

HEALTH WEALTH CAREER

DIVERSITY IN INVESTMENT MANAGEMENT BENCHMARKING STUDY

REPORT FOR THE DIVERSITY
PROJECT



DIVERSITY PROJECT



September 2017

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SECTION 1

CONTEXT



CONTEXT SETTING

PURPOSE

1. Understand the level of diversity in the investment and savings industry in the UK, primarily in Investment Management roles
2. Determine what it would take to improve diversity, including any goals to be set for the industry
3. Understand the motivation of employees in the industry
4. Explore how people entered IM and what they like and don't like about their work
5. Highlight barriers to inclusion in the companies for which they work

METHODOLOGY

The Diversity Project engaged Mercer to conduct employee-level research into the level of diversity in the investment and savings industry in the UK

Mercer utilised a framework recently developed in Australia and confirmed participation from 24 firms in the UK

Three groups of employees were surveyed:
Current Investment Managers, Former Investment Managers and Adjacent Talent

The survey closed on 26 May 2017

PARTICIPATION OVERVIEW

3,755 INDIVIDUALS FROM **24** FIRMS

with AUM in the UK totalling £2.2 trillion¹

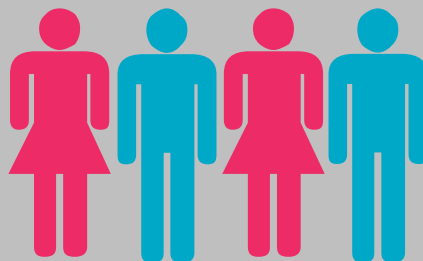
A further **12** could not participate this year and are **interested in participating in future rounds**

The reasons for this include Internal approvals, stakeholder engagement, survey fatigue and limited resources

The survey was sent to a total of 12,713 employees, including 1,959 investment managers²

INVESTMENT MANAGERS

650 responses
33% of available sample



OVERALL

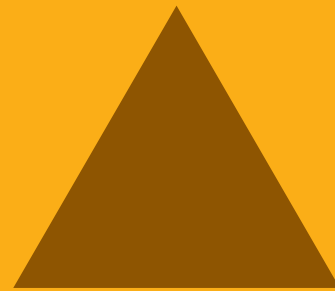
3,755 responses
30% of available sample

1. UK scope as reported by individual firms excluding two firms that were unable to provide UK figures
The total including the global numbers for these firms is £2.6 trillion

2. See Appendix for detailed participant information







SECTION 2

EXECUTIVE SUMMARY



DEMOGRAPHICS OVERVIEW

GENDER, DISABILITY AND EDUCATION ARE THE GREATEST VARIANTS FROM THE UK POPULATION

	Investment Managers	Survey Overall	UK population	
 Male	77%	57%	53% ¹	
 Heterosexual	95%	93%	94% ²	
 {	White / White British	81%	89% ³	
	Asian / Asian British	10%	8% ³	
	Black / African / Caribbean / Black British	1%	3% ³	
	Mixed / Multiple ethnic groups	5%	1% ³	
 Reporting a disability	4%	4%	11% ⁴	
 51 – 60 years of age	12%	13%	12% ⁵	
 {	Privately educated	38%	7% ⁶	
	Highest level of education is a Bachelor's degree	44%	45%	30% ⁷
	Highest level of education is a Master's degree	47%	26%	-
	Mother attained a Bachelor's degree or higher	37%	25%	-
	Father attained a Bachelor's degree or higher	50%	35%	-

NOTE:

This is a summary of the largest cohorts, and does not represent all the categories surveyed.

The survey sample is a reasonable representation of the workforce of participating companies : 15 of 17 organisations reported a gender split within 15% of the IM population (e.g. one organisation had 81% of its responses from male IMs vs 68% in the workforce, another had 86 vs 91%.)

FOUR KEY INSIGHTS

PROMOTION AND HIRING PERCEIVED TO BE EXCLUSIVE



- Not being as well networked was ranked as **the top inhibitor to diversity** in the industry - individuals believe they need to be part of an exclusive network or club to succeed
- Exclusive clubs are perceived to **hire in their own image** and are susceptible to group think
- **Attributional bias** is perceived to be present in recruitment and selection processes
- **Unconscious bias training** is seen as important, but not the only means of improving hiring of diverse candidates

“There is a vicious circle at play - people hire their own, people they know if you will, which makes it hard for others to enter the workplace, which makes it harder for them to gain experience, and become part of professional networks”

Male Adjacent Talent

FLEXIBILITY IS THE NUMBER ONE EMPLOYEE PRIORITY



- Improving flexible working practices for men and women was rated as the **number one method to foster diversity** in the industry
- Flexible working is **important for males and females, across all ages**, they expect their employer **to trust them** to get work done
- **Investment managers are less likely to work part-time** than adjacent talent
- Some participants believed **fund management or trading roles could not be worked part-time**, and that company **culture was intolerant** to flexible working

“My role does not lend itself to be part time. Any trading type roles require you to be in the office”

Female Investment Manager

MANAGERS NEED TO DO MORE TO SUPPORT DEVELOPMENT



- Investment managers rated their **People Managers as delivering below their expectations** for every attribute surveyed
- People managers were rated poorly at **being aware of their biases** and supporting career ambitions of their direct reports
- Having the right **networks increases exposure to potential mentors** and sponsors, which in turn is one of the key elements of development
- A **lack of diverse role models** was also a key issue

“One of the reasons I am leaving this company is due to the management style of my manager - I feel left out, my opinion is unimportant, there's no support or push for career development”

Female Adjacent Talent

THE INDUSTRY BRAND IS STUCK IN A STEREOTYPE



- **A lack of industry awareness and negative perceptions of the industry** was a strong theme throughout the commentary
- The **perception of the industry does not always match reality**. E.g. there is a perception that the majority of investment managers attended private schools, whereas the survey revealed this figure is only 39%
- **Older employees are more likely to perceive the workforce as diverse** than younger employees

“Investment management has a reputation of being for go getters who want to make money so tends to attract a certain type of ambitious man. The reality is that it is such a varied industry there is a role for any type of personality and it can be a fantastic and exciting world to operate in.”

Female Adjacent Talent

ACTIONS - WHAT THE INDUSTRY CAN DO

Examples of industry practices



Change the perception from needing to know, to needing to show

- Promote examples of individual success stories where they entered the industry from non-traditional channels , including both graduates and experienced hires
- Hold forums and events where employers can view and gain access to the best practices in recruitment from other industries
- Provide support to individuals returning to the industry from a leave of absence and easy access to employers



Explore part time trading and fund management roles

- Explore and import best of breed flexible working practices from outside the industry for trading and portfolio management roles
- Showcase progression and promotion of part time workers, especially senior males



Open up networks and development opportunities to people of different backgrounds

- Introduce industry mentoring, sponsorship and development programs to facilitate networking and provide alternatives to private, closed networks (e.g. social events outside of working hours are not inclusive)
- Share success stories and practical tips from role models of different backgrounds to educate and inspire individuals



Reposition the image of the industry and showcase positive examples of diversity

- Public image / awareness campaigns with messages relating to the industry's impact outside of financial services may help broaden its appeal and attract a more diverse pool of candidates
- Set goals for improved diversity and promote progression towards these, to demonstrate the actions the industry is already taking to become more inclusive and diverse
- Ensure a variety of roles are included in promotional campaigns at schools, colleges and universities



The Returners work stream within the Diversity Project is working to encourage this largely untapped pool of talent back to the industry



Each year they release the Power Part Time List of 50 individuals, working part time at the very top of their profession



Promote investment management to interested and diverse talent at schools, colleges and universities on behalf of the UK's largest investment companies

ACTIONS - WHAT ORGANISATIONS CAN DO

Examples of best practices



Adopt more rigorous recruitment practices

- Adopt broader sourcing techniques as a means of securing the best unidentified talent – including digital, campus, club, social channels
- Re-design recruitment practices to address bias at all stages of screening – institutions (beyond Russell Group universities), courses and results (a broader range of degree disciplines and/or relax 2.1 requirement) and tests (online psychometric testing / instead of numerical and verbal reasoning)



