

# A SMART WORKING MANIFESTO FOR CHANGE FOR THE INVESTMENT AND SAVINGS INDUSTRY



**Informed by the findings from our research, this Manifesto for Change presents a challenge to the investment and savings industry to ensure flexible working is encouraged and developed more strategically within organisations.**

Flexible working is a really broad term, which is used to describe a number of different work patterns. At Timewise and the Diversity Project we use the term 'flexible working' to describe any kind of working pattern that doesn't fit into the traditional 9-5, five day week.

We also believe that flexible roles should be quality, permanent ones which benefit employers and employees alike, so we don't include zero hours or temping contracts.

There are three main factors to consider when designing a flexible role: **where**, **when** or in **how** much time the work is done.

## Background

Eight months ago, the Diversity Project and Timewise launched a collaborative effort to modernise working practices in the investment and savings industry.

The aim was to deepen understanding around the cultural and operational barriers preventing more roles being open to flexible working, identify specific actions to overcome these and to test and share solutions. The programme is supported by leading firms AXA Investment Managers, Aon, Fidelity International and St James's Place Wealth Management.

The objectives of this programme are to:

- **RESEARCH** barriers to normalising flexible working in the investment and savings industry.
- **INSPIRE** Diversity Project member firms to commit to take action to improve flexible working.
- **SUPPORT** members through a framework for change, guidance and training developed by Timewise.
- **SHARE INSIGHTS** from member firms taking action to create a roadmap for wider change at an industry wide level in order to drive a more inclusive culture.

**Findings from the research phase can be found on the Diversity Project website [here](#).**

**The project is now moving into its support phase with core partners starting to implement recommendations with support from the Diversity Project and Timewise.**



## The impact of Covid-19

Since launching this programme, the focus on flexible working has been hugely amplified by Covid-19. Across the globe savings and investments firms have been forced, at pace and under pressure to take part in a live remote working experiment.

*“The real life experience has demonstrated what was hard to prove in theory: that people can be at least as productive working from home as in the office and that almost every job in our industry can be performed remotely. It’s broken the stigma attached to remote working in one fell swoop. Culturally, we had struggled to move away from ‘presenteesim’ - hours at the (same) desk being a measure of commitment and performance. Now it’s all about results. If we can build on these learnings, this is potentially a huge equaliser for men and women and a magnet for diverse talent.”*

*Helena Morrissey, Chair of the Diversity Project.*

Business leaders are starting to realise that the initial response to implement remote working needs to be developed more strategically. With ongoing concerns around physical safety and an estimated 13 million UK workers expected to request some form of long-term flexible working over the next few months<sup>1</sup>, thoughtful development of sustainable flexible working strategies is needed. For the investment industry, one that has struggled to modernise, this is an opportunity to improve both employee engagement and performance and the ability to attract diverse talent through new ways of working, whilst driving efficiencies and cost savings on office space.

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## The case for action

### Companies with a strong inclusive and diverse culture already perform well

The lessons from previous crises tell us there is a very real risk that inclusion and diversity (I&D) may now recede as a strategic priority for organisations. Yet in doing so organisations risk better positioning themselves for growth and renewal as some of the key qualities that characterise diverse and inclusive companies - notably innovation and resilience - will be much in need as companies recover from the crisis.<sup>2</sup>

Firms that offer an inclusive environment for a diverse mix of employees stand to innovate, grow and outperform the competition. Businesses with a healthy balance of men and women are 15% more likely to outperform their competitors, while those with employees from a good mix of ethnic backgrounds are 35% more likely, claims research by McKinsey & Co.

Importantly, diversity is a key focus for the future workforce - millennials - when making career choices. Research carried out by PwC in 2015 claimed that 86% of female millennials consider prospective employers’ policies on diversity, equality and inclusion.

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1. <https://www.onrec.com/news/news-archive/13-million-brits-to-request-permanent-flexible-working-once-lockdown-is-lifted>

2. Sylvia Ann Hewlett, Melinda Marshall, Laura Sherbin, “How diversity can drive innovation,” Harvard Business Review, December 2013, hbr.org.

