Making the difference

Improving cultural and ethnic diversity

March 2020

Balfour Beatty
Cultural and ethnic diversity is a work in progress in the construction and infrastructure industry. Only 5% of those who work in construction are from a black, Asian and minority ethnic (BAME) background. These figures paint a stark picture of how out of step the industry is with the rest of UK society, where 14% of people are from BAME backgrounds. Many other surveys show that progress on cultural and ethnic diversity in the industry remains patchy, with lingering concern that being from a BAME background may hold back an individual’s career progression.

We all know that this isn’t right. While the construction industry has traditionally been heavily dominated by white male employees, it’s way past time that we changed this. We must do more to attract, recruit, retain and progress the best of all available applicants. Statistics such as those above must be a wake-up call for the industry to take ethnic and cultural diversity off the “to do” or the “too difficult” list and to give it the attention it deserves. While change is happening, it is happening too slowly. We must do more, and more forcefully, to address the striking underrepresentation of people from BAME backgrounds in our industry. And we must start by breaking down the fear of talking about race. If we can’t talk about it, we aren’t going to be able to address it.

Beyond the fact that it is the right thing to do to employ a diverse workforce; beyond the obvious fact that businesses need to be casting their net as wide as possible to prepare themselves for future skill needs; and beyond the compelling evidence which shows that diverse teams deliver better outcomes, it makes obvious sense that the make-up of our workforce should reflect and therefore understand the communities we operate in and the customers we serve – and vice versa.

The sector is at the beginning of its journey on this issue. There is no simple solution, no quick fix and no single business is going to solve it on its own. But, to paraphrase Theodore Roosevelt, nothing worth doing is easy. The time has come to go beyond positive intent and to make a conscious shift to address this issue.

Those commissioning large infrastructure schemes wield real power here to drive change by setting high expectations of the contractors bidding to deliver them. This is an area which has already had a real impact and will continue to do so.

Balfour Beatty has been working hard over the last five years to transform its culture – and a key part of that has become ensuring it has a true culture of inclusion. We are implementing a range of targeted measures to try and shift the dial in our own business, across Balfour Beatty at all levels, top-down and bottom-up. We want everyone in Balfour Beatty to own this. But we also know that we must collaborate right across our industry and our supply chains. There is nothing to be gained from competing on this issue: together we must work:

- To demonstrate shared ownership of this issue and to embed sustainable change.
- To root out any remaining incidences of racism and discrimination.
- To change perceptions about the industry and make it more attractive to people from all backgrounds.
- To tackle the fact that too many people from BAME backgrounds fail to make the transition from training to work, or leave the industry prematurely.

We must use every tool available to us, and we must be impatient to make real progress. We all have a responsibility to drive much greater diversity in the sector – to change our industry and to change lives.

Leo Quinn
Group Chief Executive
Context

Recruitment and representation of people from ethnic minority backgrounds has long been a challenge across the construction and infrastructure industry, particularly across the operational areas and at the higher levels. But there is growing recognition that more must be done to change this.

A key issue is attracting those from ethnic minority backgrounds to the sector in the first place. Once they join the industry and progress through their careers, retention becomes the key challenge. Some of the reasons why, have not yet been fully understood.

Data gathering and monitoring are essential to understanding the issues and to shining a light on whether measures put in place are working. Data informs decision-making and helps drive improvements and measure progress. However, many people are uncomfortable defining themselves by ethnicity, dislike being labelled, or may feel vulnerable doing so. The same goes for all protected characteristics, with many people refusing to disclose.

There are also difficulties in data consistency and accuracy, with people of the same ethnic background defining themselves differently. Furthermore, those from an ethnic minority background are not a single, homogenous bloc. Indeed, the Office for National Census, and many people may fit into more than one protected characteristic, with many people refusing to disclose.

There are undoubtedly a whole range of complexities to consider and overcome. But none of these are insurmountable issues. Balfour Beatty believes the most important thing is to create an inclusive culture where difference is supported and celebrated, where people are treated fairly and according to their needs and where people feel comfortable talking about the issues and sharing their data. Any initiatives brought in without proper culture change will fail flat.

