Thinking Ahead Institute

Culture – the organisational superpower

A white paper in our series on the power of culture

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Chapter 1: Introduction – the power of culture

The rise of organisational culture as a differentiator

When the Thinking Ahead Institute (TAI) was formed in 2015 with a stated ambition of changing investment for the benefit of the end saver, there was little research on the state of organisational culture in the investment industry. And, judging by the limited take up of our first study, little interest too. Now, seven years later we have produced a significant body of work, in conjunction with our members, and there is a much heightened appreciation of the power of culture to direct and influence organisational change in individual investment firms, with the knock on effect to the broader industry. Our members have contributed a lot of time during this period with over 550 leadership professionals from 28 investment organisations globally engaged in the various studies with many more contributing informally. We are tremendously grateful to all for helping us go deeper into this hitherto under researched, under measured and widely under rated *change lever* that is empowering leadership for change and increasing differentiation across our industry.

Before exploring the latest study, a quick recap of previous research will be informative. Based on academic research we developed a culture framework and model which was formalised in The impact of culture on institutional investors paper and we also probed culture as a unique ingredient for providing competitive advantage. We tested this on a number of member organisations and results and feedback were encouraging, so we developed a broader industry study called the Power of Culture (TPOC). This involved individual organisational assessments and the deployment of bespoke dashboards to score cultural attributes and edges and an overall cultural engagement level. Those findings are contained in a research paper which also covers culture's role in support of greater purpose and mission in the investment industry and opportunities for innovation, particularly around diversity and inclusion and social justice.

This latest white paper captures the finding of the latest Power of Culture study and is focused on the asset owner model (with reference to mainstream and alternatives asset managers) as well as the areas of purpose, sustainability, superteams and change.

At the time of writing the worst of the Covid-19 pandemic seems to have passed in most places, but the aftereffects continue to complicate people's lives and working arrangements. In addition, sustainability and ESG considerations will continue to challenge organisational leadership in many ways. The *glue* that holds organisations together is being truly tested.

However, we are encouraged to see that more leaders are recognising the importance of the individual and are placing greater emphasis on understanding their identities and personal needs. Not only to boost engagement but to become more humanistic and authentic organisations with higher levels of personal responsibility and intrinsic motivation. In our estimation, it follows that these organisations will be tuned into the benefits of diversity, equity and inclusion (DE&I) and how they translate into better decision making and more rewarding outcomes. And that their judgements in managing a range of stakeholders will be more consistent and better informed through a strong link to their purpose and reflected in their business strategies.

"... we are encouraged to see that more leaders are recognising the importance of the individual and are placing greater emphasis on understanding their identities and personal needs."

While cultural norms differ across segments of the industry, it is apparent from our research that true innovation in the investment industry is rare. This is at a time when the need to be adaptable, particularly around sustainability and climate change, couldn't be higher.

Our contention is that these challenges will be best dealt with by organisations with strong and effective cultures. Cultures that are rigorously measured and defended and that underpin the fabric and identity of a cohesive organisation. And leaders are discovering that not only is culture a key *superpower* for keeping the organisation on track, but it is the *superglue* to prevent it from coming unstuck.

"... leaders are discovering that not only is culture a key **superpower** *for keeping the organisation on track, but it is the* **superglue** *to prevent it from coming unstuck."*

If you are time challenged, we would draw your attention to chapter 2, which contains the high-level findings from TPOC phase III. **We would also draw your attention to CAIA's contribution to this project and white paper (on page 6) for which we are very grateful.**

The remaining sections cover the asset owner culture model (chapter 3), sustainability and purpose (chapter 4), innovation and managing change (chapter 5) and Superteams (chapter 6). The conclusions are in chapter 7.

Chapter 2: High-level findings from phase III

Change adaptability

Leader investment organisations are setting their business strategies with greater reference to cultures that are highly principled, are more humanistic and have higher levels of empowerment and personal responsibility. This as a result of having *organisationally matured* to develop a greater understanding of individuals' identity and personal needs. The result of this cultural journey is that it boosts employee engagement and enables better and faster decision making.

As part of this process investment leaders are increasingly recognising that the traits of *authenticity* and *trust* are central to success, as they inform the quality of their judgements and decision-making, which have been particularly tested during these challenging times. At the same time, when these traits are embedded in an effective culture it informs leadership thinking around the responsibilities and trade-offs needed to manage multi-stakeholder needs and outcomes.

Multi-stakeholder capitalism is one driver of change in the investment industry which, along with sustainability and climate change, is placing a greater emphasis on the need for innovation in a relatively conservative industry. Those organisations that innovate need to be more supported by their culture to be more adaptable to these changes.

Some organisations have progressed their culture with an emphasis on diversity in its full form, that is DE&I (diversity, equity & inclusion), because it embeds belonging and a strong group identity and contributes towards cognitive diversity. Which when combined with effective governance contributes to building organisational collective intelligence – an important shift of emphasis for organisations preferring teams rather than stars. Organisations are beginning to apply these principles to the dynamics of teamwork, using the concept of *superteams*, in the pursuit of exceptional business results.

The various segments of the investment industry are at contrasting stages along the cultural sophistication spectrum and exhibit different cultural norms as a result. This is particularly noticeable between mainstream asset managers and alternatives managers; between the asset management and asset owner communities; as well as between large and small asset owners.

In an industry where innovation is rare, there are growing numbers of investment organisations evolving their cultures to be supportive of the organisational change that will be required to meet the multi-faceted challenges facing them.

Asset owner culture

Asset owner culture has matured less than asset manager culture and this seems mostly due to the influences of their boards which have often been more focused on governance than culture. The influences on asset owner culture are numerous and include emerging multi-stakeholder responsibilities and more complex relationships with key stakeholders.

Investment boards have been shown to be highly influential to asset owner culture, but not necessarily in a positive way. Their natural conservatism and low levels of innovation and risk tolerance militate against building differentiated cultures, resulting in under-developed and somewhat anodyne cultures where avoiding personal risk is an implicit priority.

Given the close relationship between fund sponsors and the asset owner, it follows that their culture often mirrors the behaviours, values and styles of the sponsor and their business sector. This can be a positive in terms of good and easy relations but can also be dilutive and prevent the development of a strong and unique culture better fitted to the asset owner's unique context.

Asset owners typically have small teams with a high dependency on third-party agents, like asset managers, which tend to have stronger cultures. Where this is the case, they can and do choose to take on an expanded set of behaviours from culturally aligned providers, especially in strategic partners.

Regulators can have a profound effect on asset owner culture, especially in increasing number of regions where they are sharpening their focus on board behaviour and professionalism. The knock-on effect of this is to drive up governance standards and stimulate some movement in developing stronger culture. We note that culture and governance are two sides of the same coin.

Asset manager culture

In the fiercely competitive asset manager environment, an emphasis on effective culture as a differentiator is a prerequisite for organisational success and seems at least as important as business strategy in influencing good organisational outcomes. At the same time, there is an increased recognition of the key role of organisational purpose in talent attraction and retention and in supporting sustainability within the organisation and in the investment model itself. This direction of travel is consistent with the increasingly accepted imperative to have a multi-stakeholder vision.

While engagement on culture takes a lot of leadership insight and energy to do well, there is a growing recognition of the need for the full commitment of the senior leadership team to elevate and actively shape culture into a competitive edge. Success is being seen in having a shared language, fact base and collective behaviours.

While more mainstream asset managers are finding culture to be a useful business management tool, as well as differentiator, there seem to be some differences in cultural archetypes elsewhere within asset management segments. Notably culture in the alternatives area of private equity and hedge funds has generally not matured as far in the wider purpose and multi-stakeholder direction. One of the ways to test cultural maturity is for asset managers to consider the relative importance of these five cultural considerations when building and reviewing their value proposition:

- Organisational purpose is given weighting on a par with short-term business results
- Understanding and respect for so-called ‘soft’ or intangible factors
- Developing the language, facts and artefacts necessary to communicate culture
- Attention is given to DE&I
- Culture is carried successfully within different teams with particular encouragement to creative and innovative teamwork.

