

The Next Generation: Will they plug the gap?

Stace Next Gen Index

April 2019



Methodology

The Stace Next Gen Index is based on interviews with 800 young people aged 16-18, all of whom are living across the UK. The gender split for the research was slightly higher for females, with 55% of respondents being female and 45% being male.

Additionally, the breakdown for the age of respondents was as follows:

- 16 - 10%
- 17 - 44%
- 18 - 46%

The ethnicity breakdown of respondents was:

- BAME* - 28%
- White - 68%
- Other / Prefer not to say - 4%

* black, Asian and minority ethnic.

Acknowledgements

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Foreword

We are pleased to bring you our inaugural Stace Next Gen Index, launched as part of our 60th anniversary celebrations in 2019. We are using this opportunity to not just celebrate our success but to also build our future. To recognise this activity, we launched our 60&Counting campaign in January.

As part of 60&Counting we have reshaped our corporate social responsibility (CSR) activity, focusing on the next generation, as the skills shortage is a challenge that is affecting the whole construction and built environment industry. There are several industry bodies reporting that significant numbers of recruits are required, while at the same time, there are high levels of people exiting the industry due to retirement or other factors.

There is, therefore, a lot of reliance placed on the next generation filling this ever-increasing gap. However, do they want to pursue a career in the industry?

Furthermore, although there is a greater push on diversity and inclusion, there remains some way to go. Female professionals currently make up 13% of the industry and 4% of the workforce are from a BAME background. From my experience of working with universities, there is unlikely to be a dramatic shift within the next five years, therefore it is insightful to see how female and BAME respondents perceive the industry as this is available talent that can contribute towards a solution.

The Stace Next Gen Index surveyed 16-18-year-olds across the UK to understand their perception of the construction and built environment sector.



The findings show that we can no longer cross our fingers and hope that the next generation filter through. For example, when asked what industry they would like to pursue a career in, construction and built environment did not appear in their top three options.

As an industry we need to collectively come together and inspire all of the next generation, and showcase the superb industry that we all work in.

Gareth Sinnamon
Partner
Stace LLP



Foreword

Stace's Next Gen Index confirms much of what Construction Youth Trust sees on a daily basis. Young people, particularly those from black, Asian, and minority ethnicity backgrounds and young women, are simply not aware of the range of rewarding careers offered within the modern construction and built environment sector. Yet our industry is crying out for a new generation of built environment professionals, with both practical and digital skills, to work in roles as varied as Project Managers, Surveyors, Carpenters and Engineers.

That is why we are so excited to be working with Stace on the Next Gen campaign. Our mission is to work shoulder-to-shoulder with the industry to make the construction and built environment sector an aspirational career of first choice for young people.

We do this by establishing long-term relationships with schools in areas where there is a 10-20-year pipeline of construction and/or regeneration projects. This gives us the opportunity to coordinate across a wide range of sector employers to inspire young people about modern industry careers from the moment they start secondary school and to connect them to real employment opportunities when they leave.

The Next Gen campaign does just this. By listening to young people themselves, Stace has been able to identify some of the ways the industry can best inspire the next generation and have already started to put this learning into practice.

Construction Youth Trust is delighted to be supporting Stace in engaging the next generation and aiming to inspire them towards a career within our industry.



Carol Lynch
Chief Executive
Construction Youth Trust



The backdrop

The UK construction sector - when at its best - is world-class and leads the way globally. Figures from the Construction Leadership Council (CLC) show the overall size of the UK construction sector - it represents 8% of GDP, 10% of employment and is six times larger than the automotive industry. Each year, £150 billion is invested, creating the foundations for UK growth. (CLC, 2019)

However, we are an industry with serious challenges ahead, and the major one - which needs to be tackled head on - is the skills shortage.

The ticking time bomb is now down to single digits

As each week passes in the construction and built environment sector, there is yet another headline on the looming skills shortage and the particular challenge that is facing our industry. The numbers that are being quoted do not paint a pleasant picture.



