# Diversity: Brilliant for the construction industry

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ABSTRACT

Projections suggest that the population of the United Kingdom will become more racially diverse. Yet statistics also indicate that, although the make-up of the population is in the process of changing, the construction industry workforce has not changed at the same rate and the industry still bears a ‘white male’ image.

This report presents an investigation, by Sarah Chaudhry, of the representation of black and minority ethnic (BME) people in the construction industry from the 1990s to today. Inspired by the author’s personal experiences as a BME female manager in the construction sector, the report presents the results of a detailed qualitative and quantitative study among a cohort of industry practitioners drawn from the public sector (mainly the social housing sector). The study considered whether inclusion and ethnic diversity really do make good business sense and if they can help to establish a position of competitive advantage.

The overall aim of the research was to determine the prevailing make-up of the industry and to gauge the level of understanding of BME issues. The research considered a number of aspects: barriers; access; progression; leadership; stereotyping; the ‘glass ceiling’; and awareness and understanding of equality legislation and practice.

Inclusion, diversity, equality and respect for human rights are issues that, if abused, can lead to social conflict. The study asked whether multiculturalism and cross-cultural awareness are embraced by the construction industry, or if the age-old issues of discrimination and stereotyping are still present. It also assessed whether individuals and the wider industry understand and are utilising the tools they have been given to drive forward inclusion.

The results show how an inclusive workforce can help the construction industry work within the law; and how first retention and then progression of BME staff leads to a more diverse workforce and customer base while improving customer satisfaction.

Based on the findings of the study, this report sets out how challenging discrimination and stamping out discriminatory practices can enhance the UK’s position in a global market. Aimed at practitioners, construction industry managers, policy-makers and academics, this report raises awareness of the issues facing BME people in the UK construction industry, presents examples of existing good practice, and concludes with a list of recommended actions that could deliver a more inclusive construction industry.

“...although the make-up of the population is in the process of changing, the construction industry workforce has not changed at the same rate and the industry still bears a ‘white male’ image.”
1. INTRODUCTION

1.1 Background

The ease of international travel, plus widespread access to data and global communications technology through the World Wide Web mean that companies, organisations and governments must operate internationally.

Over the past twenty years numerous experts and committees – from Sir Michael Latham’s The Latham Report: Constructing the Team (Latham, 1994) to Lord Leitch’s Prosperity for All in the Global Economy: World Class Skill (Leitch, 2006) – identified the need for the UK construction industry to change and embrace inclusion or risk falling behind other industries and global markets.

Equally, recent statistical projections suggest that the UK will become more racially diverse, which means that both the workforce and customer base will change. Unfortunately, however, statistics also show that although the population is becoming more diverse the construction industry workforce has not changed at the same rate, and bears a ‘white male’ image.

This is nothing new. Although reports in the 1990s on the representation of women in the industry successfully made the business case that equal opportunities policy should be part of corporate strategy (CIB, 1996:63), progress has been very slow. In 1999 the Construction Industry Training Board (CITB) report The Under-Representation of Black and Asian People in Construction (CITB, 1999) argued that construction must follow the lead of other sectors and address the position of BME people in the industry or risk falling behind.

1.2 Inspiration for this study

My personal experience of working as a female BME manager in the construction industry (public sector; social housing) has been mainly positive, but looking around the workplace and wider industry raised a number of questions:

- Although there are BME consultants and contractors in the industry, why are most of the consultants and contractors I deal with white?
- Why does it feel as if our stakeholders are mainly white with strong networks of other similar people – with others on the outside?
- Why is it that when there is an opportunity for leadership roles BME colleagues and students are rarely selected, although they are willing to put themselves forward?
- Why is it that many strategic roles are occupied by white colleagues?
- Why are my BME line reports constantly being criticised as having poor communication skills?
- What makes some high profile BME people change their names (e.g. James Cann from Dragons’ Den, formerly Nazim Khan)?
- Why have some BME seniors I know stayed at the same level for many years, merely moving from business to business?
The aim of the study was therefore to try to answer these questions looking specifically at the UK construction industry. The study began with desk-based research to investigate the extent to which personal experience was reflected in evidence from national statistics and similar resources, followed by a detailed qualitative and quantitative study of peers in the industry.

