ETHICAL AND SUSTAINABLE EMPLOYMENT IN CONSTRUCTION: THE CASE OF BLACK AND MINORITY ETHNICS’ (BME’S) ENGAGEMENT

PAUL MISRA
VIAN AHMED
The University of Salford, Salford.
United Kingdom.
p.missa@edu.salford.ac.uk and v.ahmed@salford.ac.uk

Abstract
The instability of employment resulting from fluctuations in demand and the widespread use of contracting systems poses major problems of attractiveness to the construction industry. This practice has considerable negative impact on the industry. Therefore, as much needed investment is cut from training in the sector, the issue of skills shortages can be very devastating in the event of an upturn which is indeed certain. Consequently, it is anticipated that the construction industry should look to expand its recruitment base to become progressively multicultural and reflect the diversity of the population. As a result, this review of literature on the sustainable aspects of increasing the engagement of the BME population who, hitherto, have been underrepresented aims to highlight the situation. It is worth noting that the white population has been seen to be aging while BMEs have quite a younger age profile making it sustainably intelligent to proportionally engage them for the future of the industry. Furthermore, it is ethically prudent to involve the sections of the population whose involvement has, until now, been very minimal. It is probably, for instance, a recipe for bitterness and resentment where religion becomes a tool for marginalisation in the industry.

Keywords: BME, ethical, sustainable, diversity and employment.

Introduction
Demographic changes have resulted in societies becoming more and more ethnically diverse and as a result organizations around the world cannot afford monolithic blocks of workforce and still compete on the global scene. Therefore, an unparalleled impetus for a relatively large number of studies on the effects of diversity at work has been created and the construction industry is no exception. The need for the inclusion of minorities for the industry to be representative of the larger population is, in effect, paramount and has been covered in several studies (Caplan et al, 2009; Ahmed et al, 2008; Caplan and Gilham, 2005; Sodhi, 2004; Steele and Sodhi, 2004; Egan, 1998; Agapiou et al, 1995; Harrison, and Davis, 1995; Latham, 1994). However, studies into diversity at the workplace have generally yielded mixed results with some demonstrating that diversity can have negative effects by giving rise to communication difficulties thus affecting group cohesion and resulting in dysfunctional conflict (Jackson, Joshi, & Erhardt, 2003; Williams & O'Reilly, 1998). Yet, others (e.g., Caplan, et al 2009; Ahmed et al, 2008; Dinsbach, 2005; De Vries & Pettigrew, 1998; De Vries, 1992) indicate otherwise and hence see no reason why such problems should occur.

According to (Schaafsma, 2008) little attention has, so far, been paid to why inter-ethnic relations may be more harmonious in some work settings but rather more problematic in others as indicated by Jackson et al. (2003) and Milliken & Martins, (1996) while asserting that generally, relations between workers with different ethnic backgrounds have only been explored as potential mediators of the effects of diversity on work group outcomes. There is, as a result, little research into the experience of ethnic minority and majority employees and managers about how working in a diverse environment involving different ethnic groups can
have positive or negative impact on productivity. Therefore, this review seeks to fill this gap by bringing to the fore the possible barriers that need to be understood and surmounted in order to create a positive inter-ethnic work relationship in construction. How do ethnic minority and majority members compare in dealing with inter-ethnic relations at work? And, whether either report on more positive or more problematic inter-ethnic relations. Is the former group over-blowing their experiences or is the latter covering up incidents of discrimination and how such issues are dealt with?

