

INCLUSION MEASUREMENT FRAMEWORK
2021 REPORT & RECOMMENDATIONS



BELONGING

INCLUSION

DIVERSITY

EQUITY

IDENTITY





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A REPORT ON THE PROGRESS OF INCLUSION WITHIN THE ENERGY AND UTILITIES INDUSTRIES

Foreword Phil Beach

It is my pleasure to introduce the results of the 2021 Inclusion Measurement Framework results on behalf of energy and utilities industries.

A key priority of the Energy & Utilities Workforce Renewal and Skills Strategy is to ensure a diverse workforce that is reflective of the customers and communities these industries serve. Facing this challenge, 50 CEOs from organisations across gas, power, water and waste management have signed up to the sector's Inclusion Commitment. This Commitment includes the desire to 'measure and be transparent about our progress in our organisations and as a sector.'

Our industry-wide survey is now in its second year and has been expanded to include the personal views of CEOs in our industries on leading inclusion and their own diversity journeys. It is really striking to see the high levels of commitment of the CEO community in taking a leading role in inclusion.

This report shines a light on the inclusion priorities for our own organisations and the industry-wide challenges we face. We will continue to measure and track our progress towards a diverse workforce that is reflective of the sector's customers and communities, but this report should also be a catalyst for us to redouble our efforts to drive change.

Phil Beach CBE
Chief Executive
Energy & Utility Skills



EXECUTIVE SUMMARY

In signing up to the sector's Inclusion Commitment, 50 organisations from across power, gas, water and waste management are committed to action on diversity and inclusion, working together to share best practice, and building on the great work already in progress.

The Energy & Utilities Inclusion Measurement Framework provides the sector mechanism to measure and be transparent about progress in individual organisations and as a sector.

In providing the results of the 2021 measurement framework, this sector report details representation of the diversity characteristics of gender, ethnicity, age, disability, sexuality and religion. Underpinned by the findings of the [Royal Academy of Engineering Diversity and inclusion in engineering measurement report](#), these characteristics are considered across the measurement themes of leadership, attraction & recruitment, retention, and progression.

For the first time, CEOs across the sector were surveyed. The data revealed that while they have broadly similar representation issues as the sector, their Equality, Diversity and Inclusion (EDI) maturity is 100%. This is exemplified by their understanding of the issues and their engagement and drive to improve EDI across their own organisations and the sector as a whole.

The report identifies some key issues. There continues to be a lack of female representation within the sector, which also extends to a lack of representation for gender diverse individuals.

Additionally, there is a lack of representation for ethnic minorities. Recognising low levels of data declaration in religious diversity, disability and sexuality, there is more the sector can do to build trust amongst the workforce through their EDI efforts.



Introduction

The energy and utilities industries which form the backbone of the United Kingdom, keeping industry and homes powered and heated, water running and managing our waste, are also committed to the communities they serve. Over 50 Chief Executives have made a commitment towards improving equality, diversity and inclusion (EDI) within the sector. This commitment and the actions being taken are being monitored through the Inclusion Measurement Framework documented in this report.

To understand progress and identify areas for improvement, The Equal Group has been commissioned to survey representation across the energy and utilities industries. For the first time, we have standalone information regarding company leaders, helping to understand the representation at their level as well as their journeys and potential areas of concern.

In 2021, the survey collected data on Gender, Ethnicity, Age, Disability, Sexuality and Religion and where possible comparisons between data from 2021 and 2020 have been made. The data covers 29 organisations, up from 24 in 2020, an increase of 20%. The data represents thousands of employees across the 29 organisations and for simplicity data is presented in round numbers.

The report is broken down by the characteristics above, and focuses on areas of leadership, attraction & recruitment, retention, flexible working and leavers. A standalone section has been provided for the data collected the throughout CEO survey.

This report identifies areas where the energy and utilities industries can focus their actions to improve representation.

CEOS AND COMPANY LEADERS

Data was gathered from leaders of 23 organisations. As not all of the organisations have a CEO, the data covers the most senior leader from each organisation. The specific demographic data gathered identified the level of comfort with EDI amongst the organisations' leaders.

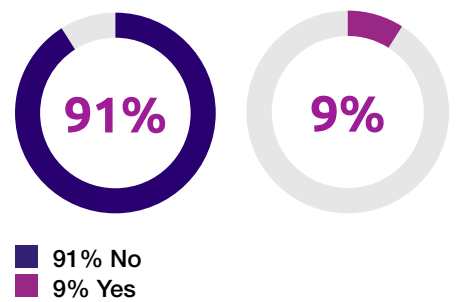
Gender



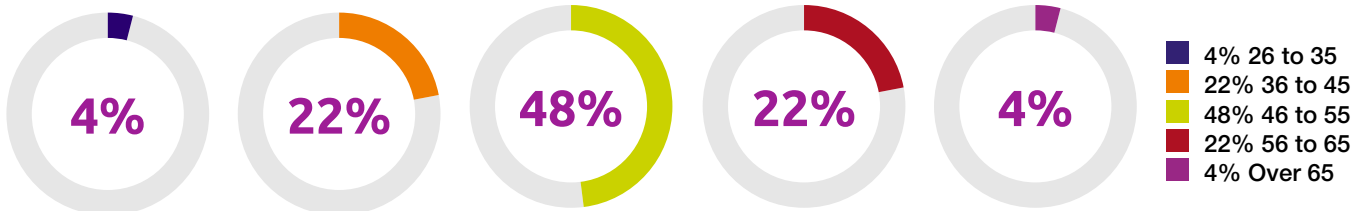
Ethnicity



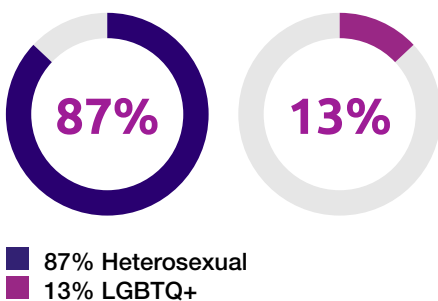
Disability



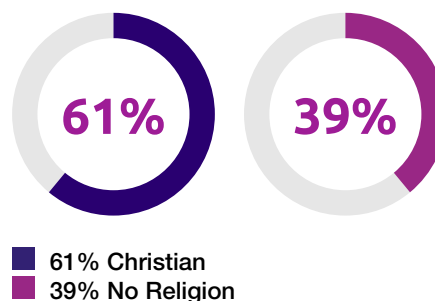
Age



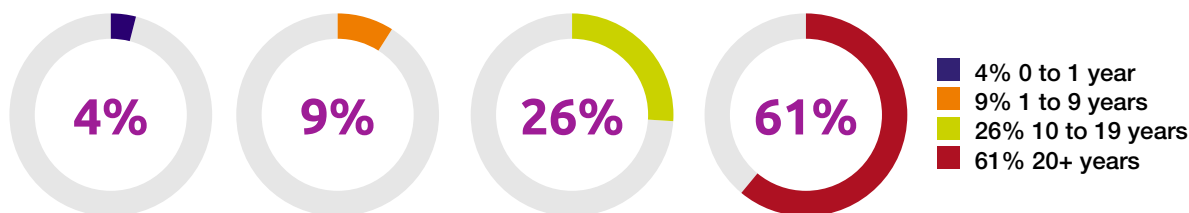
Sexuality



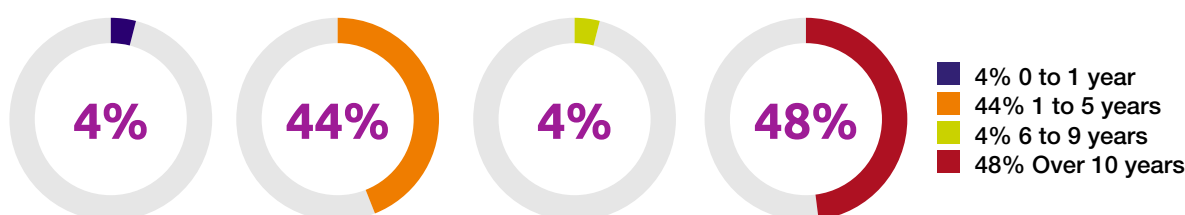
Religion



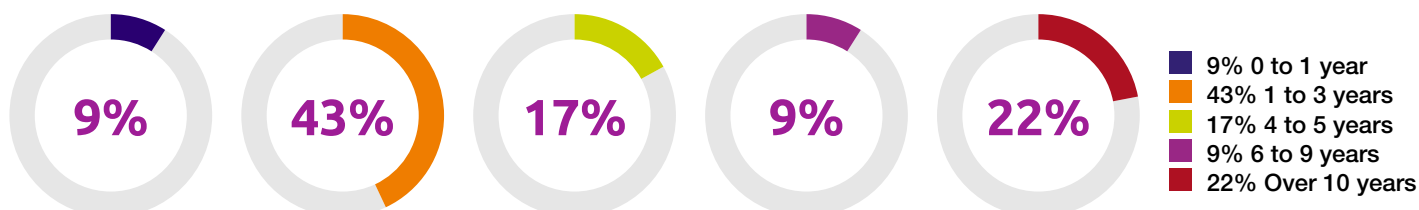
Time in Sector



Time with company



Time in Role

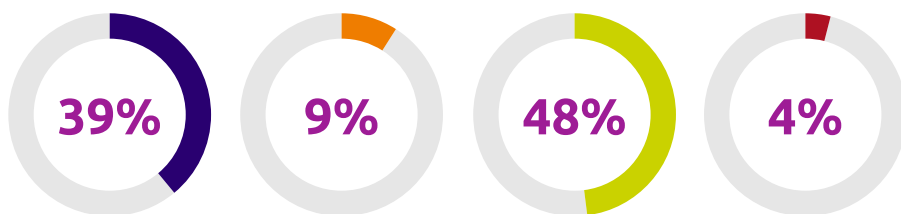


22% of the respondents to the survey identify as female, 100% are White British and 61% have spent more than 20 years in the sector. There are two areas of low representation within the company leaders: Ethnicity and Religion. Quite often, one can indicate the other - higher ethnic diversity often supports higher religious diversity and vice versa. There is no ethnic diversity and limited religious diversity within the leadership of the companies represented in this report.