The latest research from the Construction Industry Training Board (CITB) shows that the industry needs to recruit 31,600 people every year to 2022. (CITB, 2018)



The Chartered Institute of Building (CIOB) state that 157,000 new recruits are needed by 2021. (CIOB, 2018)



The Smith Institute have highlighted the ageing workforce, with 20% of workers approaching retirement and a further 26% aged between 45 and 55. (The Smith Institute, 2014)



Arcadis predict that between 136,000 and 214,000 EU workers will disappear from the wider construction and property industry by 2020, depending on the outcome of Brexit. (Arcadis, 2017)



The UK Commission for Employment and Skills suggests that more than 750,000 people will leave the sector between 2014 and 2024. (Building, 2019)



Over 60% of Royal Institution of Chartered Surveyors (RICS) professionals have stated that labour shortages are a primary impediment to growth. (RICS, 2018)



Office for National Statistics (ONS) figures show that EU-born workers make up 7% of the industry. In London this figure increases to 28%. (ONS, 2018)



Just 12.8% of the construction workforce is made up of women, and no more than 1% of employees working on-site are women. (Willmott Dixon, 2018)



The RICS 2016-17 annual review shows the breakdown of representation in the profession as 14% female, 1.2% black, Asian, and minority ethnic (BAME) and 0.6% with a disability. (RICS, 2017)



Overall 4% of the workforce is of BAME ethnic origin, compared with a higher incidence of 10% in the UK population as a whole. (CITB, 2015)

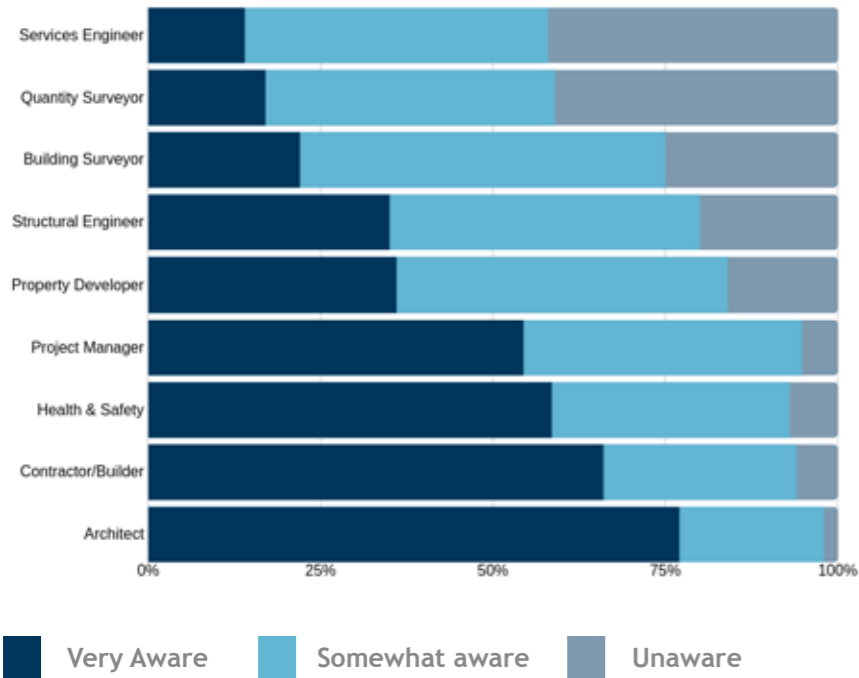
These figures collectively show that from every angle, there is a hurdle which the industry needs to overcome, and as a whole we are missing out on available talent. Brexit is, of course, one of those obstacles, with EU-born workers making up 7% of the workforce across the UK and 28% in London (ONS, 2018). Although Brexit dominates the headlines, this is not the only issue. There is an ageing workforce, with The Smith Institute reporting that 20% of workers are approaching retirement (The Smith Institute, 2014). Additionally, there is still a way to go before we become a diverse sector, with women currently making up just 12.8% of the workforce (Willmott Dixon, 2018) and BAME professionals making up just 4% (CITB, 2015).

It is clear that there is a growing gap to fill, and a lot of reliance is being placed on the next generation. But, has anyone stopped to ask the next generation whether a career in the construction industry is attractive to them and is a career they aspire to?