### 1.3 Data versus perceptions

In 2010, the UK construction industry employed around 2.3 million people (ONS, 2010) covering a wide range of crafts, trades and professions. Some observers considered that the industry has no natural barriers to entry (Johnson, 2002:220), but data paints a very different picture. While people who describe themselves as BME made up around 10% of the total population in 2007 (ONS, 2008:4), data published in 2009 show that only 3.8% of the UK construction industry workforce is drawn from the BME community. This apparent shortfall is significant, but more dramatic when viewed alongside the fact that most BME people in the UK live in England, concentrated in urban centres – which is also where most construction work is to be found. For instance, the 2001 census data show that some 45% of all BME people lived in the London region (ONS, 2011).

The true picture, however, is hard to come by. As early as 1996 the Construction Industry Board (CIB) recommended capturing data on levels of BME employment in the sector (CIB, 1996:63), but more than a decade later the Equality and Human Rights Commission (EHRC) still noted a lack of monitoring in its study *Race Discrimination in the Construction Industry Inquiry Report* (EHRC, 2009a:25), suggesting a lack of commitment within the industry to properly monitor and demonstrate a position on the issue of diversity.

The EHRC report suggests that the presence of BME people may be hidden (e.g. working in low-skilled jobs that are not measured, such as jobs in waste management and site security). Another possibility is that barriers to accessing employment may have forced BME people to set up their own firms or to operate informally.

This theory gains some support from a study by *Training and Built Environment Report 2008*, (ConstructionSkills, 2008), which reported that BME students made up 7% of construction industry trade trainees – closer to the 10% overall population value. Indeed, the ConstructionSkills report hints that the situation might be even better, referring to BME trade trainee levels as high as 12% in geographical regions where the BME community accounts for only 2–3% of the total local population.

The lack of data and anecdotal evidence on BME people in employment in the sector suggests that there is a significant problem of a ‘leaky pipeline’ – a term used to describe a situation where obstacles block the transition from training to work. Gurjao (2009:4) suggested that the profession is not sufficiently attractive to keep BME people in the sector.

Other possible reasons for the relatively low levels of BME employment in the sector include:

- Poor recruitment practices and prevalence of ‘word of mouth’ recruitment, suggesting that unlawful discrimination is taking place
Diversity: Brilliant for the construction industry

- Difficulties gaining access to traditional apprenticeships or work placements because of the ‘who you know’ effect.

There is further evidence that BME people who secure employment in the industry do not progress at the same rate as their white counterparts (Gurjao, 2006:35), resulting in under-representation at middle and senior management level jobs (CABE 2005:6) – a phenomenon known as the ‘glass ceiling’ – thus highlighting a state of inequality.

1.4 Objectives of the study

In view of both research evidence (see 1.3, above) and anecdotal evidence, this study therefore set out to investigate the prevailing employment situation for BME people in the UK, based on the following objectives:

- To assess if there truly is an imbalance in the ethnic make-up of the workforce in the UK construction industry, whether this is due to discrimination, and what impact this has

- To find out what barriers to entry, retention and leadership (including strategic leadership) exist for BME people and the impact of these barriers

- To investigate the concepts of ‘leaky pipeline’, skin stereotypes, and the glass ceiling, and assess their impact on BME people in the UK construction industry

- To gain an understanding of the experiences of BME construction industry workers, and assess the impact of these on business, colleagues and customers

- To identify whether procurement through the Official Journal of the European Union (OJEU) (where public sector contracts over a certain value threshold must be published), has been successful in creating opportunities for BME-led businesses considering, if possible, the impact of this success

- To identify what understanding exists in the UK construction industry of the EHRC’s 2009 Inquiry and the Equality Act 2010, and their impact on business.

