The Competitive Advantage:

A Business Case for Hiring Women in the Skilled Trades and Technical Professions

Compiled by the Canadian Apprenticeship Forum on behalf of the Forum of Federal-Provincial-Territorial Ministers responsible for the Status of Women
EXECUTIVE SUMMARY

In a tightening labour market, how will your organization compete?

Skills shortages threaten Canada’s economic growth and cost the economy billions of dollars each year.1 Organizations that leverage new sources of talent will come out on top. Women are ready and willing to meet the demand.

This Business Case is intended for an audience of employers, industry associations and other business stakeholders who recognize that to compete in a global market, an organization must address the key issues affecting its overall performance, including productivity, workplace safety and skill shortages. Improving the representation of women can support an organization’s overall competitiveness. Achieving gender diversity in the workplace requires executive and senior level leadership to promote, support and remain accountable to achieving workplace gender diversity and ensuring a workplace culture that supports its value.

Here are a few of the key reasons outlined in this Business Case to support why your business should consider hiring women as part of your competitive advantage.

A diverse workplace that mirrors the community enhances a company’s reputation.2 This is a key benefit for organizations seeking community buy-in.3

Women’s perspectives support successful business strategies. Women are customers, influencing up to 80% of buying decisions.4

Greater attention to detail and precision in female-dominated teams ensures that equipment runs more efficiently, causing fewer delays and maximizing productivity.5

Women are often committed to staying in their communities over the long term, making them a loyal and stable workforce.
Benefits of Recruiting & Retaining Women

Recruiting, training and retaining a gender diverse workforce is not as challenging as many employers may think. Beyond this, the return on investment for an organization actively working to integrate more women into the workforce is worthwhile, not only for the bottom line, but for the stronger workplace culture that gender diversity brings.


Ready, Set, Go!

There are many easy-to-implement strategies to recruit and retain skilled and qualified women in your organization.
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ADDRESSING SKILLS SHORTAGES: WOMEN COULD BE THE KEY TO RESOLVING YOUR HUMAN RESOURCE CHALLENGES

Organizations of all sizes and in all regions are experiencing skills shortages, with real impacts on the bottom line and competitiveness. Small and medium-sized businesses report the shortage of skilled labour as the second most pressing challenge in western Canada. Sixty per cent of business owners in Atlantic Canada identified the labour shortage as one of their greatest challenges.

There is also evidence that trades-related occupations are in high demand.

- According to the Canadian Council of Chief Executives, skilled tradespeople are some of the most difficult workers to recruit and retain.
- Several of Canada’s large companies have identified chronic shortages and noted a lack of qualified journeypersons with Red Seal credentials.
- The Conference Board of Canada identified trades-related occupations among those most affected by labour shortages in British Columbia.
- The Canadian Federation of Independent Business said its members are having a hard time finding skilled tradespeople.
### Sector | Current or Projected Shortfall of Skilled Labour | Timeline
---|---|---
Manufacturing (e.g. machinists) | 20,000<sup>13</sup> | Today
Automotive Aftermarket (e.g. mechanics and technicians) | 11,800<sup>14</sup> | Today
Mining (e.g. drillers) | 121,000<sup>15</sup> | 10 years
Oil and Gas (e.g. oil and gas drillers and testers, heavy equipment) | 44,200 to 45,300<sup>16</sup> | 10 years
Construction (e.g. carpenters, bricklayers, sheet metal workers, drywall installers and welders) | 235,000 in the construction industry<sup>17</sup> | Today and over the next decade
Tourism (e.g. cooks and bakers) | 228,000<sup>18</sup> | 15 years
Overall for Canada | Over 1.4 million<sup>19</sup> | 15 years

**Women are under-represented in most in-demand trades**

Data from the Registered Apprenticeship Information System (RAIS) highlights that women are under-represented in apprenticeship programs in the skilled trades most sought after by employers. In 2012, females accounted for 14.2% of all registrations.<sup>20</sup>

While women made up 90% of new registrants in the hairstyling trade, they represent far fewer in in-demand fields. They comprise:

- 4% of new registrants in the construction electrical trade;<sup>21</sup>
- 7% of new registrants in the welding trade; and<sup>22</sup>
- 3% of new registrants the carpentry trade.<sup>23</sup>
Now is the time to create a more gender diverse workforce

With an aging workforce and fierce competition within a shrinking pool of eligible candidates, employers must consider new sources of talent. Women can alleviate skills shortages and help your organization be more productive and competitive.

A lack of talent means hiring less qualified candidates

Due to shortages, 68% of business owners in western Canada say they are forced to choose from a pool of weaker candidates. Less qualified candidates are less productive and less able to adapt to change, resulting in inconsistent or poor service and an inability to use new technologies.

