

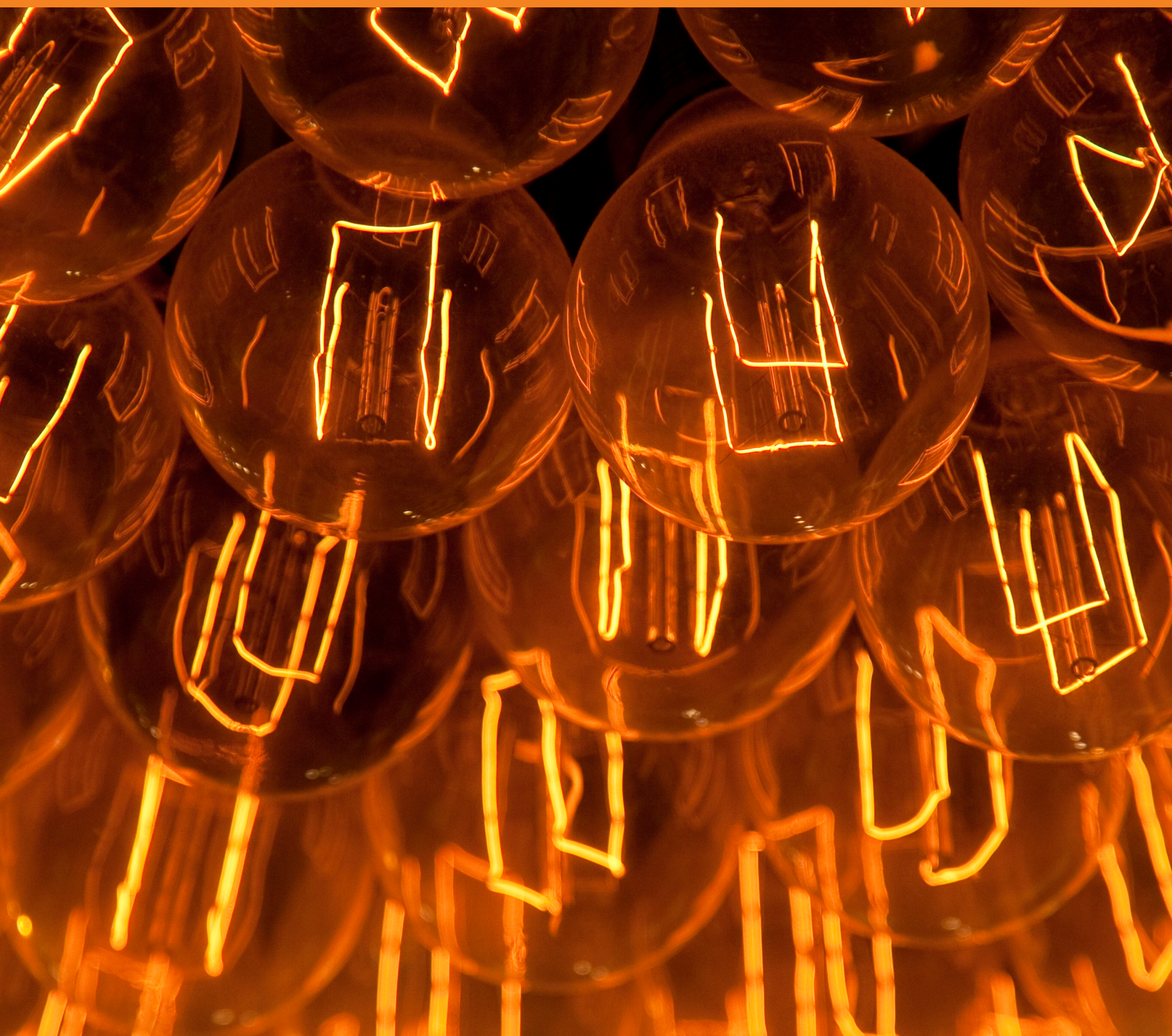


KORN FERRY®

POWERful WOMEN

Sparking action.

How the UK's gender pay gap legislation has given companies in the energy sector a fresh impetus for change.





There's never been a better time to focus on diversity.

The UK's gender pay gap legislation has put what women earn compared to men in the spotlight like never before. But while the data makes for some attention-grabbing headlines, it doesn't tell the full story.

At Korn Ferry and POWERful Women, we know that a lack of women in senior and STEM-based roles lies behind the pay gap in the UK's energy sector. And we know that many companies have put initiatives and targets in place to tackle it. But stats from POWERful Women show that the number of women on the boards of UK energy companies remains behind target at 13%.

By shining a brighter light on this issue, the gender pay gap legislation has created fresh impetus for change. It's also given us a great opportunity to speak to companies in the sector about what they're doing to close the gap.

Our conversations have been encouraging. Companies are making huge efforts to remove bias from the way they attract, recruit and develop women. They're using outreach programmes and partnerships to encourage girls and women to study and work in STEM. And they're willing to work with their competitors to close the gap across the industry.

Nonetheless, our contributors agree that the battle is far from won. There's more to do around the design of roles, for example, along with strategic workforce planning and building a truly inclusive culture. But the appetite is there for change. And thanks to both the energy transition and the spotlight of legislation, the business case for diversity has never been stronger.