An interesting finding from our latest study is that asset managers appear more committed to developing their culture and are more confident with it, though we believe this can border on over-confidence. They have particularly strong client-centric scores, while asset owners seem stronger on purpose. When aggregating dashboard scores, asset managers on average scored *one notch* higher than asset owners in cultural attributes and edges. So asset managers have averages close to AA, with asset owners having averages close to A.

Figure 1 – **Aggregate asset manager dashboard***

Culture attributes	Score		Weight	
1. Client-centric	75	AA	86	4/4
2. People-centric	73	AA	85	4/4
3. Positive leadership	71	AA	86	4/4

Culture edges	Score	
1. Inclusion & diversity	71	AA
2. Innovation	69	A
3. Purpose	71	AA

Figure 2 – **Aggregate asset owner dashboard***

Culture attributes	Score		Weight	
1. Client-centric	68	A	81	3/4
2. People-centric	67	A	84	4/4
3. Positive leadership	63	A	84	4/4

Culture edges	Score	
1. Inclusion & diversity	63	A
2. Innovation	62	BBB
3. Purpose	69	A

*Dashboard results have been aggregated across 12 asset managers and 10 asset owners that participated in TPOC2 and TPOC3 studies. The sample size is relatively small and so may not reflect the characteristics of the wider population.

Alternative asset manager culture

By William J. Kelly, Chief Executive Officer at the Chartered Alternative Investment Analyst Association (CAIA)

By most estimates, the alternative asset manager oversees less than 20% of the asset pie but that smaller slice represents almost 50% of total global revenues. The stakes are higher and transparency, one of the most important tenets of a powerful culture, can sometimes be perceived as an obstacle in the pursuit of alpha.

As the traditional global equity markets meet or exceed most estimates of what defines fair valuation, asset owners are more inclined to simply accept the lower beta exposure / return and seek alpha (and potentially higher returns) from the less traditional markets via a shifting emphasis in the corpus of the risk budget. This has naturally brought unprecedented asset flows into the private markets, along with expectations for a differentiated return. In the near-term, this has manifested itself in unprecedented levels of dry powder (asset owner capital committed, yet to be invested) and median returns that look a lot like what the public markets are offering for almost no fee. In addition, there is the dispersion of performance results that are flashing median to top-quartile differences in returns, measured in the thousands of basis points. How do these managers respond? Whether it's a short-term fix, like clever branding in the pitchbook or something altogether more sincere, how they do it is likely to reflect their organisational culture – for good or bad. And in a world where culture is increasingly seen – by most allocators – as a strong indicator of prospective returns as well as a reputational risk factor, getting it right seems increasingly sensible.

It starts with a simple discussion and a demonstrative and unflinching commitment to transparency. The asset owner has been clear with what they want: DE&I, climate solutions, impactful governance, a fair shake for all stakeholders, AND a total return that needs to be at least in the mid-double digits. A tall order that cannot be delivered upon demand.

> *"It is no longer an AUM arms race where the key metric is how big of a slice one has. Rather the demarcation will be the cultural contract that the alternative manager takes on for what are truly assets under their care."*

Let's start with that pitchbook. Prior returns are never a guarantee of future results but are we clear enough that these vintage funds were raised and invested at least 5 to 7 years ago when it was more about pure alpha? The aforementioned asset owners' expectations are now part of a more all-encompassing portfolio for the future requiring the allocation of capital across an even wider set of global risks. This is not about concessionary returns, but all about not making any concessions when it comes to a new paradigm of risk budgeting across all verticals of capital commitment. Failure to address and manage a myriad of risks from governance to diversity of inputs in the investment decision process will leave a very costly blind-spot when solving for better societal outcomes. The downside risk there is enormous, not only for the asset owner, but also for our world.

We must also take a fresh look at the approach to due diligence (DD) and what should truly matter to the asset owner and the alternative asset manager. Qualitative factors are no longer in the 'nice to have' category according to a Limited Partner / General Partner survey conducted by CAIA Association earlier this year. That emphasis deserves even greater play, along with a proactive embrace by the managers, in the traditional DD questionnaire. Not everything that counts can be easily counted, and the longer investment horizon for alternative investments is truly a (superior) differentiating opportunity for those firms that embrace the full power of culture.

This will not be an easy phase. Sometimes the asset owner will not have realistic expectations or will ask the alternative asset manager to deliver upon promises that are simply not part of their investment thesis. That discussion must be had early and often, and throughout the holding period. It is no longer an AUM arms race where the key metric is how big of a slice one has. Rather the demarcation will be the cultural contract that the alternative manager takes on for what are truly assets under their care. Those same assets must eventually be returned to an owner who in turn answers to the multi-stakeholder which is ultimately all of humankind.

Culture measures

Culture is multi-faceted and the Institute model uses five cultural attributes for measuring culture: client-centric, people-centric, positive leadership, high performance, integrity and respect. Effective culture combines cultural strength in which employees' behaviours are aligned and there is consistency in cultural alignment with strategy and leadership action embedding culture. And the three core cultural attributes most in focus here are: the client-centric, people-centric and positive leadership elements.

Client-centric core attribute

At every organisation there must be a deliberate balancing of different interests: clients, firm, workforce, self, shareholder and wider stakeholders. There is considerable challenge, complexity and ambiguity in optimising among interests so trade-offs are inevitably involved. Our experience is that investment organisations do not always deal with these trade-offs honestly and accurately. How much firms actually put client interests first is a critical test of mission and culture.

One of the most significant aspect of this lies in the search for feedback from clients. There are challenges to getting feedback but we have found many organisations use considerable ingenuity to get this to happen with a disciplined cycle of surveys and informal discussion. A central focus for this feedback lies in trying to gauge the nature of client trust. We have explored the dimensions of trust and its potential to add value in all our study discussions.

The Study group results for these three key factors in client-centric culture are as follows:

- Strong mission evident in 81% of the group (88%AM/70% AO)
- Listening to clients is broadly evenly-framed at 56% of the group (59% AM/50% AO)
- Trust is good between the organisation and client at 67% of the group (65% AM/70% AO).

Figure 3 – **Client-centric core attribute | Effective practice factor across study group**

People-centric culture

People-centric culture is the other cornerstone and the team and people culture is seen by many as critical to delivering to client needs. The talented investment professional seeks an organisation in which they have respect, recognition and belonging; talented colleagues; autonomy, mastery and purpose in the role. It follows that a strong investment culture is aligned with talent and teams; and the attraction, retention, development and motivation of talented people make up essential parts of the EVP that will be enabled by strong culture and leadership.

The Study group results for these three key factors in people-centric culture are as follows:

- Purpose is meaningful and works well at 78% of the group (71% AM/90% AO)
- Collaboration works well for only 48% of the group (41% AM/60% AO)
- And team managers are effective in 52% of the group (46% AM/60%AO).

Figure 4 – **People-centric core attribute | Effective practice factor across study group**

Positive leadership

Good culture produces better behaviours and organisational outcomes in concert with good leadership. Leadership in our industry narrative has typically meant dominant and accomplished operators whose powers were granted from high up. But there is a movement towards servant-minded and quietly inspiring leadership types where powers are granted from lower down. This suggests attributes for strong leaders include:

- Preparedness to speak out, as employees crave strong leadership shaped from rich values, meaning that leaders have scope to craft messages that go further than the strict confines of the business
- Ability to show the courage necessary to mobilise change effectively
- Openness, clarity and consistency on values and ensure organisational values authentically sync with actions.

