



# People Leadership: Strategic Insights & Recommendations

# Executive Summary

## Overview

The Construction and Infrastructure (C&I) sector is one of Aotearoa New Zealand’s essential industries. As one of the nation’s largest employers and economic drivers, accounting for around ten per cent of the total workforce and eight per cent of GDP, the sector is an important facet of national growth. But the sector is under pressure. Persistent skills shortages, high turnover, an ageing workforce, and wellbeing concerns are affecting its ability to keep pace with demand.

Looking deeply into people leadership, Waihangā Ara Rau and ConCOVE have produced two in-depth reports:

- Understanding People Leadership in the Construction and Infrastructure Sector
- People Leadership in Practice: Tackling Workforce Challenges

Across both reports, one theme is consistent and urgent: people leadership is an important lever for improving the sector’s workforce sustainability. People leadership concerns more than just project oversight or technical excellence, it can also improve workplaces and help employees to thrive. In particular, people leadership is an important part of addressing critical workforce challenges including retention, attraction, and wellbeing.

## Sector Context

The C&I sector is facing one of the tightest labour markets in decades. The pipeline of anticipated projects currently exceeds \$250 billion<sup>1</sup>, while workforce shortfalls already sit above 100,000 people, about a third of what’s needed.<sup>2</sup> Retention remains low, with only around 23% of new entrants staying beyond five years.<sup>3</sup>

At the same time, wellbeing pressures continue to mount. Long hours, physical work, job insecurity, and mental health strain all impact the sector’s ability to hold onto good people<sup>4</sup>. Leadership sits at the centre of this picture. The way leaders communicate, support, and develop their people can directly shape whether workers stay, how they perform, and how safe and supported they feel.

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1 Waihangā Ara Rau. (2025). *Workforce Information Platform – Project Pipeline*. [https://www.wip.org.nz/pipeline-time-series?industry\\_group=Construction&forecast\\_window=5&pipeline\\_view=adjusted](https://www.wip.org.nz/pipeline-time-series?industry_group=Construction&forecast_window=5&pipeline_view=adjusted)

2 Waihangā Ara Rau. (2025). *Workforce Information Platform – Workforce Gaps*. [https://www.wip.org.nz/workforce-gaps?pipeline\\_view=adjusted](https://www.wip.org.nz/workforce-gaps?pipeline_view=adjusted)

3 Waihangā Ara Rau. (2025). *Workforce Information Platform – Career Pathways*. <https://www.wip.org.nz/career-pathways?cohort=2018&choice=region>

4 MATES in Construction. (2025). *SPARK CHANGE: 2025 Construction Industry Wellbeing Survey*. <https://mates.net.nz/wp-content/uploads/2025/10/2025-MATES-in-Construction-Industry-Well-being-Survey-Supported-by-ASB.pdf>

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## Key Findings

Evidence gathered through the development of 13 Workforce Development Plans, supplemented by over 200 industry interviews and survey, identified people leadership as a sector-wide challenge. Leadership capability is highly valued but remains inconsistently developed across the sector.

Analysis of the Workforce Development Plans identified leadership capability as a key concern in ten of the 13 plans. From discussions with our Strategic Reference Groups (SRGs) – made up of industry leaders, business owners, educators, regulators, and experts – the need for more consistent, and more formalised mentoring was highlighted as a requirement to address supervisory and mid-level leadership gaps. Responses to an industry survey further noted that leaders were often promoted based on technical merit rather than leadership skill, and that leadership training was oftentimes informal.

