

Improving gender diversity in construction addresses two critical issues: skill shortages and poor worker mental health.



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Tackling skills shortages by empowering women to thrive in the building & construction industry

Construction is one of the largest sectors in Australia. Our industry packs its biggest punch when it comes to the provision of full-time employment and support for small businesses.

Australian Construction Industry Snapshot

Construction is the fifth largest industry in the Australian economy. The value of the Australian construction industry as of December 2022 was \$246.3bn. The Australian construction industry employs 1.29 million people, across 437,000 businesses.

Less than 2 per cent of all construction businesses employ 20+ people; 98.7 per cent are small businesses; and 58 per cent are sole traders. There were approximately 124,440 apprentices in training on June 30, 2022.

NSW Construction Industry Snapshot

NSW is the most significant economic contributor to the Australian construction industry – of which the value of the NSW construction industry is \$71.04bn.

The NSW construction sector comprises 148,926 businesses (of which 99 per cent are small and 53 per cent are sole traders) and employs 3939,386 people.

Less than 4.1 per cent of NSW construction businesses employ 20+ people, and there were approximately 37,319 apprentices in training on June 30, 2022.

It is estimated that roughly 477,000 new workers will need to enter the industry by the end of 2026.

Acute Staffing Shortages

While this issue is global, some industries are more adversely affected than others, of which

construction is one. Acute shortages include:

- Electricians
- Carpenters and joiners
- Plumbers
- Painters
- Plasterers
- Bricklayers

The Chronic Shortage of Women in The Construction Industry

Historically the construction industry has been male-dominated, with less than 2.7 per cent of women accounting for all trade roles across the country – and only 2.5 per cent of trade roles across NSW.

Currently, women comprise 14.5 per cent of the Australian construction industry workforce and 16.3 per cent of the workforce in the NSW construction industry.



With the construction industry evolving and changing rapidly, women in construction face daily challenges. Women are also under-represented in leadership and managerial roles across all levels of an organisation. This under-representation is particularly evident in roles described as “non-traditional”, that is, operational, technical and trades roles.

One of the significant challenges that the industry faces is the need for more skilled workers; 45 per cent of Australian employers need help filling critical positions. Employers have the most difficulty finding skilled tradespeople, which has remained at the top of the local skills shortage list since 2006.

With little movement in the figure in the past five years, Australia ranks fourth in the world in talent shortages, well above the global average.

This gap can be reduced by including the above-targeted cohorts in the workforce. Getting more women working in construction is a massive opportunity for general contractors and larger construction organisations.

The Construction Industry Needs More Women in All Ranks and Roles

So, let’s get serious about this discussion.

The construction industry requires women leaders with diverse skill sets, perspectives, and experiences at all levels. Critical skill sets include persuasive communication, key leadership insights and strategies, and the ability to lead and grow their teams towards high performance.

The 2015 KPMG Women Leadership Study of more than 3000 women found that early development of leadership skills boosted women’s confidence and competence. 80 per cent of respondents in the study believe that the most critical time to support a woman’s career development is in her 20s.

According to Dr Cynthia Wang and Assistant Professor Riza Sunindijo from the School of Built Environment at the UNSW Faculty of Arts, Design & Architecture, research has shown that diversity has a positive effect on productivity, innovation, and employee satisfaction, which directly uplifts customer satisfaction, leading to increased revenues.

Improving gender diversity in the construction industry also improves the mental wellbeing of construction employees. In short, enhancing gender diversity addresses two critical issues in the industry: its skill shortage and poor worker mental health.

The poor representation of women in the construction industry has remained unchanged for decades. Research in this area has revealed fundamental reasons for this longstanding issue – most existing efforts focus on the policies of construction companies and ignore early career preparation and continuous career development support for women.

Also, continuous mentorship and upskill training will maintain women’s competitiveness and support them to obtain leadership positions, and lead to a successful career in the industry, the researchers said. ➔



More women in construction makes good business sense

A growing body of research indicates a strong correlation between gender equity and organisational success. However, it also points to persistent obstacles hindering the development and advancement of women in leadership.

According to a recent Harvard study, various indicators support the idea that gender equity in the workplace is within sight as more women than men graduate with bachelor degrees, and fewer women leave the workforce to raise families in more significant numbers than men.

In other industries, women are increasingly playing a more visible role in leadership up the line, and doing it well when trained and upskilled. But there is still a large, unequal gap between the number of men and women in leadership roles in all industries. And it is significantly evident in an industry like construction.

