

INCLUSION IN INVESTMENT MANAGEMENT

Developing a New Understanding of Inclusion
in Investment Management

**Wo+Men's
Leadership
Centre**



**UNIVERSITY OF
CAMBRIDGE**
Judge Business School

 **Invesco**



DEVELOPING A NEW UNDERSTANDING OF INCLUSION IN INVESTMENT MANAGEMENT

The investment management industry can achieve clear workplace advantages through becoming more diverse and inclusive. Key steps include effective networking and early-years recruitment and scholarship schemes, addressing stereotypes, and reducing bias through more objective reward schemes.

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KEY ORGANISATIONS

Cambridge Wo+Men's Leadership Centre

The mission of the Wo+Men's Leadership Centre (WLC) at Cambridge Judge Business School is to become a hub for global thought leadership in making the changes needed to foster a gender-balanced workforce around the world. Since its inception in 2015 (as the Women's Leadership Initiative), research has been a core area of focus. The Wo+Men's Leadership Centre is quickly becoming a world-class research group within the University of Cambridge. The Centre produces cutting-edge, academically rigorous and practically relevant research focused on gender issues in businesses. The aim of such research is to generate significant academic knowledge and to provide valuable guidance to organisations on new and innovative ways to unleash female leadership potential in their firms and industries. By bringing students, corporations, and policy makers more closely together we disseminate our findings and create the forums to translate ideas into practical solutions.

www.jbs.cam.ac.uk/faculty-research/centres/women/

The Investment Association

The IA champions UK investment management, supporting British savers, investors and businesses. Our 250 members manage £10 trillion of assets and the investment management industry supports 122,000 jobs across the UK. Our mission is to make investment better. Better for clients, so they achieve their financial goals. Better for companies, so they get the capital they need to grow. And better for the economy, so everyone prospers.

Our purpose is to ensure investment managers are in the best possible position to:

- Build people's resilience to financial adversity
- Help people achieve their financial aspirations
- Enable people to maintain a decent standard of living as they grow older
- Contribute to economic growth through the efficient allocation of capital

The money our members manage is in a wide variety of investment vehicles including authorised investment funds, pension funds and stocks and shares ISAs. The UK is the second largest investment management centre in the world, after the US and manages over a third (37%) of all assets managed in Europe.

Invesco Ltd

Invesco is a global independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. Our distinctive investment teams deliver a comprehensive range of active, passive, and alternative investment capabilities. With offices in more than 20 countries, Invesco managed \$1.5 trillion in assets on behalf of clients worldwide as of June 30, 2023. We believe that a diverse, inclusive, and supportive workplace where everyone feels equally valued provides a more rewarding work environment for our colleagues. Our global focus on diversity has grown exponentially over the last few years. We have strong foundations in place, embedded diversity and inclusion (D&I) goals across the business, and encourage connection and community through our many employee-led Business Resource Groups (BRGs).

For more information, visit invesco.com/corporate.

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Caroline Atkinson, Global Head of Talent, Invesco

Member, Human Resources Committee, the Investment Association.

Shrena Fraser Johnson, Esq., Culture, Talent & Inclusion Specialist, the Investment Association.



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FOREWORD



Invesco is proud to support the latest diversity, equity, and inclusion (DEI) research published by **Cambridge Judge Business School**. This is the first DEI report that Invesco has had the opportunity to be involved with, and one of the very few that focus specifically on the asset management industry. The insights presented provide a current state view and a look at the necessary next steps for creating a more diverse and inclusive industry.

The business case for DEI has been proven multiple times, but many large organisations struggle to make meaningful progress in this space. The research presented to you in this report touches on a critical, but often overlooked element of diversity: intersectionality. Rarely are any of us comprised of one single demographic dimension, and yet the corporate approach to DEI is too often to think about each of those dimensions separately and/or adopt a 'one size fits all' approach. In order to make progress in diversifying our organisations we must begin to think about identity more holistically, while simultaneously tailoring our strategies to be more granular to drive change.

Through the findings of this report, which focus on the intersections of gender, socio-economic background, and race, we begin to see a clearer and even more compelling case for why people with different backgrounds make our teams and companies stronger.

In addition to the insights, this report also leaves readers with tangible actions they can take to fast-track DEI progress in their organisations. There is much work to be done, and we are grateful to be aided by important studies like this, that allow us to make decisions backed by data and proven success strategies. Invesco is committed to strengthening our organisation through increased diversity, equity, and inclusion, and we will continue to be transparent with our findings as we all collectively seek to learn and improve in this critical space.

Caroline Atkinson
Global Head of Talent
Invesco

ABOUT THE AUTHORS



Dr Jenny Chu is an Associate Professor in Accounting at Cambridge Judge Business School and academic director of the Wo+Men's Leadership Centre at Cambridge Judge. Jenny is a JM Keynes Fellow in Financial Economics and is a fellow of the Cambridge Endowment for Research in Finance (CERF). Jenny worked on corporate finance and M&A transactions for technology companies at Credit Suisse in Silicon Valley and later transitioned into a portfolio management role at the hedge fund division of Blackrock. Her research has been published in academic journals such as *Management Science*, as well as covered by the popular press such as the *Financial Times*, *the New York Times*, and the *Wall Street Journal*. Her research won best paper awards from the Financial Management Association (2015) and the European Accounting Review (2022). Jenny's research interests include corporate and sovereign information disclosure, management incentives and compensation, and gender diversity.



