

### Superteams – 24 August, 2021

#### Participants:

Debbie Harris – Aberdeen Standard Investments  
James Harris - CQS  
Liisa Juntunen – QMA  
Eoin Murray – Federated Hermes  
Dipak Patel – Wellington  
Rick Rusin – Crabel Capital Management

Paul Deane-Williams – Thinking Ahead Institute (TAI)  
Ruth McDonald – TAI  
Chris Redmond – Willis Towers Watson (WTW)  
Roger Urwin – TAI

#### Agenda

- Roger Urwin: superteams summary
- Chris Redmond: WTW manager research experience with superteams and culture
- Round table discussion on superteams

#### Summary of Roger Urwin's points – superteams research

- Roger started the conversation by giving an overview of TAI's superteams research.
- Teams are the application of culture to effectiveness. As with sport, many people contribute to one person's performance
- In sports, feedback on performance is more immediate. The investment industry has more confusion in noise/signals, making it harder to see progress and affects the motivation to 'train'
- Need for collective intelligence: in investment industry and asset manager context, teams have done better than stars, but stars are still critical to teams
- Starting point for measuring collective intelligence is cognitive diversity (turning talent-based promise into competitive advantage via culture)
- We need more diversity of thinking to solve increasingly complex, interconnected problems
- Two dimensions of culture are very important: inclusion and how trust is exercised (with trust needing to be unpacked by reference to willingness to trust and worthiness of trust)
- Improved D&I gives a stronger group identity and improves all-round motivation.
- Preparation and training (team scaffolding) have benefits
- Roger gave case studies of where culture shows in results: Pixar (see Rebel Talent by Francesca Gino), the All Blacks (see upcoming TAI Culture summit and Legacy by James Kerr), and Wellington Management – an example from our industry
- Roger talked through the TAI dashboard on cognitive diversity, culture and governance which lead to collective intelligence.

#### Summary of Chris Redmond's points - WTW manager research case study

- WTW's manager research team have had a particular focus on culture over the last 3-5 years, and its implications for investment skill
- Increased data complexity means a team-based approach to assessment is required, with greater emphasis on understanding culture and how people build "T-shaped" teams (with depth and breadth)
- This requires a framework and scoring similar to Roger's dashboard
- Some advantages to boutique organisations in their culture. But large organisations have opportunities for positive culture within specific teams

### Round table discussion

- Challenges discussed:
  - Measuring cognitive diversity (and progress towards it)
  - Disclosure of potentially sensitive characteristics e.g. socioeconomic background
  - Our industry isn't giving us diversity of thought (in terms of people) naturally
  - How competitive edge is hard to maintain
  - So much competing evidence but so little meaningful data that is decision-useful
  - DE&I issues can introduce further dissonance
  - Challenges in managing a highly talented team
- Solutions:
  - Diversity is played out in performance - listen to conversations that come from diverse knowledge, ability and perspective
  - Processes like survey tools can measure and give feedback
  - Measure qualitatively through conversations
  - Use observable characteristics to the extent possible
  - Structure, frameworks and scaffolding e.g. ex-post analysis, devil's advocate
  - Strong sponsors needed
  - Similar values (e.g. work ethic/kindness) bind colleagues so are good for organisational delivery (and so diversity is helpful on only some dimensions)
- How long does this take?
- The intention is to bring measurement to something meaningful where before measurement was limited. TAI has done 35 culture projects with individual AMs and a few AOs
- Slow moving but gaining momentum. Our conservative industry doesn't take to innovation, especially without a clear evidence trail. E.g. even now, belief systems around sustainability and active vs. passive are wildly contested
- Of a typical allocation of 200 WTW manager research hours to understand an asset manager well enough, a quarter is likely to be cultural work
- Polling showed that most attendees believed the best investment outcomes are likely to come from teams over "stars". Half of the group thought diversity targets are often unrealistic, that diversity needs affirmative action to meet its goals, and that there should be a bigger focus on cognitive diversity. Most agreed that diversity needs a stronger pipeline of diverse entrants and diversity can't happen without equity and inclusion

### Final tips

- Team scaffolding – The achievements from meetings increase with pre-meeting tasks and asks – just one of six tips, see next page
- Individual commitment to a group effort makes a company, society, civilisation work
- Systems leadership – leadership needs to see their enterprise as a system and be wired into all factors driving that system, so motivations, behaviours and ripple effects are essential features

### Next steps

- Research is ongoing, with work feeding into the membership
- This will be discussed further in TAI's October culture symposium and November culture summit

### 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 50 members with combined responsibility for over US\$12 trillion and is an outgrowth of Willis Towers Watson Investments' Thinking Ahead Group.

