



HOW REDINGTON SUCCESSFULLY EMBEDDED DIVERSITY AND INCLUSION

Mitesh Sheth, Redington's Chief Executive Officer and Lee Georgs, Chief Operating Officer - Corporate and Chair of the Diversity and Inclusion Committee.

Interviewed by Jayne Styles - Co-lead DP Ambassador Workstream



Jayne Styles



Mitesh Sheth



Lee Georgs

Key points:

- CEO sponsorship needed
- Strength of middle management is key to successful delivery
- Encourage challenge
- De-emphasize the importance of uninterrupted work experience in candidate selection criteria
- Consider returners for broader vacancies
- Recognise that it often takes longer to recruit senior women than men

Mitesh and Lee share their experiences, learning and thoughts on improving diversity and inclusion (D&I) and are keen to ensure an industry-wide dialogue with others in the asset management industry to share what has/has not worked; 'so that we don't all keep reinventing the wheel'. It takes time to deliver results, but people are key in all businesses, especially asset management, so it is important to take this time, which Redington are doing via concentrated efforts across a few diversity characteristics. Knowing that D&I makes good business sense, as well as being the right thing to do, and at the same time recognising that there were too few women in exec/leadership roles in Redington's team of 75 then (150 now); three years ago, Chief Executive Officer, Mitesh Sheth, made a conscious decision that things needed to change. The result was the start of Redington's top down D&I initiative.

One of the first actions was to identify the blockers to building a diverse workforce. One such blocker was that recruitment firms did not provide properly diverse lists of candidates. So Redington brought in an internal recruiter to source talent more broadly... and creatively. This included using: non-traditional universities, Investment 2020, apprenticeships and returnship programmes. The interviewing process was also changed to explore non-work related experiences, especially with returners. In their returnship's second year, they expanded the definition to include military and retiree returners. They believe that it is important to have real jobs to offer at the end of fixed-term contracts and to pay the right level at the start as it is more difficult to define a role and to catch up once the returner is on board.

Recognising that it is important to treat time out of the industry as a positive, rather than something to be suspicious of, they try to go to returners for a broad range of vacancies. Redington is now 'direct hiring' rather than using returnship programmes; as they wanted the certainty provided by having a real role and the customary three month probation period is long enough to ensure that the role is right for the returner.



Mitesh notes that we have found that 'women tend to be better prepared, more loyal and more risk averse', which leads to it often taking longer to recruit senior women than men. If a position needs to be filled in three months, there will be fewer women on the short-list as they may feel guilty and disloyal to their wide network of existing relationships; so they do not want to be considered for the role. It can take over twelve months for a senior woman to join the company, during which time they will want to meet a wide range of the Redington team. Redington also introduces them to their networks. This all means that resource planning has to be sufficiently long term. Helped by Redington being in a growth phase, and although they did not always get it right first time, three years on, over a third of the directors and managing directors are women.

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Although the infrastructure takes some setting up, they think that the cohort relationship model works well to provide support. Sponsorship and support also comes from different D&I champion groups, each of which hold events twice a year. These groups have now been opened up to clients and competitors, so have become more formal; these meetings are chaired by junior/middle managers.

A crucial element in the success of Redington's D&I initiatives has been the part played by managers. A number of factors have helped here, such as altering career trajectories, so that being a manager is not the only road to success. This has led to there being more junior managers. Management workshops take place every three months, which all team leaders attend. These leaders hold each other to the same standard, providing a good feedback loop, which helps surface any issues. The managers also act as seasoned sounding boards to each other; sharing experiences and helping each other be better managers. This all gives the clear message that it is OK to challenge safely as part of striving for success; such challenge will be rewarded.

They have introduced continuous performance measurement, using an online tool, to support the pay/promotion process, which happens three times a year; providing checks and balances. Its continuous nature helps to limit recency bias. Assessment criteria have also been changed, so as not to favour extraverts; 'he who shouts loudest', and to reward good behaviours.

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The new pay/promotion process also aims to mitigate biases by being more transparent about what it takes to be promoted and on market pay benchmarks. Although there was some concern about the impact of this change, it has been very successful in stimulating honest conversations about areas of improvement required to achieve a pay increase. The very thorough process includes each manager being challenged about their pay and promotion data by the Remuneration Committee; the managers also challenge the RemCo on the overall date.

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More recently, whilst looking to recruit two NEDs to join their board of four men, they were keen to interview both men and women, so used their internal recruiter. Having established the key criteria they were looking for in the candidates, they relaxed the board experience requirement, as this tilted the scales against women; identifying candidates that would challenge and question was more important than actual board experience.

Senior management also makes sure that successes are celebrated, such as the use of shared parental leave and the narrowing of the gender pay gap.

What started as top down has become bottom up. Redington is at the stage where D&I is well embedded and the committee of 14 people from all levels, areas and diversity are now owning it. And there have been wider benefits, such as speaking up, empathy and engagement.

Although they have been very successful in many respects of D&I, Mitesh and Lee recognise that they have not yet 'nailed it' with graduate recruitment, introversion or mental health. They are keen to collaborate with the rest of the asset management industry on these and the wider D&I issues!