Shi Tang is an Assistant Professor in the Department of Management at City University of Hong Kong. She earned her PhD from the University of Cambridge Judge Business School. Her research focuses on the psychological underpinnings of top management decision-making and their strategic implications. She especially attends to issues such as gender diversity, cognition, and temporal perceptions at the top management level.



Qiying (Sakura) Du is a PhD candidate in the Department of Management at the City University of Hong Kong. She received a BSc degree in Human Resource Management from Zhejiang University in China. Her research focuses on

- 1 | informal interactions (e.g., social drinking),
- 2 | newcomer socialisation, and
- 3 | voice behavior.



Dr Yeun Joon Kim is Associate Professor in Organisational Behaviour at the University of Cambridge. He received his PhD degree from the University of Toronto. Dr Kim studies creativity, culture creation, and leadership. He has published papers in top journals, such as *Academy of Management Journal*, *Organizational Behavior and Human Decision Processes*, and *Journal of Management*. Dr Kim won academic awards, such as Faculty Transnational Research Award (Academy of Management, 2020) and Samsung Economic Research Institute Best Paper Awards (Academy of Management, 2016). Dr Kim also actively collaborates with professional companies and writes articles for practitioners in journals like *Harvard Business Review*.



Charles Goldsmith is Head of Media Relations at Cambridge Judge Business School. His work includes writing summaries for the Business School website of the research papers authored by faculty members, working with faculty on opinion articles and other content for publication by media outlets, and working directly with journalists to amplify the impact of Cambridge Judge research and other initiatives. Previously, Charles was Head of Corporate Communications for education and publishing company Pearson Plc, and before that he was a journalist for many years including 12 years at *The Wall Street Journal* in Brussels and London, where he was Deputy London Bureau Chief and wrote about industries ranging from financial services to music.

BACKGROUND TO THE STUDY

Asset management is an important industry, with global assets under management totalling around \$100 trillion, and the UK hosting the largest investment management centre in the world behind the US¹

The investment management industry here in the UK is on a journey to improve representation throughout all levels of the business. A 2022 report² by Mercer, a HR consultancy, found that only 15% of key decision-makers at investment management firms are female. Yet asset owners including pension funds are increasingly inquisitive about the diversity and inclusion performance of their fund managers and demanding of answers and action.

Invesco and the Investment Association partnered with Cambridge Judge Business School, University of Cambridge, to undertake research on diversity and inclusion in the industry. The aim of this study is to help investment management firms attract, develop, and retain the best talent from the widest possible cross-section of our society – and this requires both an understanding and a plan to improve diversity and inclusion. The partners in this project hope the findings will help develop good practice guidelines to promote diversity, a pathway to promote an inclusive environment, and ways to improve inclusive leadership approaches of line managers throughout the investment management sector.

¹Data from the Investment Association (https://www.theia.org/sites/default/files/2021-09/chapter1_0.pdf) and BCG report (<https://web-assets.bcg.com/c8/97/bc0329a046f89c7faef9ab6a877/bcg-global-asset-management-2023-may-2023.pdf>).

²Mercer report (<https://www.mercer.com/content/dam/mercer/attachments/mercer-global-investments-forum-2022/gl-gif-europe-dei-a-progress-report-2022.pdf>).

EXECUTIVE SUMMARY

This study focuses on the benefits of diversity for the investment management sector, areas for improvement, and recommendations on how these benefits could be more widely tapped.

211 team leaders and team members from both investment and non-investment teams completed two comprehensive surveys which focused on a range of different topics, including demographic attributes, socio-economic background, and educational background. They also undertook a psychological attributes test, designed to show where they were positioned on a scale of common personality traits that were relevant to personal and team-based success in the workplace. Team members shared their experiences in workplace culture and job satisfaction, and team leaders assessed the job performance of their team members.

Diversity in the workplace helps the investment industry reflect broader society but also in reaching their business objectives. The study finds clear psychological and performance advantages in workplace diversity, making connections that have been little studied in previous research: people from lower socio-economic backgrounds were rated higher in job performance, had greater psychological resilience (particularly females) and higher task-based persistence.

However, the study also suggests that the industry needs to continue to strive for improvement in diversity and inclusion. High-profile investment teams (compared to other roles in investment management firms) are particularly under-representative of women. Men are rated as more creative, feel a higher sense of status, and are more likely to be recognised for awards even if they are not assessed to have higher performance.

