TRANSCRIPT

PENSIONS FOR PURPOSE PODCAST SERIES 2, EPISODE 7

CLASS, DEI AND PEOPLE VALUE

Laasya Shekaran: Hello everyone, and welcome back to the Pensions for Purpose Podcast. I'm your host, Laasya Shekaran and our guest for today's episode is Richard Tomlinson, CIO of LPPI, which is one of the local government pension scheme (LGPS) pools in the UK. Welcome Richard, it's wonderful to have you here.

Richard J Tomlinson: Hi.

Laasya Shekaran: My Pensions for Purpose co-host for today's episode is David Brown. David, welcome back.

David Brown: Hi, Laasya, It's great to be here and I'm really looking forward to today's conversation.

Laasya Shekaran: Yes, today, we've got an interesting conversation lined up: we're going to be focusing on people value, and we're going to be having a conversation that's perhaps a bit tricky, one that we don't talk about enough in our industry, and that's the class aspect of people value, and some of the tricky conversations that are going on with DEI at the moment.

So to get straight into the topic, I want to start with a bit of personal history. Richard, I'm going to come to you first, can you tell me a little bit about your background and about your upbringing. Perhaps not the usual CV you'd share on a podcast, but a bit more about yourself.

Richard J Tomlinson: Yeah, for sure, so I think my take is, I'm quite normal in the city, and lots of other similar roles. I went to a comprehensive school, not in the South East, but in South Wales. I was born in a place called Bridgend, which unfortunately, is famous as somewhere for a suicide culture, for whatever reason, and I'm proud and happy of where I've come from. I now have a job where I think visibly, people might not quite realise that there's lots of perceptions, and I think it's important at times to talk about some of this stuff, because people, it's that you people default to a reductionist viewpoint. They look at someone and they think, oh, they must be this or that, and I think people are complex. Societies are complex, and these issues are incredibly complex.

So I was born in South Wales, I went to local schools and I did lots of sport, as a regular person. I then went to university, and I went to Cambridge, which again I think, people sometimes see that as I'm a mid-late forties person with a prominent role in the city, I went to Cambridge, therefore I must be this or that, and maybe I am, maybe I'm not, but I think there is much more complexity to that. I feel really lucky, my parents supported me, they pointed me in the right direction, and here I am today.

Laasya Shekaran: I mean, the most exciting part is having somebody else from South Wales here, because I am very proud to be from there as well, so that is brilliant. But, as you say, especially when we don't have a strong accents anymore, people don't often realise these parts of our backgrounds.

David, I'm going to come to you now, tell us a little bit about yourself and your background?

David Brown: Yeah, of course, I'm going to do exactly the same as Richard, mine is going to be very much not a CV version. Basically, I was raised in Essex, with a strong working class background, I attended an average school. I've been living in Yorkshire now for almost 30 years, but despite that I've never lost that Essex accent, I'm very proud of it.

I left school at 16 during the 1980's, and entered the workplace without going to university. So, that said, when looking to enter the workplace, I still receive plenty of offers for city-based roles, despite not having a university degree.

Only later did I realise how fortunate I was, learning from many of my friends in the same age cohort that were living in the North of England about the difficulties, and the lack of opportunities they had in finding employment at that time. It's a really early personal reminder for me that regional economic disparities are not a new thing today, they've been with us for a very, very long period of time,

One interesting point I just wanted to add, it's not related to me. It's related to my mother. My mother as a young child, joined one of the hunger marches back in 1936 believe it or not, this is a form of social protest at the time against the issues of the day.

Laasya Shekaran: Wow! I have to say, David, I had no idea that you didn't go to university, and I think it, or at least didn't go straight out of school, and I think it really illustrates Richard's point that you see somebody that's doing successfully in the city, in this industry, and you just make these assumptions about what their background was.

