

DIVERSITY

Evidence continues to show that greater diversity and inclusion in decision-making teams leads to higher profitability and improved results

Championing diversity in energy

Skill set development and embracing workplace diversity are key to future-proofing the energy sector to meet the challenges ahead, reports Ruth Cairnie FEI, Chair of POWERful Women and former Executive Vice President at Shell.

At a time when awareness of the value of workplace diversity is growing, the latest statistics on the representation of women in the top ranks of the UK's energy industry make interesting – and at times astonishing – reading.

In May 2020, the POWERful Women initiative joined with PwC to conduct its annual survey of the number of women at board level in the top UK energy companies (approximately 80 organisations).¹ This revealed some welcome progress – women now occupy 21% of all board seats (up from 16% in 2019) and 13% of executive board seats (double last year's figure). However, 38% of the major energy companies still have no women on their board at all and more than two-thirds (79%) have no female executive directors (see **Figure 1**).

While this is the most progress we have seen since POWERful Women started compiling board statistics in 2015, there is a long, long way to go before the representation of women at senior levels is sufficient or sustainable. And as we strive to meet the

challenges and maximise the opportunities that lie ahead for our industry, the need to speed up progress becomes ever more pressing.

Looking specifically at oil and gas companies in the UK, the figures aren't any better, with the majority continuing to appoint very few women at senior level. In fact, it is oil and gas companies that dominate the bottom half of POWERful Women's rankings.

It is a similarly disappointing picture at lower levels of organisations, across the sector. According to the Oil and Gas Technology Centre (OGTC), while women make up 47% of the UK workforce as a whole, they only represent 22% of the oil and gas workforce and only 12% of engineers in the sector are female.² Women in oil and gas say they face major hurdles to advance their career and the OGTC is doing valuable proactive work to improve these statistics, drive diversity and inclusion, and transform the workplace culture. A step change is needed in terms of focus and determination – the

progress on health and safety in the past decade has shown what the industry can deliver with real commitment, and we need to see the same scale of effort here.

As well as finally making more progress on the headline statistics, there is some further positive news within the POWERful Women board stats. We were delighted to see that 12 energy companies now meet our 2030 target of having at least 30% of their executive board seats occupied by women – Shell, Good Energy, Total, Ørsted, RWE, Engie, Ovo, TRIG, Pharos, Tullow, Mainstream and Pressure Technologies. And a good proportion of these are in the oil and gas sector.

Other companies are showing leadership by making strong public commitments to improve.³ BP, for example, has recently updated its POWERful Women Pledge on gender diversity and has achieved its 2020 target.

Peter Duff FEI, Head of Diversity and Inclusion for BP (EMEA) set out the pledge: 'In 2011, we set a goal to have 25% female group leaders (our most senior women) by 2020.



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**Ruth Cairnie FEI,
Chair of POWERful
Women**