The findings

For the Stace Next Gen Index, we went to the next generation and sought to understand their perceptions and thoughts regarding a career in the construction and built environment sector. As our industry is fully aware of the looming skills shortage, can we place our bets on the next generation to come to the rescue?

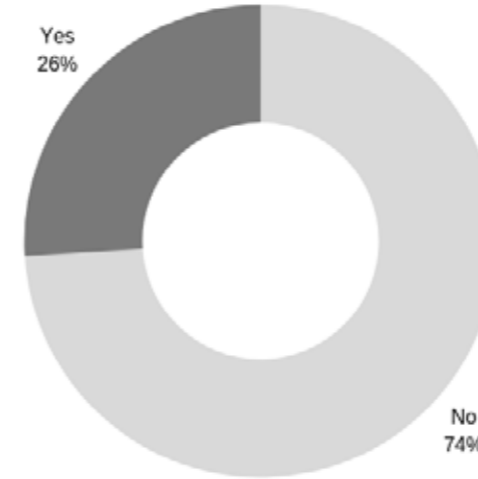
The construction industry has several different roles, please indicate your level of awareness of each role



An awareness issue

An initial finding was that there is a limited awareness of the roles that are available within the industry. The Stace Next Gen Index found that 83% of respondents were either somewhat aware or unaware of what a Quantity Surveyor is - 41% were unaware. This is sadly unsurprising, given the figures highlighted in this report, and as quantity surveying is a role noted as one the industry is already facing challenges in recruiting for. This theme continued for other roles, with 78% and 65% of respondents stating they were only somewhat aware or unaware of what a Building Surveyor or a Structural Engineer is, respectively.

Have you heard of The Royal Institution of Chartered Surveyors?



The limited awareness of our industry continues to be revealed in the research, with 74% of total respondents stating they are unaware of The Royal Institution of Chartered Surveyors (RICS). This figure increases further to 79% for women and 86% for BAME respondents. As RICS highlighted in their 2016-17 review, females make up only 14% and BAME professionals make up only 1.2% of the profession.

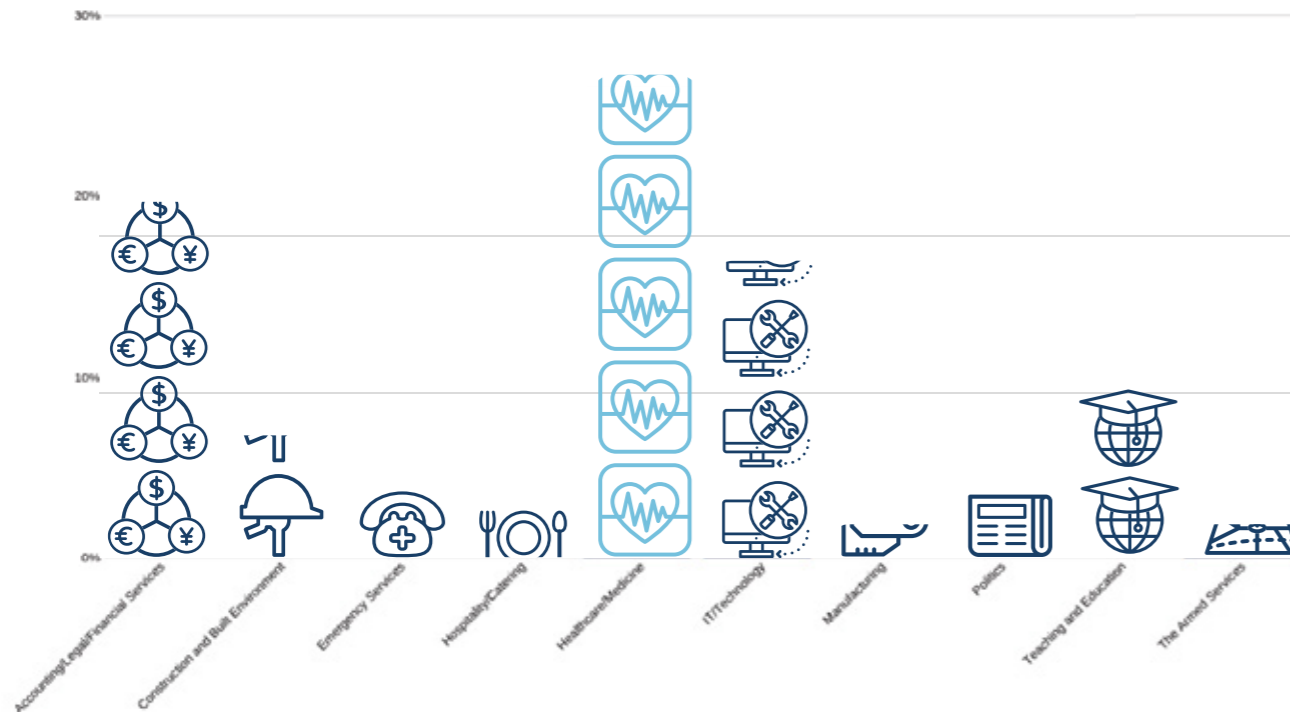
These two initial findings highlight the true scope of the challenge. How can we expect the next generation to plug the gap, when they aren't aware of the roles and opportunities available in our industry? However, some professions do lead the way, with 77% of respondents stating that they were very aware of the role of an Architect. Can we, as an industry, learn from this and begin to educate the next generation on the true scope of the roles and opportunities available?

