

# WOMEN'S ROLES IN THE CONSTRUCTION EQUIPMENT DISTRIBUTION INDUSTRY

— 2018 —



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### ▶ ABOUT THE REPORT

With a significant portion of the heavy equipment industry's workforce nearing retirement and a troubling lack of young workers or new hires available to take their place, the skilled labor shortage looms large in the minds of many dealers. The labor shortage is costing the industry a shocking \$2.4 billion per year in lost revenue and more and more dealerships are having to find creative ways to attract new employees – including reaching out to a historically underrepresented demographic: women.

Employers in the related fields of construction, mining and agriculture are also courting female workers like never before. While the heavy equipment industry is primed for a transformation, many believe that progress toward gender equality in the sector has stalled.

To get a sense of where women in the construction equipment industry stood on this issue, Associated Equipment Distributors (AED) hosted its first Women in Construction Equipment Roundtable on May 17, 2018, in Chicago. The women attending represented 19 organizations involved in the construction equipment industry, including both dealers and manufacturers. Attendees focused on two key questions during the Roundtable discussion:

1. What can we do to attract more women to the industry?
2. What can we do to support each other, and the other women in the industry?

This report shares some of the constructive insights that were voiced during the Roundtable. AED would like to present these ideas, challenges and solutions to guide manufacturers and dealers in rooting out gender bias within their organizations. Before companies can tailor solutions to meet the needs of a gender-equal workforce and tackle the labor shortage crisis, they must find out what women really want from an employer.



## DEFINING THE ISSUES WOMEN FACE

### What Prevents Women from Entering the Industry?

Jobs in the construction field are perceived as requiring immense strength and demanding long, unpredictable hours

Occupational gender segregation: Women are more likely to work in jobs in administration or that require higher education, while men are more likely to work in jobs that require skills training.

Not only do we see an obvious gap in pay between men and women, we can also see a gap in the benefit policies that many organization's offer their female employees. Not only do we see a gap in pay between men and women, we can also see a gap in the benefit policies that many organization's offer their female employees. Lacking a robust maternity leave program or denying women flex time opportunities put companies at a disadvantage when attempting to attract or retain women

Business leaders are unwilling to invest the resources needed to attract a massive segment of the population that has historically found these jobs uninviting.

A study from the Institute for Women's Policy Research and JPMorgan Chase & Co. took a close look at females in middle-skill jobs, such as construction workers and machinists. The study revealed that although women make up 83 percent of the workforce for jobs that pay under \$30,000 a year, they make up only 36 percent of the workforce for jobs that pay \$35,000 and over.

Dealers need to not only reshape perceptions of who belongs in the industry, but also convey to women that careers in the heavy equipment offer great pay, benefits and opportunities for growth.

The United States remains woefully behind when it comes to maternity benefits; and construction, engineering and manufacturing companies often fare the worst in this regard.

1: Stedman, Michelle (2017, June) Supporting Women in Construction, Engineering and Manufacturing. Retrieved from <https://www.engineering.com/JobArticles/ArticleID/15067/Supporting-Women-in-Construction-Engineering-and-Manufacturing.aspx>

2: Institute for Women's Policy Research. (2016) Pathways to Equity Narrowing the Wage Gap by Improving Women's Access to Good Middle-Skill Jobs.

## ATTRACTING WOMEN TO THE INDUSTRY

Benefits of a Diverse Workforce

Breaking Down Barriers with Strategic Marketing

Improvements in the School-to-Work Pipeline

Developing Talent through Apprenticeship, Scholarship and Internship

### BENEFITS OF A DIVERSE WORKFORCE

The positive attributes that women can bring to the table enhance a company's gender diversity at all levels. Organizations that have best practices in place are finding their relationships with female employees to be mutually beneficial and are able to successfully recruit and retain this valuable resource. Boasting strong mechanical aptitude, machine operation and interpersonal skills, along with a drive to work hard, women make ideal employees.

The Peterson Institute for International Economics recently conducted a survey of 21,980 publicly traded companies in 91 countries which found that having more female leaders in high levels of corporate management correlates with increased profitability. From its analyses, the institution believes that having more females in high level corporate roles leads to increased skill diversity in top management, enhanced monitoring of performance and less gender discrimination throughout all levels of management.