So we've been alluding to this point, which is class, and class is something that we don't often talk about in a DEI context. We often talk about gender, we talk about race and ethnicity, those are certainly areas that I'm used to talking about, because I have those two quite visible types of diversity when you look at me, but class is something that we don't talk about so much. Richard, why do you think that is, and what should we be doing?

Richard J Tomlinson: I think people don't talk about it much, because it's quite difficult to define. How can you even define it, is it accent, is it where you've come from, is it where you are now, is it if you know the difference between sangiovese and sauvignon, who knows, it's one of those peculiarly British things that we're obsessed with it. It's quite caustic, it gets weaponised, it can be exploited, and we've almost gone the full circle.

I see people now, everyone's got a story that you talk to, and I see people who I do question the stories they tell, sometimes they make out that life was so hard, and I'm not going to stand here and tell you that it was hard for me. I went to a local school, I went to a state school, I went to a comp in South Wales, I'll happily put that on my LinkedIn profile, and I'll stand behind that. I'm really happy, but I just did it. It was, and I think when I stepped back it was more I had the encouragement that my dad had, a mindset that was, you can focus on things and nothing will stand in your way.

So you have education, and state schools, but if you really focus with the confidence and back yourself and believe in yourself, you can move forward. I think the thing people talk about class is they look at me, and I get mistaken for someone who a lot of people assume, I went to an independent school, because I went to Cambridge, and they listen to me now, and they see the job I do, and there's all these assumptions that get built in, and then you have to start saying well for everybody, even if they're in the same position as me.

You go back, how many generations back were the people, the parents, the grandparents genuinely working class, and from so many people of my vintage. It's one, maybe two generations. So what does that mean, how do you disaggregate that, and how do people change.

If I look from my personal context. It was my dad who was definitely born into a working class family, no doubt about it. My grandfather used to work in the steelworks in Port Talbot, and my grandmother worked in munitions factories in the war. So it's just it's not that far away, and I was close to that time of life, and as a child it's just my dad who did get a degree, but he made the step, and I think the bit that is more difficult to talk about is that for lots of people that change isn't that far away, people went moved from different communities. Then you end up for lots of people in a quite a complex situation in terms of your value.

So, in my mind, I've always had middle class aspirations, but working class fears, and for that I think I'm quite common. I think there's lots of people that have that perspective, but when I look across the city, I actually think there's a lot of diversity in the city. There's lots of senior people, who have a similar background to me, you just wouldn't know it by meeting them today.

Laasya Shekaran: Thank you, it's really interesting what you say about class being hard to measure, because I think maybe that's part of the issue as well. We're very what's measured is managed industry, and when you can't really put people neatly in a box, especially as you might have been from one class background during one stage of life. But then that changes, it's quite different to some other types of diversity that we talk about a lot. So I think that's a really important point to make.

So one thing that's going on a lot in the industry at the moment is we are facing, some form of DEI backlash, and I think many people are feeling alienated by the DEI movement, and I think part of that is seeing different marginalised groups being pitted against each other.

One thing I see a lot is this idea of the white working class being pitted against people of colour, even though these groups of people are often disproportionately of a working class background too. So how do you think we can address that, David?

Richard J Tomlinson: It's a really hard one, and I think the challenge is that you have many groups that have a legitimate grievance at one level or another, and then it comes down to the individual, and how that legitimate grievance, how they feel about that their own personal outlook, and it's also subject to manipulation, sometimes weaponisation as well. So it's a complicated set of mixtures, and in an ideal world, there would be no need for anyone to feel marginalised, and there would be no need for a backlash.

I think you can argue, you can see it from both perspectives, and I think it's difficult, and I think the challenge being that many of the underlying issues are the same. People take the observables, and they get pushed in a certain direction, but really, fundamentally, some of the issues are same, whether it's poverty or access to education or well-being, or some of the other. There's a myriad of issues, and it becomes useful for some cohorts to push in certain directions. I'm a huge supporter of equal opportunity, and the whole movement. I do understand some of the pushback as well, not saying it's right, but I do understand why there have been some challenges, because some people get left behind, and that is part of the challenge we're facing here, and there clearly are challenges, some from the centre of social justice, that young men I think we're talking about and that kind of mindset. So I think the challenge, there are clearly challenges, and some of the work from the centre of social justice talking about the challenges young men face, and I see that.