**Ethnic minorities in The UK: Background and socio-economic Consideration**

With a trend increase in immigration of more than 100,000 per year, the past four to five decades have seen Britain change from being a country of net emigration to one of net immigration (IPPR, 2010). Notwithstanding that improved economic performance in the UK relative to overseas has tended to increase immigration and rising UK inequality has had an even larger effect. Additionally, immigration policies at home and abroad have also helped to increase net immigration, particularly in the 1990s. According to the Labour Force Survey, some 4.5 million individuals living in Britain in the year 2000, 9% of the population, were born in another country (LFS, 2001). Many of these individuals of foreign origin work, and contribute to economic prosperity and well-being. And as supported by several studies, (e.g. Zimmermann, 2008; Dustmann et al, 2003; Shields and Wheatley Price, 2002; Dustmann and van Soest, 2001) differences in education, the demographic structure, culture, and skills of foreign-born individuals may have advantages in some labour market segments, but disadvantages in others and construction is classed in the latter category.

However, these disadvantages may diminish depending on the changes in the underlying factors and over time, immigrants may adjust in many respects to their UK-born peers, from the accumulation of skills, collection of information, and adoption of new habits. It is worthwhile to note that understanding how labour market performance of immigrants differs from UK-born, and from each other, how these differences relate to observed characteristics, and how they change over time is an important pre-requisite for migration policy. Also, it is significant to note that while adaptation and labour market performance of immigrant populations has been subject of intensive research in the US, Canada, Australia, and also in some European countries, according to Dustmann et al (2003), relatively little is known about the absolute and relative performance of the immigrant community living in Britain.

Notwithstanding, it is generally the case that when immigrants arrive in the destination country, their labour market productivity is likely to be different from that of their indigenous counterparts; a situation attributable to different levels of education, socio-economic characteristics, and different demographic composition. But even if an immigrant is compared, for example, with a UK-born of the same education and age, they may differ in labour market outcomes, like wages and participation. One important reason for this is that the skills immigrants have acquired in their home country are often not directly transferable to the host economy. Furthermore, immigrants may also lack certain general skills immediately after arrival in the host country especially fluency in communicating in the host’s language as well as the observance of certain cultural practices. However, they may adjust over time to a level commensurate with the skills requirements of the labour market and in most cases acquire new skills. At this point, they may match or even do better in the level of local economic performance as well as assimilate into the host’s culture and hence the community.
Also, as Dustmann et al, (2003) note differences in demographics, education, or skills may but only be some of the reasons why immigrants differ in their labour market outcomes as they tend to settle in areas of more economic prosperity to take advantage of high levels of employment and wages and in most instances close to their predecessors and relations of similar origins. Consequently, this leads to selective settlement, as is the case in the South East and London regions and may cause a less even spread of immigrants and hence concentration in particular industries. This could result in more favourable labour market outcomes of immigrants and so underestimate the differences in economic outcomes between the hosts and immigrants and their descendants. Apparently, this ideal situation does not usually apply to immigrants as labour supply outstrips demand causing in its wake further unemployment thus worsening their plight.

**The Recession and Future Skills Requirements**

As has just been hinted in the preceding paragraph, it is usually the case that in an efficient labour market where the supply of skills is aligned with labour market demand, the supply and demand matching processes are seen to be deficient where there are mismatches between demand and supply for skills. Therefore, it is easier to assume that skill shortages, skills gaps and general unemployment have been controlled in the current situation. This fact is consistent with the Construction Trade Survey (2009), where organisations across the construction industry all reported a considerable decrease in skill shortages to a record low. For instance, the recent Construction Products Association Trade Survey (Q3, 2009) reported that only 6% of building contractors had difficulties in obtaining the main site trades, a complete contrast to two years earlier when it was 78%.

Yet, looking at the recruitment activity, one in ten employers (10%) felt that there had been times when they lacked the number of skilled workers they required (ibid). Again, around half (52%) felt that they had been operating at around full capacity given the number of skilled staff they employed and still a third had not had enough work for their workforce (ibid). Also, it is worth noting that a more recent review of the Migration Advisory Committee’s (2009) recommended shortage occupations listed civil engineers, mechanical engineers and welding trades while noting that although falling employment and vacancies and a high redundancy rate indicate that the labour market is in turmoil, it should not be assumed that all labour shortages disappear upon the acknowledgement that the removal of some construction-based occupations from the original list is in response to changing economic circumstances. Table 1 below shows the recent unemployment rate for construction as it compares with all other industries in the UK.

