ENERGY & UTILITY SKILLS

Skills for a greener world

Inclusion Measurement Framework

2023 Report and Recommendations

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Inclusion within the Energy and Utilities Sector

Foreword Phil Beach

I am pleased to introduce the 2023 Inclusion Measurement Framework results. This is the fourth annual report that provides a measurement of the sector's progress in attracting, recruiting, retaining and developing a diverse workforce. With an increase in organisations participating in the framework, the results evidence that efforts to bring significant change across the sector are beginning to have a positive effect.

Encouragingly, the survey reflects that representation of employees from ethnic minority backgrounds in the sector workforce has increased since 2022. And we've seen participation in formal development programmes increase which has contributed to the significant increase in the promotion of ethnic minority staff.

Women now make up 30% of the sector's workforce, an increase from 26.5% in 2022. The water industry has the highest levels of female representation at 35%, an increase of 6.7%, along with an increase of 2.7% in the gas industry.

While notable progress has been made, the representation of women and ethnic minorities across the sector workforce still lags significantly behind the UK as a whole. We are also seeing a continuing loss of diverse talent with increasing levels of women and ethnic minorities leaving their roles.

The results from the standalone Leadership Survey demonstrate continued commitment to improving equality, diversity and inclusion. The representation of women in leadership positions continues to increase, but there remains significant underrepresentation of all minority groups at leadership levels.

Achieving a workforce that reflects the customers and communities the sector serves is a key priority of the Workforce Renewal and Skills Strategy and Inclusion Commitment. This report reflects that progress has been made and offers insights into where we need to focus our efforts at organisational and sector-wide levels to achieve further progress.

Phil Beach CBE
Chief Executive
Energy & Utility Skills



Executive Summary

The Energy and Utilities Inclusion Measurement Framework provides an overview of the sector's progress in equality, diversity, and inclusion (EDI) both at the organisational and sector-wide levels.

This report reflects the continued focus on improving equality, diversity and inclusion across the sector. A key objective of the Workforce Renewal and Skills Strategy and the Inclusion Commitment is to create a workforce that represents the communities the sector serves – an objective shared by the participating organisations.

The Inclusion Measurement Framework (IMF) data details the representation of particular diversity characteristics – Gender, Ethnicity, Age, Disability, Sexuality and Religion – to measure and be transparent about progress on diversity and inclusion within the sector and in individual organisations.

The IMF provides data on overall representation, leadership, recruitment, progression and retention, enabling an understanding of current representation and providing a context for improvement and prioritisation.

The data shows that women make up 30% of the sector, up from 26.5% in 2022, and 29.6% of leadership, whilst women make up 48% of the active UK workforce.

Those from minority ethnic backgrounds make up 12.3% of the sector, up from 7.5% last year, and 9.9% in leadership, up from 2.8% last year. The trend of ethnically diverse candidates being filtered out of the recruitment process shows improvements on last year, whilst there is still room for further improvement.

The IMF tracks progress towards being more representative of the diverse customers and communities that the sector serves. Following the changes made in representation from 2022 to 2023, the high-level recommendations are focused on maintaining momentum for the sector as a whole and attracting more organisations to take part.

Recommendations[1]

1. Increased accountability for leaders and leadership engagement in EDI.
2. Wider and more consistent participation from across the sector.
3. Actionable insight from participating organisations to evaluate and deliver best practice.
4. Direct data collection, with all organisations using the same collection method.
5. Increased sector and organisational accountability for progress.

1. More detailed information on recommendations is included in the recommendations chapter.

Introduction

For the last four years, Energy & Utility Skills has been collecting data on equality, diversity and inclusion (EDI) across the energy and utilities sector through the IMF. This report provides an overview of representation within the sector, generally across the employee lifecycle (including recruitment, development, progression and leadership).

The data provided in this report represents an average across the 32 organisations that submitted data – an increase from 24 in 2022.

A total of 41 organisations registered to participate in this year's IMF, representing a submission rate of 78%. Companies range in size from less than 100 to over 10,000, work across the breadth of the UK and Northern Ireland[2] and operate across various industries of the energy and utilities sector. In combining power and gas, Energy accounts for 20 (62%) of submissions.

We have included a table below to indicate the number of submissions for each.

2023 submissions by industry[3]

Industry	Submission
Gas	9 (28%)
Other[4]	2 (6%)
Power	11 (34%)
Supply Chain	1 (3%)
Waste	6 (19%)
Water	15 (48%)
Total	32

2 See Appendix 1

3 There is some level of overlap between industries, due to some of the companies operating across both waste and water, or power and gas, for example. The percentages in the table are, therefore, indicative.

4 For 2023, the 'Other' category includes trade associations.

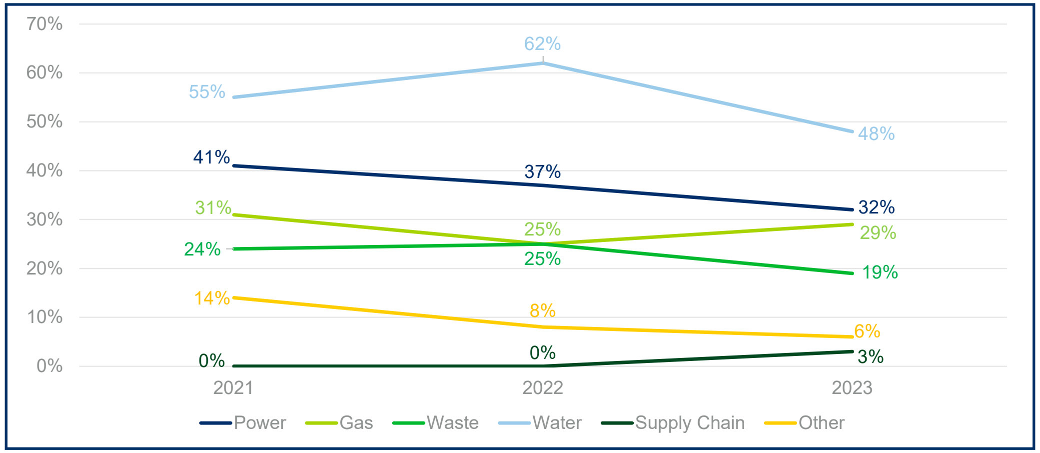
The highest level of responses have come from the Water industry, with the lowest representation from the Supply Chain, with 2023 being the first year that this has been included as a distinct industry. Previous years have seen Supply Chain companies included in the 'Other' category.

Over the years of running the IMF, the water industry has had the greatest proportion of companies participating, with the absolute number of submissions from Water (15-16 companies) remaining consistent year on year. Due to the increase in the overall number of companies participating in this year's IMF, the proportion of total submissions for Water has fallen from a high of 62% in 2022 to 48% in 2023.

As with previous years, data was gathered across six characteristics (Gender, Ethnicity, Age, Disability, Sexuality and Religion). Where appropriate and possible, year-on-year comparisons are provided to illustrate any trends in the data.

Organisations that participated in the IMF were also given the opportunity to invite their leadership team to take part in an additional standalone leadership survey. This followed the same process as in 2022, including CEO's and members of/ direct reports to the Board/Executive Committee.

We have selected leadership data for inclusion in this report that provides useful insights from a sector perspective.



Overall Sector – Workforce demographics

Collated for the second successive year, this section summarises diversity demographics for the energy and utilities sector as a whole, providing insights on key trends and differences across individual industries.

Gender

As with previous years, the energy and utilities sector remains male-dominated – this is true across the employee lifecycle. According to the data collected in 2023, women make up 30.1% of the sector workforce, up from 26.1% last year.

The Water industry has retained its position as having the highest levels of female representation across the sector, increasing from 28.3% in 2022 to 35% in 2023. The Supply Chain has the lowest representation of women at 18.2%, whilst Gas has increased representation from 19.6% to 22.3%.

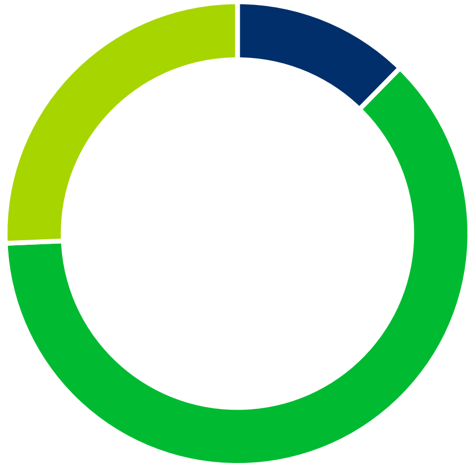
- Female: 30.1%
- Male: 64.6%
- Undeclared: 5.1%
- Non-binary: 0.2%

Ethnicity

The sector has seen a significant improvement in its representation of people from ethnic minority backgrounds, almost doubling from 7.5% in 2022 to 12.3% in 2023. This is closer to the UK's workforce representation of ethnic minority workers which stands at 16.3% (2021 Census).

Among the sector, 'Other' (which covers trade associations) had the highest representation of ethnic minority individuals, at 18%. This was followed by the Water industry, at 12.3%.

There remains a significant amount of undeclared data, although this proportion has dropped from 32% in 2022 to 25.7% in 2023.

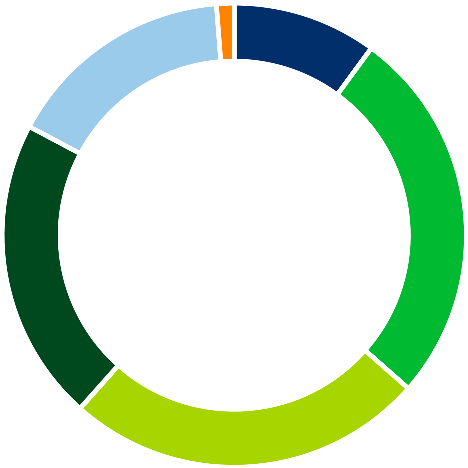


- Ethnic minority: 12.3%
- White/White British: 62%
- Undeclared: 25.7%

Age

The age profile of the sector has remained largely in line with that of 2022. The most notable change has been a decrease in the representation of those in the 46-55 age group, from 24.1% in 2022 to 21.2% in 2023.

In 2022, the under-25 age group made up 8.1% of the energy and utilities sector workforce – this has increased to 10.1% in 2023. Conversely, the over-55 age group made up 17.8% of the sector's workforce in 2022; this has declined slightly to 16% in 2023.



- Under 25: 10.1%
- 26–35: 26.4%
- 36–45: 25.1%
- 45–55: 21.2%
- Over 55: 16%
- Undeclared: 1.2%

Disability

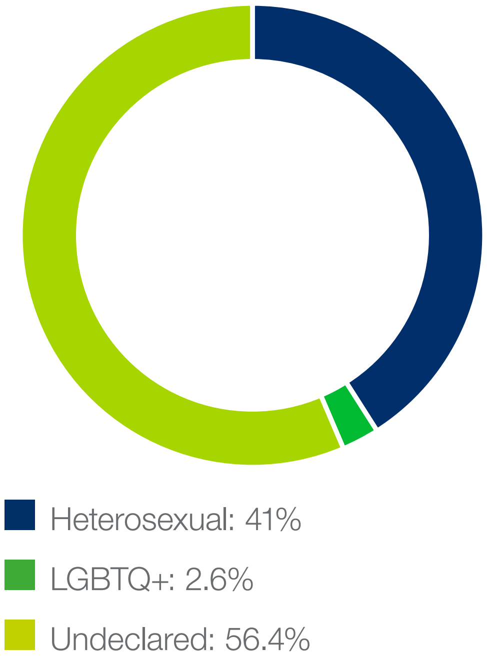
Disabled people remain significantly underrepresented across the energy and utilities sector, making up 4.3% of the workforce, compared to 23% across the UK workforce[5]. There is also a large amount of undeclared data at 44.5%, albeit this has notably decreased from 65.9% in 2022.