“We need to identify what women look for in employment these days. It seems that an organization's culture is very important to female job seekers. Companies must have a way to communicate their initiatives through their websites or marketing materials.”<sup>3</sup>

<sup>3</sup>: Alexis Gladstone, speaking at the Women in Construction Equipment Roundtable

## VALUE ADDED BY WOMEN INCLUDES THE FOLLOWING:

- Creating an inclusive workplace culture in which men and women are valued equally.
- Branding an organization as an employer that values diversity.
- Removing the subconscious bias of internal recruiters.
- Increasing job applicants - A study by ZipRecruiter found that removing gender-biased words in position descriptions can increase applicants by 42 percent.<sup>4</sup>
- Helping productivity, creativity and building an inclusive company culture many smart candidates will find attractive.<sup>5</sup>

## HOW TO:

1. Look at the industry from both micro and macro perspectives to pinpoint the problem areas when it comes to diverse hiring practices.
2. Think strategically about the issues facing the industry and how to address them.
3. Develop benefits/perks that appeal to women (i.e. family-friendly flexible work policies, professional development and mentoring for women, and maternity and fertility benefits).
4. Use your career site and social media profiles to tell the story of diversity at your company.<sup>6</sup>

## BREAKING DOWN BARRIERS WITH STRATEGIC MARKETING

Use your company's marketing and recruiting teams to shift the narrative about jobs in construction and related fields. Focusing on how jobs in occupational sectors serve others — what they are for, rather than what they do — can go a long way toward changing public perception of these industries. Most people — men and women alike — remain unaware of the changes the industry is undergoing and the diverse employment options and strong career paths that are available. Technology has reshaped the skill sets required for jobs in construction and manufacturing; intelligence and problem-solving skills now carry just as much (if not more) weight than simple brute strength.

HR representatives can make it a priority to inform women of open positions that fit their skill sets. Social media can be a fantastic resource for scouting potential female employees. The plethora of female-led direct-selling businesses demonstrates the need for well-paying jobs for women, and careers in the heavy equipment industry can deliver in a way that many other opportunities cannot. Allow candidates to schedule one-on-one meetings with your HR team, aimed at developing their career paths and advising them for future success.

4: A study by Zip Recruiter found that by removing gender-biased words in position descriptions can increase applicants by 42 percent.

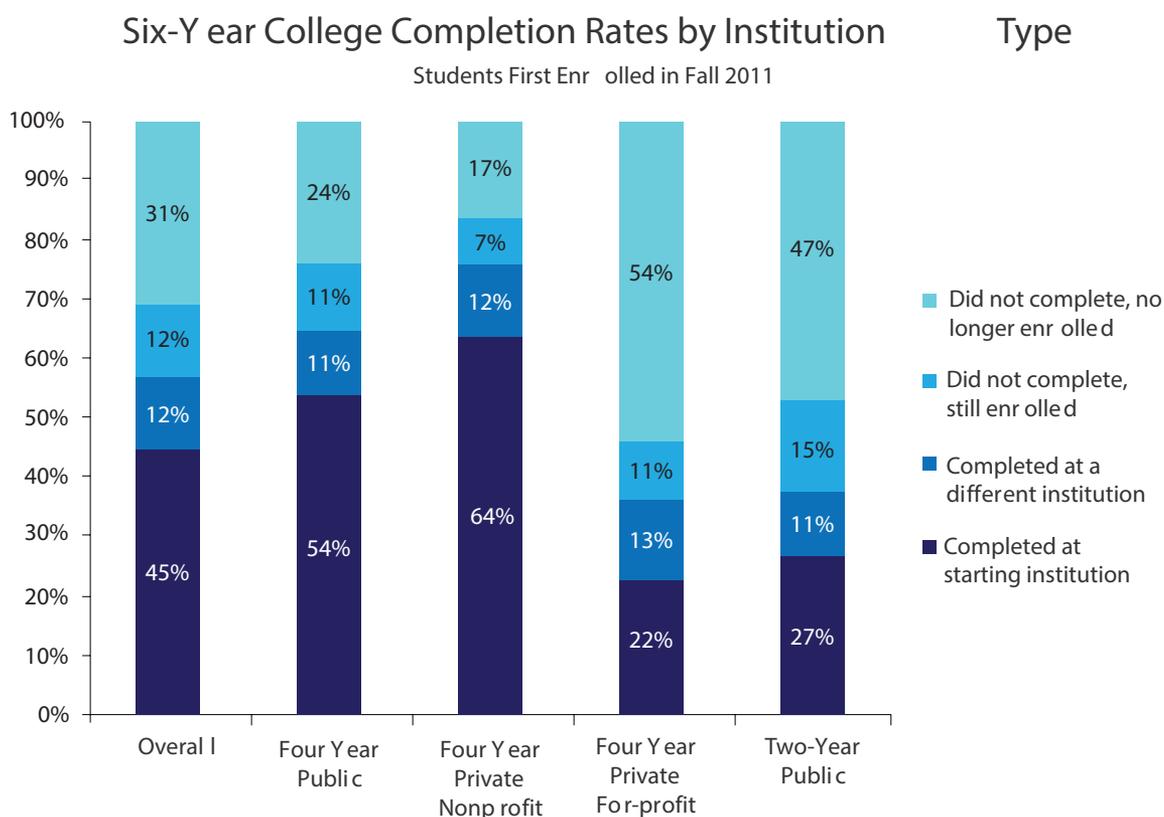
5: Huhman, Heather (2013, April) How To Promote Diversity With Your Internship Program. retrieved from <https://www.forbes.com/sites/work-in-progress/2013/04/01/how-to-promote-diversity-with-your-internship-program/#50e0197b3ea0> Alexis Gladstone, Speaking at the Women in Construction Equipment Roundtable

