



# HALSEY KEETCH

ENGAGING WITH THE FUTURE OF GOVERNANCE

## In Conversation with...

### Jane Welsh

*Jane began her investment career in 1982 at London Business School where she marketed investment analysis tools. She moved to Russell in 1984 as their first full-time manager researcher before joining Watsons (now Willis Towers Watson) in 1992 to advise institutional investors on strategy, portfolio construction, manager selection and monitoring. She headed the global equity research team and built a private markets advisory business. She was on the executive committee for the firm until leaving in February 2017. Recent roles included oversight of the firm's inclusion and diversity initiatives and leadership development programme. Jane is now self-employed and is a founder member of the Diversity Project.*

*Caroline Keetch, Founder and Director of Halsey Keetch, a specialist search firm, is an Ambassador of The Diversity Project.*

**CK: Can you tell me about the origins of the Diversity Project - where did the idea come from?**

JW: Well it was at a lunch that I was having in early 2016. I was with Sarah Bates, Chair of St James's Place, and Alexandra Haggard, who was then at Stamford Associates, and is now at Blackrock. We were talking about the state of the industry, and we had a number of thoughts. One was 'where have all the women gone?' We had a sense that when we started out in our careers the investment industry was a lot smaller but there were more women in client facing roles - fund managers and in consulting - working with clients, than there

appear to be now. It felt that the proportion certainly hadn't improved anyway. So we wondered about that. We also speculated whether we would even get a job in the industry ourselves these days because we had a sense that as the industry has become much bigger, it's become more professional in the way it goes about recruiting, particularly at graduate level. As a result, we had a sense that the industry is now, perhaps unintentionally, screening out people who haven't studied maths, finance or economics at university and who maybe don't have the kind of connections that get them work experience and then on to internships. We also thought that perhaps that some of the tests that we now include in our graduate recruitment processes, online maths tests and so on, might be putting people off applying. So that was a second observation. The third was we knew that individually companies within the investment and savings industry were doing some really good work around trying to attract and retain diverse talent but we just wondered whether the industry couldn't work together, collaboratively, to try and address some of these issues.

As a result of that lunch we then reached out to Helena Morrissey, who had been spearheading the 30% Club, and we said to Helena, it's great the work that you've been doing with the 30% Club, but perhaps our own industry should get its own act together as well and she completely agreed. And that's really where it started.

**CK: It's interesting that those were your senses, and your feeling around the table at a time where actually, one would have thought, there had already been quite a lot of work done by the financial services industry to address some of those issues. So perhaps there has been more talk than action. There is certainly a focus on retaining the best people and a clearer understanding of the importance of diversity in the workplace, for a range of reasons, and I sense a real desire to address these issues. Perhaps some hiring**

**practices are putting people off even considering a career in the industry. So what happened after that, what were the next practical steps?**

JW: Well having Helena on board, was quite a game changer. Helena is well connected, as you know, and having set up the 30% Club she knew how to get this sort of initiative going. So then we started talking to everybody we knew. We talked to organisations in the asset management industry, to the investment consultants, I went and chatted to the PLSA, who represent the asset owners, and everybody we spoke to was really positive about the initiative and wanted to get involved. So, yes, I think there's a genuine appetite to try to address these issues.



Jane Welsh

**CK: As part of those early conversations in the market did you find that anyone challenged your initial thoughts and assumptions, from around the lunch table?**

JW: I don't think we've had any of that. There's been a genuine sense that, yes, you got it right. And people have obviously added in other observations as well, over time. But I don't think that anybody is saying 'that's not my experience,' or 'we've cracked it, we don't

need to do anything more on that topic.' It seems to have been a genuine area in need of attention.

**CK: Let's talk about the word 'diversity.' It's clear that the Diversity Project is about a lot more than gender. Can you reflect on how you set about defining what diversity meant to the project?**

JW: I think our genuine view is that you get the benefits of diversity because it brings cognitive diversity. If we're thinking about building portfolios, or advising clients, you want that breadth of perspective. What we are really trying to get at is cognitive diversity. It's not just about gender it's about people from different ethnicities, it's about people who studied different subjects at university, people who've had different life experiences because of where they've come from or what they've done in their lives. All of those different personalities and experiences will enrich the decision-making process - both in running the business, but also in managing portfolios, and advising clients or whatever the teams are involved in. Our definition of diversity is very broad as we think it is about making sure that we get the best talent but also making sure we get different perspectives to bear on things. If you have a very narrow pipeline, the chances are you're not going to be open to the best talent that's out there.