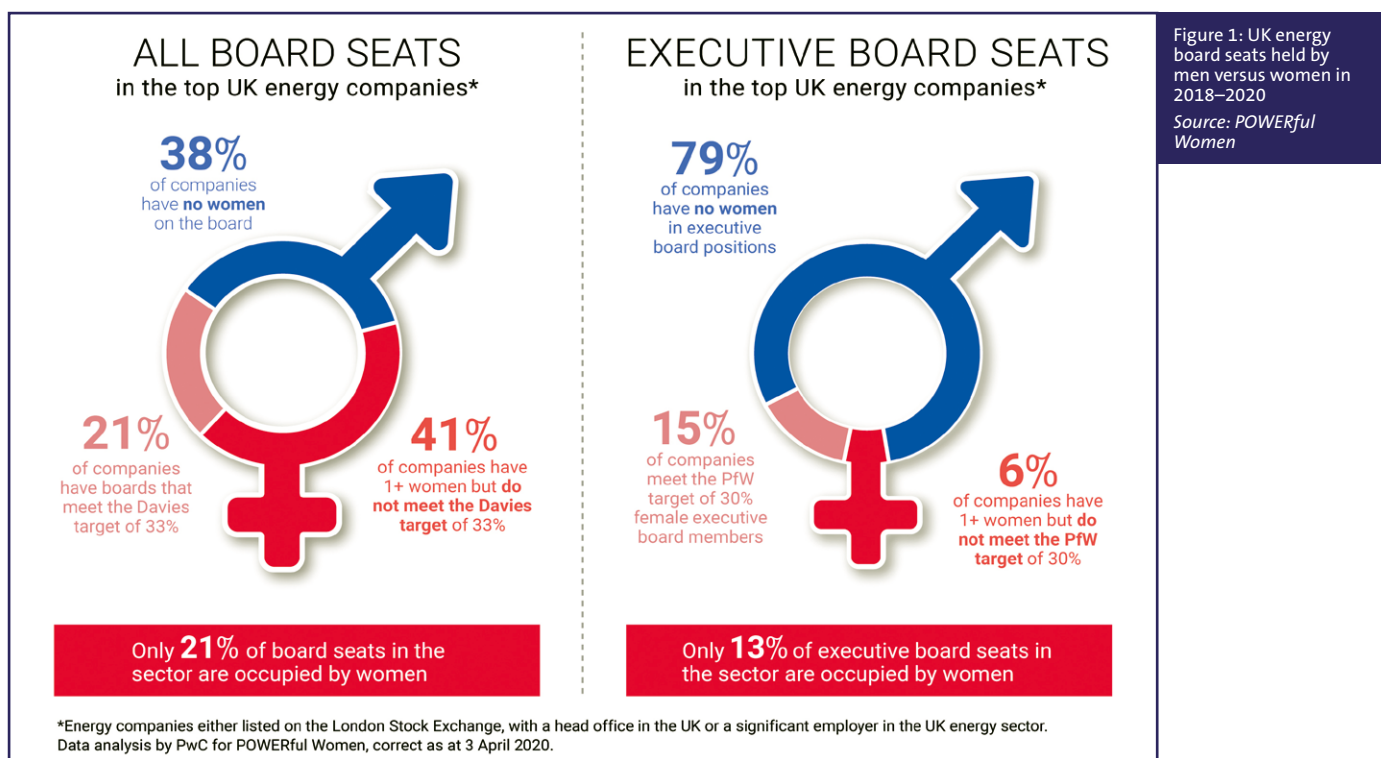


Figure 1: UK energy board seats held by men versus women in 2018–2020

Source: POWERful Women

We have met this goal, with over 25% female leaders. Our overall BP population is now 38% female, but we know there is more to do. As we reimagine energy for people and for our planet, we are reinventing BP to become more focused, more integrated, more inclusive, and better equipped to meet the world's fast-changing energy demands – women in BP are playing a critical role in this.'

Diversity pays

So, why does diversity matter to companies like these? Why should diversity and inclusion be front and centre of every manager's mind and company strategy in our industry, particularly in today's difficult economic climate? The short answer is because it is better for business outcomes.

Evidence continues to show that greater diversity and inclusion in decision-making teams leads to higher profitability and improved results. A report in May this year from McKinsey found that 'companies in the top quartile for gender diversity on executive teams were 25% more likely to have above-average profitability than companies in the fourth quartile.'⁴

In fact, at times of uncertainty and disruption, as we are facing now in a post COVID-19 economy, the benefits of diversity and inclusion are more critical than ever. The energy sector is already facing huge challenges as it transforms itself into a decarbonised, digitalised and smarter industry that meets

its customers' needs – and for that we need innovation, which means making use of all available talent. Diversity of thought and experience is essential for meeting the business challenges and opportunities ahead.

As we continue to emerge from the coronavirus pandemic, we must work to keep gender on the agenda and ensure that diversity isn't a casualty of the recovery. There is a risk that without due focus and attention, women and minority groups may be among the first to be targeted for redundancies, particularly those who are less visible while furloughed or working from home. To avoid this, it is essential to adhere to principles of data-driven decision-making and careful tracking of diversity through any re-organisations or re-structuring.

On the positive side, companies may benefit from the lessons learned from lockdown. We have seen how technology is enabling us to work flexibly and effectively from home, which can only be a benefit to a business that wants to attract and retain a wide range of talent.

Working to shift the dial

This is where POWERful Women will continue to play a central role, promoting the benefits of greater diversity and inclusion to drive further progress in the UK energy sector. Established in 2014 by Baroness Verma and Laura Sandys FEI, POWERful Women works

in partnership with companies, government and aspiring women to increase female representation at senior levels across the industry.

We encourage and support companies towards our targets of 30% of executive board positions and 40% of middle management roles to be held by women by 2030.

POWERful Women works to deliver these targets in three ways:

- *Campaigning and reporting* – encouraging energy companies to improve by highlighting those actively trying to make a difference and encouraging others to follow suit.
- *Supporting women in their careers* – helping talented, aspiring women move into senior leadership roles through our popular mentoring scheme, networking and events.
- *Practical support for companies* – providing tips and resources to those trying to improve the gender diversity of their organisations.

As our 5th anniversary survey revealed earlier this year, women in the industry are ambitious to reach senior levels and, as they map their career paths, they are aware of the skill sets required for the energy transition – technical skills and digital fluency, resilience, team leadership. But they suffer from a lack of visible senior female role models and practical support in the workplace. POWERful Women is helping to address this.



'Our industry is adapting to a changing energy system... We need to attract the best talent and enable those individuals to thrive and fulfil their potential. Diversity, in all its forms, will be how we find the best solution to the challenges and opportunities ahead.'

Sinead Lynch FEI, UK Country Chair, Shell

POWERful Connections

POWERful Women is always on the look-out for great mentees. The *seniority* of the role of the applicant is important as our service is designed to support women looking to move to executive and board positions within the next five years.