I've got two children, one male, one female, and it's just seeing the different perspectives, and I worry for the outlook for both of them, because different issues are hitting both of them, but I think there are legitimate issues looking at younger boys and how they're developing, and some of the challenges, some of the issues from the social justice report that you sent me Laasya, that highlight that it's broader than just one link. We're observing outcomes, but there are much deeper, fundamental challenges here, and that is affecting all cohorts of society, whether that's changes in familiar structure or economic, or some of the drivers of that. What can we do to address that, it's difficult, but understanding, I think it's I know it sounds glib, but fundamentally having more compassion, understanding for others, and understanding the challenges many people face are similar.

One thing I've joked about as I've got older, is that when you're young you think it's just you facing those challenges, and the world's out to get you, and at some point the penny drops – I've got some monkeys on my back, but so is everybody else. The only difference is, if I know what your monkeys on your back are, if that makes sense, just how many of them, everyone's got carry, but when you're young I think it's quite easy to muddle up that you only see your own, and not necessarily everybody else.

Laasya Shekaran: Yeah, that's so true, and I think it's an important point that we need to understand why the backlash is coming on, how people are feeling, and the fact that they are feeling isolated and left out of this movement – whether you call it DEI or something else, because if we just ignore it and say, oh, no, they're just being ridiculous, then the problem gets worse, and I think particularly this topic about young boys, I'm not a parent, but I hear a lot from people who are parents with young boys and young girls, and they worry about social media and everything, that is a big area of concern for them.

Richard J Tomlinson: Just to come back quite quickly on that, and the risk at a much broader level, of allowing young men to be marginalised. There are many examples in history, where that has happened, and there are some pretty, unfortunately, or fortunately depending on your stand point, if you look at the evolution of the mind, young men under 25, their minds aren't fully evolved, and it's much easier to manipulate and manage so, and numerous cohorts and groups in history have exploited that effectively. I won't be too specific, but I'm sure people can join the dots of what I'm hinting at, It's one to pay attention to.

David Brown: So certainly one of the points I'd like to build on where we've gone so far with the conversation is actually moving away from these marginalised groups, and where we're pitting against each other to actually think about a utopia position. Where wouldn't it be great if we could get to a level playing field for all, and basically get into a position where something, a terminology that I found for today lived experience which basically means the unique knowledge and insight and expertise that we all bring for our direct firsthand experiences of a particular situation or issue, and by getting to this utopian position, can actually really help with solutions and interventions that are informed by real world perspectives, regardless of your background and with full representation.

Laasya Shekaran: Yeah, I love that, we all need to be more open. We are quite far away from that utopia it feels like at the moment, and there have been a lot of historic and structural barriers against women for sure, and other groups as well, but that that would be really nice to be in that place, and I think talking about our lived experiences helps us get there, but it could be hard to feel safe doing that, and I think in some areas it's been normalised a bit more. I know I used to find it hard to talk about ethnicity, for example, and my experiences being from an ethnic minority background, and now it's like all I ever talk about, because I find it quite easy to,

but I still think some of these issues like the challenges young men face, like class are things that people aren't quite there yet, they're not really sharing their lived experiences. So I'm glad that we're actually making a start on that today by talking about it.

I want to talk about women, it's really important we understand that when we have things like International Women's Day, and we highlight gender issues, it's not just women that are talking about this, because we know that gender equality is about improving outcomes for everyone, for all genders. I'm lucky that I've got two male guests on the podcast today. So I can get some insights from what the men are thinking. How do you think about gender inequality? Perhaps, Richard, you could start first.

