Gender Diversity

In Water Leadership Teams 2022





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Introduction

In the government's Hampton-Alexander Review in 2021 the FTSE 350 met the target for a third of the board and executive positions to be filled by women by the end of 2020. A new target has been set for 40% of board positions to be held by women by 2025.

The number of female Directors at FTSE 100 firms has increased by 50% in the last five years. The FTSE 100 achieved 39% female representation and FTSE 350 achieved 38% female representation across board positions.

Since the initial target was announced in 2016, we have published four reports. They have highlighted how the transport and infrastructure sectors are faring when it comes to gender diversity amongst executive teams.



In this report we focus on companies in the water sector, in particular asset owners. Asset owners typically have more female leaders in their executive teams as we have seen across our previous gender diversity reports.

Back in 2016, we found that 12.7% of the companies we looked at had 33.3% or more female Directors on their executive teams. In 2020, this figure rose to 20.7%. This year there has been a significant improvement with 30.7% of companies having 33.3% or more female Directors on their executive teams.

In the following report, we look at gender diversity within the executive teams of water asset owners.

We focused our research on the executive management teams of 18 water asset owners. In this report, we have made comparisons of gender diversity across asset owners in different sectors and gender diversity across different functions

Findings for 2022

Of the 18 asset owners, there were three companies who had 50% or more female Executive Directors; Yorkshire Water, Northumbrian Water and South West Water

When it comes to hitting the 33.3% target, water companies are ahead of the top 150 transport and infrastructure companies with 39% of the water companies having a third of women on their executive teams compared to 31% of the top 150 transport & infrastructure companies.

The Water sector is paving the way with 33.3% of companies having a female CEO compared to only 5% in the FTSE 350. However, 22% of water companies still have no female directors on their leadership teams which is much higher than the wider industry.

The data shows that across-the-board water companies are making significant strides to improve gender diversity across leadership teams, although a few companies have a lot to do to catch up with the majority.

	2022			
	Water Companies	Transport & Infrastructure	FTSE 350	
Female CEO	33.3%	13%	5%	
Companies with no Female Directors	22%	10%	9%	
33.3%+ Female Directors	39%	31%	39%	

22%

OF WATER COMPANIES DON'T HAVE ANY FEMALE LEADERS

Within Water...



OUT OF 18 CEO'S ARE FEMALE



68%
OF FEMALE DIRECTORS
LEAD SUPPORT
FUNCTIONS





How does Water compare to the wider industry?

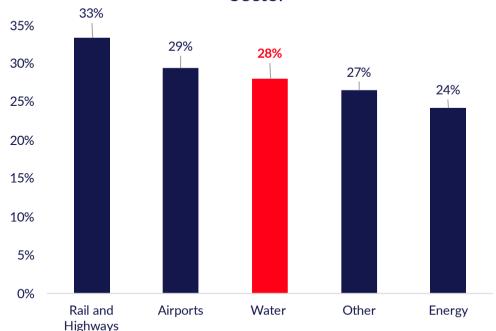
Compared to the wider Transport & Infrastructure industry, Asset Owner's within the water sector sit in the middle of the road

When we look at the breakdown of asset owners by sector, we can see that gender diversity within the executive teams is high. The Rail and Highways sectors have the highest percentage of female Directors in their executive leadership teams with 33% of all directors in these sectors being female. Airports have 29% and Water comes in 3rd with 28%.

On the whole, Asset Owners do tend to outperform other company types when it comes to diversity, across the top 150 Transport & Infrastructure companies 95% of Asset Owners have female Directors on their leadership teams.

Water was the only sector where three companies had 50% or more female representation in their executive leadership teams.

% of Female Directors in Asset Owner's by Sector



Key Findings

- 28% of all Executive Director's in Water companies are female
- 95% of Asset Owners have female leaders on their executive teams

Function

A lot of women in senior roles tend to sit within central support functions such as HR, marketing, finance, legal etc. Within the water sector 68% of female Director are within central support functions

Other Central Support is the largest function for the water companies (this includes roles such as strategy, customer service and environment). The CEO function is the 2nd largest function with 21% of female Director roles sitting within the CEO function.

Just 11% of all female Directors across the water sector were in the core operations functions of, consultancy, engineering, commercial or operations. These are the most common backgrounds for promotion into CEO. This compares with 21% in the Top 150 Transport & Infrastructure companies.

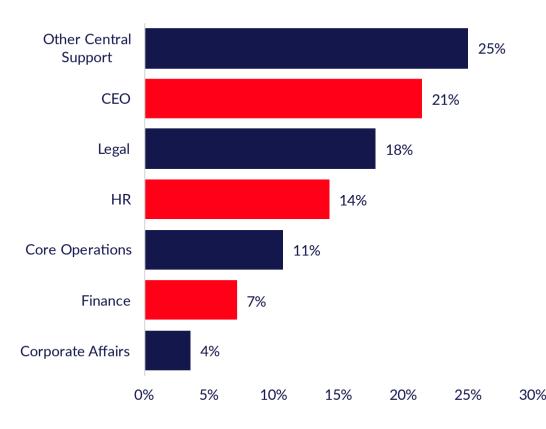
However, it is worth noting that 4 out of the 6 female CEOs in the water sector come from a strategic, customer focused background.