<table>
<thead>
<tr>
<th></th>
<th>Construction Industry</th>
<th>All Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>8.3%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Wales</td>
<td>10.3%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Scotland</td>
<td>9.1%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>11.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>UK</td>
<td>8.6%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

*Table 1: Unemployment rate in Construction Compared with All Industries by nation (UK: 2009).*


As the data highlights in table 1 above, the construction industry has been significantly affected by the economic downturn, with the unemployment rate not only higher nationally, compared to the figure for all industries at 8.6% against 6.8% but it is even higher in each
country as indicated in the table above. Here it is significant to note that the unemployment rate across the Northern Irish construction industry is twice as high as the rate for all industries.

Therefore, it must be stressed that the impact of the recession across the construction industry has radically affected the mismatches between demand and supply. While on the one hand skills shortages and skills gaps have decreased dramatically, this has contributed to worsening unemployment. Although skills shortages are currently at an all time low, lessons need to be learnt from the previous recessions. One of the biggest risks to the recovery of the construction industry, according to the ConstructionSkills (2009) is a shortage of skills as people made redundant seek new careers outside the industry and new entrants unable to get jobs, look elsewhere.

Employment and Participation

Unemployment has been a serious cause for concern among first generation immigrants as generally, most literature in the UK on employment and participation differentials compare outcomes of whites with those of ethnic minorities in general. This practice calls for further cause of concern as the distinction between immigrant and UK-born minorities, if drawn could have given a different picture of the level of unemployment in either situation for redress. In this way the pool of labour resource is easier to identify. Exceptional to this is the work of Blackaby et al. (1997) who based on the 1991 UK Census of population, investigated the incidence of unemployment and found that foreign-born ethnic minorities have a higher unemployment rate than UK-born minorities. Also, they found no evidence that the latter perform worse than white UK-born majorities. Additionally, Blackaby et al. (1997), also confirmed by Dustmann and Fabbri (2002), based on data from the Fourth National Survey on Ethnic Minorities (FNSEM) and the Family and Working Life Survey (FWLS) survey found substantial differences between different ethnic groups, for instance the suggestion that Pakistanis and Bangladeshis have particularly low employment probabilities compared with the other Asian counterparts (Modood, T. and Berthoud, R. (1997). Conversely, a comparative study by Wheatley Price (2001) based on the Quarterly LFS data for the years 1993 and 1994 found that white and non-white immigrants have initially a lower probability of being employed, compared to white UK-born individuals but this disadvantage decreases over time, although it does not completely disappear. In similar sequence, an analysis of ethnic minority immigrants and UK-born ethnic minorities, base on the FNSEM and the FWLS by Dustmann and Fabbri (2002) found that minority immigrants have lower employment probabilities compared to white UK-born individuals and minority UK-born individuals, a disadvantage which falls slightly over time.

Also, with respect to earning differentials, the first study on wage adaptation of UK immigrants by Chiswick (1980), analysed the 1972 General Household Survey (GHS) and found no significant earnings gap between white immigrants and white UK-born individuals, but a 25 percent gap between white UK-born individuals and non-white immigrants. Also, Chiswick (1980) found neither evidence for adaptation of non-white immigrants nor wage gap between white and non-white UK-born individuals. Pooling 20 consecutive cross-sections of the GHS (1973 to 1992), Bell (1997), through a more recent study performed a more exhaustive analysis, which distinguished between West Indian, Indian, white and Old Commonwealth immigrants and found different adaptation rates and entry wage differentials across these groups. While ethnic minority immigrants have an initial wage disadvantage that slowly decreased over time, white immigrants have initially higher wages which adapt downwards, a negative adaptation trend attributed to the possibility that white migrants who
remain in the UK are negatively selected, results confirmed by Denny et al. (1997), also using GHS data (from 1974 to 1993). Of particular significance is that, they found a large wage differential between non-white immigrants and white UK-born individuals, however, there was no wage gap between white UK-born individuals and white immigrants.