Richard J Tomlinson: I think what I'd say is there's a vast number of people, men who deeply care about these issues. Many of us have sisters, mothers, we've all got mothers, sisters, daughters, and say it from that perspective, but also from a perspective of you, want a balanced workforce you want a different perspective. There is genuine benefit from a workforce point of view, from having cognitive diversity now, and, different ways of thinking. That can come from multiple dimensions, so I think that you can turn it back to be specific. The cognitive diversity is much harder to be observable.

However, what you're trying to find is people with different perspectives to David's live experiences. Whether that's partly gender, whether that's partly ethnic, whether that's partly class based. But you want people with different, and I had a great example this morning of age. So, people, there's the underlying point of age, where we had a situation this morning where my daughter went into school as a lion, and in the makeup box for her paint there was no sponge. So my wife and I were there, basically quickly debating about who had to go and buy one and my daughter just said immediately, because we just defaulted into our old person's intelligence, and she went, oh, no, no, I'll just cut up the little squidgy from a scrubber. She looked at the world completely differently, and just said, I'll just cut that sponge up over there, and I'll use one of those, and that to me is the difference between as another dimension of diversity is also age as well. So from the gender diversity point of view, I think it is really important to say to focus on this, but the one thing I'd layer back it can be challenging because you're trying to deal with a situation where you have a certain pool that you're trying to hire from, and it can be smaller.

You've got to try and find the right balance between finding people, providing an environment where you provide a meritocratic environment, people hiring into roles, but you're also adjusting for previous challenges or lack of opportunity that people may have had, so they may not been able to build appropriate experience. So it's trying to create a fair process in building a workforce that also meets the goals of the organisation, which would then be that cognitive diversity and able to build on building a high functioning team.

Laasya Shekaran: Yeah, I think part of it is actually addressing the issues that lead to those pools being smaller in the first place, and that can be really going back to gender stereotypes and the education system and things we can't solve overnight, but they probably do need addressing.

Richard J Tomlinson: Yeah, and, as you say, they absolutely need addressing, the stereotyping is really critical. When people think girls do this, boys do that, and helpfully, my little sister, trained as an engineer, and did loads of stuff, and has always rejected all that stuff. But as you say, that isn't the case for everyone, there are lots of gaps from a gender perspective in terms of parts of the workforce, which I'm sure in time we'll even out.

David Brown: I'll give you my take on the question you posed to us as the males on the podcast today. My answer is going to start in a similar way to Richard, that gender inequality is difficult to comment on, so hopefully I can give a slightly different perspective. It's a difficult topic, basically we so much inequality still persists today, and it's basically stagnating social progress. So a couple of examples: women in the Labour market today still earn 23% less than men globally, that's a huge gap, at the current rate. It will take 140 years for women to be represented equally in positions of power and leadership in the workplace, and 47 years to achieve equal representation in national parliaments.

Now, on this last point, there's a website I want to plug, and that's the Elect Her website, this is basically a movement to help close this gap in national parliaments. I think it's really relevant today for our podcast being pensions related, and pension regulation comes from government, so there's a natural connect there in terms of better representation from women in parliament, which will lead to, maybe to legislation fits and works for all.

Now, these sources I've actually quoted here, and these are from the UN SDG reports, so reliable statistics. I believe, we've still got a massive challenge in terms of inequality, but at the same time we do have challenges with boys underperforming in schools, and maybe that's down to there not being enough male teachers. Equally, we see boys being influenced by maybe inappropriate role models and online content, and one week after the number one viewing on Netflix was Adolescents, this is really relevant, and that this is a topic touched on in that particular series, so some really, big challenges here. The focus needs to be on closing those inequality gaps for women, but at the same time we need equality for all, and we need to think about lived experiences, which I referenced earlier. So getting everyone's perspective, inclusivity for everybody, and we need solutions across the board rather than just looking at one in isolation

Laasya Shekaran: Yeah, I think that's so important, if we improve things in a way that make things better for everyone, and it's not about putting one group in front of the other. It's about just making makes things better for all groups, regardless of your background, regardless of if your forms of diversity are visible or not.