Promote a holistic approach to flexibility

- Broaden company policies to include the ability to alter start and finish times, work remotely, and work part time hours
- Customise communication to male and female Investment Managers who value different aspects of flexibility
- Champion a culture of flexibility throughout the organisation by promoting senior role models (including men)



Help Portfolio Managers lead inclusively

- Support line managers with tools and processes which encourage feedback, and ensure input is gathered from a range of individuals
- Link performance outcomes to engagement scores
- Introduce reverse mentoring initiatives, alongside traditional sponsorship and mentoring programmes



Improve the organisation's image by being transparent about outcomes

- Go beyond the Gender Pay Gap regulations to promote equal pay processes, performance criteria and career progression
- Highlight key success stories such as flexible working initiatives, mentoring programs or broader hiring protocols that the organisation is undertaking

UK bank

Designed a new recruitment process for graduates which assesses both behavioral and cognitive abilities



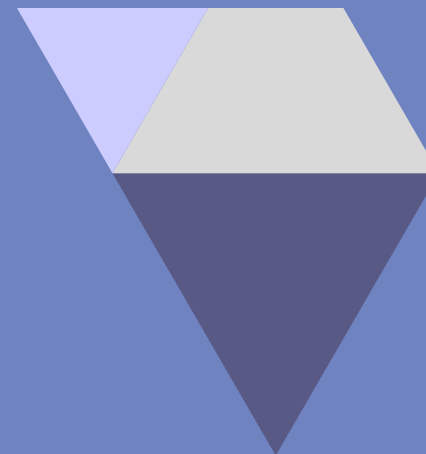
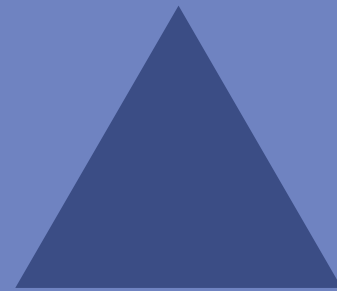
Introduced creative 'e-learning solutions' that have saved the organisation £1.1 million in training costs



Implemented workplace and recruitment process adjustments to ensure disabled colleagues feel supported and engaged. Awarded 'Gold Standard' status by the Business Disability Forum

SECTION 3

DIVERSITY AND INCLUSION BENCHMARK



OVERVIEW OF THE SURVEY SAMPLE

MALE DOMINATED

- 57% of the survey population overall is male
- 22% of Investment Managers (IMs) are female, compared to 47% of Adjacent Talent
- 15 of 17 organisations reported a gender split within 15% of the IM population (e.g. one organisation had 81% of its responses from male IMs vs 68% in the workforce, another had 86 vs 91%).



AGED BETWEEN 31- 50 YEARS

- Nearly three quarters of the sample of current Investment Managers is aged between 31-50 years
- Only 13% of current Investment Managers and Adjacent Talent are over the age of 50, which is on average younger than the financial services and insurance sector (23%)¹
- Former Investment Managers are older, with 31% over the age of 51 years

ONLY 4% OF THE SURVEY SAMPLE REPORTED HAVING ONE OR MORE DISABILITIES

- 95% of current Investment Managers and 94% Adjacent Talent do not identify as having a disability, (90% for former Investment Managers)
In comparison, 11% of the UK working population have a disability²



THE MAJORITY IDENTIFY AS HETEROSEXUAL

- 93% of the sample overall identify as heterosexual / straight
- The proportion amongst investment managers is higher, at 95%
- This is only slightly higher than the UK population overall, 94% of people in the UK identify as heterosexual³

THE MAJORITY OF THE SAMPLE IS OF WHITE ORIGIN

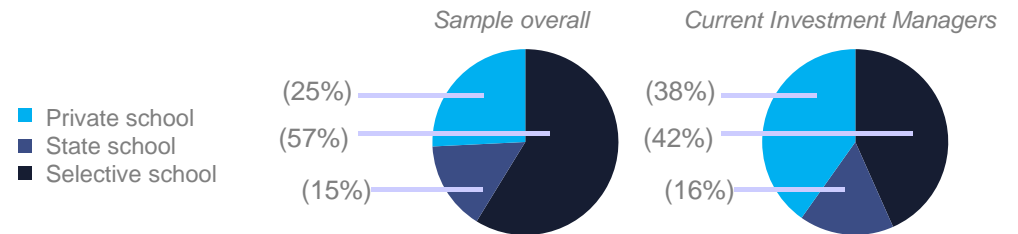
White / White British - 83%
Asian / Asian British - 9%
Mixed / Multiple ethnic groups - 3%
Black / African / Caribbean / Black British 2%



- 81% of Investment managers are of White origin
- 86% of employees in the UK financial services and insurance sector are of White origin⁴

1 IN 4 ARE PRIVATELY EDUCATED

- 57% of the overall sample attended state school, compared with 93% of the UK population



- 38% of IMs attended private school, which is lower than some professions such as the Civil Service (48%) and higher compared with the overall UK population (7%)⁶
- 47% of current investment managers have attained a Master's degree, compared with only 26% of adjacent talent

INVESTMENT MANAGERS MORE LIKELY TO BE MALE AND BETWEEN 31-50 YEARS OF AGE

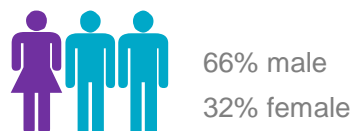
Current Investment Managers

Former Investment Managers

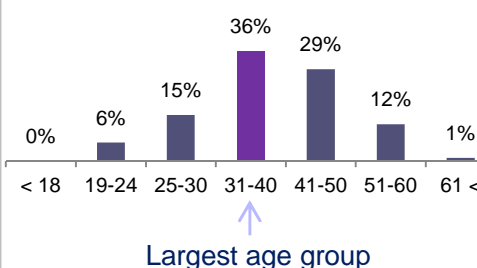
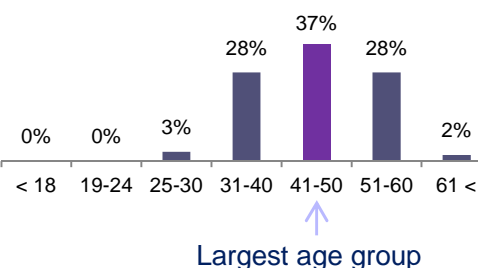
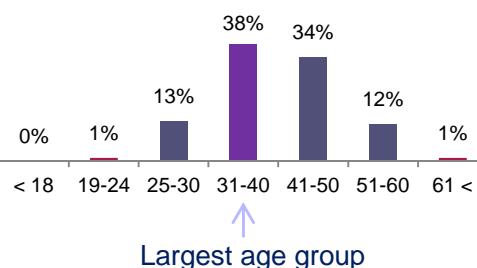
Adjacent Talent

UK workforce benchmark

Gender



Age



The average age of UK workers is **41 years**²

Ethnicity

1. White / White British - 81%
2. Asian / Asian British - 10%
3. Mixed / Multiple ethnic groups - 5%
4. Black / African / Caribbean / Black British 1%

1. White / White British - 83%
2. Asian / Asian British - 7%
3. Mixed / Multiple ethnic groups - 6%
4. Black / African / Caribbean / Black British 1%

1. White / White British - 84%
2. Asian / Asian British - 9%
3. Mixed / Multiple ethnic groups - 3%
4. Black / African / Caribbean / Black British 3%

1. White / White British - 89%
2. Asian / Asian British - 11%
3. Mixed / Multiple ethnic groups - 1%
4. Black / African / Caribbean / Black British 3%³

Sexuality



Disability

3.6%

7.0%

4.2%

11%⁵

Sources: 1. The World Bank, "Labor Force, Female (% of Total Labor Force), The World Bank Databank (2017) 2. Trends in self-employment in the UK: 2001 to 2015, Office for National Statistics 3. Employment by industry sector and ethnic group, Department for Work and Pensions, 2016 4. Sexual identity, UK, Office for National Statistics, 2015 5. Office for National Statistics, 2017
Please note responses have been rounded and may not total 100%

