

Balfour Beatty Developing an LGBT Network

BACKGROUND

Balfour Beatty is an international Infrastructure group, founded in 1909. It is now a public limited company and is headquartered in the UK. The group employs around 36,000 people and its revenue (turnover) is over £8bn per annum.

Employee (or “affinity”) networks are built by staff, for staff, within an employer organisation and run on a voluntary basis. Within Balfour Beatty they:

- Are a formal mechanism to network, share information and gain support
- Improve individual and organisational understanding of diversity
- Facilitate communication between organisation and its employees
- Are led by employee chair(s) with an Executive sponsor
- Have a programme supported by “allies”; who sign a pledge of support and challenge actions contrary to diversity and inclusion (D&I) culture
- Are considered hugely valuable

This case study is about the establishment and impact of a Balfour Beatty affinity network for lesbian, gay, bisexual and transgender (LGBT) people and their allies.

WHY SUPPORT AN LGBT AFFINITY NETWORK?

- ✓ **To manage “people” risk**

This risk is described in the company’s Annual Report 2014:

<i>Principle business risk</i>	People
<i>Risk description</i>	Inability to recruit and retain the best management and employees who have the appropriate competencies and also share Company values and behaviours may hamper the Group’s growth prospects.
<i>How the risk may manifest itself</i>	<ul style="list-style-type: none"> ➤ Failure to attract and retain skilled staff ➤ Distraction and impact on morale of change programmes and continued operational issues ➤ Inability to successfully promote the right people through succession planning ➤ Commercial and project management quality/performance ➤ New staff unfamiliar with culture and procedures ➤ Lack of a diverse workforce ➤ Bullying and harassment ➤ Loss of former staff with traditional bidding and execution skills
<i>What impact it might have</i>	Failure to recruit and retain appropriately skilled people could harm the Group’s ability to win or perform specific contracts and grow its business.

An illustration of this is within the Major Projects division; around 400 roles need to be filled over the next 18 months, more than 30% of the workforce will retire by 2030 and there are competing demands for resources from major projects (e.g. Wylfa, High Speed 2).

It is a risk that is applicable across the UK's Infrastructure sector. There is a labour demand of 19,000 jobs in nuclear by 2023 and a fundamental shortage of skills to meet the UK's 21st century infrastructure plan.

The market for talent is becoming increasingly competitive. Expanding the talent pool is a business imperative for Balfour Beatty.

- ✓ Balfour Beatty wants to become an “employer of choice” so that it can **attract and retain a workforce that reflects our increasingly diverse society** which is representative of customers, so that teams are of mixed sexual orientation, gender, ethnicity, physical ability and age. Individuals with differing perspectives support innovation and challenge thinking to improve the business and the industry. They offer a variety of viewpoints and a wider range of experience, which improves decision-making, problem-solving and risk management. This includes, crucially for the infrastructure sector, improving safety.
- ✓ Balfour Beatty wants to create a more **inclusive culture** as this helps the business continue to grow as a strong, dynamic and innovative organisation. Research from Stonewall corroborates the findings of many other studies, that inclusive cultures are more productive. McKinsey & Co found that gender diverse companies outperform in return on equity, and ethnically diverse companies' financial returns are 35% more likely to exceed industry medians (2015).
- ✓ To **tackle specific challenges faced by LGBT people** in the workplace. A 2015 study¹ found that, in construction:
 - a. More than 80% of gay men and women in certain parts of the country hear homophobic comments
 - b. Just 14% of gay employees said they would be open about their sexuality on site, with less than half of all gay employees saying they would trust their line managers to handle sexual orientation issues.
 - c. Only one in ten would recommend the construction industry as a great place to work for gay men and women
 - d. No Construction companies appear on Stonewall's annual Workplace Equality Index

BENEFIT REALISED

¹ <http://www.architectsjournal.co.uk/home/survey-results-homophobia-remains-rife-in-construction-industry/8687957.fullarticle?platform=hootsuite>

- ✓ Employee surveys demonstrate increased engagement across the business, which is beneficial for employee and employer²
- ✓ Balfour Beatty's three openly transgender staff members have been retained and supported
- ✓ Balfour Beatty's reputation has been enhanced by:
 - Being the first Infrastructure company to become a member of the OUTstanding LGBT professional network
 - Being represented, by General Counsel Matt Flood, in the Financial Times Top 100 LGBT Business leaders list 2014 and Christina Riley in the OUTstanding's top 30 future leaders list of 2015
 - Receiving the CECA award for Inspiring Change in the workplace 2016
 - Positive news and social media coverage from participation in events such as London Pride, Stonewall's "Building an Inclusive Environment "Industry Seminar.
 - Sharing best practice on LGBT toolbox talks through the Considerate Constructors Hub
- ✓ Anecdotally, Balfour Beatty perceive that it is:
 - Moving towards its vision of being an "employer of choice"
 - Increasing the diversity of applicants for jobs and of its workforceThis is anticipated to be evidenced in future data trends.