- No disability: 51.2%
- Yes, declared disability 4.3%
- Undeclared: 44.5%

5 **Disabled people in employment – Office for National Statistics (ONS) Labour Force Survey**

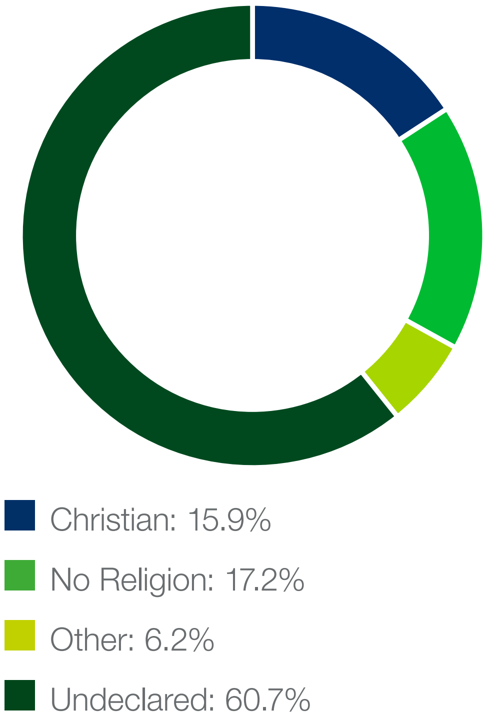
Sexuality

This year's data shows an increase in LGBTQ+ representation from 1.5% in 2022 to 2.6% in 2023. This is close to UK workforce representation, which stands at 3.2%[6]. As was the case in 2022, there is a high proportion of undeclared data, albeit this too has decreased from 66.2% in 2022 to 56.41% in 2023.



Religion

2023 data shows an increase in those declaring no religion (from 11.7% in 2022 to 17.2% in 2023). There has also been an increase in the representation of 'Other' religions (from 3.32% in 2022 to 6.22% in 2023). The overall proportion of non-declaration has reduced slightly to 60.7% in 2023, albeit this still represents a large share of the overall data.



6 Sexual orientation, UK: 2020 – Office for National Statistics (ONS)

Sector Summary

Although the 2023 data shows general improvement across all demographics, there are still significant areas of non-disclosure, with some demographic categories showing undeclared data representing as much as 60% of the overall data. Encouragingly, this is less significant than in the previous year.

Additionally, there continues to be year-on-year fluctuations in commitment and participation rates from organisations. Some organisations that submitted data in previous years, were unable to participate this year. While there has always been an expectation that companies submit the data they have, rather than data across all areas and diversity characteristics covered by the IMF, for organisations newer to the IMF, there have been some limitations in the depth of information collected.

Positively, this year saw an increase in requests to participate from outside of the Inclusion Commitment signatories, due in part to a decision by the Tackling Inclusion and Diversity in Energy (TIDE) Taskforce around using the IMF to collect and track diversity data across the energy industry.

Overall Sector Leadership

Providing a view of leadership diversity across the sector, these results are from the IMF data submissions and may be different from the Leadership Inclusion Survey results, where data is submitted directly by individual leaders.

Gender

In 2022, we reported that there was no meaningful change in gender representation among leadership, with 27.4% of leaders identifying as women. However, in 2023 this has increased to 29.7%. There is still work to do to increase representation of women overall and within leadership, pushing towards a more equitable representation.

There continues to be difficulties in reporting gender identity over sex, as gender identity must be voluntarily provided compared to sex which is an HMRC requirement. The increase in “undeclared” from 2.1% to 3.7% in the last year could indicate more work is required to raise awareness of gender identity and its importance.

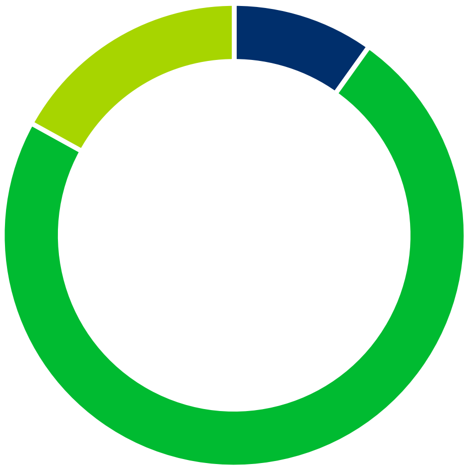
- Female: 29.7%
- Male: 66.5%
- Undeclared: 3.7%
- Non-binary: 0.1%

Ethnicity

There has been significant progress made over the last year with ethnic minority representation at Leadership levels moving from 2.8% in 2022 to 9.9% in 2023.

It is key to understand what has led to this positive change, i.e. more promotions at a senior level, greater disclosure from ethnic minority leaders or a greater focus on recruiting external talent from differing backgrounds.

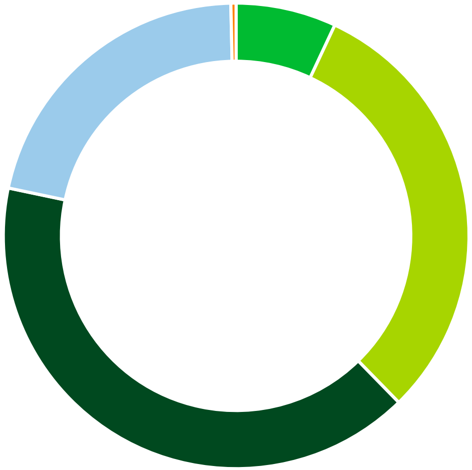
Alongside this, the data shows the proportion of individuals whose data is undeclared has also decreased from 20% in 2022 to 17% in 2023, suggesting that individuals are more open to what information they disclose. There is still a long way to go to understand how to decrease this further.



Age

The majority of the age range across leadership levels has kept broadly in line with 2022. Notably, the proportion of leaders in the 46-55 age range has decreased from 48.4% in 2022 to 40.6% in 2023.

The Census data of 2021 shows that there is a trend to suggest that CEOs and leaders under 40 tend to be more ethnically diverse, averaging around 20%[7] Indicated in the later sections of the report, the increasing numbers of individuals aged 36-45 in development and under 25s being promoted may, in time, contribute to the change in age and ethnicity profile of CEOs working in the sector.

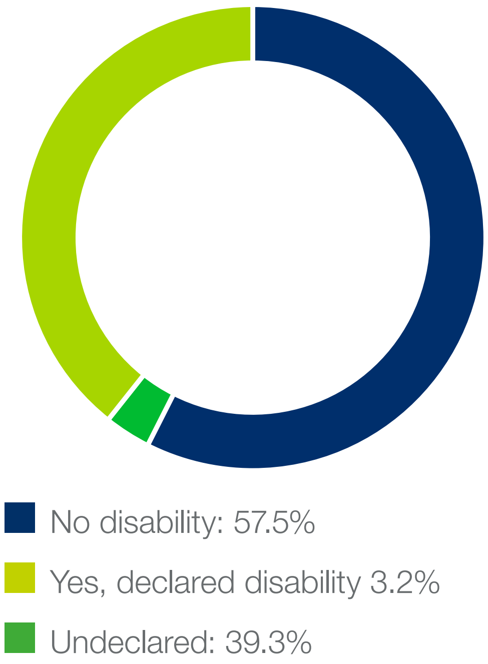


7 What does the average British CEO look like?

Disability

There has been a small increase of those who have disclosed they have a disability at leadership levels moving from 2.7% in 2022 to 3.2% in 2023.

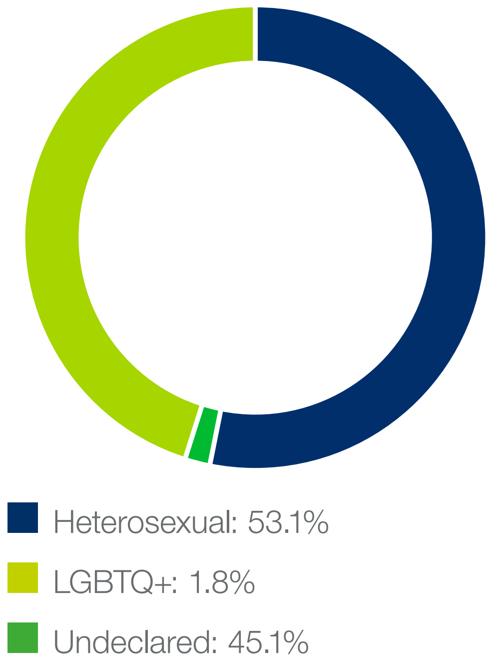
Significantly, the proportion of undeclared data has decreased by 16%, suggesting that leaders are more comfortable being open about their disability which is a huge step forward. This can play a vital role in the culture of an organisation by creating a safe space for other individuals to do the same.



Sexuality

2023's data shows a reduction in the proportion of leaders who chose not to declare their sexual orientation – this has decreased from 52.2% in 2022 to 45.1% in 2023.

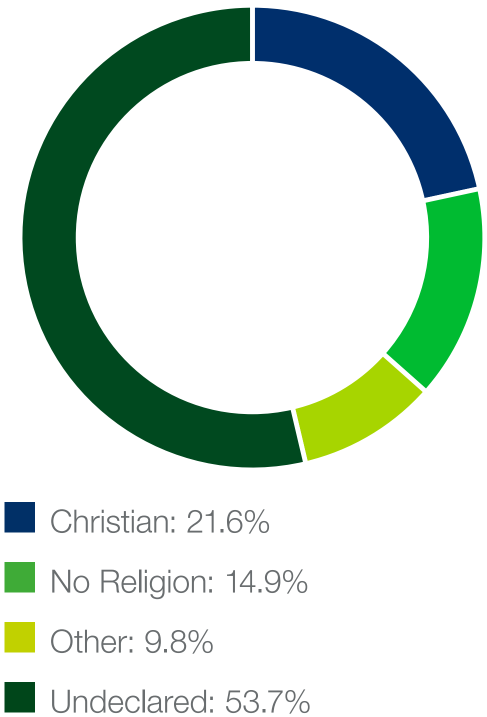
Having said this, the percentage of LGBTQ+ leaders has decreased from 2.8% in 2022 to 1.8% in 2023.



Religion

2023's data shows there has been an increase in leaders declaring a faith other than Christianity or 'no religion'. There has also been a reduction in the proportion of leaders declaring their faith as Christianity – this is down from 25.9% in 2022 to 21.6% in 2023.

The latest Census in 2021 showed that less than half of England and Wales described themselves as Christian, moving from 59.3% to 46.2%.