However, company leaders have a disability representation roughly equal to that in the UK workforce. Additionally, there is significantly higher LGBTQ+ representation amongst the company leaders – although there is a lack of individuals that identify as having the typically more common LGBTQ+ identities of “gay man” and “lesbian”.

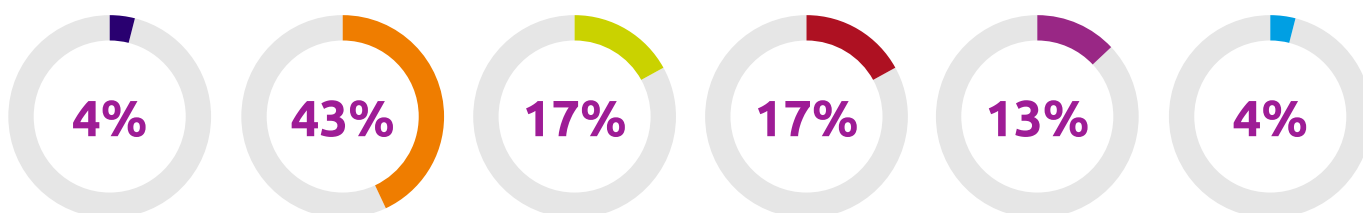
What is of particular interest is the evidence of social mobility amongst the company leaders. 96% of the CEOs’ parents attended a state or public school, and 83% of the CEOs. Whilst 43% of the CEOs’ parents’ highest level of education was secondary or high school, and only 17% attended college or university, figures among the leaders themselves showed 39% had attended college of university and 48% had a Masters degree.

Highest level of education



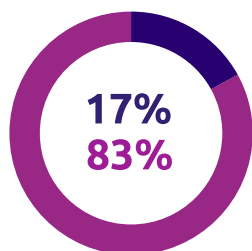
- 39% College/University
- 9% Professional Qualification
- 48% Masters
- 4% Doctorate

Parents' highest level of education



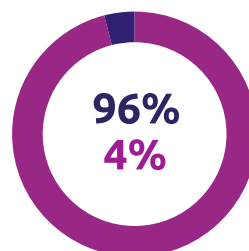
- 4% Primary/Elementary
- 43% Secondary/High School
- 17% College/University
- 17% Masters
- 13% Professional Qualification
- 4% Unknown

Secondary education



- 17% Private / Fee paying school
- 83% State school

Parents' secondary education



- 4% Private / Fee paying school
- 96% State / Public school

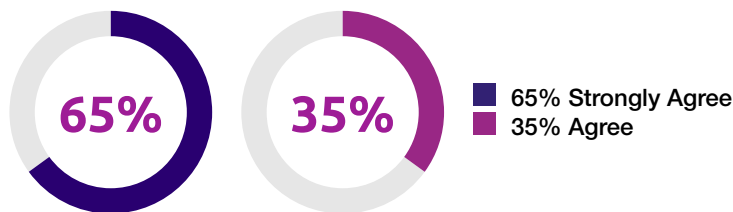
LEADERSHIP OF EDI

A series of questions were asked to understand the level of knowledge, comfort and understanding of the company leaders of EDI. Most have a good grasp of the issues present within their organisations as well as the issues faced by the wider society. Additionally, many of the leaders suggest that they would be comfortable discussing any of the protected characteristics.

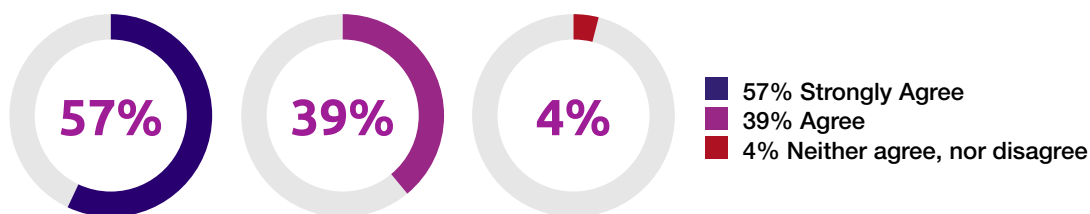
100% of leaders report that they understand their role and 96% hold their direct reports accountable to the EDI Strategy. Through the additional comments from some leaders, it is clear that most sector leaders have a desire to see improvements across all areas of representation and see inclusion as an integral part of achieving the EDI Strategy.

Industry leaders are encouraged to understand the link between their EDI Strategy and their organisation strategy to help demonstrate their commitment to EDI.

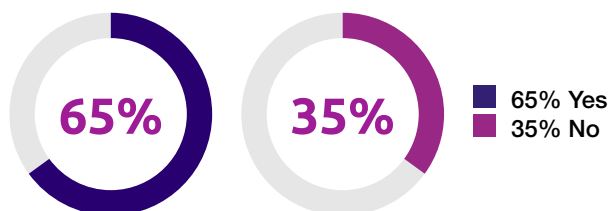
I fully understand my personal role in driving EDI within my organisation



I personally ensure that EDI is prioritised at the executive level within my organisation



Completed EDI training in past 12 months



INCLUSION MEASUREMENT FRAMEWORK: 2021 DATA COLLECTION SUMMARY

In the 2020 data collection process, 24 companies responded identifying that women in leadership positions were poorly represented and BAME candidates were being diluted out through the recruitment process. The outcomes of the 2020 process were followed by a firm commitment from the Council CEOs to continue to put focus on EDI. The 2021 data has shown improvements in gender attraction of 2%, gender recruitment of 1% and an increase of 3% in ethnicity recruitment.

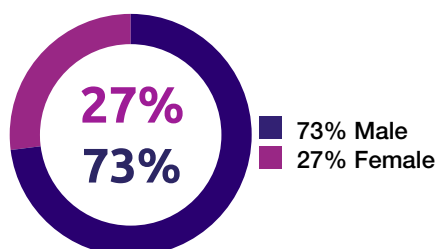
Generally speaking the energy and utilities sector is male dominated, particularly at board level, and the data from the 2021 Inclusion Measurement Framework reinforces this. Leadership in the data collection process was defined as “Board/Executive team as well as their direct reports.” While this may broaden the data from the [PwC report](#), it should still be comparable.

While the representation of women reported through our data collection process is higher than the numbers reported by PwC, it is important to remember that women make up 49.8% of the UK workforce. The representation of 27% female is down from 29% the previous year.

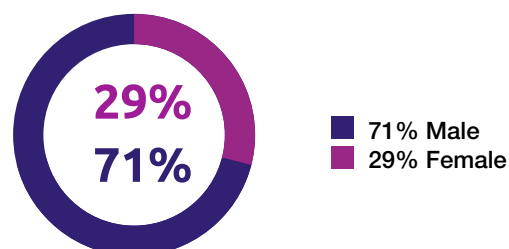
Development is identical to leadership in its representation and likewise, promotion looks broadly similar, although not as good. To improve representation at leadership levels, it may be necessary to provide more development opportunities specifically for women and non-binary staff. This should increase their representation within the talent pipeline and ensure wider consideration of diverse candidates for promotion opportunities.

