



DIVERSITY PROJECT



BUILDING INCLUSION IN  
INVESTMENTS & SAVINGS

The Diversity Project Presents

# RESET4 INCLUSION 2021

24TH OF NOVEMBER | 14:00 - 17:00



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BUILDING INCLUSION IN  
INVESTMENTS & SAVINGS

# Extended leave – a way to inclusivity?

**Stuart White**, UK Chief Executive Officer & Global Sponsor of HSBC Asset Management's Diversity Equity & Inclusion programme

**Carolyn Wilson**, Senior Legal Counsel & Co-head of HSBC Asset Management's Gender Balance team



# Thank you to the following organisations & people



- Helena Morrissey
- Mitesh Seth
- Stephen Welton
- Jon Terry
- Katherine Hughes
- Jane Welsh
- Joanna Munro
- Erin Leonard
- Mark Hardiman
- Ozge Usta
- Kate Morrissey
- Laurence Raby
- Rosi McMurry
- James Rhys
- Vivienne Aiyela
- Demesha Hill
- Kirsty Beasley
- Samantha Alexander
- Katherine FitzGerlad
- Deepti Patel
- Kerry Amies
- Nisha Henriques
- Richard Charnock
- Antonia Stirling
- Caroline Turner
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- Lynne Connolly
- Timothy Stumpff
- Cara Turner
- Madhurima Sen
- Nikitas Psyllakis
- Joanne Holden



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# Our challenge

“What can we do as an industry to minimise the impact of extended leave on women’s career progression in the UK asset management industry, which is creating a barrier to promotion, and in turn exacerbating the gender pay gap? How can we be truly inclusive”



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# Role modelling

Senior leadership can encourage colleagues to take extended leave by:

- actively supporting those on maternity leave
- encouraging the uptake of paternity leave by fathers, or
- encouraging sabbaticals across the board

The industry as a whole could commit to implementing and encouraging extended leave

**The result** - normalising the taking of extended leave for both women and men



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# Job sharing

Asset owners, investment consultants and asset managers could pledge to encourage a system of jointly-managed funds, where two or more managers share the responsibility and oversight of the fund. Either by:

- pairing a senior and junior manager, or
- dividing responsibilities equally between two colleagues.

This spreading of responsibility and allowing for coverage would more easily allow managers to take extended leave



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# Talent pool

We could create a group of industry-leading consultants (ex-specialist fund managers), funded and managed by the asset management industry as a whole.

This talent pool would be available to all firms and in particular smaller boutiques that don't have the same bench strength as larger firms

A talent pool could be a trusted source of industry expertise, carrying an assurance of qualifications and knowledge, could be deployed to cover fund manager absences during period of extended leave



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# Our findings

## **Asset Management - A Man's World**

Asset management is still culturally and numerically a man's world with an 80:20 ratio of men to women. This reflects broader social/cultural dynamics.

## **Different genders approach parental leave differently**

Extended leave is increasingly being taken by men, but time taken for maternity/paternity leave is very different, indicating different behaviours and attitudes rather than sharing of responsibilities.

## **General lack of support for all types of extended leave**

For the majority of businesses, extended leave (including sabbaticals) is not a priority and will not be recognised positively until more men, especially senior ones, take it.

For the moment, both the lack of equal take up and management support of extended leave **is a barrier to true inclusivity.**



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# Feedback on the 3 ideas

## Role modelling

*“This is **essential**. The more people take leave, the more people accept it”*  
(Female)

*“You’d **struggle to find** any of our current senior leaders who are actually taking parental leave”* (Female)

*“I think I heard there was someone taking a sabbatical to go travelling, I’d **love to hear more** about that”* (Male)

## Job sharing

*“You have to remember that fund managers are quite **egotistical**...they wouldn’t want to share the role”*  
(Female)

*“This is increasingly **how we’re working now** – its far less of that star manager culture. Clients don’t want to invest in just one person”* (Female)

*“**How would it work in practice**, would the person left behind have their workload doubled?”* (Female)

## Talent pool

*“This is really exciting...I think also for the team, it’s great to have that **external expertise** coming in”*  
(Female)

*“I think this would work for listed asset managers where the **skills are more transferrable or homogeneous** – it might not work for all types”*  
(Female)

*“We’ve got a **big internal team** and internal talent pool anyway which can cover absences”* (Female)



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# Management support needs to improve

**When it comes to peoples' experiences of taking extended leave, support from management is a key area for improvement**

- Management needs to **understand and address employees' concerns** about staying relevant, up to date and confident in their abilities before, during and after taking extended leave
- **Lack of emotional awareness and sensitivity** to these **concerns** leads to clumsy handling of direct reports' return to work
- Lack of management support is present across the industry, but is particularly prevalent in **smaller firms** where formalised processes and HR support may not be in place

*"My boss **didn't handle it well**. There was a lot of clumsiness while I was off. My role had changed while I was off, which left me feeling that what I did before wasn't valued. You're vulnerable while you're off, and there's a **lack of emotional intelligence**" (Female)*

*"I joined a new team when I came back. All the **women came over to say hello**, but the only man who spoke to me was the head of the team" (Female)*

*"My boss **didn't speak to me for two weeks** when I came back. When I raised it with him a few months later, he said he didn't want me to feel pressured – but it had the opposite effect, **it felt awful**" (Female)*

*"Those men [in management] felt they didn't have the concept of paternity leave in their day – its seen as an inconvenience, and I got lots of remarks like 'you're having a 6 month holiday'" (Male)*



# Role modelling



Erin Leonard

Head of Sustainability,  
HSBC Asset Management

<https://youtu.be/rBN2q1HWJzw>



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# Role modelling



Mark Hardiman

Interim Global Chief  
Finance Officer, HSBC  
Asset Management

<https://youtu.be/-SKdA6xt9kk>



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# Looking to the future: some suggested actions

1

## POST PANDEMIC REVIEW

Question what has worked well and is there learning about leave-taking and wider Diversity and Inclusion? Are there changes which should become *Business as Usual*?

2

## LEARNING FROM THE PAST

Examining policies and procedures across the business to identify where subconscious bias may be present especially in relation to recruitment, retention, promotion, performance management and extended leave

3

## INCREASED FOCUS ON EXTENDED LEAVE

Extended leave feels like its at the bottom of the agenda. How to give it greater prominence based on improving organisation and individual wellness?

4

## BUSINESS AS USUAL BUT BETTER!

Important not to think in terms of 'righting the wrongs of the past' but rather in terms of a vision for a changing world with plenty of role modelling of examples of extended leave to set the example for all



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# Appendix



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# KANTAR



## Extended leave in the Asset Management industry

Key insights from the qualitative  
and quantitative phases

July 2021



# Executive summary

1

Asset management is still culturally and numerically a man's world with an 80:20 ratio of men to women. The ratio, unconscious bias and the disproportionate burden of childcare are barriers to women's progression when working long hours is still the norm.

"Male attributes are rewarded...people are not promoted unless they show these attributes."

"Uncomfortable to display same level of overt ambition as male peers."

2

Extended leave is being taken and considered by men but time taken for maternity and paternity leave are very different – between three months and a year for women and less than three months for men – indicating different behaviours and attitudes rather than sharing of responsibilities.

For the majority of businesses, extended leave is not a priority and will not be well recognised until more men, especially senior ones take it. For the moment, it is a barrier to true inclusivity.

3

Role modelling was the most successful of the three concepts tested. It was the most effective, most compatible and least challenging. It was the one with the greatest potential to normalise extended leave and for it to become more recognised.

All three concepts were less challenging for larger businesses which is a further reflection of the more positive attitudes of larger businesses seen throughout the survey, where its impacts are less disruptive.

4

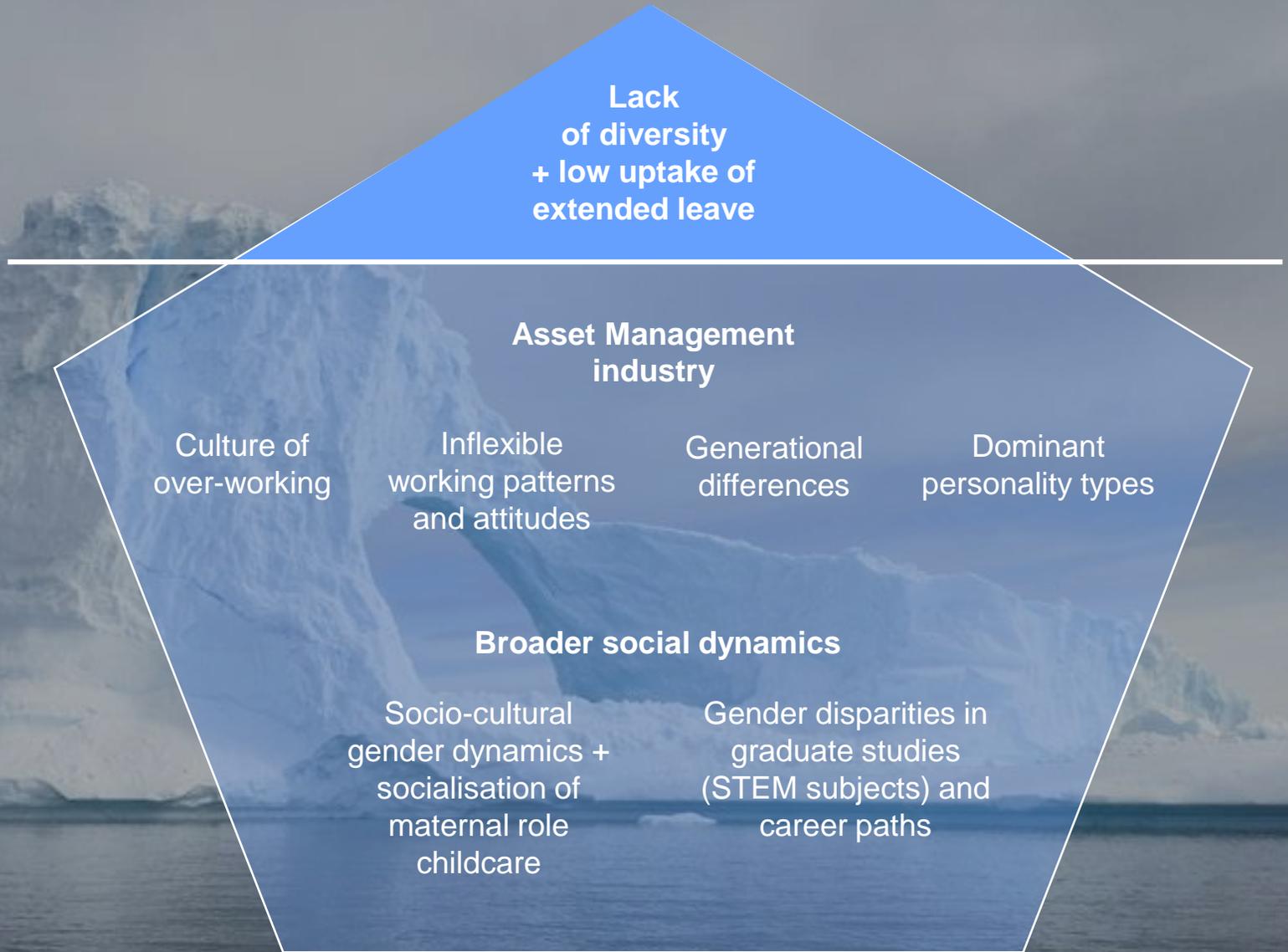
There are some signs of cultural change with almost half thinking that attitudes to extended leave will change in the next two years. More broadly, emotional intelligence and people skills are projected to increase in importance in the future.

The pandemic may be a further catalyst for change as eighty percent say that WFH has worked for them and their organisation around three quarters feel the same about flexible working.