**Self-Employment**

Dustmann et al, 2003, has stressed the scanty work on self-employment of immigrants on the whole. However, Borjas’ (1986) analysis of self-employment probabilities for immigrants in the US and UK-born individuals and subsequently extending this analysis to assess self-employment probability differentials among different ethnic groups in a separate study (Borjas and Bronars 1989) stands out. For the UK, Clark and Drinkwater (1998) used the General Household Survey (GHS) and the FNSEM (Clark and Drinkwater 2000) and found that ethnic minority immigrants are more likely to be self-employed than ethnic minority UK-born individuals or their white counterparts. This revelation supports a justification of attempts to create their own employment where they fail to progress in finding one while reinforcing the means of escape from discriminatory practices. However, contrasting with findings by Borjas (1986) they also found that ethnic regional concentration affects self-employment rates negatively as a result of mismatch between supply of labour and demand for it.

**Language and Level of Education**

Again, according to Dustmann et al, (2003), few studies in the UK analyse the determinants of immigrants' language fluency, and the effect of language on economic outcomes. Studies by Shields and Wheatley Price (2002) based on the FNSEM found that higher education levels are associated with higher degrees of language proficiency, and that longer migration duration has a positive influence on language fluency. They further found out, by analysing the occupational success of non-white immigrants, that those who are fluent in English language have, on average, wages about 20 per cent higher than non-fluent individuals. This was further confirmed by Dustmann and Fabbri (2002) using results from both the FNSEM and the FWLS who further established a positive relationship between language, employment and earnings although this relationship did not necessarily indicate a causal effect of language on earnings (Dustmann and van Soest (2001).