GENDER

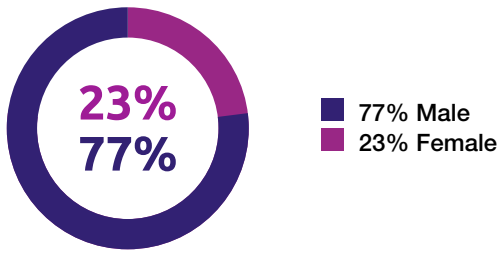
Gender diversity in leadership 2021



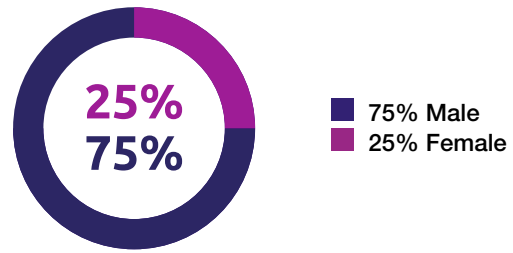
Gender diversity in leadership 2020



Development

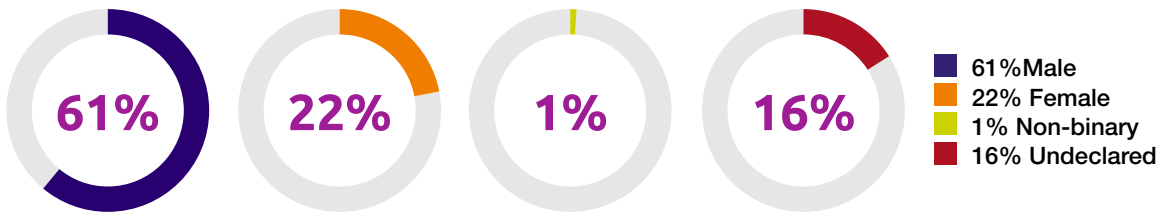


Promotions

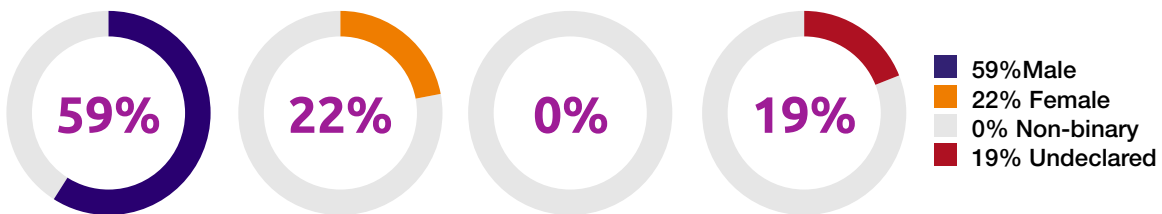


Recruitment

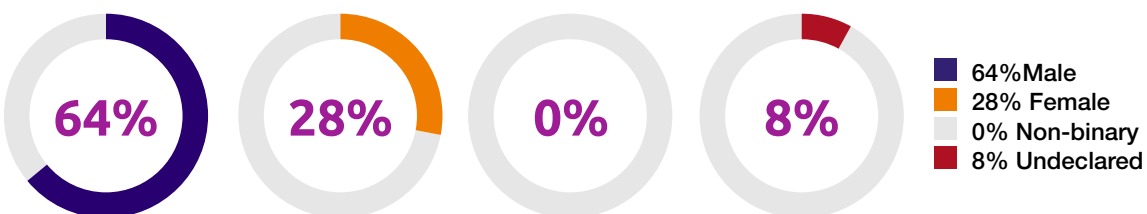
Application



Consideration



Recruited



The issue of representation for women begins at the application stage, with women making up only 22% of applicants.

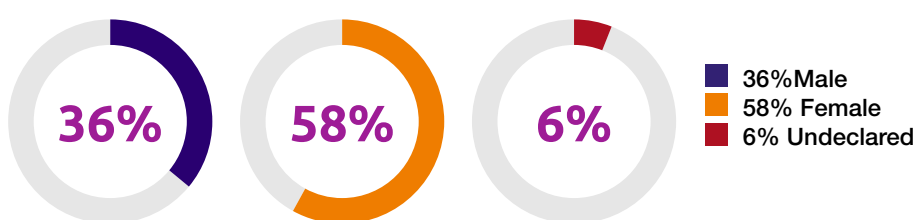
Flex Working

This is the only area where women have a higher representation than men. According to the Chartered Institute of Personnel & Development (CIPD), women are twice as likely as men to request flexible working – some have pointed at more mothers returning to full-time work and women being more likely to be the primary carer as potential reasons.

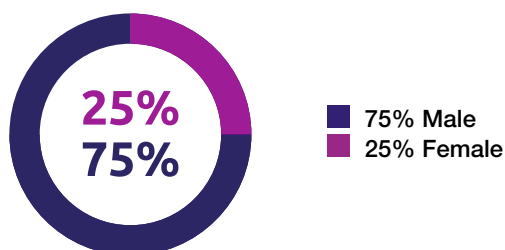
Leavers

These numbers are broadly representative of the sector and don't identify any specific concerns.

Flex Working



Leavers



ETHNICITY & RACE

The energy and utilities sector operates across the UK, however some of the sector workforces will be concentrated in populated areas, while others may have larger “in the field” workforces in rural areas.

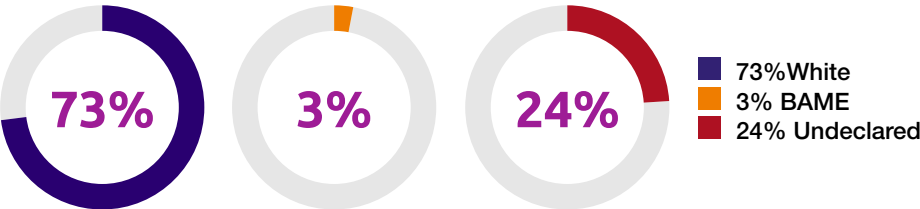
Representation across the country is 14% Black, Asian, and Ethnic Minority, and while in London representation is 38%, in the devolved nations it is much lower, with Northern Ireland 3%, Scotland 5% and Wales 6%. Ideally, organisations need to reflect the communities they serve.

We have used BAME to group Black, Asian and Minority Ethnic groups - due to the under-representation of these groups in the data, it is helpful for analytical purposes to group them together.

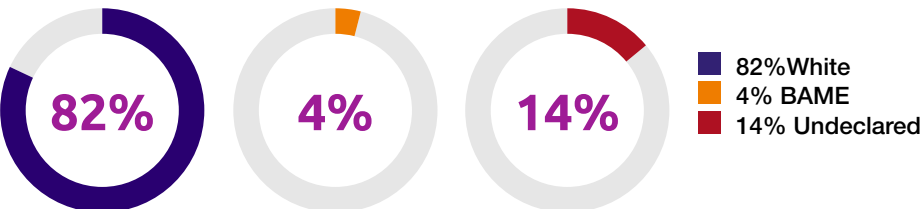
The BAME representation at leadership levels is significantly less than the sector wide representation of 13%. This is also down 1% from last year. We have to consider the change in organisation participation, but this should be monitored.

Whilst BAME staff are better represented in development and promotions than in leadership, they are still comparatively lower than the sector representation. Having these higher than the existing representation at leadership should improve representation over time but without a focus on BAME development, this could be slow to change.