This report explains the methods used in the study, outlines the key findings, presents examples of existing good practice, and concludes with a 15-point plan of large and small steps that can deliver a more inclusive construction industry.

“There is further evidence that BME people who secure employment in the industry do not progress at the same rate as their white counterparts.”
2. ABOUT THE STUDY

Definition of BME

Black and minority ethnic (BME) people are those who are: Asian/Asian British, Black/Black British, Chinese, Mixed and Other. (ONS, 2010)

The construction industry is large and diverse, covering the entire country, numerous trades and professions, and many job roles. In order to gain meaningful data in a short space of time and within a very tight budget, the research target group was narrowed to registered social landlords (RSLs) and some of their partners. Operatives and managers in the RSL sector were readily accessible to the author through day-to-day work and study. Fellow MBA students at the College of Estate Management were also invited to participate.

Preparation for the study comprised an extensive literature review, the findings of which underpin this report (see 1.3, Data versus perceptions). The bulk of the study took the form of an online survey1 and follow-up qualitative interviews with a selection of respondents.

Given the nature of the study, and in order to follow best practice for such research, it was important to pay careful attention to the rights and dignity of participants, and to avoid harm to them, operating with honesty and integrity. A standard ethics statement was drafted and used to ensure that survey participants were properly briefed on the purpose of the research, its process and the consequences for them, confirming that their identity would be withheld and offering them the right to withdraw.

Of the 54 questionnaire respondents, 51 (94%) worked in the UK construction industry. Three people stated that they do not work in the industry per se but were working in related managerial positions such as human resources.

Twenty-two questionnaire respondents indicated that they were willing to undergo a further stage of interviewing. Five telephone interviews were undertaken in December 2010.

2.1 The participants

The vast majority of respondents (72%) were from the public sector (RSLs or other public bodies), 11% were contractor/developers, 13% in consultancy/legal work, and 4% from lobby groups and other backgrounds.

Almost half (46%) of respondents worked in development, followed by 11% in commercial, 7% in asset management, 6% enabling, 4% in repairs and 4% in procurement. Just over one-fifth (22%) of respondents worked in other (unspecified) departments.

Respondents worked in the following roles:

- Strategic management positions (director, assistant director, head) (47%)
- Operational management positions (senior manager and manager) (42%)
- Other roles (11%).

1 The survey was facilitated through www.surveymonkey.com
Figure 2.1 shows the length of time respondents have worked in the industry. More than three-quarters of participants had worked in the industry for ten years or more – a good indicator of the quality of the overall responses.

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Response Rate</th>
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<tbody>
<tr>
<td>0-5</td>
<td>11.1%</td>
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<tr>
<td>5-10</td>
<td>18.5%</td>
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<tr>
<td>10-15</td>
<td>20.4%</td>
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<tr>
<td>15-20</td>
<td>13.0%</td>
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<tr>
<td>20-25</td>
<td>16.7%</td>
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<td>25+</td>
<td>20.4%</td>
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Participants were asked to state their ethnicity. Including this question meant it was then possible to compare the responses of the BME respondents with the overall results of the survey.

As Figure 2.2 shows, the BME community was well-represented among respondents (35%) – considerably higher than in the general population. It is also significant that many of the BME respondents had worked in the construction sector for extended periods, lending weight to the views gathered by the questionnaire and follow-up interviews.
3. KEY FINDINGS: DISCRIMINATION AND BARRIERS TO PROGRESS

3.1 Evidence of discrimination

Responses from the whole cohort suggest that discrimination exists, with 38% of all respondents agreeing or tending to agree with the statement “there is a discriminatory state in the construction industry”. However, a similar proportion (40%) had no strong opinion and 22% actively disagreed with the statement. Opinions differ among the BME respondents, where well over half (61%) agree that there is an imbalance or discrimination; while 28% are ambivalent. Only 11% of the BME respondents disagree with the statement.

