

# The Chartered Institute of Building

submission to the

## All Party Parliamentary Group for Excellence in the Built Environment

on the inquiry into

## The Recruitment and Retention of More Women into the Construction Sector

*20 May 2019*

David Barnes  
The Chartered Institute of Building  
1 Arlington Square  
Downshire Way  
Bracknell  
RG12 1WA

**e:** [dbarnes@ciob.org.uk](mailto:dbarnes@ciob.org.uk)

**t:** 01344 630 881

# **APPG for Excellence in the Built Environment: Inquiry into the recruitment and retention of more women into the construction sector**

## **Introduction**

The Chartered Institute of Building (CIOB) is at the heart of a management career in construction. We are the world's largest and most influential professional body for construction management and leadership. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, which we have been doing since 1834.

Our members work worldwide in the development, conservation and improvement of the built environment. We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and authorities who procure built assets.

We welcome the opportunity to respond to this inquiry and are happy to be involved in the debate as it develops.

## **Scale of the construction skills shortage**

It is estimated that the construction industry will create over 168,500 construction jobs between 2019–2023. The Construction Industry Training Board (CITB) forecast suggests that construction employment is expected to reach 2.79 million in 2023, just 2% lower than its 2008 peak.<sup>1</sup>

Despite uncertainty over the final terms of leaving the European Union, the outlook for construction looks positive. However, it must be noted that these skills demands are, in part, being driven by large numbers of workers retiring as well as a lack of new entrants joining the sector.

Crucial to meeting the skills shortage is for construction to attract talent from traditionally under-represented sectors, these include Black, Asian and Minority Ethnic Groups (BAME), disabled people and women.

The benefits of increasing diversity in the workforce are numerous, it can mean new ways of thinking, working and growing business. Not only does diversity increase the pool of talent accessible by industry's but can often lead to increased earning potential. In a study by McKinsey & Company it found a strong relationship between gender diversity and performance, with an increase of 3.5% in earnings before interest and taxes (EBIT) for every 10% increase in gender diversity in the senior executive team (and a 1.4% increase for the board).<sup>2</sup>

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<sup>1</sup> CITB Construction Skills Network, [Industry Insights: Labour Market Intelligence 2019-2023](#), February 2019

<sup>2</sup> McKinsey&Company, [Diversity Matters](#), February 2015

Despite these benefits, it is well documented that the construction industry struggles to attract workers from diverse backgrounds. Looking specifically at women, there is a raft of data that showcases the scale of the issue:

- Women make up around 13% of construction sector workers, a number that has remained stagnant for two decades. The statistic also flatters the industry when you consider only around 1-2% of women are working 'on-site'.
- Construction and financial services are the sectors with the highest gender pay gaps. Figures from Building magazine this year indicated that the average hourly rate for women at the top 40 contractors is still 28% less than for men. Women working at the UK's biggest contractors are paid on average 72p for every £1 that men earn.<sup>3</sup>

It is positive to see that steps have been taken by the Government to ensure employers with 250 or more employees must publish and report specific figures about their gender pay gap, but we urge caution in making full assumptions.

Firstly, it is important to understand what we mean by construction. The official classification of construction by the ONS is only 'on-site' construction activity, ignoring a significant chunk of industry work that is carried out 'off-site' such as design and consulting, planning, surveying, self-build, plant and equipment hire and the manufacturing of construction products. The value added by most architects, engineering consultants, quantity surveyors and other professionals working directly within what we might think of as the construction sector is counted within services. And those making the materials and components comes under manufacturing.

Secondly, a large proportion of women working in the construction industry is in administration functions. Coupled with the low numbers of women working in the sector can create larger and more distinct gaps.

Thirdly, pay data tends to focus on larger businesses. Given that around 99% of UK construction is made up of SMEs, there is a significant chunk of data that is being missed.

It is important to make these distinctions often surveys on pay data is not easy to compare and the complex nature of the construction industry and wider-built environment add to this complexity. This is not to suggest that a pay gap does not exist but the need for further inspection of data to understand nuances.