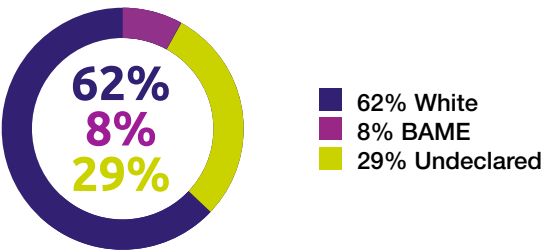
Leadership 2021



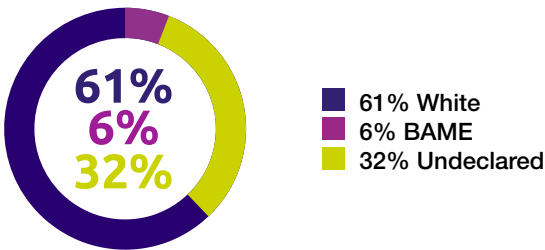
Leadership 2020



Development

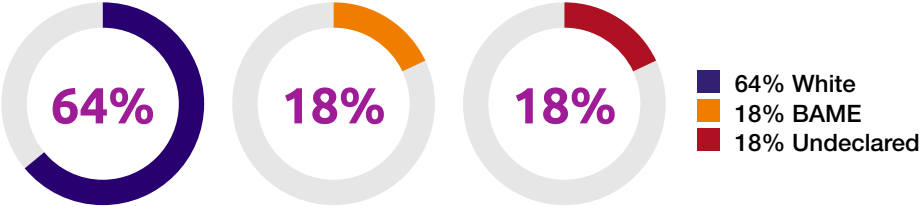


Promotions

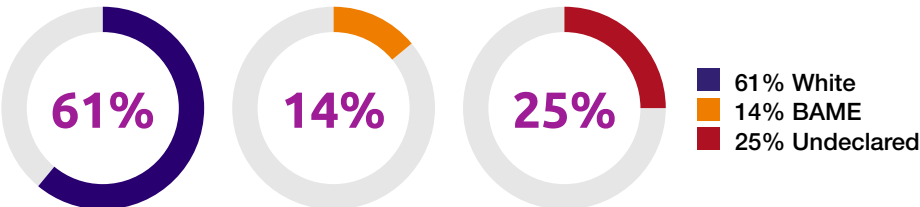


Recruitment

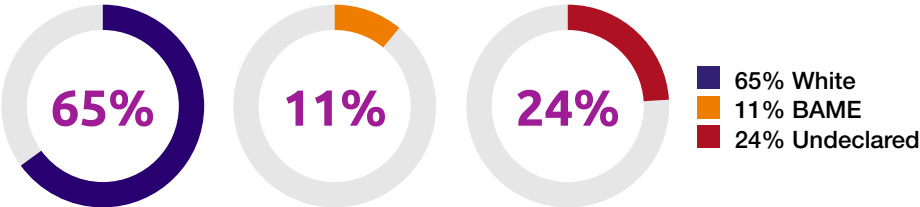
Application



Consideration

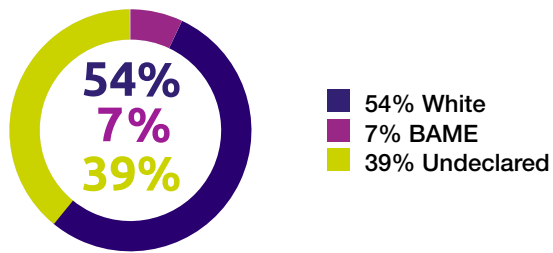


Recruited

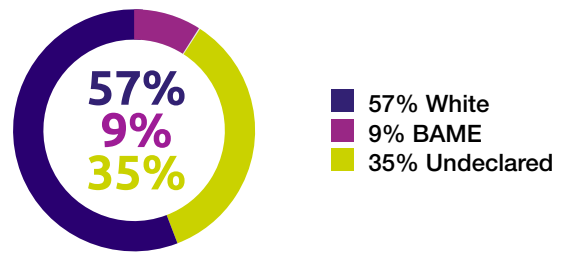


Looking at the representation through the recruitment process, we see BAME representation consistently decrease. The rate of decline across the recruitment process is less pronounced than in the previous years, albeit a gap persists. The sector should investigate to understand why BAME applicants are filtered out of the process. Is it due to recruiting/interviewing bias, or do hiring managers need relevant training to implement inclusive recruitment practices?

Flex Working



Leavers



Whilst the figures in these two areas are under the sector wide representation, without further scrutiny it would be difficult to speculate on the reasons for this. The number of individuals that have not declared their ethnicity could highlight a distrust in submitting EDI information or a lack of reliable tracking with regard to ethnicity.

AGE

The age of the UK labour force is distributed in a bell curve across the population with the largest representation in the 36-45 year old age group and reducing relatively evenly on both sides. We expect to see some variance to this with leadership being skewed towards older age groups, while recruitment may be skewed towards younger age groups.

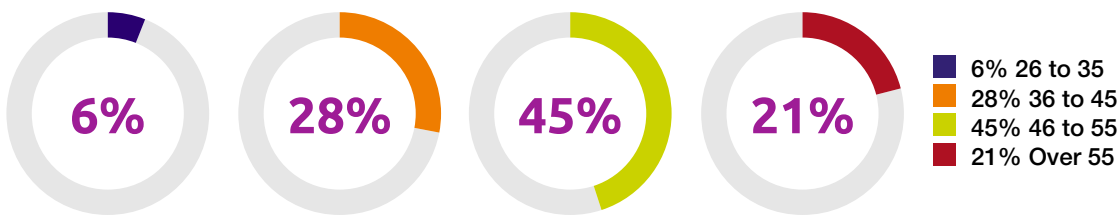
This data is roughly what was expected, with a larger group in the 46-55 year old cohort, and the over 55s having significant over-representation compared to their overall representation in the workforce. While the potential push back with younger representation in leadership is understood, it would be good to see the energy and utilities industries value the input of future generations. There is no significant change in this data from 2020 to 2021.

These figures show that development opportunities favour younger staff aged 18-45, while promotions seem to be favouring predominantly the 25-46 age group. The disparity between development and promotion should be understood. While not all development leads to promotion, it would be expected that these would be more closely correlated with the 18-45 age groups.

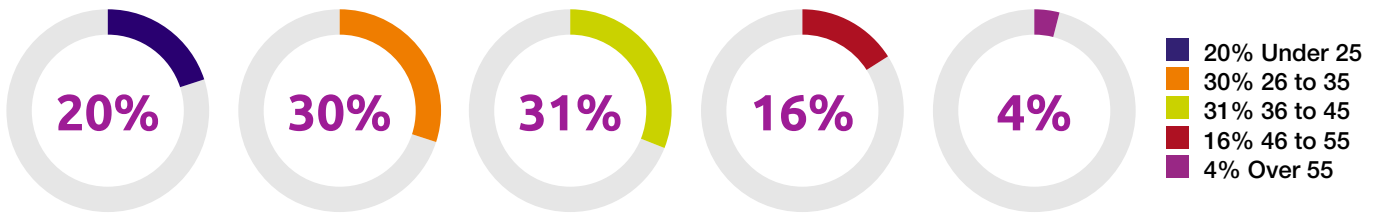
Leadership 2021



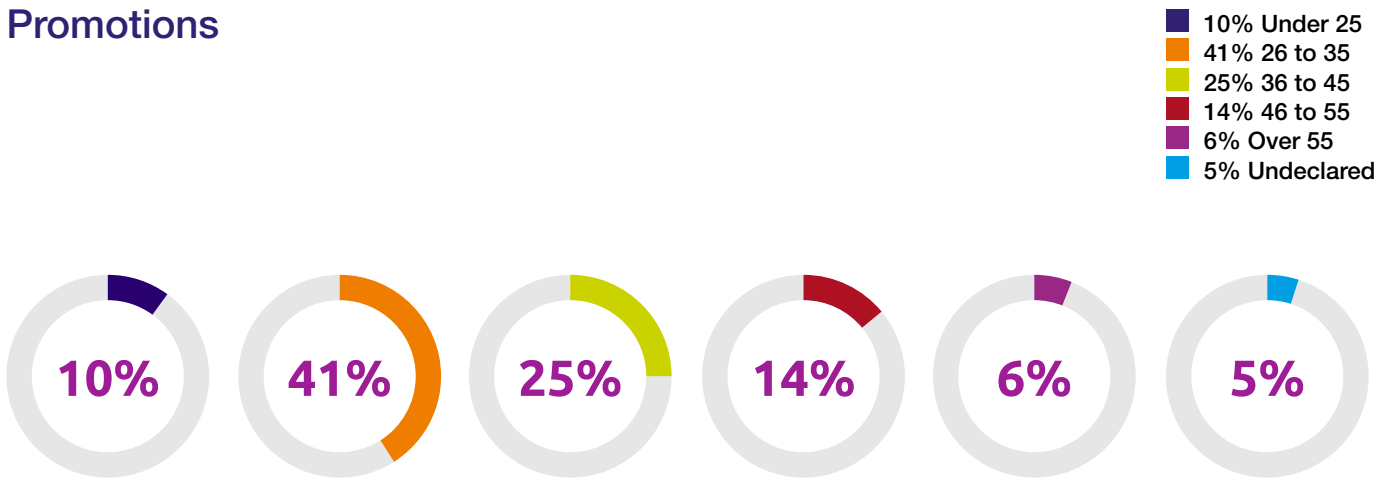
Leadership 2020



Development



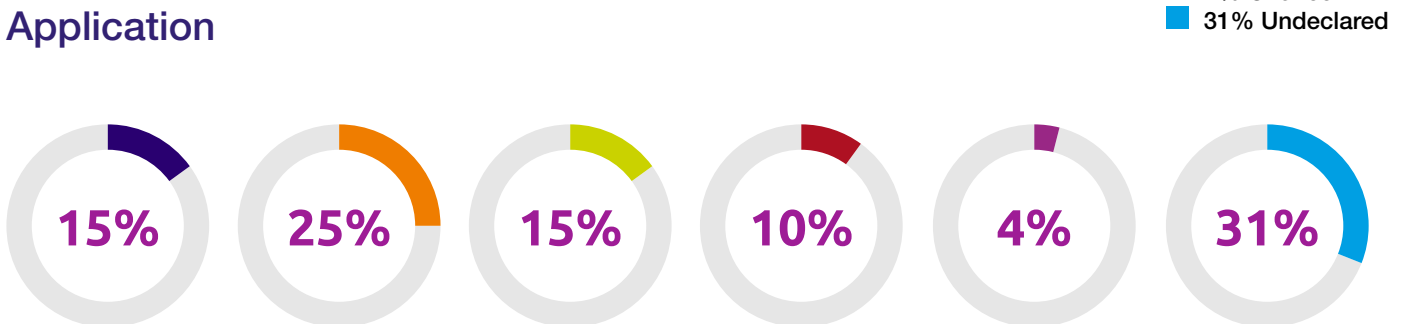
Promotions



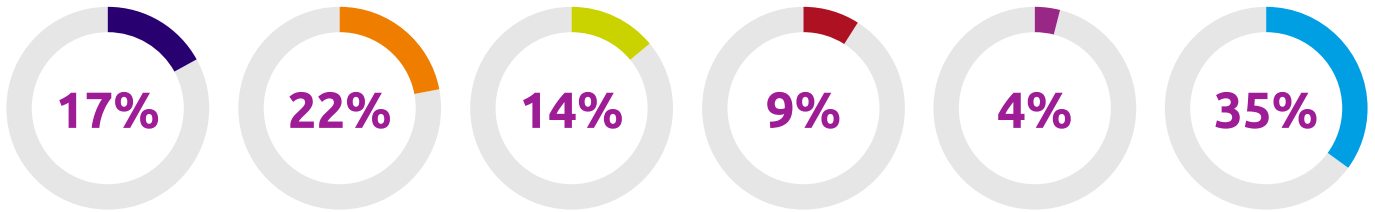
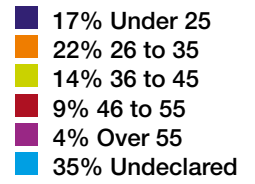
Recruitment



