The hunt for talent: Is infrastructure sexy enough?

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Panellists at our Global Summit in Berlin today debated whether the infrastructure industry is doing enough to diversify staff across gender, professional and academic backgrounds and discussed potential remedies to achieve a better balance.

The infrastructure industry is being held back by a lack of new talent being brought into firms, delegates at Infrastructure Investor’s Global Summit in Berlin heard today.

A panel of executives from Whitehelm Capital, Fitch, IFM, Jefferies, Allianz Global Investors and PwC pointed at the barriers currently preventing firms from attracting top talent and discussed how to open up the growing industry to wider gender and professional backgrounds.

“There is a battle for talent because the industry has not necessarily compensated people as much as traditional private equity,” argued Hari Chandra, joint head of power and managing director at investment firm Jefferies. “We need to develop a business model that hires the best people in industry and compensation is needed to do that.”

However, Nadi Nikolova, vice-president of infrastructure finance at AllianzGI, disagreed.
“At the senior level, compensation is very much a driver,” she said. “Lower down it’s more about having an impact.” Nikolova argued that the industry does not do a good enough job of marketing how people can have an impact, pointing towards renewable energy investment in emerging markets as one area firms can highlight to show how they can make a difference.

She was joined by Matteo Andreolotti, division director at Whitehelm Capital, who noted impact can be demonstrated through “sexy” investments in equities, which he said tended to produce tangible and visible outcomes.

Panellists identified millennials as those whose desire for impact most exceeded payment as a priority, admitting that attracting them to the asset class had so far proven difficult.

Colin Smith, a partner at PwC, said “there is a misconception millennials don’t want to work as hard”. In fact, he asserted, they want to shape their careers from an increasingly earlier stage. Annabel Wiscarson, an executive director at IFM Investors, weighed into the debate by arguing that firms can attract millennial talent with potential of secondment and travel.

The industry’s struggles in attracting a diversified workforce was also addressed by the panel. Wiscarson said IFM tends to not hire fresh graduates, preferring young professionals with two or three years of experience. Yet the majority of CVs for investment positions by this stage comes in from male candidates, she revealed.

“Is it the attraction of the asset class? If so, we have a job to do,” she stated.

More also needed to be done to attract employees from a wider range of academic backgrounds, speakers observed. A poll from the audience revealed 75 percent believed the industry was not academically diverse enough.

Smith added that the energy and utilities sector was one of the least diverse industries, according to PwC research, while asset management was among the worst in the financial services sector. These results, he concluded, show that infrastructure has its work cut out.