Further afield in Continental Europe, studies have evidenced a high level of discrimination thus hindering the integration of ethnic minorities in the labour market (Zimmermann, 2008). A recent study in Hungary reports that members of the Roma minority are more likely to lose their jobs than Hungarians (Kertési, 2004). According to the Bureau of Democracy, Human Rights, and Labour report of 2006, most Roma people in Hungary live in abject poverty and their unemployment and inactivity rate is as high as 70%, ten times more than the national average. Also, in Slovakia the Roma suffer a permanently higher ratio of long-term unemployment than the majority Slovaks (Vasecka, 2001). In fact, there is evidence that in 1999 the number of unemployed Roma stood at 80.5 thousands out of a total population of about 400 thousands, and among the unemployed 83% Roma people had no educational qualification. Similarly, differences in earnings and in the duration of unemployment between the Latvian majority and non-Latvian minority reported an enormous ethnic wage gap in 2005 of 9.6% (Hazans, 2007; Hazans et al., 2007). These studies found that in 2002-2005 the median duration of unemployment period was 3 months longer for the non-Latvian minority and in almost all cases the basis for such gaps have been the level education, language proficiency and low level of integration.
Even so, regardless of the factors mentioned above, higher education does not guarantee a better labour market placement of ethnic minorities for over-education by BMEs in the UK has been reported (Battu and Sloane, 2002; Alpin et al, 1998). In some EU member states, like the Netherlands, Germany and even the UK, higher education in the country of origin does not pay off during the early years in the labour market (Hartog and Zorlu, 2007). While language requirements for higher level jobs and non-transferable skills may explain this finding, discrimination is certainly said to be the latent contributor. Moreover, economists often find inexplicable differences in the labour market outcomes of ethnic minorities and the majority population to which they attribute discrimination as the sole factor (Kertési, 2004; Hartog and Zorlu, 2007). Citing a level playing field, Caille (2005) render a more positive outlook for France in respect of the finding that among pupils in $6^{th}$ grade in 1995, immigrant children had a higher probability to complete high-school than non-immigrant children. The table below gives a picture of the situation in some selected EU countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Minority/Majority Group</th>
<th>Participation Rate</th>
<th>Unemployment Rate</th>
<th>Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>Total Population</td>
<td>76.3</td>
<td>4.5</td>
<td>278.3</td>
</tr>
<tr>
<td></td>
<td>Turks</td>
<td>62.2</td>
<td>17.8</td>
<td>170.7</td>
</tr>
<tr>
<td></td>
<td>Iraqis</td>
<td>37.7</td>
<td>26.9</td>
<td>138.4</td>
</tr>
<tr>
<td></td>
<td>Bosnia-Herzegovinians</td>
<td>7.2</td>
<td>12.9</td>
<td>177.4</td>
</tr>
<tr>
<td></td>
<td>Other non-Western</td>
<td>55.8</td>
<td>28</td>
<td>164.8</td>
</tr>
<tr>
<td>Hungary</td>
<td>Hungarian Majority</td>
<td>40.47</td>
<td>9.84</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Africans</td>
<td>48.13</td>
<td>10.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Arabs</td>
<td>48.14</td>
<td>5.21</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>65.01</td>
<td>0.68</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Croatians</td>
<td>41.37</td>
<td>7.25</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Polish</td>
<td>53.07</td>
<td>6.81</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Armenians</td>
<td>51.13</td>
<td>5.68</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rutheneans</td>
<td>48.27</td>
<td>8.11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Serbs</td>
<td>40.44</td>
<td>8.17</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ukrainians</td>
<td>47.95</td>
<td>8.39</td>
<td></td>
</tr>
<tr>
<td>The Netherlands</td>
<td>Dutch Majority</td>
<td>9.0</td>
<td>21.0</td>
<td>10.4</td>
</tr>
<tr>
<td></td>
<td>Turks</td>
<td>21.0</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Morocccans</td>
<td>27.0</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surinamese</td>
<td>16.0</td>
<td>8.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Antilleans</td>
<td>8.5</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>Romanian Majority</td>
<td>41.6</td>
<td>11.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hungarians</td>
<td>38.0</td>
<td>11.3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ukrainians</td>
<td>42.8</td>
<td>11.1</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>White Majority</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Population</td>
<td>81.8</td>
<td>3.8</td>
<td>11.8</td>
</tr>
<tr>
<td></td>
<td>Indians</td>
<td>80.1</td>
<td>6.4</td>
<td>12.2</td>
</tr>
<tr>
<td></td>
<td>Pakistanis</td>
<td>55.2</td>
<td>12.8</td>
<td>10.2</td>
</tr>
<tr>
<td></td>
<td>Bangladeshis</td>
<td>48.7</td>
<td>19.4</td>
<td>10.1</td>
</tr>
<tr>
<td></td>
<td>Other Asians</td>
<td>75.1</td>
<td>8.3</td>
<td>10.2</td>
</tr>
<tr>
<td></td>
<td>Black Caribbeans</td>
<td>81.0</td>
<td>11.0</td>
<td>11.4</td>
</tr>
<tr>
<td></td>
<td>Black Africans</td>
<td>77.7</td>
<td>11.8</td>
<td>9.9</td>
</tr>
</tbody>
</table>

Table 2: Labour market situation of selected ethnic minorities Compared with the Majority population in Denmark, Hungary, the Netherlands, Romania, and the UK (Sources: Zimmermann et al, 2008)
As shown in table 2 above, the rate of unemployment disparity between majority and minority populations is significantly high in all the countries listed. Although this refers to the whole economy of which construction is a subset, it helps to give an idea of the need for inclusion in the various sectors of the economy. In the case of the Netherlands, this has been attributed to the policy of integration adopted. Initially, attempts to integrate the different ethnic groups have been a source of considerable debate as these discussions centred on the socio-economic integration of ethnic minorities. For example, compared to other European countries such as Germany, France, and the UK, the labour market position of non-western minority members is relatively unfavourable (Koopmans, 2003). Although employment among ethnic minorities has increased over the past few years, the average unemployment levels among ethnic groups still hovers around 4 times higher and the net participation rates are lower than the Dutch native population. Additionally, long-term unemployment is relatively high among non-western minority members and many of the employed occupy lower job levels (CBS, 2007; SCP, 2003). By and large, this can be explained by factors at the level of the different ethnic groups themselves, as already indicated earlier involving their lower levels of education, their often one-sided work experience and limited social networks. This said, however, institutional factors basically underlying conscious or unconscious discrimination by employers also play a major role (SCP, 2003; Veenman, 2001).

