RETAINING THE 'NEXTGEN'

A critical juncture for Equity, Diversity and Inclusion in the pensions industry

FOREWORD

David Fairs - The Pensions Regulator

The world of pensions continues to be a hectic place. One that attracted more than its fair share of headlines in the Autumn of 2022.

With so many changing and shifting priorities, it might be tempting to think that actions around Equality, Diversity and Inclusion (EDI) should take a back seat for a while. We could be led to feel that though the issues are important, they are not urgent. This would be a mistake.

When I began my role at the Pensions Regulator, EDI appeared less frequently as a topic at conferences and seminars. Now it's a regular feature, and there are more articles debating its merits and more guidance - like this report - which seek to clarify the topic for pension schemes and others in the sector.

Rightly so.

In trustee appointments, there is often a question to professional trustee companies about the diversity of their teams. And at industry conferences there is a small shift away from the predominantly older, white male attendees who traditionally comprise trustee boards and other bodies of senior decision-makers in pensions.

Not that there is anything wrong per se with older, white men - I do look in the mirror from time to time.

But these pressured and busy times demand more representative and diverse decision makers. In times of anxiety, it is all easy to find comfort in the familiar and traditional. We need too be doing the opposite; reaching out to those less considered - they are the most vulnerable.

The decisions that trustees, and others responsible for scheme governance, make and the perspectives that advisers bring to their clients are more critical than ever. We need to make sure the needs of all savers are considered.

The role of a trustee is not an easy or light one. As a trustee, you are the custodian of an individual's lifetime retirement savings. You are responsible for ensuring their savings are invested to achieve the best possible outcome for an individual during their retirement. Relying on a traditional view of how to do that is outdated. It's too narrow and leaves too many ignored.

The best outcomes emerge from debate and challenge. Different perspectives and alternative views must be considered until the best path determined.

FOREWORD

If you are making decisions on behalf of others, then you are much more likely to understand their values and priorities if, at some point, you have walked a little way in their shoes.

As a regulator, we know that outcomes for savers are different. They are different between men than women. They are particularly different for people from Pakistani, Bangladeshi and Black communities. We have a legal and moral duty to address, consider and understand those differences so that we can model outcomes to ensure outcomes are good for them.

A similar rationale applies to us as a Regulator. If we are going to make decisions that affect different communities, we need to understand the impact. We need to appreciate how it might vary from one community to another, whether it favours or penalises particular groups of individuals.

It's important that our workforce is representative. That colleagues are drawn from multiple communities and backgrounds. We must be open to different ideas, different perspectives and different reasoning when we debate options and make decisions.

As a regulator, we promote and strive for representation, but we can be more effective, achieve greater change and more quickly by working with and supporting organisations like NextGen.

We are supportive of the work that NextGen does and its ambitions to help make the pensions world a more diverse and inclusive one.

We need to attract broader talent to the world of pensions; we need to encourage change and ensure new voices are heard. But ideas and talk are never enough.

Step by step guides, tools and examples of good practice can drive tangible and meaningful change. We therefore greatly value this report.

At TPR, we will be supporting change and producing our own guidance towards the end of the financial year. This will complement the work that NextGen is carrying out.

I very much look forward to working with NextGen as we promote and deliver greater change in our industry to make it one that is an exemplar of EDI.

Together we can achieve more. Everyone should feel able to be involved.

David Fairs
Executive Director
for Regulatory Policy,
Analysis and Advice,
The Pensions Regulator

WE ARE NEXTGEN

NextGen is a group of pensions professionals promoting fresh ideas and new talent. It's where the next generation of leaders debate, learn and network with each other. It's a force for change in the industry and a space for its members to grow. This happens through the cross-industry mentoring programme, training, showcase events, research and articles spotlighting diverse voices.

We're open to everyone. We amplify original ideas from fresh faces, returners, late-starters and new connections with established figures. Our members and partners are looking to build a smarter, wiser, more productive, innovative and creative pensions industry. An industry that represents savers more fairly and does more to help them reach better outcomes in retirement.

We look for places where the industry needs our original research to move the conversation forward, particularly around diversity of thought, inclusion and the case for supporting the next generation.

Our Research & Insights sub-committee commissions and collates research to further NextGen's goals. They develop insights related to diversification of thought, age and demographic positioning within the industry, attitudes towards long-term and medium-term saving, generational shifts, and innovation. We hope that this report, alongside NextGen's mentoring and training programme, is a useful tool for NextGen members and the wider pensions industry when looking to retain diverse talent.

There are lots of ways to get involved...

> **Partner with us**

> **Become a member**

> **Advocate for us**

We want this document to act as the start of some conversations, not the end of them; please let us know if this sparks any changes to your retention journey by getting in touch with us at info@nextgenpensions.co.uk

INTRODUCTION

We are delighted to present the follow-up report to our 2021 publication "Recruiting for a cognitively diverse workforce"[1].

Our previous report focused on how the pensions industry could recruit for a cognitively diverse workforce and explored why diversity is important. We sought to understand the specific benefits it can bring to the pensions industry and, in turn, pension savers. Although we primarily focused on offering practical guidance, we also explored previous research on how to increase and improve the diversity of candidates.

This report incorporates feedback from the industry to our 2021 publication and takes the conversation on a cognitively diverse pensions sector to the next level: how do we retain diverse individuals, once we've recruited them? And how do we ensure we can effectively harness the benefits of cognitively diverse workers through providing an inclusive and equitable work environment where everyone - regardless of their experience or background - can thrive?

Our guidance is aimed primarily at employers, but we think that individuals working in the pensions industry will also find this report of use in offering information on activities they can either undertake themselves, or encourage their employers to provide - if they aren't already.

We recognise that we cannot become complacent once we have people through the door. Ensuring people feel valued and motivated, whilst giving them a sense of belonging is critical. It's important from a worker wellbeing perspective: individuals dedicate significant time and energy to their roles, and research has repeatedly shown that higher levels of engagement go together with higher performance and productivity.

1   NextGen Pensions 'Recruiting for a Cognitively Diverse Workforce'.

INTRODUCTION

In the pensions sector, this means that workers who feel included and valued are more likely to be able to contribute to, and improve, the outcomes for scheme members. It is therefore in everyone 's best interest to consider how we can support an inclusive environment in the pensions sector.

Our guidance does not aim to provide all the answers for every situation because it's simply not possible: there is no one size fits all when it comes to retaining employees (and sometimes it is simply the right time for an individual to move on to pastures new). However, this report does introduce some of the evidence that makes the case for inclusive workplaces, explores some of the challenges and barriers to greater inclusivity, and provides readers with practical guidance, some of which is brought to life by case studies from individuals within the pensions industry.

We recognise that we're at a critical juncture for equity, diversity, and inclusion (EDI) in the pensions sector. The Pensions Regulator (TPR) is continuing its excellent and very welcome work to raise awareness amongst the regulated community of the need for greater EDI, and to provide further practical guidance for schemes to boost EDI in the way that makes most sense for them[2]. We also note the helpful 2020 Diversity Made Simple guide from the PLSA and Travers Smith that "introduces the concepts and good practice associated with diversity and inclusion"[3].

Our guidance is intended to sit alongside and support these other pieces of work, by raising awareness of – and championing – the need for greater EDI in the pensions sector. We hope readers find helpful insights and practical tips inside this report, which will support a proactive approach to EDI.

As TPR and others continue their important work to further embed EDI across the pensions industry, we at NextGen look forward to continuing to engage with all those focused on making a meaningful difference – ensuring a diverse industry that can better reflect, and respond to, the needs of diverse savers .

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2   See, for instance, TPR's recent EOI Action Plan, as well as previous work as part of its 21st Century Trusteeship initiative.

3   PLSA And Travers Smith's Diversity & Inclusion Made Simple.

CHAPTER 1: EQUITY, DIVERSITY & INCLUSION: WHAT IT IS AND WHY IT MATTERS

What is inclusion?

Our first report (Recruiting for a cognitively diverse workforce) looked at the challenges of recruiting diverse talent within the pensions industry and how organisations can find ways to take a more proactive approach to unbiased recruitment. This report will explore how organisations can work to create an inclusive culture : that is, a culture of belonging where people can thrive and grow, and fulfil their potential regardless of their background, existing skills and experiences.

Our approach to cognitive diversity?

At NextGen, we regularly refer to "cognitive diversity" which we define as the accumulation of all the differences we hold as individuals. For the purpose of our reports and based on member feedback and

experiences, we see cognitive diversity consisting of three key aspects:

- **Demographic diversity** refers to things like our gender, race, sexual orientation, age and ethnicity[4]

- **Social diversity** refers to our upbringing, and influences from the people around us, and can include lifestyle, religion, language, tastes and preferences[5].

- **Experience diversity** we refer to as our affinities, hobbies, and abilities.

Cognitive diversity is a sum of these parts, embracing all these contributors in how we approach problems and think about the world around us, but in itself it is incredibly hard to measure, so the best proxy is to measure the components that make it up. When we refer to diversity or diverse talent throughout our report, it is these parts which we consider in particular.

Demographic diversity
+
Social diversity
+
Experience diversity
=
Cognitive diversity

4   Baugh, S. G., & Graen, G. B. (1997). Effects of team gender and racial composition on perceptions of team performance in cross-functional teams. Group & Organization Management, 22(3), 366-383.

5   CVS Edu | The Role of Education to Understand Social Diversity in India.

CHAPTER 1: EQUITY, DIVERSITY & INCLUSION: WHAT IT IS AND WHY IT MATTERS

What is equity, exclusion and diversity, and why is it important in the workplace?

EDI is an ethos and a practice to help 'people of various backgrounds feel welcome and ensure they have [the support they need] to perform to the fullest of their abilities in the workplace' [6]. It recognises the value that diverse individuals bring to organisations, whilst also recognising that individual needs and experiences differ too.