Respondents were asked in the survey and in the follow-up interviews what they thought was the primary cause of the racial imbalance in the construction sector. Comments range from the uncertain “I have no idea – although construction does tend to be quite traditional” to an interviewee who said:

“There is a real conservatism in construction and nepotism – sons, nephews – finding their way in through word of mouth with no interview, and that tends to be how vacancies get filled and that is difficult to break.”

Figure 3.1 Well over half of the BME respondents tend to agree that discrimination exists in the industry
3.2 Three barriers to BME progress

3.2.1 Stereotyping

Historically, stereotyping meant that skin colour would decide people’s place in society. In the context of the construction industry, studies suggest that BME children growing up in the UK in the 1970s suffered the ‘under-expectation’ effect, whereby teachers were quoted as dissuading pupils from certain careers as it was perceived that BME students were aiming too high (Rider, 1998:1).

It is possible that this has carried forward to BME workers today. Certainly, there is a feeling that those at the top of organisations do not want change and resist it; therefore barriers to entry, progression, retention and leadership for BME people will never be broken (CABE, 2005:3).

There is also the issue of unintended or intentional racism, notably through workplace ‘banter’ and jokes which are regarded by many as being part and parcel of the accepted culture of the industry (EHRC, 2009a:66).

There is evidence that BME-led organisations have more BME staff and service users than non-BME organisations and may be more inclusive in terms of their recruitment policies (Flynn, 2007:2).

Among respondents in this study, 38% say their organisation has systems in place to deal with stereotyping, including: legislation/regulation/contracts (21%); positive action (17%); and recruitment procedures (13%).

In the context of current legislation (see 4.2 Equality Act) it is particularly interesting to note that 70% of all respondents say their organisations have systems in place to support BME people who are facing direct or indirect discrimination (around a quarter of these respondents cite their organisation’s equality and diversity policy).

When probed for further details during the interview stage, some pertinent examples of stereotyping emerged:

“Ten to fifteen years ago, when applying for work I was dismissed very quickly for using my ethnic name but if I used the name Mark that was OK. … Second-degree stereotype does exist but you need to show you can be part of the community in which you operate.”

“It’s more difficult [for me] as a BME [manager] to deal with some of the BME [staff], actually, as they tend to stereotype you with some sort of snobbery going on.”

Stereotyping takes place on all sides. BME people viewed construction as relatively low status with hard and inflexible working conditions, and with a prevalence of the stereotyped ‘white male’ building site worker (EHRC, 2009a:7). Construction may also be viewed by BME people as an inappropriate profession for women (CABE, 2005:38).
3.2.2 Leaky pipeline

Opinions on the ‘leaky pipeline’ problem varied:

“It’s easier to find BME numbers in the lower chain than in the higher chain. It’s sort of like the old boys’ club; management teams are appointed by a select number of people in industry.”

“I did not notice a BME problem at all; good people are promoted, others stay behind regardless skin colour.”

But even with these initiatives in place, interviewees said:

“Based on personal experience – I went to university and did estate management – I tried to get into consultancy and struggled and ended up doing building surveying. You go through five years of university, studying your Masters. I know people who studied with me and have not worked in the construction industry for one day.”

“It’s not just a BME issue in the current climate; it's an issue for all.”

Over half of the respondents (61%) said their organisations have systems in place to address the leaky pipeline, the top three initiatives being:

- Student work-placement/apprenticeships (28%)
- Positive action (24%)
- Legislation/regulation/contracts (24%).

Other systems include: benchmarking and learning from other professions that attract BME staff; using a ‘Respecting people’ toolkit; volunteering/job share/secondments; and providing training in language and presentation skills for BME staff.

Almost a quarter of respondents have systems in place at work to support BME staff who show leadership potential, as shown in Figure 3.2 overleaf.

One pertinent comment from a respondent, not mentioned in the strategies listed above, is that it can help BME staff if they are recruited in pairs. Another respondent suggested that a BME construction group in which to network would be useful, and mentioned the Network for Black Professionals (NBP) that works well in the further education sector (see Case study).

