

From investment chain to human chain

January 2017



Not long ago I was told a fascinating story by someone who used to work for one of the world's largest pension funds. A few years ago he realised that retired members of the fund often received their pension cheques late when the monthly payment date fell on a public holiday. So he changed the system so that payments were made before the holiday. A couple of days after the next holiday he received a phone call from an elderly retired fund beneficiary. She wanted to thank him for the change: it meant she had been able to go out and buy food for the weekend. Her income was so low that on previous occasions she had had to go hungry.

The person telling me this story was profoundly moved. He had a sudden sense of connection with the real, human world in which the people the fund existed to serve live. A connection that had been all too easy to forget amid the day-to-day pressures of organisational life, focused on meetings with investment managers, asset allocation decisions, deadlines, projects, office politics, IT breakdowns

What if we could extend this sense of real human connection and relationship all the way along the investment chain? From pension fund members via pension trustees to pension executives, service providers such as investment consultants and legal advisors; to investment managers and their service providers such as sell-side analysts; all the way to the CEOs of the companies in which the pension funds invest?

What if the people at every point in this chain REALLY saw each other as people, as human beings? Not as transacting parties in a long series of commercial relationships. As people who are interconnected, who share a common humanity and who have a responsibility towards each other that flows from that.

Would this help us restore a sense of purpose to the investment chain, a sense of service to the real needs of people and the planet? Would it help reduce unproductive trading, short-termism, rent-seeking and disregard for the environmental and social impacts of business and investment?

And if so, how can we foster this awareness of human connection? How can we start to move from an investment chain to a 'human chain'?

Rob Lake

rob.lake@roblakeadvisors.co.uk