A combination of these traits will help leadership be more effective in developing strong cultures and maintaining them. In turn, they will be rewarded with more resilient organisations that are both sure-footed in strategy and steeped in humanity. And, if they can also produce a vivid visualisation of a better future for our industry and society and be focused on contributing to its fulfilment, we will all be in much more resilient shape. The Study group results for these three key factors in people-centric culture are as follows:

- Leadership vision works well for 61% of the organisations (69%AM/50% AO)
- Leadership is effective through tone at 59% of the group (65%AM/50% AO)
- Leadership is strongly inclusive for 70% of the group (65%AM/80% AO).

Figure 5 – **Positive leadership core attribute | Effective practice factor across study group**

Proportion of organisations that have this effective practice factor (>75% of results must be strongly agree + agree)

Chapter 3: The asset owner culture model

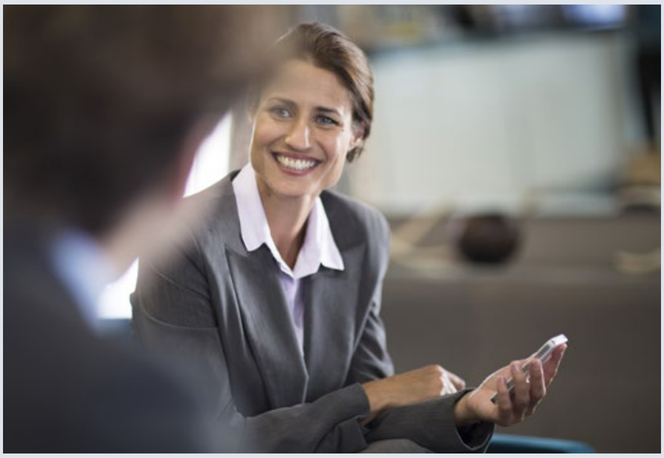
Asset owners worldwide are being encouraged by multiple stakeholders to take on greater responsibility and be noticeably more influential in the investment chain than ever before. This has added significant complexity to decision making and raises hard questions about whether their models are still fit for purpose.

In this context it is helpful to think about *organisational maturity* as a concept. This is a model of the evolution of organisations progressing over time through various life stages towards more scale, sophistication and effectiveness with attendant issues of increasing complexity. Culture has a part to play in this maturity journey with asset owners developing stronger culture over time, but that journey has generally not progressed as far as the asset managers.

Other factors that are influential to asset owner culture include the fund segment (eg Canadian, endowment, sovereign wealth etc), fund size, governance sophistication and ambition.

The sustainability movement is also a major influence placing greater emphasis on a culture and purpose which works with evolving fiduciary duty to incorporate three-dimensional (3D) investment frameworks and mandates that integrate *impact* with risk and return.

There is more on how investment organisations grow and mature in chapter 5.



Influences on the AO model

Next we explore the influences on asset owner culture from its multiple stakeholder, with key stakeholders being sponsors, the board, regulators and third-party agents.

Sponsors

An asset owner's sponsor exerts a strong cultural influence, resulting in some mirroring of behaviours, values and styles which may militate against the development of a distinctive culture. Their influence also introduces behaviours that may not be consistent with long-term investing, by blending in short-term thinking. This can be particularly acute in fast-moving sectors where there is a strong culture of focus on short-term business results. The asset owner executive team often comprises employees of the sponsor whose norms include aligning the sponsor and fund. And sponsors exert a direct influence through representation on the asset owner board, which is likely to strongly influence a weak and underdeveloped culture.

The Board

Asset owner boards can have a wide variety of representation and a mix of capabilities, but generally the lay characteristics combine a focus on the member with domain knowledge that is uneven. This result in most boards having a culture with high levels of integrity but with certain cautiousness and conservatism. The generalisation is that there are typically low levels of innovation and risk tolerance, which is often mirrored in the asset owner executive team they oversee. While boards are slowly changing to reflect a rapidly changing environment, personal risk (and also *career risk*) continue to be dominant in board culture which perpetuates the status quo, as does the practice of hiring in the same mould.

"The central principle for regulators is to ensure that regulation results in the best financial interests for members."

The small proportion of asset owners that have insourced the CIO function have a different dynamic evolving in the relationship between Board and executive team with more decision-making power shifting to the latter, with more say on culture. While there is a greater recognition of the role of culture in boardroom dynamics, each board has unique characteristics that have evolved through its people and circumstances and will take time to change. All the while, boards remain highly influential to all asset owner practice and culture.

Regulators

The central principle for regulators is to ensure that regulation results in the best financial interests for members. As such pension fund governance arrangements and culture, seen through the lens of protocols and guardrails concerning conflicts of interest and ethics, feature prominently in regulation. And regulation is becoming increasingly influential and having a profound effect on the shape and size of asset owners in major pensions markets. In Australia and the Netherlands, forced consolidations, ostensibly aimed at achieving economies of scale and improved performance, are having significant ramifications for their *modus operandi* and culture. European pension regulation is encouraging greater professionalisation of boards which now encompasses a view on board behaviour and factors affecting decision making, such as diversity.

In addition, regulation has introduced enforcement of standards, notably around reporting, particularly in the areas of ESG and sustainability – driven by climate-change imperatives. It is clear that regulators are a major force in shaping asset owner behaviours and ensuring they have strong fiduciary cultures. The question is to what extent will they be supportive of a broader interpretation of fiduciary duty as imperatives grow to factor in wider stakeholder considerations.

Third-party agents

Asset owners typically have small executive teams resulting in a high dependency on third-party agents. These agents, typically asset managers, tend to have stronger cultures which, in the absence of an established culture, are likely to influence asset owners, one way or the other. However, this indirect culture effect can be unhelpful in realising real change in the industry. Are these cultures suitable influences? All agents are susceptible to favour self-serving practices in line with agency theory and incentives. For example, overclaiming in reporting is endemic and sustainability issues, particularly around climate change, are deepening agency problems with greenwashing being highly problematic to the industry.

Having aligned cultures with agents is a key success factor for asset owners, particularly those larger relationships, including outsourcing to strategic partners. In these cases, asset owners can take on an expanded set of behaviours, essentially borrowed from culturally aligned providers. Where alignment is difficult, the use of Memoranda of Understanding alongside Investment Management Agreements can help to extend asset owners' cultural reach. This may be a step in the right direction.

"In addition, regulation has introduced enforcement of standards, notably around reporting, particularly in the areas of ESG and sustainability – driven by climate-change imperatives."

Governance challenges and the asset owner model in transition

There is a growing recognition that asset owner governance is inextricably linked to its culture and this inter relationship means they are increasingly being seen as two sides of the same coin. So asset owners with weak governance are likely to have weak cultures. As their governance matures so can their culture but unfortunately, given resource and other constraints many asset owners are not yet in good shape on their governance.

Governance models differ around the world and culture plays a greater role in some markets than others. In the Netherlands, for instance, there is a move to a model where non-executive board members are at arm's length, but shoulder much of the ultimate responsibility. As such, trust (in a low trust environment) needs to be high for this model to work well and challenges will arise when there are differing cultures between board and executive. Acknowledging that all governance arrangements run into alignment difficulties given overlapping stakeholders, it is arguable that more joint work on important cultural edges such as openness, diversity & inclusion and purpose would bridge these gaps.

Another gap that is becoming more apparent is that between the strategic asset allocation-based investment model and the governance flexibility required to invest successfully in a rapidly changing and complex world, exacerbated by climate-change imperatives. The total portfolio approach alternative is more consistent with this flexibility but is very unusual at present and difficult to achieve, without a well-developed culture and a capacity for taking on significant change.