1  
Broader  
dynamics/context

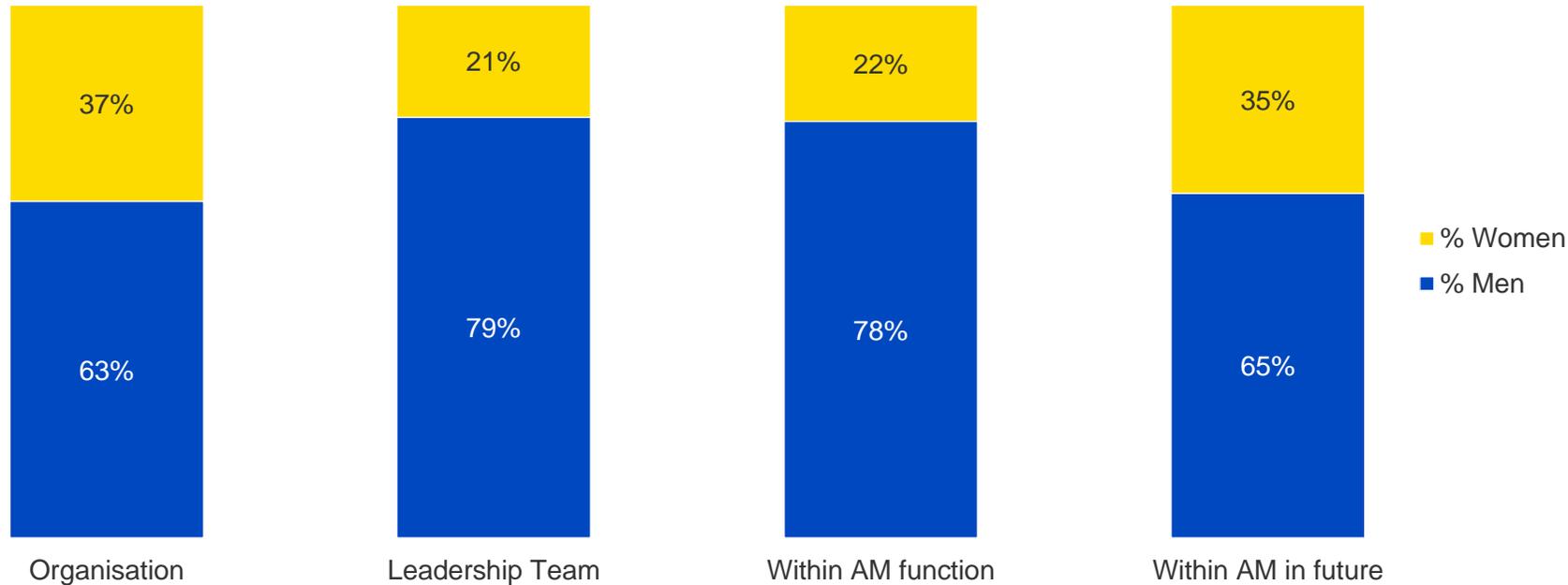
# A lack of diversity within the Asset Management industry is the manifestation of a complex foundation of societal, cultural and structural barriers

Extended leave is just the 'tip of the iceberg', where poor perceptions and low uptake are an expression of societal gender norms, as well as specific dynamics within the industry itself



# The industry balance is weighted heavily to men, particularly within the leadership team and asset management, where the proportion of women is projected to grow to a third

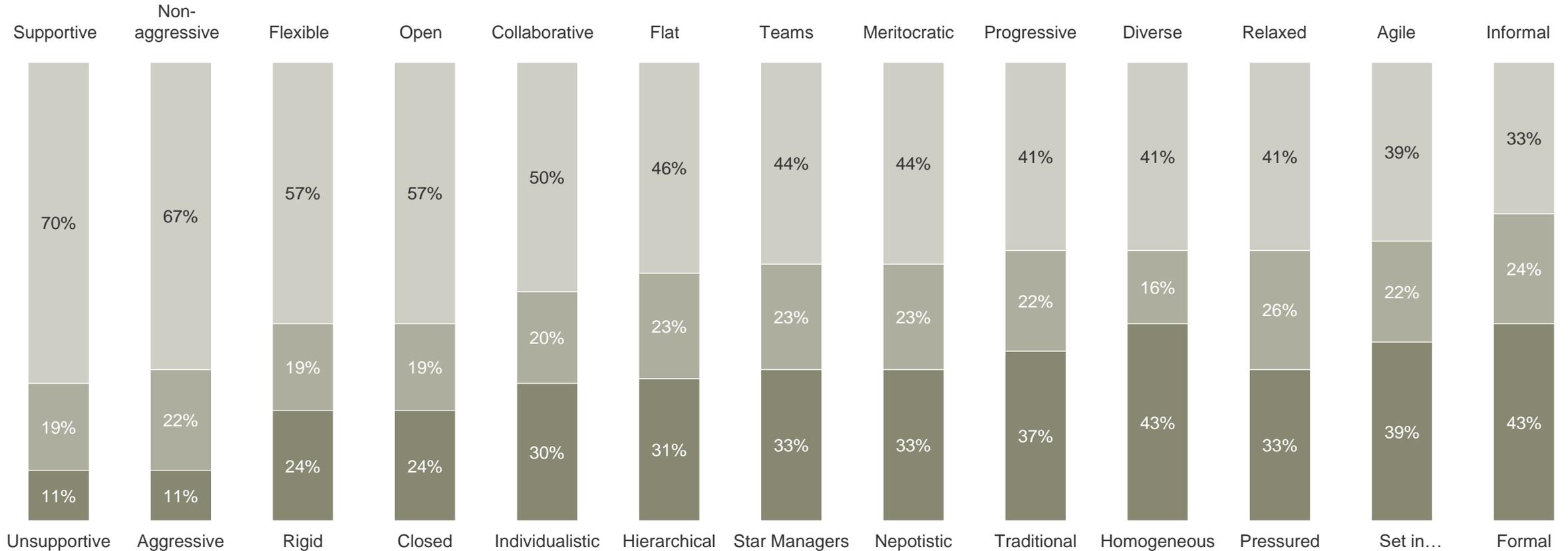
## Proportion of Men and Women within areas of organisation



Organisations which have been established for longer tend to have a slightly higher proportion of women.

Smaller businesses tend to have fewer women.

# Around two thirds of respondents viewed their organisations as supportive and non aggressive but on balance they were formal and set in their ways

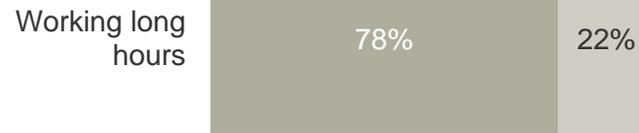


# During the pandemic, WFH has become the 'new norm', working long hours is normal and other ways of working, particularly job-sharing, are unusual

## The new norm

## The norm

## Less usual working practices



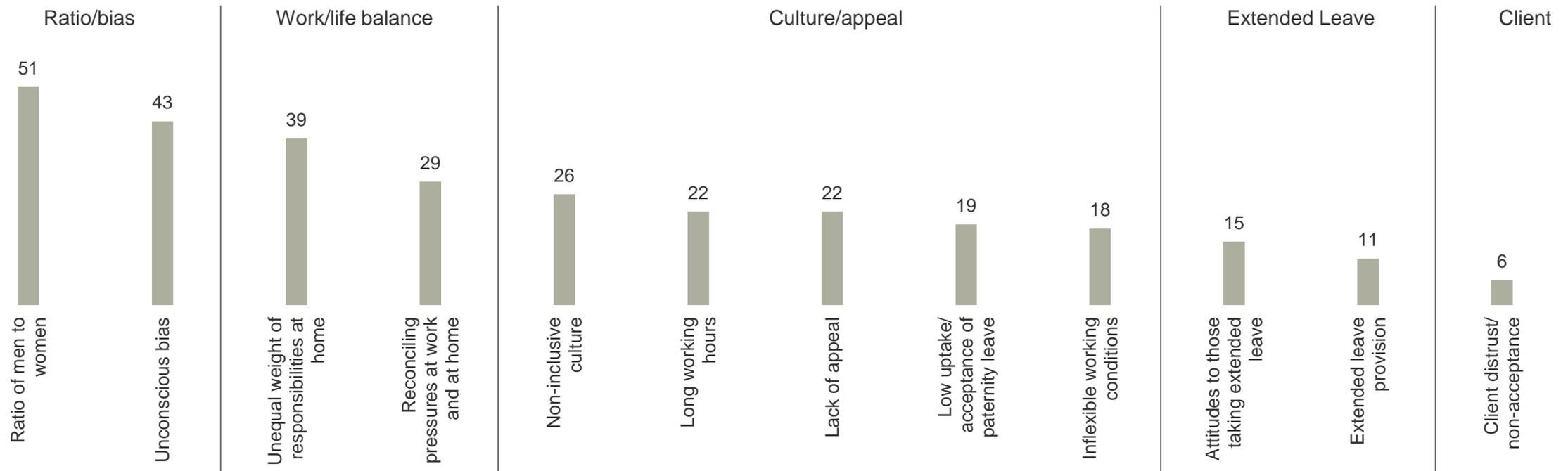
■ Usual ■ Unusual

■ Usual ■ Unusual

■ Usual ■ Unusual

# The current imbalance of men to women is seen as the biggest factor preventing women's progression, followed by unconscious bias and unequal responsibilities of work and home lives.

Reasons preventing women's progression – top 3 box (total %)



# Beyond directly childcare related reasons preventing women from progressing, further reasons suggest that this is still a man's world

## Women

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- “ Flexibility around childcare arrangements.”
- “ Childcare is very expensive.”
- “ Few role models.”
- “ Not enough support when returning...hard to adjust.”
- “ **Men attributes are rewarded...people are not promoted unless they shows these attributes.**”

## Men

---

- “ [There is a need to make it] easier and more acceptable for Men to take equal part in bringing up children.”
- “ Absence of Women role models.”
- “ See it as a Men dominated industry.”
- “ **Top leadership positions are often filled by relatively single minded individuals.**”
- “ **Uncomfortable to display same level of overt ambition as Men peers.**”

# What actions can be considered to promote cultural change?

1

## RECRUITMENT

Question whether from recruitment onwards that any algorithms/criteria unconsciously disadvantage women, ethnic minorities and graduates beyond Russell Group universities?

2

## PROMOTION/REWARD

Question whether evaluation criteria reflect any unconscious bias and whether greater male self-confidence is mistaken for greater competence and whether there is over emphasis on overt ambition?

3

## WORKING PRACTICES

How can the potential COVID catalyst for change be harnessed to avoid a complete reversion to pre COVID long hours and inflexible working?

4

## PERSONAL/PROFESSIONAL PERSONAS

WFH has created less of a break between who we are and how we behave at home and at work. Are there some positive behavioural changes to bring back to the office?

2

Extended leave today

# Extended Leave is not well embedded and it can aggravate gender bias

1

Extended leave is being taken by women and men but the difference in the extent of time taken – between three months and a year for women and less than three months for men – suggest a fundamentally different interpretation rather than a shared commitment.

The primary reasons for the selected duration are personal around work/life balance and what is right for the family.

2

On balance extended leave is not seen as a priority or a business benefit although around four in ten identify a positive attitude within their organisation compared to a third who see it as negative.

While it is seen as ‘business as usual’ by four in ten businesses, a third, particularly smaller businesses, view it as disruptive. Men were more likely to identify negative attitudes and women more positively accepting ones, which may be a sub-conscious reflection of their own views.

3

Impact on career progression is the key concern for both men and women at all stages and colleague perception is a concern for the majority before taking leave.

Spontaneously identified barriers reveal underlying cultural concerns.

“Males not taking extended leave, especially senior males.”

“Fear of judgment.”

“Fears about the outdated views and responses from managers and colleagues.”