David Brown: Let's move on to our next question. So coming back to you Richard, we've heard today about some of the DEI and class barriers and challenges we see in this space, but what more can we actually do to relate back to the lack of inclusion of different groups, What are some of the solutions we can be thinking of?

Richard J Tomlinson: There's obviously the different measures, what gets managed the quota type approach, which I think, while it's easy to pick holes and saying, having quotas and targets. If you're not keeping an eye on some of these metrics, it's I think you then you almost have to is what I'm getting at, it's very hard not to. One of the challenges, though, is to be clearer on what good looks like, because it can be challenging that you don't know what's a benchmark, what does good look like. Is it 50/50, male, female, or is it something slightly different.

What does good look like if different areas of the country and different industries have different cohorts now. There are underlying reasons as to why you have more of one cohort than another, whether it's dentists versus doctors, versus engineers, versus people in the city, and so it's interesting, I think I reflect on this quite a lot, but I'll be slightly provocative here, what you sometimes find is, and we have direct experience of this, it can be hard to hire more diverse candidates. If you're not an employer of choice, because the employers of choice have got the big cheque books and can pay up if they want to build a more diverse workforce. If you're not

able to do that it can be more difficult, because then you're fishing in a smaller pond, then you're having to tailor what you offer, and you might sometimes then find that you end up with a certain group of certain cohort that are more willing to work with you, then someone looks at the optics of your business, and you're like, yeah, but it's not like we haven't tried.

So, cohort is incredibly complicated to try and get right. So the key, for me is, you show intent. You have open honest conversations, and you don't think more laterally about what diversity really means, you've got to think more than just one or two dimensions that are observable. I said, just to build on that slightly, so you can have two people who look the same on paper, or look similar, but their worlds could be very different. So not to be too reductive about it, but have open, honest conversations.

David Brown: Yes, some good insights. Then it's interestingly related back to the experience at LPPI, bringing it back to that pensions related theme, bearing in mind, this is a pensions' podcast we should talk a little bit about what DEI means within the world of pensions, where our memberships are increasingly diverse, where the gender pensions gap remains. We also have an ethnicity pensions gap. So where does the focus need to be, and what do pension schemes need to be thinking about when it comes to people value and inclusion?

Richard Tomlinson: I think I'd say that I think it depends on your on your context, because pensions is much broader. There's a lot of you can't be too reductive about. there's lots of different types of pensions, as I quite often point out, the LGPS is different to corporate defined benefit (DB), which is very different to defined contribution (DC). So I think you have quite different drivers, and the drivers and the memberships are quite different.

If you think about the LGPS, and I won't quote exact numbers, because I'll get them wrong, but if the LGPS predominantly is a very large number of people with relatively low pension rights in the sense, I think the average pension, it's in the 5,000, 10,000 (tight numbers). So people have this idea that there's these big pensions - they're not that. Lots of people a larger pension rights, and it is very broad across the country, It is quite different to some other cohorts, and I think about how that comes together. So in terms of membership, I think the key for me within the from an LGPS context is making sure people actually opt in, and that you have people taking building pensions for the future and not they have the income, and they're fully engaged, and you have a diverse membership, but they don't think it's not for them.

I'm not sure I have any particular issues, because I tend not to face on the member side. I'm much more focused on the investment side, but from an investment side, you do need to think from a whether you've got your board, or of the investment committee, again thinking through having an investment committee that has a broad range of perspectives, and that can then mean having diversity from different dimensions.

David Brown: The point to draw out there is when we think about memberships, we also need to think of those pension committees, particularly, for when it comes to the communication and engagement with members as opposed to the investment side, so, having a diverse trustee board that will have a better understanding of where members might be coming from could be helpful. Do you have any experience from a diversity perspective in terms of how that can make better investment decisions?