## Innovation Conversation: Polling

	How do you agree with the following with regards to the functioning of your leadership team?	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	The team has diverse knowledge, abilities, perspectives, and information processing; and there is strong underlying talent in the team	25%	38%	25%	13%	0%
2	The team has an inclusive culture of shared purpose and equality of voice and applies mutual trust and safe psychological space in team interactions	13%	50%	25%	13%	0%
3	The team makes accurate judgements and decisions supported by disciplined frameworks, accountability, problem versatility and collective leadership	13%	38%	25%	25%	0%

	How do you agree with the following statement?	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
4	The best investment outcomes are likely to come from strong teams not 'stars'	63%	38%	0%	0%	0%

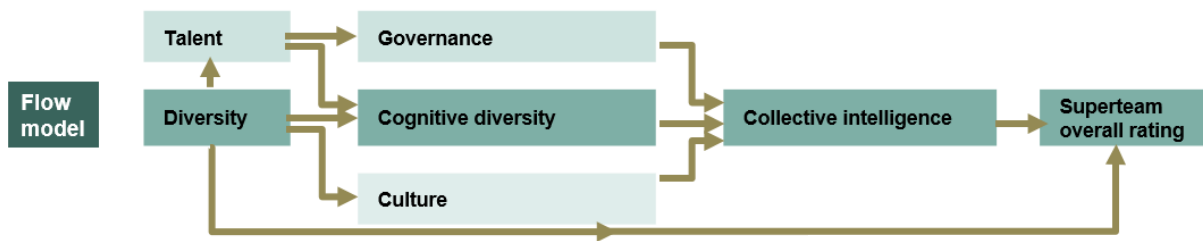
Which of these industry views do you agree with?	
5	50% - The targets being set for diversity are often unrealistic
	88% - Diversity needs a stronger pipeline of diverse industry entrants
	63% - Diversity can't happen without inclusion and equity
	50% - Diversity needs affirmative action to meet its goals
	50% - There should be a bigger focus on cognitive diversity
	75% - There doesn't need to be a business case for diversity

## Innovation Conversation: The superteams idea

1	TAI has taken the <i>superteams</i> ideas from the <i>sports</i> field to investment organisations, where a lot of the principles are similar. Fundamentally, investment is a human-talent endeavour just like sport.
2	In the shift of knowledge and power from the individual to the collective, the investment industry has increasingly preferred teams over stars and has developed a dependency on these teams' <i>collective intelligence</i> .
3	However, investment organisations have not focused enough on the important dynamics of teamwork and <i>team thought</i> , or <i>cognitive diversity</i> in collective intelligence.
4	The critical starting place should be with diversity in its sophisticated form of diversity, equity and inclusion ( <i>DEI</i> ) and provide a promising contribution towards the cognitive diversity needed and form a cultural bedrock that embeds belonging and a strong group identity.
5	The cognitively diverse team can turn from a promising to high potential state with a <i>culture</i> consistently applying <i>inclusion</i> and exercising <i>trust</i> .
6	By adding the craft of <i>governance</i> , you can turn this sum-of-parts potential into an exceptional <i>superteam</i> through <i>scaffolding</i> (foundations and frameworks) and enforcing <i>rigour</i> in the team's time together.

## Superteam dashboard – illustrative example

Superteam attributes		Composites		Notes
1. Cognitive diversity	AAA	Collective intelligence	AA	<ul style="list-style-type: none"> <li>▪ Ratings from AAA to C</li> <li>▪ Superteam attributes – survey assessment</li> <li>▪ Collective intelligence – derived from superteam attributes</li> <li>▪ Diversity – composite scores on gender, ethnicity, generation, education, geographic, lived experience scores</li> <li>▪ Superteam overall rating combines Collective Intelligence and Diversity</li> <li>▪ Focal length captures time horizons</li> </ul>
2. Culture - inclusion	AA	Diversity	BBB	
3. Culture - trust	AA	Superteam overall rating	A	
4. Governance - framework	A	Focal length	Balanced	
5. Governance - rigour	A			



## Six top tips for building...

# SUPERTEAMS



**Be a team of coaches:** Help a colleague 1-2-1 to develop their knowledge, skill and perspective and look for a reciprocal opportunity



**Have two chairpersons:** A content chair to facilitate the discussion and a team chair to encourage inclusion



**Reflect on the team at its best:** Identify past accomplishments, and reflect on all contributions



**Work on a pre-meeting 'ask':** Propel meetings into a more productive state by using pre-polling and pre-reading to prompt critical thinking



**Build team scaffolding:** Record team's beliefs, principles and culture to help produce more streamlined and focused work



**Work to a meeting run-sheet:** Run an effective agenda and outline specifications of a meeting to provide team with a clear 'ask'