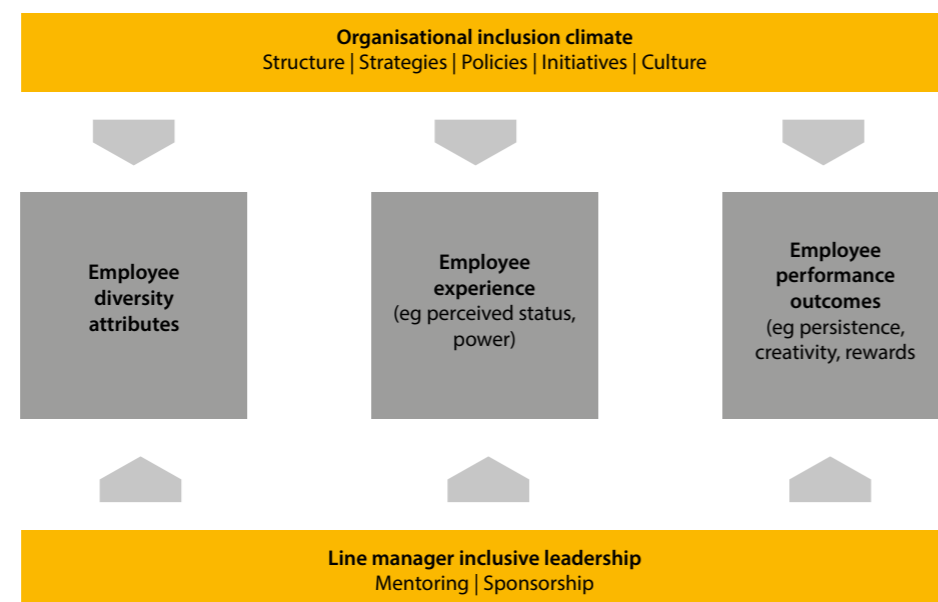
The report recommends, therefore, that the investment management industry actively seek more diverse and inclusive teams through a series of key steps. These include focused mentoring and early years recruitment schemes, addressing stereotypes and unconscious biases, and making performance review and compensation schemes more objective by tying them to clear targets and tasks.

RESEARCH FRAMEWORK

Previous research on diversity and inclusion has largely focused on the link between individual attributes such as gender and singular outcomes, for example corporate performance. This study explores different and broader avenues, developing a fresh framework to study the interaction between employee diversity, workplace experience and performance outcomes. The study provides practical insights that can be translated through inclusive leadership into organisational change that creates a more diverse and inclusive workplace while improving performance.

Figure 1 illustrates our research framework.

Figure 1: Research framework



Sampling Procedure and Survey Design

The data collection of this survey of UK and European investment management professionals was directly conducted by academic researchers to ensure anonymity during the data collection process. The survey respondents come from both large global fund groups and smaller, geographically-focused investment funds. The participating firms were **Border to Coast Pension Partnership, Invesco, Legal & General Investment Management (LGIM) and Schroders.**

Well-established demographic, psychological, and performance evaluation scales were selected and carefully customised through close consultation with senior human resources professionals in the investment industry, ensuring strong reliability in the resulting survey.

The survey was split into two separate questionnaire 'waves'. The first wave was the demographic and team dynamics survey, taking 20-30 minutes to complete. In the second wave, team members completed a psychological attribute, job satisfaction and workplace culture survey of about 10 minutes. Team leaders completed performance reviews, which take about three minutes each, for all team members who report to them.

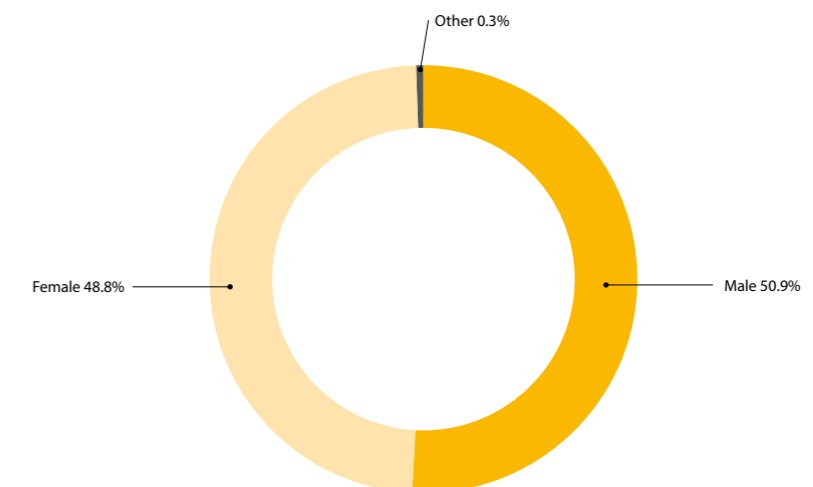
The surveys were completed between November 2021 and July 2022.

The study obtained usable responses from 211 individuals who successfully completed both waves of the survey – which had a 37.4% response rate to Wave 1 and a 64.5% response rate to Wave 2. The combined response rate from both waves is then 23.7%.

Sample Description

The final sample of 211 investment professionals consisted of 48.8% women, 50.9% men, and 0.3% self-identified as 'other' (Figure. 2a). This balance in gender is consistent with the gender distribution of working people in the UK population (UK Census, 2021)³. Figure 2 (a to e) shows the split of individuals by gender, functional area, seniority, education, and ethnicity.

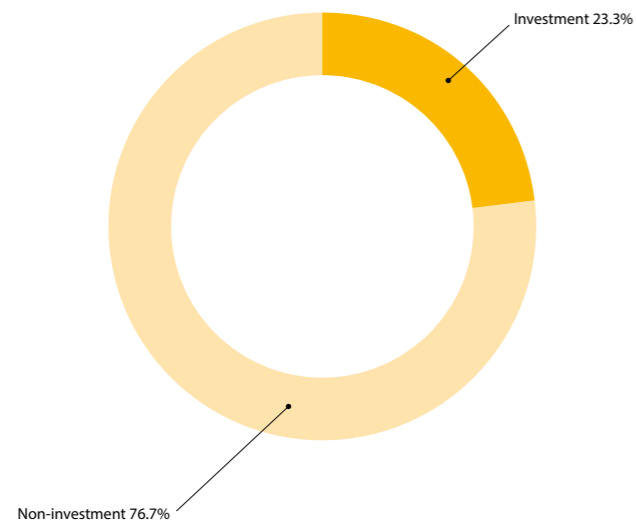
Figure 2a: Gender



³ The study refers to the latest available UK census data as of March 2023 for each demographic category cited. <https://www.ons.gov.uk/census>