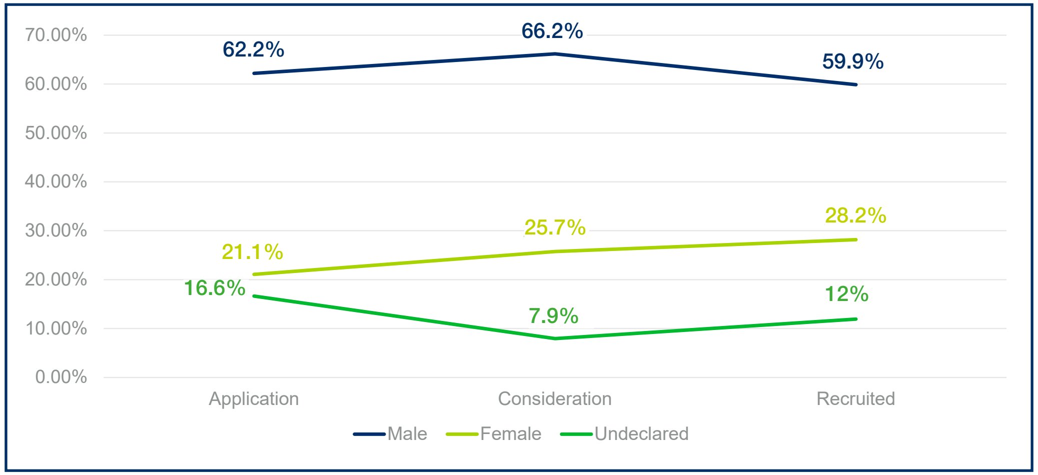


Recruitment

The IMF measures diversity and inclusion across the employee lifecycle from recruitment through to development, retention and progression. This section of the report explores each of these separately, identifying key trends and insights.

Gender

Underrepresentation of women begins at the application stage, with 21.1% of applications coming from women compared to 62.2% from men. There is an upward trend for women through the recruitment process, although the overall recruited representation is lower than the current level of representation across the energy and utilities sector.

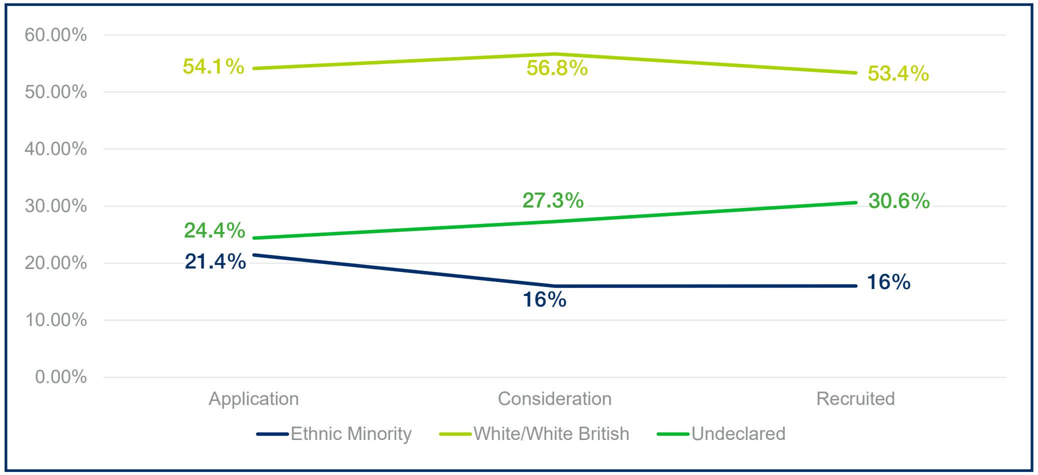


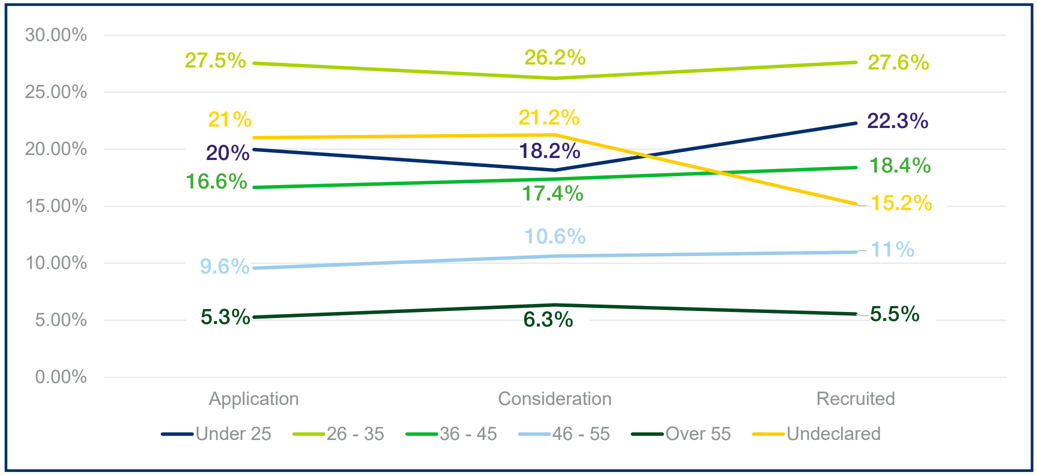
Ethnicity

As in previous years, we can see a dilution of ethnic minority candidates through the recruitment process across the sector, with 21.4% of applications coming from ethnic minority candidates, and 16% being recruited. This is less pronounced than in previous years, where the level of applications (21.4%) has been similar, but the number of ethnic minority candidates recruited into the sector was much lower (9.9% recruited in 2020 vs 21.7% of applications).

Age

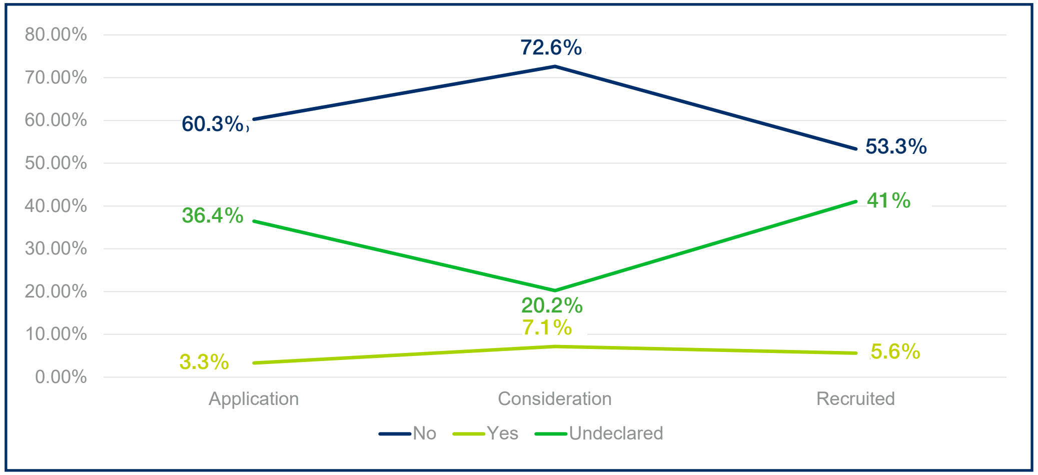
Carrying on the trend from previous years, most age groups remain consistently represented through the recruitment process, with those in the Under 25 category seeing greater levels of representation amongst those recruited into the sector vs their levels of representation in the application stage.





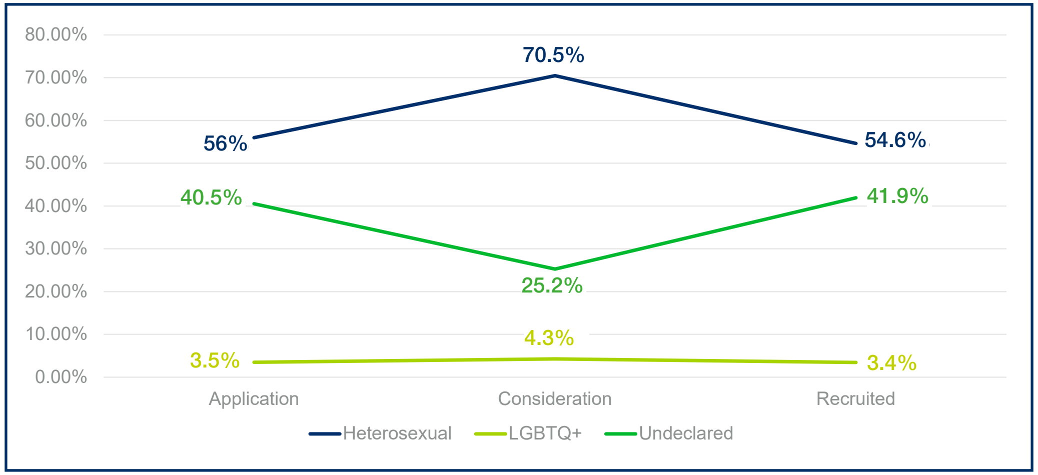
Disability

The sector still sees relatively low levels of representation of applicants with disabilities, with slightly higher representation in the recruitment stage than in the application stage.



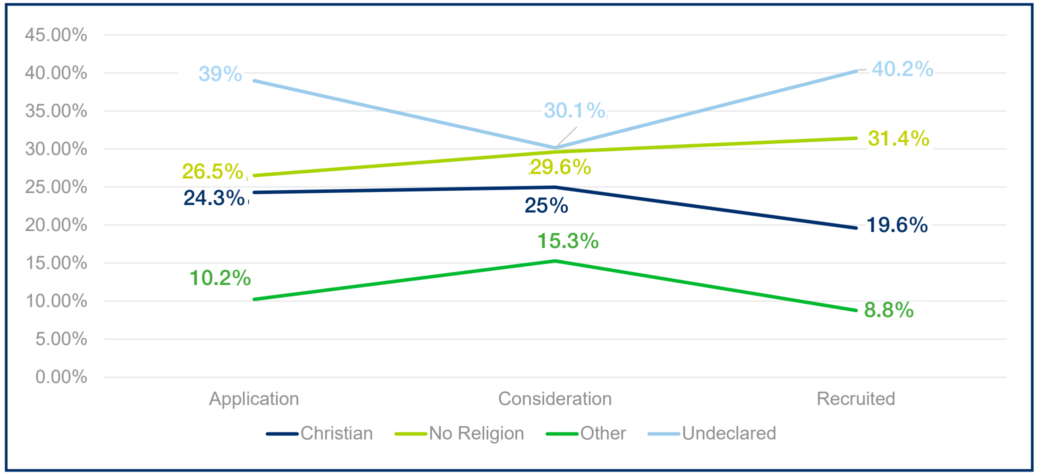
Sexuality

LGBTQ+ applicants are overrepresented in the consideration stage; this comes down to near national level representation at the recruited stage.



Religion

Individuals with no religion see higher levels of representation in the recruited stage than in the application stage, with the opposite being true for those of a Christian faith.



