

Asset owner conversations



Date: 20 October 2021

Topic: Superteams

Participants:

Allison Hill - QIC
Adrian Trollor - TCorp
Liz Kumaru - QSuper
Brenna Pavey - QSuper
Sonya Sawtell-Rickson - HESTA

Morten Nilsson - BTPS
Nacho Javier Hernandez Valiñani - PC30
Roger Urwin - TAI
Paul Deane-Williams - TAI
Marisa Hall - TAI

Agenda

- Roger Urwin: Superteams summary
- Polling on Superteams and culture
- Round table discussion on Superteams

Summary of 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 and a team's performance
- In sports, feedback on performance is more immediate. The investment industry has more confusion in its feedback which can involve more noise than 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 (what we refer to as team scaffolding) have real benefits
- Roger gave case studies of where culture shows in results e.g. the All Blacks rugby team (for more see the [upcoming TAI Culture summit](#), involving James Kerr author of *Legacy*)
- Roger talked through the TAI dashboard on cognitive diversity, culture and governance which lead to collective intelligence.

Round table discussion

- Experience from outside our industry is an important contributor to cognitive diversity. However, there are limits in place from regulators requiring key qualifications and experience within the industry. Our industry needs to do more to embrace other backgrounds and lived experience
- Trust is critical to Superteams and can be measured through survey frameworks. Trust is powerful in the world of risk and long-term time horizons and is vital to the maintenance of the financial system
- Boards and executive teams need to become more culturally aligned, with boards conventionally being more conservative
- For some organisations, Covid has been a missed opportunity to connect with individuals
- Debate among a diverse group has been a powerful engagement tool as well as being empowering
- The Superteams concept translates diversity of thought into performance
- Return to the office and hybrid working means team dynamics have changed and team organisation should follow. Teams usually range from 5-20 people and thereafter with larger groups it's about the interaction and collaboration with other teams
- Superteams have an important role in the transformation of investment organisations that are working towards 3D investing and aiming to deliver against a net-zero pledge. The harder the challenge, the more important the Superteams concept becomes
- Dashboards can be a critical measurement and communication device – most applicable to senior teams - as they reflect the views of the group so can be bought into by everyone, can measure progress and show room to grow. They also reflect the safe space created by confidential surveys which in turn reflect a measure of trust willingness and worthiness. Subtle but powerful
- Trust is the key element within the top team, who by getting together regularly and agreeing who they want to be, will be more effective in living out the values in the workplace. Part of this is about vulnerability, where team members learn to be comfortable being open which can lead to greater candour, belonging and being given the benefit of the doubt
- Taking time at meetings, especially virtual, to check in on a personal level, is very helpful in building connections and trust
- Accepted practice in a top team is that it is more important to value others' opinions than 'being right'. It's about the team winning, rather than individuals winning.

Final tips

- Produce reciprocal opportunities by being a team of coaches. Leaders produce leaders and everyone is a leader in a team
- Reflect on the team at its best and acknowledge contributions with each player playing a key role
- *Boltholes*. In an increasingly complex world, there are all sorts of places people can hide to disguise their frailties and avoid their accountabilities. Freeriding, gaming and greenwashing are all examples of disingenuous behaviours that while not acceptable are understandable
- Measuring progress is best done in an agile and reflexive way, alongside a lot of narrative to make points explicitly. Own the language you use to express concepts and have a fact base
- 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 of the system to be understood and accommodated.

Next steps

- Members are being consulted about a potential *Power of Teams study* which would resemble the Power of Culture study and be launched in the new year
- Superteams will be discussed further in TAI's October culture symposium and November culture summit.

Appendix

Polling results

1. With regards to the functioning of your leadership team: The team has diverse knowledge, abilities, perspectives, and information processing; and there is strong underlying talent in the team (6 votes).

- Strongly agree 17%
- **Agree 67%**
- Neutral 17%
- Disagree 0%
- Strongly disagree 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 (7 votes).

- Strongly agree 14%
- **Agree 71%**
- Neutral 0%
- Disagree 14%
- Strongly disagree 0%

3. The team makes accurate judgements and decisions supported by disciplined frameworks, accountability, problem versatility and collective leadership (7 votes).