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Case study: Network for Black Professionals

The Network for Black Professionals (NBP) was set up to address the under-representation of black staff in the further education sector, particularly the small numbers of managers, senior staff and principals. The aim of the NBP is to raise awareness of race equality issues in the learning and skills sector and to develop and support measures that raise the number of black staff at all levels in the education sector and positively influence the experience of learners.

It is responsible for the Black Leadership Initiative which has pioneered the development of a progressive approach to the career development of BME staff working in the learning and skills sector through mentoring, work shadowing and secondments. Its website (www.nbp.org.uk) lists job opportunities, networking events and awards.

Over 100 colleges and other bodies in the sector are currently affiliated to the NBP and there is an individual membership of over 800 BME tutors and managers working in the sector.
3.2.3 Glass ceiling

The survey and follow-up interviews did not set out to gather specific evidence for the existence of a ‘glass ceiling’, but it is worth noting that an analysis of respondents’ job roles reflects the general situation for the UK industry overall. While just under half of all BME respondents occupy managerial and lower grade jobs, the statistical data from the survey suggest a glass ceiling, even among this relatively small cohort: only 8% of BME respondents occupy senior roles (department head and above).

![Figure 3.3 A comparison of respondents’ job roles](image-url)
4. KEY FINDINGS: MEASURES TO ENCOURAGE DIVERSITY

Respondents were asked whether their organisations have systems in place to promote BME inclusion on projects: 48% said yes, 24% did not know and 28% said no. The initiatives that were in place included:

- Asking contractors to show commitment through policy and an annual diversity profiling of their workforce
- Local labour initiatives
- Monitoring contractor workforce against clients’ customer base.

They were also asked whether their organisations had additional systems in place which were specifically designed to facilitate awarding contracts to BME lead firms (i.e. positive discrimination). Most organisations did not (67%), and only 6% definitely did (the remaining 27% did not know). This answer is in line with general attitudes to procurement, which were neatly summarised by one respondent:

“Procurement is meant to be fair and equal. To provide additional support to any company goes against procurement principles. It should not be a tick-box exercise. The company most suitable for the work should be the company awarded the work.”

4.1 Procurement through the OJEU

There are, however, legitimate routes to help businesses that are at a perceived disadvantage. One of these is the OJEU, which is intended to ensure a level playing field for procurement across the EU.

The implementation of the EU Procurement Directives in the UK means that public sector procurement of large contracts must be advertised through the OJEU. One of the underlying principles of the Directives is that all public expenditure should be carried out in a way that ensures equal treatment (non-discrimination/fairness), i.e. all potential and actual tenderers should be treated in the same way.

Given that the public sector is an important construction industry buyer, this represents a significant opportunity to influence change. However, the bureaucracy of the procurement process has been criticised for creating a barrier for small/micro BME firms, where internal resources are limited and management approaches informal. There were further problems for these firms, such as ensuring value-for-money services and their ability to delivery on time (Smallbone et al, 2008:14). This correlates with the author’s own experience of working in a public sector organisation where there is very little BME representation among the framework contractors and consultants.
The participants in the current study confirmed the problems with the OJEU process. Of the total cohort, 42% agreed that the OJEU had been unsuccessful in increasing the number of contracts awarded to BME companies; 15% disagreed. The remaining 43% did not know.

One interviewee commented:

“... It does not really work for BME firms, as the reality is people stick to people that they know.... OJEU procurement has not created a level playing field. The process does not test the ability to do the job, but instead tests the ability to do forms and to network to win work.”

**Case study: Westminster Business Council (WBC)**

Westminster Business Council (trading as WBC) is a membership-only organisation, open to all businesses in the City of Westminster (London) with a mandate to help Westminster businesses grow. The initiative is supported by a corporate sponsor and Westminster City Council. It offers mentoring programmes, free training, networking events and seminars to show members how to bid and win business, including some specifically for BME businesses.

One interviewee in the study reported that, as a direct result of attending an event called ‘Westminster Meet the Buyer’, his small BME architectural practice won work worth over £500,000 in additional turnover in two years, enabling them to build ongoing relationships with two sponsors who work directly with Westminster City Council.