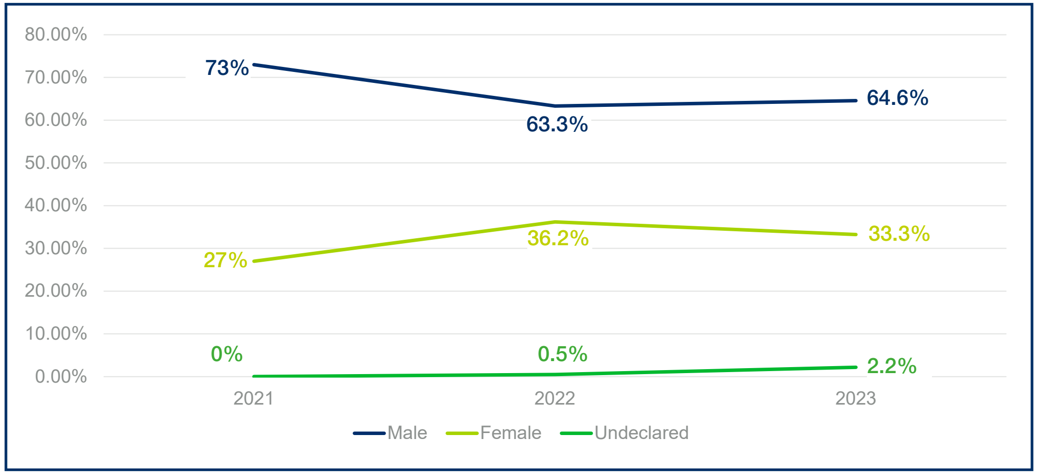
Development and Promotions

Gender

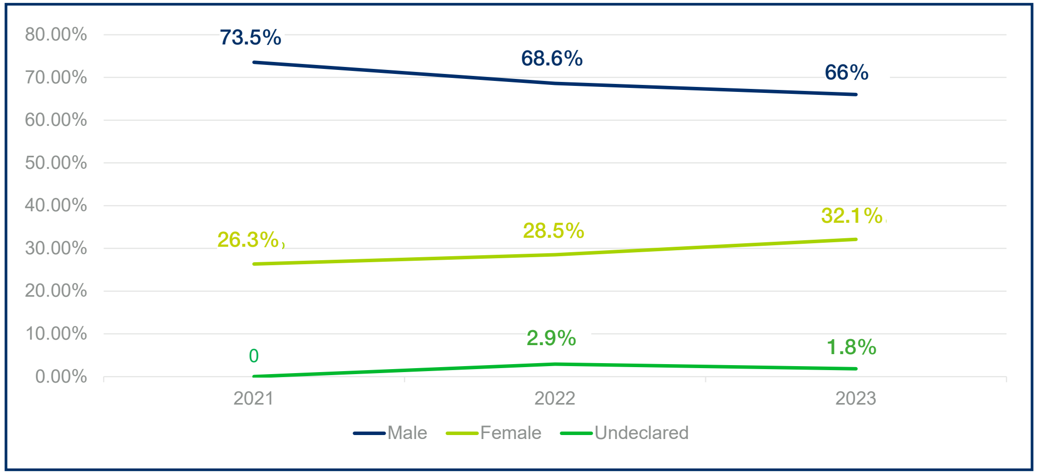
In 2022, we saw an increase in women accessing development programmes across the energy and utilities sector, while in 2023, we have seen a slight decrease. Encouragingly, this is still above the overall representation of women across the sector, however, it is important that this does not become a downward trend.

The increase in women in development programmes last year appears to have had a positive impact on promotions for women, increasing from 28.5% in 2022 to 32.1% in 2023. This is slightly higher than the representation of women across the sector and in leadership.

Development



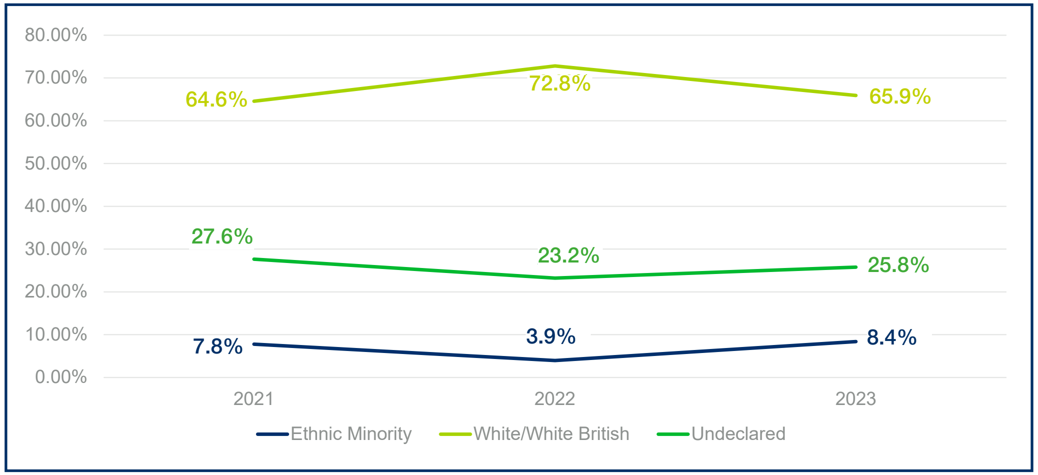
Promotions



Ethnicity

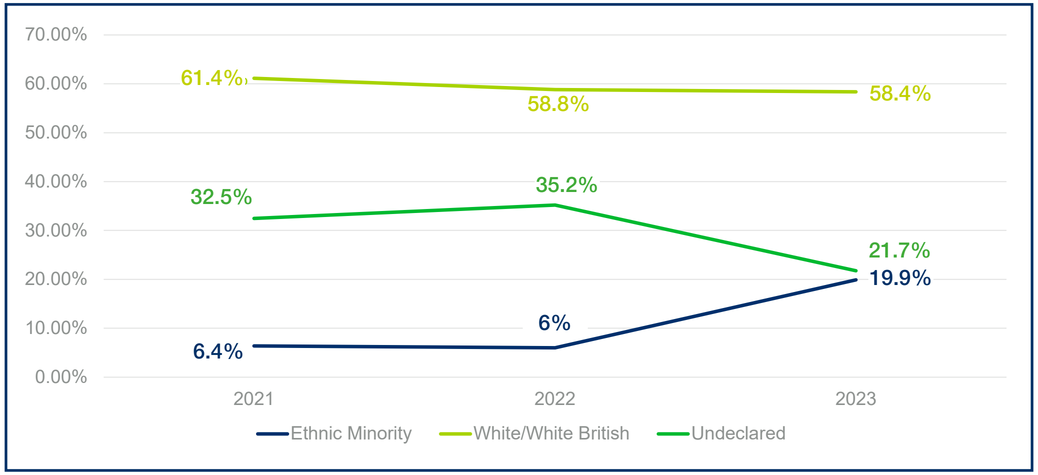
Development and promotion of individuals from ethnic minority backgrounds has improved significantly in 2023 in comparison to previous years.

Development



The proportion of those from ethnic minority backgrounds in formal development programmes stands at 8.4%, which has increased from 3.9% in 2022.

Promotions

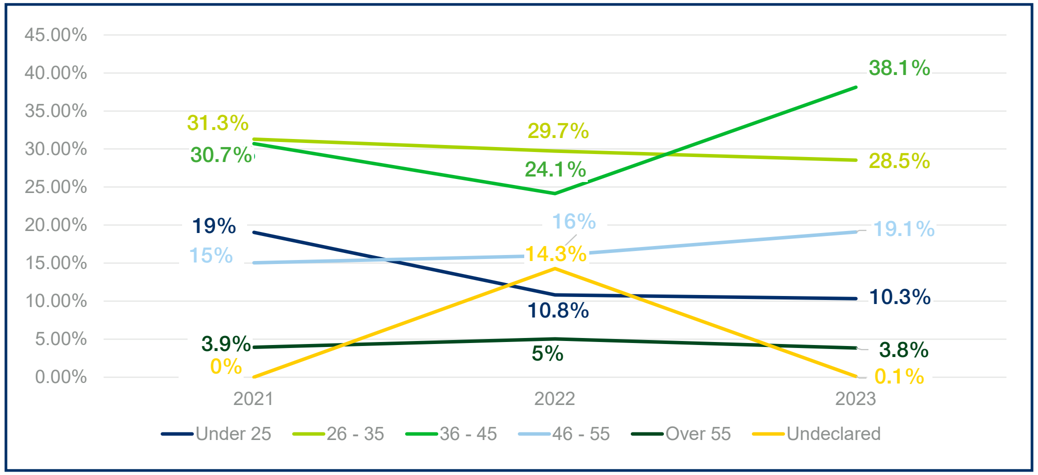


The increase in individuals from ethnic minority backgrounds in development is likely to have contributed to the notable increase in promotions, increasing from 6% in 2023 to 19.9% in 2023.

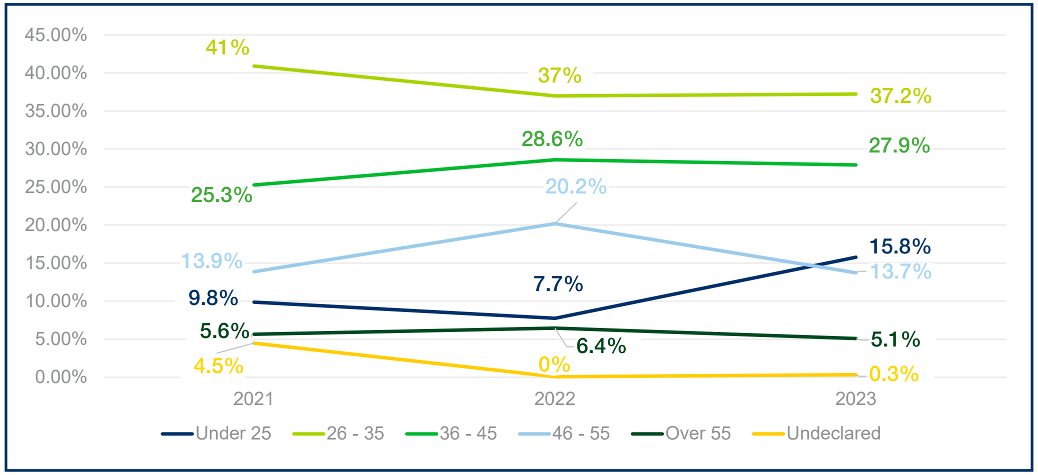
Age

The percentage of individuals aged 36-45 in development programmes has increased significantly between 2022 and 2023, up from 24.1% in 2022 to 38.1% in 2023.

Development



Promotions

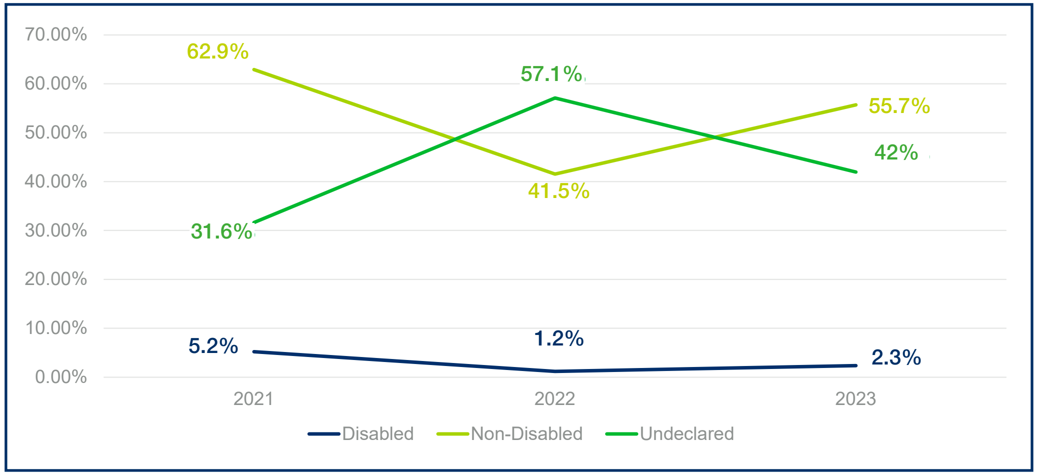


The under-25 age group has seen a significant increase in promotions, rising from 7.7% in 2022 to 15.8% in 2023, while their participation in development programmes has remained relatively stable between 2022 and 2023.