Furthermore, there is no, one single measure alone which will change the status quo. A range of changes and initiatives put in place under a coordinated, strategic approach is how we will understand which points specifically related to those of a BAME background, and those which were universal.

The research included interviews with both BAME and non-BAME employees as part of the data collection phase, in order to help understand which points specifically related to those of a BAME background, and those which were universal.

The research was undertaken with a particular focus on identifying barriers to attracting, recruiting, progressing and retaining individuals from a BAME background, with a view to considering areas that may require strategic interventions. The results have fed into our D&I strategy.

One key outcome of the research was a concern that some line managers may not feel comfortable speaking about race, or may not understand some of the subtle barriers those from ethnic minority backgrounds feel that they face. For example, at the most basic level, a white, male, manager may not ever have walked into a meeting and been the only white man there. Understanding that this can be daunting, or at best, a strange experience is important.

Another key finding related to the recruitment process for certain roles. As with many other sectors, referrals and recommendations are a key way of recruiting people with the right skills for the role. However, this can act as a barrier to diversity with the same people circulating between companies, effectively continuing the existing culture. This is not something which the respondents found happens at entry level, in relation to trainees, apprentices and graduates, as these people are less likely to have existing contacts in the industry. Balfour Beatty has re-tuned its attraction approach and is planning a review of its selection process in 2020.

It is important that all those involved in recruitment are mindful of these issues and their impacts.

Regular staff surveys, in addition to other data, will help us to understand how successful these and other measures are. In our 2019 staff survey, 78% of UK employees said they felt our culture was inclusive irrespective of background, figures we hope to build on.

We are determined to continue Balfour Beatty’s culture change to becoming a truly inclusive business.

An informed approach

We know that data drives change. At the beginning of a journey, before initiatives are brought in, data is also important in order to help create a baseline against which to measure progress and to help inform the design and targeting of the policies.

In 2019, Balfour Beatty commissioned IODA to conduct independent qualitative research to help us understand our starting point, to help us find out what the issues are and how widespread, and to help us define an approach.

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Key ways in which we are addressing this include:

- Rolling out D&I training for all employees, to help improve awareness and understanding and to equip our workforce with the confidence to have these important conversations and to call out unacceptable behaviour;
- By training our Diversity Champions, to ensure they have the skills needed to help them lead in this area; and
- Through our Leading Inclusively Development programme.

In 2019, Balfour Beatty commissioned IODA to conduct independent qualitative research to help us understand the lack of ethnic diversity in the construction and infrastructure industry. We were particularly interested in understanding the issues and the impact of these issues.

The research focused on the lack of ethnic diversity in the construction and infrastructure industry.

Projects such as the Middle Research, Progressing Black, Asian and Minority Ethnic Talent in the Workplace Through Collaborative Action, The Black British Business Awards, 2017.

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1 Defined under the Equality Act as age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation

There is no “one size fits all” solution to the lack of ethnic diversity in the construction and infrastructure industry.

The lack of a clear, full picture can make it difficult to properly understand the starting point, or to accurately target initiatives aimed at improving ethnic diversity. Not only that, but many business leaders and managers are uncomfortable talking about race, fearful of offending or saying the wrong thing. But this silence perpetuates the inertia, holding back progress and making the issues faced by people of a BAME background seem like something that must be skirted around or feel ashamed of.

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Furthermore, there is no, one single measure alone which will change the status quo. A range of changes and initiatives put in place under a coordinated, strategic approach is how we will believe we will begin to gather momentum.

