Women’s Employment in the Extractive Industry

The importance of investing in women’s employment

In areas impacted by extractive industry operations, employment is considered one of the principal economic benefits for individuals and households. However, these benefits have traditionally gone predominantly to men. Indeed, women currently make up only 10% of employees in large-scale operations globally (with variations regionally and by operation) (PwC, 2013). In countries with a higher economic dependence on the mining, oil and gas sectors (the extractive industries), some research indicates that women much less likely likely to be in leadership positions (ministerial and senior managers) and have gainful employment (in any sector) then countries with a low dependency. However, global evidence shows that increasing employment opportunities for women can have major dividends for companies, as well as for development outcomes.

Hiring women: good for business, good for development

World Bank research highlights that increasing women’s employment opportunities is good both for business, as well as for local economic development. IFC research indicates that higher female labor force participation can increase profits by 6-20 percent, drive innovation, raise attendance and retention rates, and reduce organizational risks within businesses (IFC, 2013). An IFC case study of Anglo American’s El Saldito mine in Chile, found that specifically targeting women as part of recruitment drives broadened the pool of background and experience of potential applicants. Managers cited that greater gender diversity fostered innovation, and improved team dynamics and communications. Increasing opportunities for women in the workplace also improved relations with the community, improved perceptions of how the mine benefits the community. (IFC 2013)

Creating opportunities for women also gave these women access to jobs that drastically increased their earning potential. (IFC 2013) OECD research estimates that on average a 50 percent reduction in the gender gap in labor force participation could boost countries’ GDP an extra 6 percent by 2030, with a further 6 percent gain if gaps closed entirely (World Bank, 2014) At the community level, while it has traditionally been assumed that men’s earnings would benefit the entire community, evidence suggests that men and women use money gained from the extractives industry differently (Brouwer, E. Harris, B., & Tanaka, S. 1998). Women who are employed are more likely to invest in education, shelter, health and family nutrition – improving human development and community wellbeing; evidence indicates that men are more likely to invest salaries in disposable commodities, tools and shared social consumer goods. For example, in Papua New Guinea, men have shown to spend 80-92 percent of a mining wage on beer, cars and entertainment activities (sex workers, gambling and sports), leaving a proportionally small amount for wives and children. In comparison, women were found to predominately spend their income (gained from selling garden and small products) on household items and costs like oil, soap, mobile phones and health (Singh, S., Nadarajah, Y. 2012).
Women small scale miners in Lao PDR (2013) have been more likely to ensure better communication, and adherence to a code of conduct, identify criteria for measuring strategy and monitor its implementation. They were also more likely to focus on gender diversity, employee satisfaction and corporate social responsibility.” (PwC, 2013)

BOX 1: Women’s leadership and governance behaviors

A recent study of the top 500 mining companies globally found that “Boards with three or more women showed different governance behaviors to those with all male boards.” The more balanced boards were more likely to ensure better communication, adhere to a code of conduct, and identify criteria for measuring strategy and monitor its implementation. They were also more likely to focus on gender diversity, employee satisfaction and corporate social responsibility.” (PwC, 2013)

What are the challenges to women’s employment?

As a traditionally manual labor-intensive industry, the extractive industries have, until recently, been a heavily male-dominated field. Women’s participation has been minor and often in support and administrative roles. Some of the common challenges to women’s participation include:

- Historical biases informing current hiring and advancement of women:
  Outdated social stereotypes that only men can work in risky, dirty and difficult environments continue to undermine the capabilities of women, deter women from seeking employment and misrepresent the significant changes in the industry. Historically, women have been underrepresented in fields like engineering and geology, meaning that there has been a smaller pool of women with the technical skills to work in the mining sector. However, many companies are increasingly finding that expanding the recruitment pool not only brings in higher quality candidates, but also can make them an ‘employer of choice’.” (IFC 2013)

- Lack of women in leadership roles:
  The mining, oil and gas sectors represent some of the lowest rates of women in leadership, at only 7.9 percent of women on the board of directors in the top 500 mining companies globally (PwC, 2013). However, experience has shown that including women in managerial positions has a positive impact on social development, workplace culture and productivity (see Box 1). For this reason, many multi-national mining companies are setting targets to increase women in managerial and executive roles.

- Limited flexibility for family:
  The extractive industries do not often promote a family friendly workplace. This barrier tends to be more widely felt by women who are generally primary caregivers. Due to the traditionally male-dominated culture, the often remote location and long shift rosters, women with families can often not negotiate employment opportunities in the extractive industry. However, IFC research has shown that increasing family friendly policies, like childcare, parental leave, and health policies can be cost-effective interventions. (IFC 2013)

Increased discrimination and harassment:
Women report higher rates of discrimination and harassment in the extractive industries than do their male counterparts, including verbal, physical, and/or sexual harassment, ranging from intimidation to sexual violence against female employees. Indeed in some regions, women report that keeping their jobs or being promoted relies on sexual favors and remote areas where women have limited protection or recourse, women report being even more susceptible to sexual harassment (see Box 2).

Higher levels of economic vulnerability:
The recent ‘commodities boom’ has been a significant catalyst for changing biases and improving gender equality in the extractive industries. However, the ensuing downturn and coinciding drop in participation rates of women compared to men is a worrying trend. For instance, during contraction, support and administration roles (predominantly held by women) tend to be the first to go, along with part-time, casual or maternity leave positions (see Box 3).

What are strategies to encourage gender equality in the workplace?

Governments and industry can both take proactive steps to support women’s employment opportunities in the extractives. Governments can support Equal Employment Opportunity laws (EEO), as well as proactively supporting relevant educational opportunities for women and girls. For companies, the World Bank, in collaboration with Lommin, has developed a comprehensive “Guide to Integrating Women in the Workforce”.

Strategies for government and industry to increase women’s employment opportunities include:

- Improving women’s access, participation and leadership in the workplace
  - Support and encourage female students to study in traditionally male-dominated fields through scholarships and gender-sensitive marketing strategies
  - Create job skills training and scholarship programs for women
  - Introduce targets or quotas to recruit women in the workplace, in management roles and on the board of directors
  - Develop clear career pathways for advancement for women in the workplace
  - Cultivate mentor programs within the workplace and community that provide advice, extend networks and build leadership skills for women
  - Ensure equal pay for men and women in the workforce

Generate flexible and family-friendly working conditions

- Design work rosters that accommodate family commitments
- Allow job share arrangements for working women with family commitments
- Provide child care and parental leave and encourage men to take maternity leave options
- Explore emerging technology and innovation, for example, automation hubs that may provide more on-site career opportunities for women.
Create a safe and secure organization for women and men

• Implement national legislation and/or corporate guidelines to protect the rights of women in the workplace, including forms of sexual and racial discrimination

• Raise awareness in the private and public sector of the zero tolerance of sexual harassment and other forms of employment discrimination

• Promote healthy images of masculinity and identify gender champions to speak out against gender discrimination and abuse.

Resources:

“Investing in Women’s Employment: Good for Business, Good for Development.” The World Bank (IFC), 2013


“Extracting Lessons on Gender in the Oil and Gas Sector.” The World Bank, 2013

References:


Singh, S., Nadarajah, Y., School Fees, Beer and “Meri” Gender, Cash and the Mobile in the Morobe Province of Papua New Guinea RMIT University, Australia


Women in Mining (UK) (2013). Mining for Talent: A study of women on boards in the mining industry by Women In Mining (UK) and Price Waterhouse Coopers, London


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