6: Huhman, Heather (2013, April) How To Promote Diversity With Your Internship Program. retrieved from <https://www.forbes.com/sites/work-in-progress/2013/04/01/how-to-promote-diversity-with-your-internship-program/#50e0197b3ea0> Alexis Gladstone, Speaking at the Women in Construction Equipment Roundtable

## IMPROVEMENTS IN THE SCHOOL-TO-WORK PIPELINE

Best practices for attracting females to the construction industry are the same as those for attracting anyone to the industry. One way to do this, regardless of gender, is to improve the school-to-work pipeline. Recent legislative changes are showing such progress. The No Child Left Behind Act (NCLB), which, combined with the budget crises in the late-2000s recession, brought about the reduction or elimination of elective and vocational education programs. Since 2007, over 70 percent of schools have reduced instruction time in subjects such as history, art, music and vocational education to provide more time and resources to math and English as a result of NCLB.<sup>7</sup>

Along with the increased emphasis on mastery of reading, writing, and math standards, there was a shift in the message educators were sending to students. By this time, most of society was convinced that a four-year degree was necessary to get a good-paying job. Educators responded by encouraging all students to go to college, whether or not those students were actually ready for college. As a result, the most recent National Student Clearinghouse (NSC) annual report puts college completion rates at just 57 percent. Nearly one in three students drops out entirely.<sup>8</sup>



7: Beveridge, T. (2010). No Child Left Behind and fine arts classes. Arts Education Policy Review

8: Study can be found at: <https://nscresearchcenter.org/signaturereport14/>

## TAPPING INTO TOMORROW'S TALENT

Outreach efforts geared toward students should begin long before they're ready to choose a career – ideally while they're in middle or high school. Participating in your child's "Bring Your Parent to School" career presentation is also a great way for dealers to introduce the field to children. Donating equipment to a school shop program, organizing or participating in career day events, and inviting teachers and students to tour a dealership are all great ways for dealers to not only expose students of both genders to the possibility of a career in the heavy equipment industry, but to point out to young women that jobs in the industry aren't just for men.

By 2015, NCLB had become unpopular on both sides of the aisle and was replaced by the Every Student Succeeds Act (ESSA). ESSA shifts more control over education standards to the states and emphasizes preparing all students for success in college and careers.

One such pathway is through registered apprenticeship programs. Outreach efforts geared toward students should begin long before they're ready to choose a career – ideally while they're in middle or high school. Participating in your child's "Bring Your Parent to School" career presentation is also great way for dealers to introduce the field to children. Donating equipment to a school shop program, organizing or participating in career day events, and inviting teachers and students to tour a dealership are all great ways for dealers to not only expose students of both genders to the possibility of a career in the heavy equipment industry. Point out to young women that jobs in the industry aren't just for men.