This short paper sets out some of our thoughts on these important issues and some of the work we are doing to make a difference.
Establishing a reverse mentoring programme which involves
We hosted a panel event on World Cultural Diversity Day at
Network members and allies have mentored high performing
A key deliverable of the network was an independent research
BAME toolbox talks and our “fairness, inclusion and respect
mechanism of reporting any cases where these are not adhered
our Code of Conduct, Values and behaviours – and providing a
Inclusion and Respect Steering Committee.
organisation. Balfour Beatty also sits on the CITB Fairness,
a strong culture of fairness, inclusion and respect across the
local business plans with bespoke targets, helping to build
Supply Chain and Governance and has been cascaded into
Communication, Culture, Creating Opportunities, Communities/
Balfour Beatty’s three-year UK D&I action plan focuses on
approach to be an employer of choice for high quality
talent no matter their gender, sexual orientation, race, ethnicity,
social background or religion, not only because this is the right
thing to do, but because it makes us a better business. We are
committed to creating a diverse workforce and an inclusive
culture which nurtures people of all genders and backgrounds
and where everyone can fulfil their full potential.
Leo Quinn, Group Chief Executive Officer, is the Board-level
sponsor for Equality, Diversity and Inclusion and for our 3-year
Diversity and Inclusion (D&I) strategy, because we recognise
that change must be led from the top to ensure momentum and
a true cultural shift through the organisation.
The D&I strategy is cascaded into local business unit plans
to ensure buy-in and action across the business. Part of this
strategy is to create a culture of “being open and accessible to
all. We have partnered with expert organisations to help us
lead best practice, ensure we are driving the right behaviours,
and to enable us to target underrepresented groups.
Balfour Beatty’s Multicultural Affinity Network (MCAN)
Balfour Beatty created four employee-led Affinity Networks in
2016, on Gender Equality, Multi-Cultural, LGBT and Ability. Each
of these is active, with its own action plan and events. Each also
has its own sponsor from the Executive team, who acts as an
advocate and advisor. These groups help support by delivering
toolbox talks and celebrating cultural events such as LGBT Pride
and Black History Month, which, in turn raises awareness and
breaks down barriers.
Our affinity networks are helping us to building understanding in
all areas of diversity and inclusion to make meaningful change in
the medium to long term.
MCAN’s overarching aims are to address the underrepresentation of
people from ethnic minority backgrounds within the business and
the sector more broadly, and to proactively support existing ethnic
minority employees. It seeks to raise the profile and understanding of
ethnic minority issues, and to create an environment where
people feel comfortable talking about race-related issues.
Established with senior management-level sponsorship, MCAN
has 200 active members and allies and has engaged many more
through regular toolbox talks and workshops delivered to the wider
business by its members.
Balfour Beatty has invested in MCAN members and allies through
targeted training delivered by external experts (IODA) to help
them positively challenge any exclusionary behaviour they may
encounter. 91% of them have reported feeling more confident in
challenging negative or non-inclusive behaviour or language,
following training.
Key MCAN successes to date include:
■ Establishing a reverse mentoring programme which involves
  pairing MCAN members and members from other Affinity
  Networks with senior leaders to give them an insight into the
  ethnic minority and other minority’s experiences. This has led
to the plan to roll out of inclusive leadership training for all
  senior leaders within the business.
■ Network members and allies have mentored high performing
  young black boys from disadvantaged background through our
  partnership with Amos Bursary and Uprising.
■ BAME toolbox talks and our “fairness, inclusion and respect
  (FIR) in 60 minutes” webinars have been delivered to project
  teams across the business and to key suppliers. At one
  session, which included our supply chain lead and personal
  protective equipment (PPE) provider, it was agreed that we
  should make modesty PPE available to allow our workforce to
  observe their religious values while complying with health and
  safety requirements. This has now been incorporated into our
  catalogue with many sites now using it.
■ We hosted a panel event on World Cultural Diversity Day at
  our Head Office. This explored issues relating to attracting
  and retaining BAME talent, with key customers, suppliers and
  partners sharing their experience with an audience including
  senior leaders from across the business.
■ A key deliverable of the network was an independent research
  report which was commissioned to identify the barriers to
  attracting and retaining BAME talent. This involved focus
  groups with BAME and non-BAME employees and confidential
  1-2-1 sessions. The finding and recommendations from this
  report are now being implemented across the business.
We were recently (May 2019) recognised at the 2019 CECA
Inspiring Change Awards, securing the 2019 ‘Inspiring Change in
the Workplace’ award for our Multi Cultural Affinity Network.
Customer expectation

It is likely that the Government will, at some point, introduce legislation requiring companies to publish their race ethnicity pay gap, which Balfour Beatty has begun preparing for. However, Balfour Beatty believes that the real step-change in the construction and infrastructure industry will be driven by customers requiring their suppliers to align with their diversity goals. Indeed, an increasing number of large infrastructure schemes and commissioning authorities are demanding that contractors increase the diversity of their workforces, specifying contractual terms which require suppliers to meet diversity and inclusion targets.