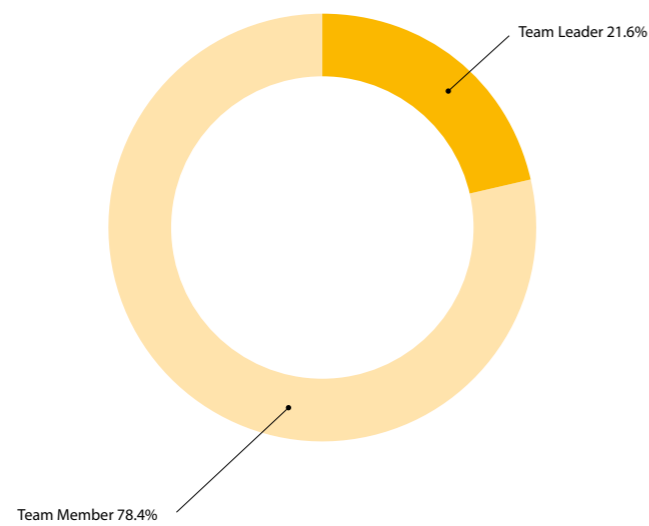
The sample represented both investment and non-investment professionals. Investment professionals accounted for 23.3% of responses, with the balance of 76.7% from non-investment professionals, including finance, operations, investment support, product development and distribution, technology, and marketing (Figure 2b).

Figure 2b: Function



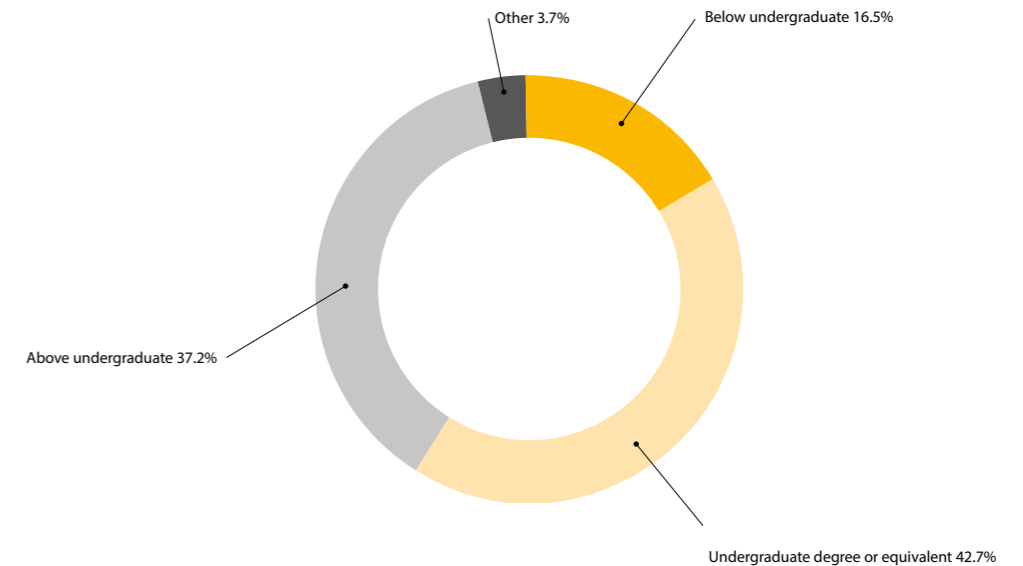
In terms of seniority, 21.6% of respondents were team leaders, while the remaining 78.4% were team members (Figure. 2c).

Figure 2c: Seniority



In terms of education, 42.7% of respondents obtained undergraduate or equivalent degrees, and 37.2% of respondents obtained graduate degrees. The level of education in the sample is significantly higher than the broader UK workforce, with 31.8% having undergraduate or equivalent degrees and 12.1% having graduate level degrees (UK 2017 Census). This finding is consistent with a range of roles in the industry requiring higher education and inspires our suggestion for the industry to continue with efforts in diversity outreach to higher education providers. (Figure.2d).

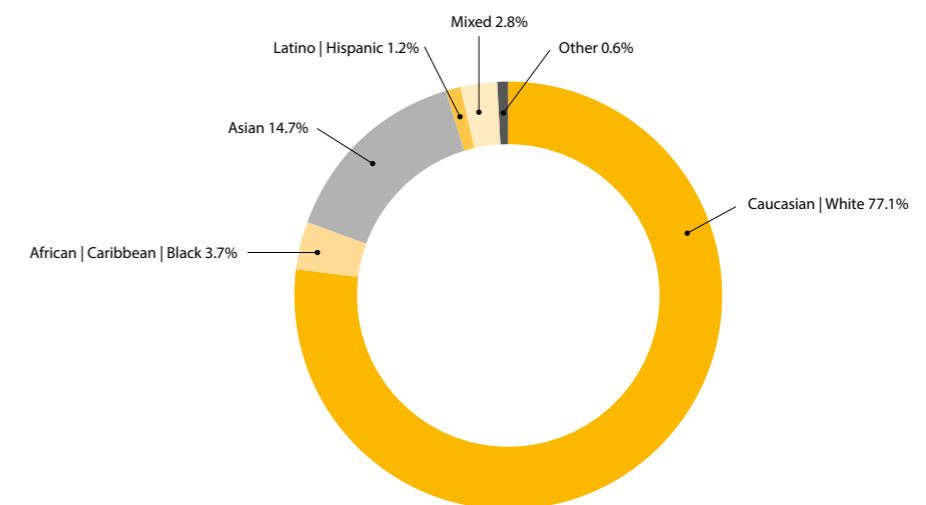
Figure 2d: Education



In terms of ethnicity, 77.1% of respondents are Caucasian/white, 14.7% Asian, and 3.3% of African and Caribbean descent, and the rest of all other ethnicities (Figure. 2e). This is slightly more diverse than the UK workforce (2021 census), with 86.7% of respondents identifying as Caucasian/white, and 7.2% of respondents identifying as Asian.