Richard J Tomlinson: I think when we think about this type of stuff you are looking for a broad mix of skills and perspectives. You don't want a whole group of people that have similar mindsets, processes and experience to yourselves. So we've had over the years, lots of experience internally where we try and build up a different set of perspectives from our

investment committee (IC), so I'm going to talk more functionally. But then we can reverse back to the point. So you obviously, from my point of view, you want the very granular bottom-up people, and you also want the top-down big picture thinking, you're looking for people with macro thinking. I think the diversity, in terms of the cognitive diversity, comes through, you get different mindsets. If we start going down the route wanting the sort of person that think differently, and the way they get there could be for lots of reasons. Some people's brains are just wired a different way they look at something, they see something completely different, and I think that's important. They can just call stuff. They say, I've got quite a few of those in my family, and they look at things and they go, oh, it's just like that.

Some people think in numbers, some people think in words, some people think visually, so it's an element of that, but I think if you then go one step further, especially in a pensions context, where you're dealing with complex assets on a global basis. You then really get into some of the diversity where someone's who's really got experience in a different region of the world, because maybe their family, or where they've lived, or they just understand a different cohort society where an investment case just falls apart because they say, I know that community, they're just never going to do that, so there's definitely elements of having that broader perspective. It's easy to see the risks of having a group of decision makers, who all live in South-East England. All have above average incomes, and they've all got the same kind of educational background, it doesn't take a rocket science to spot how they may have some blind spots.

Laasya Shekaran: This has been an absolutely fascinating conversation. It's been a difficult one, because we don't often talk about these issues, and whether it's class, but also whether it's experiences of young men, these are things that using David's language, I don't really have the lived experience of, but I think that's why it's even more important that we talk about it. If there's one thing you wanted our listeners to take away from this episode, what would it be?

Richard J Tomlinson: I think if we bring this back to ‘don’t judge a book by its cover’, and I know that's a real cliché, but don't think that where you are today, or where you are today is where you were, and where you're going to be, people can evolve, and I would joke that I suspect many people look at me and make judgments about where I've been educated and what I think, but I think one of my greatest strengths is I can essentially shapeshift, so I can be just as happy in a horrible dirty ‘spit and sawdust’ pub anywhere in the country, drinking whatever, and I can shapeshift into a full dinner jacket and talk with whoever at the highest levels, and that to me is a gift because of the diversity of where I've been, from starting out where I started and going to local schools in South Wales. I then had to go to Cambridge, and I didn't talk about this earlier, but it was quite an adjustment to say the least.

Laasya Shekaran: It must have been a culture shock, right?

Richard J Tomlinson: It was a huge culture shock for me, and I had an enormous chip on my shoulder, that chip has hopefully gone, but you evolve, and what I try to say, I'd leave people with wherever you start, doesn't define where you end. You can back yourself, son't have the chip on your shoulder, do not let the chip define you, because I do see if I'll have a little bit of a pop at something. I do see quite a lot of messaging where these things get weaponised, and I don't think that's particularly healthy for the individual in the long term. You're better off embracing, evolving, and saying, yeah, I've got these challenges, but I can keep moving forward, not it defines who and what I am. So believe in yourself, back yourself, and do not judge others by what you see, get to know them, and these things are much more complex, and embrace the complexity and embrace the diversity.

Laasya Shekaran: Brilliant words, thank you so much. I think one thing I'm going to take away from this, in addition to not judging a book by its cover, is the importance of having these conversations and being a more open to talking about this, and showcasing different types of role models. I think it's important that now we can share both of your experiences and your histories and showcase a different type of male role model to people out there. So thank you very much for joining us today, it's been a brilliant conversation.

Richard J Tomlinson: Thank you, Laasya, thank you David.

Laasya Shekaran: Listeners, if you want to make sure you never miss an episode, then hit, follow, hit, subscribe. Wherever you listen to your podcast thank you so much for joining us, and we'll see you on the next one.