Companies that devote energy and effort in the right areas will narrow their gender pay gap. This will give them a strong competitive advantage in attracting and keeping the best female talent. They'll also be able to reap the benefits of having a diverse organisation. And they'll get ahead when it comes to overcoming the challenges of transition.

Why not be one of them?



Laura Manson-Smith
Senior Client Partner
Korn Ferry and
POWERful Women
Board Member



Ruth Cairnie
Chair
POWERful Women

What's inside?

02 What the data shows

04 A clear case for change

05 The heat is on

07 What our contributors said

**10 Five ways to
supercharge your efforts**

17 Final words

Thank you.

**We'd like to thank the following
organisations for contributing
to this report.**

BP, Centrica, Drax, EDF Energy,
E.ON, Gazprom Marketing &
Trading, ScottishPower, Shell, SSE.

While they're all UK companies,
several have global operations.
And it's likely the challenges they
face, and the ways they could
overcome them, are global too.



What the data shows.

As of April 2017, all legal entities with 250+ employees have to report their gender pay gap each year.

The legislation requires them to submit six pieces of data:

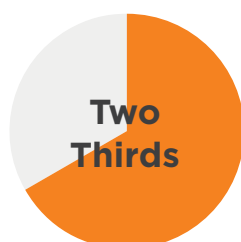
1. The mean gender pay gap in hourly pay
2. The median gender pay gap in hourly pay
3. The mean bonus gender pay gap
4. The median bonus gender pay gap
5. The proportion of males and females receiving a bonus payment
6. The proportion of males and females in each pay quartile

The companies we interviewed for this report cover oil and gas exploration, power generation, electricity transmission and distribution, trading and retail. They submitted data on between one and five entities, with a range of business models. Some of them also submitted their overall UK data. And some cut it by business area.

When we looked for trends in the data for those entities, we saw that:



Nearly **three quarters** had a median hourly difference of 15-30%.



In almost **two thirds**, less than 25% of the employees in the top quartile of pay were women.

“You can’t fix gender pay by just focusing on women. You have to focus on the whole organisation and making a better workplace for everyone.”

Peter Duff, BP



Not a gender pay gap – a talent equity gap.

So what's the story behind the stats?

Despite the wide range of business models they use, our contributors were consistent in citing two main factors that explain the gap. The first is a lack of women in senior positions. The second is a lack of women in higher-paid roles, specifically STEM-based, operational, engineering and trading roles.

While this second reason isn't unique to the energy sector, it does help to explain why the gap has been stubborn to shift. It's hard to recruit enough women into STEM roles when only 15.1% of engineering graduates are women, for example.¹

Several contributors also cited low churn among men and a high turnover among women as factors helping to create and maintain the gap.

Clearly, there are some common issues at play. But dig deeper into the data and a couple of interesting variables emerge.

1. **Different business models can lead to varied results.** Customer-facing companies tend to be more female, while ones focused on engineering or trading are more male.
2. **A couple of very senior people of either gender in a small population can skew the mean.** This led a couple of contributors to observe that the median is the more statistically relevant measure.

Many of our contributors were also keen to point out that they don't have a problem with equal pay. "This is in line with our global pay database, which contains data from over 700 companies across a range of sectors in the UK," said Anthony McNulty, Associate Client Partner at Korn Ferry. "It shows that the average gap in pay between genders in the energy sector for work of the same value is 3.3%. Which is only slightly higher than the national average."

When you look at the story behind the stats, it's evident that the real issue is a talent equity gap. As our commentators said, not enough women are reaching senior or well-paid positions across the sector.

That's why companies are focusing their efforts on attracting skilled women. But as diverse hiring isn't a magic bullet, they're also working to build the inclusive environment in which diverse teams can thrive. That includes making sure women have equal access to jobs, development opportunities, promotions, reward and recognition.

Many companies have also set targets (many of which predate the legislation) and made progress in reaching them.

"We've doubled the number of women in senior leadership positions from 12% to 26.8% since 2005. But we're working hard to identify the barriers to improve this further – including our pipeline, culture and the role that line managers play. And we're keen to learn from others."
Sinead Lynch, Shell

Defining the difference: Equal pay and the gender pay gap

Equal pay is paying men and women equally for equal work. The Equality Act 2010 enshrines this in UK law.

The gender pay gap is the difference between the average pay of all men and the average pay of all women in an organisation.



A clear case for change.

Technological advances, the changing economics of oil and growing concerns about the environment: the energy industry is going through unprecedented change.

The implications of moving to a lower-carbon approach have boosted the business case for diversity. While it's still about fairness and attracting from the full talent pool, there's now a much stronger link to the business benefits of having a more diverse organisation.

