



Beyond D&I Metrics: Assessing Organizational Quality in Private Markets

Insights from the September DIA Roundtable

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Approximately 30-35 industry professionals gathered to explore how organizational design, governance and human capital inform LP assessments of private equity managers. Data perspectives, panel discussion and peer exchanges highlighted a central theme: assessing organizational quality requires looking beyond headcount and representation to understand how a firm develops talent, distributes responsibility and builds capacity to execute its strategy.

1. Organizational Quality Requires Alignment, Accountability and Maturity

There is no single model for a well-resourced private equity firm. Team composition, dedicated functions and governance should reflect a manager's strategy, complexity and stage of development. Headcount alone provides an incomplete picture; more meaningful questions concern relevant experience, capacity, decision-making authority and clear ownership of responsibilities.

"Outsourcing a function doesn't mean outsourcing responsibility."

Outsourced providers can support lean teams, but effective internal oversight remains essential. As firms expand, LPs look for evidence that policies, committee structures and operational capabilities are evolving alongside the business. Growth should also be intentional: adding products or personnel creates value when it strengthens execution and supports the investment strategy.

Key takeaway: Assess how the organization functions in practice, including how it addresses gaps and invests in its own development.

2. Inclusion Is Embedded in Talent, Economics and Succession

The discussion reflected a broader framing of inclusion through organizational effectiveness: access to development, transparent performance management, employee engagement and sustainable leadership pipelines. Although terminology and external messaging are changing, participants described continued investor interest in the underlying practices.

Engagement surveys become more useful when connected to retention, promotion and performance data. Aggregate turnover can obscure differences across teams or career stages, while long tenure alone does not demonstrate a healthy organization. Honest feedback and trusted channels for employee input help firms identify where support or accountability is needed.

Ownership, carried interest and GP commitment also offer insight into alignment. How economics broaden over time and who participates can illuminate a firm's approach to collaboration, retention and succession. Leadership depth beyond founders emerged as a particularly important indicator of resilience.

Key takeaway: Evaluate inclusion through the systems that shape opportunity, voice, incentives and leadership continuity.

3. AI Is Reshaping Capacity, Governance and Talent Development

AI is prompting firms to reconsider staffing, technology investment and the balance between internal capabilities and external providers. Potential efficiencies are substantial, but participants emphasized the need for clear oversight, appropriate data controls, employee training and thoughtful cost allocation.

The implications for junior talent warrant particular attention. Automating foundational tasks may improve productivity while reducing opportunities to develop judgment through experience. Firms will need to adapt training and consider how changing analyst pipelines affect future recruitment.

Measuring AI's value also extends beyond time saved to better work, stronger analysis and increased capacity.

Key takeaway: Integrate AI into organizational planning with equal attention to productivity, accountability and the development of future talent.

Additional insights can be found on the DIA signatory portal.

As always, signatories are welcome to share additional resources that may be helpful for reference across the DIA Signatory community. Have something to share? Please let us know: DIA@ilpa.org