



DIVERSITY PROJECT

CASE STUDIES TO DEMONSTRATE GOOD PRACTICE EXAMPLES SUPPORTING THE INITIATIVE - ADVANCING DIVERSITY IN PORTFOLIO MANAGEMENT: PERFORMANCE CONTINUITY & TURNOVER.

Fiona, Investment Director, Global Emerging Market Equities, at Aberdeen Standard Investments.

Winner - Women in Investment Awards 2018 - Most Inspiring Returner.

I started in the fund management industry in 2001 on a graduate training programme and joined the Global Emerging Markets Equity team at Aberdeen Standard Investments in 2005. I have three children aged 8, 6 and 2 years and have taken three periods of maternity leave. I now work flexibly 4 days a week.

The biggest challenge I faced on my return to work was my own confidence. It is easy to feel out-of-touch, particularly when markets move so quickly and lose faith in your abilities in a work context.

On each occasion, I returned to the same role covering the same portfolios and strategies which helped to provide much needed continuity. I was fortunate that I work as part of a supportive team who reinforced my value to the business. My employer offered a return-to-work support programme which comprised three days of training which took place before, during and after my period of parental leave which was hugely helpful in thinking through the key challenges associated with periods of time out of the business and exploring way to address those. I feel that this, along with the ability to work flexibly, has been key to my ability to balance work and home life successfully.

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Adam, Investment Manager, Global Emerging Market Equities, at Aberdeen Standard Investments.

I was really excited about the opportunity to take Shared Parental Leave (SPL). First and foremost I felt it was an unmissable opportunity to spend quality time with my daughter Emily and really bond with her at a crucial age in her development.

I'm aware how quickly children grow up and I think I would have always regretted passing up the opportunity to be a full part of a time in her life that only comes round once. I was also conscious that taking the time off would be beneficial for my wife's career, enabling her to be more relaxed about returning to work earlier than originally planned without the worry of leaving our child with a stranger.

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I was off for 3 months in total and I can honestly say it was far better than I expected. I imagined the overall experience would be rewarding but the days potentially a little tedious and repetitive but I was wrong. Perhaps because of this I made a concerted effort to keep busy and I think this was really rewarding for both me and Emily. I joined a local parents' group, became the first male member of their 'Whatsapp' group and was a regular at coffee mornings! We joined a few classes with appealing names like 'Mini Mozart', learnt a raft of nursery rhymes at the weekly library 'rhyme time' and went swimming frequently at the local leisure centre. During my time off Emily learnt to crawl, began to walk supported and her personality developed enormously. I returned to work reinvigorated and was lucky enough to repeat the experience for both my second and third daughters.



Laurence, Deputy Head of the Emerging Markets Team and Lead Portfolio Manager on the teams Value Strategy at RBC Global Asset Management (RBC GAM).

Laurence arranged her leave primarily through her manager, the Head of Emerging Markets and not via HR. They utilised their existing succession plans to organise cover and the two people who stepped into her role whilst she was absent were already familiar and working on the strategy she leads.

The Team already have set processes in place for how the strategy is managed, so these were talked through and any updates, or additional process maps were created prior to her leave commencing.

Laurence only took 4 months leave, which was over the Christmas period, so didn't really feel the leave of absence impacted on her career much (the policy allows 6 months full pay). This was a conscious decision of her own and she was looking forward to getting back to work after the 4 months. However, with hindsight she would have split her leave and taken it in two tranches of 4 months, or so, by taking the second section over summer. This wasn't allowable when she went on leave, however others at RBC GAM have done this recently. Doing this would have allowed her to keep in touch, but to also have a longer break period in the difficult first year of having a child. She believes this encourages men to take some time with the child too.

On her return Laurence worked one day from home each week during the first year. She said this flexibility really helped her when she was adjusting to being a Mother. The Team is able to work from home whenever needed, but she hasn't done it as often recently.

She did consider returning in a part-time capacity, but her role doesn't really allow for it. Also, after speaking to other new Mothers in similar roles who have done this she found that they were still effectively working full-time hours, but in less days and for less money.

Whilst she was off Laurence was in touch with the Team and came in for the Christmas lunch and did perform an interview and attend a Board meeting. This was by choice, rather than being expected off her, but there was still a degree of contact throughout.

The people covering her role were recognised for their additional work in their annual review and it was a good test for them that they are able to do the role if they needed to step-up again. There was no impact on Laurence's annual review by having been absent.

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Emma, Portfolio Manager at Newton Investment Management.

I started in the industry in 2007 and had eight years' experience under my belt before my daughter was born. Having worked in a smaller company I had the opportunity to manage money from an early point in my career, which I'm sure helped me.

As the opportunity to transition from analyst to fund manager typically happens in late 20s-early 30s it can often come at a difficult time for those planning a family. Having said that, I continued to push for more responsibility during both my pregnancies and was rewarded with a promotion when I was eight months pregnant!

I have recently returned from my second maternity leave and I am delighted to be back, but also pleased I gave myself enough time to enjoy the early stages. I am also happy I managed to get my babies to (mostly) sleep through the night before I returned as I am someone who highly values their sleep!

I am lucky to work for a supportive employer with a boss who has similar values to me. Being able to speak openly and make requests for how I wanted my maternity leave to work was very beneficial. Feeling apprehensive ahead of my first pregnancy, I took the opportunity to ask as many colleagues as I could about how they had handled the maternity/paternity transition which was really useful. In an industry that values output over hours at the desk, I would also say that the ability to use 'keep in touch' days throughout my leave was really useful. It's not easy and I often feel one of the many balls will drop, but having accepted I cannot achieve perfection in everything, I feel life is rewarding.