The WBC model is similar to the London Equal Opportunities Federation, which helps small BME firms to get onto approved lists.
4.2 Equality Act 2010

More recently, another major policy tool was introduced in the UK to help eliminate unlawful discrimination, promote equality of opportunity, and foster good working relationships is the Equality Act 2010.

The Act introduced new powers that enable public bodies to use procurement to drive equality (EHRC, 2009b:14). The Act also included an important new provision: the ability to hold public bodies accountable for discrimination by a partner.

At the time of the study, this Act had been recently introduced, so there was little information available on how the industry was responding. However, the study asked participants about their awareness of both the Act and the EHRC racial discrimination inquiry which was conducted in 2009.

Only 14% knew of the EHRC 2009 inquiry.

Probed further, interviewees commented:

“At board level it has not really come up. No one has said ‘because of this inquiry we need to do this or that’.

“The risk at the moment is that the equality and diversity stuff will be seen as a luxury and it is in danger of slipping further and further down the agenda.”

Respondents were informed that the Equality Act 2010 introduced new powers which allowed ‘public bodies’ to use procurement to drive equality, and asked whether they were aware of this power. Respondents were then told that the requirements of the Equality Act 2010 meant that if a public body was contracting with a firm that was found to be acting in a discriminatory way, the public body could be held accountable. They were then asked whether they were aware of this and whether their organisation had systems in place to safeguard it from prosecution. The responses are shown in Figures 4.1 and 4.2.

Figure 4.1 Only 10% of respondents were familiar with the powers of the Equality Act 2010

Figure 4.2 A higher proportion of respondents (35%) stated that their organisations do have safeguards in place
Although the very low level of awareness of the Equality Act 2010 may appear shocking, given the context of the study, it is likely that many of the respondents occupy job roles that do not require them to be aware of these rules.

Of greater significance is the fact that 13% of respondents appear to confidently report that their organisations have no safeguards in place, and a further 62% do not know whether safeguards exist.
5. KEY FINDINGS: THE BUSINESS BENEFITS OF EQUALITY

Respondents to the survey expressed concern that the economic downturn could lead to equality and diversity slipping down the agenda. This could result in lower levels of commitment to reversing the under-representation of BME people – something the industry has taken over twenty years to start to address, with some way still to go.

Asked to vote for a list of influences that drive UK construction industry employers to address the BME issue, the five most popular were:

- Legislation (70%)
- Skills base (57%)
- Regulators (44%) and corporate social responsibility (CSR) (44%)
- Customers (31%)
- Leaders (25%).

But one survey response pinpointed the critical issue:

“The construction industry is driven by profit. They will only address the issue of BME people in their workforce if it will positively impact upon profit.”

This suggests that the crucial factor to be stressed in future actions to address diversity is the impact on business competitiveness. But even among the cohort of experienced construction industry practitioners who participated in the survey there was a lack of clarity about the benefits of increasing diversity within the sector.

5.1 Stressing the benefits

While just over two-fifths (41%) of respondents said yes, improving diversity would deliver a competitive advantage, an equal number answered “Don’t know” and the rest disagreed with the statement.

Comments from interviewees were predominantly convinced of the benefits of diversity, citing examples from their own experiences:

“We deliver services in north Manchester, Burnley and Blackburn – areas where there is a high BME population, but we’re based in Merseyside where there is not a high BME population and therefore our workforce is mainly white male. I feel we need to have a BME workforce to be representative of our client group in some areas and the statement of competitive advantage is absolutely right. Having a BME workforce can make your services more attractive to service users. This includes a better mix of women. People are diverse and need to understand the needs of our customers.”

“If we have a more diverse workforce we will have better ideas. If we don’t innovate we won’t be forward looking. This is about the team coming together, … working together with different perspectives, and it’s got to be positive.”