To fully embrace EDI, organisations need to provide a culture of inclusion that creates a sense of belonging in the workplace. It helps people feel supported and comfortable to bring their whole self to work. It is only then that organisations fully experience the benefit and value that the individual can bring to the team.

Recruiting diverse candidates vs retaining diverse individuals

Recent research[7] states "as important as attracting a more diverse workforce, is retaining it" - which backs up the need to focus on keeping the people behind the numbers included and engaged[8].

New employees can feel isolated when starting with a new company, whether that's due to a broadly different demographic, feeling overwhelmed because of the learning gap or because relationships are new and not developed. It is therefore important to implement support networks, infrastructure and policies that will help employees feel welcome and supported over the long term.

6   Built In | What Does Diversity, Equity and Inclusion Mean in the Workplace? | Kate Heinz | September 2022

7   Northern Trust | Addressing the Diversity Challenge | PLSA Viewpoint Journal | November 2017

8   Ibid.

Photo by Kampus Production

CHAPTER 1: EQUITY, DIVERSITY & INCLUSION: WHAT IT IS AND WHY IT MATTERS

What's also needed is an equitable environment, where individuals can get what they need and have equal opportunity to do their job, get promoted and move through their career. We discuss the different elements and areas of consideration throughout this report.

Research shows that employees who feel uncomfortable, unsupported, and unable to progress are unlikely to stay in an organisation to build a career[9]. In contrast, a report by BetterUp found that when employees feel valued, their intention to stay in an organisation increases by 50% with similar conclusions having been reported by the Harvard Business Review[10].

Inclusion and belonging is, therefore, an integral part of retention.

Do diverse candidates progress more slowly?

If an organisation doesn't embrace equity, diversity and inclusion, an individual who feels different may not feel like they belong, which can hinder someone's performance and career advancement. Research from BetterUp has shown that as little as one incidence of micro exclusion in the workplace can lead to an immediate decline in an individual's performance by 25% but, in contrast, when employees feel like they belong, their performance improves by 56%[11].

Performance has a big influence on a person's career trajectory and can support the 'business-case' for their promotion into more senior positions. Embracing diverse candidates from the start of their careers should , in time , drive forward diversity where senior roles are awarded to high-performing employees.

The revolving door of diversity

When an organisation loses a talented individual, it also loses its opportunity to build a more diverse workplace - particularly at senior levels. This is known as the "revolving door of diversity"[12]: an organisation might be able to hire diverse candidates but may be unable to keep them for a long period. Aside from this, imagine how it must feel not to "fit in", and the impact that can have on someone's wellbeing.

9   Ibid.

10 Harvard Business Review | The Value of Belonging at Work | December 2019

11 BetterUp | The Value of Belonging at Work: New Frontiers for Inclusion in 2021 and Beyond | December 2017

12 Hunt Scanlon Media Report | Building a Balanced and Diverse Workforce | 2021

CHAPTER 1: EQUITY, DIVERSITY & INCLUSION: WHAT IT IS AND WHY IT MATTERS

One of the key problems with this 'revolving door' is that it perpetuates the challenges of recruiting diverse candidates. Glassdoor's D&I workplace survey identified that 76% of job seekers consider a diverse workforce important when evaluating companies and job offers - this is, of course, problematic if your organisation struggles to recruit a range of diverse individuals or loses its diverse employees.

"

What became clear, though, following a 10-year review of our talent, was that we had created a revolving door of diversity because we hadn't worked on inclusion, or considered what the environment was like for diverse employees. Diverse candidates were leaving because they weren't advancing [13].

BetterUp's research also indicates that respecting and embracing diversity and inclusion within organisations does not just improve employee performance. It can also help diverse candidates make important strides in the workplace and, ultimately, their own career progression.

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When employees feel like they belong, their performance improves by 56%
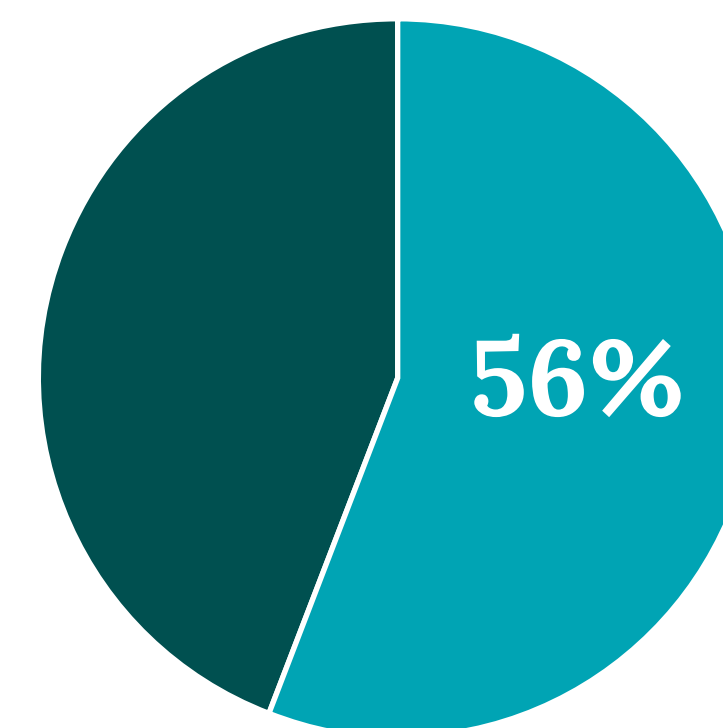
56%

13 Kaye Foster (edited interview appearing in: Diversity, Equity & Inclusion Recruiting: Building a Balanced and Diverse Workforce (Hunt Scanlon Media, 2021)

CHAPTER 2: THE CASE FOR CHANGE IN THE PENSION SECTOR

The readily available research on this subject is vast, but it spans multiple industries rather than being specific to the pensions sector. Recent pensions-specific EDI research tends to focus purely on trustees. As strategic decision-makers who wield significant influence on the outcomes of millions of UK pensions savers, this is a vital area for exploration[14] . However, we thought it was worthwhile also examining the pensions sector more broadly - including gauging the perspectives of those people who are not (yet!) senior decision-makers.

We therefore undertook our own exploration of the attitudes towards inclusion in the pensions industry and analysed an end-to-end career journey, from onboarding to business as usual, to networking and career development. We focused our efforts on the following three areas:

1 Do pensions organisations think that recruiting diverse talent is enough to retain diverse talent? Are we just at the beginning of this journey?

2 How have businesses gone about retaining diverse talent through creating an inclusive environment and have those efforts been successful?

3 Do we all have a part to play here? Is it down to individual responsibility to "break the bias", as well as the employer to ensure that colleagues remain as diverse as possible?

We undertook a survey across the sector, including the NextGen membership, to better understand pension professionals' thoughts on EDI within our industry[15]. These results, and the follow-up conversations we had with pension professionals and experts, were vital in helping us both build a better understanding of the state of play on inclusion in the pensions industry and develop our guidance alongside the insights from the wider research base.

CHAPTER 2: THE CASE FOR CHANGE IN THE PENSION SECTOR

Insights from NextGen's research

1

Views are mixed as to whether the industry is doing enough to attract and retain diverse talent.

Many respondents noted what they saw as insufficient visibility of diversity initiatives and programmes that may be in place across the industry.

Respondents acknowledged that while some companies and initiatives may be achieving positive progress, it was generally felt that such progress was patchy, that there appears to have been more focus on gender diversity than other kinds and that there are varying levels of genuine commitment to diversity vs "going through the motions".

Others noted seeing fewer barriers to recruiting more diverse candidates in junior roles, but that this is different to proactive action to attract and retain diversity, which is seen as key because "people fall into pensions rather than choose it".

Photo by Christina Morillo

CHAPTER 2: THE CASE FOR CHANGE
IN THE PENSION SECTOR

2

There is no shortage of ideas for how to encourage more diversity at all levels.

Our survey sourced a range of ideas on what the pensions industry could do to encourage more diversity at all levels. Suggestions included:

- More support targeted at encouraging relatively younger people into roles that have typically been taken up by older people

- Genuine consideration as to whether requiring a degree is really necessary for most roles in the sector

- More work to educate people on, and create campaigns for, the nature of the industry and the wide variety of roles available within it

- Better terms regarding flexible working and parental leave to ensure that work and life are well-integrated