Reduced competitiveness

The Canadian Chamber of Commerce identifies skills shortages as a top barrier to competitiveness. Shortages threaten economic growth, as organizations cut back production and turn down contracts when they lack employees with the right skills. Skills gaps cost the economy billions of dollars annually in foregone GDP. In a recent survey, the Canadian Council of Chief Executives found that approximately two-thirds of survey respondents expect shortages to have a medium or large impact on future major projects and/or investments. For many organizations, growing shortages have become a key corporate risk.

High Turnover

In tight labour markets, employees with trades experience will be in demand, leading to competition for labour and high turnover, as employees leave to pursue more lucrative opportunities. Employee turnover is expensive—not only does hiring new employees cost money but, as expertise leaves, existing staff need to help train new hires. This results in productivity delays and decreased morale. The cost of replacing an experienced employee can be 20% to 30% of the annual salary for a lower skilled worker. Unplanned absences can also be costly, especially when the work of each team member contributes to total daily output.
If these factors reflect your organizational reality, consider ways to maximize the diversity of your workforce. Women represent a largely untapped source of labour in the skilled trades and can be a valuable addition to your workplace.
THE BUSINESS CASE: HIRING WOMEN WORKS

WHY HIRE WOMEN?

Access a new pool of talent

With many baby boomers leaving the workforce, employers need new sources of skilled labour. The International Labour Organization estimates that 48% of the global productivity potential of women remains under-utilized, compared to 22% for men. Women are also a source of young talent; only 10% of women in the workforce are over the age of 55 (versus 13% for men). There are 3.2 young female workers for every female worker over 55, compared to 2.3 young male workers for every male worker over 55.

Metallurgical Coal believes that: “...attracting more women into the company is not just desirable as a matter of equity, but critical to the company’s blueprint for long-term growth.”

Recruiting women from the local workforce saves money, particularly for remote projects. One company paid for a skills training program for local women and, even with the cost of training, experienced savings at a ratio of 9 to 1 by avoiding fly in–fly out expenses.

Ever-evolving computer software, mechanical equipment and technology are levelling the playing field. Outdated assumptions about women’s capacities in the trades have long since been disproven. Changes in work processes and expectations have opened up opportunities for everyone to succeed in these occupations.

Women’s representation in skilled trades is rising. But more can be done.

The top five Red Seal trades with the strongest growth of new female registrants, compared to five years ago, are:

- Steamfitter/Pipefitter +79%
- Industrial Mechanic +75%
- Plumber +60%
- Heavy Duty Equipment Technician +29%
- Partsperson +25%
**Improve business performance**

Benefits of a diversified workforce include:

- Recruitment and retention of highly qualified workers;
- Better alignment with diverse global markets;
- Increased sales revenue, creativity and productivity;
- More customers;
- High employee morale;
- Less absenteeism; and
- Higher overall corporate performance.\(^{37}\)

**Strengthen your business by hiring women apprentices**

Hiring apprentices, including women, as a part of an overall hiring and training strategy is good for the bottom line. For every dollar invested in an apprentice, employers receive a return, on average, of $1.47. The net benefit ranges from $39,524 for a cook to $245,264 for a heavy duty equipment mechanic.\(^{38}\)

Women are under-represented in apprenticeship in Canada, however there have been encouraging trends in recent years:
• According to Statistics Canada, in 2012, there were 63,240 female apprentices, accounting for 14.2% of all registered apprentices—up from 58,545 female apprentices in 2011 or 13.7% of all registered apprentices;
• In 2007, there were 38,070 female apprentices, accounting for 10.6% of all registered apprentices; and
• There were 66% more female apprentices in 2012 compared to 2007.

Show your commitment to social responsibility

A diverse workplace that mirrors the community enhances a company’s reputation. This is a key benefit for large construction and mining projects seeking community buy-in. According to the HR Council, when employees are representative of the diversity of the community, it supports both credibility and trust of a potential customer base.

As part of a new shipbuilding project for the Royal Canadian Navy, Kevin McCoy, President of Irving Shipbuilding, made a commitment to recruit more women by partnering with Women Unlimited and providing opportunities to 20 women interested in welding and metal fabrication programs. The partnership is helping train the next generation of skilled trade workers.

Gender diversity strategies will position organizations to compete for opportunities. Some Canadian jurisdictions and communities have begun working with large resource development organizations to develop Gender Equity and Diversity Plans with a goal to improve the representation of women and other diverse groups in occupations where these groups are under-represented. Organizations that update their gender diversity strategies will position themselves well to compete for these opportunities.

“Many of the building and service contacts we interact with are women who have [expressed support] to see women working for our firm. I believe that this has direct benefits for our business relationships. The construction industry has unlimited opportunities for women and our firm believes that our role is to expand and develop these opportunities.”