## Flexible working as a key driver for Inclusion and Diversity

There is already a wealth of evidence to show that enabling flexible ways of working is a key driver for building inclusive and diverse organisations, enhancing business performance and organisational health and social cohesion.

Business benefits include:

- **Talent attraction:** 84% of men, 91% of women and 92% of millennials either work flexibly or wish they could<sup>3</sup>. Flexible working matters to all demographics and is a key component for harnessing performance in a multigenerational workforce. Yet only 15% of current vacancies reference flexible working at the point of hire. Businesses focused on building their future talent pipeline and attracting diverse candidates have a competitive advantage if they embrace flexible hiring.
- **Diversity and inclusion:** Flexible working is highly important or essential for 77% of women, 80% of people with health concerns, 91% of carers and 74% of older workers.<sup>4</sup> The House of Commons Women and Equalities Committee states that 'Flexible working for all lies at the heart of addressing the gender pay gap.' Gender diverse leadership teams also deliver an 18% return on equity premium, and McKinsey have calculated that improving diversity could add £150 billion a year to the UK economy by 2025.
- **Health and wellbeing:** 68% of organisations are taking steps to reduce stress and wellbeing in the workplace of which 69% are using flexible working options to achieve this.<sup>5</sup>
- **Staff retention:** It costs an average of £30,000 to replace an employee, so it doesn't make sense to train up your staff only to lose them to a more flexible competitor. 63% of employees are more likely to stay with an employer who offers flexible working.<sup>i</sup>
- **Enhanced performance and productivity:** 9 in 10 employees consider flexible working to be a key motivator to their productivity at work and 81% of those who have access to remote working believe it increases their productivity<sup>ii</sup> Flexible work schedules help employees to boost performance increasing average labour productivity for large and small businesses.<sup>iii</sup>

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## Findings from our research on flexible working in the investment and savings industry pre Covid-19

Timewise, in partnership with the Diversity Project's SMART Working group, conducted research between January and March 2020, pre Covid-19, to understand what cultural and operational barriers prevent more roles being open to flexible working within the industry.

The research included a combination of industry wide analysis and interviews with industry leaders and partners to assess the current approach to flexible working, and industry specific barriers, both operational and cultural. As evidence highlights, flexible workplaces create more inclusive cultures for all whether considering gender, ethnicity, disability, age or neurodiversity. Existing research conducted by the Diversity Project found that a culture of presenteeism and long hours limit access to flexible working.<sup>iv</sup>

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3. Flexible Working: A Talent Imperative, Timewise, 2017

4. *ibid*

5. Health and Wellbeing at Work CIPD 2018



This is likely to be a contributing factor to why the level of millennial MBA graduates entering financial services is falling (from 43% to 28% from 2007-2016)<sup>v</sup>, when considering 92% want to work flexibly.<sup>vi</sup> In addition analysis from Timewise highlights that only 7% of people in the industry work part time compared to 28% of the overall workforce. The lack of part time working is evidenced to have a particular impact on gender diversity and the gender pay gap, which stands at 31% way above the 18% UK average.<sup>viiix</sup>

Qualitative interviews were conducted by Timewise with 9 leading industry insiders and 23 employees across a range of firms to explore more deeply the core barriers to improving all forms of flexible working in the investment and savings industry<sup>x</sup>.

Headline insights include:

- **A perceived stigma associated with flexible working, which dissuades employees from asking, fearing the effect on their perceived value, bonuses and progression.**
- **The ability of autonomous senior managers to work flexibly rarely being extended to more junior colleagues.**
- **A sense that flexible working is reserved for 'star' fund managers or those with caring responsibilities, at the expense of more junior staff and new entrants.**
- **Few opportunities for other forms of flexible working, such as part-time, due to minimal focus on job re-design.**
- **A related concern that anyone granted a part-time role would be expected to deliver the same outputs in less time for less pay.**
- **An inconsistency in line manager attitudes, with some supportive and others much less so.**

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### **Moving from Crisis to Opportunity**

This research was conducted immediately before the crisis and the lockdown that followed. Across the globe savings and investments firms have since been forced, at pace and under pressure to take part in a live remote working experiment. This has created huge risks but also significant opportunities to address some of the underlying cultural as well as operational constraints that have so far held the industry back from fully embracing flexible working.