4

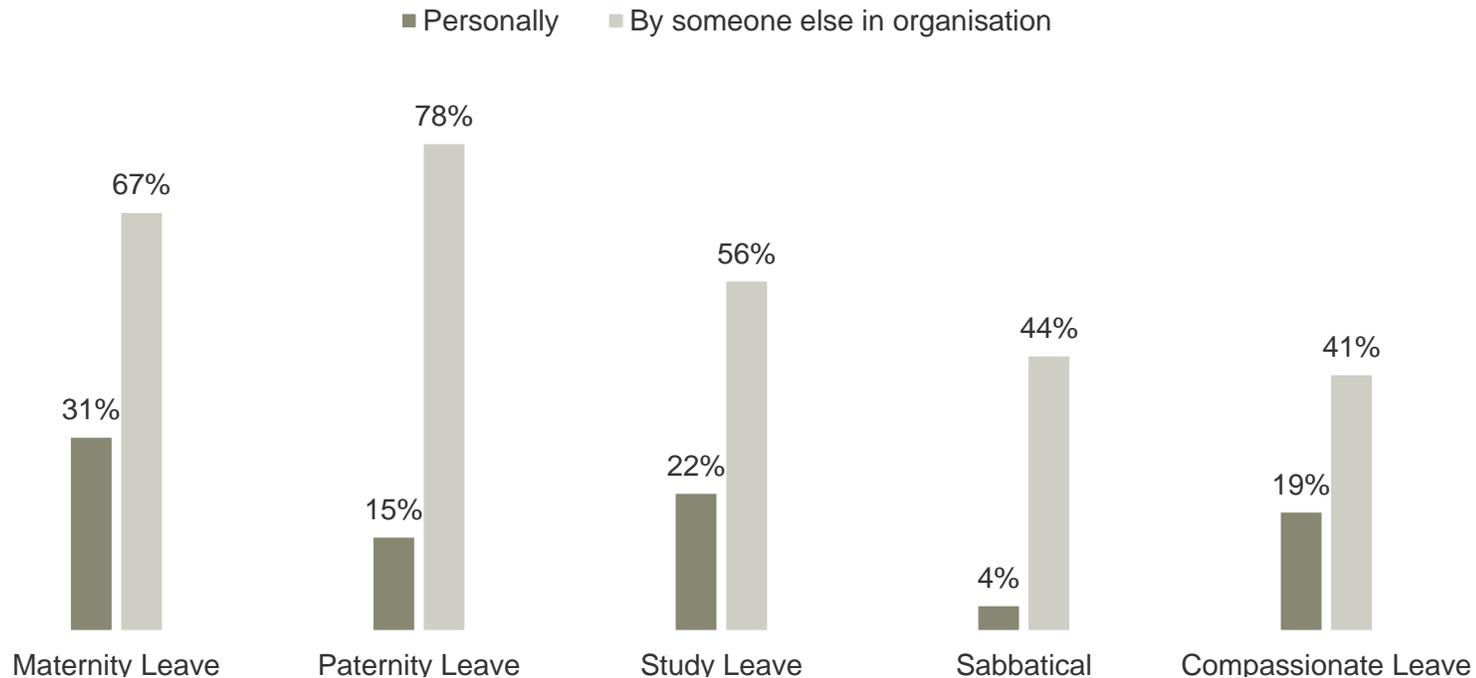
As in the qualitative interviews, attitudes to Extended Leave reflect wider issues. The current imbalance of men to women is seen as the biggest factor preventing women’s progression, followed by unconscious bias and unequal responsibilities of work and home lives.

“Male attributes are rewarded...people are not promoted unless they show these attributes.”

“Uncomfortable (for women) to display same level of overt ambition as male peers.”

# Double the proportion of women compared to men have taken parental leave.

## Extended leave taken (% amongst total sample)



## Extended leave taken amongst women and men

**61%** of Women  
(17 of 28) had taken maternity leave

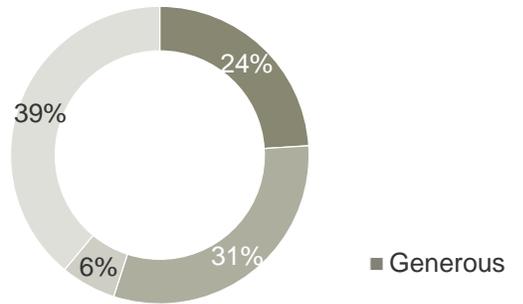
**31%** of Men  
(8 of 26) had taken paternity leave

**36%** of Women and  
**31%** of Men  
had taken some other form of leave

# More women than men are aware of the guidelines in place, and think the financial terms are fair or generous

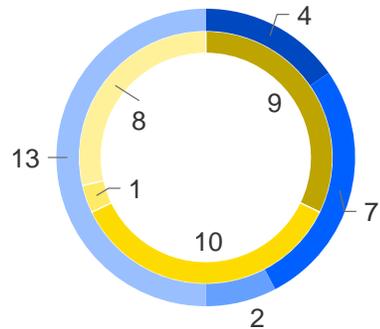
## Fairness of financial terms

Total

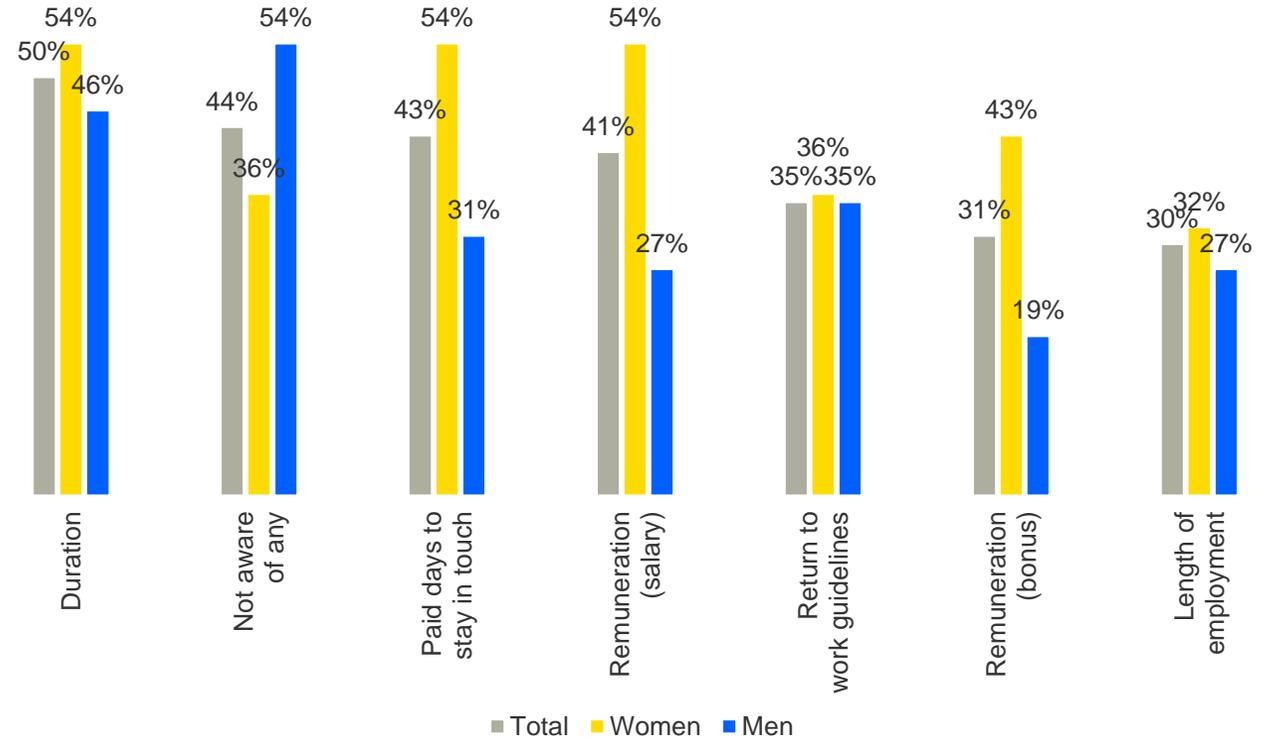


Men/Women  
(absolute figures)

26/28



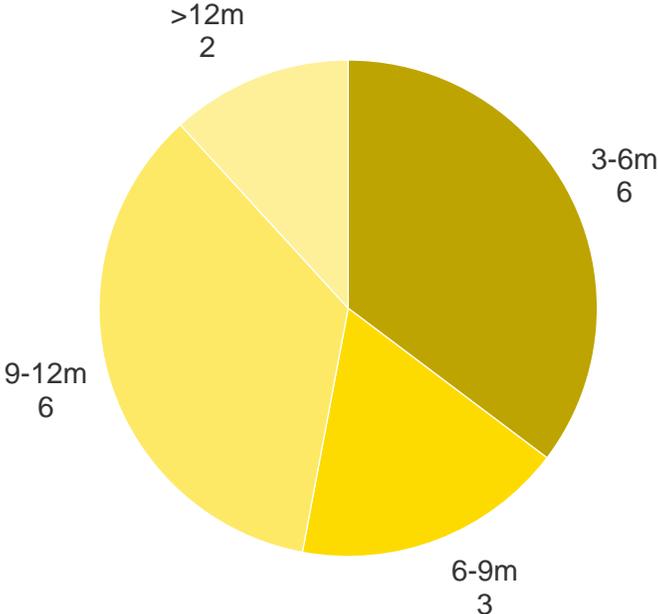
## Guidelines aware of



The duration of maternity and paternity leave is very different – almost all taking maternity leave had taken between three months and a year whereas paternity leave was for less than three and more frequently less than a month