Dan Mott, Mott Electric
**Improve market reach**

Organizations need to consider female perspectives when making decisions about future products and services. Women are potential customers: Women make or influence up to 80% of buying decisions and are a growing customer base. A diverse workforce better reflects the community it serves, bringing new understanding to customer outreach and relations.\textsuperscript{45}

**Gender diversity provides “more voices to challenge established ways of thinking... if you want your company to grow, you need to open your mind. New ideas come from new and diverse voices.”**\textsuperscript{46}

*General Manager, El Soldado (International Mining Company)*
Make the most of motivated learners

Rather than spending money on external recruitment and waiting for new employees to get “up to speed,” employers can save significant time and money by promoting from within and “growing their own talent.”47 High-quality training can make a significant difference to employee competence and confidence.48

Apprenticeship is an important training pathway, allowing employers to train from the ground up. Apprentices learn trade skills, as well as company-specific systems and procedures, while technical training teaches the theoretical aspects of the trade. By the end of the program, an apprentice’s skills are aligned with the needs of the company. Employers report training their own journeypersons results in reduced risk of skill shortages, increased potential for career advancement in the company and fewer mistakes.49

Employers often worry that apprentices are not motivated to undertake technical training. However, college instructors across the country say female apprentices are highly motivated to learn, have strong foundational skills and excel during technical training.50

Boost your productivity

Higher levels of gender diversity can drive productivity and innovation by:

- Introducing new ways of working;
- Strengthening team dynamics;
- Improving decision-making processes; and
- Developing more robust problem-solving on the job.51

For example, case studies from the mining, construction and manufacturing sectors show improved performance when teams include women. Women introduce fresh perspectives and new ideas about the best way to get the job done.52 According to research in the Harvard Business Review, the collective intelligence of a team increases with female involvement.53
Companies have observed that greater attention to detail and precision in their female-dominated teams ensures that equipment runs more efficiently, causing fewer delays and maximizing productivity.\(^5^4\)

Both men and women make equally strong mentors for new female employees and apprentices.\(^5^5\) Employers say that the mentoring process renews and revitalizes their experienced staff, and promotes safe work practices. New employees and apprentices contribute new knowledge, awareness and understanding of new technology to the partnership.\(^5^6\) Survey results indicate that 63% of employers consider a “homegrown” journeyperson more productive than an external hire.\(^5^7\)

**Improve health and safety**

A number of companies report improved health and safety compliance when women are present on their teams, resulting in fewer days off due to illness or injury, as well as workplace insurance savings.\(^5^8\) A case study indicates that female electricians take fewer risks than their young, male counterparts, reducing the potential for accidents.\(^5^9\)

**Reduce absenteeism and turnover**

A workplace with a dedicated, experienced and long-tenured workforce will pay off for business owners. Because many women are often committed to staying in their communities, they can be a loyal and stable workforce well worth investing in. This saves countless dollars on recruiting and training new staff.

Demonstrating appreciation and respect for your employees is a meaningful way to retain staff over the long term. Employees who feel respected in the workplace are more likely to be committed to a company’s goals and priorities.\(^6^0\) Policies and procedures on fairness and opportunity led to an estimated 75% reduction in absenteeism for one horticultural company.\(^6^1\)
STRATEGIES FOR RECRUITING AND RETAINING WOMEN IN YOUR WORKPLACE

There is no need to be an expert to embrace workplace diversity—often simple adjustments can yield positive results.

Recruitment Strategies

- Indicate in recruitment materials that your company is serious about hiring women.
- Place job ads where women will see them—women’s training organizations, trade schools, community bulletin boards and fitness and recreation centres.
- Use social media to recruit women.
- Speak to young women in high school and college about opportunities in your sector.
- Establish ongoing relationships with local trade schools. Communicate an interest in hiring female candidates and apprentices.
- Encourage referrals from your existing employees.
- Ask everyone the same questions when interviewing.
- Ensure that your recruitment and hiring committees are representative of your diversity values.
- If working with a human resource company to fill positions, be sure to make your diversity values and needs clear.