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**“This industry needs creative thinkers, it needs smart people. And there's also a sense of fairness about this, it doesn't feel right that the industry is not representative of society and the clients that it's serving, so there's that aspect to it too.”**

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**CK: It's important to recognise that the diversity issue is both a moral and a business issue. When the discussion is considered only from the moral perspective it can feel intangible, difficult to define, measure and to then improve.**

JW: I agree, it's about making the business case but not losing sight of the moral case as well. But I agree it's the business case that's really driving change.



**Caroline Keetch**

**CK: Yes, in terms of driving change, if you don't know where you are starting from you can't chart the progress. In terms of measuring progress, what's the plan been and where are you now, because it's early days?**

JW: It's very early days and one of the first issues is that we don't know what our base line is. All organisations will have statistics around gender but relatively few organisations collect information around other dimensions of diversity. One of the things that we have done is to commission a survey, focusing on the asset managers to start with, to look at their population. About 25 organisations have sent out a questionnaire to their employees, and we are hoping that we get a decent response rate so that we are able to make some base line assessment about just how diverse our

current work force is. I think that will help us identify where our priorities should be.

**CK: That's exciting and will really shine a light on how much work needs to be done. Within an organisation who, typically, is your usual initial point of contact and access?**

JW: We like to go in, in a number of ways. It's great to have the Chief Executive on board. After all, if you've got to have change, it needs to come from the top, and they need to really buy into this. We are very lucky in that we have an advisory council that is made up of the CEOs of a number of the larger organisations that are involved in the Diversity Project and they are fully behind this, so that's important. We also need people from the HR area too, so we have a network of HR professionals from across the organisations. They can tell us about what they are doing within their organisations and that's a way of collecting best practice. But we also want people who are passionate about it from within the business side of the organisations as well. We've got fund managers, we've got consultants, we've got people who are driving it from that perspective as well.

**CK: So it's important that involvement is broad and holistic.**

JW: Yes. It can't just be an HR driven thing, it's got to be driven from the top but also from within the business by people who are passionate about change.

**CK: With regard to the Diversity Project itself and the team, could you describe how you are organised and how the project has taken shape?**

JW: The first step was to put in place what we call a steering committee which is representatives from the member firms who meet once a month. That is then broken down into a series of work streams focused on particular topics, smaller groups, including from people outside the steering committee who are working on a particular set of

initiatives. We have a group that's looking at returnships, and another group that's looking at what happens mid-career, and one looking at ethnicity. I describe them as the 'doers,' they go and get stuff done. Then we put in place the Advisory Council, we knew that we needed their buy in, they are the ones who can help financially, they are the ones that can drive change, whether it's behavioural or process. Then, as you know, we have another group called the Ambassadors, these are individuals who are well-connected and keen to get involved. They are typically people who are senior professionals within organisations. They help the various work streams and they are involved with some of our outreach programmes. If we ever set up some sort of mentoring programme, I think they would be involved in that. So, there's a variety of ways that we have structured for people to get involved.

**CK: Going back to some of the work streams, could we talk a little bit about one of those, the returnships? This is something I've thought about a lot as there are points in life at which it can be very difficult for people to manage their career. What is this workstream hoping to achieve?**

JW: You're absolutely right...

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**“...one of the challenges facing the industry is generating that pipeline of future talent. People disappear mid-career and then there's no way for them to get back in, so then you're never going to address the pipeline issue.”**

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A number of member firms have set up returnship programmes, like an apprenticeship really, where people get the opportunity to come back into the workforce after a career break to see if it's for them. The organisation gets to see if that person has the skills to be a major contributor. Part of what the returnship workstream is doing is looking at best practice, sharing and swapping notes as to what works and what doesn't. We're also talking about having some sort of database, so if people are interested in coming back into the industry, they might apply to one firm, but that firm may not have the capacity to take all that fantastic talent but the industry, as a whole, may be crying out for that resource, those skills. So, can we share? That's another thing that we are looking at. This workstream is working on running a day seminar, on the 19<sup>th</sup> September, for people who want to come back into the industry, to give them some guidance on how to go about it, so a C.V. workshop or an interviewing workshop to try to help those individuals with how to prepare to come back into the industry.

**CK: Confidence is a huge issue, I would imagine. I think that it is easy to underestimate just how difficult it can be for an individual to return to the industry after years out. With regards to returning to the industry, is this mainly affecting women who have left their career to have children and are considering a return?**

JW: Probably the majority, but people take career breaks for lots of other reasons; caring for parents, travelling, it could be wanting to try something else and then realising that maybe it's not for them, so it certainly isn't gender specific but I suspect that a lot of the people who want to come back into the industry, who have had a career break, are likely to be women.

**CK: Well then that could be a real powerful force couldn't it, if the industry gets that right. I think one of the issues is attracting people in and making an allowance for the fact that**

**confidence could be low but also not underestimating the potential of that talent once they are on board again.**

JW: Yes, it can be easy to undervalue the skills that people develop while they're on a career break.