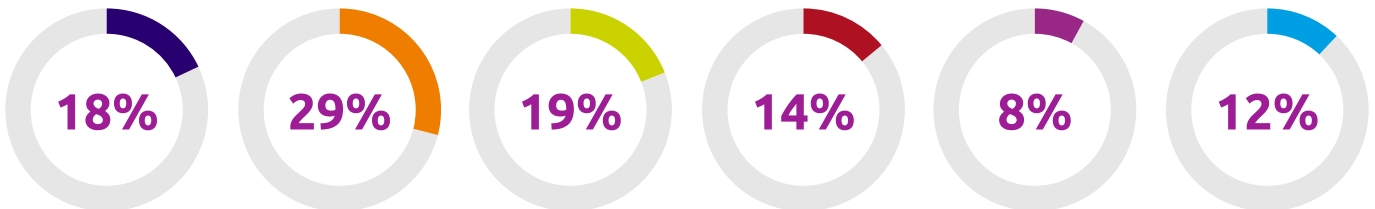
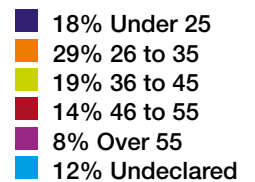
Application



Consideration

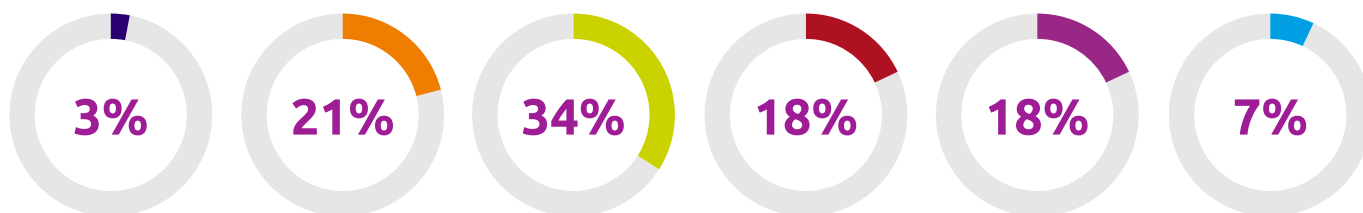
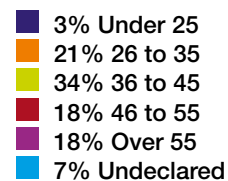


Recruited

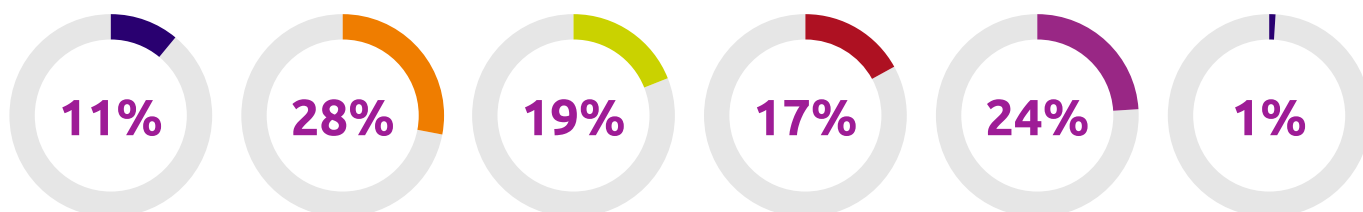
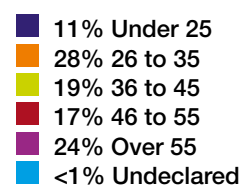


Recruitment has a slightly better representation in those aged 26-35 than other age groups. The size of the undeclared group could highlight some fundamental questions about data gathering during recruitment. It is only a legal requirement to gather age if you must be a certain age to do the job – an employer would have to ask this after the recruitment stage. Removing any “prefer not to say” options from this question on EDI forms is recommended. The number of individuals that have not declared their ethnicity could highlight a distrust in submitting EDI information or a lack of reliable tracking with regard to ethnicity.

Flex Working



Leavers



36-45 year olds make up the largest workforce group, and are more likely to be in the position to ask for and need flexible working. It isn't surprising to see over 55s leaving the workforce at a higher rate, although the reasons for 25-36 year olds leaving are worth investigating. This may be explained by this group being composed of millennials, who have been typified as job hoppers.

DISABILITY

Roughly 19% of working age adults in the UK have one or more declared disabilities, with just over half of them being in employment – this means that roughly 10% of the workforce has a known disability. There are potentially many people who have a disability but are not aware that it would be considered a disability, or are unwilling to acknowledge a disability due to stigma. Under the Equality Act 2010, you are considered disabled if you have an impairment that has “substantial” or “long-term” negative effects on your ability to do normal activities.

There is not enough data to compare this to the previous year or wider society. However, it can be identified that those who have declared one or more disabilities represent roughly 4% of the leadership population compared with 10% of the working population. The 49% who are “undeclared” suggests that there might remain a stigma within the sector and more must be done to raise awareness and eliminate stigma around disabilities.

Representation of disabled employees within development and promotions highlights a further overall lack of representation. It may be necessary to split job types within the sector as it would be expected that there would be no restrictions for most disabilities in office-based environments, although we may see particular neurodiverse traits or mental health issues in physical jobs as the stigma is reduced.

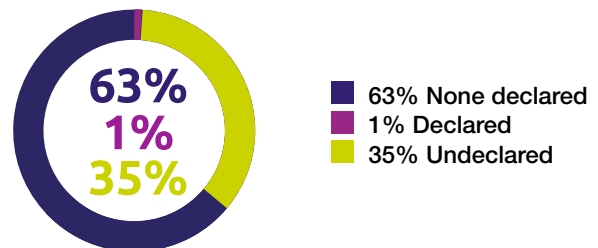
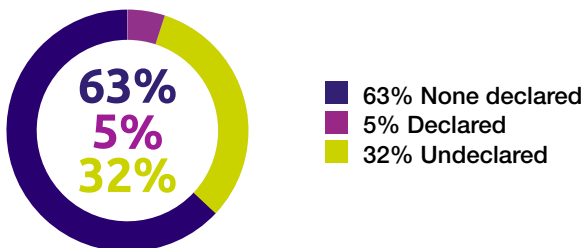
Leadership

- 54% None declared
- 1% Declared
- 7% Multiple
- <1% Physical/visible
- <1% Neurological
- 37% Undeclared



