
KEYNOTE INTERVIEW

Why inclusion and diversity are mission-critical



*Creating an inclusive and diverse environment is fundamental to future success, say **Lucy Heintz**, Actis fund head and chair of the firm's inclusion and diversity working group, and Actis CFO, **Susan Wilkins***

Q Why are inclusion and diversity considerations so important for an investor like Actis?

Lucy Heintz: Fundamentally, it is about performance. If you want to get the best out of people – if you want them to give that extra discretionary effort and to reach their full potential – an inclusive and diverse environment is critical. We believe diverse groups make better decisions. Whether you are looking at a deployment opportunity, a value creation strategy or a point of risk mitigation, you need that diversity of thought to be an effective investor.

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Susan Wilkins: I agree, there is so much evidence that points to this and for Actis the benefit is clear – it is not only the right thing to do but it's obvious that having multiple perspectives around the table ensures that every angle is covered in a discussion, that we don't avoid the tricky subjects, that risks and scenarios are properly considered, that value creation is as creative as it can be and that Actis is a stimulating place to work.

Q Why does Actis refer to inclusion and diversity, rather than the more common term of diversity and inclusion?

SW: The two go very much hand in hand, but we lead with inclusion at Actis because we believe the best way to attract and retain people is to ensure that everyone feels included – we know that the goal isn't limited to improving representation but fostering an environment where people can thrive.

Q Why are inclusion and diversity issues important to you, personally?

SW: I have been working with Actis in

Inclusion and diversity in practice

The Actis portfolio mentoring programme

One of the initiatives Actis has undertaken to help achieve its inclusion and diversity objectives is a portfolio company mentoring programme. This scheme matches ambitious, talented individuals in middle-management positions with senior leaders from within the firm, as well as other portfolio businesses.

The project, which is currently in the pilot phase, is designed to ensure potential mentees are drawn from a highly diverse pool of people – including women and others that are under-represented in senior roles. So far, it includes 18 mentoring pairs (all African and over half women) drawn from eight Actis companies across the firm's private equity, real estate and energy infrastructure portfolios. The idea is to identify individuals that have not yet reached the C-suite but who have the potential to be future leaders if they are given the right support and conditions.

Early results have been encouraging. Indeed, Lucy Heintz notes that the firm has even seen reverse mentoring coming through. "The programme is offering real insight into what it's like to walk in another person's shoes and that is a critical component of fostering an inclusive and diverse culture," says Heintz.



one form or another for many years, latterly as CFO, which means I am also responsible for everything from fund administration and IT to HR and talent. I grew up in remote mining communities in Australia and have since spent much of my career in predominantly male environments. Obviously, I have been able to navigate that path, but it has made me determined to try to shift the dial on diversity statistics in these industries and to ensure everyone's experience is equal. I think

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LUCY HEINTZ

the conversation has moved on, thank goodness. However, the participation of senior diverse talent has not. So, for me, it is important to try and drive change if I can.

Q How have experiences during the pandemic, and movements such as #MeToo and Black Lives Matter, impacted understanding and implementation of inclusion and diversity practices?

LH: We know that women have taken on more of the domestic duties during the pandemic and that there is a problem with women leaving the workforce. At the same time, however, it is clear that attitudes to flexible working have been turned on their head. Working from home is no longer an earned right, or one that is restricted to the most senior people. In that sense, this experience can help us progress further along the journey to inclusion and diversity.

Black Lives Matter has raised awareness of an issue that has been around for a shamefully long time. Combined with the #MeToo movement, we are seeing real momentum and a sense of urgency behind these social injustices. It is something that is felt incredibly strongly by the younger generation in particular – they are our future talent. Being able to attract and retain that talent is mission-critical and so it is vital we start addressing these things better. As with most firms, this is a work in progress. However, there is absolutely no question as to the end objective. We want to create an environment where there are no barriers to diverse talent entering the organisation, and where everyone can flourish and thrive.

SW: We are cognisant of the fact that we are responsible for thousands of employees in diverse communities around the globe. Throughout the pandemic, it has become apparent that inequality has grown and that this has disproportionately affected certain groups.

Meanwhile, movements such as Black Lives Matter have increased the focus on the social element of ESG. That focus comes from policymakers, business leaders, our investors, our colleagues and society at large.

Q What are some of the most impactful initiatives you have taken as a firm?

SW: We have a very active inclusion and diversity working group, which Lucy chairs. That group is made up of individuals from across all geographies, functions, nationalities and practice areas. It is also supported by an Actis senior adviser who has expertise in organisational change. Additionally, we have an Actis Female Network, which hosts opportunities to share female experiences, both inside and outside the workplace.

Meanwhile, every female director and partner pledges an open-door policy so that their female peers know that they can share experiences and seek support. We are broadening our recruitment channels. I, myself, while university-educated, do not fit into an Ivy League background and it is important to consider diversity in all its forms. Finally, creating a platform to make minority role models visible and to showcase our female and other diverse talent, is inspiring to others and crucial to our inclusion and diversity strategy.

Q How do you apply this approach within your portfolio companies?

LH: Sometimes it is a question of us challenging and supporting our portfolio companies in these matters, but equally our portfolio companies teach us. Some of our companies are already highly gender-diverse and have some creative ideas on fostering inclusion. Yet if we are doing this authentically, we should ensure a holistic approach – from how we think about board composition, how we drive performance through intentional diversity and

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SUSAN WILKINS

inclusive culture, through to the community investment programmes we design around our projects.

For example, Atlas Renewable Energy, a pan-American solar business that we have backed, runs a solar installation training programme focused exclusively on female empowerment. That programme has brought more than 700 women into the workforce in skilled roles. Its Jacarandá project has a target of 50 percent of women and at least 30 percent males being hired from Afro descent. We believe community investment programmes should be about changing lives, not giving out T-shirts.

We are proud that 27 percent of Actis portfolio companies’ employees are female, 15 percent of Board members at our companies are female and we have 25 percent of women in management roles across our energy portfolio companies.

Q What are some of the biggest challenges to achieving a more inclusive and diverse workplace in private markets?

LH: One of the hardest problems to tackle is creating a culture where diverse talent can flourish, and that involves challenging bias. Actis trains

everyone on unconscious bias. We run inclusion and diversity training for the boards of all portfolio companies, such as Atlas and Zuma Energía in Mexico, and there is a strong theme of inclusive leadership in all our training courses. Those are the types of initiative that create cultural change in the long term.

Of course, there are elements of inclusion and diversity that are simply hygiene factors. If you want to attract talent in today’s marketplace, there are just certain things that you need to be doing.

But then there is also an element of authentic leadership which shifts the needle when it comes to enhancing performance. That is where we are trying to focus our attentions.

Q If we were toasting your success in achieving your inclusion and diversity objectives in 10 years’ time, what would we be toasting?

SW: We would be toasting a more even representation of talent right through to that senior top table. Of course, these things do not happen overnight, but in 10 years’ time, I would certainly want to see a significant re-balance. In the meantime, we will continue to attract and empower diverse talent into our business and ensure that that talent is actively participating in decision making in order to continue to boost our performance.

LH: Speaking frankly, in 10 years’ time I would want and expect things to look very different. We would have developed more senior women, and a more racially and ethnically diverse cross section across all levels of the firm. We would also have seen an impact in terms of investment and portfolio performance and a reputational impact in terms of our ability to attract talent and the pride people take in working for Actis. There is a great deal that we have already achieved, but also a great deal further to go and I am excited to be a part of that journey. ■