A majority of respondents were based in the UK (85.5%), whereas 14.5% were based in Europe.

Figure 2e: Ethnicity



BENEFITS FROM A MORE DIVERSE WORKFORCE

Employees from lower socio-economic backgrounds are rated by team leaders to have higher job performance – the extent that such team members fulfil their job responsibility and meet the job requirement. This is an interesting new finding that demonstrates the benefits of having a workforce with diverse childhood socio-economic backgrounds.

Figure 3a:
Benefits of diversity

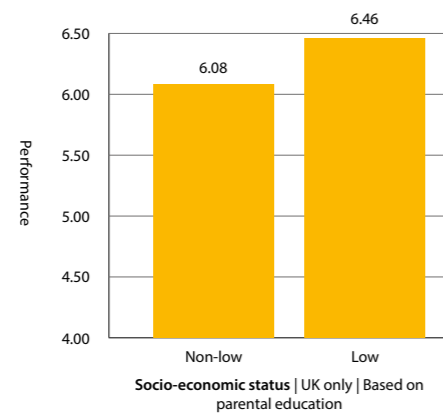
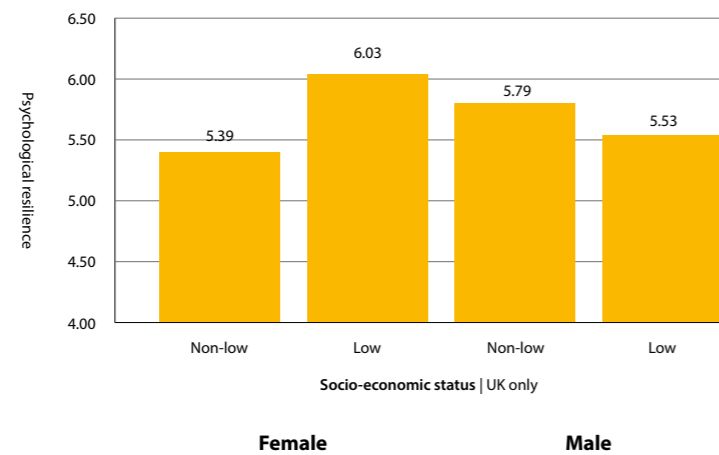
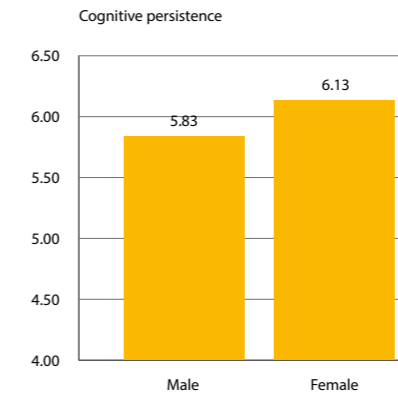


Figure 3b:



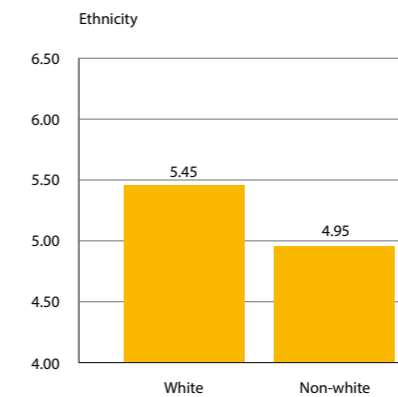
Female employees from low socio-economic backgrounds have the highest sense of self-perceived psychological resilience, which measures the extent that people see challenges as an opportunity to learn at work. This result comes from the interaction of both gender and socio-economic background and demonstrates the benefits of having a more diverse workforce on multiple dimensions of diversity.

Figure 3c:
Cognitive persistence



Female employees have a higher sense of self-perceived cognitive persistence, which measures the extent that people will keep trying to complete a task no matter how difficult it is. Persistence is important in the investment industry where the work tends to require complex problem solving.

Figure 3d:
Self-concern



Non-white employees have a lower sense of self-perceived 'self-concern' or self-interest, or the extent that people are concerned about their own needs and interests. As reported in the sample description section above, non-white employees in this study's sample are predominantly Asian, and studies have found that Asians have cultural norms that are more community oriented⁴. In a team setting, a more ethnically diverse workforce can be particularly beneficial in terms of community-building and team dynamics.

⁴ E.g. Hofstede (2001), Culture's Consequences, Comparing Values, Behaviors, Institutions and Organisations Across Nations (<https://uk.sagepub.com/en-gb/eur/cultures-consequences/book9710#contents>).
Note: Performance, Psychological resilience, Cognitive persistence and Self-concern are measured on a standardized scale ranging from 1 (lowest) to 7 (highest).