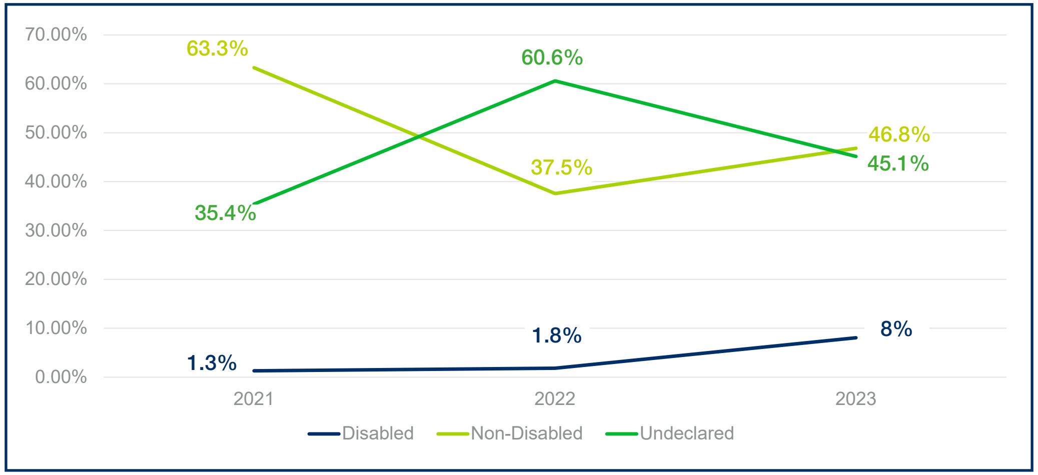
Disability

The representation of disabled individuals in development programmes has increased from 1.2% in 2022 to 2.3% in 2023, although this still remains below the 5.2% seen in 2021.

Development



Promotions

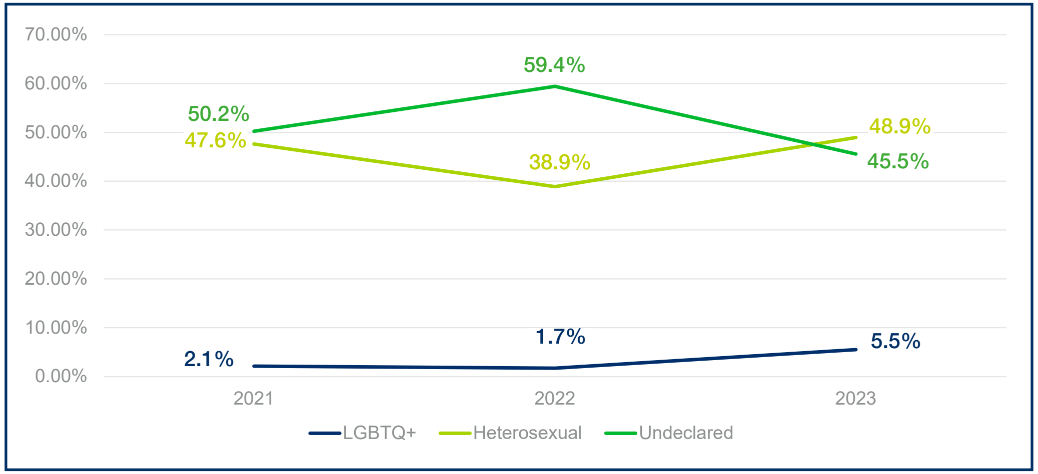


However, promotions for disabled individuals have seen a significant boost, rising from 1.8% in 2022 to 8% in 2023, double the level of disabled people represented in the sector's workforce.

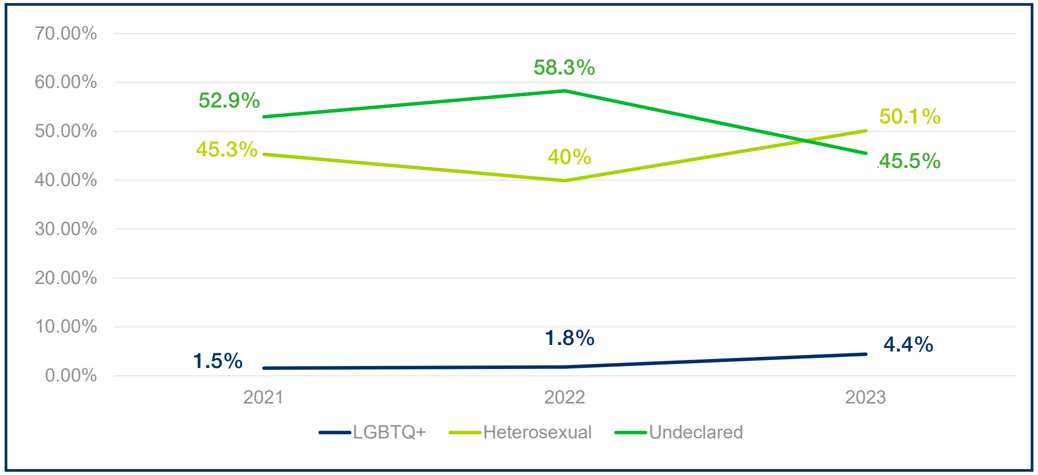
Sexuality

Representation of LGBTQ+ individuals in development programmes is steadily increasing year-on-year, rising above 5% for the first time in 2023 which is more than double the representation of LGBTQ+ individuals in the sector's workforce as a whole.

Development



Promotions

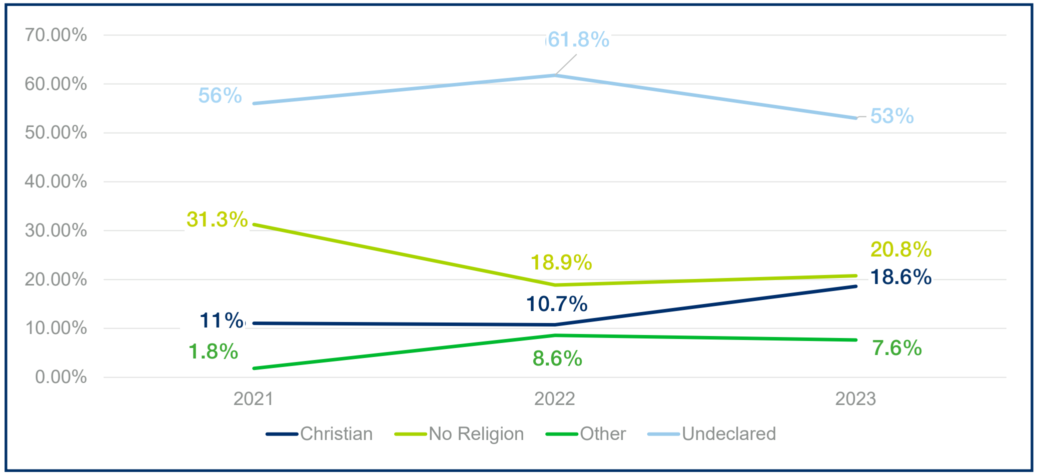


There has also been a year-on-year increase in promotions for those identifying as LGTBQ+.

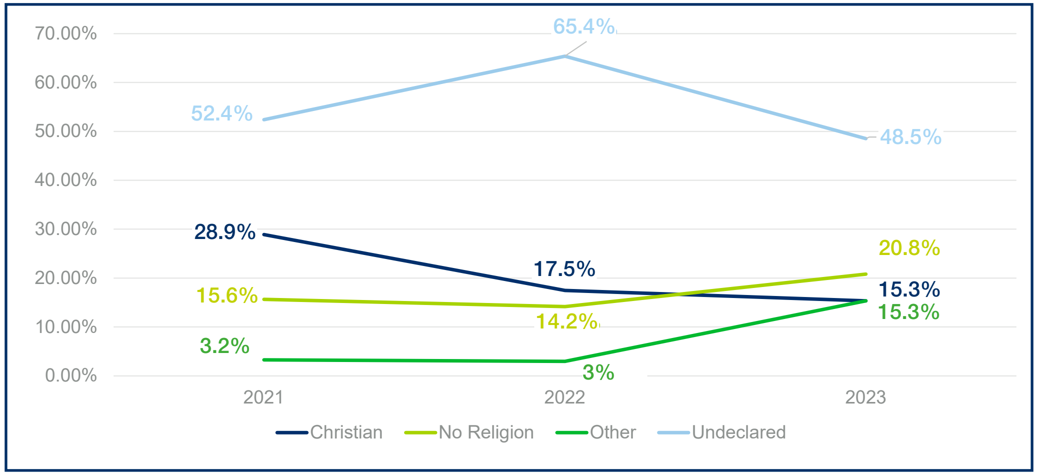
Religion

Representation in development programmes for those with a Christian faith has increased from 10.7% in 2022 to 18.6% in 2023. This is the only group for which representation has increased significantly, with all other religious groups seeing a decline in participation or, in the case of non-religious individuals, a very slight increase.

Development



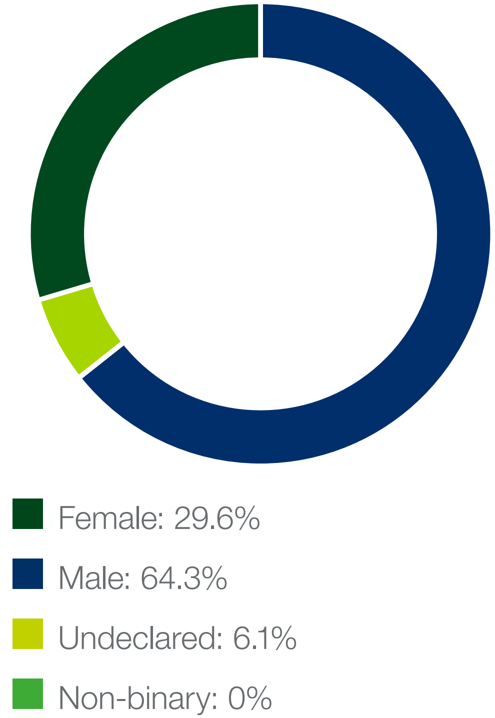
Promotions



Retention

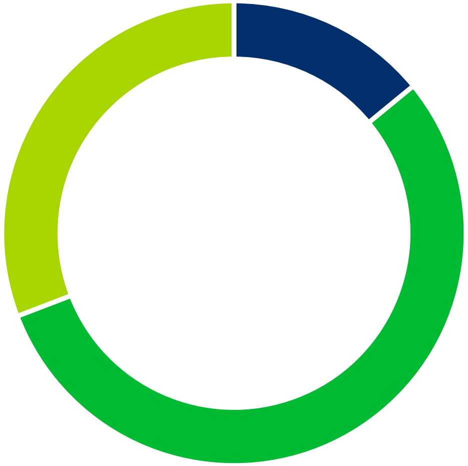
Gender

Whilst the representation of women across the employee life cycle has generally improved, the percentage of women leaving the workforce has also increased slightly – from 28.2% in 2022 to 29.6% in 2023. This is also higher than the rate at which women are being recruited into the sector, which continues to slow the rate at which the sector can reach gender parity.



Ethnicity

Representation of ethnic minorities among leavers remains high and has increased from 11.1% in 2022 to 14.1% in 2023. This is only slightly lower than the 16% recruited and warrants further investigation by participating organisations to understand the data at an organisational level and what can be done to ensure this does not follow an upward trend going into 2024.



Age

Data on leavers by age group remains largely in line with 2022 data, with the most notable changes being an increase in representation of those in the 26-35 age group to 31.2% (up from 27.8% in 2022). As with other leavers, understanding the reasons and destinations of relatively new entrants to the sector can support in identifying resulting actions. There has also been a decrease in representation of leavers aged over 55 (down from 20.1% in 2022).

Disability

Disabled people are also overrepresented among leavers, making up 8.3% of the 2023 leavers data and 4.3% of the overall sector. The large proportion of undeclared data makes it difficult to analyse the full picture and draw meaningful conclusions. However, it is recommended that organisations take a closer look at their leavers data to identify any trends.