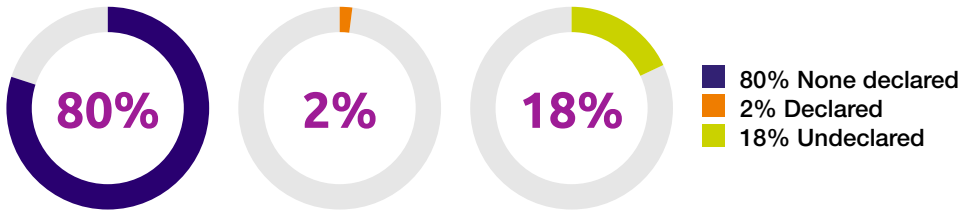
Development

Promotions

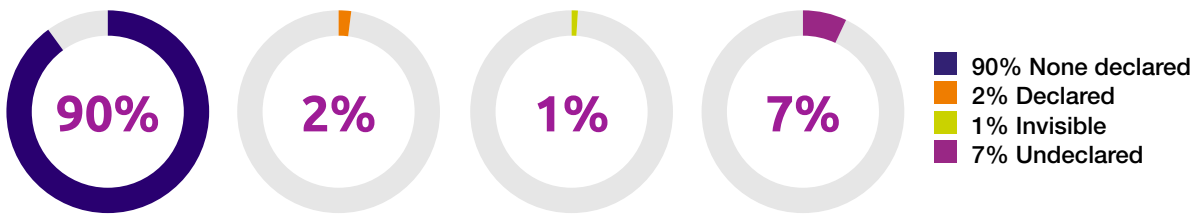


Recruitment

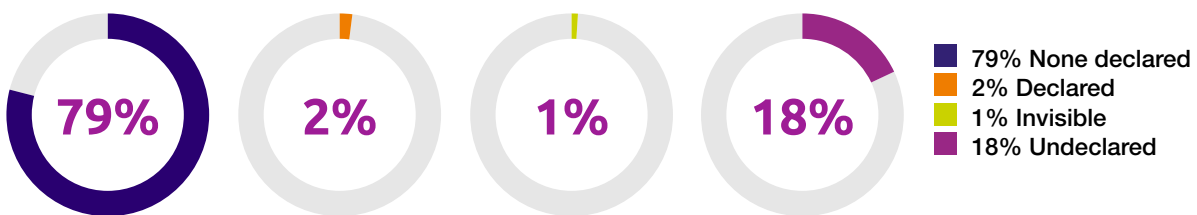
Application



Consideration

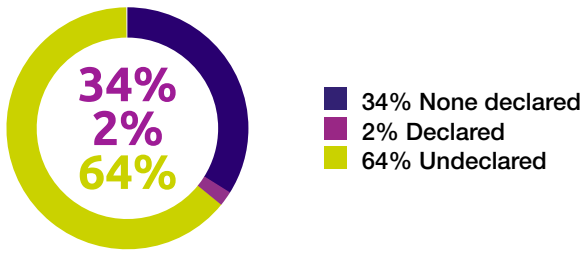


Recruited

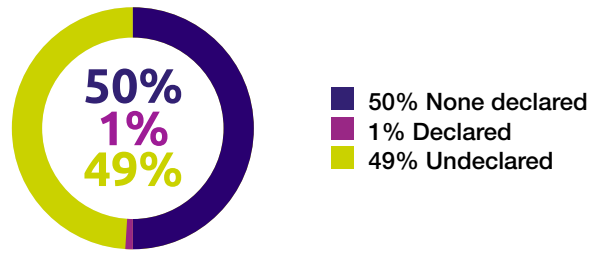


The sector may benefit from being more transparent about the types of work that are on offer and how accessible different job types are. To highlight a positive, declared disabilities remain at 2%, suggesting that, in general, disabled applicants do not experience stigmatisation through the recruitment processes.

Flex Working



Leavers



The data on flex working and leavers highlights that there remains a stigmatisation about revealing particular information even as part of an equality, diversity and inclusion exercise. Whilst it cannot be identified where those who have not declared their disability status would sit, it still suggests more needs to be done to ensure the workforce is clear on the importance and benefits of the business understanding the workforce.

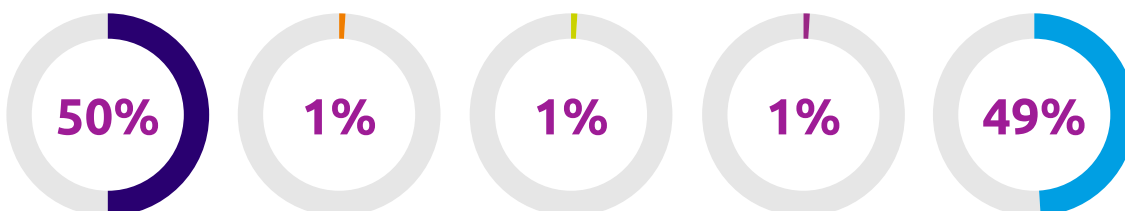
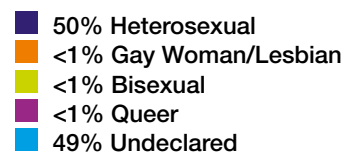
SEXUALITY

There is a lack of robust data on sexuality in the UK with estimates from the ONS suggesting anywhere between 2.5% and 6.7% of the country are LGBTQ+. More reliable data should be available once the census results from 2021 are published.

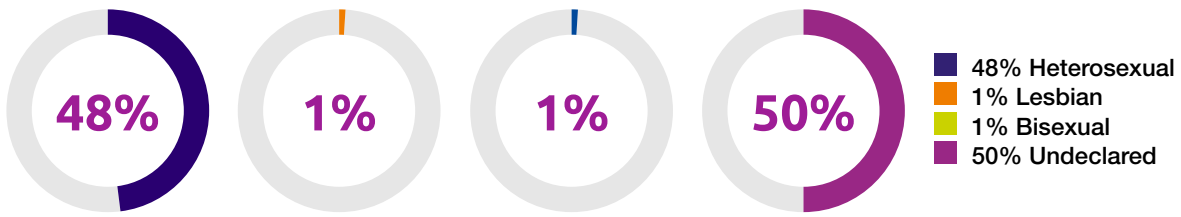
The 1% of leaders representing the LGBTQ+ community is roughly what is expected considering the low estimates for LGBTQ+ representation and the majority of LGBTQ+ tending to be in lower age groups. [69% of respondents to the National LGBT survey were under 35](#) and the [Annual Population Survey](#) found that those aged 16-24 were most likely to identify as LGBTQ+.

While the difference between those in development opportunities and those achieving promotions is small, it should still be reflected on for organisations within the sector. Additionally, the rise in undeclared, compared with the drop in declared, may highlight a lack of interest or support for LGBTQ+ equality.

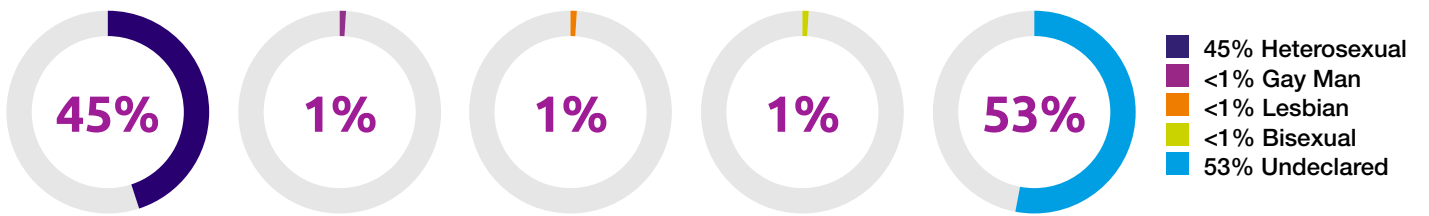
Leadership



Development



Promotions

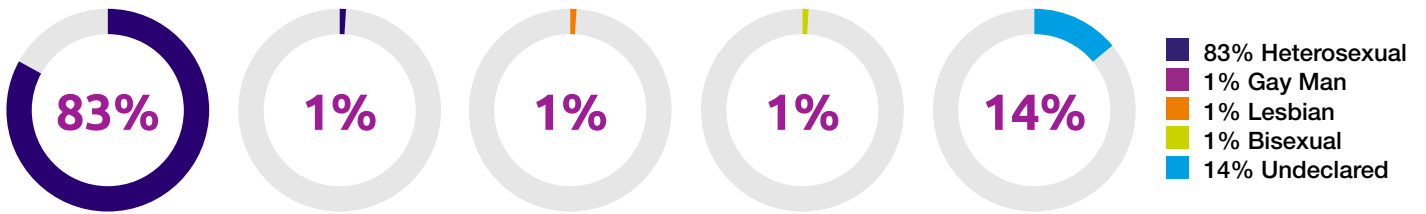


Recruitment

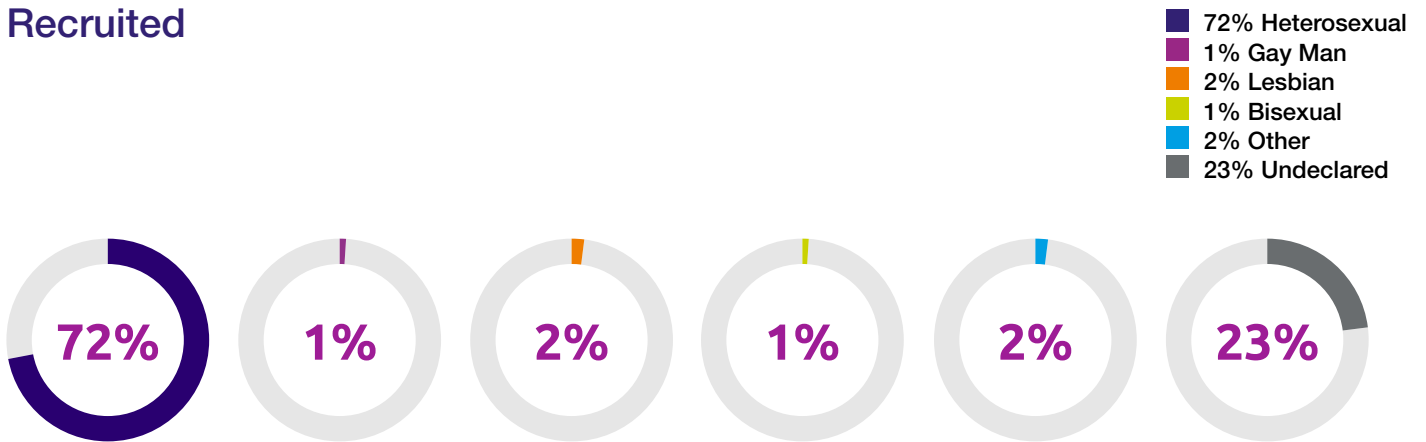
Application



Consideration

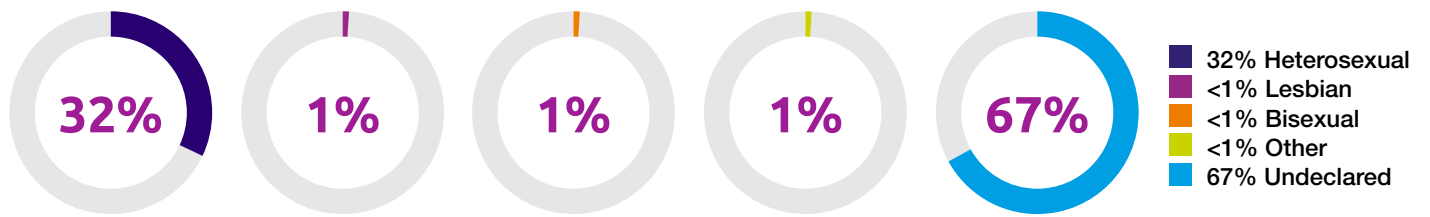


Recruited



The recruitment data shows a concerning trend that filters out gay men. It is unclear how this could be happening but based on available evidence, experience and some speculation, we can assume that it may be to do with typical experience of gay men vs heterosexuals; additionally there may be differences in how gay men present themselves in applications, this would suggest the persistent need to “code-switch” for LGBTQ+ people. Without further scrutiny it would be difficult to highlight the specific issue.