For the people we spoke to, these benefits included:

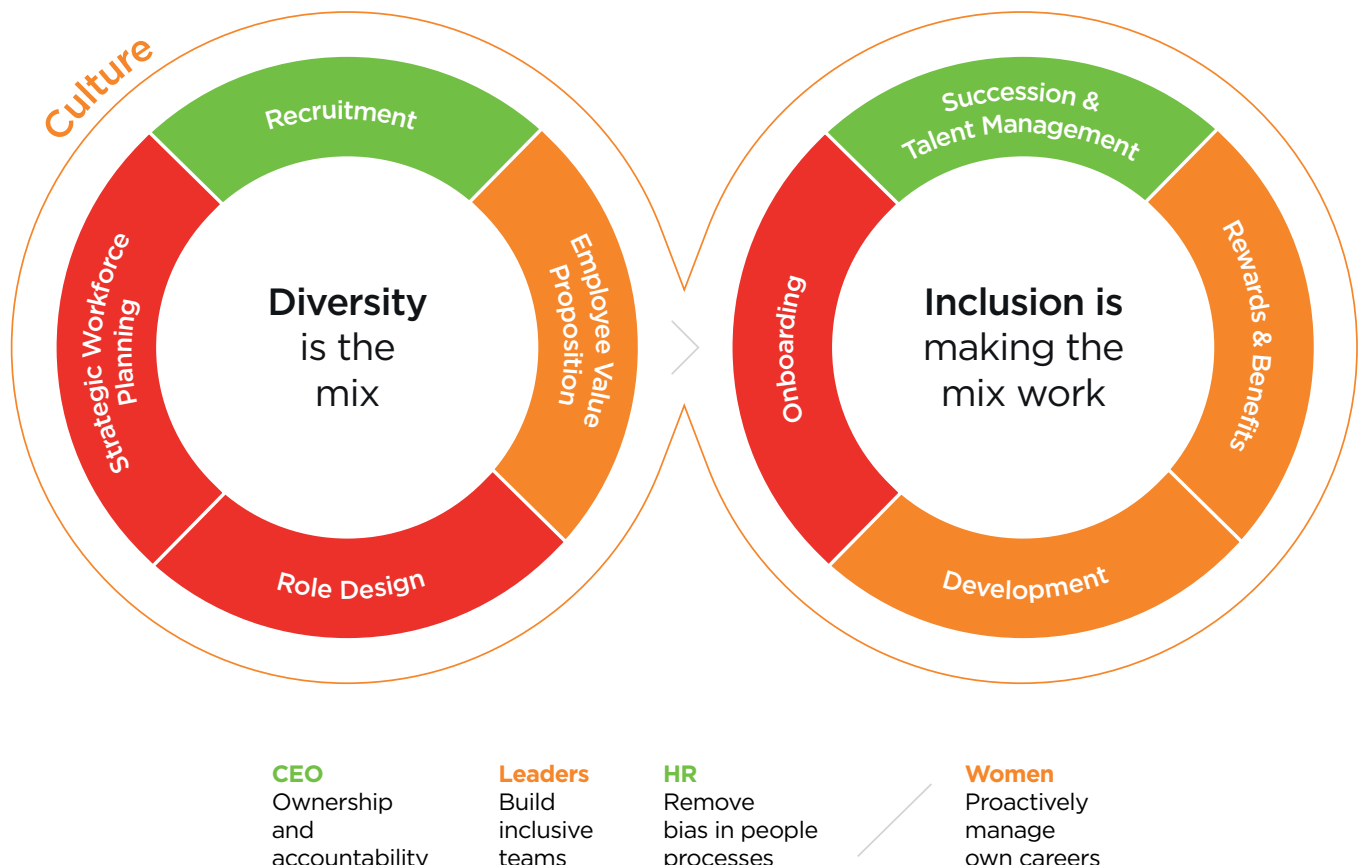
- 1. Using diversity of thought to tackle the complex challenges of transition.**
“Creating an inclusive environment will foster the creativity and innovation that will drive the changes in our industry,” said Sarah McNulty from ScottishPower.
- 2. Reflecting customers and investors.**
Several of the companies we spoke to send employees into customers' homes. And they're aware that those employees will relate to the customers better if they reflect our diverse society. E.ON also sees a tangible link between how inclusive the organisation is to how effectively it serves customers.
- 3. Maintaining a social licence to operate.**
“Polling shows that women are about 15% less positive about nuclear power than men,” said EDF Energy's Paul Spence. “Some of that must be down to women looking at the people who run nuclear power stations and saying, ‘They don't look like me, why should I trust them?’”
- 4. Maintaining safety standards.**
EDF Energy commented that they need an inclusive culture for employees to feel able to call out safety breaches.
- 5. Living by their values.**
SSE and BP both said it was important to treat all employees in line with the values of the organisation.

“Research shows that women are responsible for 70% of household expenditure. So if we don't take broader views into account when we're providing services, we're not going to succeed.” Martin Kristiansen, Drax

The heat is on.

We've mapped the action contributors are taking on to Korn Ferry's diversity and inclusion framework. The result is a "heat map" of activity among the companies we spoke to.

Key:
Low Activity
Moderate Activity
High Activity





High Activity (Green)

It's great to see so much work around removing bias from recruitment and general people processes, such as performance management.

Actions include:

- using gender-neutral language in job ads
- avoiding unnecessarily long lists of competencies in job descriptions
- assessing for behaviours alongside technical skills for technical and engineering roles
- running unconscious bias training for hiring managers and leaders
- having diverse selection panels and balanced shortlists
- moving away from subjective performance management processes.

Contributors are also creating and measuring initiatives to help women to get into the leadership pipeline, such as talent pools and high-potential programmes. And they're supporting voluntary networks for women.

On top of all that, most of the CEOs in the companies we spoke to are taking ownership of diversity and inclusion. And they're holding themselves to account for it.

