

# Pandemic sharpens focus on diversity and workforce priorities

It's been 'the year of HR' given the major health and societal forces for change impacting the workforce. But how are consulting & engineering firms responding strategically to these shifts? EFCG's HR Leadership Conference 2021 offers unique insights

The New York-based strategic advisors **Environmental Financial Consulting Group (EFCG)** brought together human resources leaders from across the a/e/c (architecture/engineering/construction) services space in May at its annual HR conference, held virtually this year. Expert speakers and attendees debated the major trends and issues shaping HR policy and workforce management in North America and globally.

Environment Analyst provides an overview of the key takeaways based on their experiences of the last 18 months or so - a period when HR and diversity, equity & inclusion (DEI) have come to the fore like never before.

## DEI strategies: making a positive impact

Julie Hasiba, **EFCG's** talent strategy practice lead and managing partner, opened the event with a session focused on the current state of DEI in the industry, and how to measure, understand, and improve the DEI impact of a/e/c firms.

"The impact of the last year has been incredible," Ms Hasiba remarked. "The pandemic has affected working women, minority groups and other underrepresented groups in particular." She quoted figures from the US Department of Labour and US Census Bureau, which indicate a "devastating percentage drop" in the number of workers that left the US workforce during 2020 - with black people, Hispanics and women disproportionately impacted (see Figure 1).

Some two million women left the US workforce last year, and 50% of those were

black women. "If we see these trends continue, we could lose another two million women from corporate America this year," she added. EFCG's 2021 HR Leadership survey shows that a fifth of a/e/c firms have introduced "meaningful budget increases for female or minority recruitment" in the last twelve months. "The median budget increase sits at around 6% - but the real question is whether that is enough to move the DEI needle?" Hasiba asked.

"One thing we can all appreciate is how positively impactful DEI improvements can be to our workforce and our people," she continued. "Research repeatedly shows that it leads to improvements from a more equitable workforce, with positive impacts on growth when it comes to recruitment, retention, and even employee engagement, productivity, trust

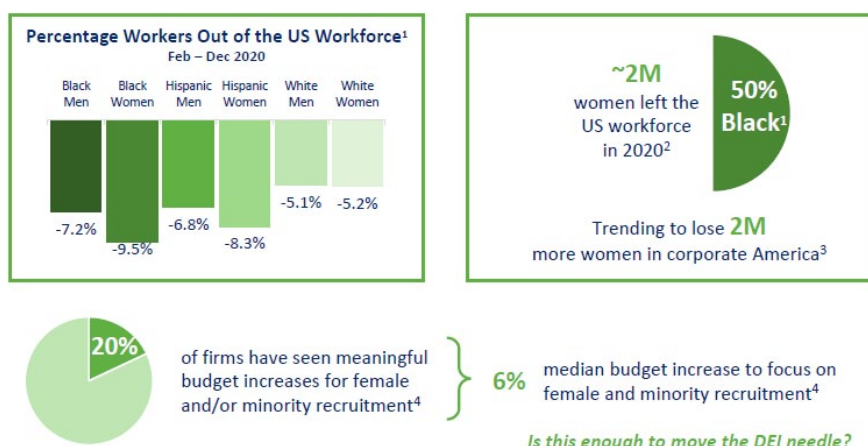


and loyalty." Another key statistic highlighted was that 50% of firms say that flexible work policies are one of the most effective ways to improve gender diversity specifically.

"But beyond the impact that DEI improvement has on our people it is also about making good businesses. Numerous reports and studies show that better businesses come from a

Figure 1: Current State of DEI

The impact of the last year had an incredible effect on working women and minority and underrepresented groups



<sup>1</sup> Sources: In Notes: 2021 EFCG HR Survey, US Department of Labor, US Census Bureau, National Women's Law Center, McKinley&Company, Learnin.org

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more equitable workforce, with positive impacts on growth and profitability, value creation, innovation and a firm's connection to its clients," added Hasiba. She referenced a study by **Accenture**, which showed that the 'innovation mindset' is six times higher in firms that have more equal and inclusive environments. A further consideration is that DEI requirements are increasingly becoming a prerequisite in client RFPs (request for proposals), as an EFCG DEI roundtable recently highlighted.

So those are the positive drivers for strengthening DEI policies, but there can also be negative outcomes if diversity is not prioritised, according to Hasiba. "Those with limited diversity are 30 times more likely to underperform on profitability. And there is a financial cost associated with staff turnover, which begs the question - can your firm afford to lose its business, its talent, its reputation?"

## Industry response and recommendations

Having senior management alignment on the issue is absolutely key to moving an organisation towards DEI maturity, according to Keri Kocur, chief people officer at VHB (a 1,500-strong employee-owned, east coast multidisciplinary firm). "Diversity has always been a core value at **VHB**, part of our culture. But we began focusing on it more intentionally about four years ago. At that time, we were approached by some really amazing, engaged employees who were interested in starting an ERG [employee resource group]. And we were thrilled to partner with them on a grassroots effort," she explained.

"We engaged a DEI consultant who helped us become more aware of unconscious bias and to start looking through that lens in everything we do. Our CEO Mike Carragher has also been a



strong champion for our DEI efforts, even though back then there wasn't very much benchmark information available and the conversation wasn't as robust at that point."

