

Diversity and inclusion in pension fund boards

“Concrete policies and inclusive culture needed to effect real change”

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Diversity and inclusion in pension boards can lead to an enrichment of perspectives, more balanced decision-making, less tunnel vision and increased legitimacy. In view of these benefits, the diversity in pension funds has increased in recent years. However, not all boards achieve the targets laid down in the Code of the Dutch Pension Funds. This exploratory study examined which factors might enhance and hinder diversity and inclusion in pension fund boards.

Principal Findings

- Boards that strive for diversity only to represent the interests of trustees fail to embrace the full spectrum and benefits of diversity.
- Implementation of concrete diversity and inclusion policies is needed to effect a culture change and prevent tokenism.
- Diversity benefits from an explicit inclusive and learning culture in which the uniqueness and perspectives of individual members are recognised and valued in decision-making.
- Board candidates should not just be selected according to their individual competencies, such as board experience, but on their relative added value for the board as a whole.
- Nominating parties that propose candidates who fail to meet the diversity criteria make it harder for pension funds to realise a more diverse board composition.



Figure: Factors contributing to diversity and inclusion

Key Takeaways for the Industry

- Integrate diversity into the recruitment and selection process and minimise implicit bias.
- Cultural diversity merits further attention.
- More insight is needed into how stakeholders, such as labour unions and internal supervision, can promote diversity in boards.



Want to know more? Read the paper

'Diversiteit en Inclusie in Pensioenfondsbesturen'