This creates a level playing field for all suppliers, along with a burning platform to ensure that the issue is addressed and prioritised. Although it may be challenging for the industry to change more quickly some of the remaining negative perceptions of the industry and to embed a truly inclusive culture, it will provide a spur to action for it to do more to attract and retain individuals from a range of backgrounds and perspectives.

Balfour Beatty’s commitment to skills and a diverse talent pipeline

Balfour Beatty is committed to addressing the skills shortages in the construction and infrastructure industry, and to investing in diverse, homegrown talent in the communities where we work.

We are working with STEM Learning, a national organisation dedicated to improving the attractiveness of careers in STEM (Science, Technology, Engineering and Maths) among school students of all backgrounds, across the country. Our network of STEM ambassadors has contact with thousands of young people every year.

At any time, we have around 450 apprentices working across our business. Balfour Beatty recruits around 150 apprentices each year across the UK in addition to the over 300 currently under training in a diverse range of roles. We employ around 700 more young people on graduate and part-time higher education/degree schemes. We also offer a range of other schemes which aim to attract more people into the industry and to upskill. These include:

- 6-12 month industrial placements for undergraduates;
- 10-week paid summer placements for young people;
- short-term work experience ranging from one-week placements for school-age participants, to a more formal six-week course for young unemployed people;
- work experience and earn and learn opportunities for men and women serving prison sentences and for rehabilitating and ex-offenders;
- a 20-week ‘Returners’ programme designed to offer people on an extended career break, of two years or more, an opportunity to return to the industry in a supported placement;
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- we are a forces-friendly employer with a significant Armed Forces Covenant.

In 2019, Balfour Beatty launched a Reverse Mentoring Programme between our UK Executive Committee and employees from under-represented groups, including those from a range of ethnic backgrounds, women, LGBT+ and employees with ability impairments.

As with traditional mentoring, Reverse Mentoring is about developing a powerful relationship based on a high level of trust. At its most effective, this is a two-way, mutual, relationship that develops through a number of conversations, allowing both Mentor and Mentee to seek advice and guidance from each other. The aim of the programme is to build understanding about the barriers and experiences of people from these groups by connecting some of those employees directly to our Executive Team in order to ensure that they continue to lead the business to become more diverse and inclusive.

Typically each Mentor and Mentee pairing meet around six times – once a month, or with a maximum of six weeks between each session so that momentum is maintained. However, each relationship is different, some may be longer and some may be shorter.

We ensure that both Mentor and Mentee are supported by the Talent and Development Team throughout, and that both understand the boundaries and confidentiality of the mentoring relationship.

By the time both parties agree that they have completed the sessions, they should each take away some valuable insights and developed a fresh perspective. The feedback from the first cohort has been positive, with most agreeing that it has been an important, enriching experience.
Conclusion

The construction and infrastructure sector has always lagged behind on diversity. It is time for it to pick up the pace and turn that around. But diversity on its own is not enough: we know that inclusive behaviours must be hard-wired into our business - and the industry.

Balfour Beatty has put in place a holistic D&I plan including a number of targeted steps which, together, will help us to increase the ethnic diversity of our workforce and indeed its diversity more broadly. We are committed to making a positive change to deliver a more diverse construction industry.

Balfour Beatty is a leading international infrastructure group. Our main geographies are the UK, US and Hong Kong. With 26,000 employees - 15,000 of them based across the UK - Balfour Beatty finances, develops, delivers and maintains the increasingly complex infrastructure that underpins the UK’s daily life, with projects across transportation, power and utility systems, social and commercial buildings.

Over the last 110 years we have created iconic buildings and infrastructure all over the world including the London Olympics’ Aquatic Centre, Hong Kong’s first Zero Carbon building, the National Museum of the Marine Corps in the US and the Channel Tunnel Rail Link.