Is the industry an attractive career choice?

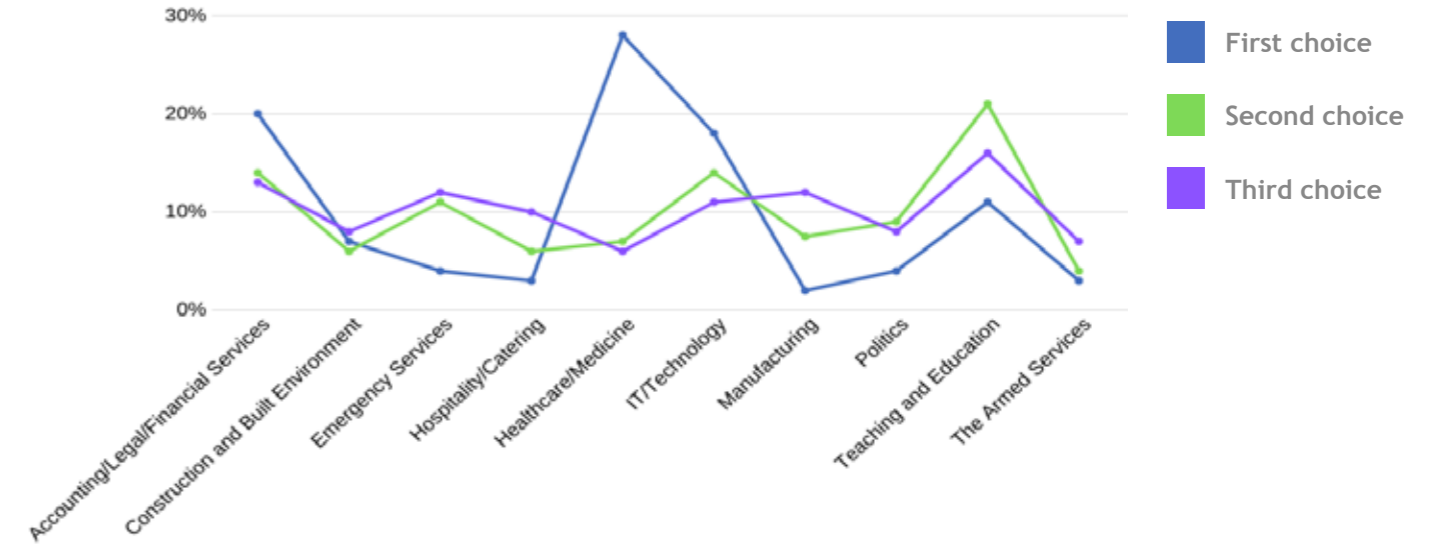
For the next stage of the research we wanted to identify whether the next generation aspire to obtain a role within the construction industry. The research found that there is a double-edged sword at play, affecting the skills shortage. With all the existing challenges highlighted, the Stace Next Gen Index has additionally identified that the next generation is generally not considering a career in the construction industry.