### The main themes across sector engagement included:

- **Capability Gaps:**  
Persistent shortages of supervisory and mid-level leaders. Many are promoted for technical ability rather than leadership readiness, resulting in variable capability and stress at both leadership and team levels.
- **Informal and Fragmented Development:**  
Leadership learning is often unstructured and reliant on informal mentoring. Formal progression frameworks or resourced training pathways are limited, particularly in smaller firms that make up a large part of the sector.
- **Barriers to Progression:**  
Many Māori, Pacific peoples, and women still face bias and lack the opportunities to progress to leadership roles. SRG members noted that culturally grounded mentoring and visible role models are significant tools that can be used to change this pattern.
- **Succession and Knowledge Risks:**  
An ageing workforce and the absence of systems to pass on expertise contributes to the loss of sector specific knowledge.
- **Limited Diversity and Cultural Responsiveness:**  
While culturally grounded leadership is recognised as valuable, it is rarely embedded beyond Māori and Pacific-owned businesses.

## What Effective Leadership Looks Like

Sector engagement reinforced that effective people leaders combine technical credibility with emotional intelligence, communication, empathy, and adaptability. They prioritise psychological safety, team wellbeing, and inclusive decision-making. Traditional Western leadership models are still dominant, but transformational and culturally grounded leadership models bring important strengths. Māori leadership draws on *whanaungatanga* (relationships), *manaakitanga* (care), and *kaitiakitanga* (guardianship), placing people and community at the heart of decision-making. Pacific leadership (*tautua*) focuses on service, and reciprocity, promoting care and loyalty within teams.

# Workforce Challenges Addressable Through People Leadership

## Retention

Retention is one of the most critical issues facing the sector. As of 2025, New Zealand’s construction and infrastructure workforce deficit exceeds 100,000 workers, around 35 per cent of total demand. Early-career churn remains severe, with only 23 per cent of workers remaining after five years. People leaders can influence these outcomes.

Industry case studies, like Fletcher Construction’s Whakatupu programme for Māori leaders and their Step Up initiative, and Downer NZ’s structured apprenticeship model which they pair with formal mentoring, evidence what is possible when leadership is intentional and focuses on human and cultural aspects of the work journey.

## Attraction

Perceptions of construction as physically hard, male-dominated, and low in professional opportunities and progression continue to deter potential entrants.<sup>5</sup> Attracting new talent, particularly younger and career-changing workers, depends on the sector’s reputation for culture, safety, and opportunity. Leadership can shift that perception. When leaders champion inclusion, prioritise wellbeing, and show the diverse career pathways available, they help reposition the sector as a place where people can build lasting careers.

## Wellbeing

The sector continues to record some of the highest rates of injury and suicide in New Zealand.<sup>6</sup> One worker loses their life to suicide almost every week in the sector.<sup>7</sup> People leaders can positively impact this worrying pattern. Leaders who promote psychological safety, model healthy behaviours, and integrate wellbeing into daily operations create safer, more productive workplaces. Initiatives like MATES in Construction and WorkSafe’s wellbeing frameworks show that strong leadership around wellbeing saves lives as well as strengthening workforce stability.

## Diversity and Inclusion

The sector’s future resilience depends on leveraging the full breadth of New Zealand’s diverse workforce. Inclusive leadership builds stronger, more innovative teams. Māori and Pacific leadership frameworks, such as Te Whare Tapa Whā (holistic wellbeing) and Tauhi Va (relational balance), provide practical ways to embed belonging and respect. Equally, increasing women’s representation in leadership challenges traditional norms, enhances visibility of role models, and broadens the talent pool.

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5 Ipsos. (2024). *Career perceptions of the construction & infrastructure industries*. Commissioned by Waihangā Ara Rau. <https://www.waihangaararau.nz/wp-content/uploads/2024/05/Waihangā-Ara-Rau-Construction-Careers-Research-Report.pdf>

6 WorkSafe. (2019). *Work-related health estimates and burden of harm*. <https://www.worksafe.govt.nz/topic-and-industry/work-related-health/work-related-health-estimates-and-burden-of-harm>

7 MATES in Construction. (2025). *SPARK CHANGE: 2025 Construction Industry Wellbeing Survey*. <https://mates.net.nz/wp-content/uploads/2025/10/2025-Construction-Industry-Well-being-Survey-Supported-by-ASB-Exec-Summary-and-Recommendations.pdf>



# Sector Implications

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The evidence from both reports is clear: people leadership and workforce challenges are tightly linked. Where leadership is weak, turnover and disengagement rise. Where it is strong, teams are safer, more motivated, and more likely to stay.