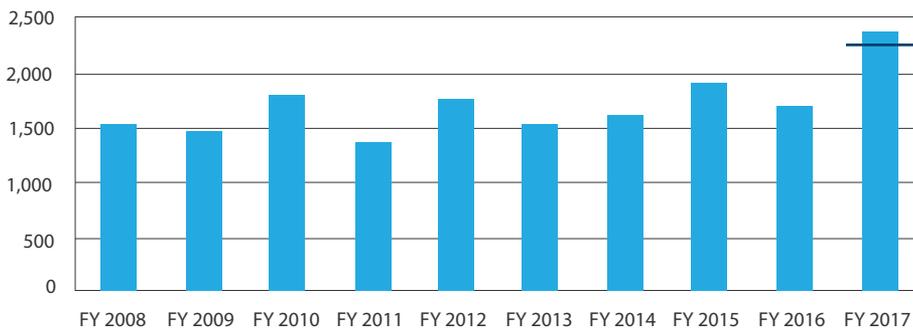
## DEVELOPING TALENT THROUGH APPRENTICESHIP, SCHOLARSHIP AND INTERNSHIP PROGRAMS

### Apprenticeship Programs

Registered apprenticeship programs combine job-related technical instruction with structured on-the-job (OTJ) learning experience. Apprenticeships give workers the opportunity to obtain high-skilled, well-paying jobs and give employers a way to build a qualified workforce. Although this system meets the needs of both employers and workers, there are currently only 533,000 apprentices in registered programs nationwide. This represents just a fraction (0.4 percent) of the 129 million full-time workers in the United States.<sup>10</sup>

Registered apprenticeship programs are highly active in traditional industries like construction and manufacturing. Expanding these programs to other industries, including heavy equipment distribution, can increase the number of skilled workers in AED member organizations.

National Total: New Programs\*



While apprenticeship programs would be a best-fit solution for the skilled positions in the industry (e.g., equipment technicians), there are a variety of other jobs in a dealership that need to be filled. One way to attract candidates, especially into positions that require a two- or four-year degree, is to offer financial assistance, in the form of scholarships and tuition reimbursement.

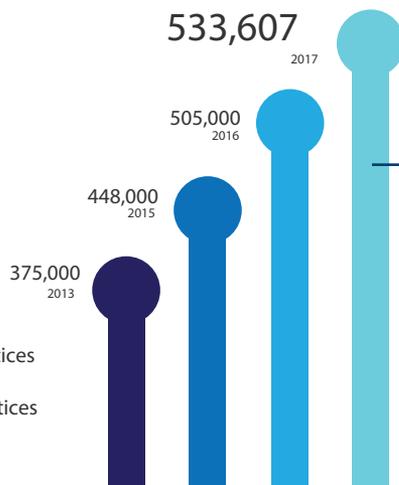
Apprentices National Growth Chart

**42%**

GROWTH SINCE 2013

**Key Facts**

- The annual average of active apprentices for the last 20 years = 425,416.
- The current number of active apprentices is 125% higher than the 20 year annual average (533,607/425,416).



Registered apprenticeship programs are on the rise, and with increased numbers and visibility come an increase in diversity of program participants.

10: <https://doleta.gov/OA/apprenticeship.cfm>

## Scholarship Programs

To stay competitive, businesses need to start engaging students in recruiting efforts as early as possible. Gone are the days when an organization could show up at an April job fair and expect to hire the best and brightest. Scholarships can be an effective tool for attracting students, especially given the rising cost of higher education.

Developing an adequate scholarship program is an important factor with today's younger workforce. Scholarship programs have the added bonus of promoting the business and building industry awareness, giving lots of opportunities for positive PR coverage in the media (both social and local). Scholarships can be targeted to specific class years, majors, and groups, so businesses can get the attention of the students you are looking for. Additionally, scholarships can be tied in with company internships, further strengthening the relationship between student and (potential) employer. Scholarships can be offered to those already in college to help offset costs, or to those in high school as a way to influence students' choice of career path.

## Internship Programs

The needs of small- to medium-sized business are twofold. Effectively manage your workflow to accomplish immediate objectives and accomplish your future objectives by finding new members that will help to grow the business. Community-based school-to-work programs are putting dealers, manufacturers and educators together on the same page, working toward the common goal of growing a new generation of well-trained, high-quality entry-level technicians.<sup>11</sup>

Internship programs provide students with a great opportunity to learn how to diagnose, maintain and repair construction, agricultural and other diesel-powered equipment. Completing the two-year program allows them to secure jobs that pay well and provide excellent benefits, working for local and major national companies in the construction, agricultural, mining, marine, power generation and various other diesel-related fields. Almost 40 percent of employers reported a higher five-year retention rate among employees they'd hired via their internship programs.<sup>12</sup>