- Gathering, and publishing, industry-wide EDI statistics as well as asking schemes to be more transparent about their strategies for change
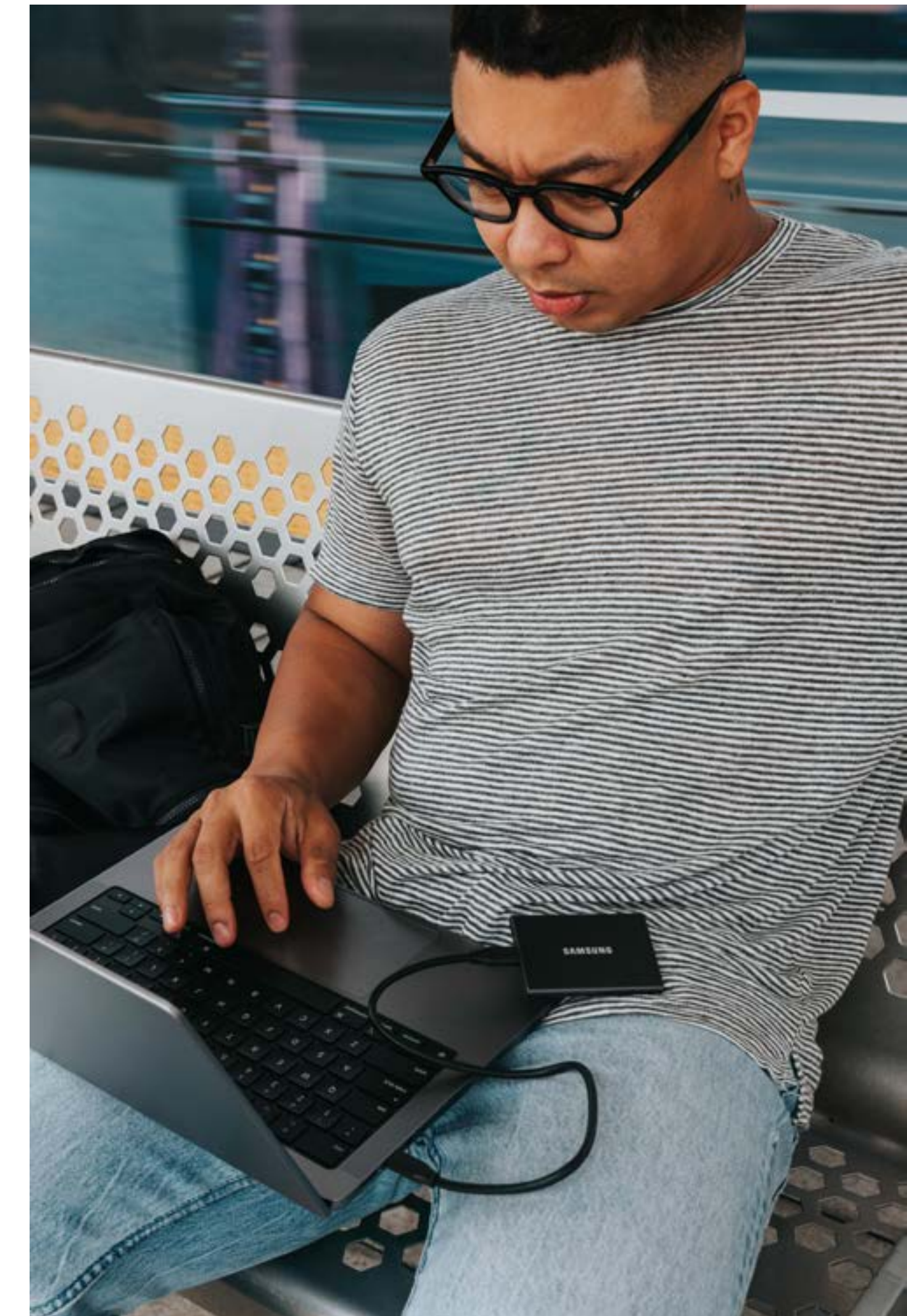
# CHAPTER 2: THE CASE FOR CHANGE IN THE PENSION SECTOR

3

There is real concern about the lack of diversity at senior levels in particular.

Survey respondents felt there was not necessarily an issue with diversity within more junior roles across the pensions industry. However, when it came to senior positions, significant concerns were expressed around the homogeneity of the group that sits "at the top" [16]: 100% of respondents to our survey said that diversity within the pensions industry appears to vary by role, including by seniority. Many responses indicated a sense that diversity is improving, but that progress is limited to certain job roles within the pensions sector, and in more junior roles. Consultancies were mentioned several times with reference to greater diversity, while trustee boards were often considered by respondents to be amongst the least diverse groups in the industry, which is backed up by research from The Pensions and Lifetime Savings Association (PLSA) [17].

It is hoped that as diversity and inclusion is embraced at all levels within organisations, and the support is given to individuals throughout their career that anyone can rise in seniority - but the question is, how do we keep diverse employees in-post so that they can get to the top? This is what the rest of our report will cover.

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44% of respondents to our survey said that the pensions industry is "only diverse at some levels", and one respondent stated "the junior roles are more diverse than the senior ones".

44%

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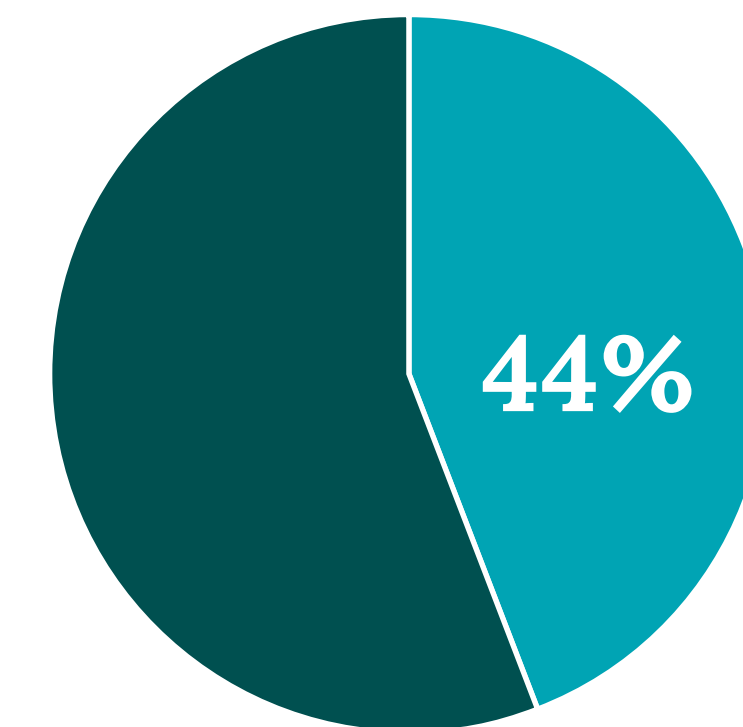
[16] For completeness, we should note that respondents reported on how diverse they felt the pensions industry is as a whole and were not solely considering the diversity of trustee boards.

[17] PLSA | Diversity & Inclusion Made Simple | March 2020

CHAPTER 2: THE CASE FOR CHANGE IN THE PENSION SECTOR

The PLSA research found that:

3

83%
of trustees are male

5%
of trustee boards have more than 50% are female trustees

25%
Schemes all male trustees

2.5%
of scheme trustees under 30 years old

7%
over 70 years old

50%
trustee board chairs over 60 years old

1/3
of scheme trustees over 60 years old

It is hoped that as diversity and inclusion is embraced at all levels within organisations, and the support is given to individuals throughout their career that anyone can rise in seniority - but the question is, how do we keep diverse employees in-post so that they can get to the top? This is what the rest of the report will cover.

CHAPTER 2: THE CASE FOR CHANGE IN THE PENSION SECTOR

CASE STUDY 1 - An individual's experience of EDI in pensions

We spoke to one survey respondent who has oversight for pensions at their current company and has been working in the field for a number of years. In response to one of our questions, this individual stated that he felt "overrepresented within the pensions industry, given that [he was] a white male, in his 40's, with a university degree."

Recognising the disparities between him and other members of the community, we wanted to speak to this individual to understand his take on EDI as a member of the pensions industry who recognises his privileges, and how he feels the industry can do better to help support minority, disproportioned and underrepresented groups of people.

One of the things he shared with us was that he had been afforded opportunities to work and develop his career within the pensions industry given his privileged circumstances , such as his upbringing, schooling, and university, recognising he may have had a foot forward and that many other people do not have requisite foundations to build on . This awareness has been informed by his exposure to different communities volunteering outside of his work life. He stated "I have climbed up the ladder, but in the first place I have had the opportunity to climb it." It is only by calling out where the disparities are that we can truly begin to make a difference.

On career progression, our respondent referred to the importance of using their networks in combination with their learning and development to land new opportunities, with two of his significant role changes being through existing connection to hiring managers.

Related, and aligned with our survey findings , he stated that "pensions may not seem that interesting if you're not in it" and believes that education around pensions needs to start within schools so that more people can learn about the career opportunities withjn the industry.

CHAPTER 2: THE CASE FOR CHANGE IN THE PENSION SECTOR

CASE STUDY 1 - An individual's experience of EDI in pensions

One of the areas that he is concentrating his efforts on to increase diversity in the industry is within trustee roles. He has fought hard to gain interest from those that may not have already been involved in the pensions world to step forward and stand as an MNT through education and better representation. However, the question was raised that trustees are supposed to reflect and represent their member base; with many DB schemes having closed many years ago - what is a true and fair reflection of members in some schemes may not be accurately representative of others, and so trustees should always be mindful of their membership when recruiting for these positions, as well as encouraging diversity of thought more generally when recruiting.

CHAPTER 2: THE CASE FOR CHANGE IN THE PENSION SECTOR

Within this chapter...

As well as EDI being an issue across the financial services sector generally, our research - and the research of others in the pensions sector - shows that although there are pockets of excellent practice across the industry, there is more progress required on EDI.

