



Diversity in all guises is something that the pensions industry is striving for. Whether this is ethnic, gender, disability, sexuality or cognitive diversity, or all the above, it is something that improves the representation of members and promotes an effective working culture.

Research from Aon and Leeds University, published in 2017, highlights the lack of diversity on pension trustee boards. It finds that 81 per cent of trustees are male, 78 per cent have a university education and around 70 per cent are over 50. Just 2.5 per cent are under 30 years old.

Meanwhile, industry statistics on ethnicity, sexuality and disability seem difficult to come by.

There has been progress in this area, but people's opinions of how much has been achieved, and how quickly, varies.

A Thinking Ahead Institute (TAI) survey finds that the most popular opinion was that the current pace of action on diversity was 'far too slow', with 41 per cent responding with this answer. A further 34 per cent feel that it is 'a little bit too slow', while 19 per cent believe it is 'about right'.

However, 3 per cent of respondents say the pace of action was 'a bit fast' and a further 3 per cent think that it is moving 'far too fast'.

"A sizeable majority of respondents felt that progress on diversity continued to be too slow," comments TAI co-head, Marisa Hall. "It is also worth pointing to the roughly 5 per cent of respondents

Summary

- Whilst progress has been made on improving diversity within the pensions industry, it remains a sector dominated by certain demographics.
- Some have been critical of the policies designed to increase diversity, with it being argued that surface level 'tick-box' exercises do not address the underlying issues.
- However, awareness of the benefits of diversity and inclusion has increased, and the Covid-19 crisis may present an opportunity to improve things further.

A work in progress

► **Improving diversity of all kinds to make the pensions industry more representative of society is a goal it is striving to achieve, but how much progress has been made and has it been stifled or aided by the ongoing Covid-19 crisis? Jack Gray investigates**

that noted that the pace of action on diversity was too fast.

"Regardless of how you look at it, there is a general frustration, on both sides, that we are just not quite getting this right."

Setting a trend

Despite perceived frustration on the methods of improving diversity, the wheels have been set in motion for a more inclusive industry. Although this may not be achieved overnight, many think it is heading in the right direction.

"Good progress has been made in raising awareness of the benefits of diversity and inclusion within the pensions sector, and many organisations are doing some really good work," begins Hymans Robertson partner and people director, Gill Tait. "The issue, however, is that the pace of change is slow and can be

frustrating."

Tait suggests that it was important for the sector to discard "anchored thinking" when looking for ways to encourage applications from a more diverse pool of candidates and adopt policies that give applicants confidence that they won't have to give up flexibilities or that demonstrate a commitment to ensuring everyone can "be themselves and do their best work".

Hall notes that some of the policies implemented, however well intentioned, can be polarising if they are based solely on "surface level indicators", such as gender or race.

"They fall short as they create a false dichotomy between 'diverse people' and 'the other,'" she continues. "Stronger diversity policies look to gain a deeper understanding of individual identity and who their employees really are, and

include other attributes such as lived experience and cognitive diversity.”

Merchant Navy Officers Pension Fund chair of trustees, Rory Murphy, adds that it “goes without saying” that the pensions industry should be doing more to promote diversity.

“Whilst there has been some progress in recent years, there remains a fundamental lack of diversity within our sector. This needs to change,” he states.

Achieving diversity aims

There are many levers that can be pulled to achieve greater diversity, although there are differing opinions on which are the most effective. Another TAI survey finds that 29 per cent of industry figures believe that increased education on inclusion and biases is the best way to improve diversity. This was the most popular response, followed by targeted training programmes, which is favoured by 22 per cent of respondents, then the measurement and reporting of progress, which is favoured by 20 per cent.

The study reveals that the more prescriptive methods are less favoured, with less than 2 per cent saying that they believe setting quotas would be effective.

Redington chief operating officer, Lee Georgs, recommends tackling the issue with a focused plan to achieve the best results. She says: “The best way to start is by designing an action plan specific to what you are trying to solve. Once you have agreed on this, you can then determine which level in the organisation to focus on first.”

Murphy adds that other groups,

alongside the pensions industry, must play their part in spreading awareness. “In order to encourage a more diverse range of people to join the industry, we need to involve employers and trade unions and other activist groups in spreading the word,” he states.

Maintaining the trend

Attracting a more diverse pool of candidates is one thing, but once people are included in the industry, they must feel welcome and heard or long-term diversity will not be achieved.

“Improving diversity representation is just the beginning of finding a solution; ensuring the retention of diverse candidates is another one entirely,” says Georgs. “And there is no ‘one-size-fits-all’ solution. What works to improve the hiring of a racially-diverse workforce will not necessarily achieve diversity of gender, religion or cognitive ability.”

Hall adds that taking remedial action and planning ahead can help achieve diversity over the long term. “Consider implementing a maximum appointment term, but balance this with the need to maintain continuity of knowledge, and think about informed succession planning and develop a robust and inclusive recruitment process,” she says.

The impact of Covid-19

Despite the terrible impact that the

Covid-19 pandemic has had on people’s health, finances and working life, it could open the door for some people that may not have been able to work in the pensions sector to be included. Those with physical disabilities or care commitments may find it easier to seek employment post-pandemic.

“The current crisis and different working patterns present an opportunity to bring in talent that may be better suited to remote working,” notes Hall.

Tait continues: “We have found a new and higher level of engagement with our colleagues. We are enjoying greater flexibility over when to work, and sometimes where. We run ‘diversity dialogues’ in our firm, opportunities for groups of colleagues to hear directly from people who have a diversity story to tell.”

However, she says that the pandemic may have also made it harder to increase diversity in the workplace.

“Unfortunately, another downside to the Covid experience is the possibility that people will not move jobs so readily. We rely on natural attrition across our firm to provide opportunities to reshape teams from a diversity perspective. I fear that a stagnant recruitment market will stifle that ability.”

➤ **Written by Jack Gray**