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**Your internship program is actually a training ground for top talent. Look at your interns and you'll be looking at the future of your company. The intern hire you make today has a 60 percent probability of being the entry-level superstar of tomorrow.**<sup>13</sup>

11: <http://www.internships.com/employer/resources/setup/benefits>

12: National Association of Colleges and Employers (2009) Experiential Education Survey

13: Huhman (2013)

# SUPPORTING WOMEN IN THE INDUSTRY

Offering Inclusive Benefit Packages

Transitioning to Flex Time

Community Building

Collaborating with Nonprofits

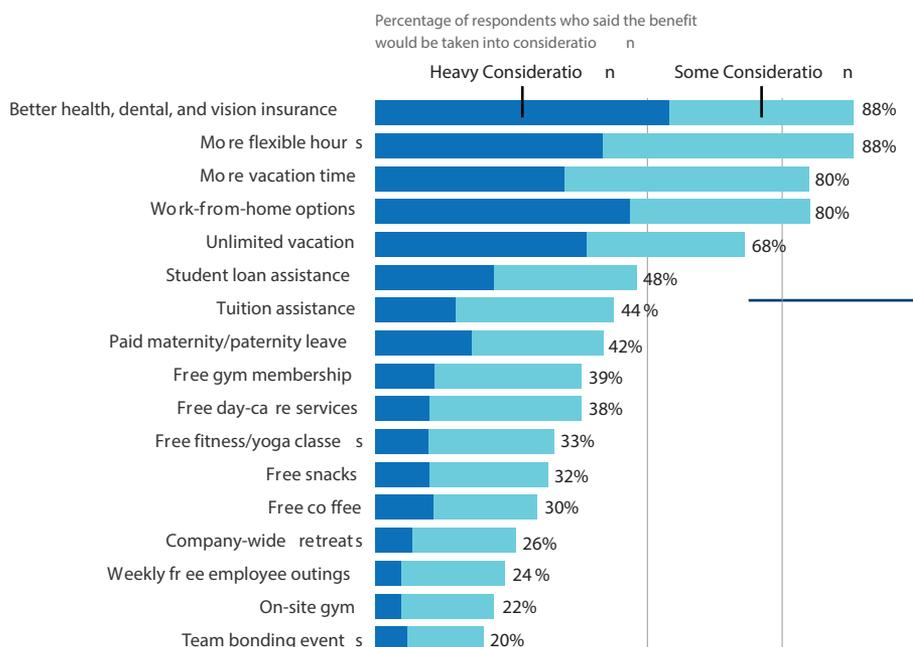
## OFFERING INCLUSIVE BENEFIT PACKAGES

### Health Care Benefits

Health, dental and vision insurance benefits are the top consideration of job seekers, and also the most expensive benefit, averaging \$6,435 for individual coverage and \$18,142 for a family.<sup>14</sup>

### Which Benefits Are Most Valued by Job Seekers?

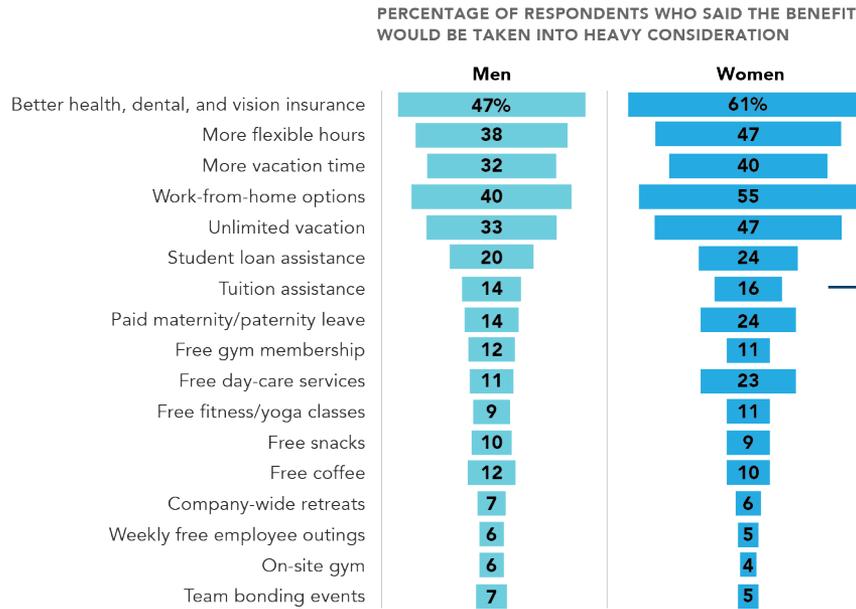
When choosing between a high-paying job and a lower-paying one with better benefits, respondents said health insurance and flexible hours might tip them toward the latter.