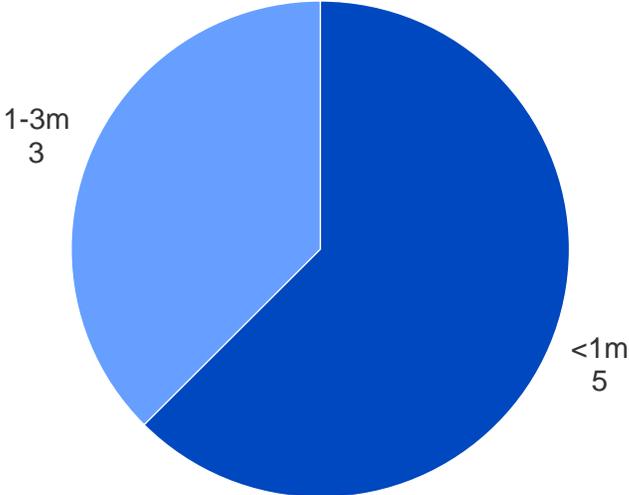
Length of maternity leave

Base:17

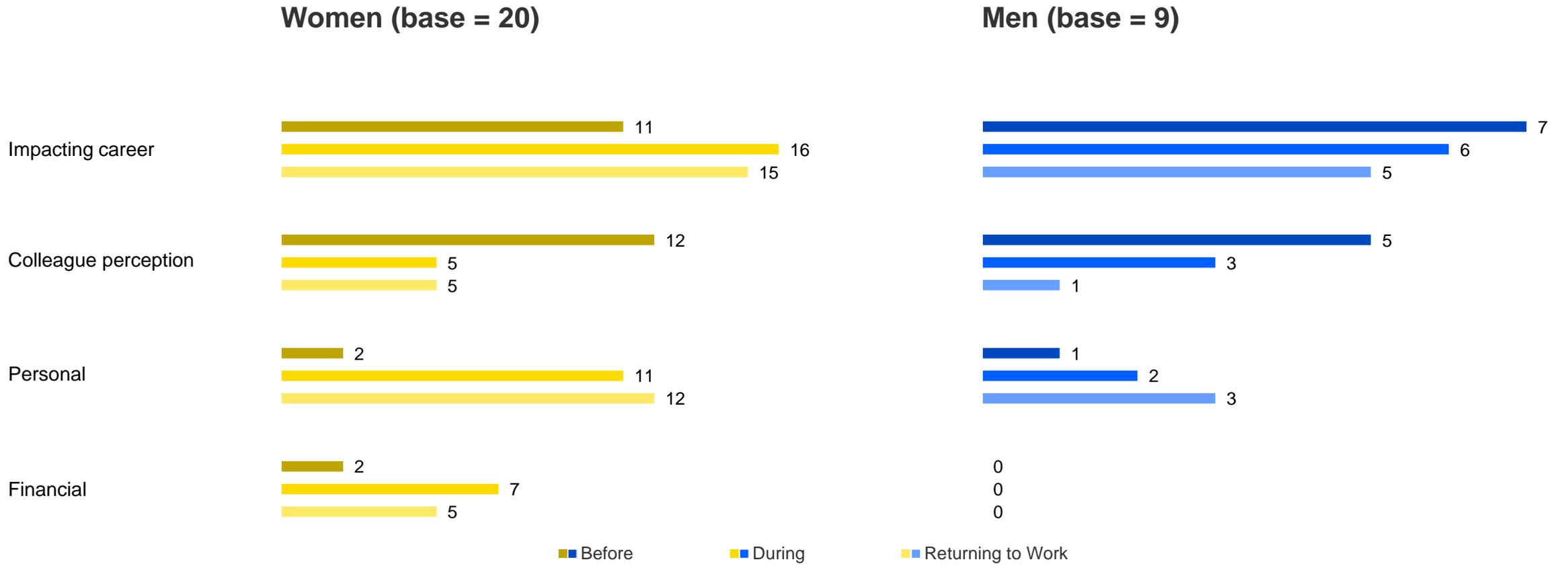


Length of paternity leave

Base:8



# For both men and women taking extended leave career impact was the key concern throughout and colleague perception was a concern for the majority before taking leave



# Barriers identified spontaneously endorse concerns about limiting career progression and that extended leave is a poor fit culturally

## Cultural

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- “Lack of encouragement culturally, financially.”
- “Males not taking extended leave, especially senior males.”
- “Discrepancy in paternity/maternity leave and pay.”
- “Fear of judgment.”
- “Fears about the outdated views and responses from managers and colleagues.”

## Career impact

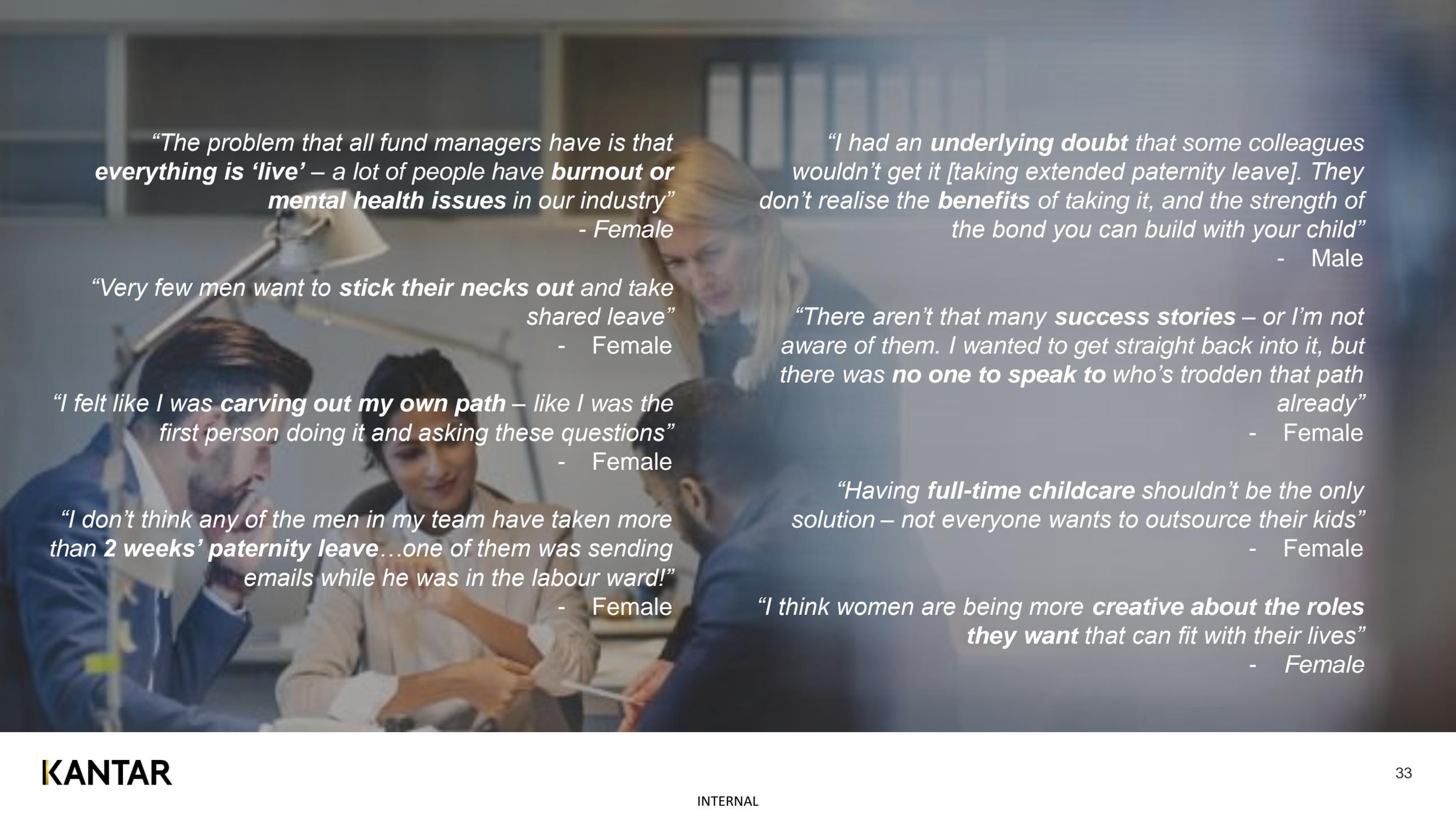
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- “Fear of impacting career progression negatively.”
- “Others promoted ahead of you.”
- “Company moves quickly.”
- “Losing touch with the market.”
- “Being replaced, losing touch with colleagues and the business.”
- “Management may view this negatively.”

## Workload

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- “Too under resourced.”
- “Not enough cover within business.”
- “Fiduciary and personal relationship to clients.”
- “Concerns over managing an appropriate work/life balance.”



*“The problem that all fund managers have is that **everything is ‘live’** – a lot of people have **burnout or mental health issues** in our industry”*

*- Female*

*“Very few men want to **stick their necks out** and take shared leave”*

*- Female*

*“I felt like I was **carving out my own path** – like I was the first person doing it and asking these questions”*

*- Female*

*“I don’t think any of the men in my team have taken more than **2 weeks’ paternity leave**...one of them was sending emails while he was in the labour ward!”*

*- Female*

*“I had an **underlying doubt** that some colleagues wouldn’t get it [taking extended paternity leave]. They don’t realise the **benefits** of taking it, and the strength of the bond you can build with your child”*

*- Male*

*“There aren’t that many **success stories** – or I’m not aware of them. I wanted to get straight back into it, but there was **no one to speak to** who’s trodden that path already”*

*- Female*

*“Having **full-time childcare** shouldn’t be the only solution – not everyone wants to outsource their kids”*

*- Female*

*“I think women are being more **creative about the roles they want** that can fit with their lives”*

*- Female*

# When it comes to peoples' experiences of taking extended leave, support from management is a key area for improvement

- **Worries** about staying relevant, up to date and confident in your abilities preoccupy people before, during and after taking extended leave
- Perceived **lack of emotional awareness and sensitivity** of this leads to clumsy handling of direct reports' return e.g. **lack of empathy** due to male / older generations not having gone through the experience themselves
- Present across the industry, but particularly in **smaller firms** where formalised processes and HR support may not be in place

*"My boss **didn't handle it well**. There was a lot of clumsiness while I was off. My role had changed while I was off, which left me feeling that what I did before wasn't valued. You're vulnerable while you're off, and there's a **lack of emotional intelligence**"*

- Female

*"I joined a new team when I came back. All the **women came over to say hello**, but the only man who spoke to me was the **head of the team**"*

- Female

*"My boss **didn't speak to me for two weeks** when I came back. When I raised it with him a few months later, he said he **didn't want me to feel pressured** – but it had the opposite effect, **it felt awful**"*

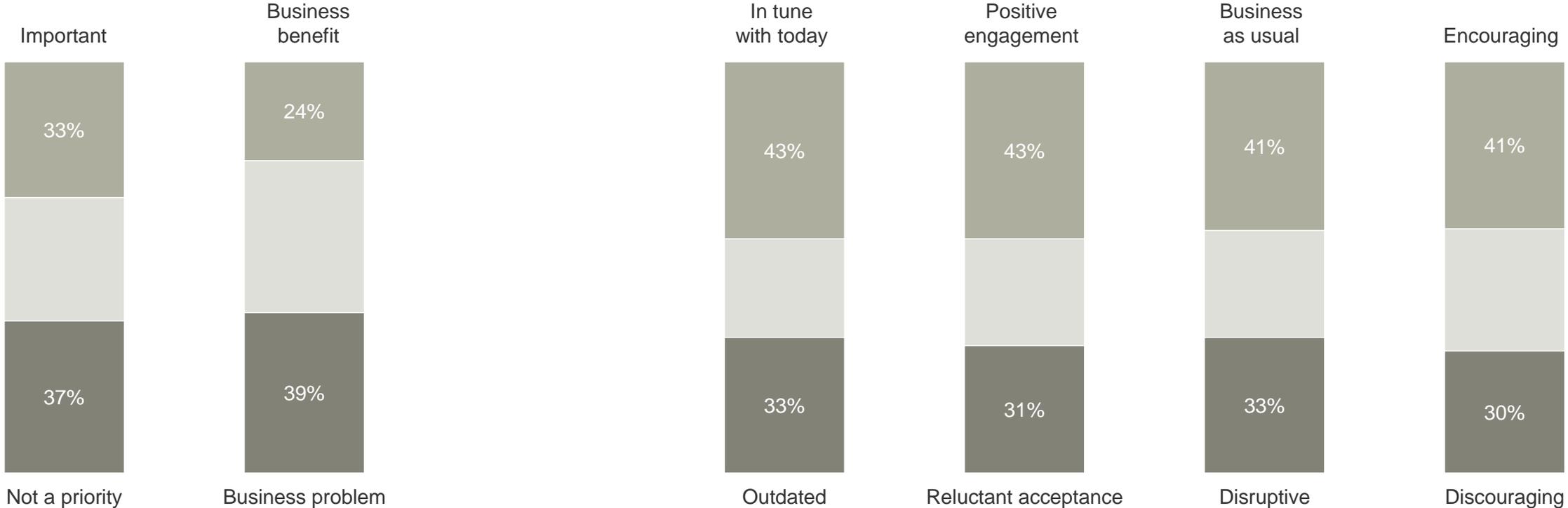
- Female

*"Those men [in management] felt they didn't have the concept of **paternity leave** in their day – its seen as an inconvenience, and I got lots of remarks like 'you're having a 6 month holiday'"*