- No disability: 36.5%
- Yes, declared disability: 8.3%
- Undeclared: 55.2%

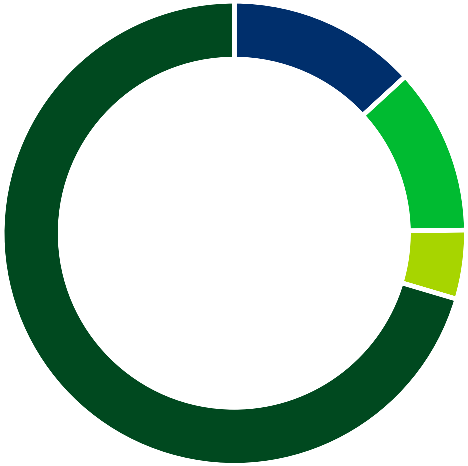
Sexuality

LGBTQ+ leavers representation is below overall representation (2.6%), however, the high percentage of undeclared data again presents a challenge in drawing any meaningful insights.

- Heterosexual: 31.9%
- LGBTQ+: 1.4%
- Undeclared: 66.7%

Religion

The prevalence of undeclared data again makes it difficult to draw meaningful insights on religion in this area. This level has slightly decreased from 2022, where 75% of leavers data for religion was undeclared. Outside of this, there has not been any significant change in this data, with those indicating their religion as Christian seeing a marginal increase from 12.8%, no religion from 9.5%, and other from 2.7% last year.



- Christian: 13.2%
- No Religion: 11.6%
- Other: 4.8%
- Undeclared: 70.4%

Leadership Survey

Each year, we invite leaders[8] of the participating organisations to individually complete a standalone survey. This survey asks leaders about their role, their demographic data and their reflections on their own personal EDI journey. In 2023, 41 leaders responded to the survey, down from 65 last year. Of those that responded, 14% defined their role as CEO, 63% defined their role as Executive Director, 6% Non-Executive Director and a further 18% fell into the 'Other' category.

The leadership survey continues to show high levels of engagement in EDI and confidence in their EDI understanding across the sector. However, there remains significant underrepresentation of all minoritised groups at leadership levels in the energy and utilities sector.

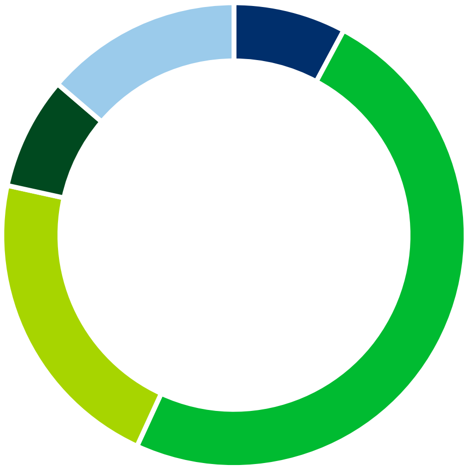
Key observations

- This year's leadership survey had a lower level of engagement than the previous year, with a total of 41 leaders participating, compared to 65 in 2022. This creates difficulties in drawing firm conclusions about any changes in representation.
- Women remain underrepresented at the leadership level, with 35.3% of leaders identifying as women, against 64.7% identifying as men. Despite this, representation of women continues to increase year on year, with women making up 22% of leaders in 2021, and 30.8% in 2022.
- Ethnic minority representation at leadership levels remains significantly below national representation, at 5.9% – this is only a marginal increase from 4.6% in 2022.
- The survey indicated high levels of EDI awareness and understanding among leaders, with an increase in the proportion of leaders 'strongly agreeing' that they fully understand their personal role in driving EDI within their organisations, and can fully articulate its importance to the sector.
- While responses around EDI awareness and understanding have seen improvements from 2022, there appears to be more to do in terms of EDI commitment. In particular, 2023 has seen an increase in the proportion of neutral/negative responses to the question of whether leaders personally ensure EDI is prioritised within their organisations.

8 Leaders – defined as members of and direct reports to the Board/Executive Committee

Tenure

Almost half (49.1%) of the leaders who responded to the leadership inclusion survey reported that they have been in their current role for 1-3 years, while 21.6% reported having been in their current role for 4-5 years.



- Less than 1 year: 7.8%
- 1-3 years: 49.1%
- 4-5 years: 21.6%
- 6-9 years: 7.8%
- 10+ years: 13.7%

The proportion of leaders reporting that they have been in their current role for 10+ years has decreased from 18.5% in 2022 to 13.7% in 2023.

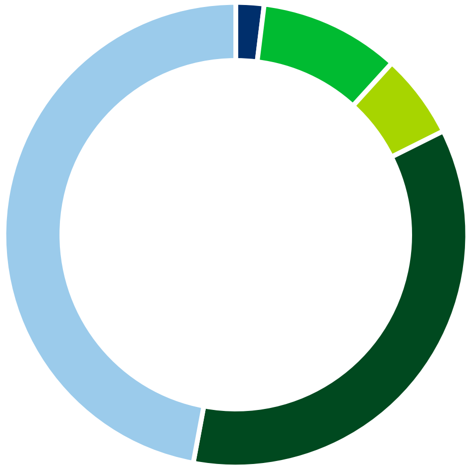
Current organisation

Additionally, we asked leaders to indicate how long they have been in their current organisation. A large proportion of leaders indicated that they have been at their organisation for 1-5 years (41.2%), while only 3.9% indicated that they have been at their current organisation for less than 1 year. Around a fifth of respondents indicated that they have served 20+ years at their current organisation (19.6%). The remaining responses include 6-9 years (11.8%) and 10-19 years (23.5%).

In the Sector

The vast majority of leaders have over 10 years of experience in the energy and utilities sector, making up 82.3% of the responses.

47% of leaders reported that they have worked in the sector for 20+ years suggesting high levels of dependency on sector experience which can act as a barrier to entry for new talent into leadership positions. This has remained in line with 2022's findings, where this response option was selected by 46.2% of leaders. 10-19 years received the second highest percentage in 2023, at 35.3%.



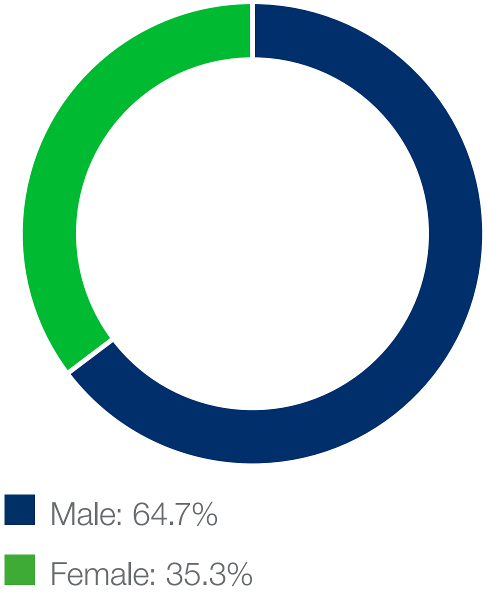
- Less than 1 year: 2%
- 1-5 years: 9.8%
- 6-9 years: 5.9%
- 10-19 years: 35.3%
- 20+ years: 47%

Leadership Demographics

Gender

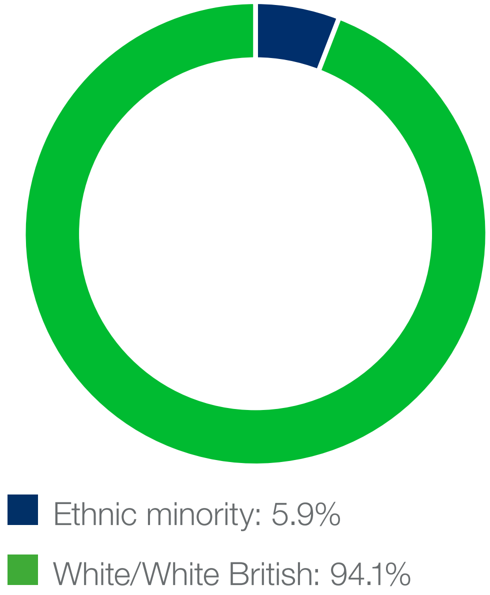
In 2023, 35.3% of leaders who responded to the survey identify as women – this is an increase from 31% in 2022, and 22% in 2021. This year-on-year increase highlights a positive trend in the representation of women in leadership roles across the sector.

There is slightly higher representation of women in leadership roles than in the sector at large (30%), although the small number of respondents to this survey makes it difficult to draw any firm conclusions.



Ethnicity

Leaders from ethnic minority backgrounds remain significantly underrepresented across the sector, making up 5.9% of the leadership population. This is, however, an increase on 2022's data, which showed that ethnic minorities made up 4.6% of leadership demographics.

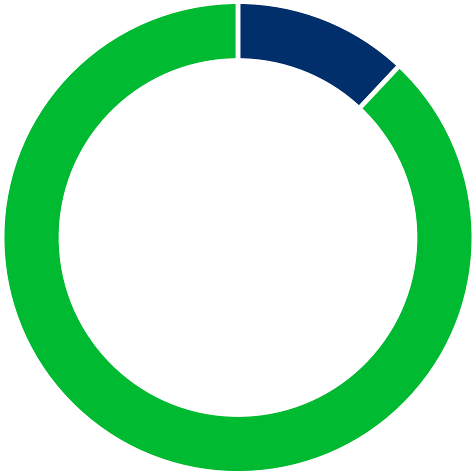


Age

The largest proportion of leaders fall within the 46-55 age group (45.1%). This finding has remained consistent with the data from 2022, albeit this percentage has decreased from the 52.3% reported last year.

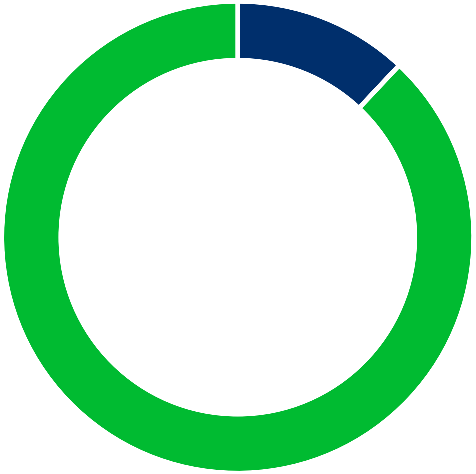
Disability

12% of leaders reported that they have a disability – this is much higher than for the sector as a whole at 4.3%. It is also evident that there is a much higher rate of disclosure across the leadership population, with no 'undeclared' responses – this compares to an 'undeclared' response rate of 44.5% across the sector data.



Sexuality

98.5% of leaders identify as heterosexual. LGBTQ+ individuals appear to be slightly underrepresented compared with their representation across the wider sector, although small participation numbers mean that the ability to draw firm conclusions is limited.

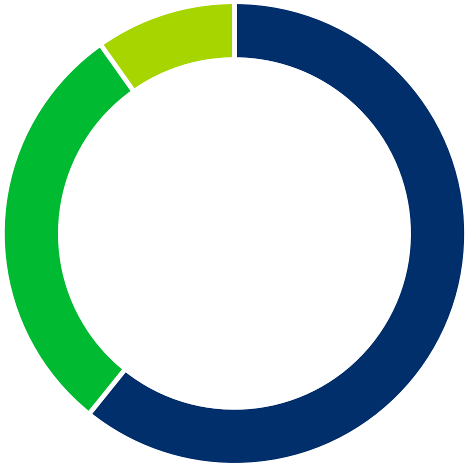


Religion

The majority of leaders identify as Christian (60.8%) – this is higher than national representation, which stands at 46.2% according to the 2021 Census[9]. This data also represents a decline in those identifying as Christian down from, 67.7% in 2022's leadership survey.