INVESTMENT MANAGERS MORE LIKELY TO BE PRIVATELY EDUCATED AND HOLD A MASTER'S DEGREE

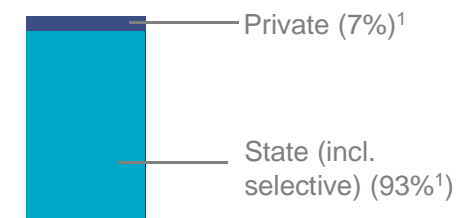
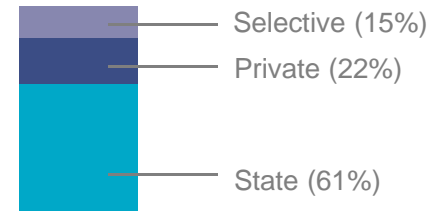
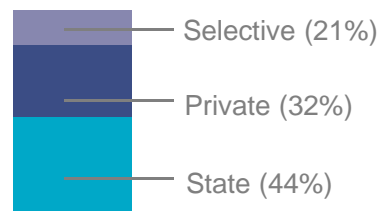
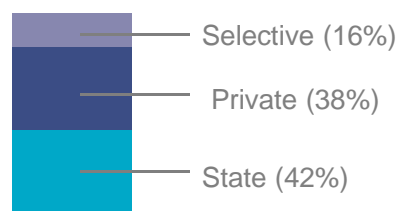
**Current
Investment Managers**

**Former
Investment Managers**

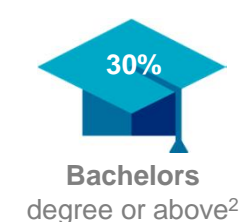
**Adjacent
Talent**

**UK population
benchmark**

Schooling



Highest level of education



Parent's Education

	Mother	Father
None	10%	10%
GCSE	20%	11%
Bachelor's Degree or above	37%	50%

	Mother	Father
None	14%	16%
GCSE	27%	17%
Bachelor's Degree or above	30%	40%

	Mother	Father
None	15%	17%
GCSE	24%	16%
Bachelor's Degree or above	22%	31%

No comparison data available

Parent's Employment Status

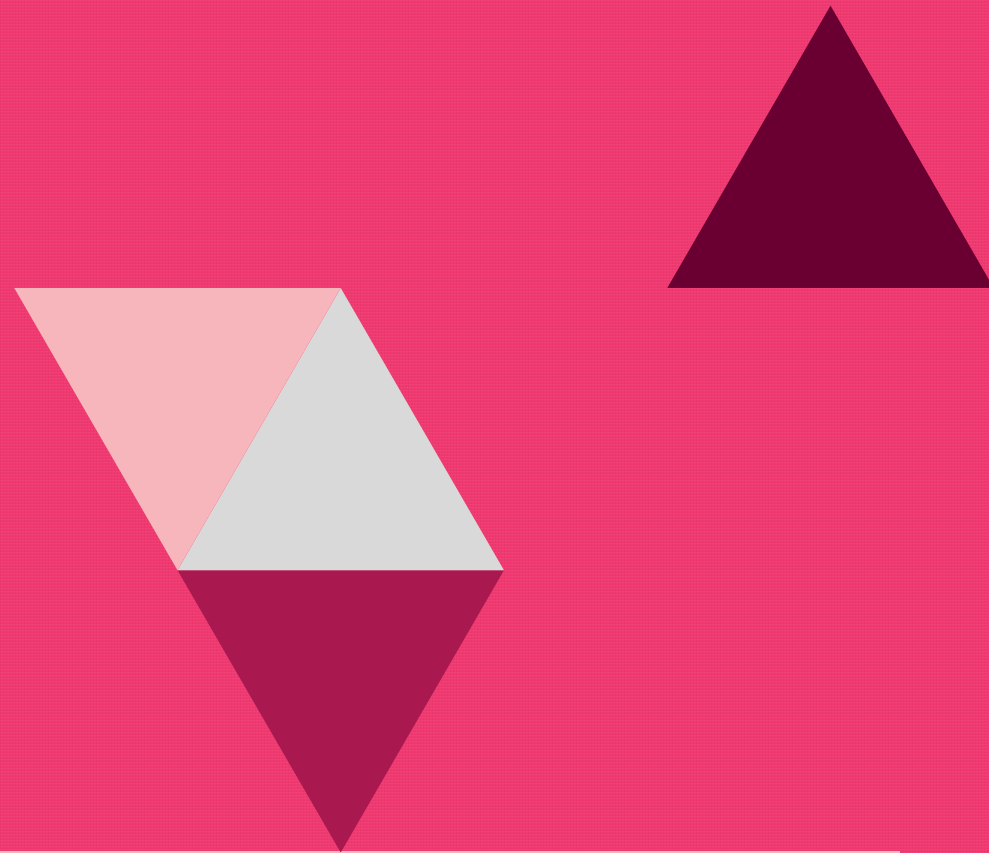
	Mother	Father
Full-time	30%	75%
Part-time	23%	0%
Homemaker	36%	0%

	Mother	Father
Full-time	24%	72%
Part-time	24%	0%
Homemaker	41%	1%

	Mother	Father
Full-time	32%	73%
Part-time	29%	1%
Homemaker	28%	0%

SECTION 4

CAREER PATHS AND INTENTIONS



OVERVIEW

ENTERING THE INDUSTRY

89% of current Investment Managers either decided to enter the industry whilst studying, or after working in the broader finance sector

The industry doesn't easily attract experienced females from other sectors

Investment managers under the age of 40 are more likely to have decided to enter the industry whilst studying

PROGRESSING IN THE INDUSTRY

69% of Investment Managers wish to stay with their current employers

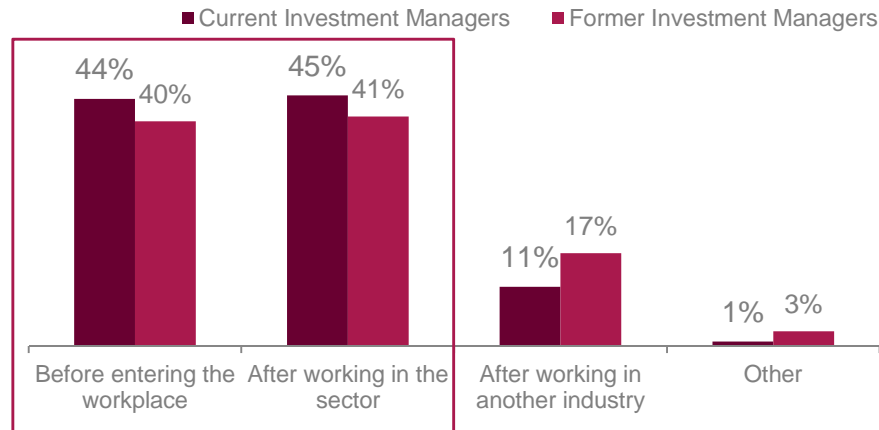
Female Investment Managers are less sure of their career outlook than males

Investment managers from ethnic minority groups are more likely to see themselves in a more senior role within the industry

Investment Managers over 40 years are more likely to stay in their current role, preventing progression at lower levels

THE MAJORITY OF INVESTMENT MANAGERS DECIDED TO ENTER THE INDUSTRY WHILST STUDYING, OR AFTER WORKING IN THE BROADER FINANCE SECTOR

When did you decide to enter investment management?