Moderate Activity (Amber)

We're pleased to see that companies are working to bring about big shifts in their culture – for example, by helping managers to become more inclusive. They're also encouraging women to proactively develop key skills and manage their careers. It's too soon to see the results of these efforts, but we expect them to pay off in the long term.

Some contributors have also reviewed their reward and benefits programmes to make sure they don't disadvantage women. And while not everyone has developed an employee value proposition (EVP) that will attract more women, most offer flexible working.

Low Activity (Red)

The green and amber areas are a really positive start. But the heat map also shows clear areas where there's less activity. These include on-boarding (especially in relation to women joining male-dominated environments, and returning mothers) and strategic workforce planning.

What's more, even the areas with lots of activity won't produce results unless they're part of an overall, long-term approach to diversity & inclusion.

This approach needs to become part of how you do things as an organisation. It should include targets that are directed at the right things, so you can track progress over time. It should also recognise that you can't fully succeed until there are equal numbers of men and women in the pool of available talent. Finally, it'll need the support of a genuinely inclusive culture.

“If you can get inclusion right, much of your D&I ambition will follow. Being inclusive is a choice we all make many times a day.”

Peter Duff, BP

What our contributors said.

Several themes emerged from our conversations with contributors. **These are the top five:**

1. The pay gap legislation has recharged the case for change.

For many of our contributors, gender diversity has been on the agenda for a long time. But the dial has been slow to move. So while some debated the methodology behind the legislation, they all agreed that it's recharged the case for change. (By making gender diversity and pay a business and reputational issue.) As EDF Energy's Paul Spence said, "The gender pay reporting means we've had more conversations this year than any I can remember about how we're doing and if we're doing enough."

This has resulted in much stronger interest and involvement from the Board, senior leaders and sometimes managers. It's also led companies to do a lot of communication about the topic internally and externally. Several, including ScottishPower, BP and Centrica, created films to explain their figures and the action they're taking. Shell also created one to separate fact from fiction about equal pay versus the gender pay gap. And it asked line managers to show it to their teams as part of an internal communications campaign.

Our contributors have used this fresh focus to do three things:

1. **Dig into the underlying causes and barriers, not just the symptoms.** Many of the companies we spoke to have gone above and beyond what's required. That's both in reporting their data (sometimes early) and in analysing it to understand the issues.
2. **Try and make diversity and inclusion part of the culture and mindset of the organisation.** "We want to embed inclusion in everything we do, as a systematic change. We know no one initiative will achieve our D&I ambitions, but continued focus from leadership is making progress and creating a culture of inclusion for all," said Catherine de Gannes from Shell.
3. **Build pride in the organisation for its efforts to change – even if the numbers aren't good.** As E.ON's Chris Norbury said: "If we could be prouder about what we do, the positive reinforcement would create a virtuous circle."



The appetite for change already existed. But having to publish the gender pay gap has given us the opportunity to push the issue a bit more forcefully than before. We've been able to put a lot more diversity-based learning into a people manager programme we run, and entwine it into other leadership programmes."

**Michelle Hopkins,
Gazprom Marketing
& Trading**



2. Change won't come overnight – and the gap may get bigger before it gets smaller.

In ScottishPower's film about its results, HR Director, Hamish Watson said there's "no quick fix" to closing the gender pay gap. Our contributors agreed, with many citing low churn as a factor. "Our resourcing strategy is to bring people in as apprentices or graduates and promote from within," said Sarah McNulty, also from ScottishPower. "But if you don't have a lot of natural turnover, you're fishing in the same pool when it comes to promoting. This could potentially have an impact on the diversity and make-up of our workforce."

Other contributors commented on the time it'll take to attract more women with the right skills into the sector – and move them through the pipeline once they're there. And a couple noted the irony that taking action to close the gap may actually widen it in the short term. Hiring more female graduates and apprentices increases the number of women in lower salary bands, for example. Meanwhile, sending senior women on development assignments overseas takes them out of UK reporting altogether.

Centrica's message was not to lose heart or focus. "The danger is that you might see a lot of pushback in two years' time," said Hannah Hopper from Centrica. "But that's no reason to stop."

Companies are trying to bring about a long-term shift – and that takes time. Achieving it will mean taking a strategic approach and continuing to make the case for change.

3. Companies are trying to tackle the problem at its source.

A shortage of women coming through with STEM skills was an issue for everyone we spoke to. But the vast majority has put outreach programmes and partnerships in place to positively influence the choices girls and women make.

Some are also influencing opinion in more subtle ways, such as SSE changing its sponsorship to target female sports. Its logic? Women who take part in sport are generally higher achievers in business. So by raising awareness of SSE, the company is building pipelines of potential future talent.

Meanwhile, Centrica and E.ON are using stories to bring STEM careers to life. Using the principle "If I see it, I believe it", Centrica looks for senior women who have a good story. (For example, two women on a job share.) E.ON used the fact that International Women's Day fell in the middle of National Apprenticeship Week to celebrate its female apprentices on social media. And several contributors talked about the importance of using relatable role models when attracting and motivating women. (Centrica calls these "real" models.)



In 2015/16, our median gender pay gap was 18.7%. In 2016/17 it's 19.3%. This widening of the gap is a result of our strategy to become more inclusive and diverse. This is currently increasing the balance of women in entry-level roles. But we hope it'll close the gap in the long run as more women enter senior-level roles."

