



DIVERSITY PROJECT

BUILDING INCLUSION IN INVESTMENTS & SAVINGS

DIVERSITY PROJECT

COGNITIVE DIVERSITY AND THE PERFORMANCE OF TEAMS

1 August 2024

www.diversityproject.com

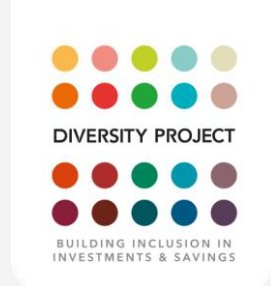


Agenda



1. Diversity Project: mission, how we work, membership
2. The project to date – background, early discussions, team approach
3. Is there a link between cognitive diversity, team environment and the performance of investment teams?
4. Proposed research approach – ideas open to challenge. NOT working back from the answer we hope to see
5. DP comms campaign and potential practical implications for firms to adopt
6. Logistics
7. Q&A

The Diversity Project



Our Mission is to create and develop a new generation of talent in the investment and savings industry:

- We aim to address diversity in its broadest sense
- We share best practices, and where there are gaps, establish new programmes to create a more diverse and inclusive industry at all levels from intake to senior leadership
- We recognise that the future success of the industry – for clients, firms, employees and all stakeholders – depends on having the best talent

The project works collaboratively with existing initiatives and has a number of partnerships and affiliations.



116
Member Firms



>£13 trillion*
AUM represented



>86,000*
Employees represented

Background to this project



- The backlash against DEI and revisiting the business case for diversity – specifically diversity of thought
- We formed a team, who iterated this question, and our thinking evolved significantly as we tried to go ‘deeper’ into the issues

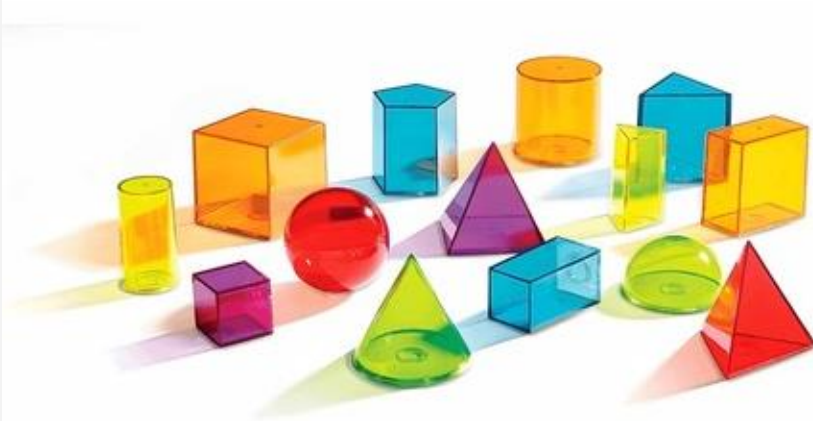


Our definition of Cognitive Diversity



We are using the term ‘**cognitive diversity**’ to refer to the variety of perspectives, ideas, experiences, beliefs and ways of interpreting information or approaching an issue that different people have.

We are not specifically referring here to neurodiversity, but to the differences in the ways we all think and behave.



Evolution of our thinking...



Cartoon: Stuart Roper

1. We started with wanting to explore any link between demographic and cognitive diversity
2. We reviewed existing primary research and believe there is good, robust work on cognitive diversity and the negative effects of groupthink, however, we didn't find anything that expressly maps this onto investment teams/results, which we'd like to explore
3. We do not think this can be done without also considering the conditions in which the team operates, i.e., exploring how **culture** and **inclusivity** can affect investment team decisions
4. We have benefitted from the input of a leading academic in this area, but accept the proposal may still benefit from further refinements/suggestions

Is there a link between cognitive diversity, the way a team operates and its results?



we
don't
know.

We accept we do not know

This is what we want the research to test

- We want the research to specifically apply to investment teams.
- We are genuinely open to what the research reveals and prefer academic robustness and rigour rather than seeking any pre-defined results.
- We will use our channels to promote the work.
- If the results are positive, we will look to help firms adopt findings in order to create the best teams and set the necessary conditions for them to excel as well as any broader corporate performance lessons that may or may not be able to be drawn from the study.

Proposed research approach



- There may be better approaches and we are keen to hear those
- Our starting point is to suggest that researchers take the existing rigorous studies on cognitive diversity and combine those with evidence from investment firms
 - We can provide access to our community
- If you believe new primary research is needed to present a robust, replicable data set please indicate this in your proposal

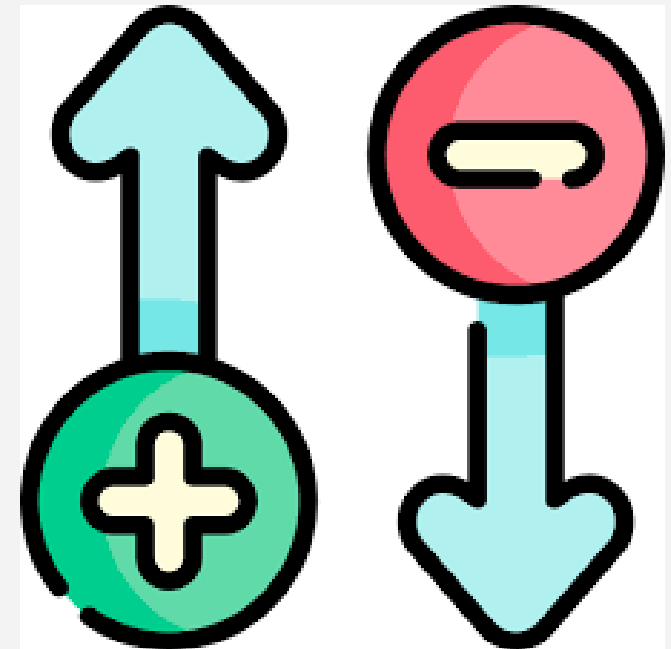


Practical implications



We hope the study will help resolve ‘culture wars’

- If the results are **positive**, i.e. there is a ‘formula’ for creating high-performing teams based on cognitive diversity of team members and the work environment/conditions, the Diversity Project will help its members in implementation
- If the results are **negative**, we will also promote them. We will be clear that the business case is weak/non-existent based on the findings and methodology used, and will seek to highlight learnings for future research. We will recognise that more work may be needed and also shift focus on the moral argument



Logistical considerations



- As set out in the [brief](#), we ask for submissions from academics and research teams by 22nd September (11.59pm UK time)
 - **We are not looking for DP member firms to submit anything at this point**
- We are open to questions at any point. We will share answers to broadly applicable questions
- We have a budget! Any proposal must be fully costed
- No 'blind' submissions will be accepted
- ✓ Please email submissions to info@diversityproject.com







Many thanks to all involved

www.diversityproject.com

Join the Movement #Reset4Inclusion