Because whilst Covid-19 is confronting companies around the world with a daunting degree of disruption, it has also ripped up the rulebook on what normal work looks like. Whole organisations and sectors, including those that have previously been considered 'un-flexable', are now discovering what's possible. Business leaders in the investment and savings industry have a once in a lifetime opportunity to rethink their future workplaces as countries ease out of lockdown and use this opportunity to transform the way their teams work, to enhance the already proven benefits of flexible working.

There is a more imminent need to address the growing expectation amongst employees that they can now retain new ways of working for the future. Business leaders are going to need to be ready to respond. Recognising that remote working is just ONE aspect of flexible working, employees may want to flex their hours and how much they work not just where they work. Recent research highlights the scale of the mindset shift required - 13 million UK workers plan to ask for permanent flexible working arrangements<sup>xi</sup> once lockdown is lifted and 40% of medium to large employers have already suggested they will permanently increase remote working options<sup>xii</sup>.

## A call to action

It is becoming clear that forward looking investment and savings firms, who want to be seen as employers of choice, can't afford not to develop their flexible working offer. And that there will be considerable opportunities to align longer term flexible working to efficiencies and reductions to real estate costs.

But there's a big difference between offering remote working at speed and delivering sustainable inclusive flexible working frameworks. Most organisations are still in the first phase, managing the remote working experiment as best as they can. But it's now time for leaders to start thinking about the second phase, to use what they have learned to proactively develop truly flexible workplaces.

*"We see the Covid-19 crisis as a much-needed mandatory catalyst for firms within our industry to align their organisational cultures with the new ways of working. Specifically to boost flexibility, productivity, efficiency and talent retention by removing many of the barriers and management styles of the past; bringing them in line with a modern, truly diverse and inclusive multigenerational workforce."*

*Ana Maria Tuliak, Chair of SMART Working at the Diversity Project, and Partner at Ludgate Search*

So, to support the investment and savings industry to do just that the Diversity Project and Timewise have developed a Manifesto for Change for members, outlining a series of actions we encourage members to take. This is supported by a practical framework with ideas for how to achieve these, and guidance from Timewise to support both managers and individuals.

By committing to these actions members will bridge the gap between a reactive approach to remote working and a more inclusive long term framework for flexible working that is future fit for a post pandemic workplace. And which benefits both individuals and businesses.

### **1. Leaders will lead and model inclusive cultures and behaviours**

CEOs and leaders must be seen to champion flexible working to set the vision and cultural tone of the organisation. Executives must make it a strategic issue for the whole organisation, as part of a commitment to drive more inclusive workplaces, and not an issue that is solely for HR to address.

### **2. Flexible working arrangements will be reason neutral**

Internal communication and organisational culture will support conversations with all employees at all levels on HOW not WHY flexible working can be facilitated. This will challenge the assumption, evident now in a post covid-19 workplace, that flexible working is only for those with caring responsibilities or without ambition to progress their careers.

### **3. Flexibility will be designed into jobs as standard**

Hiring managers will be encouraged to consider whether job vacancies can be open to flexible working at the point of hire and if so, make a clear statement to candidates, both internal and external. To enable organisations to attract a diverse talent pool that welcomes candidates regardless of gender, ethnicity, disability, age or neurodiversity.

### **4. Managers will be supported to build their capabilities to manage flexible and dispersed teams**

Firms need to invest in providing training to managers as part of L&D to enable them to build the knowledge to manage flexible teams in an inclusive, reason neutral way and build skills for flexible job design to adjust working patterns at a team level.

### **5. Managers should take a proactive approach to reviewing flexible working arrangements**

All recovery and 'return to work' pulse surveys and conversations post Covid-19 should be proactively addressed and include the option for employees to retain some form of flexible working. Conversations should be open and consistent based on the assumption that any employee may want or need to review their working practices post Covid-19.



## A flexible working framework for action

The Diversity Project and Timewise have developed a framework for action to support members to improve their approach to flexible working.