With Accounting/Legal/Financial Services, Healthcare/Medicine and IT/Technology attracting over 65% of interest between them, what can we learn from these industries on how to reach out and inspire the next crop of talent?

Which of the following industries would you like to work in?



Which of the following industries would you like to work in? Top 3 Options



7% of respondents chose Construction and Built Environment as their first choice. When comparing this to the figure given by the CLC i.e. that the UK construction sector makes up 10% of the total workforce, 7% could be seen as an acceptable response. However, when analysing this further, our research found that this drops to 6% when analysing results from female respondents and drops to 4% for BAME respondents. The talent pool is already limited for our industry, and to give ourselves a fighting chance of plugging the gap, and winning the war for talent, we need to make the industry more desirable for the next generation.

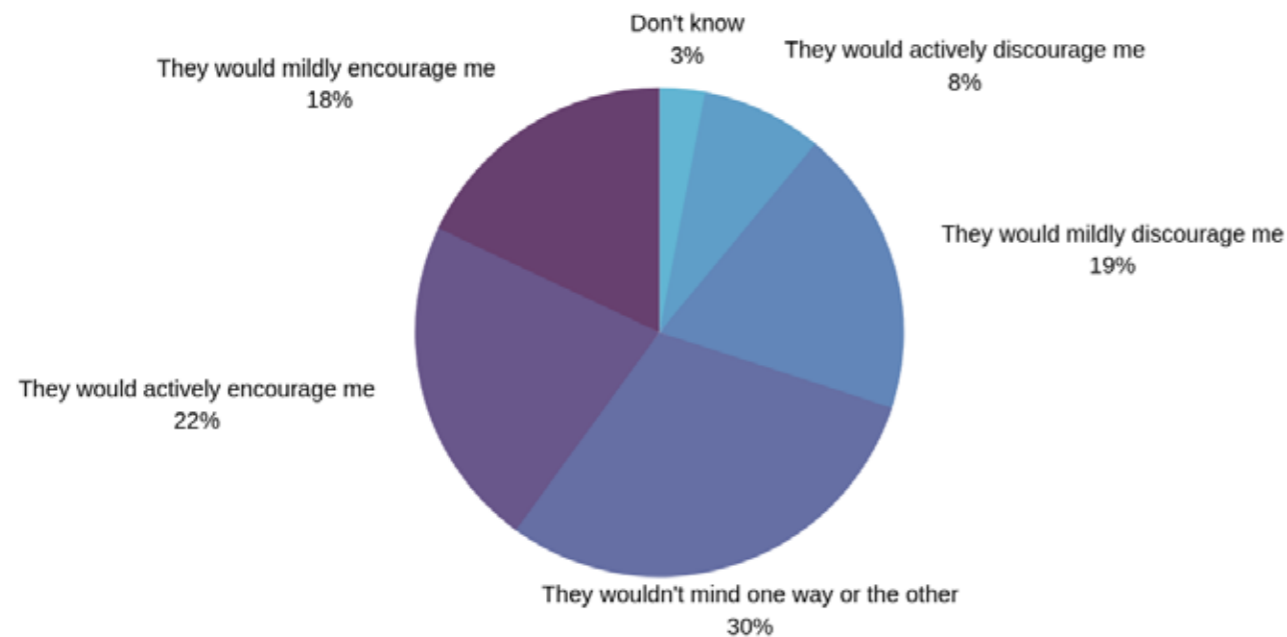
These findings raise questions for the industry that we need to address.

1. Are we ever going to fully tackle the under-representation of both female and BAME professionals in our industry or will we continue to miss out on this available talent?
2. Are we missing out on the top talent from the next generation, as a career in the construction industry is simply not appearing on their radar?

There are other factors at play

The Stace Next Gen Index found that a wider plan of action is required. Yes, we need to increase the awareness of our industry and the various skilled roles available. However, we also need to win the battle at home. 27% of respondents felt that their parents/guardians would discourage them from a career in the construction and built environment industry and 8% of those felt they would be actively discouraged. It is important to recognise that the majority of respondents felt they would be encouraged to pursue a career in the industry. Though, 27% is still a figure we need to recognise and take action on if the industry is going to tackle the skills shortage.