² <http://www.cipd.co.uk/hr-resources/factsheets/employee-engagement.aspx>

EVIDENCE OF IMPACT

"I attended the launch of the Balfour Beatty LGBT network in March 2014.

I had been living as transgender in my private life for over 10 years. But I never knew how I could come out as a transgender female in the construction industry. At the LGBT network launch event I felt comfortable and confident and came out to my Human Resources Director. That changed my whole future. It gave me the ability to be who I am today. I've achieved much more in work and life since I came out as my authentic self.

Now through LGBT networking I often meet people who are terrified of being out at work in construction and engineering. That's really sad. We must create and establish a culture where your gender identity or sexual orientation isn't an issue and what matters is what you can bring to your business"

Christina Riley, Senior Planner, Balfour Beatty Construction Services UK & Co-Chair Balfour Beatty LGBT Network

"My transgender status was never an issue throughout the recruitment process and at work, I felt that the organisation were fully accepting and still feel that today.

Prior to joining I found that Balfour Beatty had an established LGBT Network and other Transgender members of staff who contacted me before I started"

Amanda McKay, Nuclear Quality Director, Balfour Beatty Construction Services UK

Amanda's experiences before joining Balfour Beatty in 2015, were not so positive. She had been working for a company in the utilities sector at the time she transitioned and recounts of this time:

"Whilst my employer had appeared supportive, it became apparent that this was driven by legal compliance. Career progression stopped and a glass ceiling developed. Even sideways moves were blocked.

I found when looking to change employers my CV didn't open doors as easily as it had prior to transition. Some employers were quite transphobic at interview stage, some agencies would not take me onto their books. Some of my pre-transition fears were being realised.

Despite some setbacks in looking for a new job, I did find some employers and agencies very receptive and who were enlightened enough to look at the person and capability.

A year on from joining Balfour Beatty, Amanda reflects that:

"Being transgender at work is, as it should be, nothing exceptional and normal. Prior to transition I really had no idea what the future would hold for me, this was a real blocker to transition.

Working with a supportive employer has been an uplifting experience. Transition has actually increased my confidence and my drive to succeed; it has helped me to overcome a lot of personal and professional barriers."

WHAT BALFOUR BEATTY HAS DONE

The LGBT network is one of five Balfour Beatty affinity networks, with others addressing 'women in business', 'multi-cultural', 'ability' and 'generational issues'. Information about all five groups is disseminated around the business. For example the group CEO has authored an article about all the affinity networks that was circulated around all staff.

Balfour Beatty's LGBT Network was founded in February 2014, within the investment division of the company, by the division's then General Counsel, Matt Flood (an out, gay man) and Group chairman, Steve Marshall.

In March 2014, the network was launched across the business, with a group wide webinar. This was followed up with an evening event with Lord Browne of Madingley, former CEO of BP.

In December 2014 Matt Flood, General Counsel left the business and Christina Riley took the network Chair. Christina is a Senior Planner within Construction Services UK.

The new Chair spent 5 months working out who else in the business wanted to help, and how. The network now has:

- ✓ 3 rotating co-Chairs (Christina Riley , Rose Donagey & Leigh Tomlinson) who share the workload and offer the benefit of diverse backgrounds and perspectives
- ✓ A further 10 plus committee members, including regional representatives for the USA, Scotland, London, north and south of England
- ✓ Around 100 members and growing , including LGBT people and their friends and allies
- ✓ A Board level sponsor, the Group Head of Communications and Investor Relations Giles Croot
- ✓ Defined governance , objectives and procedures

From the company's employee engagement survey, the network knows that the business has more LGBT employees than it has members and so is keen to involve & recruit more people in the business.

The LGBT network champions the idea of creating an open and inclusive culture is a win-win for everyone because:

- Everyone is most happy and able to do the best job we can when we can be ourselves at work; if we must consciously hide any part of ourselves or our lives then we can't be fully engaged at work
- Homophobic and transphobic language and behaviour causes anxiety, to LGBT people and others
- Talented LGBT people will be attracted to work in open cultures and will remain working in them

The network works to create that open culture by:

- Supporting LGBT people, their friends and allies within Balfour Beatty.
- Working with clients, partners and supply chain members to improve their cultures
- Providing a public 'face' for LGBT people in Balfour Beatty and in construction and engineering.
- Implementing an internal and external communications plan for LGBT Network visibility
- Benchmarking company performance against the Stonewall Workplace Equality Index
- On occasion, the Chairs of the network have reached out to welcome new staff members, where they are openly LGBT, through being visible at divisional Induction days.