Before entering the workplace includes

- During undergraduate studies (24%)
- During postgraduate studies (13%)
- During secondary school (7%)

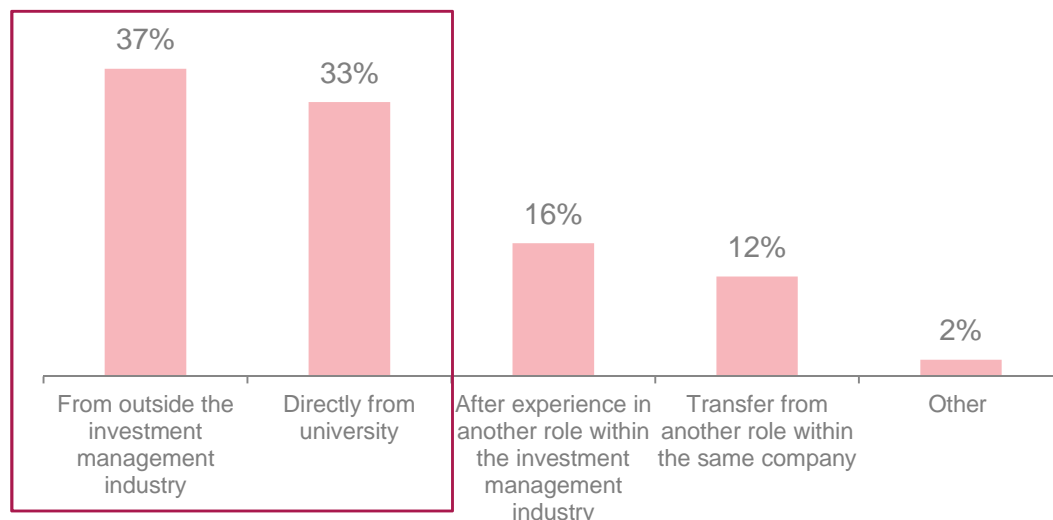
After working in the sector includes

- After working in the broader banking, finance and insurance sector (35%)
- After working in the investment management industry (10%)

After working in another industry includes

- After working in Academia (1%)
- After working in an unrelated industry/sector (9%)

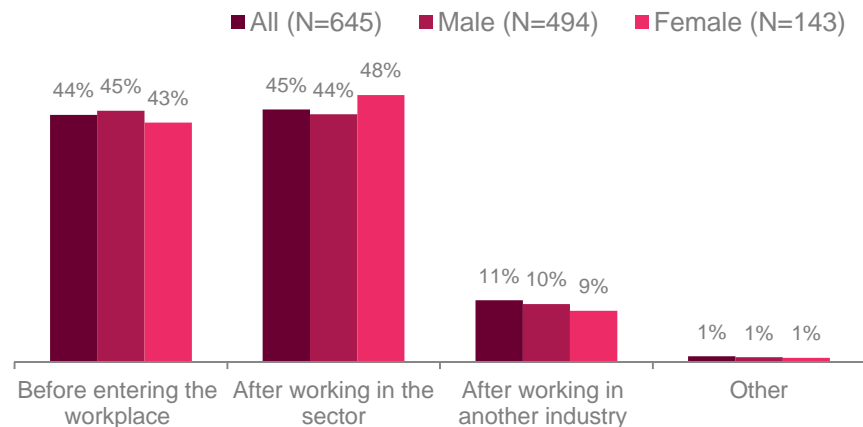
How did you enter investment management?



With 70% of Investment Managers coming from outside the industry or from university, there is scope for experienced individuals already in the industry to develop Investment Management experience.

THE INDUSTRY DOESN'T EASILY ATTRACT EXPERIENCED FEMALES FROM OTHER SECTORS

When did you decide to enter investment management?



Before entering the workplace includes

- During undergraduate studies (26% Male) (20% Female)
- During postgraduate studies (12% Male) (16% Female)
- During secondary school (7% Male) (7% Female)

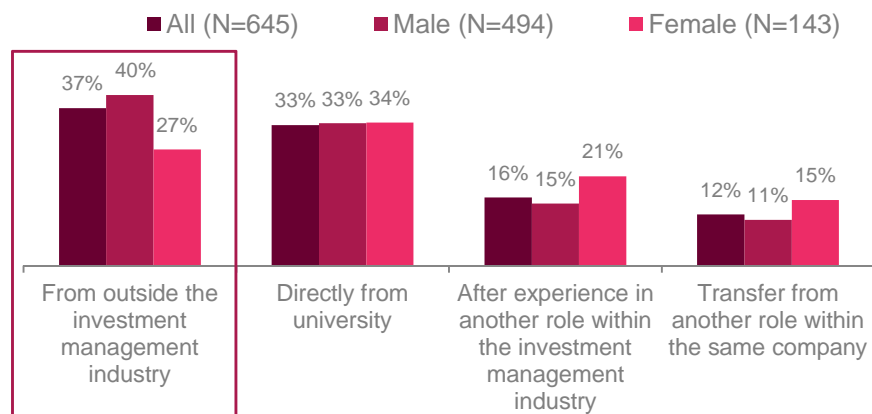
After working in the sector includes

- After working in the broader banking, finance and insurance sector (35% Male) (36% Female)
- After working in the investment management industry (10% Male) (11% Female)

After working in another industry includes

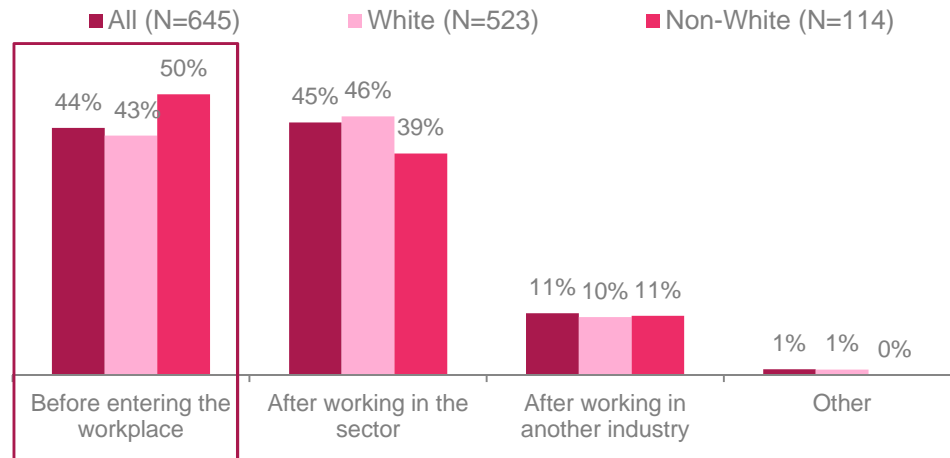
- After working in Academia (1% Male) (2% Female)
- After working in an unrelated industry/sector (10% Male) (7% Female)

How did you enter investment management?

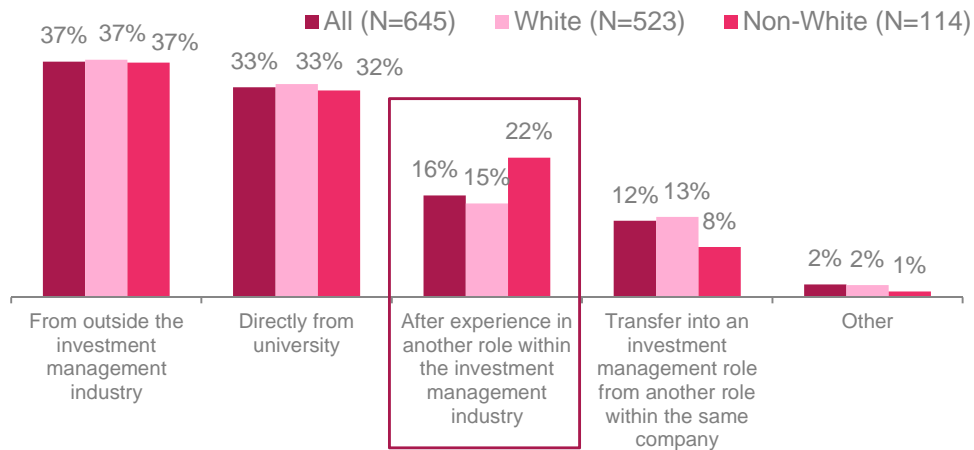


50% OF INVESTMENT MANAGERS FROM ETHNIC MINORITY GROUPS DECIDE TO ENTER THE INDUSTRY WHILE STUDYING¹

When did you decide to enter investment management?



How did you enter investment management?