Rosie MacRae, SSE



Young people want to make a difference in the world. So rather than talking to them about the modules in an engineering or technology degree, we should tell stories about what you can do with those degrees – such as build innovative solutions to help people control their homes."

Hannah Hopper, Centrica

4. It takes more than policies and processes to build an inclusive culture.

For everyone we spoke to, offering flexible or agile working was a big part of their efforts to bring more women in – and give them reasons to stay. Gazprom Marketing & Trading has built a flexible approach to working into its EVP, in a bid to counter the industry's image problem among women. And following a reorganisation in 2017, EDF Energy's Customer business now promotes all jobs as flexible, unless someone can prove otherwise.

But as several contributors pointed out, it's one thing having a policy, it's another to know that everyone's applying it consistently. One person we spoke to said, "It's luck of the draw which line manager you get". Another observed that the decisions of individual line managers can mean there's flexible working on one floor and not on the next.

This inconsistency can extend to who's doing the flexible working, with men not being seen as equal candidates. A similar attitude can exist towards shared parental leave. Research shows that offering this benefit signifies a company is taking diversity seriously. Yet one contributor reported hearing that it "isn't affordable" to offer it to men.

So it seems that joining a male-dominated industry can bring negatives for both genders. But women still bear the brunt of working in a culture that isn't fully inclusive. And research shows that they're more likely than men to leave jobs if they aren't happy.² Some of our contributors reflected this when they said a high percentage of female employees leave 12-18 months after joining the organisation, or after coming back from maternity leave.

These examples show that there's more to creating an inclusive culture than putting the right policies and processes in place. The bigger task is to shift the mindset of the organisation so it values difference and the many combinations it offers. Companies that do this become places people want to work – whatever their gender, ethnicity or background.

5. Fixing the gap is a shared responsibility.

It was clear from our interviews that senior ownership of (and visible commitment to) diversity and inclusion results in more activity.

But while contributors agreed that senior leaders are ultimately accountable, they also felt that all leaders and managers share the responsibility for closing the gender pay gap. As Duncan Robertson from Shell observed, "It's not enough for leadership at the top level to be committed to D&I. Their desire to improve has to be translated down the line in a meaningful way."

Imbuing unit leaders and line managers with this sense of responsibility can be tricky. And though managers can be willing to help, they don't always understand what it takes to be inclusive. Or how much of a positive influence they could be if they had the right knowledge and tools.

Women also need to take responsibility for driving the agenda forward – as well as for their own career and development. But they can sometimes be loath to put their heads above the parapet. The right representation matters, too: diversity initiatives work best when both men and women support the cause.

Finally, everyone agreed that they had a shared responsibility to be open and learn from other companies in the sector. "We're going to start working together as an industry because we can't afford not to," said Centrica's Hannah Hopper. "That's the solution to the gender pay gap."



Even in the most progressive organisations, where employees work flexibly, when they then leave to do the school pick-up, it's sometimes jokingly referred to as "a half day".

Martin Kristiansen, Drax



As an industry, we've been quite closed about sharing and discussing our data. But now it's out there, it's about sharing experiences on which actions and activities have made an impact and which haven't worked so well. And how we can work together as an industry."

Sarah McNulty, ScottishPower



Five ways to supercharge your efforts.

To create this section, we've combined what our contributors said with we know about diversity and inclusion. (Which comes from more than 20 years' of research and work with clients.) And we've come up with five areas where you can really make an impact.

1. Take an informed approach to building an inclusive culture.

When we talk to clients about D&I, we say that diversity is the mix and inclusion is making the mix work. Organisations that have both have higher levels of engagement. Which means their employees are more likely to go the extra mile.

But one of the common reasons D&I initiatives fail is because companies don't fully understand what it means to build an inclusive culture. Which means they don't know what actions to take to achieve it.

This can lead them to focus on the wrong things. Or it can cause them to try and fix the problem without understanding the root cause: a culture that isn't inclusive. We've seen organisations try to tackle a lack of gender diversity by recruiting more women, for example. But this only creates an expensive revolving door when those women leave 18 months later.

The reality is that it takes time, effort and money to really shift the culture and mindset of an organisation. The same goes for getting employees – especially management – to drive and be accountable for the change.

The first (and crucial) step is to understand the invisible forces in your organisation that favour a particular group. It's these forces that create challenges for under-represented groups, such as women.

Carrying out a pulse survey of a broad population is one way to do this. It'll show you where your organisation is strong and where it needs to improve, and give you baseline data for measuring your progress.

Another option is to hold more targeted focus groups. We've seen clients (including Shell) carry out a "fishbowl" exercise, where women discuss



issues around a table while leaders listen at the edge of the room. As Martin Kristiansen from Drax said, “Helping women progress isn’t just about asking the men at the top table what they think. It’s about holding internal forums where we listen to women and find out where the hidden barriers are.”

Knowledge is power.

Once you understand the challenges, you can build a “shared responsibility” roadmap to creating an inclusive culture. This should focus on helping three groups:

1. **Senior leaders:** to take ownership
2. **Line managers:** to become more inclusive (see page 12)
3. **Women:** to develop the skills and perseverance to be intentional in how they drive their careers – and help change the culture. (See page 15.)