Within this chapter, we have:

- Articulated why EDI is a problem within the pensions industry

- Highlighted some key findings from research carried out by NextGen

- Dug a little deeper into the issue of EDI at more senior levels in the pensions sector

- Provided a case study highlighting some of the advantages particular circumstances can confer upon individuals working in the pensions sector

The next chapter is intended to be a practical contribution to supporting progress, offering tips and examples of good practice on EDI at pensions organisations.
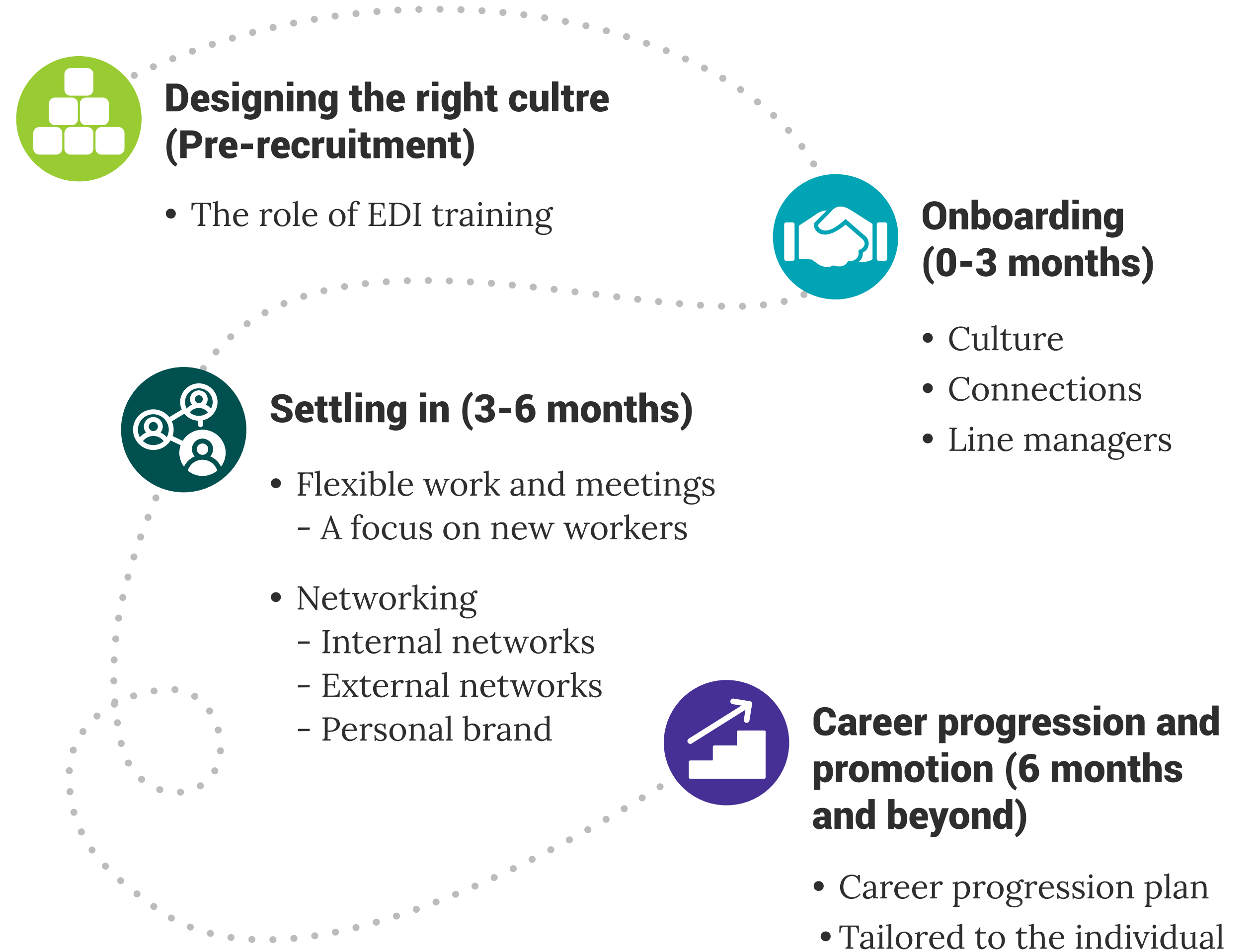
CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

The inclusion journey

Here we cover actions that employers should consider if they are looking to retain diverse individuals. Our approach reflects the life-cycle of a new starter at an organisation - although we also offer some thoughts on steps to create an inclusive culture which hopefully take place even before an individual is recruited - starting with the onboarding process through to business as usual and beyond.

We believe that the tips and thoughts we offer provide concrete and practical suggestions as to what organisations can do after they have recruited for a cognitively diverse team. Where relevant, we highlight those opportunities for implementing a positive cultural shift across the retention journey shown to the right.

Designing the right cultre (Pre-recruitment)

- The role of EDI training

Onboarding (0-3 months)

- Culture
- Connections
- Line managers

Settling in (3-6 months)

- Flexible work and meetings
  - A focus on new workers

- Networking
  - Internal networks
  - External networks
  - Personal brand

Career progression and promotion (6 months and beyond)

- Career progression plan
- Tailored to the individual

CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

These hints and tips on actions to take are especially important given that the new recruits will, hopefully, not think like everyone else and perhaps will bring very different ideas, values, perceptions, and life experiences to their contributions at the company.

Designing the right culture

The starting point for creating change is to understand what makes an inclusive working culture. By culture, we refer to the norms and values which dictate how individuals behave and interact in the workplace, which can be aligned with, or different to, the company's explicitly stated values. The real working culture of a workplace is communicated implicitly and is critical to get right at the on-boarding stage in particular, but it is also important that an organisation's culture is embedded at every stage of someone's time within an organisation.

❝ **Respecting individual traits - we don't all need to mirror the people who went before, and we won't be diverse if we do.**

❝ **Being open minded, ensuring that everyone is involved and their views are shared and listened to.**

❝ **Open recruitment and progression (less of the "old friends" networks).**

❝ **Understanding and awareness of the industry as a whole – without people being aware of the opportunities available or seeing themselves represented in the industry, it is somewhat of a deterrent.**

❝ **Having better representation of different genders, ethnicities.**

❝ **Open minded people.**

CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

As we all know, this is easier said than done! It can be difficult to foster a culture of inclusion, particularly at a time when the world of work as we know it has changed since the pandemic, with multiple lockdowns and the shift to remote and hybrid working. There are other factors to consider including (but certainly not limited to) the policies and frameworks that companies have in place to support individuals on issues like how to challenge exclusionary behaviours, mental health and wellbeing, and menopause (this last being a clear barrier for women, many of whom have left jobs because of the lack of support at what is a critical stage in their lives[18].

Although we hope that the thoughts of NextGen members outlined here can provide some inspiration, workplace culture is a broad subject, with a multitude of books and studies on this topic alone. We cannot hope to provide all the answers on shaping an inclusive organisational culture. In many cases, this will require a wholesale mindset shift and efforts from senior leaders across organisations to become active listeners, to learn and to be willing and proactive in change. We would signpost those who are interested in the basics of building an inclusive culture to organisations like **The Diversity Project** or informational resources like the **Harvard Business Review**.

[18] Fawcett Society | Menopause and the Workplace | April 2022

The role of EDI training in supporting culture change

The Chartered Institute of Personnel and Development (CIPD) has found Unconscious Bias Training (UBT), which focuses on identifying prejudices about communities that have been unintentionally absorbed, can impact what is often considered the first step to an inclusive culture: developing knowledge.

Companies should be able to demonstrate the importance of EDI to new joiners through both training and its "lived" embodiment. Diversity training may help employees understand how cultural differences can impact how people work, interact at work, and may cover anything from concepts of time and communication styles to self-identity and dealing with conflict. When offered as optional it tends to be more effective than when it is made mandatory.

In addition, it should take place over multiple sessions and be integrated with wider organisational initiatives to be effective[19].

Dobbin *et al.* suggest that a better approach to promoting EDI, however, is to increase contact between different 'groups' so that people can experience working with other individuals and gain a better understanding of perspectives from individuals with different demographic, social or economic experiences to their own[20].

We are aware from our own lived experiences, conversations with NextGen members more broadly, and discussions with organisations in the pensions sector with wellestablished EDI programmes, that those pension firms and schemes that create opportunities for less-often-heard voices to speak and contribute, add real value to discussions and decision-making.

19 Ceridian | How to Promote Diversity, Equity, and Inclusion in the Workplace | June 2022

20 Uncommon Sense | Why Doesn't Diversity Training Work? (page 51) | Frank Dobbin and Alexandra Kalev | September 2018

CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

CASE STUDY 2 - A cultural shift at Railpen

Our business is spread across three sites, which vary in size and geographic location and, along with many businesses, are now operating a hybrid working model. We also have around 30-40 colleagues who work completely remotely, and so it can be difficult to change a culture when the business is spread out. Historically, I know diversity and inclusion was not a key focus point and our policies didn't really go beyond implementing basic e-learning courses for employees.

In recent years, though, we have been on a big cultural shift journey - putting people and culture at the heart of our business' agenda. We needed to embark on this journey because we were struggling to recruit a diverse workforce - and, like many businesses, once we had someone all trained up, we didn't want to lose them. We recognised that we were missing some crucial fundamentals that would mirror the value that individuals bring to organisation, whilst helping them to feel included and feel that they belong at Railpen.

We formalised our commitment to diversity and inclusion and set up a diversity and inclusion council, working with colleagues from across our business and actively listened to colleagues' needs. Our vision is to create and support many subcommittees directly aimed at different types of communities within our workforce; for instance, we have a working group now looking at how we can better support our neurodivergent colleagues, and we used a working group to review our support for working families. These really help people find a 'sense of self' at work alongside other people who are dealing with similar challenges to their own.

Photo by **Nathan Dumlao** on **Unsplash**

CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

CASE STUDY 2 - A cultural shift at Railpen

We also think it is important to celebrate identity and culture too. In the past year, we have started to actively celebrate PRIDE and Black History Month as we found that active involvement not only reinforces our commitment to these communities, but we are also able to outwardly celebrate the people within our organisation and support them in these all-important celebrations. We are always looking for ways to improve our ways of working too, so that our colleagues feel that they can bring their true selves to work.

As we set out on this journey, it became clear that our business needed to be more accommodating for working families if we are going to retain talent. So, we set to work and have completely re-vamped our family leave policies and even introduced paid time off for fertility treatments. We're paving the way for other organisations with these enhanced leave policies, because we want people to not have to worry about their finances and work when other things in life become a priority. These changes have been hugely welcomed across the board and we fully expect our recruitment and retention figures for working families to increase as a result.

Johanna Venis
Head of Procurement, Chair of the Inclusion & Diversity Council, Railpen

CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

These next few sections cover action that employers should consider if they are looking to retain diverse individuals, starting with the onboarding process through to everyday business as usual and beyond[21].

Onboarding (0-3 months)

One seminal study revealed that around 90% of employees decide to stay or leave a company within the first six months of their employment[22]. As such, effective onboarding is crucial to retention, and the responsibility of getting this right lies almost completely with the employer.