AREAS FOR IMPROVEMENT

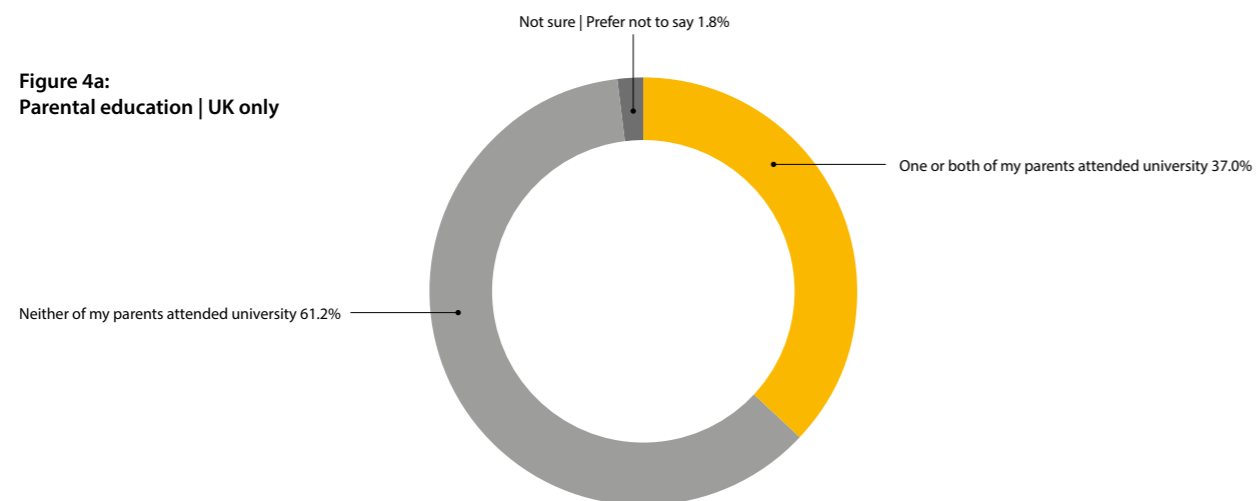
The study has identified the following areas where there is a lack of societal representation, and these areas can be improved upon.

Fewer investment management professionals come from lower socio-economic backgrounds as compared to the UK population⁵.

In terms of parental education, 37% of our survey respondents have at least one parent who attended university. In contrast, social mobility research finds significantly lower rates of university attendance for the UK population.

The majority (63.9%) of respondents have parents who have professional backgrounds⁶, 18.7% intermediate backgrounds⁷, 13.7% lower socio-economic backgrounds⁸, and 3.7% other or prefer not to say. The sample has a lower representation from respondents from lower socio-economic backgrounds compared to the UK population (2017 census) which has 52.3% in occupations defined as reflecting lower socio-economic status.

Figure 4a:
Parental education | UK only



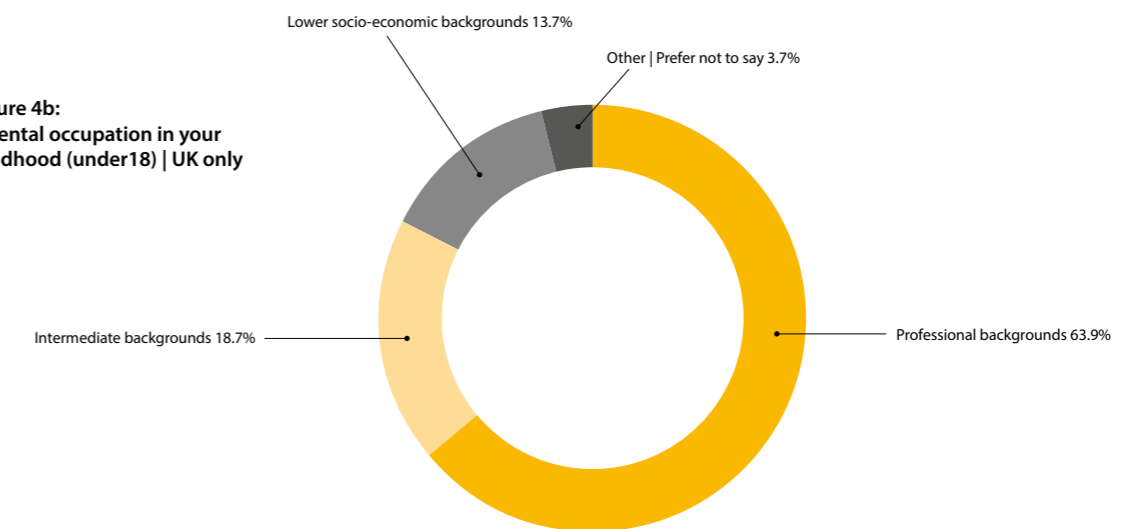
Measuring socio-economic background across different countries with different socio-economic development is difficult. The study follows the definitions of the UK Social Mobility Commission⁹ and reports findings for respondents whose home country is the UK (68.4% of the overall sample).

Digging deeper into the data, untabulated analysis suggests that 26.9% (10% with financial support) of respondents attended fee-paying schools, compared to 7% of the UK population¹⁰.

The investment team of investment management firms (compared to other roles in the firms) has continued to be underrepresented by women. This continues a historical trend in the industry despite ongoing efforts in the industry to increase gender diversity in investment teams.