**CK: Indeed - back to the importance of diversity of thought and experiences.**

JW: Yes, exactly. If somebody is taking a year out there's almost the assumption that they come back in at the level they left, as though they've not developed any skills in that period and of course they will have done.

**CK: Let's talk about vision. Is this something the Diversity Project developed immediately, or is this unfolding as the project grows?**

JW: The vision is to create an industry that diverse talent is attracted to and then wants to stay and contribute. On our website, we state that 'we believe that recognizable and measurable progress can be achieved over the Project's five year timeframe. We aim to achieve diversity across all dimensions, including gender, ethnicity, socio-economic background, LGBTI+, age and disability.'

**CK: Does your work overlap in any way with that of Investment 2020?**

JW: Investment 2020 is a member of the Diversity Project (Karis is on the steering committee). We don't want to be duplicating what other great work is out there but Investment 2020 will be a really good example, where we complement each other. They're doing some fantastic work, outreach programmes into schools, into universities, trying to educate about the industry and trying to attract more diverse talent to enter the industry. So what the Diversity Project is doing is complementing that.

**CK: Can you give me an example of the outreach work you have been doing?**

JW: Yes, we did analysis of which universities different organisations within the industry

targeted with their graduate recruitment programmes. It was a really narrow list, with lots of overlap and there were top universities that nobody was targeting at all. Maybe they are in a city that nobody can be bothered to go to, or they haven't got anybody from that university so they haven't prioritised it. That's one thing that we are looking at - can we extend the reach, the number of universities that the industry goes and sees? Then can we reach into these universities and get to individuals who wouldn't consider a career in financial services because they had some of those preconceptions, it's for the elite, it's for people who know somebody in the industry, that it's for people who studied maths or finance or economics, it's just not for me. We want to get to those individuals, we want that richness, we want the different view-points. So that's been a very interesting exercise.

We ran a pilot at Goldsmiths, which is a liberal arts university, not a university that would typically be targeted by financial services, certainly not the investment side of the industry anyway, yet there are people there that are very, very smart that have a lot to bring to our organisations...

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**“...We ran some focus groups to see what they thought of the industry, and it wasn't very flattering. It was comments such as 'not for me, they're self-serving, they're only in it for the money,' and we need to be able to address that. We've found a way of explaining what the industry does and engaging with students which seems to have a**

## positive effect on how they view the industry.”

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We just need to get that message out more broadly.

### **CK: Do you have any sense of how long it's going to take to effect real change?**

JW: I think it's going to take some time because it is very difficult to shift this super tanker of an industry, but we think we'll have made real progress in 5 years from now. Even if it's just the sharing of best practice and learning from each other, I think that will make organisations much more robust in their inclusion and diversity efforts. But if we can do something about the industry's image and address some of these more fundamental points, I think we could really shift quite significantly.

### **CK: How is the Diversity Project funded?**

JW: Organisations that join make an initial contribution of £5,000 or £10,000, which helps us keep the website up and running, the social media, organising events, the sort of support that we need. We don't have any employed staff, it's all voluntary. So, people have made those contributions, some organisations have said that rather than paying into the Diversity Project, we will finance this survey or we will finance a university event, there's different ways to contribute. Smaller organisations I wouldn't expect to make that kind of contribution, they might give support by running workshops, so there's different ways that people can support it. It will all end up helping the Diversity Project.

There are costs, but they are minimal really, this is a voluntary effort and we are relying on the good will of all the organisations involved. The work that people are collectively putting into this project is significant.

### **CK: And that's what you're tapping into ultimately, it's a heart and soul project.**

JW: Exactly, and they can go back and apply what they've learned from other organisations within their own firms, so they are getting the benefit of this collaborative activity.

### **CK: And it's good to be positive, and to think about our industry in a positive way.**

JW: Yes, I agree - what we don't want to do is make this a whinge fest, we don't want to focus all on the negatives. There are some really positive things going on that different organisations are doing, we should celebrate that as well. We will be having an event in September where we are going to try and bring all the industry together to share that best practice, what is working, where are we at.

### **CK: From a practical standpoint, if an organisation or an individual within an organisation is interested in getting involved with the Diversity Project, would you suggest they simply get in touch, is that your message?**

JW: We have a website so, yes, we would be delighted to hear from people. It would either be me or somebody else in the group that will get back in touch and have a chat with you about what's involved, the more the merrier, we want this to be representative of the whole industry.

### **CK: Thank you, Jane.**

*Jane spoke to Caroline in June 2017, in London.*

*If you would like to know more, or get involved with The Diversity Project, please visit [www.diversityproject.com](http://www.diversityproject.com)*