Challenges and opportunities

Divergent or uncodified cultures among executives, boards, sponsors and third parties, along with the associated incentives and motivations, have created real challenges for asset owner governance. While all organisations will have implicit cultures, there is seldom the interest in going through an unearthing process to make it explicit. Part of which helps define organisational identity and settle key issues relating to stakeholder interests, which are currently only vaguely understood. Another challenge is that asset owners tend to underpay for talent, which can be damaging to organisational effectiveness. That is unless they can be motivated by a clearly defined culture that is underpinned by a strong purpose, in which living up to shared values counts for more than compensation.

These challenges require strong leaders who are conversant with the power of culture to unlock the benefits of collaboration and compromise, especially where they hold chair positions. Additionally they will need thick skins and perseverance to defend the positives of strong organisational culture, which is really hard to do in an investment industry obsessed with hard data. At the same time, sustainability and climate-related considerations are forcing rapid change on asset owners, which their leaders are beginning to realise can only be successfully achieved within a strong culture.

Chapter 4: Sustainability and purpose

Investment business models for many investment organisations are in transition because of sustainability, especially the Race to Zero and three-dimensional (3D) investment frameworks and mandates that integrate *impact* with risk and return. In practice this means that, in addition to transitioning to lower-carbon investment strategies, organisations are increasing their ESG ambition to embrace universal-investor strategies which intentionally target positive societal and environmental effects and better long-term financial outcomes. And this is the strong link to organisational purpose.

However, those organisations aiming for a clearly articulated purpose that unlocks a multi-stakeholder organisational mindset may have to change their fundamental priorities in respect of these stakeholders. This has already become much more important in influencing investment organisations' climate-change strategies. In this change process, they must settle on a collective vision and mission by socialising it deeply and widely within each organisation. And this is the link to culture. If their settled purpose is to reflect well on the organisation, motivate its people and satisfy stakeholders, it is imperative that it aligns with a target culture that leaders throughout the organisation have bought into. This is at the same time recognising that sustainable business strategies, set in isolation, will not work if the organisational culture does not support or motivate their implementation.

This shift is not always obvious and may not come naturally but, on this journey of self-discovery, the most committed and high-ambition investment organisations will have to ensure their purpose is integral to the business model and reinforced frequently, through a culture that rewards sustainability thinking and global teamwork.

It is becoming clearer that strong-cultured organisations seem the most likely to make the transition successfully, given the quantum of change needed to become a genuinely sustainable investment organisation (defined as one that is fully committed and capable to fulfil multi-stakeholder sustainability ambitions). This is especially true for asset managers, that have ambitious climate-related targets, notably those with net-zero ambitions.

And it is worth mentioning that the cultural qualities of openness and transparency, which lead to a greater emphasis on integrity and high ethical standards, are key to resisting the temptation to overclaim or greenwash. As an aside the whole area of climate change is awash with organisations using it to gain a competitive advantage. It is our contention that organisations that truly understand this area, in all its complexity, will have a humbler and more authentic culture and be more modest and reflective in their reporting.

This is not to diminish the link between strong culture and competitive edge. Indeed this research points to a strong emphasis on culture, when synchronised with purpose, being a prerequisite for organisational success. With many investment organisations acknowledging its key role in enhancing differentiation, especially around sustainability and resilience.

"…it is worth mentioning that the cultural qualities of openness and transparency, which lead to a greater emphasis on integrity and high ethical standards, are key to resisting the temptation to overclaim or greenwash."

As part of our research, we have identified three main areas where organisations can further differentiate themselves:

1 **Enhancing skills:** With long time horizons, uncertainties, and inherent interconnectivity, any effective response to the climate change challenge will require multiple insights. Therefore, building teams that are capable of delivering exceptional results – or superteams – has become more critical than ever. Led to success through combining diverse and exceptional talent, these teams' collective intelligence is fully leveraged by great culture and governance. This collaborative culture may require staff to gain new skills, or have dormant skills put to work. There is more on superteams in chapter six.

2 **Maximizing collaboration:** Just as sourcing skills is important for addressing climate change, so is collaboration, both between and within organisations. Many organisations admit to operating in silos across regions which stifle innovation and prevent a more joined-up, holistic, and teamwork-oriented approach to sustainability. Progressive organisations are therefore looking for how collaboration can produce better outcomes and how a culture of teamwork and transparency can identify the correct problems and spaces for collaboration. At a systems level, large asset owners are increasingly looking to build strategic partnerships with organisations that share their culture and are excellent in sustainability innovation and research. They are also increasingly looking for collaborative research relationships across wider fields like climate change, data relationships (aimed at evolving imperfect ESG data sources into decision-useful forms), distribution relationships and index provider relationships.

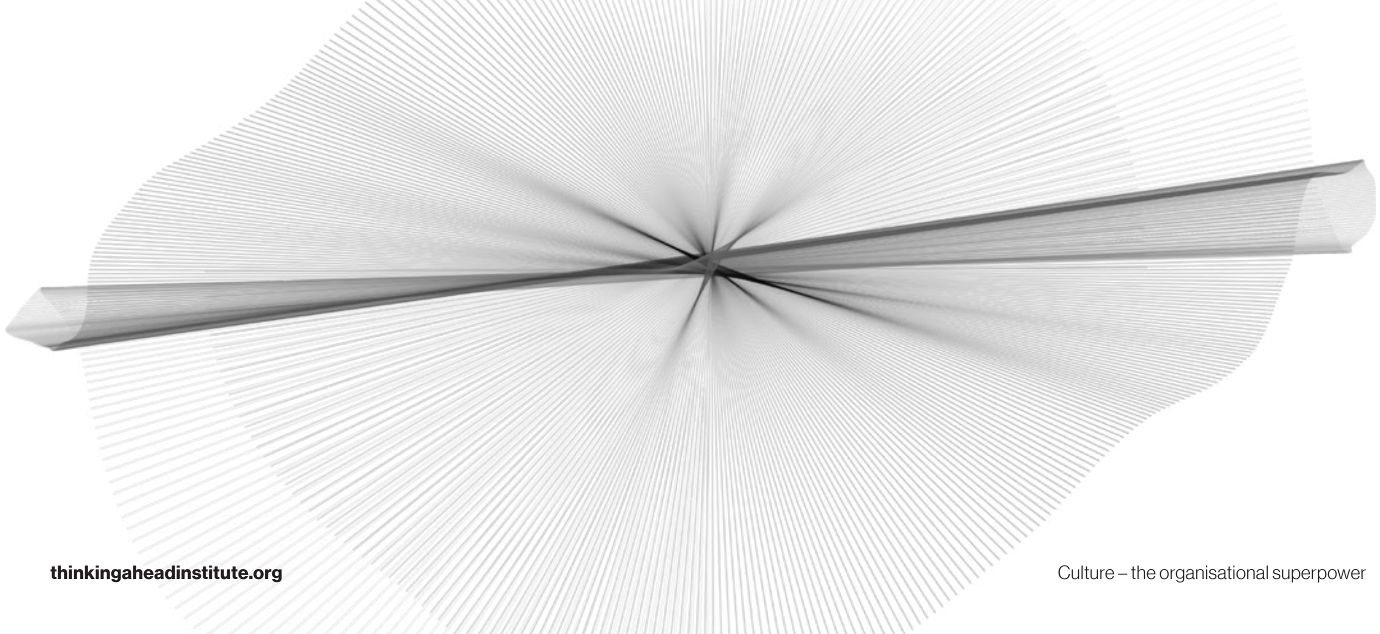
3 **Aligning incentives:** Investors are increasingly paying more attention to the types of incentives they offer. If structured appropriately, incentives can increase organisation value, refocus efforts away from short-term targets, and create better accountability on performance too. Similarly, we are seeing how investors are setting out clear expectations using stewardship policies, with these expectations becoming increasingly specific in regard to climate-change action. In addition, organisations with effective cultures will more easily identify and put in place the right incentives to motivate and sustain such action.