These findings, drawn from the Workforce Development Plan review, SRG engagements, survey responses, case studies and review of existing research, provide a consistent evidence base to act on. It highlights how leadership development is not just a HR issue but a critical lever for workforce sustainability.

Strong, inclusive, and wellbeing-driven leadership can:

- Stabilise retention and succession in a constrained labour market
- Strengthen attraction and reputation of the sector
- Enhance productivity, innovation, and safety outcomes
- Embed diversity and cultural authenticity as core strengths
- Futureproof the sector to meet New Zealand's construction and infrastructure demands

Building leadership capability at every level, from apprentices to executives, should be recognised as a national priority. Without well-planned investment, the sector risks continuing the cycle of training and attrition which will not deliver a resilient, stable workforce. To meet the demands of the pipeline of work, change is needed.



# Recommendations

The following section outlines the key recommendations stemming from the research. Actions are provided for industry (inclusive of business owners and industry associations), training providers, Industry Skills Boards (replacing the existing workforce development councils), and government.

Many of these recommendations require collaboration across multiple owners to be effective, reflecting the shared responsibility and sector-wide effort needed to build leadership capability.

**Legend**     ● Industry     ■ Training Providers     ▲ Industry Skills Boards     ◆ Government

Priority Area	Recommendation	Owners
<b>1.0</b> <b>People &amp; Culture</b> Put people, relationships, and cultural authenticity at the centre of leadership to build capability that endures.	<b>1.1 Make wellbeing a core part of leadership</b>	
	• Ensure there is more accountability on leaders for the team’s overall wellbeing and psychological safety. Embed this into training and performance expectations.	● ■ ▲ ◆
	• Give leaders, including those in small and medium size enterprises, practical tools and advice to support mental health and job satisfaction in the workplace.	● ■ ◆
	• Promote holistic approaches to wellbeing, including those grounded in whānau, connection, and belonging, and support their integration into leadership practice.	● ■ ▲ ◆
	• Promote the use of the Wellbeing Check-In Guide (Tool 1) from the People Leadership Toolkit, and similar tools identified, to support improved wellbeing.	●
	<b>1.2 Grow inclusive leadership capability</b>	
	• Strengthen efforts to embed Māori and Pacific leadership values and cultural capability into workplace practice and training at all levels.	● ■ ▲
	• Explore system-level levers to grow cultural leadership across the sector, including partnerships, funding, and procurement.	▲ ◆
	• Ensure industry is well supported to co-design leadership training with Māori and Pacific cultural experts.	● ■ ▲
	• Support structured succession and knowledge-transfer processes, especially in sectors with ageing workforces (e.g. Civil Infrastructure, Plumbing, Gasfitting & Drainlaying, Onsite Construction), to retain leadership capability and institutional knowledge as the workforce evolves.	● ■ ▲