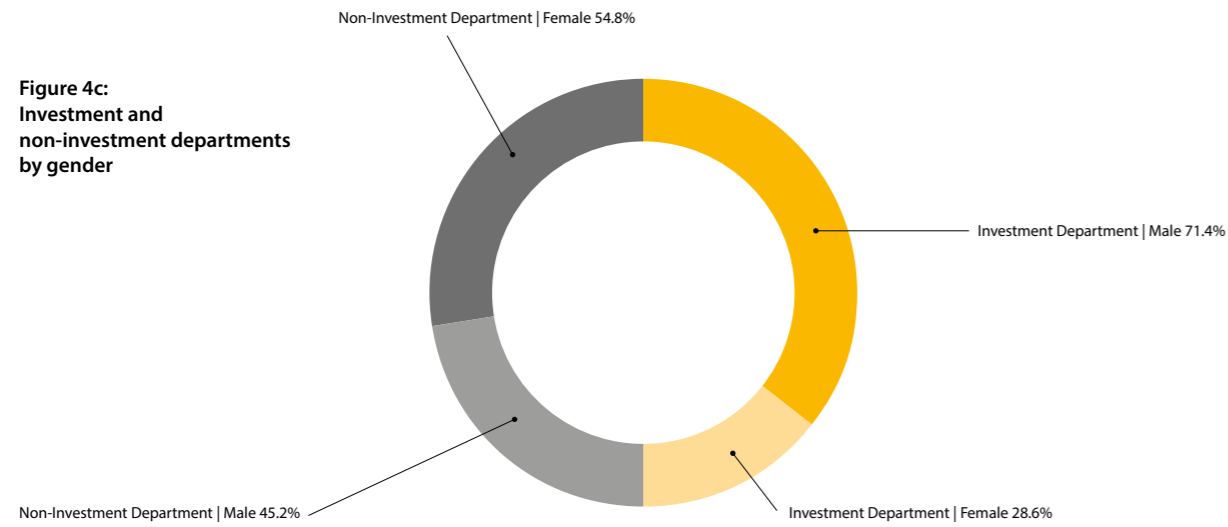
Given the performance benefits from having employees from lower socio-economic backgrounds (especially females) that we discuss earlier in the report, the industry will benefit from attracting a more diverse workforce both in terms of gender and socio-economic background.

Figure 4b:
Parental occupation in your childhood (under18) | UK only



⁵23% of the 1946 cohort of men attended university or above while 25% of the 1958 cohort did the same. Source: Social Mobility and Education in Britain (2018), E. Bukodi and J. Goldthorpe.
⁶Professional backgrounds correspond to a list of well-defined modern and traditional professional occupations, senior or junior managers or administrators.
⁷Intermediate backgrounds correspond to a list of well-defined clerical and intermediate occupations and small business owners.
⁸Lower socio-economic backgrounds correspond to technical and craft occupations, routine, semi-routine manual and service occupations, as well as the long-term unemployed.
⁹Website: <https://socialmobilityworks.org/toolkit/measurement/>
¹⁰Elitist Britain (2019) report by the Sutton Trust and the Social Mobility Commission (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/811045/Elitist_Britain_2019.pdf)

Figure 4c: Investment and non-investment departments by gender



Male employees are assessed by team leaders to be more creative than female employees. The authors believe these findings suggest the existence of unconscious bias in both men and women in terms of gender stereotypes and expectations of creativity, which often involves risk taking and challenging the status quo in an assertive and independent manner. The society's expectations of creativity are more biased towards 'agentic' or self-initiated activity, which are traditionally associated with male traits, rather than community-based activity (like teaching), which are more associated with female traits. The investment management industry has more roles that require more agentic activity which could have contributed to this finding.

Figure 4d: Creativity

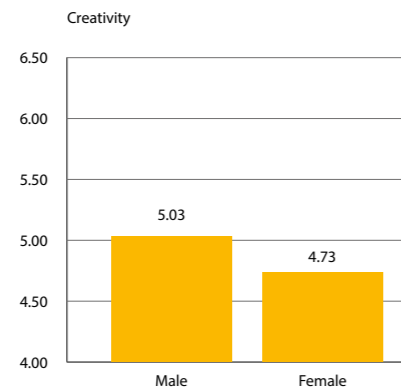
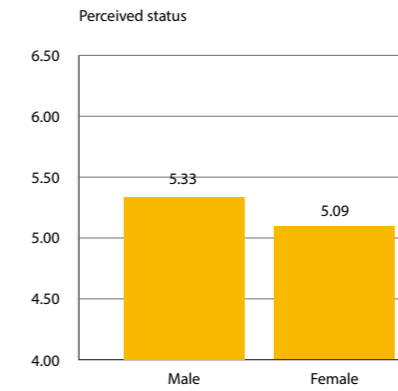
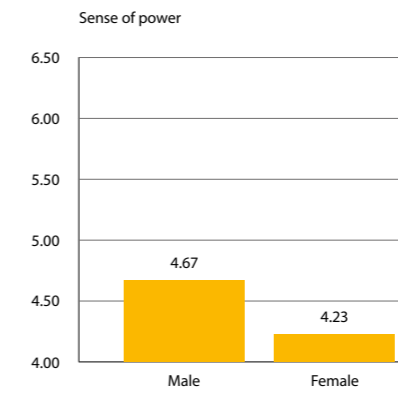


Figure 4e: Perceived status



Despite the study's sample of respondents having gender-balanced representation in team leaders and team members, male employees have a higher sense of self-perceived status, which measures the extent of being respected or having influence at work. Male employees are also found to have a higher sense of self-perceived power. These suggest that greater emphasis must be placed on workplace culture within the investment management industry.