Before entering the workplace includes

- During undergraduate studies (23% white) (28% ethnic minorities)
- During postgraduate studies (12% white) (17% ethnic minorities)
- During secondary school (7% white) (5% ethnic minorities)

After working in the sector includes

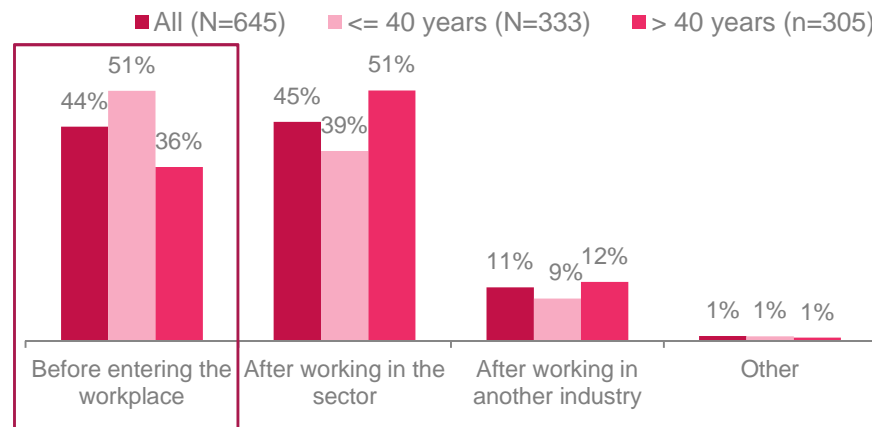
- After working in the broader banking, finance and insurance sector (36% white) (32% ethnic minorities)
- After working in the investment management industry (10% white) (8% ethnic minorities)

After working in another industry includes

- After working in Academia (1% white) (2% ethnic minorities)
- After working in an unrelated industry/sector (9% white) (9% ethnic minorities)

INVESTMENT MANAGERS UNDER THE AGE OF 40 ARE MORE LIKELY TO HAVE DECIDED TO ENTER THE INDUSTRY WHILST STUDYING

When did you decide to enter investment management?



Before entering the workplace includes

- During undergraduate studies (28% ≤40 years) (20% >40 years)
- During postgraduate studies (16% ≤40 years) (10% >40 years)
- During secondary school (7% ≤40 years) (6% >40 years)

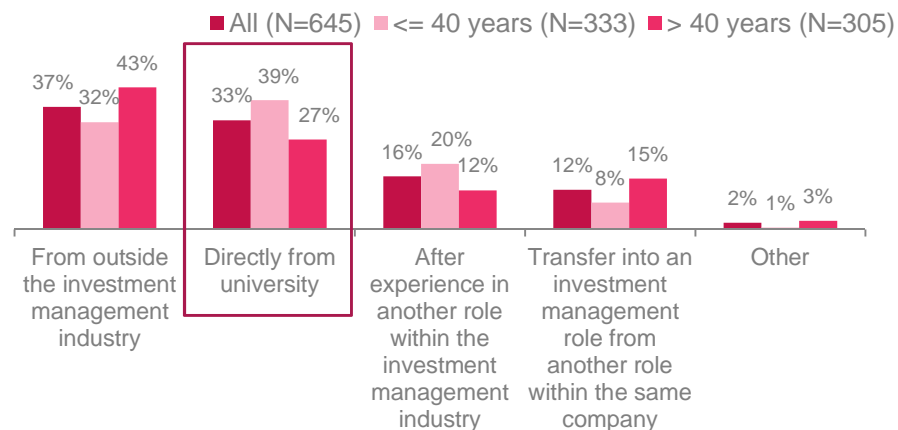
After working in the sector includes

- After working in the broader banking, finance and insurance sector (29% ≤40 years) (41% >40 years)
- After working in the investment management industry (10% ≤40 years) (10% >40 years)

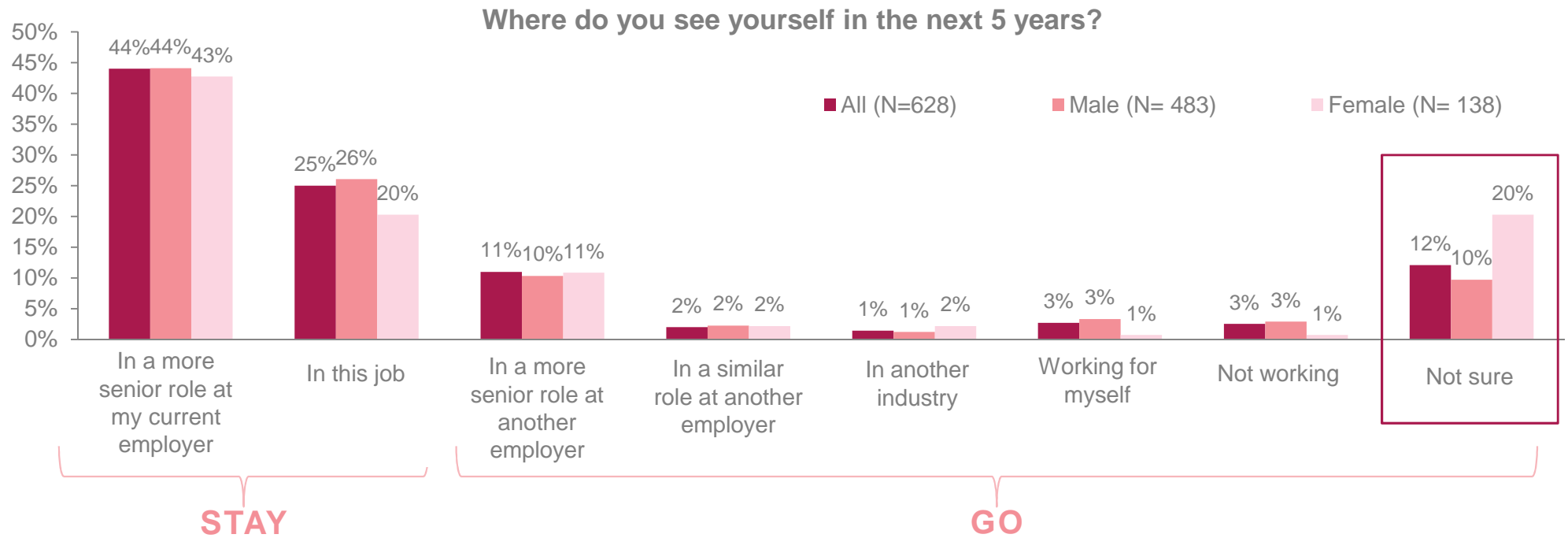
After working in another industry includes

- After working in Academia (2% ≤40 years) (1% >40 years)
- After working in an unrelated industry/sector (7% ≤40 years) (11% >40 years)

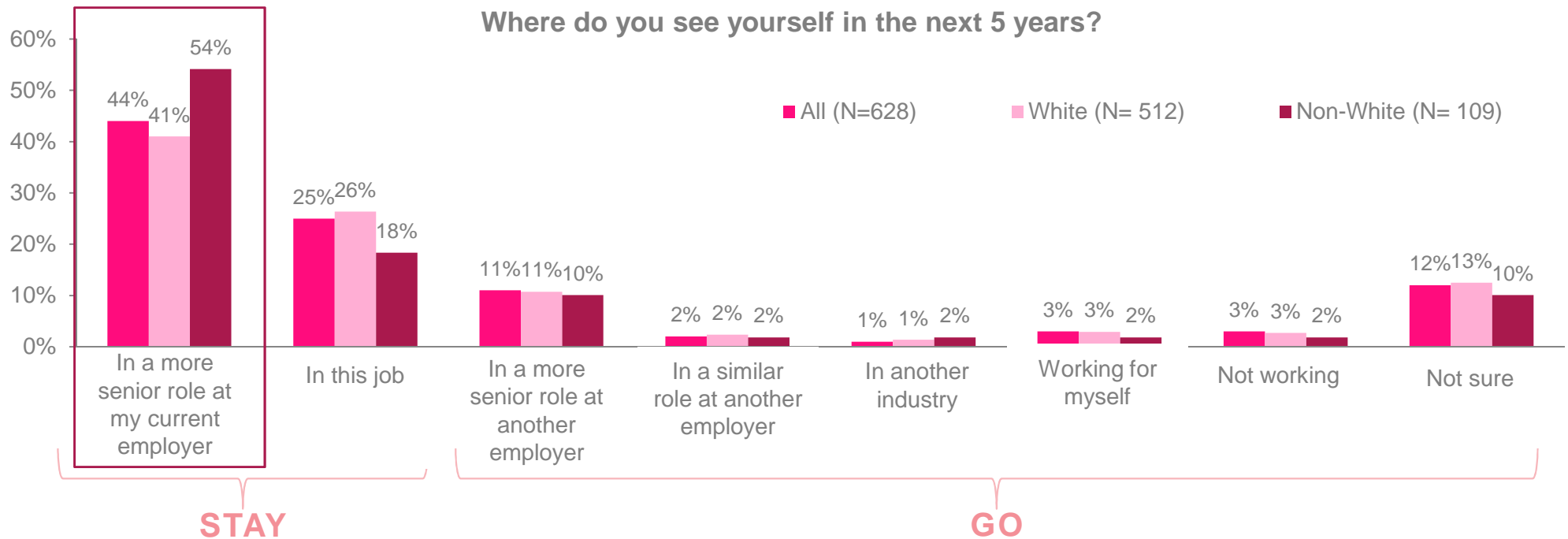
How did you enter investment management?