Women are more likely than men to heavily consider the benefit offerings of a company when choosing a job.

SOURCE: FRACTL SURVEY OF 2,000 U.S. WORKERS

14: Jones, Kerry (2017) The Most Desirable Employee Benefits. Harvard Business Review. Retrieved from <https://hbr.org/2017/02/the-most-desirable-employee-benefits>



SOURCE FRACTL SURVEY OF 2,000 U.S. WORKERS

Where there is a noticeable and distinct difference, however, is with the amount that women pay in comparison to men for health care benefits.

Women tend to pay more than men for health care benefits, on average 13 percent more for single coverage, and their deductibles are typically 31 percent higher than men's. As a result, women typically receive less coverage under their plans than men.<sup>15</sup> Women are also more likely to use health care services than men, meaning that women will more than likely to have to pay more out of their salaries to pay for the services.

## Maternity Leave

The Family and Medical Leave Act (FMLA), passed in 1993, covers 12 work weeks of leave if the employee has been working at their company for at least one year. This act, however, does not require women to get paid for their leave.<sup>16</sup> There are also no obligations for a company to require this leave to a woman if she has not been in the organization for at least a year. Companies, therefore, can choose whether they want to provide maternity leave to their employees. About 88 percent of women in the U.S. do not get paid maternity leave from their companies.



15: Wojcik, (2014, October) Women pay more than men for health care benefits: Mercer

16: Traister, Rebecca (2015, February) Why Women Can't Break Free from the Parent Trap

There is a case to be made for the importance of providing paid maternity leave. It has been proven that women who receive paid maternity leave are more likely to return to the workforce when their maternity leave is over and work longer hours when they come back. Providing paid maternity leave is a huge pull in recruiting and retaining women in the workforce.

The U.S. does not require organizations to provide paternity leave to men. Changing the culture of paternity leave can end up being valuable to women in the workforce. When they do take the leave, they are likely to experience some of the following effects:

- Being looked down upon by their co-workers <sup>17</sup>
- Being more likely to get their earnings reduced by about 15 percent
- Being looked over for promotions
- Receiving worse job evaluations and lower hourly raises
- Being at a greater risk of being demoted or laid off

Creating mandatory leave for both mothers and fathers will help eliminate gender bias in the workforce and will benefit not only men, but also women.

### Transitioning to Flex Time

According to one survey, women are more likely to value flex time than men, but are less likely to receive their requests for time.<sup>18</sup> Men are more likely than women to receive flex time to pursue advancement opportunities and family care.<sup>19</sup> When men request flex time, specifically to handle child care, their request is granted 70 percent of the time, women only have their request granted 57 percent of the time. However, data proves that people who work flex time are more likely to work more overtime than those with fixed schedules, but men with flex schedules make 30 percent more than women with flex schedules, impacting the workforce pay gap.

Moving away from the 8-to-5 mentalities will help support women by providing the flexibility they need to manage career's, families, and professional development. It simply is not the case that if you are not in the office you're not working. With today's workforce putting a high value on work-life balance, both women and men are more likely to seek companies that offer flexibility and support for employees throughout major life events, retirement and future planning, and caring for family members. Employers seeking more female talent should thus become amenable to the idea that it's about employees' ability to do their jobs and do them well, and not as much about when and where they do it.<sup>20</sup>

17: Miller, Claire (2014, Nov.) Paternity Leave: The Rewards and the Remaining Stigma

18: Burkus, David (2017, February) Everyone Likes Flex Time, but We Punish Women Who Use It.

19: Fondas, Nanette (2013) Women and Men Both Ask for Flex Time at Work. Guess Who Gets It?

20: Florentine, Sharon (2017) 5 ways to recruit more women in 2017.