In some companies, "onboarding" is viewed as simply allocating time for filling out required documents and providing mandatory training in technical areas such as compliance[23]. In today's digital era, many of these steps have even been automated and can be completed remotely in a time-efficient manner. Role-specific training will likely follow suit. Whilst these are practical and necessary steps, compliance and clarification represent the lowest of four key components which need to be covered to signify a "successful onboarding" process, outlined by Dr. Tayla Bauer[24] from the SHRM Foundation. In Dr Bauer's model, the other two components, culture and connections, rank much higher.

The importance of communicating the right culture...

By the time you reach the onboarding stage for a new joiner, you will hopefully have already created or be on the way to creating a culture that is truly inclusive and supports everyone to excel.

Onboarding is an excellent opportunity to signal early on the inclusiveness of this culture to a new employee. The length, delivery style, relevance of induction and training sessions all offer "breadcrumb" clues that a new joiner will use to inform their view of the company and what it will truly be like to work for the company.

Companies may benefit from drawing up a detailed plan to outline timelines of onboarding to share with the new starter

21 The onboarding process effectively starts at the point an individual accepts the offer of employment. Practical activities such as line manager communication during a new starter's notice period and cultivated introductions to the company culture set the scene and build loyalty early on.

22 Aberdeen Group | Onboarding Benchmark Report: Technology Drivers Help Improve the New Hire Experience | 2006. See also: BambooHR | How Long Should Onboarding Take | April 2019 and HCI | Why New Employees Quit | December 2019

23 Harvard Business Review | Onboarding Isn't Enough | Mark Byford | June 2017

24 SHRM Foundation | Onboarding New Employees: Maximising Success | Taylor Bauer | 2010

and should include information relating to the organisation's history, the culture they aspire towards, daily operations, learning resources and growth opportunities. This should help to ensure that the new talent transitioning into the company is well-equipped to navigate the new environment without being confused and overwhelmed. When executing the plan, it is important to take into account how the induction can be delivered to maximise on opportunities to introduce culture through interactive and engaging sessions rather than generic handouts and allocated time to explore the company's intranet. A well-planned onboarding programme is a clear indication of the care that the company has taken to welcome a new recruit, invest in their talent and ability to support them.

Onboarding is more than just filling out paperwork and mandatory compliance training - it provides clues to the company culture and is a key moment in the journey to retain fresh talent...

...and of building connections

So that the new joiner can start to build all-important connections, the onboarding plan could include an organisation chart and contact details of key individuals in the business. Photographs of colleagues with high-level summaries of who they are and what they do can help to bring the personal touch, especially when we're mostly dealing with hybrid-working. Established staff should be encouraged to reach out to new starters to make introductions either virtually or in the office over coffee, and help them to feel welcome and part of the team.
The greater the flexibility offered in the first few months, the more time individuals have to form organic working relationships.

For newbies, these conversations could seem daunting, so it could be helpful for organisations to support individuals with conversation prompts such as:

- How long have you been working at the company?

- Tell me more about your role

- Tell me more about the business and geography/location you work in

- How might we be able to collaborate in our roles?

- Who else in your team would it be helpful for me to speak with to learn more about the organisation?

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Many organisations enabled working-from-home practices since the pandemic, with some confirming that they will never go back to a traditional office model. In the new, more remote world of work, it can be harder for new joiners to keep in touch with colleagues and build connections, since the move to remote working, can lack "the human element" and "it can be hard to get a feel for people's emotions, general mood or energy" or "get a handle on… personalities, which makes breaking the ice difficult"[25].

However, there are clear benefits to hybrid and remote-working arrangements for inclusive working cultures - which we explore further on the next few pages. To ensure that the value of "in-person" meetings and belonging as part of a team is not lost, organisations should organise some meetings and social events in person, to give those new joiners (who want to) the opportunity to really get to know colleagues and clients.

25   Forbes | 5 Common Problems Plaguing Remote Workers and What to do About Them | Alina Clark | July 2021

…a good line manager is crucial

A particularly crucial relationship for all employees to establish is one with their line manager, who will serve as the primary point of contact for a range of queries relating to work arrangements, performance, pay, promotions and much more. Thus, ensuring the capability of managers is vital. When assigning this role, companies need to:

❯ Consider who has the right skills

This is likely to depend on the needs of the individuals being managed and the demands of the role. Some individuals will require a more hands-on approach, whereas some may not want constant supervision but need someone around to answer ad hoe questions.

❯ Ensure they have the bandwidth

Often, individuals progress to become a people manager as they become more senior in the organisation and having demonstrated good technical or operational skills. Doing so is seen as a good development opportunity but it is a timeconsuming role and may have to be prioritised over some lucrative business responsibilities. The time spent should be seen as investment in talent.

❯ Offer appropriate training and support

It is important to remember that no one is born a manager, support should be provided continually to ensure that they can carry out their role effectively and are able to answer any questions that may arise.

While EDI training should be offered to all employees, it is particularly important for managers so that they are cognisant of any potential cultural and accessibility issues that their employees may face. McKinsey and Group claim that managers should be placed at the heart of the "l&D effort"[26]. Moreover, organisations should encourage managers to be confident in approaching issues that may be considered sensitive (e.g. microaggressions relating to personal characteristics) and to accept that they may inadvertently get it wrong, but to aim to learn and get it right in the future instead of skirting around issues[27].

26 McKinsey & Group | Diversity wins: How Inclusion Matters (p. 6) | May 2020

27 CIPD | Diversity Management That Works | October 2019

The buddy system

The buddy system is an onboarding and knowledge sharing method used to orient new employees by assigning an individual to a workplace buddy. The system should encourage the new employee to share project management tips, tools, knowledge and techniques they have learned from previous work experiences, whilst providing opportunity to learn more about the organisation they have just joined. Insights into effective internal networking can be sought here with the buddy helping with introductions. It also gives the organisation the opportunity to collect confidential feedback about how the onboarding process is going.

Creating a buddy system for a new hire requires some investment and should be handled with care. However, it can dramatically reduce the time a new hire requires to be productive and lead to greater retention. It can also free up other team members to focus on substantive work rather than taking time to answer more generalised questions.

Crucially, the process needs to be well-planned and efficiently-run: it is no good having a buddy system if the process of allocating buddies is broken, as that can quickly discourage participants.

26 McKinsey & Group | Diversity wins: How Inclusion Matters (p. 6) | May 2020

29. CIPD | Diversity Management That Works | October 2019

Photo by Freepik

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Settling in/established employees

(3 months onwards - or for those already-established employees)

A report from The Diversity Project[28] states that 'recruitment is the most common stage to collect diversity data' with 50% of organisations collecting diversity data only at the time of recruitment, which highlights a reporting gap in how diverse teams are beyond the first 3 months. It's crucial to keep monitoring the diversity of the workforce in order to measure efforts towards creating an inclusive culture, and its effect on retaining a diverse workforce.

Once new joiners have had the chance to settle in, it's important that they're supported to carry out their role properly. Organisations should work to ensure that the connection-

building with their colleagues and external networks continues, while also supporting new - and more established - employees to find working arrangements which suit them.

Flexible work and meetings

The future of work is a drive towards more flexible ways of working. This won't be without its challenges as organisations' approaches evolve. Nevertheless, employers should learn from and continue to build on the measures implemented during the coronavirus pandemic with respect to hybrid and flexible working. A sensible approach is required to not only retain staff, but to ensure employees are working in environments most conducive to their productivity and wellbeing[29].

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28 The Diversity Project | Holding Up The Mirror | 2021

29 The shift to home working has been positive for some people: organisations should ensure they are not making general assumptions that people have missed office life - while ensuring new joiners who want to meet face to face are given the opportunity to do so. In fact, for some people, working from home has removed a barrier to them doing their job at all. This includes individuals with physical disabilities who may not be able to access their workforce, or some non-neurotypical individuals who may find business office environments overstimulating. Truly inclusive workplaces will find arrangements which cater to the needs of all their employees.

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According to the Government website[30], "flexible working is a way of working that suits an employee's needs, for example having flexible start and finish times, or working from home. All employees have the legal right to request flexible working - not just parents and carers." Today, the term is commonly used to refer to working remotely, however it also includes a number of different arrangements including:

- Compressed hours: full-time hours over fewer days;

- Flexi-time: choosing when to start and finish work outside of core hours;

- Annualised hours: working a certain number of hours over the year with some flexibility about when these hours will be;

- Staggered hours: having different start, finish and break times from other workers;

- Phased retirement: reducing hours and working part-time until retirement.

As we move through the coronavirus pandemic, it is becoming clear that flexible working arrangements are here to stay. Organisations that did not previously offer these options have made this shift. In April 2022, according to a CIPD survey[31], over 51 % of employees say they have flexible working arrangements in their current role and more than a third of organisations (37%) have seen an increase in requests for flexible working.

Today, these arrangements have become more of an expectation rather than a benefit. A survey from the ONS[32] tells us that in February 2022, 84% of workers who had to work from home because of the coronavirus pandemic said they planned to carry out a mix of working at home and in their place of work in the future. It is quite obvious why

employees prefer remote working but what are the benefits of these arrangements for companies looking to retain talent outside of aligning themselves with their competitors?

