The Diversity Paradox

Helena Morrissey, Chair, Diversity Project and Founder, 30% Club
On one level it’s simple.....

"Describe what you can bring to this company"
The Recruitment Challenge

- Two candidates for a role set the same aptitude test
  - Candidate A scores 8 out of 10
  - Candidate B scores 4 out of 10
  - Do you have the information you need to decide?
Diversity improves performance…

Impact on stock market performance

Positive relationship with equity returns

Higher returns for lower risk
Three diagnoses

• To make sense of this, either
  – i. We don’t really believe that diversity adds value (skeptical)
  – ii. We believe the theory but don’t apply in practice (irrational)
  – iii. We are thinking about our solution the wrong way (still learning)

  – The hope lies in (iii)
The 30% Club experience in a slide…

FTSE 100
- 33 companies reached 30%
- 31.4% women NEDs – focus now on exec roles at 9.7%
- 0 all-male boards

FTSE 250
- 52 companies reached 30%
- 25.7% women NEDs – focus now on exec roles at 5.6%
- 13 all-male boards, down from 131 in 2010

(*BoardEx Oct 2016 **Female FTSE100 Board Report 2016)
How?.....

• Re-calibration of the problem
• Peer pressure
• Media attention
• Joined-up, concerted, relentless efforts
• Targets with deadlines (created a sense of urgency)

- He for She!
The asset management industry problem.....

15,229 active managers in Citywire’s global database

1,562 WOMEN
13,488 MEN

- Consistent with other global or national studies
- Scarce data for other under-represented groups
- Problem worsening? Standardised recruitment processes, image issues

Urgent need to future-proof industry talent
To help us find a solution....
"We can’t solve problems with the same kind of thinking we used when we created them."

Albert Einstein