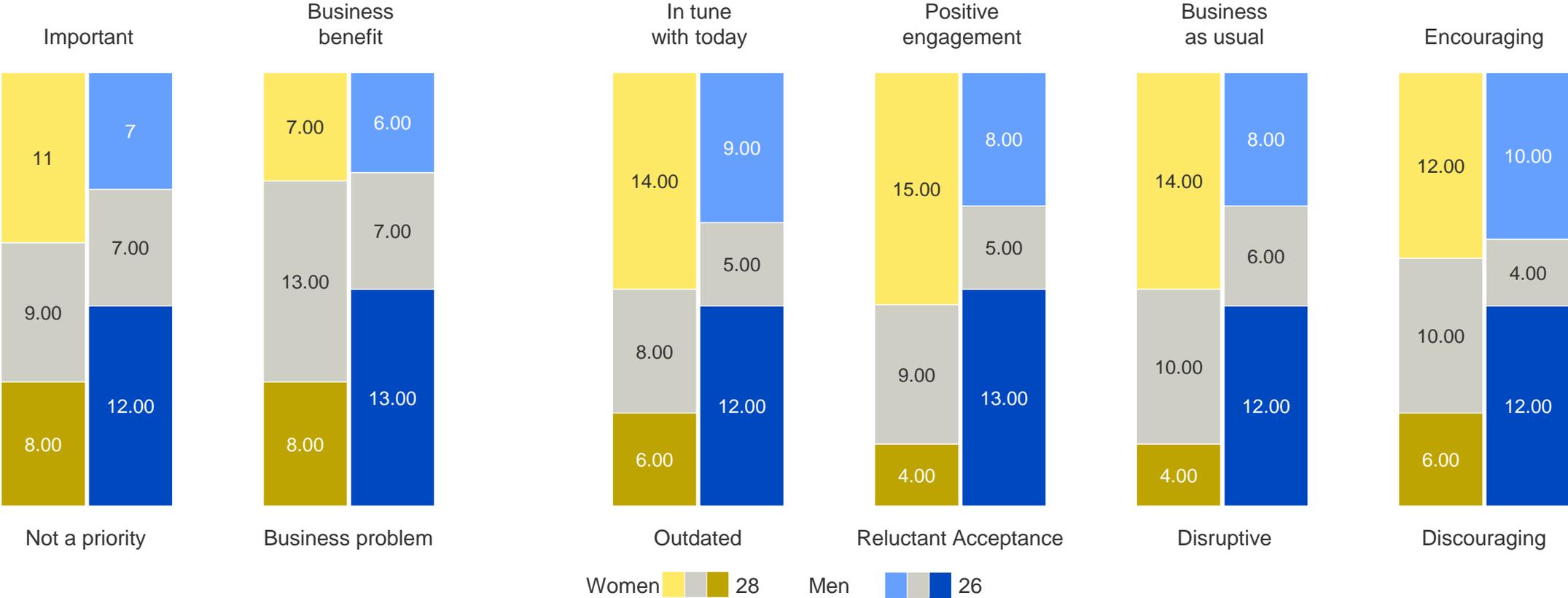
- Male

# On balance extended leave is not seen as a priority nor a business benefit although around four in ten identify positive attitudes within their organisation compared to a third who see them as negative

## Total



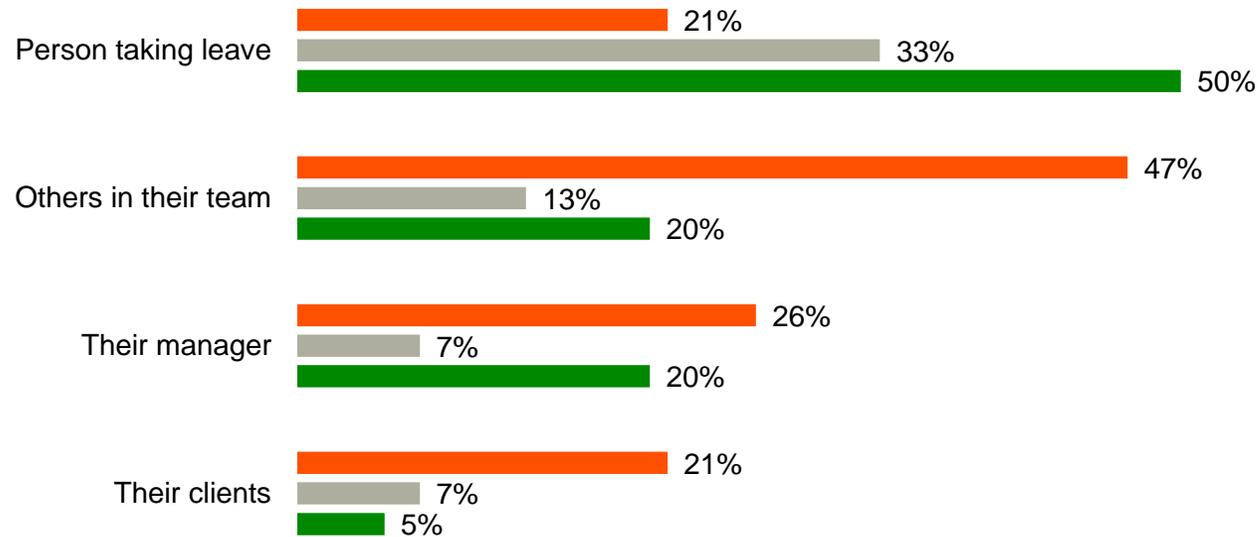
# A higher proportion of men view their organisation as more negative towards extended leave, which may also be a reflection of their own views



# The impact on team members, their manager and their clients is seen to be greatest in small businesses but the personal impact is greatest in large ones

## High impact

■ Small ■ Medium ■ Large



# What actions can be considered to normalise extended (paternity) leave?

1

## POSITIONING/MESSAGING

How to encourage a shift away from the 'almost stigma' of maternity leave to a mantra of 'extended leave for all' positioned as a benefit for individuals and the organisation. There may be a case for reviewing all internal communications around extended leave

2

## COLLECTIVE PLANNING

Extended leave can be disruptive especially for smaller organisations, can planning for it become a team responsibility conferring ownership on everyone and an opportunity for further responsibility?

3

## PERFORMANCE IMPACT

How to ensure that time away is fairly reflected and not dismissed negatively? Is 'time away' consistently and properly factored in? Is there a case for reviewing how it has been handled in the past?

4

## EFFECTIVE RETURN TO WORK PROTOCOLS

Are these in place for the returner, their team and managers? Do they take account of emotional and functional impacts? Are experiences reviewed after 6 months and are protocols subsequently updated?

3

Role modelling is the most successful of the three concepts tested

# Role modelling is the most successful of the three concepts

1

Role modelling is the most successful of the three concepts as it has the potential to normalise Extended Leave. It is also the most compatible and least challenging.

The fact that this was the most successful of the three concepts is a further indication that tackling wider gender inequality, numerically and culturally, is a pre-requisite for change.

2

Job sharing is quite effective for the majority. Smaller businesses consider it less compatible and effective than larger firms and it is seen as challenging for six in ten businesses.

3

The talent pool concept was seen as the least effective and compatible and to be the most challenging. Men, in particular, felt that it was challenging and incompatible reflecting concerns around different business practices.

# Overall, all the proposed solutions have appeal and relevance – though there are concerns around the practicalities of job sharing and talent pools

## Role modelling

- Perceived to have the **most impact on uptake of extended leave**, and a **necessary** complement to any other initiatives
- **Policies** would also need to be clearly publicised to **raise awareness** of the possibilities
- Potential **barrier of current generational dynamics** i.e. current leadership may not be at a life-stage of taking parental leave, but may be for sabbatical

## Job sharing

- Co-managed and team-based funds are **already being practiced**, particularly in larger firms
- However, often it **falls on individuals' proactivity** to set up shared roles e.g. part-time shared role
- Perception that **fund managers 'wouldn't want to' share roles**, concerns around workload distribution when one manager is on leave

## Talent pool

- **Appealing** for both the freelancer and the team who would **benefit from expertise**
- Concern that external hires would **prevent internal junior progression**, and larger firms are more able to cover absences
- Concerns around **confidentiality / conflict of interest** if moving between firms
- Certain investment types and styles would be **difficult to onboard** (esp. smaller firms)

**To achieve the broader goal of improving diversity within the industry, role modelling will be key, supported by alternative ways of working that encourage and facilitate flexibility**

## Role modelling

*“This is **essential**. The more people take leave, the more people accept it”*

- Female

*“You’d **struggle to find** any of our current senior leaders who are actually taking parental leave”*

- Female

*“I think I heard there was someone taking a sabbatical to go travelling, I’d **love to hear more about that**”*

- Male

## Job sharing

*“You have to remember that fund managers are quite **egotistical**...they wouldn’t want to share the role”*

- Female

*“This is increasingly **how we’re working now** – its far less of that star manager culture. Clients don’t want to invest in just one person”*

- Female

*“**How would it work in practice**, would the person left behind have their workload doubled?”*

- Female

## Talent pool

*“This is really exciting...I think also for the team, it’s great to have that **external expertise coming in**”*

- Female

*“I think this would work for listed asset managers where the **skills are more transferrable or homogeneous** – it might not work for all types”*

- Female

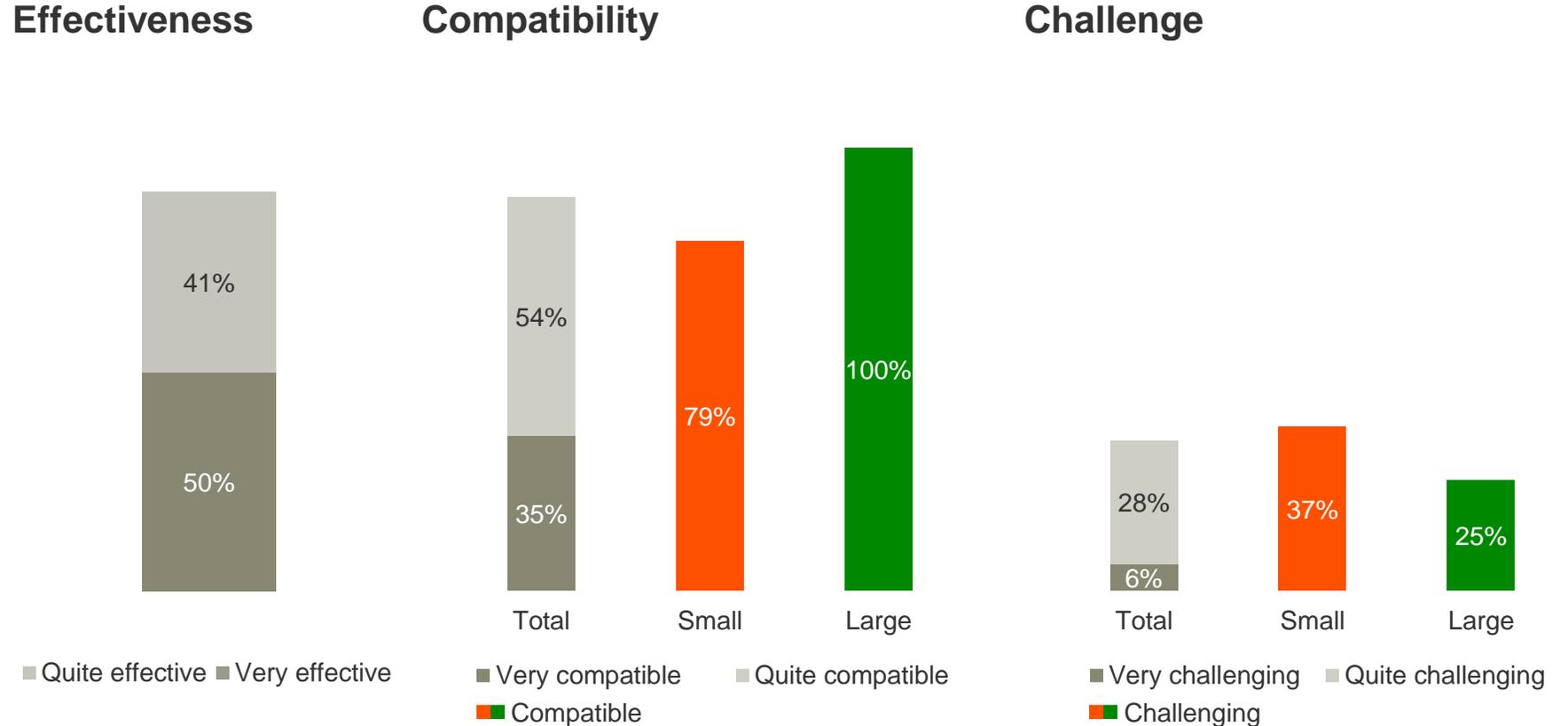
*“We’ve got a **big internal team** and internal talent pool anyway which can cover absences”*

- Female

# Role modelling is considered the most effective, compatible and least challenging concept, particularly for larger businesses

‘Either senior leadership encouraging peers to take extended leave, or an industry-wide commitment to implementing and encouraging mandatory extended leave.