Kocur also noted how the issues and pressures of the last eighteen months had intensified the focus on DEI and HR in general within the company. "It really has been the year of HR, with the pace of change so intense. Every day it seemed something new was coming out, with constantly evolving COVID protocols, making sure our employees were OK working remotely, and in the wake of the events of last summer around social and racial injustice."

Vicki Hobson, HR Director at **Syska Hennessy Group**, echoed Kocur's comments in respect of her firm's focus on grassroots, inclusive initiatives, and on the importance of senior leader buy-in. She noted that since 2018 the budget for DEI improvement has doubled for the 500-strong firm. Another important development for Syska has been its recent focus on "putting DEI at the forefront of Syska's recruiting strategy", with initiating inclusive

hiring panels, and partnering with a recruiting onboarding ATS system, which also has a built-in DEI component.

Meanwhile, **Jensen Hughes** (a 1,400-strong global engineering and consulting firm) was described by its chief people officer Heather Sanchez as being at a fairly early stage in the DEI journey, but the focus on this area was hastened by the COVID crisis. "There is a variety of work going on with respect to DEI that ramped up during the throes of the pandemic - particularly efforts to get a better understanding of our employees and how they feel about DEI issues through engagement surveys," she said.

"This led to the establishment of a DEI council which is made up of six sub-committees with very specific focus areas, while we also have ERGs that were more organically established. So we've used these groups to research best practices to inform the development of our overarching strategy - which is being finalised currently and has about 15 focus areas to carry us through the next three years."

Sanchez underlined the importance of



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Julie Hasiba, EFCG

communicating the business case for DEI throughout the organisation and using a combination of both qualitative and quantitative metrics to do so.

## Global HR priorities

EFCG senior advisor Ted Lower led a panel session bringing global perspectives to the conversation on evolving HR strategies in a/e/c firms.

When asked about some of the more lasting impacts of the pandemic on HR management in the industry, HR director, environment & health, Nordics and global impact assessment spearhead at **Ramboll**, Rasmus Bing, acknowledged that COVID has challenged the 16,000-strong firm's entire operating model. "We've had to rely much more on local partners for project delivery through this time and I think that will continue for the foreseeable future. With project teams being increasingly mixed and hybrid in nature, this poses challenges for a global consultancy like Ramboll - not just in terms of maintaining revenue and earnings - but in respect of global HR benchmarks and competencies matching local legal and cultural settings."

There are some silver linings to come from this unprecedented period, not least of which is the opportunity to improve on diversity and inclusion through more flexible work options, according to Sadaf Parvaiz. Ms Parvaiz was appointed earlier this year to the newly created role of global inclusion & diversity leader at the Australian-headquartered professional services firm, **GHD**. "The COVID pandemic has provided a huge opportunity now that we've seen it is possible to work productively from home, and to think outside the box relating to where people work and how they get work done, which will

## Figure 2: Key Takeaways: From DEI Roundtable and Today's Session

### Create a Safe Space for Conversation & Learnings

- Take time to listen to employee needs (e.g., townhalls)
- Establish ERGs beyond gender & race (e.g., LGBTQ+, ethnicity, people with disabilities, veterans, caregivers)
- Host external experts to speak on DEI
- Provide unconscious bias training
- Offer cultural competency learning opportunities to show breadth of backgrounds & values across the firm

### Make it More Than an "HR Issue"

- Identify allies throughout your firm, including ERGs
- Create a business case that can be tracked with KPIs

### Work Within Reason, Embrace What's Possible

- Understand the true competing priorities of the firm, your team, your employees, and *you*
- Establish a plan that you know you can implement



### Ask Us Questions

Julie Hasiba

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<https://calendly.com/jhasiba>



### Share Your Feedback

We Want to Hear from You!

Poll question provided.

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help attract a more diverse talent pool," she said.

"The other interesting implication of the pandemic has been the focus on the wellbeing of employees...certainly GHD has done a lot of work in this space and is continuing to focus on the wellbeing of our people, as well as creating a much more inclusive culture." The switch to remote working and online learning in recent months also provided an opportunity to "cast a broader net, equalise the playing field, and open the mindset around those who could be considered for leadership development," Parvaiz observed.

She said that GHD has achieved record revenue through the pandemic, indicating that the 10,000-people firm is "doing something right" given the ongoing achievements of its workforce. The company is strategically focused on expanding its high-margin, advisory offering and there again is another opportunity to bring on more diverse talent.

Like GHD, many other a/e/c firms have elected to appoint a director or board member to spearhead DEI in the last year in response to the pandemic workforce wellbeing focus and societal diversity awakenings in the US and elsewhere. Meanwhile, a key issue for HR leaders going forward in 2021 and into 2022 will be how to stay as flexible as possible as an employer whilst respecting how their people interact with clients, as vaccination programs start to open up world business again.

EFCG's Lower provided some final food for thought to wrap up the session, stating that the amount of global business conducted by the a/e/c industry is simply going to grow, and that includes virtually. "This means the pressure to find, compensate, reward, mentor, develop, and retain people - especially women and those from minority groups - is going to become not just more apparent, but more of a discriminator," he concluded.



The COVID pandemic has provided a huge opportunity to think outside the box relating to where people work and how they get work done, which will help attract a more diverse talent pool

Sadaf Parvaiz, GHD