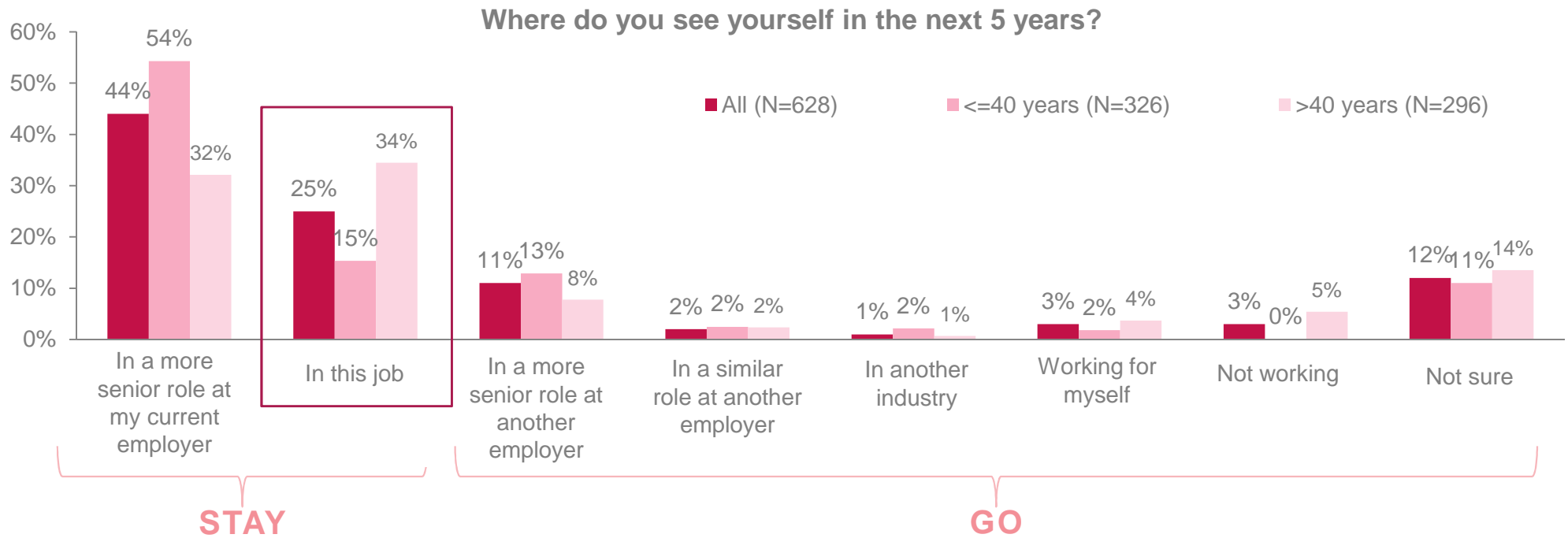
37% OF FEMALE INVESTMENT MANAGERS ARE CONSIDERING LEAVING THEIR EMPLOYER



INVESTMENT MANAGERS FROM ETHNIC MINORITY GROUPS ARE MORE LIKELY TO SEE THEMSELVES IN A MORE SENIOR ROLE AT THEIR CURRENT EMPLOYER

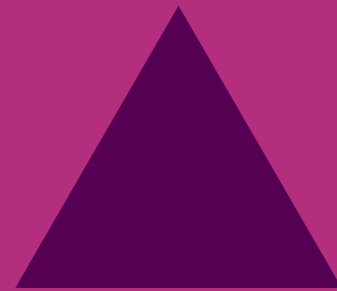
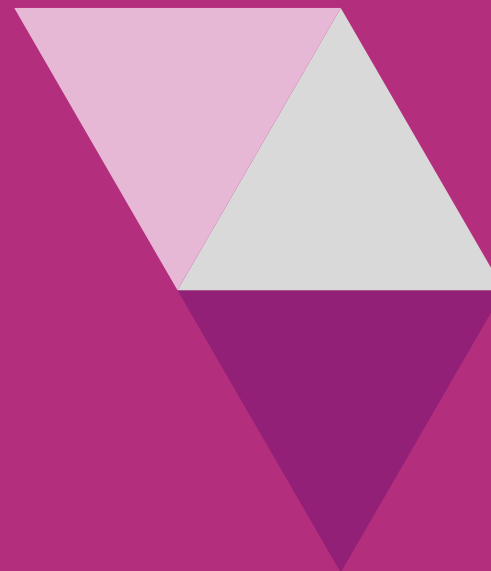


INVESTMENT MANAGERS OVER 40 YEARS ARE MORE LIKELY TO STAY IN THEIR ROLE – THUS CREATING A BOTTLENECK



SECTION 5

EMPLOYEE PERSPECTIVES



OVERVIEW OF EMPLOYEE PERSPECTIVES

A REVIEW OF THE EMPLOYEE VOICE REVEALED SIX MAIN THEMES



EMPLOYEE PERSPECTIVES FLEXIBILITY

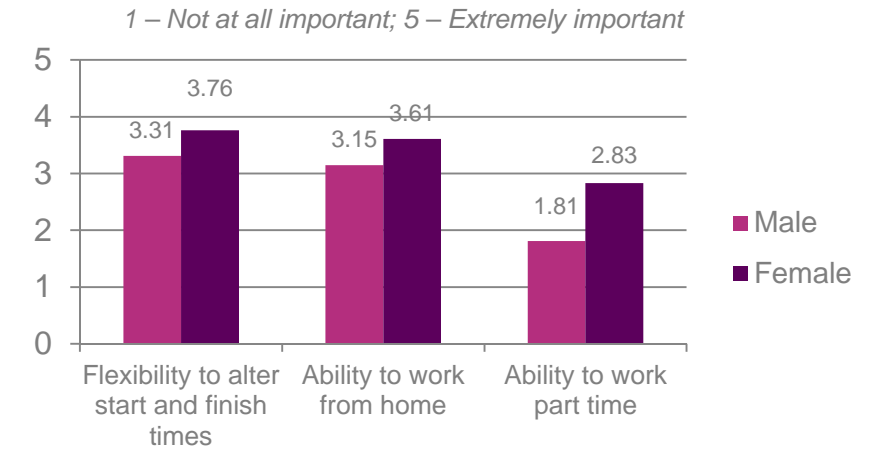
- A key theme that emerged from the survey is **flexibility of roles**, with the ability to alter start and finish times rated as the most important flexible working initiative by both males and females
- Additionally, improving flexible working practices for men and women was rated the **best way to foster a diverse and inclusive workforce**, with an average score of 3.4 out of 5
- Flexible working of all types was **more important for females** than males, in particular working part-time
- Investment managers are **10% less likely to work part time than adjacent talent**
- A recurring theme is for more flexibility in roles. Individuals noted a **culture of intolerance towards flexible working**, and a bias against those who do use these options, particularly in the promotions process