## **Images and reputational issues in attracting women**

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<sup>3</sup> Building, [Gender pay gap widens at first contractors to update figures](#), January 2019

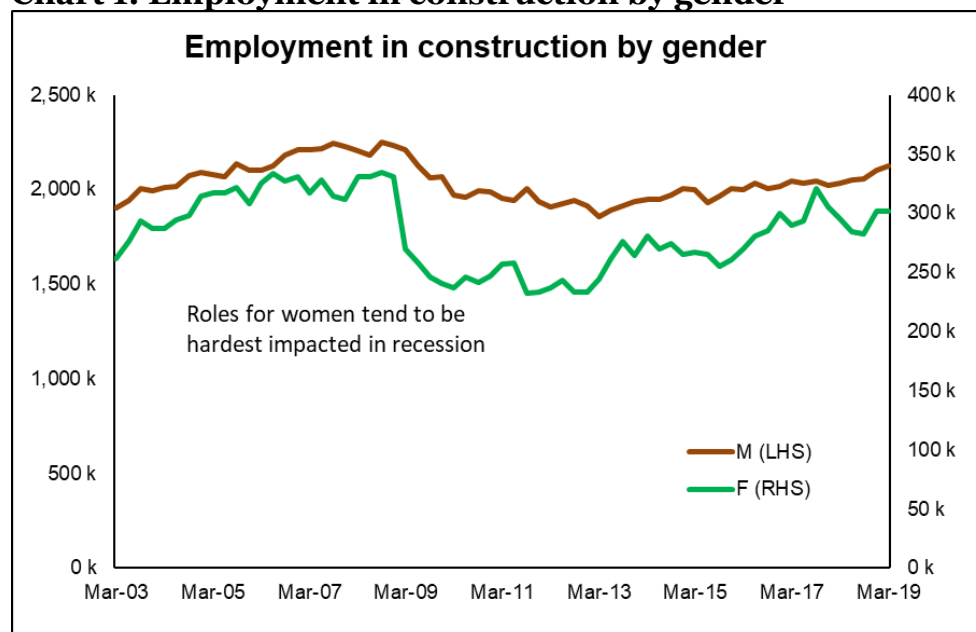
The challenges in attracting women to careers in construction is well documented. We won't go into significant detail here but there is a raft of evidence and research that suggest gender bias, inflexible working practices, sexual harassment, lack of adequate resources and benefits, and social perceptions.

Although perhaps outdated, there are still perceptions that construction is a macho sector consisting of high-vis jackets and dirty construction sites. But some of this unfortunately still rings true. Unite the Union found in a survey of women members working in construction a lack of welfare facilities and the need for clean toilets, the supply of feminine hygiene bins and sanitary and shower facilities.<sup>4</sup> Furthermore, construction still has a great deal of stigma attached to it and it is seen as a sector for 'last chancers' or those who are academically less gifted – these all damage the potential skills base.

The construction sector is, however, becoming more and more professional. Innovative technologies are transforming the construction sector, revolutionising daily tasks on-site and in the office. Companies increasingly need to recruit a new breed of worker, strong in digital and data management skills and able to collaborate across several technical disciplines. This rapidly modernising image presents a powerful opportunity to attract a more diverse workforce, bringing in expertise from other industries.

But attracting workers is only part of the puzzle and retaining workers in construction during periods of recession has been a constant challenge. Chart 1 below indicates that women tend to be hardest impacted in a recession than men. This may be a coincidence or potentially even seen as an opportunity to leave the sector when the work dries up.

**Chart 1: Employment in construction by gender**



<sup>4</sup> Unite the Union, [Construction Period Dignity](#), February 2019

Although a final decision over Brexit has not been made, in the event of the UK leaving the European Union we are likely to witness a fall in the number of migrant workers in construction. This presents an opportunity to develop policies to develop the local workforce and improve routes for young local people into construction firms. This would reduce the need for firms to seek workers from overseas.

This, in turn, would mean higher levels of investment in training and development, which in construction is expensive. However, the financial return from reducing the long-term cost of supporting those either unemployed or looking for the next step on the career ladder is great. This would not only benefit the exchequer but also improve the attractiveness of the sector, with improvements being made in training and developing people from all backgrounds.

### **What are the professions doing to promote diversity?**

Professional Bodies in the built environment all need to reflect on how they are tackling diversity and ensure they are practicing what they preach. In terms of CIOB membership, the numbers of women entering membership are still low. Of the CIOB's 46,000 members, women account for only 7% of total membership. A large proportion of these are in student grades which indicate appetites for careers in construction management.

The numbers of women in 'Chartered' grades (MCIOB equivalent to a bachelor's degree and FCIOB equivalent to a master's degree – if they have come through the new route) remain low and the CIOB is looking at ways to keep women engaged from student levels and have the flexibility to gain chartership whilst working in the industry.

Additionally, a large number are based in Asia where culturally construction careers are seen in high regard. The numbers of women entering CIOB membership has increased over the last decade although remain at a low base.

At the CIOB we remain committed to supporting a more diverse and inclusive construction industry. We regularly shine a light on the issues, promote women working in the sector and best practice as well as sponsor and support a range of initiatives or events aimed at increasing diversity in the sector. We would be happy to share examples with the Committee should it be appropriate.