For example, members of the LGBT network have:

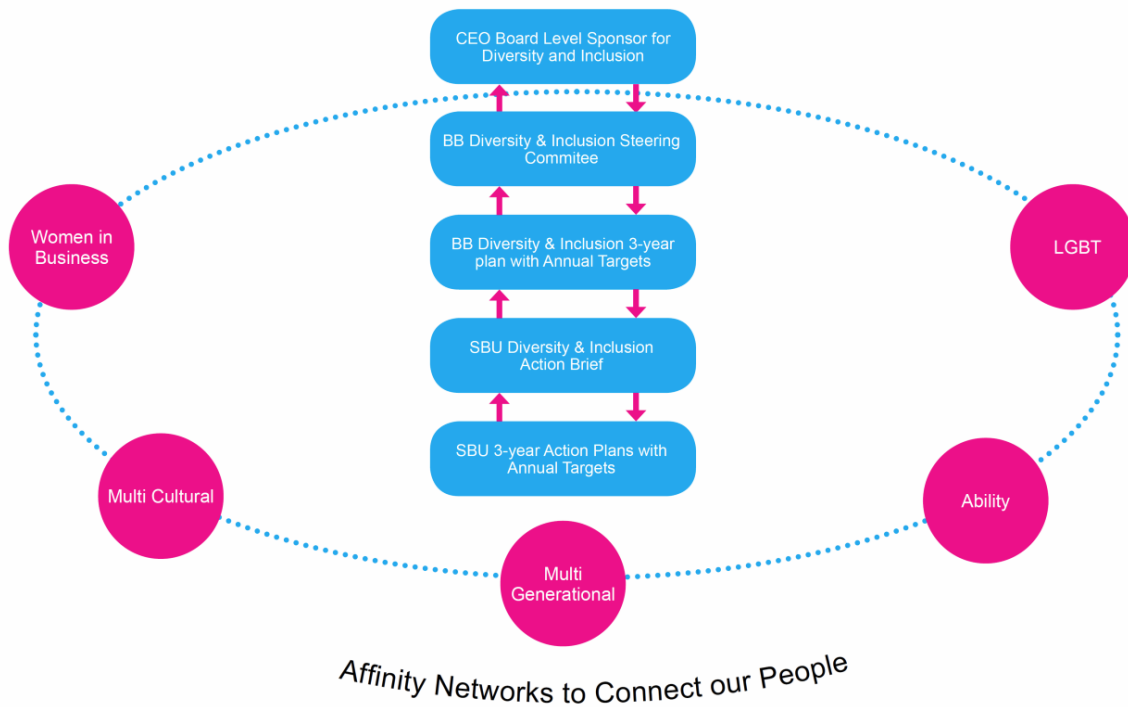
- ✓ Developed Diversity & LGBT Toolbox Talks, and delivered them to staff (operatives to senior managers), supply chain and clients on several major projects including Swan Pool Leisure Centre near Aylesbury, Citizen M Hotel in Tower Hill, London and Highways England's M3 project. The Toolbox Talks are based around a power point presentation and address issues such as inappropriate language, mental health support, how to join networks and the work of the Stonewall Diversity Champions programme.
- ✓ "Reverse mentored" senior leaders
- ✓ Ensured Internal Communications promote the visibility of LGBT Role Models in the business
- ✓ Organised "drop in, coffee and chat" sessions at different Balfour Beatty offices, for people to meet and talk with network members
- ✓ Collaborated with LGBT networks at other firms including ARUP, Lend Lease, Amec Foster Wheeler, EDF Energy and the Environment Agency
- ✓ Collaborated with key clients including Crossrail, National Grid, Thames Tideway, HS2 and Highways England.
- ✓ Made presentations and participated in panel discussions at the Stonewall "Building an Inclusive Environment" seminar and the InterEngineering EDF event in liaison with Bristol Pride.
- ✓ Established partnerships with Industry networks (Off Site, Building Equality and InterEngineering) and other diversity groups (e.g. Women in Construction, Black Pride).
- ✓ Raised awareness of mental health in the workplace and LGBT support through charity fund raising events including the Stonewall Equality Walk and the Deloitte Ride across Britain.
- ✓ Attended The Student Pride recruitment fair with the Building Equality group, to raise the visibility of Construction to LGBT students
- ✓ Taken part in events such as London Pride 2015 & Black Pride 2015 and 2016. The Observer newspaper and New Civil Engineer both reported on the Network's 'Equality in Construction' banner and these reports were shared with all employees via the intranet and digital newsletter
- ✓ Sponsored InterEngineering to attend their first London Pride.