Element	Activities
<b>1. Clarify offer and expectations approach to flexible working</b>	<p>Hold focus groups and/or survey staff to establish the flexibility that is sought by staff and manager needs for support.</p> <p>Facilitate a vision/ values/ action planning workshop, using the feedback from the audit and focus groups/ survey, to clarify flexible working offering and next steps/ responsibilities.</p> <p>Work with HR/policy owners to develop flexible working policies and line manager guidelines, toolkit and training.</p>
<b>2. Support culture shift</b>	<p>Work with leadership team to engage them and develop their awareness of their roles as flexible working role models.</p> <p>Support operational teams to review ways of working and to ensure they enable flex e.g. IT, HR, Finance, Comms.</p> <p>Work with organisation to gather examples of effective flexible working, and to identify the job design elements within these that enable their success &amp; showcase these. This could include sharing lessons learned from teams / divisions that are further ahead on the maturity curve with colleagues in other roles and teams.</p>
<b>2. Enhance managerial capability</b>	<p>Design and deliver a tailored HR BP / 'Flex Ambassador' workshop to deepen their understanding of flex and how they can support line managers.</p> <p>Pilot training for select line managers on flexible job design, flexible working policy and guidelines and toolkit for managing flexible teams, and pilot to review effectiveness before wider company roll out</p>

### Diversity Project and Timewise resources - click the links below to view

- **[Webinar: New Ways of Working in the New Normal webinar](#)** particularly relevant for practical actions organisation need to transition from the current rapid response remote working to a more sustainable approach to flexible working.
- **[Blog: Why our savings and investments project is more critical now than ever](#)**
- **[Webinar: SMART Working Amid Covid-19 and Beyond](#)** particularly relevant for specific actions to be taken by the industry to unlock more roles to flexibility and the importance of SMART working during the COVID-19 pandemic and beyond.
- **[Timewise Webinar: 'From crisis to opportunity - redesigning the workplace'](#)** particularly relevant to HR and D&I professionals.
- **[Timewise Managers Guide](#)** to support line managers to think through the short and long term implications of becoming more flexible, and put structures and processes in place to deliver future fit workplaces.
- **[Timewise Employee Guide](#)** this toolkit is a practical guide to help employees think through how to take this new-found flexibility into future ways of working.



## Examples of best practice

Many firms have already realised the business benefits of embracing flexible working. Here are just a few examples:

### LLOYDS BANKING GROUP



- 6,000 candidate survey: 90% wanted clarity about what types of flexible working were possible for each role
- Role design & flexible hiring toolkit for managers
- Embedded flexible working options into the recruitment system
- 90% of all vacancies in the UK now advertised as open to flexi-working



Unilever

- Agreed global flexible working principles and guidelines
- Developed a three-year flexible working action plan
- Training resources available for leaders, HR, line managers and employees



**EY** Building a better  
working world

- White papers on best practice for flexible working
- Future of work - looking ahead 15/20 years
- Created a flexible working model to address cyclical peaks and troughs - getting away from "sitting on the bench"



Shell

- Woven into the wider business agenda and made a public commitment
- Line managers have it as a performance goal
- Built into team meetings on a quarterly basis



## Fidelity International - Case Study

Fidelity International was one of four Smart Working Pioneers who worked with Timewise and The Diversity Project to explore and embed opportunities for flexible working in the savings and investments industry.

### Background

Fidelity International see flexible working as an integral part of their commitment to positive worklife balance. They describe their culture as a compassionate community which supports employees to work in the way they work best. They are also aware that employees prize flexible working highly, and that it is central to their ability to engage and attract talented people.

### The challenge

In January 2019, Fidelity International introduced a New Ways of Working programme, to increase the uptake of remote and flexible working. While this was generally well received, it was not adopted as widely by some teams within the Technology department, who still felt the need to be visible in the office. Fidelity International also wanted to consider how to refine and perfect New Ways of Working before expanding the programme globally.

### The process

Timewise carried out in-depth analysis of the industry's culture, demographics and talent pipeline. They then interviewed a number of Fidelity International employees working across different functions within Technology roles, and analysed HR data on flexible working and flexible hiring. They followed up with a report highlighting what Fidelity International were doing well, where they should focus their attention, and recommendations for moving forward.