Purpose and performance

Back to the centrality of purpose and the imperative for it to reflect an organisation's culture. This is based on the simple premise that when a mission is clearly defined, the type of approach and tone of response is set. Added to which is how culture and purpose can be mutually reinforcing whereby the establishment of a strong people and teamwork ethos not only underpins an organisation's purpose but also promotes collective responsibility for it and belonging to it.

Simply put, purpose is the reason why organisations exist, whom they serve and what outcomes they seek and it reflects their ambition and vision. And the choice of purpose dictates the degree to which motivation, energy and resources are captured and value added.

For a long time, investment organisations' primary purpose has been performance focused. However this is being challenged and organisations are having to set the tone for a workforce which is increasingly drawn to greater social responsibility. It is our contention therefore that organisations with well-considered and well-articulated purposes, which act as a catalyst for a strong and well-maintained culture, are much more likely to be the truly sustainable investment organisations of tomorrow.



So it is time for more investment leaders to recognise that incorporating purpose and culture into business strategy not only makes their organisation more resilient, but also equips it to deal with the complex challenges of sustainability. The results for our group provide encouragement in that purpose is meaningful and works well at 78% of the group (71% AM/90% AO). However, there is still work in the area of collaboration, where it works well for only 48% of the group (41% AM/60% AO). While team managers are effective in 52% of the group (46% AM/60%AO), which could be boosted with a focus on more professionalism in the area as well as specialist training.

Figure 6 – **People-centric core attributes and effective practice factors**

Further insights came from the group on the sustainability motivations. Trying to do well by doing good is a motivating factor for 50% of the group (60%AM/44% AO). A strong majority – 71% – agree that the resilience of the financial system should be part of their mission (80%AM/67%AO). And social license to operate, long-term sustainable value and leaving a lasting legacy is important to 57% of the group (60%AM/56%AO).

Figure 7 – **Sustainability attributes and effective practice factors**

Chapter 5: Innovation and managing change

Phase III of our study has confirmed that investment organisations find it hard to apply innovation to the business and operating models, in contrast to applying it within portfolios. With large degrees of change in the circumstances of investment organisations, cultural excellence on innovation has become a source of considerable business advantage.

For innovation to be an edge, in cultural terms, the organisational norms have to be attuned to a number of critical attributes: being entrepreneurial and having an ownership attitude; having a clear focus on the market-place and anticipating new market needs; encouraging and recognising new ideas; being supportive to calculated risk taking; having a bias towards taking action; being exposed to test, learn and iterate applications.

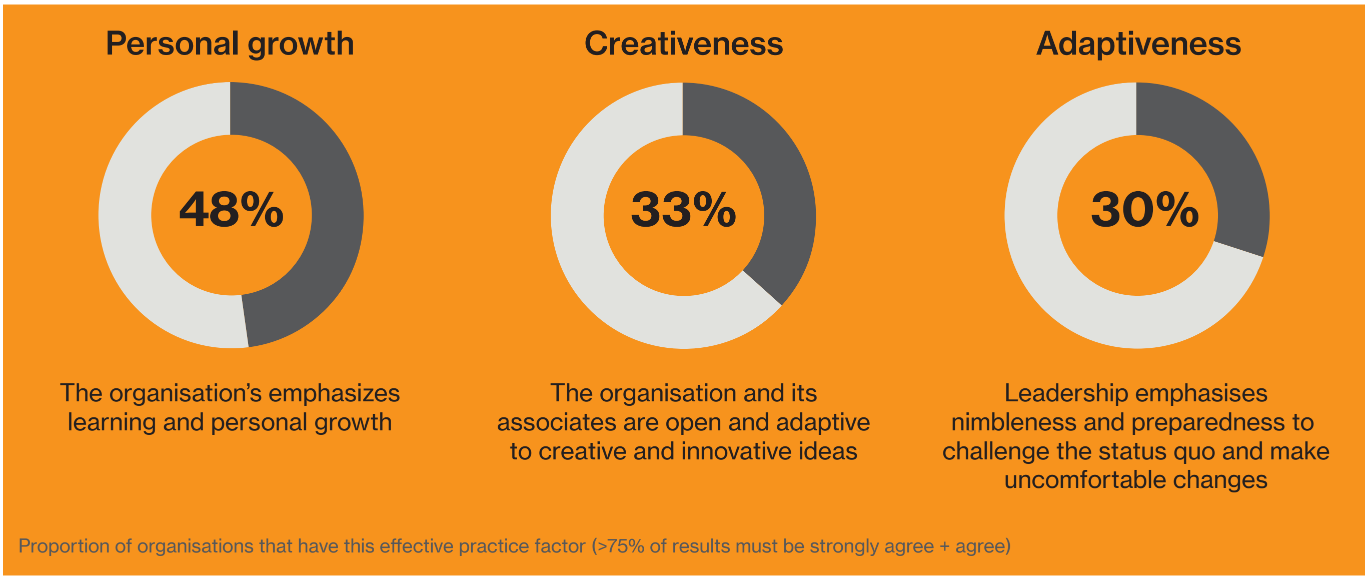
For innovation to work in investment contexts, much longer time horizons have to be in play. Going forward significant innovation in the governance model and investment model will be dependent on the enabling areas of technology and culture. These factors are currently holding innovation back as technology is generally too fragmented and clunky and cultures are too conservative and slow.

While innovation in technology works from a speedy, simple and tangible edge in which data will be highly influential, in contrast the investment context of innovation is clearly slow, complex and subtle in its emergence, calling for interpretation of softer data and context. Without good feedback loops this is extremely hard, and for most investment organisations has restricted innovation. Investment organisations have had plenty of ideas about innovations in their investment models through their portfolios but have been notably lacking innovation in ideas for transforming the business, operating and people models to address accelerating change on all fronts. Is the industry's uber-moment around the corner?

Innovation provides opportunity for more sophistication and specialisation but has to ride out the additional complexity and ambiguity, which is inertia-inducing. Innovations that can both add sophistication and reduce complexity are particularly attractive. We cite the asset owner platform and OCIO model, co-investing, total portfolio approach and index strategies as examples.

The prized future here is for leading asset owners to be proactive co-creators of new wealth, rather than recipients of returns from trading claims on existing wealth. This as part of an operating environment characterised by reduced externalities and systemic risk with an enhanced value chain that integrates 3D investing that is aligned with Universal Ownership principles.

Figure 8 – **Innovation culture edge | Effective practice factor across the study group**



We view the innovation edge as increasingly critical to the future success of investment organisations and the means by which that success will be achieved will rest heavily on culture's support. However, there is still much to play for as our study figures highlight. Commitment to learning and personal growth is evident at 48% of the organisations (53%AM/40% AO), but only 33% of the group are fully creative (35%AM/30% AO), while only 30% are nimble and adaptive (29%AM/30% AO).

Managing change and the maturity model

Investment institutions, like all organisations, mature through a lifecycle of stages in which their evolution progresses towards more scale, sophistication and effectiveness, but which comes at the cost of higher complexity and greater competition.

How they do on this maturing journey will be heavily related to which change conditions they encounter and dependent on their ability to change their organisation in such a way as to stay competitive and relevant. Change comes about in two rather different ways in the investment industry. First, there is change that is adaptive and incremental. Here the new external circumstances and forces are relatively slow moving and not that substantial and involve organisations being able to adapt their states to these new conditions in mostly incremental ways. They do this by adjusting their business models and strategies to stay successful and sustain or enhance the value created. This type of change has been the normal state of the industry for most periods in the past. Then there is change that is disruptive and transformational. Here external circumstances are significantly different from previous conditions and the disruption can be sudden. It follows that organisational responses to these conditions need to be far greater to avoid adverse outcomes. This type of outside change can act to diminish the value created by organisations unless significant internal transformation is undertaken.

Indeed, these types of circumstances can result in new organisations, with new business models, coming onto the scene and making traditional industry organisations obsolete ('Uber-moments').