Include Women in Senior Management and Governance Roles

Companies with more female directors outperform those with fewer. Companies that sustain high representation of women on their boards over time significantly outperform those with consistently low representation: 84% return on sales, 60% return on invested capital and 46% return on equity. Better still, having women in senior management and governance roles demonstrates to potential employees that your workplace is welcoming and inclusive.
Review Existing Policies and Procedures

Many organizations have taken steps to review hiring and HR policies to ensure they represent the needs of a modern and diverse workforce. Reviewing policies and procedures for bias, talking to female workers about their needs and promoting gender-sensitivity training can contribute to a workplace culture that supports the participation of women.⁶⁴

Create a positive work environment

Workplace culture is a critical issue many employers overlook⁶⁵ A welcoming work environment will attract new talent and improve the bottom line.⁶⁶ According to the Hay Group, a positive climate will increase bottom line performance measures by up to 30%.⁶⁷

- Share team behaviours and common practices to help new staff fit in.⁶⁸
- Describe safe work policies and practices, provide emergency contact information and talk about safety concerns.⁶⁹

The presence of women on worksites can result in a more respectful and professional work environment where the tone and level of communication is appropriate. According to feedback from both managers and workers, this kind of work environment better suits workers of both genders.⁷⁰

Men are important allies in efforts to promote gender diversity in the workplace. Men can help build a more collegial, non-confrontational environment, and help normalize an inclusive workplace. A recent study found that efforts to influence men are most effective when facilitated by other men who are sympathetic to women’s advancement.⁷¹

Implement a mentoring and championing program

Sponsor a female apprentice. All apprentices need sponsors or employers who will support them in learning the skills of the trade and provide them with the experience to become a journeyperson. By taking on female apprentices, and pairing them with experienced journey people, your organization will help to increase the number of women in the trades.

Provide female staff with access to a mentor or role model. When women in the mining industry were surveyed, they reported career advancement was most difficult in
technical occupations, skilled trades and senior leadership roles. They reported that having female executive role models helped. 

Champions take mentoring a step further. In addition to providing advice and support, champions stand up for their mentees, promote them in their networks and expose them to new opportunities.

*Mentors can give women more confidence, identify opportunities for training and professional development, and help advance women’s careers.*

Employers often encourage their female tradespeople to connect with peers through women’s workplace peer groups and committees. These groups allow women to share their experiences, network and can have a positive effect on women’s capacity to address the realities of a male-dominated workplace. Some unions also provide excellent opportunities to address issues facing women within the workplace.
Listen to and accommodate employees

Listening to your employees and making appropriate accommodations will aid retention and enhance productivity. These efforts work equally well with both men and women and help to support and inclusive and positive workplace environment. For example, consider:

- Consulting employees and determining controls that create a comfortable work environment;
- Implementing regular job rotation to minimize repetition and to reduce the duration and frequency of physical stress; and
- Adjusting how much employees have to lift at one time. Companies in the mining and automotive sectors noted no effect on productivity when adjustments were made.

Major cost savings result when managers are focused on improving production and team performance, rather than dealing with employee grievances. Eliminate assumptions about a woman’s capacity to do the job, undertake overtime, or participate in projects at remote sites. With adequate notice, many women are willing to pursue opportunities to advance their careers, even if it involves travel or time away from family.

Research and case studies show that company-sponsored parental leave, predictable shift patterns, better access to quality child care and health programs can be cost-effective. Programs that improve work-life balance for parents or health outcomes for all employees can lead to significant returns. For every dollar invested, one employer received a return of $3, due to savings from reduced absenteeism and staff turnover.

According to the Hay Group, a positive workplace climate will increase bottom line performance measures by up to 30%.
Set Targets

Improving gender diversity is like any other strategic business objective; it requires an understanding of the business case, leadership, establishing a baseline, setting a goal and measuring progress. Although isolating the factors that influence performance can be difficult, companies that measure outcomes and understand costs and benefits are better positioned to make women an integral part of their business strategy.

- Consider factors such as the impact of accommodations or training programs, staff time spent in diversity workshops and recruiting costs.
- Compare costs against revenue, production, sales figures or the penetration of new markets.
- Track margins of error, workplace accidents, absenteeism, and turnover to assess your true business performance.
- Set diversity targets and support targets with documentation systems, managerial commitment and clear lines of accountability.
- Offer your managers training on diversity.
PARTING ADVICE: FIND YOUR COMPETITIVE ADVANTAGE

So what are you waiting for? Employers who hire more women report benefits to client relationships and a more inclusive workplace culture, as well as overall improvements to productivity and workplace safety. Given these many advantages, it is worth looking at how to engage more women in your workplace, from entry-level to senior management.

The strategies outlined here are just the beginning. If you are a small or medium-sized business owner and lack human resource capacity, consider using toolkits and guides. Collaboration with non-governmental organizations, unions and/or educational institutions will also strengthen your efforts.84

Additional Resources:

- Build Your Own Business Case: Formulas designed to help you assess these costs and benefits are outlined in Investing in Women’s Employment: Good for Business, Good for Development.
- Canada’s Building Trades Unions, “Build Together” Campaign
- Canadian Apprenticeship Forum, “Employer Toolkit”
- Canadian Centre for Women in Science, Engineering, Trades and Technology offers a “Respectful and Inclusive Workplace Module” for employers
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