Allowing a greater flow of talent throughout organisations and across the industry, normalising the taking of extended leave for both Women and Men’



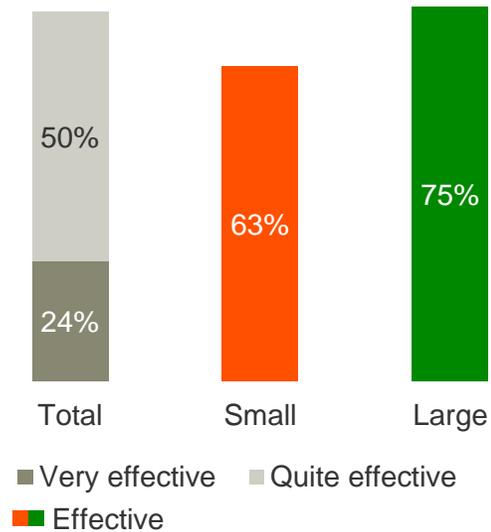
Q046 How effective do you think each concept would be in encouraging greater uptake of extended leave?  
 Q047 How compatible do you feel each concept would be with the ways of working within your organisation?  
 Q048 How challenging do you think each concept would be for your business to implement?  
 Base Total (54) Women (28) Men (26) Small Business (19) Large Business (20) Medium Term( 20) Well established (34)

# Job sharing is seen as more effective and compatible by larger firms and it is seen as challenging by six in ten of all businesses

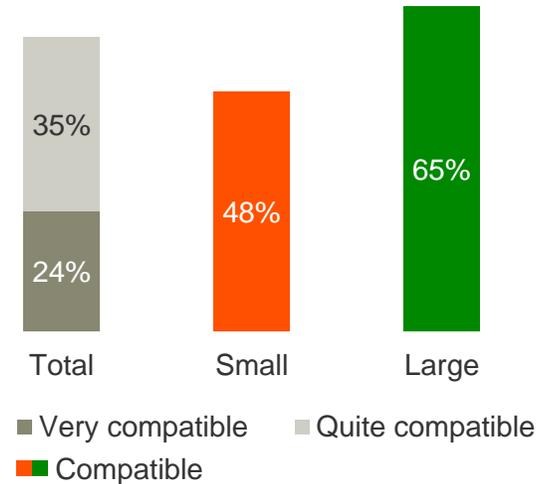
'A pledge by asset owners, investment consultants and asset managers to encourage a system of jointly-managed funds, where two or more managers share the responsibility and oversight of the fund. Either pairing a senior and junior manager, or dividing responsibilities equally between two colleagues.

Spreading responsibility and allowing for coverage if managers were to take extended leave'

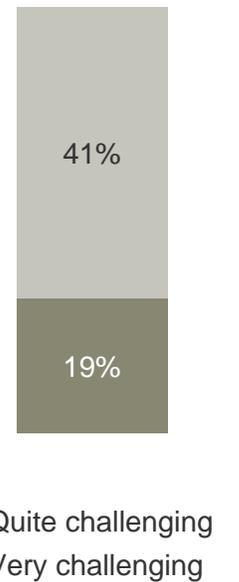
## Effectiveness



## Compatibility



## Challenge



Q046 How effective do you think each concept would be in encouraging greater uptake of extended leave?  
 Q047 How compatible do you feel each concept would be with the ways of working within your organisation?  
 Q048 How challenging do you think each concept would be for your business to implement?  
 Base Total (54) Women (28) Men (26) Small Business (19) Large Business (20) Medium Term( 20) Well established (34)  
 INTERNAL

# Consideration should be given to the development of role models as well as more flexible ways of working

1

## VISIBILITY/SHARING EXPERIENCES

Interest was shown in how others have used their leave and individual organisations will have their own best ways of doing this but a collective commitment to 'hero' leave takers *what did you do ....* Could be explored. The question of more mature managers who regret not taking paternity leave could be explored as part of this

2

## NETWORKING/BUDDYING

Particularly in larger organisations putting those going on leave in touch with others on leave/who have recently taken leave may be an opportunity (or even more widely across the sector)

3

## PERSONALISATION/FLEXIBILITY

Could consideration be given to creating a 'block of time' allowance to suit individual needs eg a day a week for x months; 4 weeks of leave when baby is 6 months/a year old. If this encourages uptake, it would be a further way to 'normalise extended leave

4

## INCLUSIVITY

Any solutions should help to create a sense of 'something in this for everyone' so there is a shift from a minority to a majority application.

5

Looking to the future

# Looking to the future: catalysts for change

1

An increase in the proportion of women in fund management and senior roles will help to bring about change, particularly as leadership teams are seen to have the biggest influence. The ratio of men to women, and its likely role in perpetuating unconscious bias is seen as the biggest barrier to change.

The influence of individual organisations in driving change is seen as greater than wider industry promotion of Extended Leave.

2

The belief expressed that emotional intelligence, people and client management skills will increase in importance in the future, suggests that this growth in 'softer skills' may assist a wider move to more progressive attitudes.

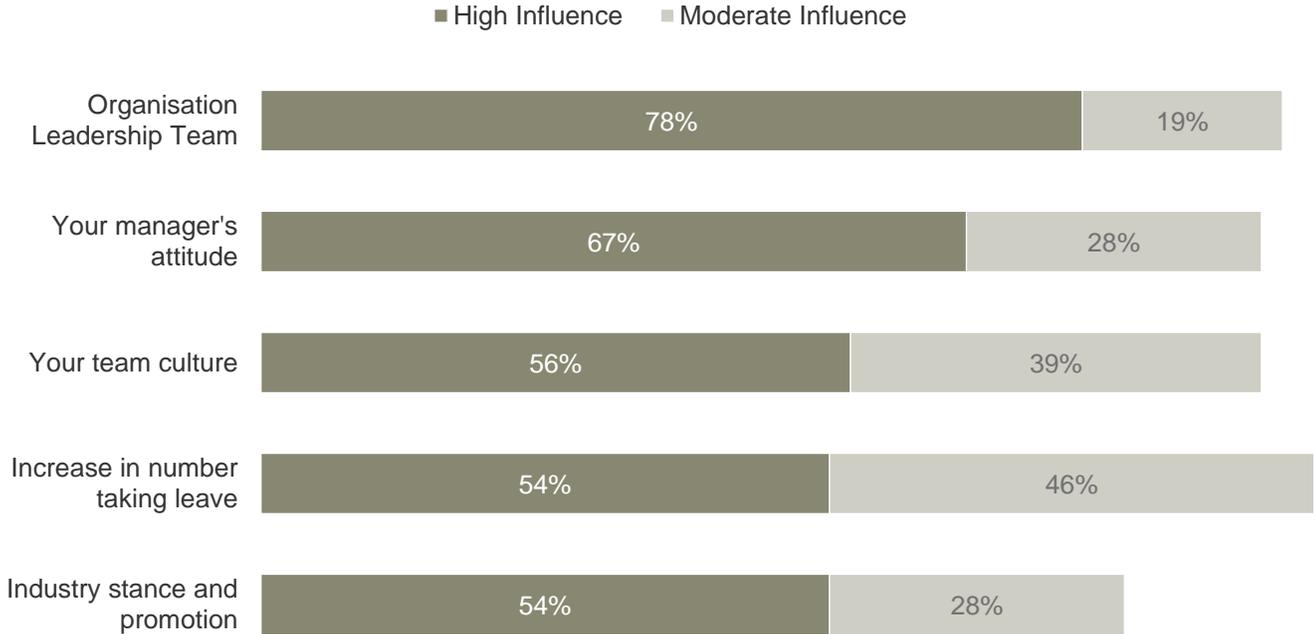
3

One of the impacts of the pandemic has been the dramatic increase in working from home, which was previously common for around five per cent. Working from home and working more flexibly have been working well for businesses as well as individuals suggesting that these could be a catalysts for cultural change to a less rigid way of working which could be more compatible with work/life balance and shared responsibilities.

4

Overall, encouraging Extended Leave so it is something with which businesses feel is more culturally comfortable is important but this has to come from within and be led from the top as part of a wider progress to becoming more inclusive and diverse.

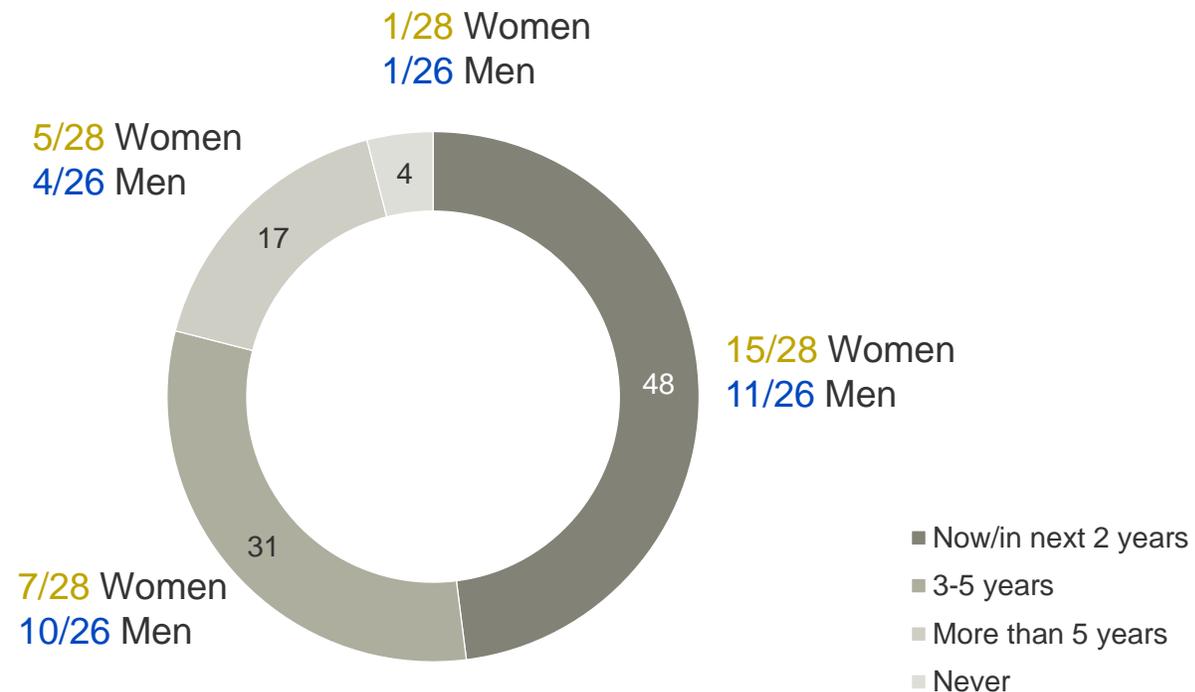
# The leadership team of an organisation is considered the most influential factor in changing attitudes to extended leave but all the options were seen to be influential