The current state of the investment world is ripe for disruption because of a number of overlapping sources of significant change: new monetary conditions with lower for longer rates and returns (requiring an investment model rethink); sustainability factors with the centrepiece of net-zero ambition (necessitating business and investment model changes); and societal pressures on investment institutions (pressurising the business model). Each of these factors individually would justify making organisational changes but in combination they demand a programme of concerted change – perhaps even transformation.

> *"Investment institutions, like all organisations, mature through a lifecycle of stages in which their evolution progresses towards more scale, sophistication and effectiveness."*

However, the cultural state of investment organisations – we suggest – is not that well aligned to deal with change and innovation. But those organisations that have the capability to undertake transformational change will be able to do so if they can use their culture to prompt the positive behaviours that are needed. These include: being excited, not concerned, by the prospect of change because the vision is bold and compelling; having teams and coalitions that make this change pathway appealing; and containing clearly marked out resources and processes to undertake change projects.

Most organisations go through a maturity lifecycle from innovation in their infancy, via growth, to maturity, with some losing their competitive edge in a decline stage. However, investment organisations with strong cultures have the staying power and resilience to make the changes necessary, enabling them to stay in the growth phase. Conversely, those lacking cultural awareness and sophistication are likely to face decline as outside disruption factors accelerate faster than leadership's ability to harness the full adaptive potential of their current and future workforce. In the transition to a world in which sustainability will be completely central to investing, this cultural difference will separate out the winners and losers.

"... those organisations that have the capability to undertake transformational change will be able to do so if they can use their culture to prompt the positive behaviours that are needed."

Chapter 6: Superteams

Exceptional teams – or superteams – master the art of combining diverse talents to produce exceptional performances and outcomes. While better known in sport, this concept is particularly valid for investment, which is also a human-talent endeavour. While the investment industry has increasingly preferred teams over stars and developed a dependency on these teams' *collective intelligence*, the incorporation of *team thought*, or cognitive diversity, has lagged. This is somewhat surprising given the shift to more diverse workforces and the need for multiple insights to successfully address increasingly complex, multi-layered and inter-connected challenges. But perhaps this is understandable given the DE&I 'arms race' – more on that later in this chapter.

Building a *superteam*, that fosters exceptional teamwork, starts with diversity in its sophisticated form of DE&I. A basis in DE&I can provide a cultural bedrock that embeds belonging and a strong group identity and also contributes to cognitive diversity. *Cognitively diverse* teams can explore issues more creatively and innovatively by employing depth on certain critical subject matter, alongside breadth in more lateral areas of context and connection.

So-called *T-shaped* people have natural advantages as contributors to cognitive diversity. Their mix of subject depth (the vertical bar of the 'T') and subject breadth (the horizontal bar of the 'T') suits the profile of cognitively diverse teams through their wider perspectives across many fields and disciplines. Talented *T-shaped* are naturally in the majority in the line-ups of cognitively diverse teams. But to address the most challenging industry issues, more specialised people (or *I-shaped*) with unique knowledge will either be in the team or accessed by the team.

While these competencies and characteristics are the raw ingredients, a cognitively diverse team needs leadership that draws on the power of organisational culture and is adept at the composing craft of governance to turn this sum-of-parts potential into the realisation of the *superteam*. These typically T-shaped leaders will build such a team through small gains over time achieved by consistently:

- **Practicing inclusion** – creating a culture of identity, shared purpose and equality of voice through role clarity, conversation rotation, and engagement
- **Exercising trust** – committing to trust as a critical team value; focus on building trust and ways to benefit from trust; ensuring safe psychological space
- **Applying frameworks to thinking** – making explicit beliefs and principles and other governance as fundamental 'scaffolding' for critical thinking and to support decisions
- **Enforcing rigour** to ensure accurate judgement and decision-making from accountability, problem versatility, and collective leadership mindset

Superteam leaders will achieve success by building a culture based on these principles and where there is a shared identity and purpose as well as equality of voice to ensure openness and innovation can thrive.

The following tips and tough questions may be useful for starting and progressing any superteams discussions.

Superteams tips

To build exceptional performance:

Be a team of coaches: Help a colleague 1-2-1 to develop their knowledge, skill and perspective and look for a reciprocal opportunity

Reflect on the team at its best: Identify past accomplishments, and reflect on all contributions

Build team scaffolding: Record team's beliefs, principles and culture to help produce more streamlined and focused work

To increase engagement in meetings:

Have two chairpersons: A content chair to facilitate the discussion and a team chair to encourage inclusion

Work on a pre-meeting 'ask': Propel meetings into a more productive state by using pre-polling and prereading to prompt critical thinking

Work to a meeting run-sheet: Run an effective agenda and outline specifications of a meeting to provide team with a clear 'ask

Ten tough questions of **Superteams**

In discovery and planning discussions:

1. What do you think I should know about this work that I MIGHT NOT KNOW?
Crucial perspectives are often not surfaced

2. Is the DATA MISLEADING us?
Much data is interpreted and narrated in simplified but unrealistic terms

3. What WIDER impact are we having, or could we have?
There are always second order ripples

4. What does FAILURE look like, why would it happen?
Visualising the pre-mortem scenario is a tough but necessary discipline

5. What KPI'S could we add to the ones we have that are more agile and reflexive?
Most KPI's over-measure and under-deliver

In your execution and progress discussions:

6. If we had TWICE THE BUDGET or HALF THE TIME to do this work, what might we do that we're not doing now?
This pushes the thinking into a second loop

7. Who has DIFFERENT PERSPECTIVES on this that could give us additional ideas on how to handle this?
Diverse input always improves understanding

8. What do we not yet know or understand about this situation that a QUICK EXPERIMENT could help with?
Testing and learning are powerful

9. Where are the BOLTHOLES and who and what are hiding there?
Revealing the uncomfortable truths is vital

10. How should we measure PROGRESS and milestones to alert us to where we are heading?
The agile KPI's can help broaden the perspective

Arms race

Investment teams, like sports teams, can also 'get in the zone' by delivering not just exceptionally strong results, but also exceptionally rewarding experiences for those team members. This should be a real attraction for organisations in the current challenging environment, typified by hybrid working. But before this, they need to get the DE&I building blocks in place when many others are trying to achieve the same goals and an industry 'arms race' has developed. This is challenging and there seems little choice but to engage in it if they want to develop this critical area of culture, upon which collective intelligence, cognitive diversity and ultimately superteam success rests. It is encouraging that *inclusion & diversity* and openness are strong in 43% of our study group, indicating some progress in this area.

By contrast, of the group, *diversity* is used well in decisions at only 22% (18%AM/30% AO) and *information and knowledge sharing* is effective at only 33% (24%AM/50% AO). Happily, *inclusiveness* is valued strongly by 63% of organisations in the group (59%AM/70% AO).

> *"It is encouraging that inclusion & diversity and openness are strong in 43% of our study group, indicating some progress in this area."*

Figure 9 – Diversity & inclusion cultural edge | Effective practice factor across Study group

Chapter 7: Conclusions

During this journey we have come to see organisational culture as the collective influence of shared values and beliefs on an organisation and how it thinks and behaves as influenced by leadership actions at all levels in the organisation.

We've seen how it can also determine the way in which a group collectively understands a problem, how they work together to create solutions, and respond to change over time. As such we can conclude that culture is a superior superpower and culture change is probably the most effective leadership change tool and precisely why we have researched it in such depth. This is while also aiming to fulfil a stated Institute mission of helping to drive up cultural standards in the investment industry through enhanced organisational effectiveness.

We believe that investment organisations' appreciation of the value created by effective organisational culture has grown considerably in the last five years and its importance as a differentiator continues to rise. In particular its transformational role in executing strategies in sustainability, particularly with climate-related targets such as net-zero ambitions. Organisations that truly understand this, in all its complexity, will develop humbler cultures with greater focus on collective action solutions.