We recognise there is still a lot of work that needs to take place, this includes reviewing our own process. One area is to ensure our Construction Manager of the Year Awards (CMYA) is generating interest and entries from underrepresented sectors. Additionally, we need to showcase diversity in our leadership. In 2017, Rebecca Thompson became only the second female President of the CIOB in its history and, in August 2019, Caroline Gumble will become the first ever female CEO of the organisation.

There are also encouraging signs on a local level. The CIOB's Novus network (young professionals) in Manchester is formed of an all-female committee. Representation on the CIOB's special interest groups, Boards and Committees have all witnessed increased diversity in membership over recent years.

Although these are only small steps, it is important that we are walking the talk on diversity. But we must be more aligned with our sister bodies such as the Royal Institution of Chartered Surveyors (RICS), the Royal Institute of British Architects (RIBA), the Institution of Civil Engineers (ICE) otherwise the industry will continue to appear disjointed, with each effort having a small benefit, but falling short of the big cultural shift that we need.

## **Initiatives and Best Practice**

Some examples of initiatives and best practice taking place in the industry include:

### Considerate Constructors Scheme (CCS) Spotlight on Initiative

The Scheme's 'spotlight on' initiative aims to look at different areas associated with improving the image of construction, and hopes to raise awareness among registered sites, companies and suppliers on how they can help with the issue. There are currently 'spotlight's on' recruiting the next generation and women in construction and both provide templates and guidance for use on a practical site-based level.

[www.ccscheme.org.uk/ccs-ltd/spotlight-on/](http://www.ccscheme.org.uk/ccs-ltd/spotlight-on/)

### Women at Wates Network

Several CIOB members are involved in the forum which enables opportunities for female employees to share experiences and to learn from each other. Launched at an event at the Houses of Parliament, has already held a series of events around the country. One of the areas of work the network is looking into is making pregnancy a cause of celebration and not fear in the workplace.

[www.wates.co.uk/sustainability/diversity-and-inclusion/](http://www.wates.co.uk/sustainability/diversity-and-inclusion/)

### Go Construct

The Go Construct website showcases the many career opportunities available in construction and the built environment. The site helps to meet the future skills needs of the industry and to recruit a workforce that is diverse and ready for the challenge of the future.

The website is quickly becoming one of the primary resources for improving engagement with diverse groups of people and is backed by most of the professions in the built environment, enabling the sector to speak with 'one voice'.

[www.goconstruct.org](http://www.goconstruct.org)

### Thames Tideway

In 2015, Thames Tideway Tunnel in partnership with Women Returners became the first organisation outside the financial sector to launch a 'returnship' programme, aimed at helping professionals back into work after a career break.

Assisting women returning to the sector is hugely important, as of the women who take a career break to have children, only around one-third return to the industry. The Tideway scheme aims to address the issue that if women do return after a career break, many need to take a different role in order to better suit their changed lifestyle.

Tideway are also looking at improving gender parity and have committed to achieving it in its business strategy.

[www.tideway.london/careers/women-in-construction/](http://www.tideway.london/careers/women-in-construction/)

## **Recommendations**

1. Professional Bodies and other related organisations to develop a 'Built Environment Inclusive Employer Quality Mark' with similar principles of the RICS' 'Inclusive Employer Quality Mark'. Rather than each profession developing their own kite mark schemes, it would be beneficial to investigate how it could work across the industry. A tiered approach could also showcase the best employers, as well as those making strives to improve their diversity efforts.
2. Government to promote diversity on public procurement processes. However, this needs to be audited and better governed to ensure that organisations cannot just say they will commit to diversity without examining or changing their processes. Large companies should also look at their own procurement practices and learn from initiatives in other sectors and share this with their own supply chains.
3. Ensure that the focus is on retention, not just recruitment. Employers need to recognise that changing job roles or greater work-life balance is important for women who may be returning after pregnancy for example in order to better suit their changed lifestyle. Flexibility should not just be a benefit for women, but by giving men more freedom to take on further home-life responsibility this may also enable more women to work in the construction industry.
4. Develop an industry-led and Government-supported campaign to attract new women into careers in construction with similar levels of

support to that of 'Women in STEM'. Utilising the Go Construct portal could be one such avenue for this.

5. Simple changes to improve worker welfare on-site should be considered on all construction projects, this includes providing hygienic and clean toilet facilities. Furthermore, education should be provided to help improve and understand respectful behaviors. This, longer term, will make construction sites a more welcoming environment for new entrants to work in.