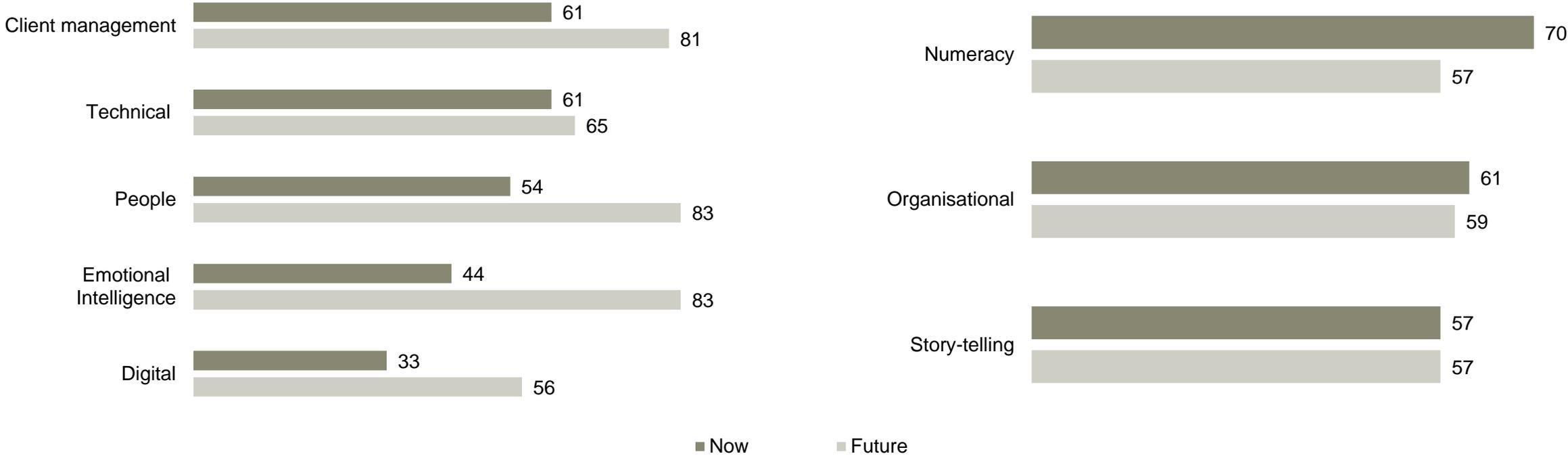
# Almost half of people believe there is already a changing attitude towards extended leave, or will be within two years

Time it will take for attitude change (%)



# There are indications of change in the belief that emotional intelligence, people and client management skills will increase in importance in the future along with digital and technical skills

Now vs future (total %)



# Working from home and working more flexibly have been working well for businesses as well as individuals suggesting that this could be a catalyst for cultural change

Are these new styles working well? (Top 2 box total %)

N/A

■ Working for me   ■ Working for my organisation



# Looking to the future: some suggested actions to drive change

1

## POST PANDEMIC REVIEW

Question what has worked well and is there learning about leave-taking and wider Diversity and Inclusion? Are there changes which should become *Business as Usual*?

2

## LEARNING FROM THE PAST

Examining policies and procedures across the business to identify where subconscious bias may be present especially in relation to recruitment, retention, promotion and performance management

3

## INCREASED FOCUS ON EXTENDED LEAVE

Extended Leave feels a bit of a Cinderella area/at the bottom of the agenda. How to give it greater prominence based on improving organisation and individual wellness?

4

## BUSINESS AS USUAL BUT BETTER!

Important not to think in terms of 'righting the wrongs of the past' but rather in terms of a vision for a changing world

**KANTAR**



# Extended leave in the Asset Management industry

Qualitative topline report

Rhys James & Loulwa Al Rasheed-Wright  
March 2021



# Executive summary

1

**Extended leave is an expression, rather than a cause, of diversity issues in Asset Management**

There are broader cultural and societal influences at play, which filter into the Asset Management industry.

A lack of diversity, and low uptake of extended leave, are manifestations of these broader dynamics.

2

**There are structural and cultural challenges that are specific to the industry itself**

Ways of working mean that extended leave is perceived as difficult or detrimental to career progression.

Inflexible working styles and a lack of role models make many feel that taking leave is not possible – and means the industry lacks appeal for some working mothers.

3

**Experiences of taking extended leave are tainted by a lack of support from management**

Improvements need to be made to make the process of taking leave more positive for employees, and boost retention.

In particular, returning to the workplace is made difficult by a lack of support and empathy from management.

4

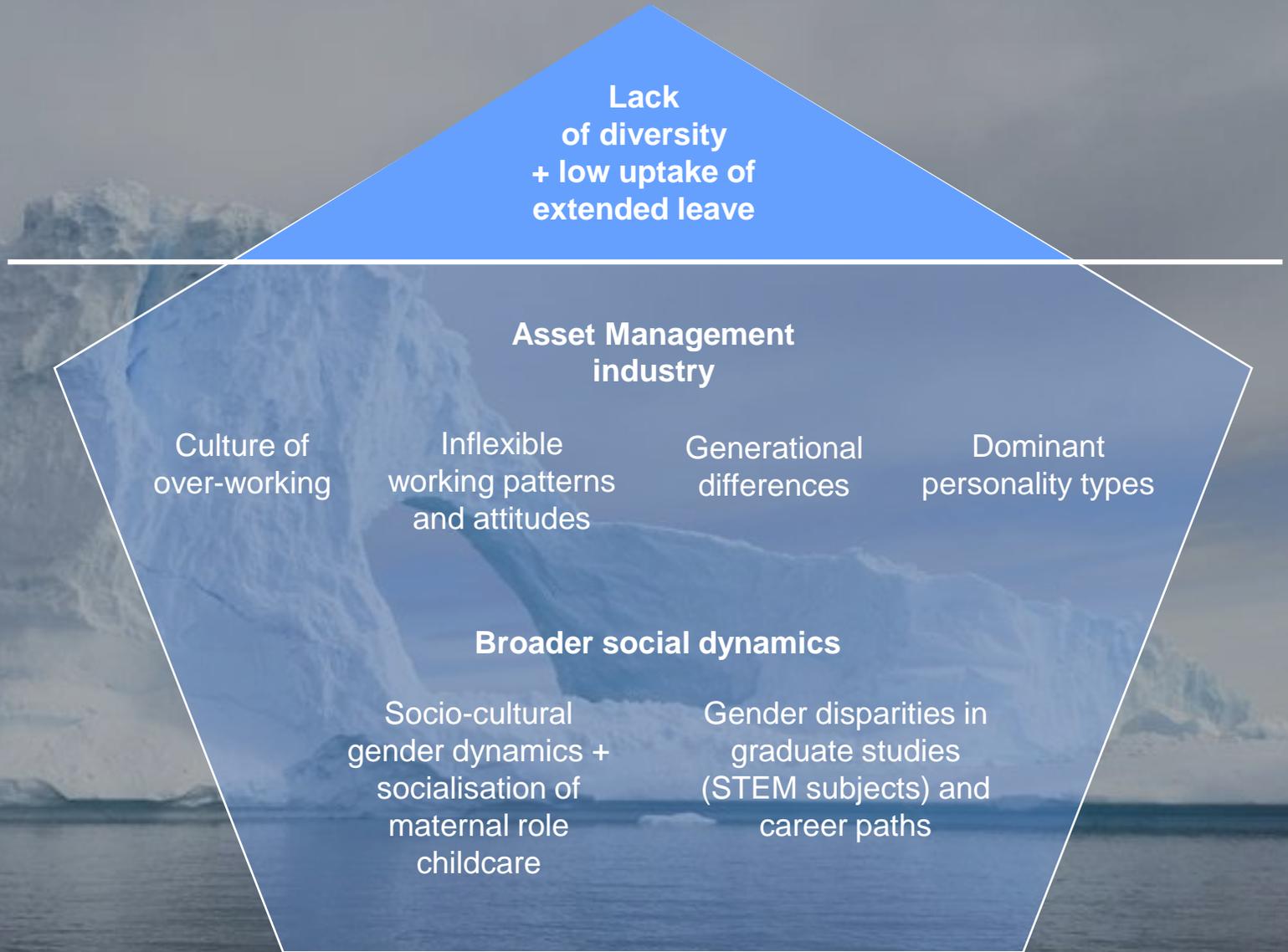
**All 3 solutions have appeal, though there are concerns about how they might work in practice**

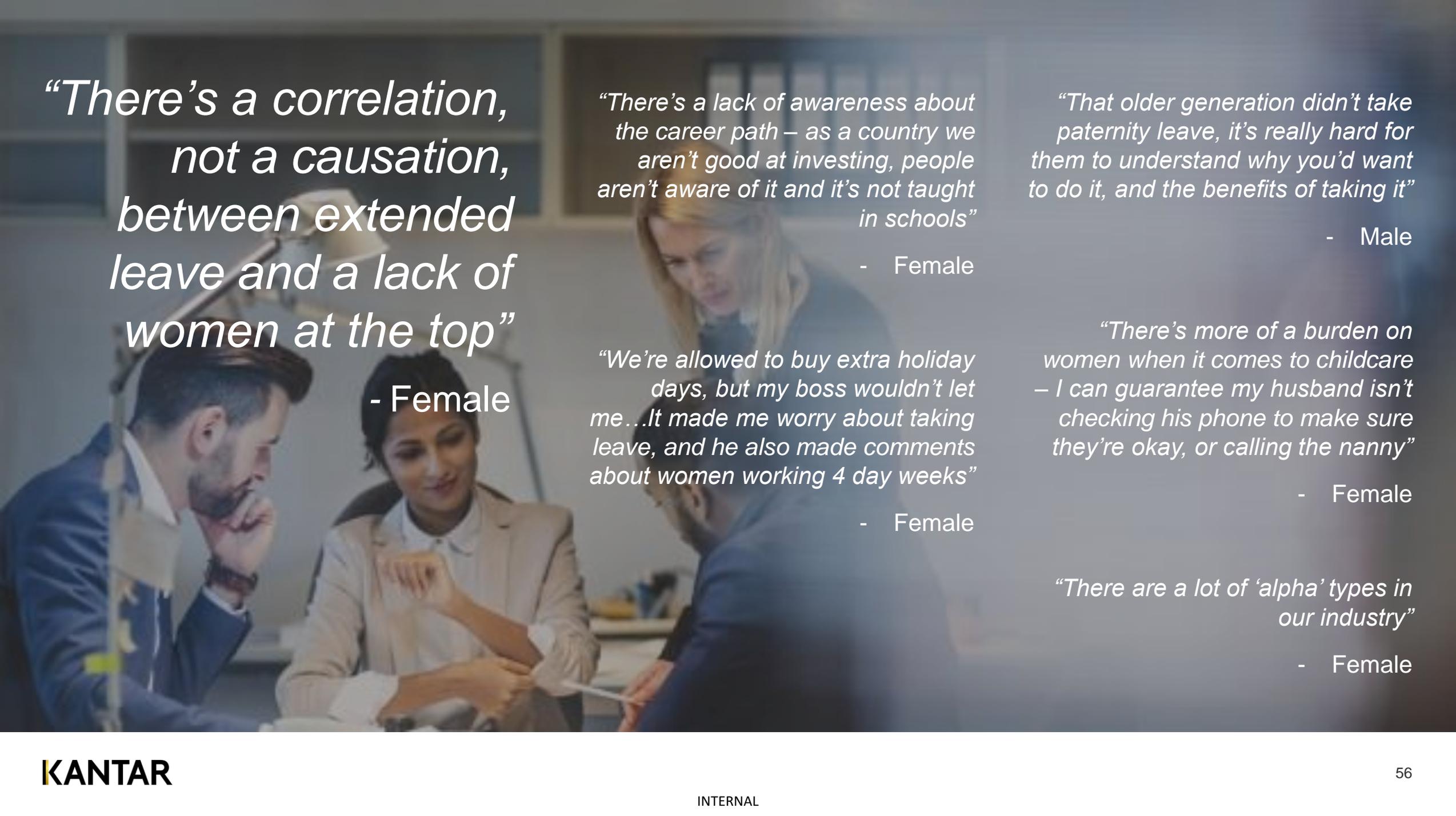
Role modelling is seen as a 'must' in order to create change in the industry, particularly amongst men.

