

Laing O'Rourke reports on Australian Gender Pay Gap February 2024

Laing O'Rourke Australia has published its latest Gender Pay Gap analysis, in alignment with the Workplace Gender Equality Act.

According to Mark Dimmock, Acting Managing Director, measuring and managing the Gender Pay Gap is part of Laing O'Rourke's commitment to driving change in the construction sector, which needs more talent to meet demand – and divergent talent to solve the complex problems facing the sector.

"We welcome WGEA's public reporting of Gender Pay Gap data and see it as a strong step in accelerating the scale and pace of change. The first and most important step to addressing the gender pay gap is shining a light on where it exists," Mark said.

"It's only when we understand where the pay gap exists and why, that we can begin to address it.

"Attracting and retaining more female employees is important to Laing O'Rourke. In fact, achieving parity between female and male employees by 2033 is one of the key goals within our global sustainability strategy."

Laing O'Rourke's Gender Pay Gap in Australia at the time of reporting (31 March 2023) was 24.8%, (average total remuneration gap) which is 3.5% lower than the Australian construction industry average of 28.3%. Laing O'Rourke Australia's median total remuneration is 30% and the industry average sits at 31.8% for the reporting period.

Laing O'Rourke Australia employed 2,701 people at the time of reporting (31 March 2023) with females representing 31% overall. This compares to 12% across the construction industry. Helen Fraser, Director – People in Australia explains that while closing the gap can be complex in a male-dominated industry, the reason it exists is fairly simple.

"There is a general misconception that the Gender Pay Gap only refers to gender pay inequality in like-for-like roles. That can be a driver, but in a male dominated industry like construction, the gap is largely driven by having fewer women in senior roles and fewer women in the highest paid occupations. It's a gap that takes years of dedicated effort to close.

"The data tells us the story of how effective our gender equality strategy has been so far and guides our future priorities," said Helen.

Rigorous process

Laing O'Rourke has a strong commitment to equal pay and has rigorous salary decision making processes which ensure men and women are paid equally for the same work. This is reviewed each year and action is taken, in the form of an additional pay increase, if any like-for-like gaps exist.

There is a strict process in place ensuring women are not recruited into salary bands beneath their skills and experience, which corrects what may have been years of pay discrepancy in a woman's career. This elimination of like-for-like Gender Pay Gaps is an important expectation of Laing O'Rourke as a WGEA Employer of Choice for Gender Equality Citation holder.

More women in senior roles

At Laing O'Rourke, 31% of employees are female (including staff and blue-collar workforce). However, of the employees in the upper pay quartile, only 16% are women, whereas in the lowest pay quartile, 55% are women. The strategy is clear and simple – hire, develop and promote more women into senior roles and higher paying occupations such as Engineering, Project Management and Supervision.

Laing O'Rourke has increased female representation on its Australian Executive Committee to 45%, and in the 12-month reporting period to 31 March 2023, there was an overall increase in female internal and external appointments and promotions from 28% to 31%.

It is this focus that has seen Laing O'Rourke's Gender Pay Gap drop almost 5% over the past three years.

More women in male dominated occupations

One role with a significant impact on the Gender Pay Gap in the construction industry is the Supervisor. This is a critical role and requires many years of experience through either a trade or a front-line construction background. Due to the travel and long hours often required, this role attracts a range of allowances. There are very few women in this role today.

The creation of a Laing O'Rourke Construction Traineeship will see the organisation accelerate the development of more female Supervisors. Construction Management Graduates are also moving into this role at the cessation of the Graduate Development Program. Both strategies will produce longer-term benefits.

More women in graduate roles

Gender parity in Intern and Graduate hiring has a long-term positive impact, but over the short-term, widens the gap. For the past four years, Laing O'Rourke has achieved gender parity when recruiting early talent, meaning that a high proportion of our women are still developing into senior construction professionals and paid in the lower quartile.

Over the next few years these women will move into more senior roles en masse, reducing the Gender Pay Gap.

More women in senior roles on projects

Laing O'Rourke has had a target to increase the proportion of women in senior project roles (as opposed to only corporate, office-based roles) since 2019. This has increased from 11% in 2019 and has almost doubled today.

Continuing to recruit and develop women into these critical roles will see the Gender Pay Gap continue to reduce.

There are systemic and cultural drivers affecting women's participation and experiences in the workforce in the construction industry, such as paid parental leave, affordable and accessible childcare, pervading challenges around gender-based discrimination and bias, limited senior and management opportunities for part-time/job-share employees, and perceptions, expectations, and norms of gender-based care-giving roles.

Often it is the indirect forms of discrimination that limit earning ability, particularly for women, including biases in recruitment, progression and promotion opportunities.

Without addressing these, the Gender Pay Gap is likely to persist.

“Whilst Laing O’Rourke cannot change these societal drivers, we can play our part, through leading strategies and initiatives such as providing six months paid parental leave to women and men, paying superannuation on paid and unpaid parental leave, providing increased development opportunities through our sponsorship program, and proactive strategies to eliminate all forms of gender-based harassment and discrimination from our business.

“Our workplaces must be places where women thrive, and whilst this corrects historical imbalances, it also creates a workplace where all people can thrive,” said Helen.

Laing O’Rourke’s Gender Equality Action Plan has specific outcomes around leadership visibility and accountability, as well as applying the learnings from its Inspiring STEM+ programme, which is now being delivered by Laing O’Rourke project delivery teams in partnership with seven high schools around the country.

The plan outlines recruitment strategies, sponsorship of emerging female leaders, and mandatory training for senior and hiring managers to reduce gender bias whilst cultivating a positive and engaging culture within their teams.

“Amplifying the most relevant attraction, retention and employee engagement levers for our workplace is critical to driving sustainable change. We know our pay bands and policies create rigour, and that when we push ourselves to find the uncomfortable answers, admit when we have a problem and address the issues, we are creating the most powerful avenue to drive change.

“So, if you ask me if we were anxious about publishing our Gender Pay Gap, the answer is “*absolutely not*”. Transparency is the key to making improvements in this area,” said Helen.

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