But it’s important to remember that an inclusive culture offers a great working climate for all. Use the spotlight on gender diversity as a platform for tackling the wider cultural issues your organisation is facing. And use your budget to prioritise the areas of the heat map (page 5) that most need to change.

Finally, don’t underestimate the branding opportunity of building an inclusive culture – even if your ideal state is a way off. Share the concrete things you’re doing internally and externally, as part of your EVP. And be open and honest about the challenges you’re facing. You could even take a leaf out of our contributors’ book and use stories and “real” models.

“We don’t want an individual who is responsible for diversity and inclusion. We want a talent strategy and approach that’s inclusive – and woven into the fabric of the organisation.”

Chris Norbury, E.ON

What’s the point of purpose?

Purpose expresses the impact an organisation has on the lives of the people it serves. And it’s become a hot topic in business.

Various studies have shown that millennials and generation Z want to work for organisations that have a purpose beyond profit. But purpose brings benefits beyond being able to attract the best. According to a study by Korn Ferry’s Consumer Sector, 90% of employees in purpose-driven companies are engaged, compared to 32% in other companies.³ Purpose-driven companies are also more productive and have four times the compound annual growth rate of companies in the S&P 500 Consumer Sector.⁴

So what does purpose have to do with closing the gender pay gap in the energy sector? According to the Energy Institute’s 2017 Energy Barometer, “contributing to climate change action” was the biggest motivator for graduates entering the sector.⁵ And more than two-thirds of the women we interviewed for our study, Women CEOs Speak (page 15), said they were motivated by purpose.⁶

It makes sense, then, that building a strong sense of purpose in an organisation could help to attract women to join – and stay. But it’s not easy to do. “It requires a deep and abiding commitment from the top,” said Dési Kimmins, Head of Leadership Development, EMEA at Korn Ferry. “The commitment needs to be backed up by key best practices. That includes hiring people who connect with the organisation’s purpose; transparency in leadership’s actions, and incentive plans based on an employee’s holistic contributions to the organisation.”



2. Make sure responsibility passes down the chain.

By visibly committing to diversity and inclusion, and the changes this involves, your CEO and Board set the standard for your leaders and managers to follow. But companies often underestimate the support that leaders (especially senior ones) need to do this effectively. Instead, they assume that by reaching a certain level, leaders have somehow “picked up” how to role model the right behaviours.

For example, many of our contributors have rolled out unconscious bias training. But while this gives leaders insights into their areas of bias, it doesn't tell them how to translate those insights into action.

There's also evidence that this training works best when it's evidence-based, rather than conceptual. So to tackle their biases, participants first need proof that they have them. They then need to understand how to take that awareness to the next level. What does being inclusive mean in a practical sense?

Similarly, line managers may be aware of your diversity and inclusion goals, and want to help you reach them. But research shows that line managers can actually be blockers to women progressing.⁷

That's because they don't understand the specific challenges women face. And if they do understand them, they don't know how to help women overcome them. For example, they aren't comfortable giving feedback on non-technical issues. But this is exactly where women need support.

Unleashing the power of the inclusive leader.

Both leaders and line managers need support to role model the change and use the right levers to help women succeed in the organisation.

This means equipping them to become inclusive leaders. These are self-aware advocates for diversity who see, value and use the wealth of knowledge, insights and perspectives in their teams. They combine empathy and humility with being accountable. And they're able to adapt so they can influence everyone around them.

This approach gets results: research shows that employees who work for inclusive leaders are more collaborative, productive, engaged and motivated. So they out-perform others.⁸

It also means line managers understanding the challenges women face in the organisation and taking action to help remove them. That could include:

- asking a woman what she wants to tackle, rather than making assumptions
- challenging their own (and others') unconscious biases and assumptions
- introducing women to people who can be advocates (it could even be the CEO).

As well as helping women to progress, these actions empower line managers. They go from being part of the problem to helping to fix it.

“One of our directors wouldn't interview the first shortlist of applicants an agency gave him for a senior executive role, because they were all white men. The new, more diverse panel included a much better candidate – who happened to be a woman.”

**Fiona Jackson,
EDF Energy**



3. Use data to set targets and track progress.

As EDF Energy's Paul Spence joked, engineers love data. So it's no surprise that lots of contributors are using it to track what happens to returners from maternity. Or to set and monitor progress against targets.

Carrying out a strategic workforce planning exercise can be a good way of putting more rigour around this process. It allows you to understand the shape and structure of your current workforce. You can then use that information to set a target for how you'd like the picture to change and by when. (For example, you'd like to have 30% women in senior operational leadership roles by 2030.) You can also identify and address the gaps in your pipeline, and track the progress of your initiatives.

You may even be able to model how pulling various levers could affect your ability to achieve your goal. (For example, how much faster will you reach your target if you recruit 50% women from now on?) Or you might be able to see where women are getting stuck, and model which levers could help to "unstick" them.

Finally, make sure you choose the right targets. Most organisations measure resourcing effectiveness by speed to hire, for example. But that doesn't measure if someone stays.

"I'm conscious that we can only measure the population we already have. What we don't know is how many females are looking at job adverts and not even applying because of their perception of the work environment."

Michelle Hopkins, Gazprom Marketing & Trading

The power of self-perception.

