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Topic: Diversity & inclusion

Participants:

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Summary of talking points

1. The strong conviction in the benefit of diversity and inclusion has not yet been fully translated into structured strategies, in part due to a lack of measurement and associated supporting data.
2. Cognitive diversity was cited as a key goal but difficult to measure and assess. WTW's research team has introduced a new Diversity Score which aims to provide base-level assessment of an asset manager's diversity, alongside existing culture assessments. Information is collected at both a firm and product level, including investment teams' endowed traits (eg gender, ethnicity) and acquired traits (eg work experience). The aim is to (i) raise awareness and engage with managers on implementing D&I initiatives, (ii) make more robust and consistent comparisons between managers and across asset classes, and (iii) track progress over time.
3. While leadership has a clear role in managing and measuring D&I, it is necessary to ensure that this is integrated throughout all levels of management in an organisation. Inclusion was seen as particularly important to harness the power of diversity and improve the collective intelligence of teams.
4. D&I needs to be integrated into the investment and decision-making process, alongside traditional HR considerations. Investors need to consider how to systematically harness the potential return enhancement identified as a result of stronger D&I integration.

5. Building a diverse future talent pool requires organisations to expand their recruitment strategies. Examples cited included asset managers who tracked potential hires throughout their careers or worked with charities/specialist recruiters with the aim of building a stronger talent network.

6. It was recognised that the lack of diversity in our industry was also, in part, a result of some of the wider societal challenges faced. Investment organisations can play a role in making a difference while building a stronger future talent pool. Advocating for stronger financial literacy in schools and working with charities focused on improving outcomes for underrepresented talent was also seen as important in driving positive societal change.

About the Thinking Ahead Institute

The [Thinking Ahead Institute](#) is a global not-for-profit member organisation whose aim is to influence change in the investment world for the benefit of savers. The Institute's members comprise asset owners, investment managers and other groups that are motivated to influence the industry for the good of savers worldwide. It has over 40 members with combined responsibility for over US\$13 trillion and is an outgrowth of Willis Towers Watson Investments' Thinking Ahead Group.