### The impact of Covid-19

The Covid-19 crisis, which occurred in the middle of the project, accelerated the use of remote working at Fidelity International, with positive outcomes. Virtually the entire workforce transitioned swiftly to working from home before lockdown was introduced, including those in call centres, and a survey showed that 80% would like to do so more frequently in the future. Engagement and productivity levels during the crisis were high.

### Learnings and outcomes

Key learnings from the project include:

- Fidelity International were good at flexing **where** people work but less good at **when** and **how much**.
- Managers needed more support with understanding how to design jobs for part-time roles.
- Leaders needed to improve how they internally articulate why they value flexible working, so that more employees feel supported to take up those opportunities.
- Fidelity International was one of four Smart Working Pioneers who worked with Timewise and The Diversity Project to explore and embed opportunities for flexible working in the savings and investments industry.
- Fidelity International also identified an opportunity to be more vocal in how they **externally** communicate their position on flexible working, particularly at the point of hire.





Following the project, Fidelity International is carrying out job design workshops and training with managers in the Technology department. These managers and their teams are open to change and keen to make it a reality.

The learnings from the project have also been fed into a working group, set up to look at the future of work at Fidelity International and how to ensure they are offering the kind of workplace that people want and need.

This includes:

- Creating a mission statement and principles for flexible working, highlighting the desire to offer a broad framework of choice around working patterns and location whilst still supporting connectivity and a sense of community.
- Promoting Fidelity International's support for flexible working in its recruitment collateral.
- Building on learnings from the Covid-19 crisis to explore how to stop the office being the default working location, whilst ensuring that the positive interactions are not lost.

#### **The client's view**

*"We aim to be a flexible employer and encourage our people to perform their role in the way that works best for them and for the business. The findings from this research will help us to develop an ambitious framework for future ways of working."*

*Sarah Kaiser, Head of Employee Experience, Fidelity International*

<https://diversityproject.com/smart-working> #SMARTWorking #FlexWorking #Time4Inclusion

## **Key Contacts**

### **Ana Maria Tuliak**

Chair of SMART Working,  
Diversity Project.  
Partner, Ludgate Search.  
[anamariatuliak.dp@outlook.com](mailto:anamariatuliak.dp@outlook.com)

### **Rosanna Burcheri**

Ambassador - SMART Working,  
Diversity Project. Portfolio Manager,  
Artemis Investment Management.  
[rosanna.burcheri@artemisfunds.com](mailto:rosanna.burcheri@artemisfunds.com)

### **Emma Stewart**

CEO, Timewise.  
[Emma.Stewart@timewisefoundation.org.uk](mailto:Emma.Stewart@timewisefoundation.org.uk)

i Working Lives Report Aviva 2017

ii HSBC (2017) accessed at: <https://www.about.hsbc.co.uk/-/media/uk/en/news.../171108-flexible-working.pdf>

iii White et al (2003) 'High-performance' Management Practices, Working Hours and Work-Life Balance  
<https://www.managers.org.uk/cmi-women/blueprint-for-balance>; Berg et al., (2004); MacDermid & Tang, (2009)

iv "Addressing Barriers to Diversity in Portfolio Management: Performance & Continuity management" The Diversity Project

v "Financial Services Skills Taskforce: Final Report" 2020

vi Flexible Working: A Talent Imperative, Timewise, 2017

vii <https://www.ipe.com/countries/uk/asset-managers-seek-to-close-31-gender-pay-gap/www.ipe.com/countries/uk/assetmanagers->

[seek-to-close-31-gender-pay-gap/10030429.fullarticle](https://www.ipe.com/countries/uk/assetmanagers-seek-to-close-31-gender-pay-gap/10030429.fullarticle)

viii <https://timewise.co.uk/article/flexible-jobs-index/>

ix <https://timewise.co.uk/article/flexible-working-talent-imperative/>

x For further details please see appendix

xi <https://www.onrec.com/news/news-archive/13-million-brits-to-request-permanent-flexible-working-once-lockdown-is-lifted>

xii <https://savanta.com/view/the-new-normal-for-office-workers/>