Female CEOs are still disappointingly rare: roughly 6% of Fortune 1000 chief executive officers (CEOs) are female.⁹ So what drives these women to reach the top?

The Korn Ferry Institute studied 57 women who have been CEOs at Fortune 1000-listed companies and others of similar size. We analysed structured interviews with all 57 and the results of psychometric assessments by two-thirds of them. And we found that:

- Five of the 57 had always wanted to be CEO
- Three never wanted to be but took the job out of a sense of responsibility
- Two-thirds said they didn't realise they could be a CEO until a mentor or boss told them. As one woman said, "It wasn't until that conversation that I even imagined anything past manager, forget CEO. I really just wanted a good job with a good company. That conversation was a bit of a wake-up call."¹⁰

The final point is very pertinent to this report. To release the full potential of the women in their organisation, leaders and managers need to understand how women tend to operate. And they need to manage and develop them in line with this.

"The data tells us that women are less likely to nominate themselves for talent pools. So if we put effort into coaching them on how they think about their potential, we're more likely to get nominations that are more balanced."

Chris Norbury, E.ON



4. Rethink what you're looking for

Unless women suddenly start flocking on to STEM courses, the energy sector is going to struggle to close the gap. As SSE's Rosie MacRae told us, "We're fooling ourselves if we think we can adjust some of these numbers at the highest level, because the proven technical experience just isn't out there."

To overcome this, a couple of organisations have started to think more creatively about how they identify, recruit and keep talent for technical and engineering-based roles. SSE and BP have been considering looking at broader transferable, rather than specialist skills when trying to recruit a better balance of men and women. And Shell has been focusing on behaviours as well as technical skills.

At Korn Ferry, we've seen companies take this to the next logical step – by redesigning roles to make them more inclusive.

There's more to this than advertising every role as flexible (though that's a good start). Global resources company BHP Billiton has taken advantage of automation and mechanisation to redesign the roles in its Mooka Rail Car Repair Shop in Western Australia. By eliminating the need for heavy lifting, the company has made the jobs open to women as well as men. And when we spoke to SSE, they were starting to review the operational technical roles in part of their Networks business to make them accessible to all. It'd be great to see more companies follow in their footsteps.

Another worthwhile exercise is to look at your organisation design through the lens of what you know the challenges to be. If you know that fewer women than men put themselves forward for promotion, for example, could you redesign roles to make promotions one job level above, not two? And could you recruit and promote for the difference a person will bring to a team – not just the skills they need for the role?

"For me retaining the women you have is just as important as bringing more women into the organisation. When we are able to retain more women they become advocates and we can become a destination of choice employer."

**Hannah Hopper,
Centrica**

The point about pay.

Our contributors agreed that the gender pay gap is about talent rather than pay. But some also recognised that the way organisations allocate their pay can disadvantage women.

To counter this, several have reviewed their collective agreements to remove any bonus or other structures that are unfair to women. Drax has decoupled the link between bonus and individual performance. And Gazprom Marketing & Trading will review its job evaluation framework in 2018, to "create a clear and robust way of assessing the relative worth of jobs".



5. Support women so they can help themselves

Finally, women themselves need to take responsibility for bringing about change. As Korn Ferry's Dési Kimmins observed, "Unless women are proactive about overcoming their own challenges, and intentionally driving their own careers, even the best top-down initiatives will fail."

You can support the women in your organisation to help themselves. But first, it can be helpful to first understand where women often get "stuck"– and why.

For over 30 years, Korn Ferry has studied how employees can increase their influence, impact and value. And we've used this knowledge to create a Four Stages of Contribution model.

"Unless women are proactive about overcoming their own challenges, even the best top-down initiatives will fail."

**Dési Kimmins,
Korn Ferry**

The four stages of contribution:

Stage Number	Stage 1 Contributing dependently	Stage 2 Contributing independently	Stage 3 Contributing through others	Stage 4 Contributing strategically
Performance Expectation	Build credibility, learn	Establish and apply expertise	Guide, coordinate, develop others	Shape organisational directions
Primary Role	Helper, learner	Individual contributor, specialist	Coach, mentor, idea leader, internal consultant, project leader	Sponsor, innovator, business leader
Major Stage Transition Issue	Recognise need for dependence	Accept independence	Accept responsibility (formal or informal) for others' efforts	Holistic view of business, making tough choices
Performance	Support others, build credibility	Individual credibility, subject matter expertise	Relationships, networks, and technical breadth	Establish organisational priorities, broad impact & influence

In our experience, women get stuck at stage 2. Typically, that's because:

1. Women who rise to the mid levels are less likely than men to accept, or actively look for, the kind of work that'll prepare them for leadership. (Projects that involve strategy, business growth and finance, for example.)
2. As people move up an organisation, their career progression hinges increasingly on how well they navigate the political landscape and build relationships. Men tend to do this naturally, which puts them at an advantage. But women tend to focus on the technical skills that make them good at their job.

Women also tell us that they feel guilty about balancing work and family life; that their perfectionism holds them back; and that they don't want power if it comes at too high a price. (Or if it means they have to "act like a man".)

With targeted coaching, and the right line manager support, women can become more self-aware, think and act strategically and let go of perfectionism. On-boarding new female hires or returnees from maternity leave will also help them to navigate the male-dominated landscape effectively.