"Flexibility is a major inhibiting factor to diversity. Getting that balance right will encourage/invite a more diverse range of people to the industry"

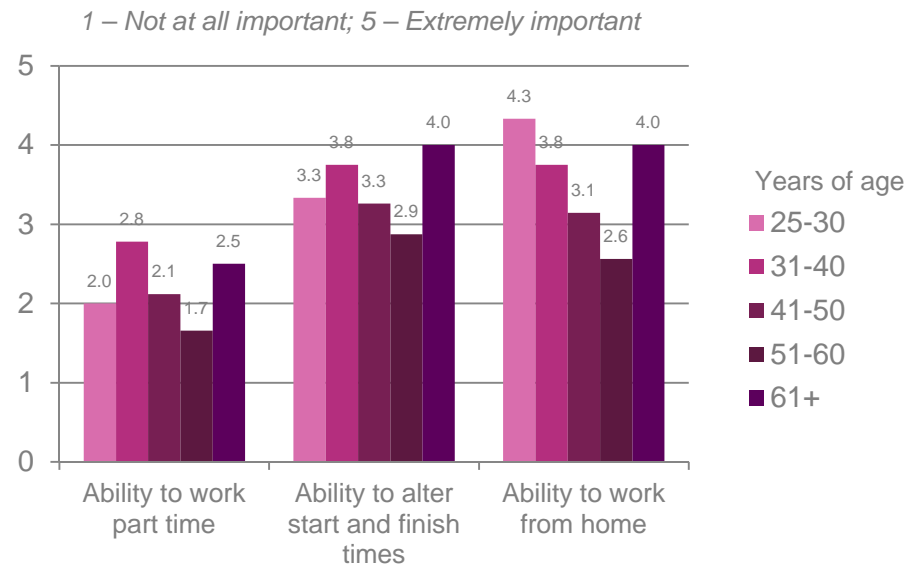
"My experience to date is that becoming a working mother makes you less valuable to the organisation. That flexible working is undesirable and the only way to succeed is to work long hours and to de-prioritise family life in favour of work"

"My role does not lend itself to be part time. Any trading type roles require you to be in the office"

Please rate the importance of the following attributes to you
(Current Investment Managers)



Please rate the importance of following attributes to you
(Overall survey sample)



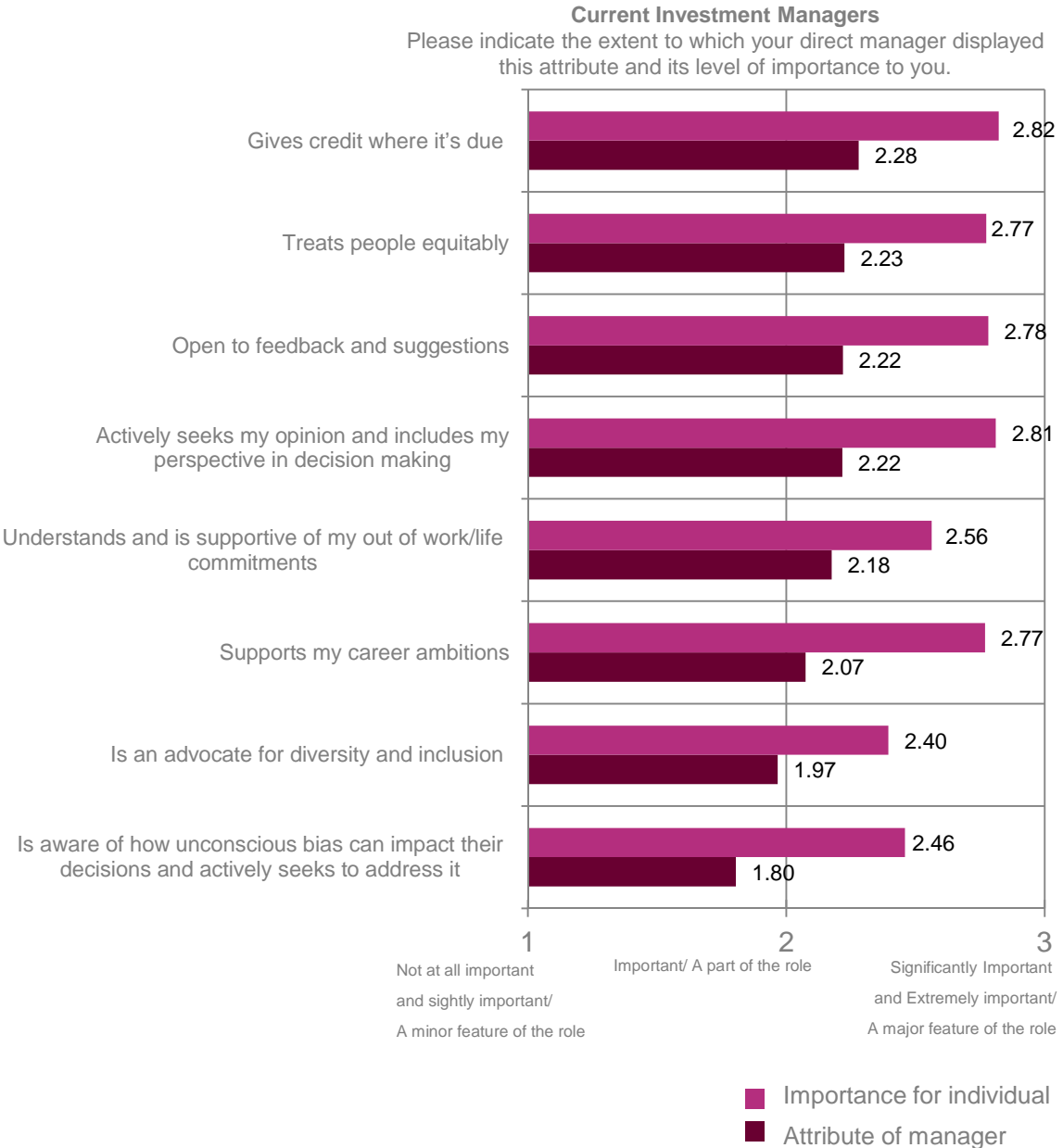
EMPLOYEE PERSPECTIVES DIRECT MANAGERS

- Overall, investment managers consistently rated their direct managers as delivering below their expectations for every attribute surveyed
- In particular, managers were rated poorly at being aware of their unconscious bias and how it can impact their decisions
- This is uncommon, as Mercer's When Women Thrive research shows that only 52% of organizations believe their board members are engaged in D&I initiatives and just 39% agree their middle managers are engaged. Those that are engaged benefit from more diversity.
- Many of the comments provided a balanced view on the strengths and weaknesses of their direct managers. In many cases this centred around self-awareness

"My manager is the most supportive one could wish for. Nevertheless, he has not enjoyed the benefit of unconscious bias training and the management style has not actively embraced diversity"

"My line manager displays a lot of positive attributes but I feel he is constrained by the top management in what he can or cannot do"

"One of the reasons I am leaving this company is due to the management style of my manager - I feel left out, my opinion is unimportant, there's no support or push for career development"



EMPLOYEE PERSPECTIVES RECRUITMENT AND ATTRIBUTIONAL BIAS

- Bias in hiring and promotion activities was rated as the 6th greatest inhibitor to diversity by the survey population, however **dominated the commentary**, with over 80 comments to this question relating to **bias in the recruitment and promotion process**
- Comments centred around the hiring of those from privileged backgrounds with **private education** – however the results of our survey suggest this **differs from the reality**, – as 39% of current investment managers attended private schools. This figure, which is higher than the UK population overall, is similar to some industries (see appendix)
- Many comments centred around the theme of **attributional bias**, with employees feeling as if direct managers mainly **hired in their own image**
- This is reinforced by the fact that **training managers to understand their unconscious bias** was ranked as the second most important initiative for creating a more diverse workforce, with minority groups each rating this even more highly than the overall sample (see below)
- In other industries, companies are going **beyond traditional awareness training** to implement behavioural interventions to address unconscious bias and integrate interventions into talent management processes

“Whether it is gender, race or sexual orientation, there is still a tendency to value potential employees that “fit the mould”

“I think the main issue impacting diversity is hiring from predominantly mathematics related, university backgrounds.”