- Strongly agree 14%
- **Agree 71%**
- Neutral 14%
- Disagree 0%
- Strongly disagree 0%

4. The best investment outcomes are likely to come from strong teams not 'stars' (4 votes).

- Strongly Agree 40%
- **Agree 60%**
- Neutral 0%
- Disagree 0%
- Strongly disagree 0%

5. Which of the following statements do you agree with as general industry-specific comments? Choose up to 6 (5 votes).

- The targets being set for diversity are often unrealistic 20%
- **Diversity needs a stronger pipeline of diverse industry entrants 100%**
- **Diversity can't happen without inclusion and equity 100%**
- Diversity needs affirmative action to meet its goals 60%
- There should be a bigger focus on cognitive diversity 60%
- There doesn't need to be a business case for diversity, it's a principle 60%

The superteams idea

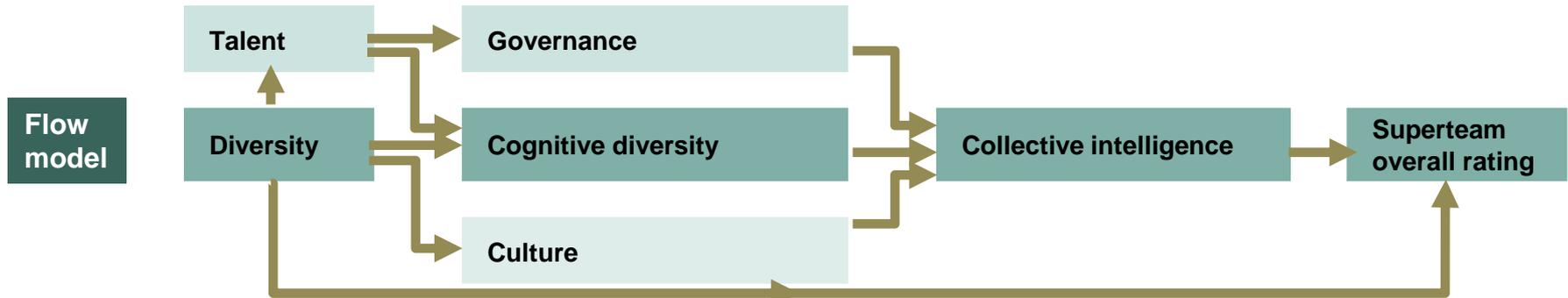
- 1 TAI has taken the *superteams* ideas from the sports field to investment organisations, where a lot of the principles are similar. Fundamentally, investment is a human-talent endeavour just like sport.
- 2 In the shift of knowledge and power from the individual to the collective, the investment industry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

Superteam dashboard – illustrative example

Superteam attributes	
1. Cognitive diversity	AAA
2. Culture - inclusion	AA
3. Culture - trust	AA
4. Governance - framework	A
5. Governance - rigour	A

Composites	
Collective intelligence	AA
Diversity	BBB
Superteam overall rating	A
Focal length	Balanced

Notes
<ul style="list-style-type: none"> ▪ Ratings from AAA to C ▪ Superteam attributes – survey assessment ▪ Collective intelligence – derived from superteam attributes ▪ Diversity – composite scores on gender, ethnicity, generation, education, geographic, lived experience scores ▪ Superteam overall rating combines Collective Intelligence and Diversity ▪ Focal length captures time horizons



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



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



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



To increase engagement in meetings...

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



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



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

Ten tough questions to pose...

SUPERTEAMS



In your discovery and planning discussions:-

- 1. What do you think I should know about this work that I MIGHT NOT KNOW?**
Crucial perspectives are often not surfaced
- 2. Is the DATA MISLEADING us?**
Much data is interpreted and narrated in simplified but unrealistic terms
- 3. What WIDER impact are we having, or could we have?**
There are always second order ripples
- 4. What does FAILURE look like, why would it happen?**
Visualising the pre-mortem scenario is a tough but necessary discipline
- 5. What KPI'S could we add to the ones we have that are more agile and reflexive?**
Most KPI's over-measure and under-deliver



In your execution and progress discussions:-

- 6. If we had TWICE THE BUDGET or HALF THE TIME to do this work, what might we do that we're not doing now?**
This pushes the thinking into a second loop
- 7. Who has DIFFERENT PERSPECTIVES on this that could give us additional ideas on how to handle this?**
Diverse input always improves understanding
- 8. What do we not yet know or understand about this situation that a QUICK EXPERIMENT could help with?**
Testing and learning are powerful
- 9. Where are the BOLTHOLES and who and what are hiding there?**
Revealing the uncomfortable truths is vital
- 10. How should we measure PROGRESS and milestones to alert us to where we are heading?**
The agile KPI's can help broaden the perspective

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.