Also, if you are a senior energy professional (ideally C-suite) you could be a POWERful Connections mentor. ●

Contact info@powerfulwomen.org.uk for details.

Leading and learning

One key initiative from POWERful Women has been the establishment in 2018 of the Energy Leaders' Coalition (ELC), a group of CEOs committed to increasing diversity and inclusion within their own organisations and across the wider industry.⁵ It is a forum where energy leaders can learn from each other and drive real visible progress on diversity.

Membership of the group has been growing and there are now 16 members willing to demonstrate industry leadership on this issue.

Sinead Lynch FEI, UK Country Chair at Shell, was a key player in the establishment of the ELC in 2018. Explaining the importance of the initiative and why Shell joined, she says: 'Our industry is adapting to a changing energy system. For Shell to lead in the energy transition, we need to be a true meritocracy. We need to attract the best talent and enable those individuals to thrive and fulfil their potential. Diversity, in all its forms, will be how we find the best solution to the challenges and opportunities ahead. For us, it makes good business sense to support and empower women at every stage of their career.'

At our Annual Conference on 1 October 2020 we will focus on the work of the ELC members to date.

A new report marking the ELC's second anniversary will present inspiring examples of policies and practical initiatives that have been successful in increasing the representation of women and the positive business results that have flowed. And it will explore next steps, recognising that many challenges remain and that improvement must be continuous.

Showcasing what good looks like

So, what kind of policies are already making a difference?

ELC companies have shared some great examples of internal initiatives⁶ – from ways to tackle unconscious bias in recruitment and promotion to effective flexible working policies; and from making senior female role models more visible to leading from the front by publishing challenging targets. Central to all of these is the gathering and tracking of diversity data so that progress can be measured.

For example, early last year Shell UK reviewed its flexible working policies, practices and perceptions using an independent expert, and this led to a renewed company commitment. Materials such as an interactive toolkit to explore flexible work options were developed, and moving forward the company will continue to monitor the impacts. The commitment has been well-received by employees like Lindsey Darling, Global Product and Additives Contracts Manager, Shell UK, who says: 'Having flexible hours is really useful in a global facing role as it allows me to connect with different businesses later in the day or in the evening. It also works better for me personally.'

Look out for more case studies when the 2nd anniversary report is published on 1 October.

Next steps

Other initiatives across the oil, gas and wider energy sector are making important inroads to achieving a diverse and inclusive industry. For example, the government's Innovate UK has launched the Women in Innovation Awards to find and support the UK's most promising female innovators to develop their ideas and scale up their businesses.⁷ And the work of Women in Science and Engineering (WISE) is helping increase the representation of women in STEM, from the classroom to the boardroom.⁸ In oil and gas specifically, the OGTC's award-winning TechX accelerator and incubator programme has set a goal of increasing the number of female-led technology businesses it supports by 30% by 2021.⁹

Of course, the government and energy regulators have a pivotal role to play in driving progress on diversity in the UK's energy industry and POWERful Women works closely with the Department of Business, Energy and Industrial Strategy (BEIS) on this.

In February 2020 the UK Energy Minister announced that an oil and sector deal would be in place within five years. It will be a major step forward if this includes a set of diversity targets, like the Offshore Wind Sector Deal of 2019 with its commitment to 'increasing the representation of women in the offshore wind workforce to at least a third by 2030'.¹⁰ This would help put the industry on the right path for a positive step change in diversity and the opportunity to reap the business benefits of future growth and sustainability.

As our sector takes on the twin challenges of the energy transformation and economic recovery, it is not just what we do but how we do it that has to change. At POWERful Women we are here to support companies on that journey. ●

To find out more about POWERful Women's work and how you can get involved, visit www.powerfulwomen.org.uk

Footnotes

1. bit.ly/PfWstats
2. bit.ly/OGTCdiversity
3. bit.ly/PfWpledge
4. mck.co/2DAw4YF
5. bit.ly/PfWELC
6. bit.ly/PfWELCreport
7. bit.ly/WomenInnovationAwards
8. bit.ly/WISECampaign
9. bit.ly/OGTCblog
10. bit.ly/UKGovOffshoreWind

Leading on whole systems thinking

Dr Charmalee Jayamaha is Technical Collaboration Manager at the UK's Energy Systems Catapult. Her team, Systems Integration, specialises in whole systems thinking, which is key to designing the future energy system. Her role is to identify and pursue new opportunities for innovative low carbon projects and technologies.

She says: 'Innovation in the UK energy sector is happening fast to achieve net zero by 2050... At the Energy Systems Catapult we do not differentiate between men and women. We consider fresh talent to be at the heart of innovation.' ●

To read the full story of Dr Jayamaha's career and other case studies visit www.powerfulwomen.org.uk