Flex Working



Leavers



The large group for 'undeclared' throughout highlights another stigma that could be prevalent within the energy and utilities sector. This indicates that more work is required to encourage staff to reveal their protected characteristics through EDI surveys - these should be anonymous and are only to help the organisation understand their workforce.

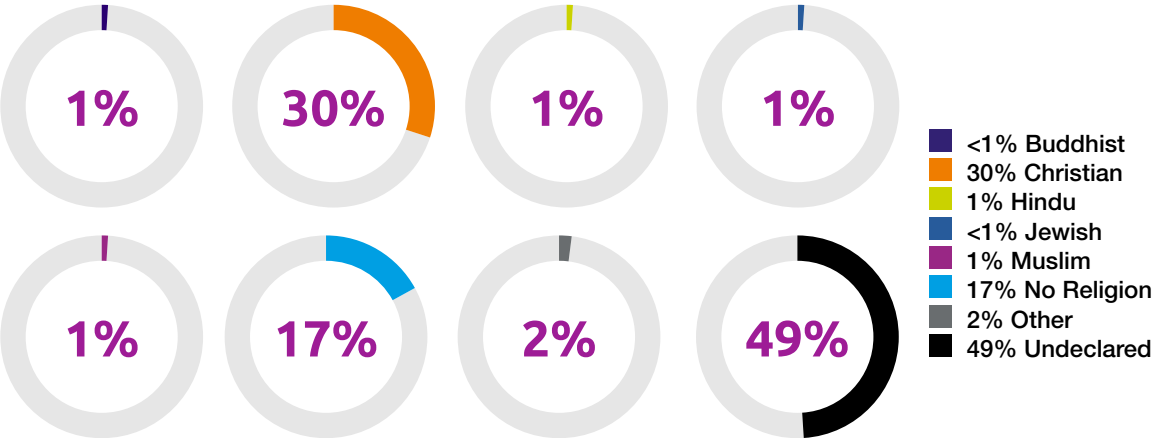
RELIGION

We have gathered data on all the major religions within the UK. There is a limited understanding of the existing breakdown with the most accurate data being from the 2011 Census.

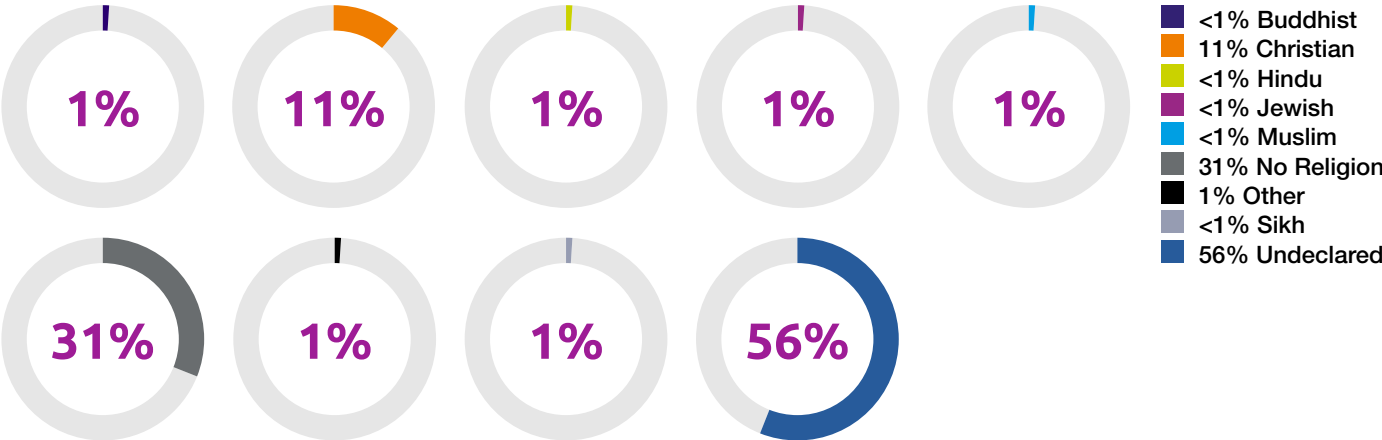
The religions represented in leadership in the energy and utilities sector do not closely resemble the UK religious representation, although this is likely due to the over-representation of “undeclared”. Within the UK, Christianity (incl Protestant and Catholic) is the largest religious group, followed by non-religious atheists.

The only significant observation in the data here is the drop in representation for no religion from development to promotions. This may be explained by not all development opportunities being direct leads to promotion opportunities – it is worth monitoring and investigating.

