well as behave in a manner congruent with it to develop the culture.

6.4. Celebrate Success

Success stories about our women staff are used to help others realise their own potential. As the lack of women in leadership positions and lack of women role models appears to be prevent others from aspiring to those positions (Jacobs, 1994), we believe that giving a high profile to our women's successes will encourage others to believe that they too can succeed. This applies to all our staff, but again we hope will have a positive effect on women at all levels in the organisation.

This raises an interesting dilemma, talking openly and honestly about the currently low numbers of women at top levels in the company may actually discourage others from aspiring to these positions, especially when research findings show that women may not aspire to top positions when there are few role models to follow (Jacobs, 2004). On the flip side, not talking about it may appear to indicate a lack of concern and possibly even a suggestion that discrimination is acceptable. We are opting for the more open approach but need to develop actions further and be clear about our intentions.

6.5. Life Balance

Allowing all individuals to have balance in their life, of which work is a significant part, is crucial to keeping a healthy and committed workforce. Arup is actively promoting balance, with this now being a part of performance appraisals. The company was set up as a place where people came to enjoy their work, and this culture has persisted throughout our history. This is not achieved if our staff members feel the need to work long hours to succeed and resent the time that they are at work. Anecdotally, women seem less willing to work extremely long hours simply to achieve 'success'.

A dilemma in this area is that while our leaders have identified this as something we wish to pursue they are often the worst offenders setting poor examples for more junior staff. Greater efforts have to be made in 'walking the talk', and this remains an area for improvement.

The good news on life balance is the very positive and surprising feedback on life balance by female (and male) staff, with no significant gender difference, as discussed in the Working@Arup survey in section 7 below.

6.6. Recruitment

Arup aims to recruit the best possible people. Our specific approach to attracting female staff is to highlight the successes of our current senior women, as well as the strong ideals and philosophy of the company. This works well for us, with good percentages of female graduates joining the company.

6.7. Gender Awareness

Gender awareness is now inherent in recruitment, induction, appraisal procedures, and our leadership interviews. Exit interviews check for gender bias or specific gender issues that may have caused a staff member to leave. While these may not be overly effective in recruitment and retention of female staff, we believe they need to be a 'given' in our processes to challenge potential bias. Although too late for leavers the benefit of exit interview analysis is to correct internal flaws for current and future staff.

6.8. Retention: Reskilling and Professional Training

We believe in valuing our staff, the corporate culture is one of a 'club' which values members. Re-skilling focuses on getting women back from leaves of absence, which is generally maternity leave, and is additionally used to help staff develop into new areas of interest, allowing them to find new challenges,

pursue passions, and find their own career paths. This, combined with professional training, is seen as highly effective in aiding women to reach their potential. Leadership training may also help counteract the lack of women's self promotion.

6.9. Retention: Networking

Networking with supportive staff, both male and female, from within the company and from other organisations provides more success stories which can provide encouragement to women - inspiring them to consider leadership positions. It also provides a forum for shared ideas and support for addressing issues. Industry networking generally enhances one's personal profile and helps in career development. Our women engineers are encouraged to join a variety of organisations such as the National Association of Women in Construction, with Arup paying for membership subscriptions.

6.10. Retention: Contact

Although difficult to quantify as the numbers of people we have followed this approach with are still low, anecdotally, maintaining contact with staff on leaves of absence seems to encourage them to return to work. Helping them to feel a part of the company throughout the period of leave and encouraging them to believe in their ability to return successfully does appear to be highly beneficial. As maternity leave is one point where women are lost from companies and the profession, and as these women are often experienced, highly skilled, likely to rise to higher positions and hence very important to the business, it is hoped that this approach will be valuable.

6.11. Retention: Buddies

Similarly, staff members returning from leaves of absence are linked up with 'buddies' who have experienced a similar career break. This is consistent with the idea that demonstrating success helps women see that they too can achieve the same. Again, a small number of people at a specific time in their life, but hopefully beneficial in helping people back into the workforce after a break.

6.12. Flexible Work Practices

Flexible work practices will be of increasing importance given the current resource shortage and the different attitudes of Generation Y. What was unusual, but perhaps possible, ten years ago is now becoming the norm, for male and female staff. This is a challenge in a consulting practice, but the profession and our clients are simply going to have to get used to a more controlled and perhaps less immediate availability. Technology provides some answers as well. Mobile phones, broadband computer access, PDAs, teleconferencing and video conferencing will also assist in this change. We believe that if we can encourage our women to reach their potential, together with our approach of employing the best possible staff, clients will be willing to have less immediate access to our staff. Instead, they will have the best consultants working on their projects. A lot of this is attitude of mind. Most of us are not totally available to our clients, usually working on multiple projects that require a balancing in competing needs. This must be extended in a proactive manner to parenting and other lifestyle choices. The same issues of course face our clients, and hence we should not be afraid of honestly managing client expectations.

The flexible work practices also need to include management and leadership roles, and direct project roles. It is not enough to say, as can be the case for many companies, that flexible work practices are in place but then only offer internal 'staff' roles rather than consultant and technical activities. This is perhaps the greatest challenge to keeping women in consulting engineering in the future.

7. Implementation, Monitoring and Measuring Success

The 12-point plan is now starting to be actioned, with success monitored by a global executive reporting to

the Group Board, through survey information monitored by gender, review of exit interviews, and monitoring of staff appraisals for female staff and their bosses. Already there are some success stories with women returning back from maternity leave providing good feedback. There have also been some recent female promotions to Principal level, boosting the numbers at the senior level of the firm. The challenge to Arup is now to develop measurables against which to test the plan, to understand how effective different measures are, and to refine the plan as necessary.

We have also had specific feedback commissioned (Working@Arup through the Hay organisation) and industry surveys (Hewitt Best Employer) taken on how our staff feel about the firm in a number of the dimensions, as noted above. Experience to date is generally good. Of course there is the exception of some negative stories, and one or two horror stories. This is balanced by the far greater number of success stories. Developing a culture takes time and 'mis-steps' set the process back disproportionately. The firm's leaders have to lead in the right direction to maintain momentum.

8. Conclusion

The above 12-point plan, developed to address the issues preventing women from rising to senior levels in Arup, has only recently been introduced. Already it is having a beneficial effect on our ability to recruit and retain female staff, and on their work experience. Monitoring of the success of the activities will be undertaken, and changes to the plan made as a result of the feedback. We believe that diversity throughout the organisation is essential both from a moral and a business success point of view and a focus will remain on improving gender diversity in Arup.

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