But this isn't about making women more like men. It's about giving women the tools to manage their careers in a proactive and effective way, within a particular context. So while they may need to adapt to be successful, fundamentally, they stay true to themselves.

Ultimately, though, women need to own (and role model) the change they want to make. See page 16 for more.



How to spark change if you're a woman in energy.

1. Set a target then decide how to reach it.

- First, ask people who are doing the job you want to talk you through what's vital for the role. Then work out what you already have and what you're missing. Look not just at technical skills but also how well you influence, deal with politics and build relationships.
- Next, look at your current role and experience. Have you used financial acumen, created a strategy or grown part of the business? If not, which areas do you need to build most?

2. Be proactive and strategic.

- Put yourself forward for visible, important or complex projects, such as leading a work stream in a big change program. Avoid work that doesn't help you make an impact. And learn to delegate.
- Ask your manager for feedback on how well you're developing the influencing and relational ability you'll need in more senior positions. Open with where you think you need to improve – you'll make it easier for your manager to be honest.
- Track your progress and take the evidence into performance discussions.

3. Build strong networks.

- Decide who you need to know to achieve your goals. Then invite them for a coffee, or ask your line manager to introduce you. He or she could also set you up with a mentor or sponsor, or a senior leader who could advocate for you. Or you could put yourself forward for reverse mentoring a more senior (male) colleague.
- Use your network group to help you build your influencing skills. Ask them to help you establish any weaknesses in how you sell ideas at various levels.

4. Develop executive presence.

- Executive presence means you communicate brilliantly, read an audience and project a vision. To develop this intangible quality, stand tall, project your voice, speak clearly and dress like an executive.
- Use your network group to help you build your influencing skills. Ask them to help you establish any weaknesses in how you sell ideas at various levels.

“We have to be careful about how we do mentoring. In other places I've worked it's been about how to get on in a man's world, designed by men for men to succeed. It's got to look beyond that.”

**Martin Kristiansen,
Drax**



Final words.

We hope you've found this report as interesting as it has been to produce.

We'd like to leave you with a comment on something we heard from a couple of contributors: that focusing on women might mean neglecting other groups.

Our take on this is that yes, women are the "metric of the moment". But you can both build an inclusive culture and simultaneously enable women within it. And if you do that, you'll start to reap big benefits for your business.

Thanks for reading.

Who we spoke to:

Companies	Contributor(s)
BP	Peter Duff, Head of Diversity and Inclusion for EMEA
Centrica	Hannah Hopper, Head of Diversity and Inclusion
Drax	Martin Kristiansen, Head of Reward
EDF Energy	Paul Spence, Director of Strategy & Corporate Affairs Fiona Jackson, Head of Diversity, Inclusion and Employer Branding
E.ON	Chris Norbury, HR Director
Gazprom Marketing & Trading	Michelle Hopkins, Head of Reward and Capability
ScottishPower	Sarah McNulty, HR Operations Director
Shell	Catherine de Gannes, D&I/Talent Lead for UK and Ireland Duncan Robertson, UK Internal Communications Advisor
SSE	Rosie MacRae, Inclusion and Diversity Lead David Buchanan, Head of Reward

“The reason the gender pay gap legislation has been so significant is because companies in the energy sector have explored what it exposes: the long-term failure of organisations to tackle the catastrophic waste of women’s talent. They’ve also recognised that this issue is about getting the mix of talent they need for the future – and providing the opportunities to make women’s ambitions a reality.” **Simon Fanshawe OBE, Board member, POWERful Women**



Sources

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- ² Bolstering the Female CEO Pipeline, Signe M. Spencer, Susanne Blazek and J. Evelyn Orr, Korn Ferry Institute, 2018
- ³ People on a Mission, Korn Ferry 2016 (www.kornferry.com/institute/purpose-powered-success)
- ⁴ People on a Mission, Korn Ferry 2016 (www.kornferry.com/institute/purpose-powered-success)
- ⁵ Energy Barometer 2017, the Energy Institute (knowledge.energyinst.org/barometer)
- ⁶ Women CEOs Speak, Korn Ferry/The Rockefeller Foundation 2017 (engage.kornferry.com/womenceospeak)
- ⁷ A Blueprint for Balance, Chartered Management Institute, 2018
- ⁸ Katherine W Phillips (2014) and Bruce Tuckman (1965), featured in The Inclusive Leader, Korn Ferry 2016
- ⁹ Women CEOs Speak, Korn Ferry/The Rockefeller Foundation 2017 (engage.kornferry.com/womenceospeak)
- ¹⁰ Women CEOs Speak, Korn Ferry/The Rockefeller Foundation 2017 (engage.kornferry.com/womenceospeak)

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About Korn Ferry

Korn Ferry is a global organisational consulting firm. We help companies design their organisation—the structure, the roles, and responsibilities, as well as how they compensate, develop, and motivate their people. As importantly, we help organisations select and hire the talent they need to execute their strategy. Our approximately 7,000 colleagues serve clients in more than 50 countries.

Find out more at www.kornferry.com

About POWERful Women

POWERful Women is a professional initiative to advance gender diversity within the energy sector. Our target is 40% of middle management and 30% of executive board positions to be female by 2030. We work to deliver these through campaigning and reporting, supporting women in their careers and practical support to increase gender diversity.

Find out more at www.powerfulwomen.org.uk