There has been a slight increase in the proportion of 'no religion' responses from 27.7% in 2022 to 29.4% in 2023.

9 Religion by age and sex, England and Wales: Census 2021 – Office for National Statistics (ONS).



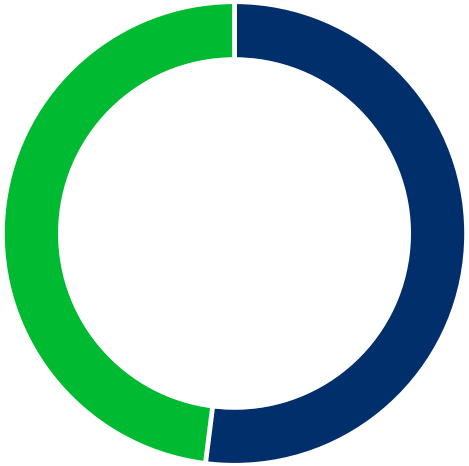
Christian: 60.8%

No Religion: 29.4%

Other Religion: 9.8%

Dependents

The survey asked leaders to indicate whether they are a parent or caretaker of a dependent relative (e.g. children under 18, or ageing parents). There was a fairly even split across the two response options, with a slightly higher proportion of 'yes' responses.



Yes: 52%

No: 48%

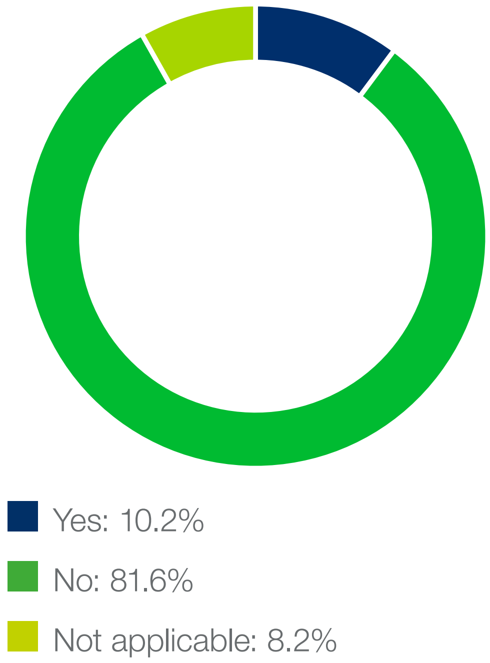
Social Mobility

To support the understanding of the diversity journey of leaders across the energy and utilities sector, the Leadership Survey incorporates measures of socio-economic background as recommended by the Social Mobility Commission

Eligibility for free school meals

Eligibility for free school meals is one of a range of indicators that can be used to measure socio-economic background (and social mobility, where combined with other questions).

Most respondents indicated that they were not eligible for free school meals (81.6%), with the remaining responses being split relatively evenly between those indicating that they were eligible, and those indicating that this was not applicable to them[10].



10 A 'not applicable' response typically indicates that the participant finished school before 1980, or went to school overseas, although there may be other reasons that leaders do not feel this question applies to them.

Occupation of main household earner

We asked leaders to indicate the occupation of their main household earner when they were aged about 14. The Social Mobility Commission recommends this as the primary question to ask when assessing socio-economic background.

Just under two-thirds of leaders indicated that the occupation of their main household earner fell into the category of 'professional backgrounds'. This includes:

- Modern professional & traditional occupations, and
- Senior or junior managers or administrators.

24.5% of leaders indicated a response included in the category of 'lower socio-economic backgrounds'. This covers:

- Technical and craft occupations,
- Routine, semi-routine manual and service occupations, and
- Long-term unemployed.

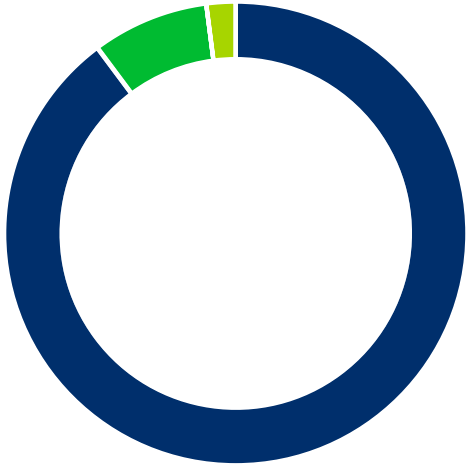
- Professional: 65.3%
- Intermediate: 8.2%
- Lower socio-economic: 24.5%
- Other: 2%

The data indicates that more than three and a half times as many leaders attended a private/fee-paying school than their parents.

Highest Level of Education[11]

- Doctorate (Parents: 4%; Leaders: 2%)
- Masters (Parents: 6%; Leaders: 41%)
- Professional Qualification (Parents: 0%; Leaders: 14%)
- College/University (Parents: 39%; Leaders: 39%)
- Secondary school (Parents: 39%; Leaders: 4%)
- Primary School (Parents: 6%; Leaders: 0%)
- None (Parents: 6%; Leaders: 0%)

Parents Secondary Education



- State/Public: 89.8%
- Private/Fee-Paying: 8.2%
- Unknown: 2%

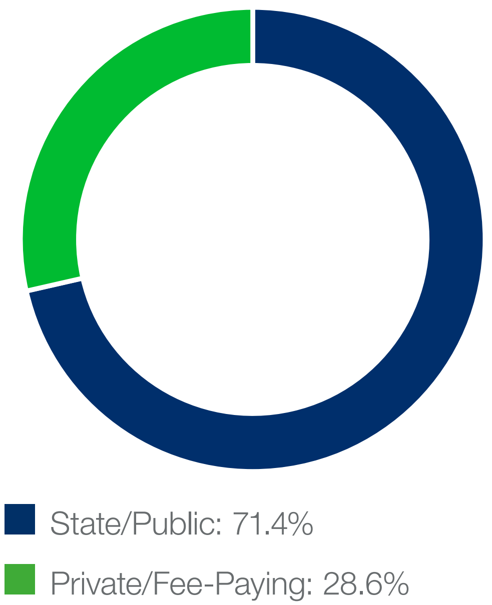
This data indicates high levels of social mobility, with leaders being significantly more likely to hold a Master's degree or professional qualification as their highest level of education compared to their parents. Approximately 29% of leaders reported attending an independent/fee-paying school, slightly under one third of the leadership cohort. This is higher than current indicators of national averages, which suggest that 1 in 5 adults in the UK attended an independent/fee-paying school[12].

Furthermore, the educational landscape within the sector highlights a reliance on degree-level or higher educational backgrounds. This may present challenges and/or barriers to entry for aspiring leaders from disadvantaged backgrounds. This trend could limit the sector's capacity to attract and retain diverse talent at senior levels unless proactive initiatives are implemented to enhance socio-economic diversity.

11 For parents/guardians, data indicates the highest level of education completed by the time leaders were 18. This is used as an indicative measure of socio-economic background.

12 Private School Statistics UK 2023

Leaders Secondary Education



EDI In Leadership

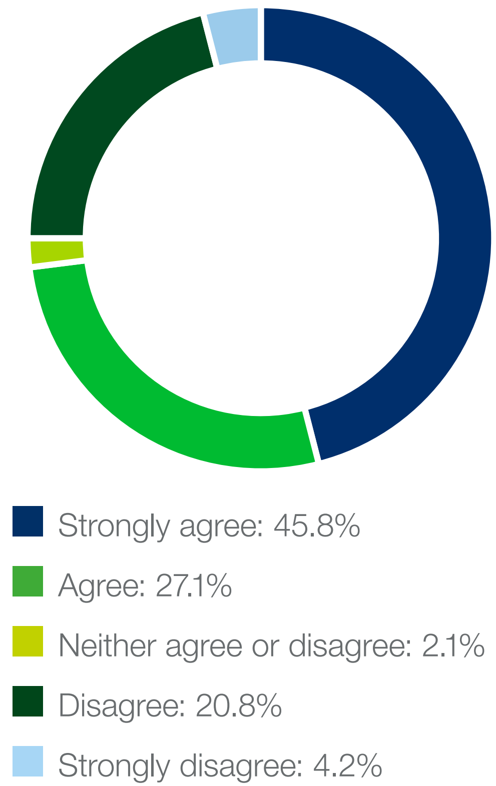
The leadership survey also asked questions aimed at understanding how much leaders knew about EDI, and what they were doing to improve it in their organisation. Data included in this report provides the most useful insights from a sector perspective.

EDI Learning and Awareness

I have personally completed unconscious bias / an alternative equality, diversity and inclusion specific training course in the last 12 months.

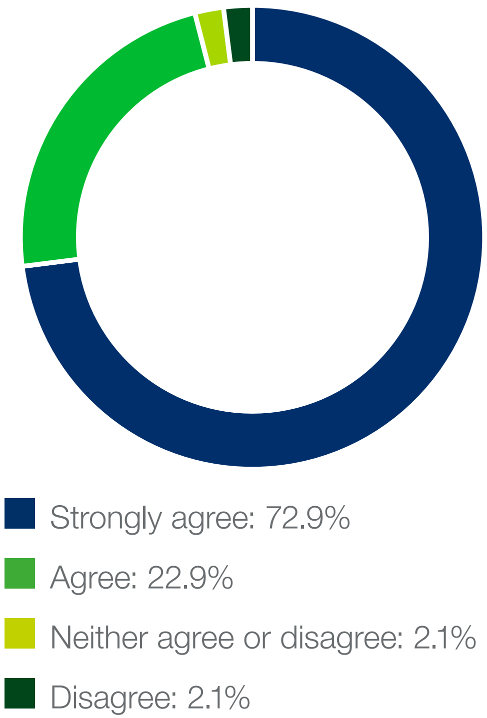
73% of leaders reported that they have completed EDI training within the last 12 months, with 45.8% indicating a ‘strongly agree’ response and the remaining 27.1% selecting that they ‘agree’ with the statement.

While this shows the vast majority have actively participated in EDI learning, 20.8% indicated that they disagree with the statement, and a further 4.2% strongly disagree – this means that a quarter of all respondents have not completed any EDI training in the past year.



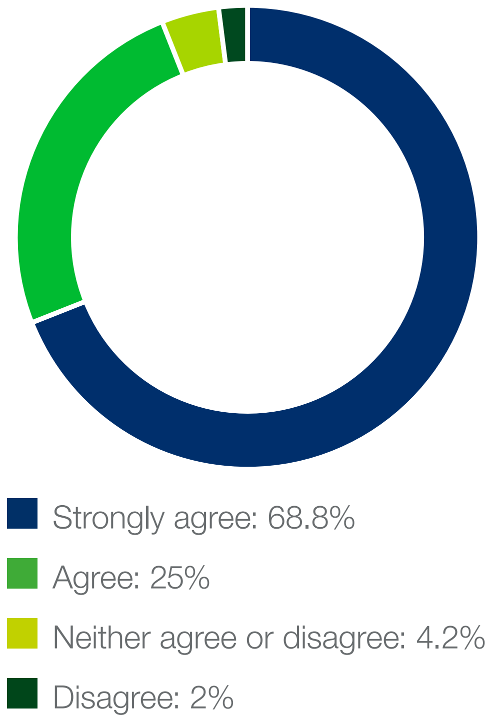
I fully understand my personal role in driving equality, diversity and inclusion within my organisation.

Compared to 2022, a higher proportion of leaders stated that they ‘strongly agree’ with this statement – 72.9% selected this response option in 2023, compared to 65% in 2022. In this year’s survey, a further 22.9% indicated that they ‘agree’ with the statement, suggesting that the vast majority of leaders understand their personal role in driving organisational progress.