If you did decide to pursue a career in the construction industry, which of the following statements best describes how you think your parents/guardians would react?



Once again, the research found that the barriers to our industry were increased for both female and BAME respondents.

Breakdown of respondents	Discouragement from parents/guardians
Overall	27%
Male	24%
Female	30%
BAME	41%

The backdrop, combined with findings from the Stace Next Gen Index, shows that the construction industry is losing the war for talent. There is more than one barrier we need to overcome if we are to tackle the skills shortage that is already affecting the sector. To truly make an impact we need to tackle this collectively as an industry.

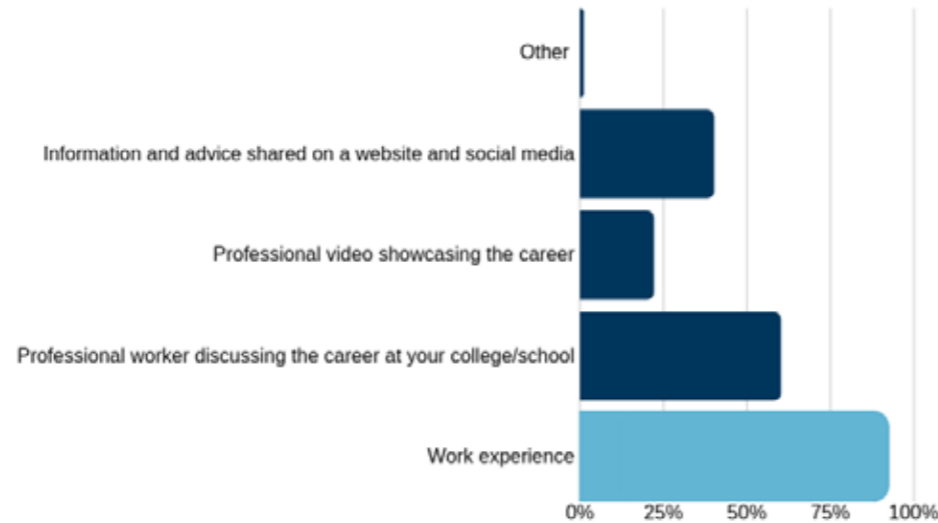
If we are to attract, retain and develop the next generation, the construction and built environment industry needs a new game plan to help showcase our industry.

How can we better engage with the next generation?

The Stace Next Gen Index has highlighted the challenges, but also found there is an opportunity. 63% of respondents want more information on the career opportunities available to them, with 50% still exploring which career to pursue. With a new game plan, the construction industry can begin to compete in the war for talent.

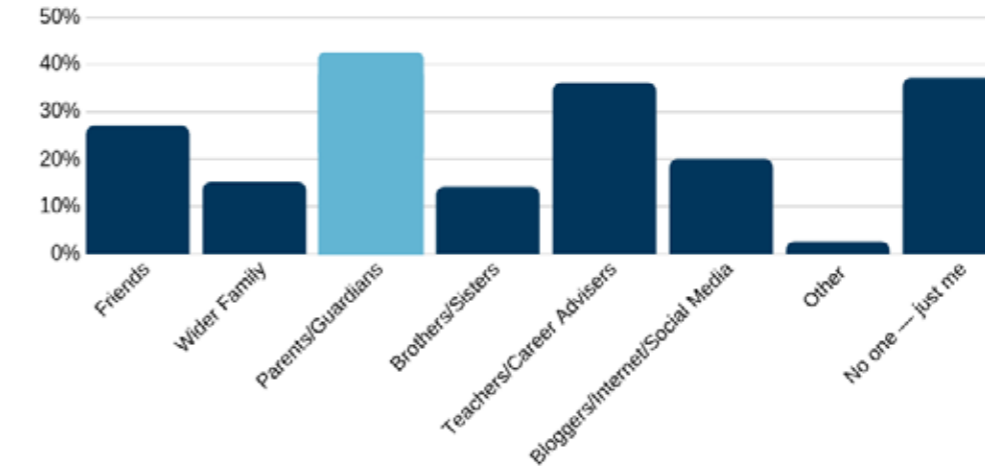
The next generation are calling out for information, and we need to be the sector that engages with them and shows the fantastic career opportunities that are available to them within our industry. The construction and built environment sector is arguably a profession which presents the largest opportunity to create and influence the environment and to leave a lasting legacy for generations.