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Phil, Portfolio Manager at Newton Investment Management.

Right at the start, once I had sight of the due date, my team blocked off the weeks around that period from the team calendar to make sure overseas travel was not booked into my calendar and that backup was arranged for important meetings in the event that I could not make them.

My colleagues were very flexible in arranging their time and availability around the uncertain date of my son's birth. From the outset, my manager was clear that in the months following the birth I should take time off or work from home as and when I needed to in order to play an active role in my son's life and support my wife. From my wife's perspective, just knowing that I have the flexibility to do that has provided a real feeling of being supported and lessened anxiety about being able to cope once I have gone back to work after paternity leave and has been a very rewarding experience for me.

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Emily, Global Research at Newton Investment Management.

I was on maternity leave for 7 months and, despite the inevitable worries and concerns about leaving my child and returning to work, I have been very pleasantly surprised by how quickly I have settled back into work.

I benefitted hugely from drawing on the experience of a number of parents within Newton who went through the same thing. I talked through my concerns with my manager before I went on maternity leave and we were able to pre-empt or prepare for common issues e.g. how to attribute performance while I was away and to set realistic expectations for my return. My manager was very supportive, allowing me a staggered return to work and the ability to work more flexibly once back. I also received a promotion upon my return, which has been a great validation of my work and has given me new challenges to get stuck into now I am back.

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BNY Mellon’s Working Forwards Programme: Supporting Employees Through Parental Transitions.

BNY Mellon launched Working Forwards, following a collaboration between its HR Wellbeing team and its Women’s Initiative Network “WIN”. Working Forwards is a UK, company-wide programme targeting employees currently on, or recently returned from parental leave.

Working Forwards seminars demonstrate the firm’s ongoing commitment to support employees as they navigate a significant life change by becoming new parents.

The programme aims to:

- Provide an opportunity to connect with other parents or soon-to-be-parents
- Gain learning and insight from others’ experiences
- Deliver practical help and advice
- Update attendees on significant organisational changes, company priorities and market insights to ensure connectivity and awareness

Top tips include:

- Don’t be too hard on yourself. You’ll have great days, guilt-ridden days and everything in between. Give yourself permission not to feel OK all the time
- Communicate. Let your manager and your team know your boundaries in terms of availability. If you are uncontactable from when you leave the office until later in the evening, or the following day, manage their expectations
- Be prepared. Have a childcare plan B - know what you’ll do if your child is sick, or your usual care option falls through. Use the firm’s resources. Eg Back-up childcare, the online Parental Leave Toolkit, confidential counselling and emotional support through the Employee Assistance Programme and the Parental Buddy mentoring programme
- Have a great support network. Talk to colleagues, friends and family about how it’s going, especially if you’re finding it difficult, it’s reassuring to know you’re not alone.

Deb, Head of Investments Research at Mercer.

Mercer believes that investment managers employing diverse teams with shared values are, all other things being equal, more likely to outperform than those who are not diverse.

Hence, we think it is important to consider D&I when selecting, or rating, an asset manager. We believe that diverse teams derive better and more imaginative solutions to complex financial problems, which is one of the key attributes of a successful manager. Diverse teams also have a better, and broader, understanding of their investment universe, and are better able to probe and challenge each other's ideas, and hence avoid the phenomenon of groupthink. Cognitive diversity, whereby teams comprise individuals who think and approach problem-solving in different ways, is central to this. However, identity diversity is also important, particularly in the realm of avoiding groupthink. Mercer assesses managers bearing all types of diversity in mind, particularly cognitive diversity; we have a track record over the years of making rating changes - both up and down - where diversity (or lack of it) is a factor.

Broadly, there are two key areas to consider in how Mercer assesses Diversity and Inclusion in asset managers. The first covers the policies and practices of the asset manager at the firm level. To what extent is the firm able to attract and retain a diverse team, and to get the best out of them by following inclusive practices? To that end, we question managers on a range of policy issues, such as: (a) does the firm have a formal D&I policy? (b) how does the firm measure diversity, and has it established diversity targets? (c) what initiatives is it taking to achieve those targets? (d) what are the firm's recruitment practices, and how are compensation and promotion practices aligned with improving diversity? (e) does the firm maintain a 'returnship program', and (f) has the firm signed up to industry-wide initiatives or charters?

We also assess the diversity of individual teams within the firm. Here, there are some visible metrics which we can assess - e.g., the makeup of the team in terms of gender, educational background, prior experience, race and ethnicity, etc. However,

of equal, if not more, importance is the assessment of cognitive diversity. This is harder to do in an objective, "measurable" way, but we believe that an experienced professional manager researcher will, over time, get a good understanding of these (less visible) aspects of diversity at an asset-manager. To do this, the researcher will consider a number of questions. Does the team have a dominant leader, or is there a low level of challenge within the group, regardless of any surface-level diversity?

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If a team is under pressure from poor performance or from client outflows, is it more vulnerable to groupthink? How does the team reach decisions and how does it manage any mistakes it has made? What is the team leader's attitude to diversity? Is there an illusion of unanimity, where in reality team members are hesitant or reluctant to disagree? How does a team work through dissenting views? Does any recent staff turnover tell us anything about team dynamics and the value placed on diversity? Does the remuneration structure (team versus individual bonus) have any implications for how a team reacts to challenge or debate, or the way the team manages dissenting views?

**For more information or to share your stories
please contact: jane@diversityproject.com**