While job sharing and talent pools feel relevant, there are concerns around practicalities in sharing work, and confidentiality issues.

# A lack of diversity within the Asset Management industry is the manifestation of a complex foundation of societal, cultural and structural barriers

Extended leave is just the 'tip of the iceberg', where poor perceptions and low uptake are an expression of societal gender norms, as well as specific dynamics within the industry itself





*“There’s a correlation,  
not a causation,  
between extended  
leave and a lack of  
women at the top”*

- Female

*“There’s a lack of awareness about  
the career path – as a country we  
aren’t good at investing, people  
aren’t aware of it and it’s not taught  
in schools”*

- Female

*“We’re allowed to buy extra holiday  
days, but my boss wouldn’t let  
me...It made me worry about taking  
leave, and he also made comments  
about women working 4 day weeks”*

- Female

*“That older generation didn’t take  
paternity leave, it’s really hard for  
them to understand why you’d want  
to do it, and the benefits of taking it”*

- Male

*“There’s more of a burden on  
women when it comes to childcare  
– I can guarantee my husband isn’t  
checking his phone to make sure  
they’re okay, or calling the nanny”*

- Female

*“There are a lot of ‘alpha’ types in  
our industry”*

- Female

# Ways of working within the industry, and a lack of role models, preserve a status quo that does not feel inclusive for women

## Lack of flexibility

- **'Always on'** nature of asset management due to constantly changing markets
- Leads to long hours, burnout, perceived **impossibility of part-time working**
- A **culture of over-working and presenteeism** makes people feel flexible working is not an option – *there is hope that Covid-19 has proved WFH and flexible hours are possible going forward*

**IMPACT:** For women often bearing the burden of childcare, the industry feels culturally and structurally incompatible with work-life balance

## Lack of diverse role models

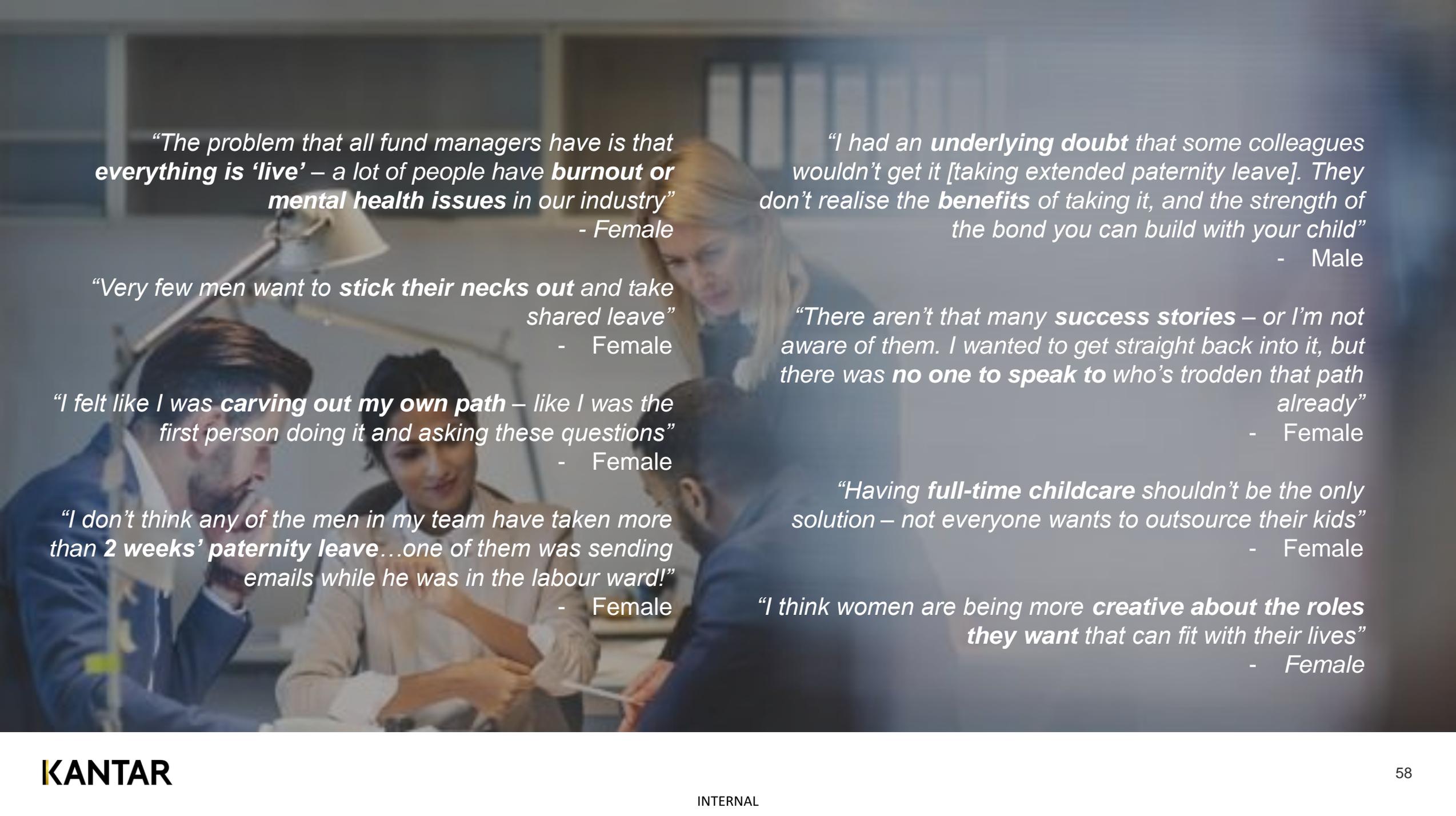
- **Lack of 'success stories'** of women and men taking extended leave – parental leave as well as sabbaticals and other forms of leave
- **Generational dynamics** of current management (50yrs+ males) mean that leaders have different experiences and attitudes towards extended leave – particularly **paternity leave**

**IMPACT:** Absence of role models reinforces perceptions that 'its not possible', and a repetitive cycle / status quo is preserved in management

## Fund manager roles lack appeal for some women

- The **fund manager role** is perceived as suited to a **specific 'type'**, i.e. 'alpha' personality, specific educational background, 'always on' mindset, highly decisive and single minded
- Children present a **re-prioritisation of work/life attitudes**, some women find other roles within the industry **more appealing** i.e. greater flexibility, less 'alpha', more female role models

**IMPACT:** Certain roles within the industry lack the 'pull factors' needed to appeal to some women, leading them to exit the workforce post-children



*“The problem that all fund managers have is that **everything is ‘live’** – a lot of people have **burnout or mental health issues** in our industry”*

*- Female*

*“Very few men want to **stick their necks out** and take shared leave”*

*- Female*

*“I felt like I was **carving out my own path** – like I was the first person doing it and asking these questions”*

*- Female*

*“I don’t think any of the men in my team have taken more than **2 weeks’ paternity leave**...one of them was sending emails while he was in the labour ward!”*

*- Female*

*“I had an **underlying doubt** that some colleagues wouldn’t get it [taking extended paternity leave]. They don’t realise the **benefits** of taking it, and the strength of the bond you can build with your child”*

*- Male*

*“There aren’t that many **success stories** – or I’m not aware of them. I wanted to get straight back into it, but there was **no one to speak to** who’s trodden that path already”*

*- Female*

*“Having **full-time childcare** shouldn’t be the only solution – not everyone wants to outsource their kids”*

*- Female*

*“I think women are being more **creative about the roles they want** that can fit with their lives”*

*- Female*

# When it comes to peoples' experiences of taking extended leave, support from management is a key area for improvement

- **Worries** about staying relevant, up to date and confident in your abilities preoccupy people before, during and after taking extended leave
- Perceived **lack of emotional awareness and sensitivity** of this leads to clumsy handling of direct reports' return e.g. **lack of empathy** due to male / older generations not having gone through the experience themselves
- Present across the industry, but particularly in **smaller firms** where formalised processes and HR support may not be in place

*"My boss **didn't handle it well**. There was a lot of clumsiness while I was off. My role had changed while I was off, which left me feeling that what I did before wasn't valued. You're vulnerable while you're off, and there's a **lack of emotional intelligence**"*

- Female

*"I joined a new team when I came back. All the **women came over to say hello**, but the only man who spoke to me was the **head of the team**"*

- Female

*"My boss **didn't speak to me for two weeks** when I came back. When I raised it with him a few months later, he said he **didn't want me to feel pressured** – but it had the opposite effect, **it felt awful**"*

- Female

*"Those men [in management] felt they didn't have the concept of **paternity leave in their day** – its seen as an inconvenience, and I got lots of remarks like 'you're having a 6 month holiday'"*

- Male

# Overall, all the proposed solutions have appeal and relevance – though there are concerns around the practicalities of job sharing and talent pools

## Role modelling

- Perceived to have the **most impact on uptake of extended leave**, and a **necessary** complement to any other initiatives
- **Policies** would also need to be clearly publicised to **raise awareness** of the possibilities
- Potential **barrier of current generational dynamics** i.e. current leadership may not be at a life-stage of taking parental leave, but may be for sabbatical

## Job sharing

- Co-managed and team-based funds are **already being practiced**, particularly in larger firms
- However, often it **falls on individuals' proactivity** to set up shared roles e.g. part-time shared role
- Perception that **fund managers 'wouldn't want to' share roles**, concerns around workload distribution when one manager is on leave

## Talent pool

- **Appealing** for both the freelancer and the team who would **benefit from expertise**
- Concern that external hires would **prevent internal junior progression**, and larger firms are more able to cover absences
- Concerns around **confidentiality / conflict of interest** if moving between firms
- Certain investment types and styles would be **difficult to onboard** (esp. smaller firms)

**To achieve the broader goal of improving diversity within the industry, role modelling will be key, supported by alternative ways of working that encourage and facilitate flexibility**

## Role modelling

*“This is **essential**. The more people take leave, the more people accept it”*

- Female

*“You’d **struggle to find** any of our current senior leaders who are actually taking parental leave”*

- Female

*“I think I heard there was someone taking a sabbatical to go travelling, I’d **love to hear more about that**”*

- Male

## Job sharing

*“You have to remember that fund managers are quite **egotistical**...they wouldn’t want to share the role”*

- Female

*“This is increasingly **how we’re working now** – its far less of that star manager culture. Clients don’t want to invest in just one person”*

- Female

*“**How would it work in practice**, would the person left behind have their workload doubled?”*

- Female

## Talent pool

*“This is really exciting...I think also for the team, it’s great to have that **external expertise coming in**”*

- Female

*“I think this would work for listed asset managers where the **skills are more transferrable or homogeneous** – it might not work for all types”*

- Female

*“We’ve got a **big internal team** and internal talent pool anyway which can cover absences”*

- Female

# Next steps – a seamless transition to the Quantitative phase

A high-level draft of the quantitative questionnaire has been developed, informed by the Qualitative learnings – to be circulated following today's session for approval and additions.

## Timeline:

Set up and questionnaire design	w/c 29 <sup>th</sup> March
Questionnaire sign off and scripting	w/c 29 <sup>th</sup> March – 13 <sup>th</sup> April
Fieldwork	14 <sup>th</sup> April – 4 <sup>th</sup> May
Data processing and analysis	5 <sup>th</sup> – 14 <sup>th</sup> May
Final debrief	w/c 17 <sup>th</sup> May (end of week)