I can fully articulate the importance of equality, diversity and inclusion in the energy and utilities sector.

Cross-sector EDI initiatives appear to be having a positive impact on the confidence of leaders when articulating the importance of EDI, with 68.8% indicating that they ‘strongly agree’ with this statement – up from 60% in 2022. 25% of respondents indicated that they ‘agree’, suggesting that there may be some gaps in knowledge and/or confidence in this regard.



Which of the following equality, diversity and inclusion actions have you personally taken to enhance your understanding of equality, diversity and inclusion issues:

- Coaching (40.4%)
- Mentoring/reverse mentoring (46.8%)
- Conversations with network / resource group representative(s) (46.8%)
- Role modelling EDI behaviours (76.6%)
- Sponsorship of employee networks/resource group(s) (68.1%)
- Other (4.3%)

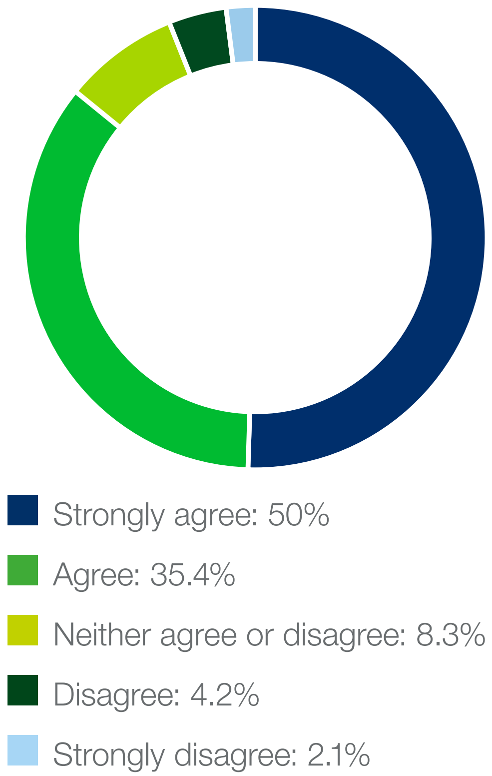
EDI Commitment

I personally ensure that equality, diversity and inclusion is prioritised at the executive level within my organisation.

The majority of leaders responded affirmatively to this statement, with 50% indicating that they ‘strongly agree’ and a further 35.4% indicating that they ‘agree’. Despite the overall response to this question being positive, there has been an increase in the proportion of leaders providing neutral/ negative responses. In 2022, no leaders indicated a ‘disagree’ or ‘strongly disagree’ response to this statement. In 2023, these response options were selected by 4.2% and 2.1% of leaders respectively.

This may be related to some lack of awareness and understanding of the personal role that leaders play in driving EDI progress, or may also indicate the need for greater commitment to ensure the organisation is accountable for progress.

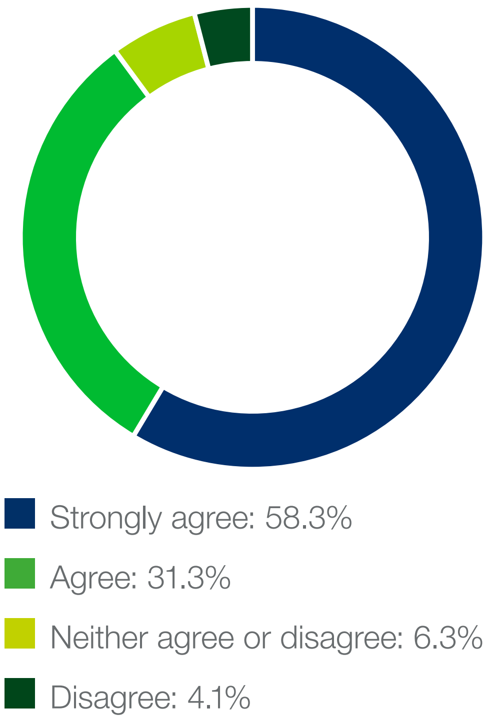
It is important that leaders reflect on the reasons behind their response and identify ways to improve this. The remaining proportion of responses was made up of those indicating a ‘neither agree nor disagree’ response.



I act as a direct sponsor for any equality, diversity and inclusion initiatives/interventions.

58.3% of leaders 'strongly agree' that they act as a direct sponsor for EDI initiatives/interventions, suggesting a high degree of involvement and/or accountability for progress.

A further 31.3% 'agree' with the statement, while 6.3% 'neither agree nor disagree' and 4.1% 'disagree'. While there were no 'strongly disagree' responses, a collective 10% of leaders did not provide an affirmative response to this statement. For EDI activities to gain traction, it is crucial that leaders take ownership by providing the right level of support and resources to facilitate the overall success of any intervention.

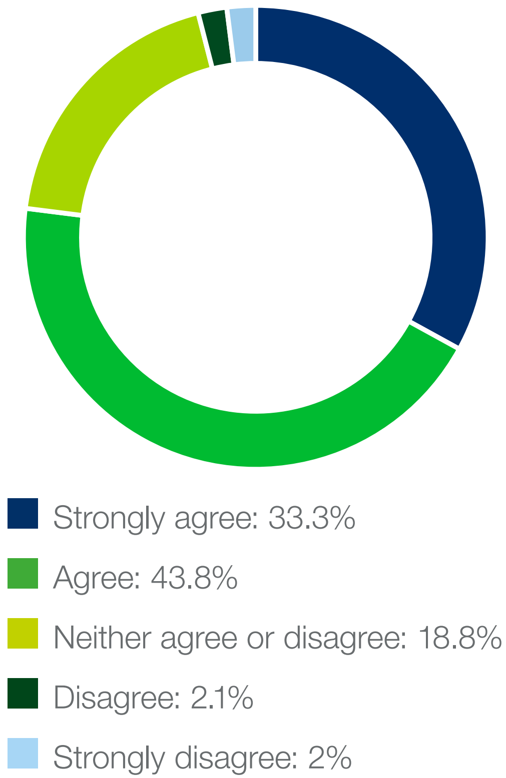


I hold my direct reports to account for progress/lack of progress made in relation to equality, diversity and inclusion.

This statement received the lowest proportion of 'strongly agree' responses (33.3%) among all the questions asked in the leadership survey. This appears to be in line with the outcome of the 2022 survey, albeit there has been a slight increase from 29% last year.

Most leaders selected an 'agree' response (43.8%), while 18.8% indicated that they 'neither agree nor disagree', 2.1% 'disagree' and 2% 'strongly disagree'.

It is recommended that leaders revisit their approach, identify the reasons behind why they may not hold their direct reports to account for EDI progress, and proactively seek to address this.



Recommendations

Leadership

The focus on attracting more women and ethnic minorities across leadership roles has shown through in the survey results with representation of both increasing. The findings also highlight a number of areas that require attention.

The data points to 25% of leaders not engaging with EDI learning or seeing this resonate. A review of EDI learning at this level is recommended to understand what is having impact and what the development gaps are. This may vary for different industries, however, understanding what learning interventions are on offer and what the needs are will help close the gaps.

Having a suite of learning options is essential, and beyond just focusing on biases, to increase support for the development of leadership knowledge and confidence across various EDI topics.

Participation

There is a need to ensure that there is as much participation as possible from both organisations and leaders. Increased participation will ensure that the data, insights and subsequent action will be as comprehensive as possible – as a means to delivering meaningful improvements to the sector and society as a whole.

This year the number of organisations participating in the IMF increased. More needs to be done to engage organisations so that they can understand more about what is involved in the IMF, the purpose and the work needed within their organisations, ahead of participating.

Continuing the focus on data disclosure is also important to ensure improvements in the non-disclosure rates and the 'prefer not to say' options. This includes ensuring there is safety for individuals in allowing them to disclose their protected characteristics.

Actionable insight and collaboration

In addressing the recommendations made as a result of the IMF since its introduction, we are starting to see the impact of this through the increase in representation across gender, ethnicity and sexual orientation.

We need to understand the actions that organisations have had success with and the actions that might be beneficial for the wider sector, or individual industries to take up and collaborate on. It is important that where organisations are seeing their data points improve, they are forthcoming about the steps taken to achieve progress, so that other organisations may consider them. Conversely, if there are areas where data demonstrates regression, it is important to consider the factors that may have contributed to this dynamic.

Collaboration can additionally impact retention and productivity, with Gen Z and Millennials being most likely to leave their roles when the tools or methods are not in place to collaborate[13]. Therefore, it is important to understand why employees are leaving and whether poor collaboration is a factor. This would suggest that more research is to be done to improve collaboration at all levels including leadership.

Direct data collection

The nature of our current data collection process means that we are impacted by various differences in the ability of organisations to collect robust EDI data from their workforce. Over the years of running the IMF, we have seen marked improvements in the level of data being collected across the sector, but more progress needs to be made in order to address some of the more fundamental areas of equality, diversity and inclusion across the sector. These include getting more of an intersectional and qualitative view of the observations and areas of difficulty across the sector.

Whilst further guidance can be issued to enable data collection improvements, the logistical and technical challenges involved in facilitating robust intersectional insight remain significant. We recommend considering intersectional insight research within the sector to gain a deeper understanding of the workforce. This approach allows us to explore what it's truly like working in the energy and utilities sector through different intersectional lenses. Similar research of this nature has been undertaken by the Royal Academy of Engineering on the engineering profession as a whole.

13 41% of employees consider leaving their job due to collaboration tools

Increased company/sector accountability

An increase in external organisations using the Energy & Utility Skills IMF data—such as TIDE committing to using and encouraging others to use the IMF, as well as research commissioned by the UK Water Industry Research (UKWIR) with the data as a foundation—is promising. It demonstrates the positive impact the IMF is having across the sector and beyond.

There are a number of regulators that are now involved in the Inclusion Measurement Framework, either directly or indirectly, such as Ofgem and Ofwat. This presents an opportunity for them and wider sector stakeholders to lead and be bolder in their commitments to meaningfully encourage data collation of and address EDI across the sector.

The availability and visibility of this data across the sector also gives leaders the ability to step up and talk specifically to the issues that they are seeing in their businesses and across the sector as a whole.

Sector and organisational data can also be used to increase levels of accountability within teams. One of the leadership survey questions asked whether leaders held their direct reports to account for progress/lack of progress made in relation to equality, diversity and inclusion. The statement received the lowest proportion of 'strongly agree' responses (33%) among all of the questions asked in the leadership survey. This demonstrates there is a need for leaders to embed accountability for diversity and inclusion across their teams.

Appendices

Appendix 1: Additional Organisational Data

Whilst we collect data about the size of the companies submitting their data (in terms of their UK-based workforce), as well as the regions that these organisations operate in, we have not provided a detailed analysis of any of the data trends by location or size of organisation. High-level company size and location data is presented in the tables below for reference.

2023 submissions by company size

Company Size	Submission
< 1,000 Staff	9 (28%)
1,001 – 5,000 Staff	12 (38%)
> 5,001 Staff	11 (34%)
Total	32

2023 submissions by location[14]

Company Regions	Submission
London, South East + East Anglia	11 (34%)
Midlands (East + West)	10 (31%)
Northern England (North East, North West + Yorkshire)	10 (31%)
Scotland + Northern Ireland	7 (22%)
Wales + South West England	7 (22%)
Total	32

14 There is some level of overlap between regions selected, due to the fact that several organisations operate in multiple regional jurisdictions. The percentages in the table are, therefore, indicative.

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