Percentage of employees who have flexible working arrangements in their current role

51%
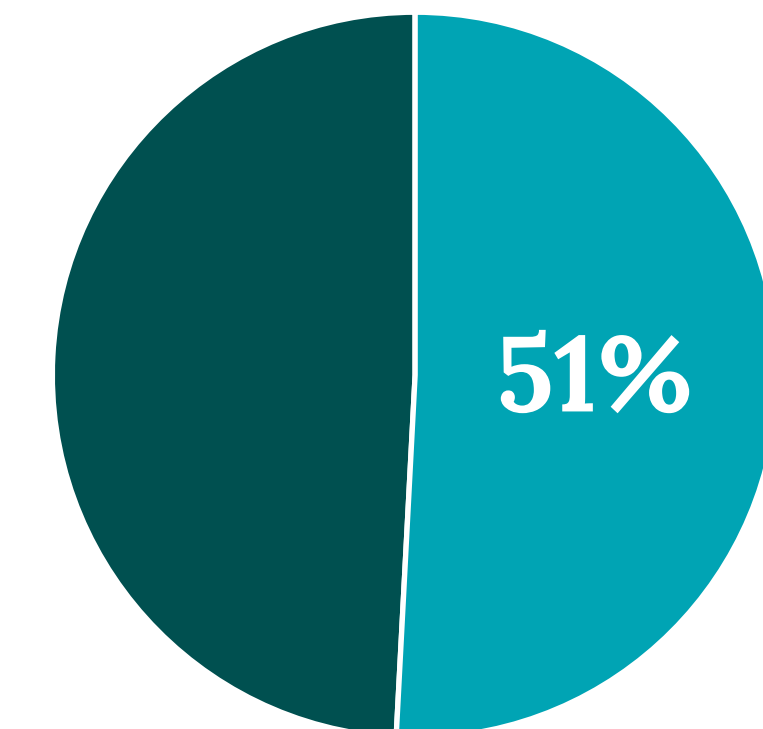
30 Gov.uk | Flexible Working

31 CIPD | An Update on Flexible and Hybrid Working Practices 2022 (page 2) | April 2022

32 ONS | Is Hybrid Working Here to Stay? | May 2022

Increased productivity/ efficiency

- Individuals have the freedom to design their environments and schedules in ways that work best for them.

- The time previously spent commuting may be used to make a start on to-do lists or get morning meetings out of the way. Alternatively, the time could be spent completing non-work-related tasks which may have previously been looming on their minds all day, thereby contributing to their overall wellness and improving their mental load.

Increased productivity/ efficiency

- Roles can now be offered to those in different locations or who may have previously faced certain constraints e.g. caring responsibilities.

- With more opportunities available, candidates are likely to be more selective when choosing a role and in turn are less likely to want to leave.

- Candidates with physical limitations or disabilities or nonneurotypical individuals are less restricted by location or office-based positions, with greater flexibility to apply for positions which are solely based from home.

Reducing absenteeism

- Better work-life balance reduces some of the stress of life caused by work.

- Employees don't have to take days off for appointments or when other commitments may require them to be based elsewhere.

While this all sounds great, there are also a number of risks that need to be carefully managed. Building connections within the team is crucial for retention. Ultimately, people connect with other people, not just with their company's mission statement. Without a solid network of trusted peers at work, people may feel more inclined to jump ship. Therefore, companies should prioritise team building exercises through specific office days and inclusive social events as much as possible to avoid an isolated team. Consider the format of the event to allow as many people as possible to attend and participate e.g. accessible facilities and dietary requirements when organising a team lunch.

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The most appropriate meeting approach

The importance of the right meeting format cannot be underestimated, especially within the pensions industry given the format, length and regularity of some trustee board meetings. Whilst virtual meetings have now become the standard, we must recognise that in-person meetings are also key for relationship building, as they help to foster engagement between trustees and advisers through cohesion.

The CIPD's report[33] provides useful tips for running effective meetings, including taking time to co-ordinate tasks and consider effective task-related communication, paying special attention to brainstorming and problem-solving tasks and informal learning opportunities, and building in time including of a face-to-face kind - for team cooperation and organisational belonging, to create more inclusive work and meeting environments.

Companies must look to strike the right balance, where they can, to overlay a transparent working model whilst being fair to all employees. CIPD recommends that organisations may wish to plan for interim hybrid working in the short term whilst also considering longer-term strategic decisions on more flexible forms of working. There needs to be a commonsense approach to setting parameters when in-person is required vs. working from home and inclusive meetings for times/shifting days.

Above all, organisations should ask their employees what works best for them, encouraging honesty and able to demonstrate that they are listening to the feedback provided and taking appropriate steps to address any areas of concern.

33 CIPD | Top tips for hybrid meetings | August 2022

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Flexible working and younger staff

A factor to consider in the approach to flexible working is the potential implications for the development of younger staff. ONS results[34] say 16-29 year olds that work from home are more likely to be distracted, have innovation stifled and not be able to build relationships and a network. Indeed, 58% of those that responded to a survey carried out by a mental health charitable organisation, Young Minds[35], said loneliness or isolation was having the biggest negative impact on their mental health at the time the report was carried out.

Relationships are not only key to career progression, but also overall wellbeing. Not only is being healthy and well a fundamental right, but if employees are not well, they are not going to perform well and in turn, employers are not going to be able to deliver. Working patterns may also split along generational lines, with younger employees (who are less likely to own their own home or have space at home that can be used as office space) working mainly from an organisation's headquarters, whereas older workers may be much more comfortable working remotely and have the means to do so.

In this scenario, younger employees, many of whom also started their careers in lockdown, are potentially disproportionately affected. For those learning and developing, being able to interact in person and absorb the working environment, behavioural interactions and body language of senior leaders and peers cannot be underestimated.

Companies need to encourage employees across all seniority levels to attend the office so that younger or newer staff have the opportunity to interact with and learn from more senior individuals within the organisation. Requiring in-person attendance at certain meetings or training sessions is one way to promote this.

34 ONS | **Is Hybrid Working Here To Stay?** | May 2022

35 Young Minds | **Coronavirus: Impact on Young People with Mental Health Needs** | February 2021

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Networking (external and internal)

As mentioned in the previous section, we are now in a world where we are emerging from the depths of a pandemic, which brought on full-scale lockdowns in many countries. It has, arguably, never been more important to reconnect not only with colleagues internally but also those in the wider industry. Networking can be very beneficial for an individual's career - including in finding the next career opportunity - but there are benefits for employers from ensuring employees cultivate extensive networks across the sector (and beyond!). By embracing this dynamic, employers can ensure their employees are exposed to different ways of thinking about and doing things, with benefits including:

- Strengthening business connections: sharing, forming trust and helping each other towards goals.

- Enabling fresh thinking and ideas: capturing new perspectives, gaining fresh insights and exchanging useful information.

- Career advancement: being recognised and able to access advice from experienced peers, supporting individuals to find the next step that truly suits them.

- Building confidence: stepping outside comfort zones and developing social skills.

The list outlines the real difference effective networking can make but the dynamics and impacts can vary between internal and external networks, so it is worth considering these in more detail.

Photo by Rawpixel

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Internal networks

Many organisations should allow individuals to take time for their own personal development, and we would recommend that at least part of this time should be for building and leveraging internal networks to support personal development throughout someone's career there.

In an increasingly virtual world, it can be harder to arrange the face to face meetings and 'casual' interactions which support the creation of internal networks. To aid this development, we suggest organisations support individuals to proactively look for ways to boost their internal visibility. For instance, newer recruits should be supported to try to leave a vivid (positive!) impression early on. They could be encouraged to take a more pro-active stance in communication more generally, actively contributing to

meetings and looking for different ways to communicate their perspective e.g. group chats or volunteering for presentations.

Organisations (and particularly line managers) should ensure that regular one to one's are in place and help individuals to be pro-active in setting the agenda for discussions, which may also include opportunities for development and growth. We encourage individuals not to be shy in sharing their key successes, perhaps laying out a success report covering positive business impacts and ensuring they have a system for logging notable achievements on an ongoing basis to support effective information-gathering for any dedicated review and reporting opportunities.

Line managers should support employees to be proactive in seeking and volunteering for growth areas and opportunities that are beyond the expectation of the current role.

Organisations can play their part by ensuring that opportunities exist for people to be able to input, express themselves and celebrate achievements.

# CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

External networks

During the height of the pandemic, some events were able to take place virtually, but it is pleasing to see a return of faceto-face. The pensions industry has been blessed with a variety of events in the annual calendar and there are a number of free groups and events - such as those run by NextGen! - that individuals can attend. Organisations can help facilitate access to certain events and individuals could also seek to enquire with colleagues or look at the websites of pensions membership and industry organisations[36].

External mentoring programmes have added benefits as well. Interaction with those from other parts of the industry can help individual development in the ways we have previously discussed. NextGen's mentoring programme, for instance, matches individuals from different organisations across the industry

based on the mentee's development 'wishlist' and the background and experience of available mentors[37].