What do you think would be most useful in terms of helping you learn about potential careers?



The Stace Next Gen Index resoundingly identified that if we are to truly attract the next generation, the best channel is providing work experience opportunities. 88% of respondents stated that work experience is the most helpful for them when learning about potential careers. Interestingly, this figure increased to 92% for both female and BAME respondents. If we are to better balance our industry, then we need to provide the right work experience opportunities for the next generation.

When deciding on which career you would like to pursue, which of the following influence your decision?



Rather unsurprisingly, parents/guardians have the largest influence on the next generation as to which career they are likely to pursue. From our findings we know that 27% of parents/guardians will discourage them from a career within the construction and built environment industry. If we are to have a greater effect on battling the skills shortage, we need to address both the opportunities we are providing to the next generation and bring on board their largest influencers.

When we get it right, the success is there to see

There are pockets of the sector that are providing work experience, thus presenting the right opportunities, and there are great case studies showcasing what can be achieved. This is a lesson to the industry that there is a fantastic opportunity available to us.



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Nawaal
Civil Engineer

“When my placement ended, I felt incredibly motivated and eager to do all that’s necessary to work in this field of work in the future. Construction Youth Trust not only gave me my first exposure to construction, but also continues to support and guide me in the industry.”

Nawaal was a student at Hammersmith Academy when she attended the Construction Youth Trust’s Budding Brunels workshop - which is designed to showcase the range of skills and job roles available across the construction industry. After the course, Nawaal was offered the opportunity of a work placement via the Construction Youth Trust. Being given the opportunity of work experience allowed Nawaal to realise that she wanted to pursue a career in construction.

Nawaal went on to be a Civil Engineering Apprentice working on the Thames Tideway Tunnel and initially studied at the London Design and Engineering University Technical College. Nawaal is now progressing further in her career and is studying a Degree Apprenticeship at the University of East London.

Action required

If we are to attract the next generation, the time to do so is now. We can continue to set out the background of how our industry has a diminishing pool of talent, or we can take a proactive, collaborative approach in changing our narrative and providing the right opportunities for the next generation.

The findings are clear for all to see - we are, right now, in a war for talent which we are currently losing. But, if we can come to the table with a new game plan, there is ground to be made. 63% of 16-18-year-olds are calling out for more information on the career opportunities available to them. 88% highlighted work experience as the best way for them to understand potential career opportunities, which increased to 92% for female and BAME respondents.

In 2019, Stace is celebrating its 60th anniversary. We are using this unique opportunity to not just celebrate our past success, but to also build our future. Along with the Stace Next Gen Index, we are incredibly proud to be launching the Stace Next Gen Programme, supported by the Construction Youth Trust. The Stace Next Gen Programme will provide paid work experience opportunities for year 12 students.

The findings from the Stace Next Gen Index, combined with the daunting reality of the backdrop the industry is facing, confirm the need to sit up and act now. The Stace Next Gen Index has shown that we can no longer keep our fingers crossed as an industry and hope that the next generation will come to our rescue.

The industry needs to actively engage and inspire everyone in the next generation, while also continuing to create an inclusive environment where differences are embraced, and everyone is able to come to work every day as themselves.

Improving our approach collectively as an industry will only be welcomed by the next generation, and will be integral to ensuring our future prosperity and our industry’s status as a global leader.

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Stace LLP

Stace is a leading, independent multidisciplinary construction and property consultancy, delivering our services across the UK.

In 2019 we are celebrating our 60th anniversary. In marking this important milestone, we aren't satisfied in just reflecting on our past. Throughout 2019 we will celebrate our success, deliver our present and build our future.

From our inception 60 years ago, the aim has been to deliver exceptional services to our clients, working in partnership with them to understand their goals and provide a measurable difference to their projects. This aim continues to be the core of our DNA and is testament to 85% of our services being delivered through repeat client business.

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