Key Findings

- 11% of female Directors are in core operations functions
- 21% of female Directors are CEOs



Distribution of Total Female Directors by Function in Water



How can we increase women in leadership?

As a business Newsom Consulting are constantly working with our clients and senior leaders across Transport & Infrastructure to do what we can to improve diversity across the industry.

While the statistics from the last few years show progression, it is clear that female diversity in leadership positions, particularly in core leadership functions, isn't increasing as fast as we need it to.

We caught up with Katie Smith, HR Director Infrastructure at Morgan Sindall and Shamit Weinberger Gaiger, Managing Director for West Coast Partnership Development to discuss what the industry needs to be doing to fast track an increase in female diversity.

Flexible Working

Typically, client organisations and consulting firms can adopt more flexible working policies such as Arup whose "Work Unbound" policy allows their 6,000 UK employees the flexibility to work their hours across all 7 days of the week, with only 2 days needing to be spent in the office. Contracting firms are still grappling with how to offer this. The transient location of capital projects can make it difficult to retain female executives with families.

We recently conducted a survey and found that c71% of people working at contractors are still going into the office/site 3-5 days a week. Offering staff, the flexibility to work from home, shared parental leave and adopting flexible working practices creates a more inclusive and diverse working culture.

"Most of the client contract frameworks are 5 years, and they expect their workforce to be transient and move. I've spoken to women who are very talented engineers who look to retrain out of engineering when they want to start a family, as they don't want to move around the country anymore and want to stay with their families

You miss out a key age group who are looking to start families, they're missing out as they can't move. Morgan Sindall has some other, long-term frameworks, meaning that more women can settle for a long time in those area if it's a 10–20-year framework.

In the long-term we must do something around the transient nature of the industry and expecting people to move. There needs to be a government review and, we need to normalise shared parental leave and equalise paternal pay, which allows women to stay in their careers."

Katie Smith, Morgan Sindall

Move Women from Functional Leadership Roles to Operational Roles

Operational leadership roles are still typically male-dominated, although the industry has taken great strides to improve this in recent years there is still a long way to go. Operational leadership roles are typically the most common path for CEO, however with only 27% of female Directors in core operational roles (CEO and Operational) there is still improvements to be made

72% of female leaders within the top transport and infrastructure organisations sit in support functional roles such as HR, Marketing, Legal etc.

"We tend to want people who have done the job before but it's a vicious circle. Not a lot of women have operational experience.

Putting women with great leadership skills into the role and surrounding her with people with the relevant experience can increase and create a better talent pool and put women in more senior positions. Having a competent team is crucial to compliment the woman's leadership skills."

Shamit Weinberger Gaiger, West Coast Partnership Development



Mentoring and Development Programmes

Having female role models in place is key. It can help inspire and encourage women in the industry who want to progress to an executive level

Mentoring and Development Programmes help women in the sector expand their personal networks, build relationships, and create opportunities.

In recent years we have seen the construction and infrastructure sectors really stepping up on this front. In transport we have seen the rise of "Women in Transport" and "Women in Rail." For the Built Environment there is "The National Association of Women in Construction."

We partner with SWiFT – Senior Women in (or formerly in) UK Rail or Transport. Founded by Women in Rail and in conjunction with the UK

rail industry's Connected Leaders programme is made up of passionate like-minded individuals, both male and female looking to foster the development of high potential women in the transport arenas. They are hosting a series of networking events where there will be the opportunity to network with other leaders in industry.

Shamit leads SWiFT and is a Board Trustee for Women in Rail. She says;

"Role models are really important. Seeing them and having access to them to champion, is crucial to creating that aspiration to women to go into senior roles. It gives you a network to access advice."

Shamit Weinberger Gaiger, West Coast Partnership Development



Transform Corporate Culture

Having an inclusive culture is crucial when it comes to attracting and retaining gender diverse talent. We need to change people's mindsets and make sure that we don't keep hiring people from the exact same backgrounds. Using feedback from employee pulse surveys can help to target areas that require improvement.

Morgan Sindall don't set diversity quotas, but instead measure from homogenous groups. You don't want more than a 70/30 split aka no more than 70% of people from one homogenous group.

"You need to normalise that women are in the sector, or people of different ethnic backgrounds. Change people's mindsets, stop replacing what you've got, people are unconsciously biased towards those who are similar to them."

Katie Smith, Morgan Sindall

Katie also suggested that she would like to see companies start to measure who comes from outside of the sector. "You get different perspectives. Morgan Sindall don't like to use tick boxes but rather look at what the company needs, if someone doesn't have the traditional background this can work well."

Preventing Unconscious Bias

Unconscious Bias training is crucial when it comes to recruiting gender diverse talent and promoting within the company.