"It is true that an organisation's cultural journey is typically one of self-discovery, which may produce some surprises, but if done well is really effective at identifying weaknesses and allow strengths to be reinforced and for organisational growth and innovation to be embedded."

However, we believe the implementation of cultural change across the industry still lags and filling this gap between opportunity and execution presents considerable organisational challenges. The reasons for this are multiple. First, there is a leadership concern about 'setting hares running'. Second, there is potential embarrassment even though that can be avoided. Third, there is a defeatism that culture is not something that can be changed or unfamiliarity with culture as a genuine organisational nexus point.

It is true that an organisation's cultural journey is typically one of self-discovery, which may produce some surprises, but if done well is really effective at identifying weaknesses and allow strengths to be reinforced and for organisational growth and innovation to be embedded. What should be no surprise by now is the increased weighting given to culture (linked to purpose), as a differentiator and prerequisite for organisational success, by investment consultants and asset owners in their assessments.

Notwithstanding, during this journey, conversations with investment organisations about how to generate sustainable performance from more effective cultures, that started at quite a low base, have improved markedly. That said, there are noticeable disparities in progress between asset owners and asset managers and segments within these groups.

Figure 10 – **The Power of Culture Study | Phase III | Top four conclusions**

In our experience there are many more mainstream asset managers who are deliberately managing their culture to aspirational target state than when this research started. However, there has been very little tangible progress, during this time, in the alternatives sector with a few exceptions. For asset owners, progress has been typically determined by size, sophistication and governance arrangements which is often reflected in resource capabilities. Given these are typically stretched they have progressed less rapidly than managers and are one rating notch behind them on average, according to our research. It is also worth noting that for asset owners, governance and culture are two sides of the same coin, and it is understandable that more effort has been expended on the former than the latter.

Regardless, there are now many more investment organisations globally able to differentiate themselves with a strong culture, which would have been hugely valuable to them during these troubled times. They will have leaders who have committed to elevating and actively shaping culture, allowing some real benefits to emerge, rather than leaving it to chance. Through this study, we believe we have managed to identify a best-practice model and framework of culture and a powerful assessment tool and dashboard delivered via a streamlined process. We commend these to investment leaders, along with our top ten practical ideas (see appendix 2) for actively managing culture and at the same time as maintaining the *glue* that keeps the organisation together.

"Through this study, we believe we have managed to identify a best-practice model and framework of culture and a powerful assessment tool and dashboard delivered via a streamlined process."

Appendix 1: The TAI culture assessment

Process

It is our assertion that the sweet spot for an effective culture review is employing a consistent language and framework throughout. This involves getting into a safe space to discuss it openly with no defensiveness or undue judgement involved. And by using an effective culture framework and model to make a structured assessment. The TAI assessment framework is based on research that suggests a normative model of 'effective culture' that can be identified through surveying. It involves significant explicit measurement of culture, more so than other models, and is highly specific to the investment industry. It is designed to be streamlined to produce significant results without an onerous time commitment, specifically: agreement around definitions; a unique self- assessment dashboard; an aspirational target culture and narrative; and a set of recommendations.

Our culture model and dashboard represent an attempt to capture a source of considerable comparative advantage for those who recognise the value in measuring culture as a step in the path of cultural improvement. We believe this toolkit will become invaluable for investment organisations as accountability for client outcomes increases and the measurement environment becomes tougher.

In addition, it should help as organisational resilience is tested and behavioural responses to adversity will need to be strong, both individually and organisation-wide. It should also help with risk and change management, given how well-targeted risk taking and adaptability are increasingly critical attributes. And it should keep the leadership team on message by mapping the organisation's narrative around culture to the dashboard results. Most importantly though, measurement of this sort should promote continued investment in culture, which is essential if reversion to the mean is to be avoided.

Our model is not perfect, in that the concept of culture is not easy to grasp or to communicate – it is tacit, it reflects individuals' views, and it does not yield to accurate description. It should also be acknowledged that the model has the limitation of possible gaming. However, these issues are largely self-regulating as credible organisations automatically recognise the potential damage, internally and externally, of wilfully aiming to game a certain cultural outcome. They also recognise that gaming ensures that any targets lose their effectiveness, as per Goodhart's Law which, in simple terms, means participants miss the point by focusing on the letter of the rules over their spirit.

There are other culture-assessment methods involving direct observations, survey work or alternative data, but no one method seems optimal so a balance of methods across the organisation is probably desirable and the TAI approach is designed to be complementary to these.

While there are a number of arguments not to undertake culture assessments lack of trust in assessment models shouldn't be one of them. We have endeavoured to address these concerns in our approach and believe the Power of Culture Study format works to deliver value, and empower investment leaders, through:

- A research-based and industry-tested management tool via a culture dashboard to track all dimensions of culture
- Tools to create a common language, cultural fact base and an aspirational target culture
- Giving voice to organisational purpose to define client value and grow stakeholder trust.

"The TAI assessment framework is based on research that suggests a normative model of 'effective culture' that can be identified through surveying. It involves significant explicit measurement of culture, more so than other models, and is highly specific to the investment industry."

Interpretation

The TAI culture model includes a reporting dashboard with metrics across ten dimensions of culture, divided into two categories of five core attributes *(client-centric, people-centric, positive leadership, high performance, integrity and respect)* and five edges *(innovation, staying power, purpose, diversity and inclusion, and openness)*. Figure 11 is an overview of the model and Figure 12 is an example of the reporting dashboard.

The model takes 40 *'effective-practice factors'* – for example *the organisation's mission is highly focused on its clients* – to make the assessments of these attributes.

In addition, there are metrics for the client-value proposition (CVP) and the employee-value proposition (EVP). These two measures are at the heart of the economic model that generates value for the organisation. Culture creates value by strengthening the CVP and the EVP of an organisation.

The overall effectiveness of a culture combines the core attributes of culture and edge in culture characteristics with the culture engagement to identify the value being created in practice.

Figure 11 – **The Thinking Ahead Institute culture framework**

"Client-value proposition (CVP) and the employee-value proposition (EVP) are the two measures at the heart of the economic model that generates value for the organisation."

Figure 12 – **The reporting dashboard – illustration**

Culture attributes	Score		Weight	
1. Client-centric	64	A	81	3/4
2. People-centric	63	A	78	3/4
3. Positive leadership	64	A	83	4/4
4. High performance	62	BBB	78	3/4
5. Integrity and respect	64	A	78	3/4

Culture edges	Score	
1. Inclusion & diversity	59	BBB
2. Openness	61	BBB
3. Innovation	61	BBB
4. Staying power	57	BBB
5. Purpose	64	A

CVP – integrated score	62	BBB
EVP – integrated score	60	BBB
Overall cultural effectiveness	63	A
Overall culture engagement	Level 4	

Notes

- Culture attributes – direct survey assessment results
- Culture edges – direct survey assessment results
- EVP & CVP integrated scores – derived from culture attributes
- Overall cultural effectiveness – weighted average of core attributes 1-5
- Score of 70 is on A-AAA border. Score of 63 is on the BBB-A border.
- Narrative on interpreting results and limitations of results is available

The rigour in the process relies on elements coming together:

- **Model and process rigour** – based on the research into the normative elements of culture
- **Constructive engagement** – the mind-set of the participant organisation is a critical component
- **Consistent language** – the shared language makes the conversation much more meaningful
- **Safe space and time** – providing psychological safety helps a sensitive subject come to life
- **Respect for measurement** – having facts in the discussion downplays subjectivity of opinion.

Appendix 2: Top ten practical ideas for managing culture

The Institute's top ten examples for helping organisations reach their aspirational target culture and where these actions fit in organisational channels (derived from conversations with investment organisations about what worked best).