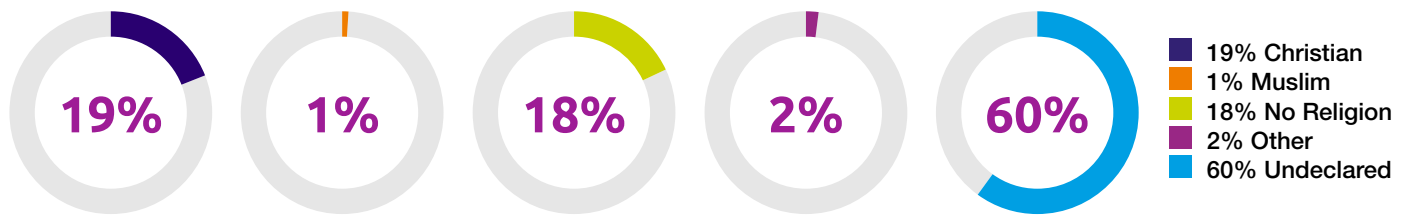
Leadership



Development

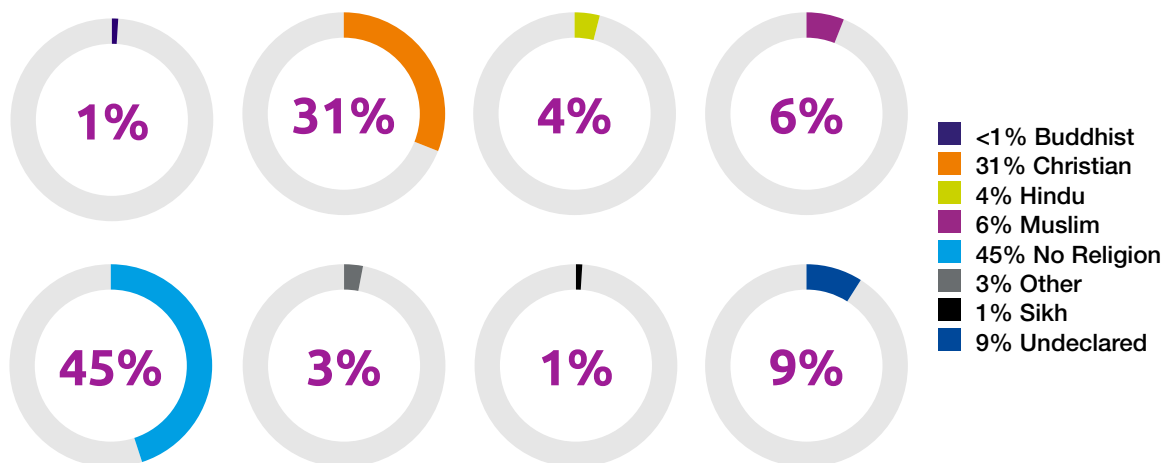


Promotions

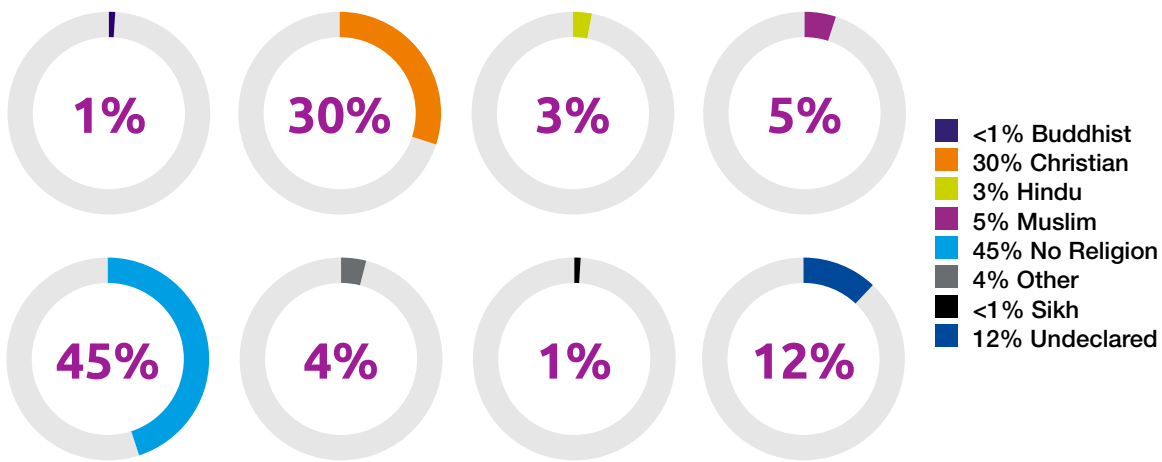


Recruitment

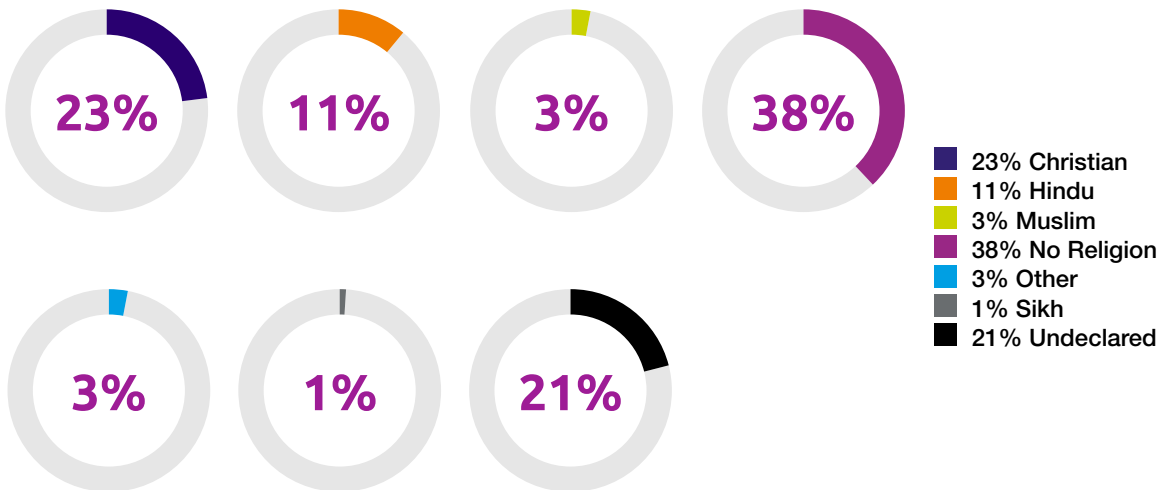
Application



Consideration

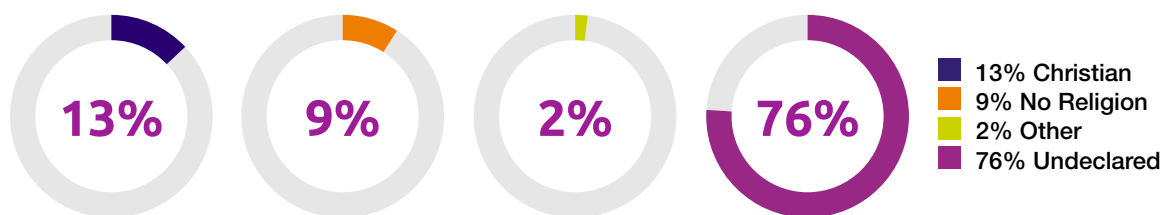


Recruited

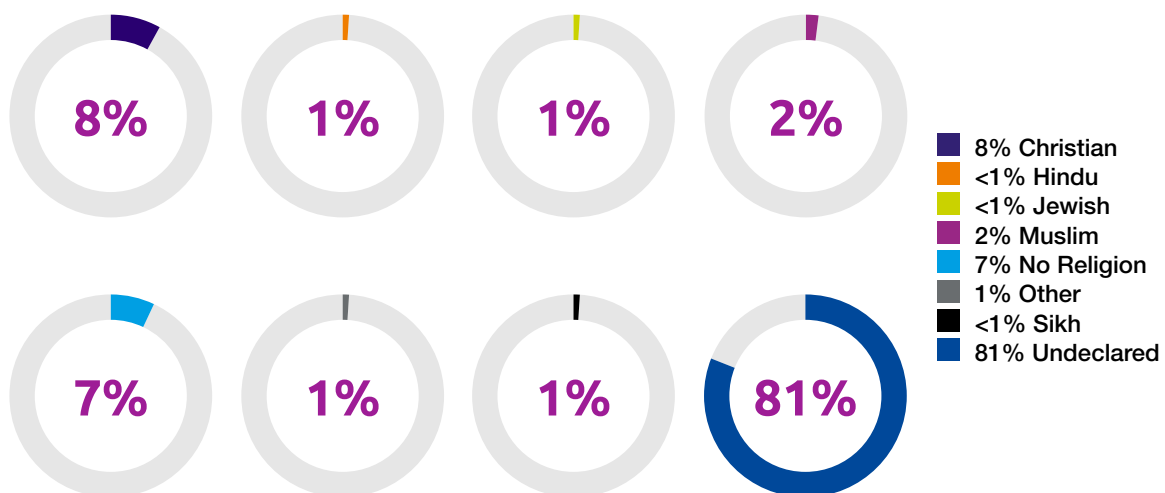


There is a sharp increase in Hindu representation in successful candidates (a similar increase also appears in undeclared), whilst there is a noticeable decrease in many of the other religions. This could hint at a particular preference, but without being able to disaggregate the ethnicity data, it would be difficult to understand whether the preference is religious or race based, if it does exist.

Flex Working



Leavers



Similar to the issues present with disability and sexuality, there is a large representation of undeclared within the religious data. This likely highlights a lack of trust in declaring EDI data to organisations and suggests that the organisations represented in this data need to do more to build the trust needed to carry out effective EDI work.



RECOMMENDATIONS

A number of key issues have been identified throughout this report, including low levels of representation and disclosure rates from the workforce. Below are some key recommendations to the sector and a call to action for those organisations signed up to the Energy & Utility Skills Inclusion Commitment.

1. With the data available from this report, we could not provide a comparison to the total workforce represented in these organisations. It is recommended that data is collected on protected characteristic information across the whole organisation and not just the specific areas represented here.
2. The sector would benefit from targeted development programmes aimed at women and ethnic minorities. This can help to close the representation gap as well as the gender and ethnic pay gaps. Industry wide, shared programmes would help with efficiency and effectiveness, allowing organisations to share and promote best practice.
3. The recruitment processes in the companies involved in this research need to be scrutinised to understand the filtering out of ethnic minority applicants. It is likely that these processes can be enhanced through inclusive recruitment practices and the training of all hiring managers.
4. The limited levels of declared data for disability, sexuality and religion suggest that all participating companies need to do more to build trust with their workforce and their EDI efforts. Some of this effort may be in educating and raising awareness on these subjects. There are likely to be two potential causes; stigma associated with declaring protected characteristics and resistance to EDI efforts in these areas (particularly sexuality). This too would benefit from shared programmes across the industry, utilising industry-wide staff networks such as the [Pride in Energy](#) network, to provide efficiency and impact. CEOs who make up the Energy & Utilities Skills Partnership have already extended their support to increasing data disclosure.
5. While most company leaders have completed “Unconscious Bias” training or an alternative EDI course in the last 12 months, it is recommended that leaders further encourage their workforces to engage with EDI learning. It is also recommended that for those organisations that utilise “Unconscious Bias” training they take the next step and introduce “Conscious Inclusion” training.
6. With 50 organisations already committed to action through their signing up to the Energy & Utilities Inclusion Commitment, it is further recommended that the sector continues to collaborate to deliver against the underpinning five principles and repeats the Inclusion Measurement Framework to measure and be transparent in the progress the sector and individual organisations are making.

THE EQUAL GROUP

The Equal Group is an award-winning EDI consultancy, specialising in strategic and transformational projects that involve assisting individual companies and entire sectors to embed meaningful, sustainable and measurable improvements in relation to EDI. Working closely with clients such as the Greater London Authority (GLA), Macmillan, Ofgem, Thames Water and many more, The Equal Group focuses on leveraging the power of both quantitative and qualitative data to provide a robust context from which change can be most effective.

Energy & Utility Skills is at the forefront of bringing our industry leaders together to identify and address the skills challenges our sector faces. It provides membership, assurance and skills solutions to help employers attract, develop and retain a sustainable skilled workforce. It collaborates with employers to support their workforce needs and sector-wide workforce mobility.

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