Simply put, women in business make good sense, and some of the studies have been increasingly poignant in helping us understand where women drive their careers and why.

What dissuades women from entering the construction industry?

The statistics are chilling.

The construction industry has the most significant gender pay gap among all Australian industries, standing at 30.6 per cent in 2021.

Seventy-five per cent of women in the construction industry in Australia report having experienced gender-based adversity within their careers.

And 43 per cent of women in Australia's construction industry feel they do not have the same opportunities and career advancements as their male counterparts.

Let's consider these points for a moment.

How can the industry, so determined to attract and retain women, pay them, on average, 30.6 per cent less than their male counterparts in our modern-day world? How does that even begin to compute?

Why do half of the women in our ranks experience gender-based adversity if we, as construction companies in Australia, stand for equality? How does that happen?

And lastly, how do half of all women in the industry feel they do not have the same opportunities to further their careers as their male counterparts?

Surely these three points find the answer to the question of having too few women in a vast industry.

If employing more women in construction is an opportunity for general contractors and larger construction organisations, why is there not a strategic, focused effort to do so, without many women feelings that it is a tick-a-box exercise?

The new paradigm needed is a change in the attitudes of construction company executives to appreciate the full value that women bring



to their businesses, and to pursue every opportunity to both recruit and develop them – with a serious development strategy and a relentless approach to growing them at all levels within a strategic plan.

The construction industry urgently needs a new paradigm

The construction industry has predominantly been perceived as a man's world, with few women dipping their toes into the sector.

Furthermore, traditionally families have not encouraged their daughters to enter the male-dominated industry.

For example, the National House Building Council Foundation conducted a poll of more than 1000 parents, which found 42 per cent would not encourage their teenagers to consider construction as a future career plan.

However, as the need for quality housing continues to grow (as an example), the lack of fresh blood entering the industry is both frustrating and concerning.

So where does this leave us as an industry, where we realise the importance of growing more women in our ranks?

Questions (and possible answers) we urgently need to consider about women in construction

We know some factors that explain why the retention rate of women working in construction is so low. What will we, as an organisation and industry, do about it?

There is little (or no) work-life flexibility. What can we introduce to overcome this?

Are there flexible hours for women who are carers and mothers? Our home and work relationships are important in our modern-day world. How can we create a workplace that accommodates the demands of our people?

Do all organisations cater for women's needs on worksites? Do we have bathroom facilities for women onsite? Have we catered adequately for their needs?

At the risk of repetition, the poor



More women are needed in the construction industry but there are key areas of change that must be addressed for them to feel supported in their job.



representation of women in the construction industry has remained unchanged for decades. As stated earlier, research points to these key areas – early career preparation, continuous career development, and support for women need to be addressed.

Additionally, the opportunity for women in construction to be grown by a strong and supportive mentor is also not a focus.

It is not only about empowering women.

It is also about organisations valuing women's skills and approaches to their business. It is about ensuring they provide equal opportunities across the breadth of their business, growing and developing women strategically in their roles and helping them thrive at work. Some will become executives who need a strong sense of leadership and a firm understanding of leading others.

It is also about being sensitive to their needs.

The construction industry is tough, no doubt. If we are to attract more women, we need to ensure they have the necessary facilities onsite, design working hours to help them have a thriving career and home life, and provide the flexibility they need to do this.

Research points to continued mentorship and skills development that will help women remain competitive, relevant and supported in their quest for leadership positions.

Moving forward

Hopefully this article leads you to reflect on your organisation and the women in your ranks – why they are interested in joining your ranks and what may prevent them from doing so. So what will you do about recruiting and developing female leaders in your ranks?

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SOURCES: Why Gender Equity in the Workplace is Good for Business: <https://professional.dce.harvard.edu/blog/why-gender-equity-in-the-workplace-is-good-for-business/> KPMG Women's Leadership Study: <https://assets.kpmg.com/content/dam/kpmg/ph/pdf/ThoughtLeadershipPublications/KPMGWomensLeadershipStudy.pdf> Empower women working in construction: <https://newsroom.unsw.edu.au/news/general/funding-help-empower-women-working-construction> Attracting, Retaining and Empowering Women in Construction: <https://www.beinreview.unsw.edu.au/attracting-retaining-and-empowering-women-in-construction.html> Parents 'Not Encouraging' Children into Construction Industry: <https://www.southerntimberframe.com/parents-not-encouraging-children-into-timber-frame-homes-construction-industry/>

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