“There is a strong tendency within the industry for people to recruit in their own image. Senior management seem uncomfortable dealing with people from different backgrounds, and often perceive different attitudes/behaviours as automatically negative.”

“Unconscious behavioural biases such as “liking” (i.e. we like people that are like us) are hard to over-come for minorities in the recruitment process”

“The industry is closed because people who already work in the industry will be looking at hiring people similar to them.”

How important are the following initiatives in creating a more diverse and inclusive workforce? (Scale 1 – Extremely unimportant to 4 –Extremely important)

	Overall	All females	Non White	Over 40 years
Train people to understand and address their unconscious biases	3.3	+ 0.2	+ 0.2	+0.0

 Significantly higher than overall

EMPLOYEE PERSPECTIVES NETWORKS AND ROLE MODELS

- ‘Not being as well networked’ was ranked as the **number one inhibitor to diversity** and inclusion
- Education, and in particular **private schooling, provides access to intellectual networks and a better chance of attaining experience or entrance into the industry** – **39%** of Investment Managers are privately educated vs **22%** of adjacent talent and **7%** of the UK population. The parents of Investment Managers are also more likely to come from a more highly educated background, providing further access to these networks
- A network increases exposure to potential **mentors and sponsors**, which in turn is one of the key elements of global leadership development ². Furthermore, networks are a key enabler for individuals to gain experience, and a **lack of experience was rated as the 3rd most significant inhibitor** to diversity in the industry. Former IMs who provide mentoring are also more likely to attend private schooling (33%) and make connections through those networks.
- An additional theme that emerged from the commentary is **a lack of role models** from diverse backgrounds. The survey sample assigned an importance of 3.2/5 for the initiative of holding leaders accountable to inclusive behaviours. It is not enough for leaders to mandate change – they must personally drive change through communication and exemplary behaviour.

“It is still an industry where old networks work very well and for a minority or an outsider or person of a different nationality, it is not always easy to break into the industry”

“The culture in the industry remains very traditional, it is very lonely for women and hard for those who don’t have connections in the first place to enter the industry”

“A lack of role models within the industry from more diverse backgrounds also inhibits diversity.”

“I think mentoring and coaching is vitally important. It took me a long time to understand that I did not need to be the finished article before applying for a new role/promotion, and that probably means that I have lagged behind my peers”

“There are now some strong role models which is wonderful, but these are still the exception rather than the norm”

Which of the following do you believe inhibit diversity in investment management in your organisation?

(Scale of 1 – Strongly disagree to 4 – Strongly agree)

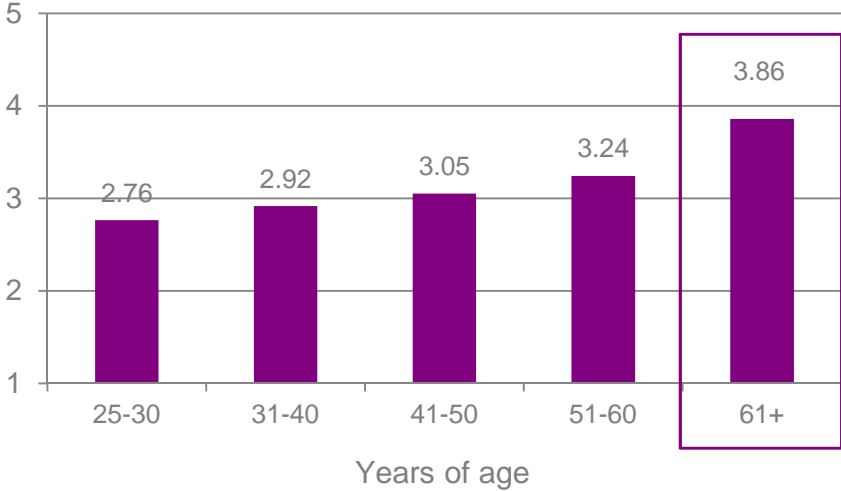
	Overall	Non-white British	Less than 40 years	Over 40 years
Not being as well networked	3.2	+ 0.1	+ 0.1	- 0.1

 Significantly lower than overall

EMPLOYEE PERSPECTIVES INDUSTRY PERCEPTIONS AND AWARENESS

- A lack of industry awareness and **perceptions of the industry** were noted as factors which inhibit diversity
- The commentary suggested investment managers perceive the industry as having an image unattractive to diverse applicants
- **Older employees are more likely to agree they have a diverse workforce** whereas younger employees are more likely to disagree
- The industry could reposition its branding to directly address these perceptions of diversity

Do you agree with the statement 'we have a diverse workforce'? (Current Investment Managers)
(Scale: 1 = strongly disagree – 5 = strongly agree)



"The industry needs to reach out far more to enthruse younger generations from ethnic minority groups. They think it is a bastion of the white middle classes"

"Investment management has a reputation of being for go getters who want to make money so tends to attract a certain type of ambitious man. The reality is that it is such a varied industry there is a role for any type of personality and it can be a fantastic and exciting world to operate in."

"It's also about not knowing what you don't know. Children from under privileged backgrounds may only have exposure to traditional employments - doctor, lawyers, accountants, nurses. We need to create exposure re. what is available from a very young age."

EMPLOYEE PERSPECTIVES TRANSPARENCY

- 71% of investment managers rated transparency around pay and promotions as either not at all present in their role, or only a minor feature of their role, whilst ranking this attribute as **'extremely important'**
- Females and ethnic minorities were more likely to rate 'improving pay transparency' as an important initiative to create a more diverse workforce
- Commentary highlighted the need for greater transparency around the gender pay gap and the promotion process
- Organisations that apply a gender lens to promotion and performance management and apply a robust pay equity processes have greater female representation

"There is very little transparency around remuneration and promotions."

"Although I have been in a senior role for twenty years with the organisation the gender pay gap has never been discussed openly, which is disappointing. I have reason to believe that it exists."

"There is no transparency around pay by level, gender, etc."

How important are the following initiatives in creating a more diverse and inclusive workforce? (Scale 1 – Extremely unimportant to 4 –Extremely important)

	Overall	All males	All females	Non White
Improve pay transparency	3.0	- 0.2	+ 0.3	+0.3

■ Significantly higher than overall

SECTION 6

APPENDIX

GLOSSARY OF TERMS



GLOSSARY OF TERMS

Term	Definition
Current Investment Manager	<p>Someone who recommends or implements investment decisions. This includes, but is not limited to, investing money in markets directly and investing money in managers who invest in markets. This includes the following roles:</p> <ul style="list-style-type: none"> Asset Allocator Chief Investment Officer Investment Analyst Portfolio Construction Portfolio / Fund Manager (Direct) Portfolio Manager / Fund Selector (Multi Manager) Private Banker / Wealth Manager Research Analyst / Business Analyst Strategic Asset Allocation Trader
Former Investment Manager	Defined as someone who previously worked in an investment management role (as described above) but no longer does, and still works in the industry.
Adjacent Talent	Defined as any other role in the investment management industry.
Primary carer	Someone most closely involved in the treatment, care of, or support to a person requiring care, such as a child, or elderly relative.
State school	A secondary school or middle school that is a state school and does not select its intake on the basis of academic achievement or aptitude.
Selective school	A school that admits students on the basis of some form of selection criteria, usually academic.
Private school	Fee-paying schools, governed by an elected board of governors and independent of many of the regulations and conditions that apply to state-funded schools.
A-Level	Public exam taken in England and Wales by children aged 17 or 18. Students take AS level exams then A2s, usually a year later, which together make a full A level qualification: You usually need three A levels to get into university.
GCSE	A qualification in a specific subject typically taken by school students aged 14–16, at a level below A level. The equivalent in Scotland is Standard Grade.
Disability	Under the Equality Act 2010, a disability is defined as a physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on an individual’s ability to do normal daily activities



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