“From a customer’s perspective a diverse workforce can be positive, allowing tailored services.”
5.2 Breaking down the barriers

When asked to identify the barriers that prevent BME people entering or staying in the construction industry, respondents identified three main barriers:

- The image of construction (18%)
- Lack of work-related training/apprenticeships for BME people (16%)
- Individual choice (14%).

Other barriers include lack of BME peers, nepotism, career-path issues and competitiveness.

A case study from another industry sector, identified during the study, suggests a way to combat the industry’s poor image among the BME community.

**Case study: Embracing diversity: a good practice guide**

One interviewee described their company’s publication Embracing diversity: a good practice guide, which uses case studies to show practical ways that RSLs have addressed diversity issues. The guide demonstrates that additional funding and dedicated resources are not always necessary to provide opportunities or a sensitive responsive and accessible service.

Examples of simple-to-implement and cost-effective initiatives that help to raise and improve customer service include:

- Using contractors to build diversity profiles of customers (to help tailor services to meet customer needs)
- Using standardised translation cards to improve communications
- Providing contractors with equality and diversity training
- Utilising a diverse workforce to tailor the design of new homes for use by diverse communities, resulting in high demand.
Case study: Mission MERLIN

Mission MERLIN is a ‘business in the community’ programme that encourages BME professionals to help raise the achievement and aspirations of young people of similar backgrounds.

MERLIN recruits professional volunteers who visit schools as inspirational examples for young people.

In addition to the important function of nurturing current and future talent, the businesses that allow employees to volunteer also benefit because it may:

→ Improve their public image on diversity
→ Increase employee commitment and motivation
→ Enhance the skill of the volunteer employee
→ Improve levels of recruitment and retention of BME staff.

Participation in Mission MERLIN provides a practical way for the company to invest in communities and support the development of current and future talent, increasing the attraction among young people of the business or industry. It also enables businesses to link with other MERLIN members from key UK businesses.
6. CONCLUSION AND RECOMMENDATIONS

The findings of the study – including the desk research, survey and interviews – suggest that over the past twenty years the construction industry has begun to implement the recommendations made by Sir Michael Latham (Latham, 1994). There is evidence that BME people are entering the sector, becoming articulate, and progressing. A significant proportion of respondents feel that the industry is relatively fair and rewards people on merit.

However, all of the results set out in this report have to be viewed in the context of the cohort, which comprised MBA students and construction industry practitioners who predominantly work for RSLs and partner organisations. The issues raised in this report should therefore be investigated again – focusing on the private sector – so that conclusions can be drawn for the UK construction industry as a whole.

Although the BME workforce in the construction-related public sector is growing in size, some 38% of all respondents felt there was still discrimination against BME people and, more significantly, over half (51%) of all the BME respondents stated that BME discrimination exists, suggesting a deeper problem. In particular, there are too few BME people occupying senior roles in the industry.

There are two primary drivers for BME inclusion:

- An inclusive workforce means businesses in the UK are working within UK law
- An inclusive workforce better represents the client base and can help to meet the needs of diverse client groups.

The risks of failing to improve diversity include:

- The risk of expensive legal action and loss of reputation, should the issue of discrimination be identified and made public
- The risk of legal action (and all its consequences) for failing to operate within UK law
- The risk of loss of business to competitors.

Addressing the issue of direct/indirect discrimination towards the BME community will enable the industry to move closer to that segment of the UK population which is set to increase, and which is likely to be a source of significant future revenue.

This small study has also identified problems of recruitment and retention within the industry (the ‘white male’ image, the leaky pipeline, stereotyping and nepotism) and the significant glass ceiling which is preventing BME people reaching their full potential.

According to the participants in this study, statutory measures that are designed to help improve access to opportunities from all sectors of society – such as the Equality Act 2010 and the EU procurement rules (OJEU) – had, at the time of this study, failed to make an impact on BME-led businesses.

However, it is important to note that several respondents acknowledged that, during the economic downturn, barriers are affecting everyone. It is also worth noting that respondents and interviewees mentioned that, compared internationally, the UK does well in terms of diversity.