The value of (internal) mentoring

There are no hard and fast rules, but similar to setting up a buddy system when someone starts, organisations should encourage individuals to engage with a mentor where they can. Although a mentor does not have to be found from within an employee's workplace, it has been proven that mentoring in the workplace can positively impact personal development, positively support mental health, and improve employee retention. There are several industry mentoring groups that cater specifically for pension professionals too.
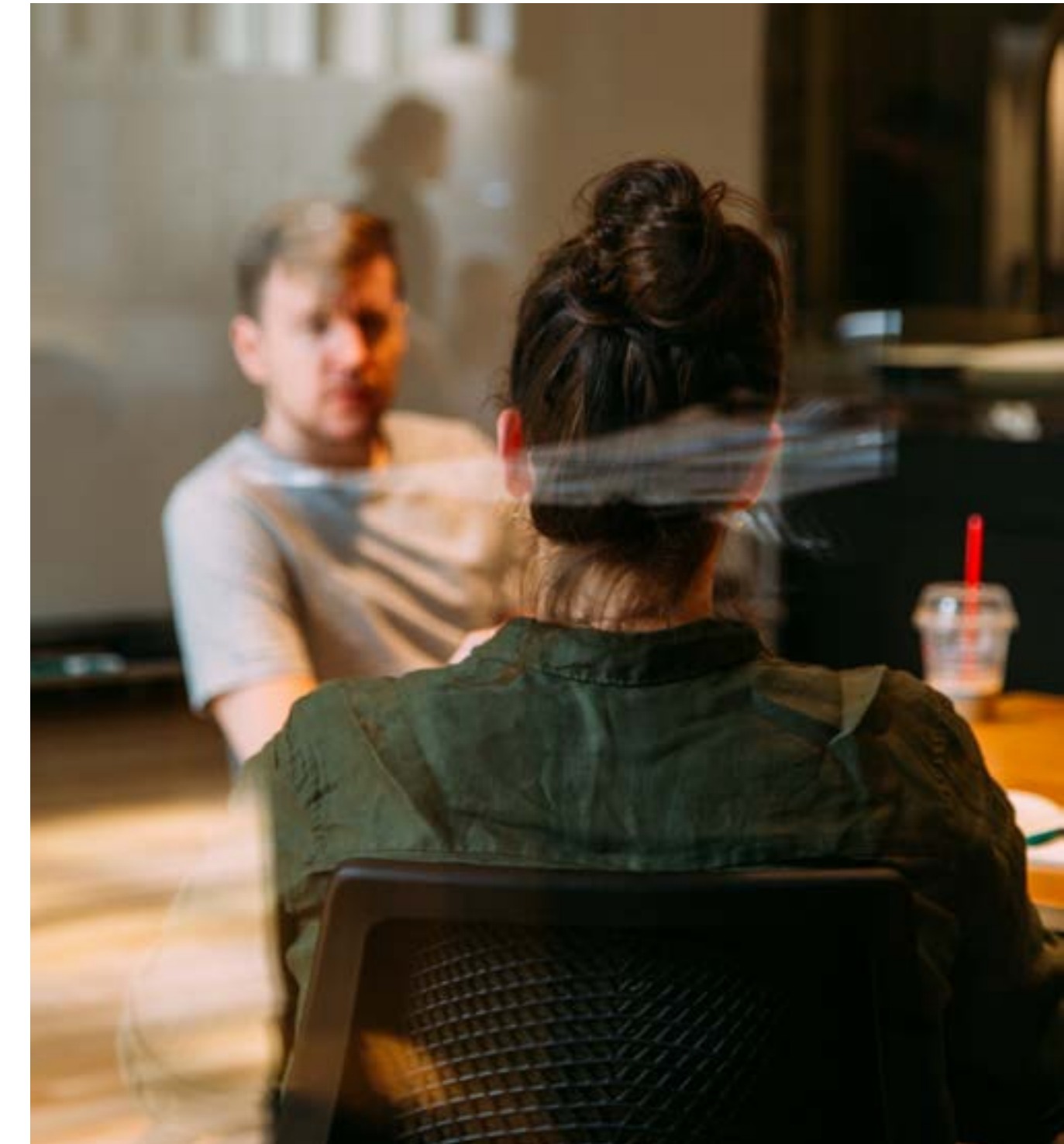
36 This includes those from the Pensions and Lifetime Savings Association (PLSA), The Pensions Management Institute (PMI), The Society of Pension Professionals (SPP), the Association of Pension Lawyers (APL), the Association of British Insurers (ABI)

37 More details of our mentoring programme can be found at nextgenpensions.co.uk/mentoring

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The following statistics show the positive impact mentoring can have:

- Millennials intending to stay with their organisation for more than five years are twice as likely to have a mentor (68%) than not (32%).

- Participants are 40% more likely to achieve their goals if they write them down. This increases to 70% if the goals are shared with someone to keep them accountable, such as a mentor.

- 89% of those mentored go on to be mentors themselves, contributing to a culture of learning and mentoring[38].

Reverse mentoring

Reverse mentoring, which is designed to empower younger workers to share their expertise and ideas with more senior employees, can be beneficial through helping to foster an environment of growth and learning. Younger employees have much to offer, especially when it comes to technology, innovation, and collaboration.

Effective reverse mentoring can bring the following benefits:

- Giving the company a fresh perspective.

- Empowering emerging leaders.

- Keeping skills sharp.

- Teaching new individuals critical business skills.

- Breaking down generational stereotypes.

When all age groups interact regularly, it breaks down any misconceptions e.g. that one group is more adept at technology or processes. Each group begins to understand what motivates the other(s), which results in better collaboration and partnerships throughout an organisation. Removing barriers and empowering a multi-generational workforce to work better together creates a synergy of skills and abilities that can be truly powerful.

The industry is blessed with several industry events that cover sessions across different subject matters and give the opportunity for networking. Individuals could perhaps start with Professional Pensions Live, Pensions Aspects Live and the PLSA conference to get a flavour.

38 McCarthy Mentoring | **Why mentoring: what the stats say** | 2017

Event organisation - top tips for organisations

Organisations should not be afraid to arrange new events, however small, but must be mindful of being diverse and inclusive to the potential audience. Diverse thinking will naturally attract a wider audience, giving an event attendee the chance to glean new information and make future events an even bigger success.

It is hard to control every aspect of the audience's experience, so it's better to focus energy on identifying the barriers and challenges the event could introduce and then work on ways to dismantle them.

Ensuring panels, line-ups, and programmes represent a diverse range of backgrounds, identities, and opinions is crucial, but are there ways of opening up conversations about who gets booked to include more voices than just your own. This could take the form of a Facebook poll, or even forming a working group who make curatorial decisions. It is sometimes difficult to get it right the first time but asking for feedback during and after the event can only help future events.

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Building a 'personal brand'

Visibility in person and at events is important, but the concept of a 'personal brand' is increasingly vital in defining how we are perceived in the workplace - and in the industry more broadly. How people perceive an individual - and how effectively a personal profile is curated to help shape industry perceptions in a particular way- can influence future career paths and opportunities, and have an indelible impact on our future.

We believe organisations have a role in supporting individuals at every stage of their career - and not just those who are company spokespeople - to consider and and support individuals to build their personal brand. We would also encourage individuals to think about what they want their personal brand to say about them. However, for line managers

and organisations, you can help start the conversation with useful starting points for this thought process to include questions such as:

- **What is it that makes the individual stand out from peers?**

- **Are there opportunities to go over and above what is expected to have an impact and get noticed?**

  These could be opportunities within an organisation, but also externally.

- **What does the individual want to be known for?**

  This could include an activity or expertise on specific issues, or a particular way of considering 'hot button' topics.

- **What are the best channels for communicating this 'personal brand' to internal and external networks?**

  Helping individuals to learn more about building an online network of connections via social media - such as Linked In, Twitter or a company intranet site. This helps individuals gain experience in communicating, building connections and - ultimately - being noticed (for the right reasons!).

Creer progression and promotion (mulit-year)

Research by the CIPD[36] identified the key barriers to career progression, given by people whose career progression has not met their expectations.

These are:

- "My skills and talent have been overlooked" **– 38%**

- "Experienced poor-quality line-management from my immediate manager when I entered work or at key points during my career" **– 36%**

- "Was/am not part of the 'in group'" - **32%**

We have already noted the important role of an effective and supportive line manager to help individuals settle into a new job. The role of the line manager is also key when identifying individuals for career progression opportunities, and this underscores the point made earlier about the need for unconscious bias training and support for individuals performing line management duties: ensuring an inclusive mindset when looking to support the progress and promotion of their employees.

A structured and inclusive career progression plan

The appropriate pace and nature of development is unique to each person but having a structured plan and process in place can ensure that everyone is treated fairly and supported to perform to the best of their abilities. This can be done by:

- Creation of clear role profiles and responsibilities. Role profiles can help distinguish the different roles and responsibilities in similar job roles which have a hierarchy. Not only does this help employees to understand what is expected of them and their peers in their role today, but they can also clearly see a progression path and the targets they need to be hitting or working towards if they want to take the next step up.
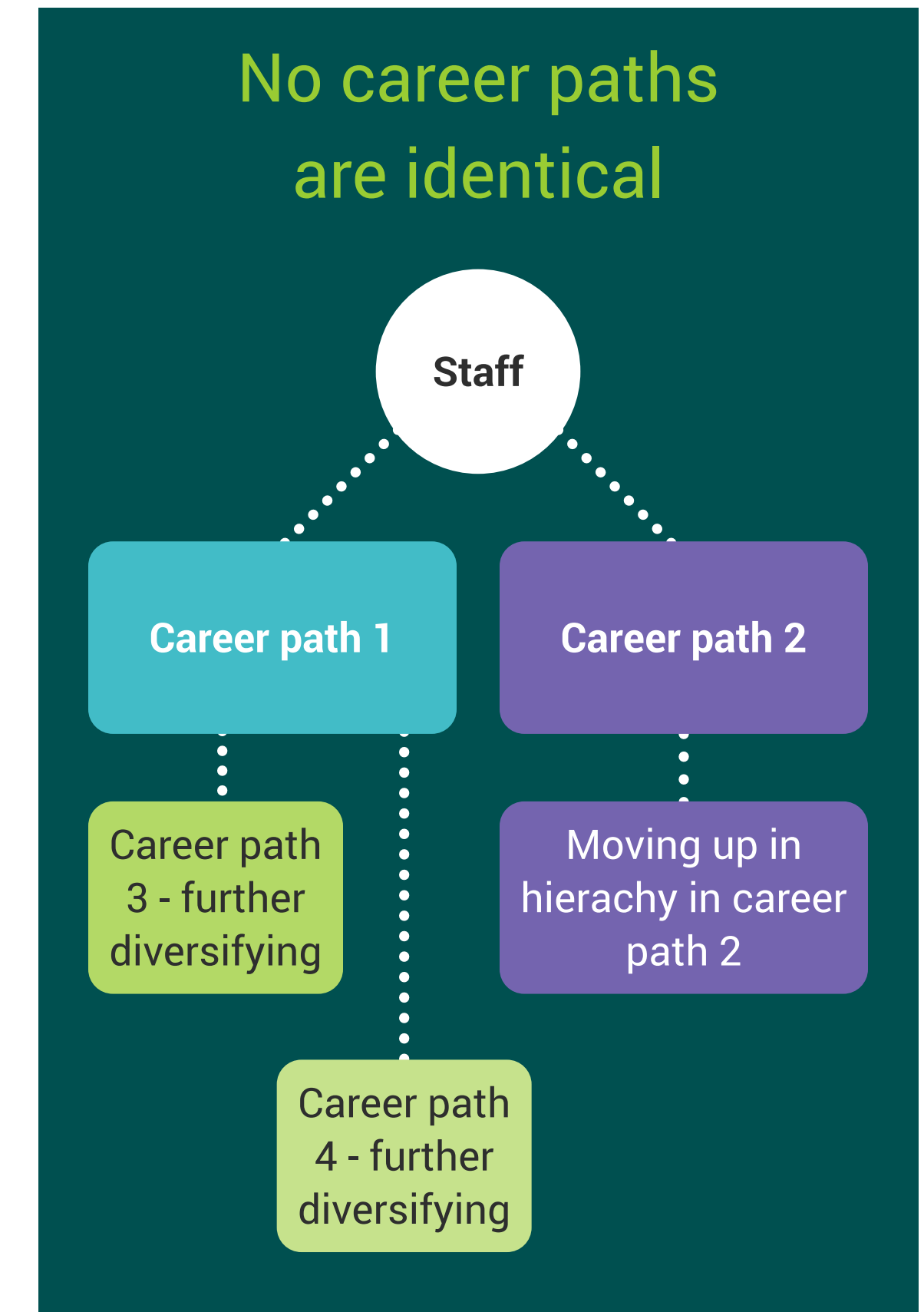
CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

