

# THE BUSINESS CASE FOR DIVERSITY

DIVERSITY CAN ONLY BE ACHIEVED IF YOU ARE TRULY INCLUSIVE AND TO IGNORE THIS WILL GRADUALLY LEAD TO FIRMS BECOMING OUT OF SYNC WITH CURRENT AND PROSPECTIVE CLIENTS

As an investment adviser, I believe that to achieve the best investment result, without being in a constant state of tension, you need to be diversified and the client needs to be included in that discussion.

Let me define what I mean by diversity and inclusion (D&I). Diversity is about encouraging and supporting the people mix that exists in the real world and recognising that differences can be strengths. Inclusion is getting that mix to work well together. It is not about positive discrimination, lowering standards, or promoting one group at the expense of another. Workplaces and industries that foster respect for, and appreciation of, differences are places where people can be authentic and achieve their full potential, leading to better outcomes for businesses and individuals alike.

Diversity can only be achieved if you are truly inclusive and to ignore this will, in my opinion, gradually lead to firms becoming out of sync with current and prospective clients.

Many firms have taken the first step and created a D&I policy and while this is progress it's not the end of the discussion – it's just the beginning.

Some have seen D&I restricted to areas that are more commonly in the public eye, such as gender and sexual orientation discrimination. However, discrimination has a much wider reach and other areas are just as important to focus on. For example, age discrimination is increasing at both ends of working lives, and, is one area that IIL will concentrate upon.

Current focus areas are gender, race/ethnicity/nationality, religion, language,

sexual orientation, disability and age discrimination. However, while these areas have been identified, we are not limited to these, because other issues will surely emerge as the work begins to take effect. The project plan has four main elements.

First, at the D&I page of the IIL website<sup>1</sup>, independent groups that also work on D&I are encouraged to share information and experiences. The website is a focal point, already garnering interest and aiding with press contacts.

Second, we are keen to increase the profile of D&I, both in the trade and national media. Press coverage for a recent survey led to more activity and we see this increasing with added interest in our aims.

Regrettably, the media is often guilty of not considering either diversity or inclusion when reporting on key issues and/or events. When Rona Fairhead was made Chair of Governors at the BBC, one newspaper ran the headline 'Mother of three poised to lead the BBC'. When I saw this I was, for once, speechless.

When I was made PFS President, I don't recall the headline 'Father of two leads PFS'. Recent coverage of FTSE250 companies bringing women onto their boards led to press releases from which we learned more about personal lives than career and work achievements. This needs to change.

'Integrating people with different characteristics into teams brings new perspectives, ideas and challenges to accepted practice, adding value and leading to improvements in how we conduct business'



The third area is workshops, which will deliver practical assistance to the sector's smaller firms that lack the resource and help develop detailed D&I programmes. These workshops will be run with the use of role models and the analysis of other groups' achievements and provide an action list and sample policies to take away so that participants can go back and sell it to their own board. The reality is to show that without a diversity strategy they are losing out.

The fourth and final element is making the business case for D&I in the workplace. In many ways, this will be the definitive element – the part essential to convert the most cynical people in the sector.

People may have a variety of 'wrappers' – supposed defining qualities that may obscure the person within – but when hiring we are only interested in their core skills and whether they can deliver. Individuals' ethics, talent and effort are the three focal points to which we should pay attention.

For firms to gain D&I dividends, we need to see widespread talent development by the encouragement of job applications from a wider range of people. This also needs to be applied at the other end of the spectrum, by engagement with clients that want to know that they have got it right where D&I is concerned.

Several leading bodies have already begun to acknowledge this, and are putting plans in place. A recent report by the London Market Group indicates that the capital needs to rise to several challenges if it wants to hold its position as the largest global hub for commercial and special risks insurance. These include a better understanding of the business case for D&I. Lloyd's has recognised this and written it into its strategy document, Vision 2025: 'Integrating people with different characteristics into teams brings new perspectives, ideas and challenges to accepted practice, adding value and leading to improvements in how we conduct business.'

Those differences may be any one of those in our list, but they are equally important.



Prinal Nathwani, a tax litigation professional and City Hindus Network chairman, says his members are more likely to apply to a company with a sound diversity policy. 'It is important for any profession to bring together the views of the best people within that sector, regardless of their faith and background', he says. 'A good diversity and inclusion policy provides the comfort that they are truly welcome and appreciated.' He goes on to say that 'in an industry that employs people of all ages, we believe that the young can learn from more senior staff, and vice versa. For younger employees who have grown up in and around London, diversity is already part of their life.'

Following a newspaper article in which I quoted the City Hindu Network as a good example of organisations we've helped, we were approached to host a Hustings event that not only filled the hall at the CII, but also had the then Culture Secretary Sajid Javid and Shadow Cabinet member Sadiq Khan involved. This event underlined our achievements in a short time frame and how much we can do if we all do our bit.

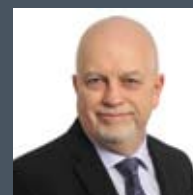
We will continue our quest to make the business case overwhelming and are considering inaugurating an award for the firm/individual who does the most for D&I, thereby raising the profile of this essential project.

So what's next? The push towards more press and PR continues, as will more workshops and liaisons – it's endless, and so it should be.

With the recent issue of a major study into the progress towards a more diverse and inclusive marketplace, the results have provided both the route map and the milestones we must reach if we are to benefit from diversity and prosper through inclusion.

Overall, we need action and progress policy statements, to be alive and not on a shelf. The business case will be clear and those who delay could damage the culture in their business and find recruitment of both talent and clients that bit harder, both now and in the future.

<sup>1</sup> <http://www.iilondon.co.uk/AboutUs/DiversityInclusion/tabid/5469/Default.aspx>



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