Generally, the integration of ethnic minorities into Dutch society has been described as a failure and it has been argued that the adoption of a multicultural approach in the 1980s is largely to blame for this contrary to the approaches in other countries with a multicultural policy like Sweden and The United States. For example, multicultural rights were ascribed to ethnic minorities where the use of mother tongue for instruction in primary schools was permitted. This is said to be a major setback and did not actively promote Dutch language training thus reinforcing immigrants’ image as a problematic and low-skilled group, with a concomitant disadvantage in employment (Koopmans et al, 2005).

Consequently, the low level of participation among Black and Minority Ethnics in construction and their high unemployment levels generally have been blamed on their educational standards and efficiency in communication here in the UK and elsewhere in Europe. This said, however, the incidents of over-education among ethnic minorities cited in the UK with the accompanying high level of unemployment does not justify this fact. Furthermore, ethnic minorities are well represented on construction related programmes in higher education here in the UK yet this is not reflected in their participation in the construction industry. It is without doubt that barriers to their participation exist in industries such as construction for in others like catering and cleaning they are known to be well represented even though they may lack the levels of skills required, they get the necessary on the job training and are able to progress with the limited communication skills they have.

CONCLUSIONS AND FURTHER RESEARCH
Finally, labour market barriers in the United Kingdom derive from a variety of sources including public perception which has been thought to be prejudiced against people of other races other than the white majority. Ethnic minority workers may be disadvantaged by their own characteristics; what might be regarded as internal barriers yet other distinct factors and external barriers are at play. Labour Force Surveys (LFS) data indicate that 16% of those whose first language is not English claimed that language difficulties caused them to have problems in finding or keeping a job. Also, data from the Fourth National Survey of Ethnic Minorities report that lack of English language fluency reduces average predicted
employment probabilities by 20-25 percentage points. In most dimensions of economic and social well being (such as income, employment, education, social class, health, housing etc.) there is a clear ethnic hierarchy with Indians and Chinese at the top, Black Africans and Caribbeans somewhat lower down and Pakistanis and Bangladeshis at the bottom.

Therefore, United Kingdom policy interventions and existing national legislation should focus on removing racial barriers to labour market integration; while it is clear that the weak labour market outcomes for ethnic minorities are due to a number of other causes as well that cannot be are beyond legislative control. In particular, in the United Kingdom, policy is driven by the 2000 Race Relations Acts that focuses on extending the duties required in the public sector to the private sector and as construction is mainly in the latter but heavily controlled and financed by the former, a lot of improvement of policy initiatives in place when properly implemented and monitored may help stem the tide as recent positive stance on ethnic minority issues is encouraging.

These developments make further study on interethnic relations at work all the more warranted and targeting construction as the driver of most economies will go a long way to achieve the desired effect. In the workplace, people may have to interact with members of ethnic out-groups who they would perhaps avoid in their private lives. This may result in tensions, however if the workplace is oriented to a context in which people inculcate tolerance it may help to develop more positive attitudes toward each other as well as the common objective of fulfilling assigned tasks. There is also the need to consider whether the conditions of minorities are hyped and if some members of the native majority do not suffer similar fate yet shy at reporting it.

REFERENCES
Annual Local Area Labour Force Survey, 2001/02, Office for National Statistics
Battu, H. and Sloane P. J. (2002). To what extent are ethnic minorities in Britain over-educated?, International Journal of Manpower, 23 (3), 192-208