We are hard-wired to favour those who we deem similar to us. Whether this is someone of the same gender, class, educational background, or colour. This can cause many issues, particularly when hiring and promoting from within the company.

Blind recruitment such as removing names, gender, age can prevent biased decisions. Job descriptions and adverts are also a great way to avoid bias. Women are typically more deterred from applying to jobs if they feel that they don't meet all the exact job criteria. By not setting such a strict criterion you will open your talent pool to a much more diverse set of candidates. Using gender neutral language is also key to attract a diverse mix of people.

Alongside this, it is important to partner with search firms and agencies who are aligned with your values, and who understand the importance of providing a diverse shortlist.

"The industry has a tendency to be really specific on requirements which can put women off from applying, keeping it a bit broader helps gender diversity."

Katie Smith, Morgan Sindall

Long Term Planning

There are a lot of tactics that companies can start to implement immediately to improve diversity on their leadership teams. However, real, significant change will take time and a long-term approach.

Using internal talent mapping to identify women with good leadership potential who are several levels down from the SLT and then developing leadership programmes for them can deliver results in the medium-term. This demonstrates to peers that the company will promote female talent.

The long-term success in achieving equality and diversity depends on attracting more women into the sector.

"In the longer term there needs to be a massive campaign from primary to secondary education and make the sector attractive. Talk the language that resonates with young people, be creative with how you present this, we need to move away from seeing the sector as hard hats and construction but look into digital, CX, state of the art engineering exciting projects and engineering challenges. We are not promoting the state-of-the-art future thinking to the younger generation, engage them make it appealing."

Shamit Weinberger Gaiger, West Coast Partnership Development

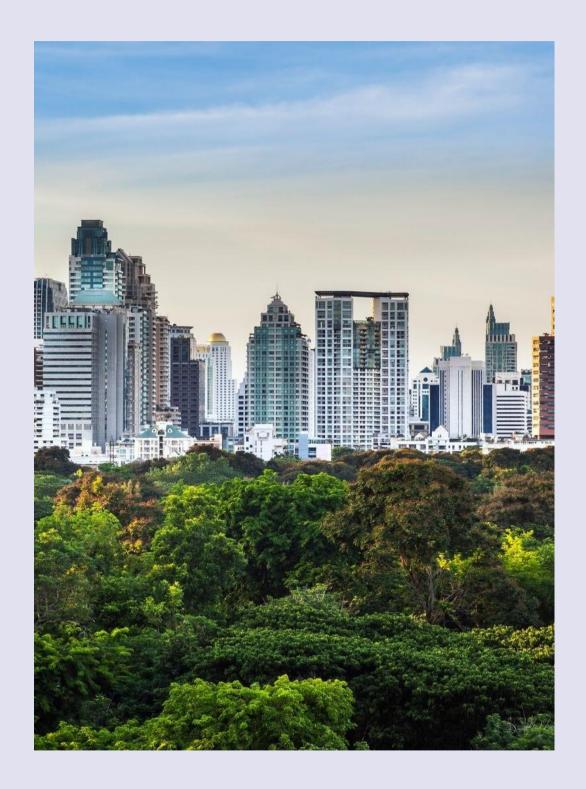
Methodology

We compiled the list of the top 150 UK transport & infrastructure companies by selecting the largest UK businesses in each of the different types of company including consultant, contractor, operator, infrastructure asset owner, public sector agency and supplier. We ensured each sector of infrastructure was well represented including rail, aviation, roads, water, power. We identified the senior executive team of each business within the UK as of July 2022.

Where we have discussed the statistics of the CEO role, this has been the CEO or the nearest equivalent in the most senior executive leadership position, i.e., for an LLP it has been the overall Senior Managing Partner.

For the purposes of this report a Core Operational leadership role in the executive team has been a direct report to the CEO who manages one of the core divisions or functions of the business. In a contractor or asset owner this would include a Chief Operating Officer, Chief Projects Officer, Group Commercial Director, or Group Engineering Director, in a consultant this would include a Divisional Managing Director and equivalent reporting to the CEO.

Special thanks to our contributors Shamit Weinberger Gaiger and Katie Smith.



About the Author

Having started off my career in executive search as a part-time summer administrator at the age of sixteen following in the footsteps of my mother who worked as a research consultant for an international search firm, I then completed my undergraduate degree and MSc in Global Business Analysis and moved into the profession full-time. I now have nearly 20 years' of experience in Executive Search. Since joining Newsom Consulting in 2012, I have worked with numerous clients across the water and wider infrastructure sectors to find them senior leaders

I am passionate about developing the pipeline of diverse talent in the water sector and will work closely with clients to help develop policies, processes, and recruitment strategies that will support the progression of diverse leaders in our industries.

You will often find me catching up with my network at industry events – I was even caught up in the great British Water flood in Hull in 2023!

Outside of work, I am kept busy by my young family; I am an armchair Tottenham Hotspur fan, living in the eternal (and increasingly futile) hope that they can one day win the Premier League title! I enjoy playing badminton and participating in quizzes whenever I get the chance.



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