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- The risk of expensive legal action and loss of reputation, should the issue of discrimination be identified and made public
- The risk of legal action (and all its consequences) for failing to operate within UK law
- The risk of loss of business to competitors.

Addressing the issue of direct/indirect discrimination towards the BME community will enable the industry to move closer to that segment of the UK population which is set to increase, and which is likely to be a source of significant future revenue.

This small study has also identified problems of recruitment and retention within the industry (the ‘white male’ image, the leaky pipeline, stereotyping and nepotism) and the significant glass ceiling which is preventing BME people reaching their full potential.

According to the participants in this study, statutory measures that are designed to help improve access to opportunities from all sectors of society – such as the Equality Act 2010 and the EU procurement rules (OJEU) – had, at the time of this study, failed to make an impact on BME-led businesses.

However, it is important to note that several respondents acknowledged that, during the economic downturn, barriers are affecting everyone. It is also worth noting that respondents and interviewees mentioned that, compared internationally, the UK does well in terms of diversity.
Dealing with stereotyping and the enforcement of legal rights could lead to change in the industry, although the road to change is rarely easy. But it is a journey well worth taking. Creating a construction industry of choice among BME people, facilitating recruitment from the most skilled and talented, enabling cross-cultural awareness and opening access to new opportunities on a global platform could significantly increase industry revenue.

Fundamentally though, whatever the business benefits, all cases of inequality should be challenged and everyone should be encouraged to enforce their legal rights.

**Recommendations**

- Communicate the importance of equality and diversity, making sure the issue does not slip down the industry’s agenda, and promote the benefits of inclusion which will lead to ongoing improvements in the industry.

- Develop equal opportunities and equality and diversity policies to ensure that, at an operational level, organisations work within UK law.

- Use models such as that developed by Geert Hofstede (Hofstede, 2011) to understand cultural difference and raise cultural awareness, creating an inclusive workplace that is able to operate both nationally and internationally.

- Promote BME role models to encourage BME interest in the sector and to increase the number of BME lead firms (which have been proven to attract a higher BME workforce and customer base), and to improve customer satisfaction.

- Deal with the industry’s image issues.

- Where possible, seek government grants to help create opportunities for student work placements including BME students.

- Improve recruitment practices to allow fair and equal access, creating opportunities for support (e.g. recruiting people in pairs) and help individuals to join and settle in successfully, to enhance retention.

- Provide support and training to all employees who show leadership potential, assisting BME people into leadership roles as well as other people who show potential.

- Develop a performance management and appraisal system to help managers monitor performance and combat issues quickly, improving job satisfaction among employees.

- Investigate the ‘glass ceiling’, in particular to consider why there is a disproportionately high number of BME people concentrated in general management and lower grade jobs.

- Raise awareness of the EHRC’s Inquiry and Action Plan, which will help industry to understand the drivers behind the Equality Act 2010 and enable industry to realise the intended benefits of legislative intervention.

- Investigate what support can legally be provided to BME firms who may wish to bid for public sector OJEU-advertised projects,
thus facilitating the process of awarding contracts to BME firms and delivering the business benefits of inclusion.

- Establish, through a leading construction industry organisation, a BME approved contractor and consultant list to build capacity among these individuals and companies.
- Create a BME construction group for networking, development, sharing ideas and learning lessons, potentially leading to the formation of a group of BME firms that could work together and develop their services.
- Create opportunities that enable partner contractors and consultants to access equality and diversity training, helping to manage the risk of being held liable under the Equality Act 2010 for discrimination by a third-party partner organisation.
- Develop policies and processes to facilitate BME inclusion on projects, improving access by BME people to employment and training with partner organisations.

REFERENCES


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**ABOUT THE AUTHOR**

Sarah Chaudhry started working at 16, securing her first role in the property and real estate sector at the age of 21 – as Estate Assistant for the William Sutton Housing Trust (now Affinity Sutton). That first role was pivotal, because 20 years later she is still enjoying her career in housing, property and construction. She is currently head of a strategic property team working for the London Borough of Brent.

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