



## An opportunity for an Asset Management rebrand & culture overhaul

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It is evident that significant change is upon us...the industry, the markets, the world at large. Change, especially one that is abrupt, accelerating, and driven by forces that are out of our control, can be immensely unsettling. It's human nature to resist it, to cling to the comforts of the past. But the changes we have witnessed in recent years are not going away, and some aspects of newer developments, necessary...and a long time coming.

I encourage industry participants and leaders to focus on the positive. With change comes opportunity, new ways of thinking and acting. Accept it, encourage it, advocate for it. The transformation that's underway across the globe presents an opportunity for the asset management industry to reconnect to its core mission and embark on a cultural overhaul to pave the way to a better tomorrow.

Challenges related to Diversity and Inclusion are at the fore now. A greater sensitivity toward equality and fairness has been growing over recent years, with the demand for a more inclusive society hitting a crescendo. There is mounting pressure to commit to greater diversity as we see all too acutely how much more room there is for experienced women, people of color and other underrepresented groups to make a difference in improving the decision making in our industry. Diverse teams, represented by people with different perspectives, backgrounds and experiences reach decisions that more broadly consider and examine all sides of an issue; and it stands to reason that the more closely companies reflect the demographics of the constituents they serve, the more successful they will be in creating solutions that meet the evolving needs of their clients and customers. Finally, there is a significant and still growing body of research that links diversity to improved profitability, better employee retention, and lower investment risk.

It's important to note that improving diversity is not about reallocating pieces of the pie, it's a way to expand the size of the pie. Broadening participation in the workforce will serve to grow the economy which works to benefit everyone.

Yet, despite the increased focus on diversity, the pandemic has had an incredibly disproportionate impact, driving women's participation in the workforce to its lowest level since 1987. At the height of the dialogue about diversity, we have serious work to do to gain ground let alone have any chance at reaching parity in our lifetimes.

On the positive side, the pandemic has also taught us a few things:

- speedy adaptation is possible—we can pivot and build new behaviors if we really want to,
- opportunity can emerge even from the depths of uncertainty, and
- our actions (intended or not) can have significant impact

Big changes, no matter how jarring, can open us up to new ways of thinking and acting. Approached with the right mindset, we have a real opportunity to reject complacency and choose a more purpose-driven path.

Mitigating risks, while capitalizing on opportunities, requires broader perspective, an acknowledgement of blind spots, and a true openness to new ideas. Fostering an environment that promotes and amplifies this mindset is key.

Enter the power of *culture*. The quiet but exceptionally powerful force that is 'culture' has the potential to propel a company toward success in a way that trumps strategy, cost cutting and organizational restructuring. If you can build a powerful culture, it can be an impenetrable force that serves to improve decision making, promote a creative and engaging environment, attract and retain the best talent, and put the company at a distinct competitive advantage.

We are witnessing a time of profound change. It is imperative that we understand and act on our capacity to make a meaningful difference in climate change, social practices, governance issues, diversity and inclusion efforts, and evolving the important role our industry plays in society at large. Returning to some prior version of 'status quo' should not be our objective. We have a real opportunity to change course to 'future proof' our economy. As our lives begin to resume some 'normalcy', guard against that gravitational pull toward the comfort zone and the hopeful assumption that the worst is behind us. There will be challenges ahead, some of which we will be unprepared for. But if we seek to learn from the past, gain from the collective wisdom of a broader group of individuals, and resolve to turn a big step backward into a great leap forward, we can build resilience into the fabric of our industry.

Capital markets participants must transition from reacting to change to modeling the way; and in doing so, proactively playing a *lead* role in the development of enduring businesses that thrive by meeting the needs of all stakeholders and driving impactful outcomes that serve society at large.

It's time for the financial services industry to reclaim its core mission and to lead with purpose—leveraging the opportunities that emerge in both the best and worst of times to not only drive, but model, the way to a brighter future.

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