- ✓ Published articles in Construction News on the importance of leadership in LGBT diversity.



Two related developments have been taking place in Balfour Beatty, supporting the culture-change advocated by the LGBT network:

- Human Resources teams have consciously identified skilled LGBT people as a 'target' market when seeking to attract new recruits, and worked to address any potential issues of unconscious (or conscious) bias against them in selection and recruitment
- A refreshed approach to diversity and inclusion governance, including:
 - Establishment of a core business value of 'respect'
 - Creation of a Diversity and Inclusion Steering Group (DISG), of which the Group CEO Leo Quinn is the sponsor
 - Implementation of a Diversity Communications Plan, including internal diversity awareness campaigns
 - Creation, in 2013, of a three year 'Diversity Blueprint' strategy. This has annual SMART targets linked with Balfour Beatty's business plan and Group-wide metrics. For example, around the percentage of women in the workforce
 - Plugging diversity considerations into the group People Strategy, including group talent management activities and leadership development programmes
 - Increasing measurement around recruitment trends and time-bound targets
 - Encouraging better data collection. For example, the 2015 Annual Employee Survey was redesigned to capture more data on diversity
 - Balfour Beatty became a Stonewall Diversity Champion in 2014



LEADERSHIP

Group Head of Communications and Investor Relations, Giles Croot, is the Board level sponsor of the LGBT network. Giles brings particular knowledge of the operation and impact of affinity networks from his previous role at Barclays Bank.

Balfour Beatty group CEO Leo Quinn provides visible leadership for diversity. He sponsors the Diversity Steering Group (DISG), which is a diverse, senior team implementing Balfour Beatty’s ‘Diversity Blueprint’ strategy, supported by Group-wide metrics.

INVESTMENT

There is a budget associated with implementation of the DISG’s “Diversity Blueprint” strategy and for the activities of the five affinity networks, including the LGBT network.

There are no individuals specifically employed to run the LGBT network; people from across the business spend elements of their time doing so whilst they are employed to work in specific roles (e.g. on specific projects, HR, communications)

GREATEST CHALLENGES & OVERCOMING THEM

The industry’s current low level of diversity results in workplace perceptions, simply perpetuate the problem. Balfour Beatty CEO Leo Quinn is working to break this cycle by championing diversity within the business and at industry and government level.

As the profile of Balfour Beatty's LGBT network has grown, so have requests to the network Chair(s) to participate in external meetings and events. It can be challenging for volunteers with "real" day jobs to balance such heavy demands on their time. This has been addressed by:

- Having three co-Chairs, to share the workload
- Line managers supporting flexible working arrangements

There are elements of prejudice about LGBT issues and people. These soften as people become more used to working alongside out LGBT. There is a virtual circle in other industries (e.g. creative sector); the more people who are out, the easier the culture becomes for others to be.

TIPS

Strategic

- ✓ Clear and unequivocal leadership, advocating diversity overall and the LGBT network specifically, is invaluable in raising profile and silencing / winning over critics
- ✓ Allocating some resources – cash and/or in-kind – to support network activities enables progress to be made more quickly
- ✓ Benchmarking against other companies who are perceived as leaders in diversity (e.g. by working with Stonewall) is useful in understanding current business diversity maturity level and then determining diversity USP (unique selling point), objectives and SMART targets
- ✓ Be open to discussing Lesbian, Gay, Bisexual, Transgender inclusion as well as staff who may identify as Non Binary in their gender or gender fluid. Make sure that staffs who are Intersex are fully part of the diversity agenda.

Tactical

- ✓ Connect with industry-wide LGBT networks, such as OUTstanding³, InterEngineering⁴, Off Site⁵ (the LGBT Construction & Infrastructure Network) and #buildingequality for support and advice
- ✓ Talk to LGBT networks within other businesses and learn from their experience
- ✓ Communicate the existence of the network, and how to join it, regularly, around the business
- ✓ Invite *all* staff including allies to join; networks are about inclusion
- ✓ LGBT people are all different and have different needs; tailor support and activity accordingly
- ✓ Find ways to make your network accessible to all staff, however remote or temporary the sites and offices they are working in
- ✓ Find synergy with the other affinity groups, collaborate and share best practice.

External guidance and advice

- ✓ "Five ways construction firms can bolster LGBT inclusion", Mott MacDonald
- ✓ "How to set up an employee network" UK civil service

³ <https://www.out-standing.org/>

⁴ <http://www.interengineeringlgbt.com/>

⁵ <http://www.pinsentmasons.com/en/about-us/starfish/our-people/lgbt-construction-infrastructure-network/>

- ✓ “Networks Guidance” NHS Employers
- ✓ “Maintaining network group momentum; supporting lesbian, gay and bisexual employees”, Stonewall

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