❯ Individual progression plans. Using the reviews as an opportunity to plan for the future, this will help set an individual career progression plan and give employees something to work towards. A recent blog by a HR organisation states the progression plans help to give individuals more "… job satisfaction, …the confidence that their career is moving forward and not stagnant at any point of their career and give them a sense of purpose in their career" which helps create a sense of belonging within your organisation[40].

❯ Training, development and qualifications. In any role, formal and informal training and development should be offered to ensure that your employee is always staying upto-date in their area of expertise so as not to fall behind. This provides both benefits to employer and employee.

Assumptions should not be made about someone's career progression based on others' wants/needs or our own experience. Individuals in the team may not necessarily see their optimal career path as being one of rapid promotion. Kim Scott, in her book Radical Candour, describes individuals as either "rock stars" or "super stars".

No career paths are identical

Staff

Career path 1

Career path 2

Career path 3 - further diversifying

Moving up in hierachy in career path 2

Career path 4 - further diversifying

40 Myhrtoolkit | How to Develop a Career Progression Plan for Employees | Archita Misra | February 2022

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Rock stars tend to be "happy in their current role, ambitious outside of work or simply content in life, and a force for stability" while superstars "[are] ambitious at work, a change agent and want new opportunities". Scott goes on to explain that the best teams and organisations require some of each type, but that superstars will likely want and need to be supported on a rapid growth trajectory, while rockstars are more likely to be happy with a gradual growth trajectory. Organisations and managers should therefore pay attention to the motivation and career goals of all individuals, instead of assuming that everyone wants to be a superstar.

Career progression looks different to everyone, including for the following reasons:

- **Priorities change (and life happens!).** Careers can progress, plans can change. As people's lives outside of work might change, so might their priorities within work. Regular conversations can aid the direction of progression paths and it is important to note that these do not have to be set in stone. Being fluid in helping people navigate their own career route and providing support when things go off course will further enhance your employee's sense of self and feeling of belonging and inclusion within your organisation.

- **Individual training needs.** In training as in life, one size does not fit all. People learn and think differently. Allow individuals to identify any training courses or programmes they would like to complete in a way that suits them. If it's within the training budget, try not to squeeze everyone onto the same type of courses, as what might be great for one person could be a challenge for another.

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CASE STUDY 3 - Making progress and asking difficult questions

We spoke with a NextGen member who told us about his experience, as a young black man, starting his journey on becoming a professional trustee, and how he overcame some of the obstacles that stood in his way.

The challenge

This individual found that there were very few people who looked like him within the pensions industry, with it particularly visible on trustee boards. He had a few roles prior to the organisation he currently works for and reflected that when he started out, he wasn't able to ask the difficult DE&I related questions to hiring managers and recruiters until he could build some valuable performance and relationship credibility due to an overwhelming trepidation faced by both himself and those on the other side of the table, and to ensure it didn't hinder his opportunities in the event others were taken back by his perspective.

He found in his previous roles that it had been quite challenging to progress, especially as he didn't hold any post graduate degree qualifications (e.g. accountancy or actuarial), even though these aren't an essential prerequisite for the positions he was looking to go for, but it was hard to pin-point the progression challenges as a diversity issue.

Some of the organisations had a weak understanding of DE&I, the intersectional impact it has on the global majority, and efforts to progress on DE&I focused initiatives lacked heart, wasn't explicit in the company's core values and was often left to an affinity network of volunteer employees that typically compromised of a minority of individuals without strategic decision-makers to influence strategy and cause strong internal and systemic change.

Whilst he observed that some organisations had (-suite support and some initiatives had progressed to tackle recruitment and pipeline issues (e.g. unconscious bias training, blind CVs etc.), he considered that DE&I efforts often stalled at middle management which caused slower promotion and progression rates and an under-representation of the global majority talent from middle management to senior leadership. This in turn created an organisational culture that lacked the compassion, inclusion and belonging needed for the retention of people of colour.

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CASE STUDY 3 - Making progress and asking difficult questions

The seismic shift in working arrangements, combined with global societal tragedies, reinforced the notion that social realities could not be detached from professional lives. Historically, many individuals didn't speak up about underrepresentation and contextual inequalities that could be observed in the workplace, but after the Black Lives Matter movement - heightened by the alarming death of George Floyd - more and more individuals were willing to talk about systemic challenges in their local context, allowing their voices to be heard.

Issues raised and solutions actioned will vary and have varied for each organisation dependent on where the organisation is on EDI journey. But, what is clear is that until commitments and actions transcend a majority culture, closing the gap on underrepresentation will remain tough work.

Making progress in his career

Recognising that he may have had to change jobs to get the progression he was seeking, this NextGen member embarked on a journey to find not just the right role, but the right organisation for him to thrive in. We asked him what it was he was looking for within an organisation, and how he found his current position. This is what he told us...

"

I had a Lang think about my natural strengths and where they could be applied in the pension industry before I considered leaving. I started researching professional trustee organisations and noticed the lack of ethnic diversity which didn't seem to reflect the society the pensions industry serves. If representation is important, I knew this would be a glass ceiling that would need breaking and I knew I had the soft skills for a role in trusteeship and could acquire the necessary technical skills on the job. I began to go to events specifically where trustees were talking on the subject of DE & I and I wanted to know what they thought.

CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

CASE STUDY 3 - Making progress and asking difficult questions

"

During a webinar, the MD of the organisation I now work for was speaking on Diversity within trustee boards and improving recruitment policy's for Member-Nominated Trustees. It was mentioned that one way their organisation was looking to change the status quo was actively not trying to recruit people towards the end of their careers and offering a more structured career path for those at more younger and junior levels. I became more open in the recruitment stage conversations and was brave enough to now ask some of the difficult questions connected to DE&I.

It was important for me to gauge some honest responses so I could join an organisation that took accountability, had progressive views and where its people were committed to ensuring equality of opportunity.

We must remember that people have different views and inherent biases, some of which may be shaped by respective upbringings and lived experiences, but it is important that everyone's views can be heard and that action is taken, especially where organisations claim to be DE&/ focused, so this doesn't remain a taboo subject - the next generation should not, and will not, tolerate it."

Organisations who empower people to speak up, and are willing to open the door to different types of people, will be the ones that find themselves moving the needle towards a truly diverse, equitable and transformative culture that retains the diverse talent within it.

CHAPTER 3: TIPS FOR BUILDING A DIVERSE WORKPLACE

Within this chapter...

There are several steps organisations in the pensions industry can take to support all employees, and diverse talent in particular, to thrive and grow - to the extent they wish to - in an organisation. Within this chapter, we have:

- Offered tips on building an inclusive culture

- Suggested some concrete ways organisations can support individuals across 'the retention journey'

- Used case studies to highlight perspectives from pension schemes and individuals

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CONCLUSIONS AND RECOMMENDATIONS

The people in our industry are calling for change. TPR is calling for change. The benefits of diversity and inclusion are proven. The challenge has been accepted by many but we need to face it together and take action to make a difference.

Here are our top tips for you to consider, and, of course, we would love to hear from you if there are other suggestions you have. By sharing ideas, we can continue to challenge our own thinking and make a real difference in the pensions industry.

> **Listen –** Listen to other people's opinions and be accepting of differing views. We have highlighted that flexible working is important, but don't assume that one size fits all and everyone fits into the same mould.

> **Challenge –** Don't be afraid to challenge. Challenge others if you see/hear something that doesn't look right. Challenge your own thinking and be aware of your unconscious mind. Challenge is healthy and should be part of everyday life. The more we do it, the more we are comfortable with it.

> **Support –** Look at how you can support others and what support is there for you. Put in place mentor/buddy schemes, reach out to colleagues, update company policies and procedures.

> **Be proactive –** If you have an idea, raise it and help to implement it. Gain the support of others and collaboratively take actions to make a difference.

> **Review –** There is no right answer, but by being aware and continually reviewing the position and what changes can be made, we can continue to upgrade the journey.

Together, good things can happen

"

I've been really well supported by my employer, and at times that has meant I've been able to overcome some of the barriers that have come from clients and the industry.

NextGen survey respondent

ACKNOWLEDGEMENTS

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