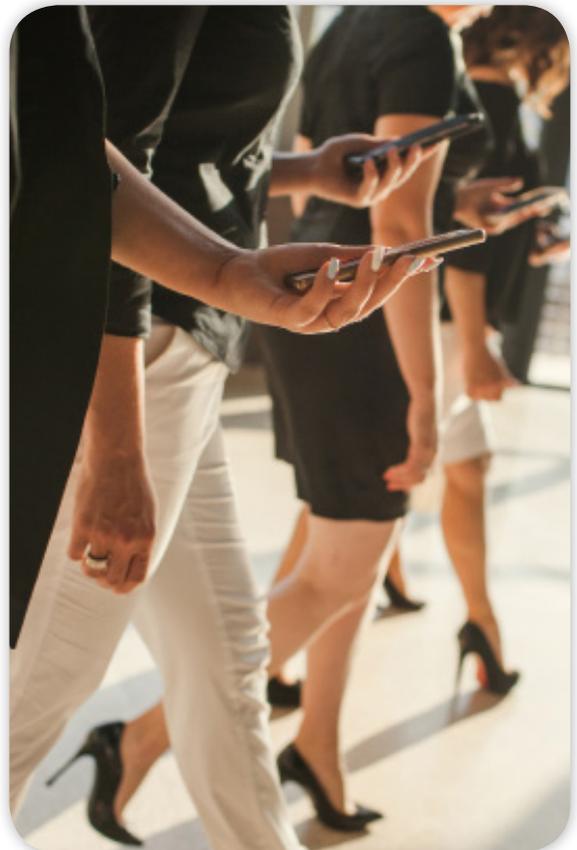
## Community Building

The opportunity for a healthy work-life balance will help to attract more women to companies during hiring and recruiting. Organizations can create a female-friendly atmosphere:

- Offer leadership seminars and workshops geared directly toward women and the specific issues they face.
- Encourage and respond to employee feedback (both good and bad), rewarding teamwork and enforcing zero tolerance for harassment at work.
- Implement mentorship programs in which each new hire is paired with a more seasoned co-worker. Successful apprentices tend to attribute their success to the person who mentored them, enhancing both team culture and career advancement.
- Highlight diversity and a female-friendly culture when interviewing and have female employees involved in the recruitment process. Tailor professional development opportunities that align with female employees' preferences.

## Returnship Programs

Fostering programs that allow employees to return after taking time off to care for a child, parent or other loved one is a great way to build community. A study published by the Center for Talent Innovation in 2010 found that 31 percent of highly qualified women voluntarily left their jobs for an average of 2.7 years. Nearly nine out of 10 women who left their jobs said they wanted to resume their careers, and while 73 percent succeeded in returning to their careers, only 40 percent found full-time, mainstream work. Of the women who identified as homemakers and had not searched for a job in the last year, nearly three-quarters said they would consider returning to the workforce if a job allowed for flexible hours through programs like "returnships", companies are able to connect with awesome talent that often gets overlooked.<sup>21</sup>



21: Zillman, Claire (2016) These 6 Tech Companies Are Recruiting Moms Who Left the Workplace.

### Mutually Beneficial Childcare Options

According to a study by New America, “The average cost of full-time care in child care centers for all children ages 0-4 in the United States is \$9,589 a year, higher than the average cost of in-state college tuition.<sup>22</sup> A mother’s physical and emotional presence during the first years of life is crucial to a child’s brain development and emotional regulation. But an increasing number of women feel that they can provide this maternal nurturing while maintaining a successful career.

The balancing of such industrious and motherly ambitions requires the support and understanding of employers. Studies suggest that the child care market plays a substantial role in influencing female labor force participation.<sup>23</sup> While dealers cannot control child care market drivers, they can leverage a variety of childcare options to entice and retain women in the heavy equipment distribution industry. Here are a few:

- Onsite Childcare Services
- Dependent Care Assistance Programs
- Secondary Child Care Assistance
- Flexible Spending Accounts for Child Care
- Child Care Subsidies

### Nonprofit Partnerships

Partnering with nonprofit organizations creates a multitude of benefits for both businesses. These collaborations can help build awareness and advocacy of both companies, provide unified services to meet needs, strengthen and expand programs, increase credibility and to connect like-minded companies who share similar goals.

Some companies are already making the push to make trade careers more visible in the eyes of young girls. Rosie’s Girls, a program under the Rosie the Riveter Trust, helps to encourage girls to pursue “non-traditional” trades. Rosie’s Girls has partnered with Dunwoody College in Minnesota and the Girls Scouts River Valley to build awareness and exposure to STEM-related education programs and careers through a summer day-camp.<sup>24</sup> As many students have their minds made up about their career path by high school and have never been exposed to trade careers, this helps to show girls the careers before any preconceived notions are created. This program and others like it can easily be changed to work for a dealership to encourage more women into the trade.