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Priority Area	Recommendation	Owners
<b>2.0</b> <b>Pathways</b> Establish and maintain clear pathways for leadership development.	<b>2.1 Build inclusive leadership pathways</b>	
	<ul style="list-style-type: none"><li>Explore ways to embed early leadership development within apprenticeships and pre-trade programmes to strengthen readiness for leadership roles.</li></ul>	● ■ ▲
	<ul style="list-style-type: none"><li>Improve visibility and alignment of existing qualifications (e.g. Level 5 and above) with leadership skills and career pathways.</li></ul>	■ ▲
	<ul style="list-style-type: none"><li>Support leaders to identify and grow talent, especially Māori, Pacific peoples, women, and other underrepresented groups (e.g., <i>simple tools or prompts for frontline leaders to spot and nurture potential</i>).</li></ul>	● ■ ▲
	<b>2.2 Remove barriers to progression</b>	
	<ul style="list-style-type: none"><li>Expand mentoring and senior-leader support, ensuring it includes talent identification to help emerging leaders progress.</li><li>Provide time or recognition for these roles to strengthen sustainability.</li></ul>	● ■
	<ul style="list-style-type: none"><li>Recognise and elevate diverse leaders, including informal leaders like kaumātua and peer mentors, through newsletters, team meetings, and workplace events, acknowledging that leadership looks different across cultures.</li></ul>	● ■ ▲ ◆
	<b>2.3 Promote formal leadership training</b>	
	<ul style="list-style-type: none"><li>Ensure leadership qualifications, credentials, and training align with industry needs.</li></ul>	● ■ ▲
	<ul style="list-style-type: none"><li>Support training that leads to recognised qualifications or credentials, so leadership learning is valued across the sector.</li></ul>	● ■ ◆

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Priority Area	Recommendation	Owners
<b>3.0</b> <b>Practical Tools for Capability Building</b> Support small and medium enterprises (SMEs) with low-barrier, time-efficient, and affordable leadership resources.	<b>3.1 Provide easy-to-use leadership resources</b>	
	<ul style="list-style-type: none"> <li>Develop leadership tools and resources that are low-barrier, time-efficient, and affordable so SMEs with limited capacity can realistically adopt them (e.g. short guides, onboarding checklists, or mentoring templates)</li> <li>Ensure they are developed 'by industry, for industry' and reflect C&amp;I realities.</li> </ul>	<span style="color: #c00000;">●</span> <span style="color: #008000;">■</span> <span style="color: #90ee90;">▲</span>
	<ul style="list-style-type: none"> <li>Promote the use of the People Leadership toolkit and its associated resources to support improved mentoring and leadership.</li> </ul>	<span style="color: #c00000;">●</span> <span style="color: #008000;">■</span> <span style="color: #90ee90;">▲</span>
	<b>3.2 Make expertise easier to access</b>	
	<ul style="list-style-type: none"> <li>Ensure SMEs have access to training and leadership expertise through regional partnerships and flexible formats (e.g. half-day workshops, online modules), co-designed with industry to reflect time, cost, and cultural realities.</li> </ul>	<span style="color: #c00000;">●</span> <span style="color: #008000;">■</span> <span style="color: #90ee90;">▲</span>
	<b>3.3 Improve visibility of training opportunities</b>	
<b>4.0</b> <b>Evidence &amp; Future Exploration</b> Show the value of leadership now and highlight areas to explore in the future.	<ul style="list-style-type: none"> <li>Keep a searchable directory of leadership programmes, including both credential and non-credentialed options, with clear details on cost, location, delivery style, time commitment and qualification level.</li> <li>Regularly update the directory so SMEs can always find current opportunities.</li> </ul>	<span style="color: #c00000;">●</span> <span style="color: #008000;">■</span> <span style="color: #90ee90;">▲</span> <span style="color: #000080;">◆</span>
	<b>4.1 Show the value of leadership</b>	
	<ul style="list-style-type: none"> <li>Demonstrate and measure effective people-leadership practices, through sector-specific case studies (e.g. Downer, Fletcher, AECOM) and light-touch data showing their impact on retention, wellbeing, and productivity to encourage wider adoption.</li> </ul>	<span style="color: #c00000;">●</span> <span style="color: #90ee90;">▲</span> <span style="color: #000080;">◆</span>
	<b>4.2 Identify future research opportunities</b>	
	<ul style="list-style-type: none"> <li>Identify future research areas that could be explored further to inform longer-term sector planning, such as leadership for innovation and digital adoption, modern methods of construction, climate resilience, and new technologies like AI and automation.</li> <li>Explore ways to develop metrics to measure leadership training outcomes and impact across the sector.</li> </ul>	<span style="color: #90ee90;">▲</span> <span style="color: #000080;">◆</span>

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