Actions

1. Created a silo-busting working group to improve information flows and cross-organisation co-operation. Subsequently improved incentives to collaborative
2. Moved from stated diversity policies to explicit KPIs for gender and ethnic diversity at a five and ten year horizon, with executive accountability
3. Intern hiring specifically targeted on non-majority segments
4. Introduced new people management track that identified individuals best-suited to role and introduced various training and tracking support
5. Introduced explicit assessment of associates' alignment to organisational values in the performance review for discussion with people managers
6. Conducted team culture assessment that highlighted particular strengths and opportunities with current state
7. Conducted team assessment by addressing talent, diversity, and governance alongside culture – particularly inclusion and trust (see more in chapter 6 on superteams)
8. Top team committed to increased townhall communication and increased alignment to leadership norms
9. Communications on the cultural journey and the collective behaviours that act as beacons (and red flags) to guide co-workers thinking and action
10. Leadership initiative to capture unique personal stories that align to organisational cultural themes – diversity, talent and development

These actions are drawn from a four-pronged approach to changing and managing an organisation's culture, involving formal top-down and bottom-up systems, informal channels and sub-culture work.

Table 1 – **Four-pronged approach to changing and managing an organisation's culture**

Top-down (formal) systems	Strategy	▪ Vision, strategy and culture in synch ▪ Strategy process engagement ▪ Structure and organisational design; ways of working
	Goals	▪ Culture goals agreed; culture measured and assessed ▪ Benchmarks and KPI's can be designed to assess and deliver on culture initiatives ▪ Integrated reporting framework allows for cultural factors
	Hiring	▪ Align the mission and vision statements with the employer brand ▪ Hiring includes metrics capturing values and motivational factors ▪ Hiring and internship explicitly targets diversity in non-majority segments
Bottom-up systems	Development	▪ Leadership development programs and people manager development ▪ Use of a portal for cultural things
	Performance reviews and reward	▪ Performance reviews referencing values, behavioural norms and culture carrying ▪ Increasing the weighting of culture in the people management area including performance / pay reviews
Sub-culture work	Culture assessment	▪ Make the target of culture assessment a team or segment by geography or function ▪ Review the sub-culture and draw out points of difference from parent culture
	Sub-culture targets	▪ Identify gaps in culture that can be filled via development plans
	Team effectiveness assessment	▪ Build from cultural factors alongside cognitive diversity and governance to team effectiveness ▪ Identify gaps and development plans
Soft (informal) systems and channels	Leader behaviours	▪ Leaders exemplify cultural norms in communications and actions ▪ Leaders are studied for cultural and behavioural signals
	Communications	▪ Leadership talks more heavily on the current / destination culture in town-halls, etc ▪ Strong culture messages (eg Netflix-type documents) including workshops and training
	Uses of work spaces, events, artefacts, stories	▪ Posters, screen-savers, histories ▪ Other opportunities to strengthen employee experience

Appendix 3: Acknowledgements

We are grateful to all the Power of Culture Study participants as well as other organisations that have made contributions so far to the Institute's research on culture.

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First State Investment (now Sentier)
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Lansdowne Partners
PGGM
RPMI Railpen
Schroders
State Street Global Advisors
TCorp (NSW Treasury Corporation)
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AMG Investments
AXA Investment Managers
Capital Group
Fidelity International
Insight Investment
MFS Investment Management
New Zealand Super Fund
Nuveen
PGB Pensioendiensten
QMA
Standard & Poor's Dow Jones Indices
Standard Life Aberdeen
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Willis Towers Watson Investments

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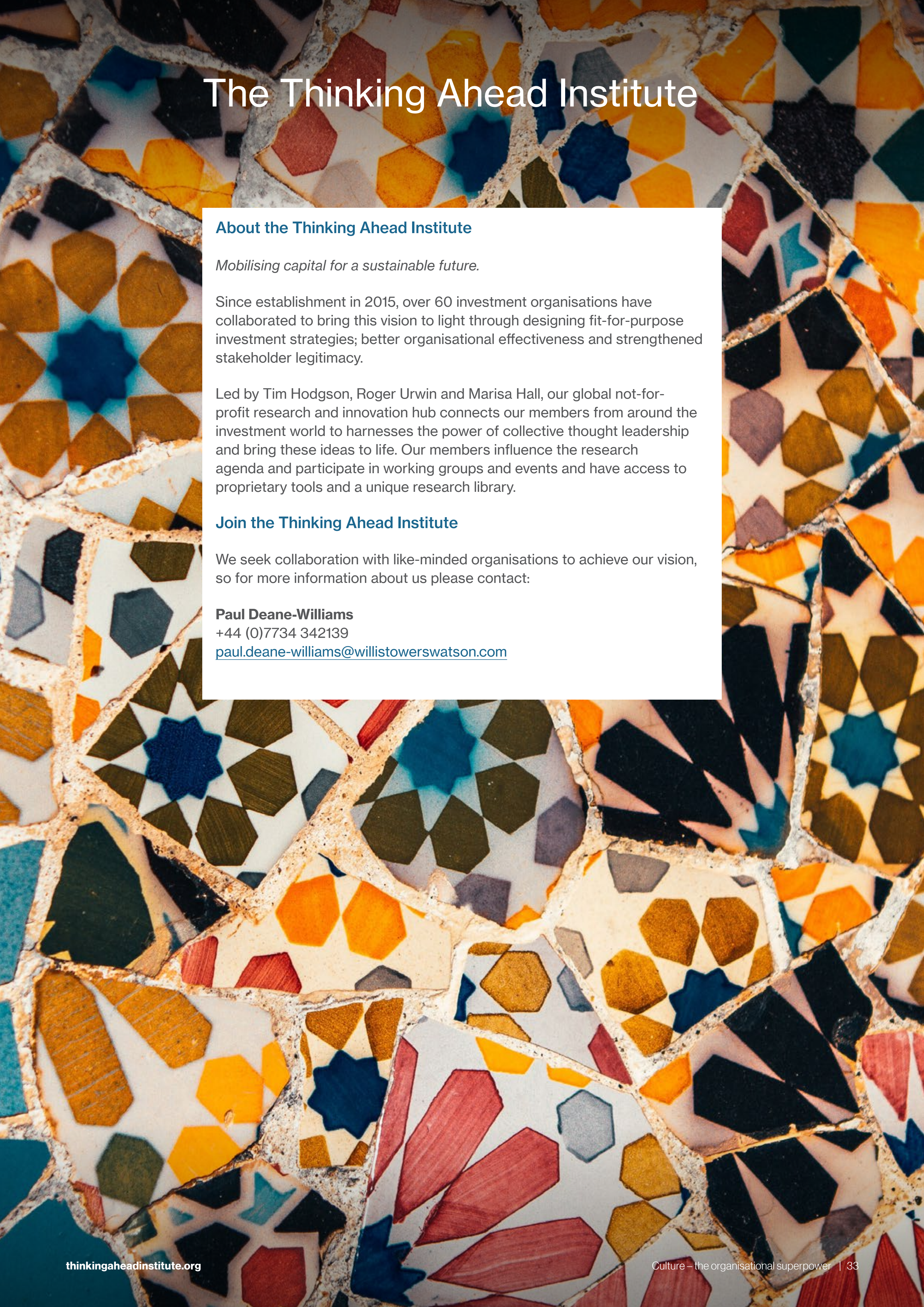

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The Thinking Ahead Institute seeks to bring together the world's major investment organisations to mobilise capital for a sustainable future. Arising out of Willis Towers Watson's Thinking Ahead Group, formed in 2002 by Tim Hodgson and Roger Urwin, the Institute was established in January 2015 as a global not-for-profit research and innovation group comprising asset owners, investment managers and service providers. Currently it has over 50 members with combined responsibility for over US$12trn.

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