**“Women have not necessarily been excluded from the industry, but perhaps they have been prevented from attaining specific roles.”**

22: <https://www.newamerica.org/in-depth/care-report/introduction/>

23: Child Care Costs and Stagnating Female Labor Force Participation in the US (2017) Kubota, So

24: Need for women in trade careers inspires Rosie’s Girls Summer Camp. Retrieved from <https://dunwoody.edu/news/2016/need-for-women-in-trade-careers-inspires-rosies-girls-summer-camp/>

## ▶ A CLOSER LOOK...

### Increasing Awareness of Roles available to Women in an Equipment Dealership

**BRANCH MANAGER:** Directs all operational aspects including distribution, customer service, human resources, administration and sales in accordance with the dealership's objectives.

**FIELD SERVICE TECHNICIAN:** Reports to the service foreman or forewoman and is responsible for the effective repair of machine components in the field, independent of direct supervision.

**GENERAL WAREHOUSE LABOR:** Reports to the parts manager and is charged with the responsibility of shipping, receiving and storage of all parts and materials sold and inventoried by the company.

**INVENTORY CONTROL MANAGER:** Reports to the parts manager and is charged with the responsibility of managing all company parts inventories. Must maintain a supply of parts that provide the highest possible customer service within the boundaries of the dealer's inventory investment.

**JOURNEYMAN TECHNICIAN:** Reports to the service foreman and is responsible for the effective repair of machinery and components at high levels of quality. This individual must be able to work with minimal supervision.

**LOW BED TRUCK DRIVER:** Reports to the service foreman and is responsible for the safe and effective transporting of equipment and components.

**PARTS MANAGER:** Reports to the branch manager and is responsible for the management and supervision of the following job functions: customer parts order processing, telephone sales., in-store merchandising, parts inventory management, purchasing and expediting of parts and materials, warehousing and storage systems, shipping and receiving, office functions, and safety programs in material handling and vehicles.

**PRODUCT SUPPORT SALES MANAGER:** The individual in this position should be personable, highly motivated, a problem solver, reliable, ethical, intelligent and able to adapt to all the forces around them: customers, suppliers, department employees, co-workers and manufacturers' employees. Must have strong selling skills and interpersonal communication skills.

**SERVICE APPRENTICE MECHANIC:** Reports to the service foreman and is responsible for assisting in the effective repair of machinery and components.

**SERVICE FOREMAN:** Individual in this position should be personable, a problem solver, a leader of people, ethical, intelligent and able to adapt to all the forces around them including customers, suppliers, department employees, co-workers and manufacturers' employees.

## ► MOVING FORWARD

AED is confident that it's member dealers can integrate more women into the various operational and executive roles within their organizations. Given the success of the Roundtable event and the building momentum towards gender equality within the industry, AED plans to keep the ball rolling and explore the following ideas for the future:

- A diversity metric in the next annual Compensation Survey and Cost of Doing Business Report so that manufacturing and dealership executives can make informed decisions pertaining to gender equality
- AED planned the Women in Construction Equipment Roundtable to be the first of many meetings, conferences and roundtables geared toward women and the challenges they face in the industry.
- Look for these issues and more to be presented front and center at AED's next Summit event in Orlando, Florida, from February 4 to 7 of next year, during which time AED will also hold its Centennial Celebration

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### REPORT AUTHORS

#### SARA SMITH

Sara Smith is AED's Editor-in-Chief and Director of Marketing and Communications. She can be reached at 630-468-5143 or [ssmith@aednet.org](mailto:ssmith@aednet.org).

#### KATIE HOWELL

Katie Howell is AED's Marketing and Communications Coordinator. She can be reached at 630-468-5142 or [khowell@aednet.org](mailto:khowell@aednet.org).

#### LIZ MCCABE

Liz McCabe is AED's Senior Director of Education and Programming. She can be reached at 630-468-5132 or [lmccabe@aednet.org](mailto:lmccabe@aednet.org).

#### CLIFFORD BLACK

Born and raised in Palm Springs, California, some of Clifford's earliest occupations were in the construction industry. Currently a freelance writer and frequent contributor to CED Magazine, Clifford holds a B.A. in political science and a J.D. with an emphasis on capital lawyering.