Figure 4f: Sense of power



Note: Creativity, Perceived status and Sense of power are measured on a standardized scale ranging from 1 (lowest) to 7 (highest).

Our study found that team leaders are more likely to recommend male team members than female team members for 'awards' such as promotion or a salary increase; however, there is no difference on leader-assessed performance across genders. This is consistent with a recent study suggesting that women ask for raises just as often as men do but are less likely to be successful¹¹. In addition, women face a higher bar for promotion than their male peers¹².

To circumvent these systematic biases, we recommend that firms in the investment industry ensure their compensation and performance review systems to focus on objective performance indicators, as well as conduct periodic compensation reviews across gender and other diversity traits.

Figure 4g:
Reward recommendation



¹¹Harvard Business Review article (<https://hbr.org/2018/06/research-women-ask-for-raises-as-often-as-men-but-are-less-likely-to-get-them>)

¹²Huang, Mayer and Miller (2022) working paper (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3938494).

Note: Reward recommendation is measured on a standardized scale ranging from 1 (lowest) to 7 (highest).

RECOMMENDATIONS

To ameliorate these shortfalls and to generally foster a more supportive and inclusive culture in investment management, the study proposes the following recommendations.

Internal Initiatives

- **Limiting the subjective component in performance review and compensation design.** Recommendations by team leaders for staff rewards can be overly influenced by unconscious bias owing to the subjective criteria of many such rewards. The authors believe that more objective criteria tied to particular tasks, clear evaluation guidelines and more structured judging methods can minimise subjective biases, while having multiple evaluators and conducting calibration workshops can also help reduce such bias.
- **Mentorship, reverse mentoring, and sponsorship programmes:** Our study has highlighted several benefits of a diverse workforce alongside multiple dimensions such as gender, socio-economic backgrounds, and ethnicity. Mentorship, reverse mentoring, and sponsorship programmes can help improve diversity in the investment management industry. These programmes provide guidance, support, and opportunities for networking and professional development, and can create a more inclusive environment by helping to overcome biases and enhance career progression. Reverse mentoring allows for those from different backgrounds to gain better understanding of the lived experience of individuals outside of the social circles. The authors believe that networking events that allow young recruits to meet and interact with people throughout an organisation to encourage 'organic' mentor-mentee and sponsorship relationship development could be particularly effective.

The Investment Association, in partnership with **#TalkAboutBlack** launched the Black Leader Programmeme in 2021. The programmeme pairs senior Black professionals, evenly split between women and men, in investment management who are on the path to C-Suite roles with C-Suite mentors. Through a 12-month programme, mentors and mentees meet regularly to connect and discuss ways to successfully navigate the investment management industry. The participants exchange ideas on strategies and career development that will aid both the mentors and mentees to build a more inclusive industry going forward. Mentors also learn from mentees about their lived experience within the industry.

- **Addressing gender stereotypes:** Gender stereotypes and biases can impede recruiting and retaining women in investment management. This study suggests that challenging these stereotypes through awareness campaigns, education and promoting diverse role models can positively influence female participation and success in the industry. In light of the finding that male respondents are assessed to be more creative than female counterparts by their team leaders, the authors believe that training on gender-based expectations and definitions of 'agentic' creativity may be particularly helpful. The authors believe that the success of gender stereotypes training can be enhanced by leadership buy-in to encourage voluntary participation from all employees.
- **Team dynamics training:** Such training can effectively improve workplace culture and empower female employees by enhancing communication, reducing biases and fostering psychological safety. By addressing unconscious bias and stereotypes, training promotes an inclusive environment where women feel valued and heard. The authors believe that this training could help ameliorate the study's finding that women feel less powerful and have lower self-perceived status than men, despite the survey sample is not different in seniority across gender. It also helps develop leadership skills and increases confidence. Through team-building activities, networking opportunities and relationship building, training facilitates supportive networks for diverse groups. However, the effectiveness of team dynamics training depends on factors such as training quality, leadership commitment, and integration into everyday practices.
- **Flexible work arrangements:** Flexible arrangements such as hybrid working, flexible schedules or part-time options can be particularly effective in retaining women. Flexibility allows for a better work-life balance and addresses the challenges some women often face in balancing family responsibilities with their careers. The authors believe that providing flexible arrangements will be helpful in attracting and retaining women who are still underrepresented in the investment department.

External Outreach

- **Networking and industry engagement:** Encouraging women to build their personal brand and participate in networking events, industry conferences, and professional organisations can enhance their visibility and professional connections. Research suggests that exposure to successful female role models and providing networking opportunities can attract more women to the field. The authors believe that these measures will be particularly helpful in attracting and retaining women who are still underrepresented in the investment department.

An example of a successful programme is the **Diversity Project Pathway** programme chaired by **Dame Helena Morrissey**, which aims to address the lack of women in fund management roles. The project pairs mentors and mentees across firms within the industry.



Georgina Taylor
Head of Multi Asset and Fund Manager
Invesco
Mentor, Diversity Project Pathway
programme

"The Pathway programme is the first of its kind, specifically focusing on developing the female fund managers of the future. I was drawn to the programme after becoming a fund manager very late on in my career and therefore I was very excited to have the opportunity to help the whole team behind the Pathway programme ensure that every woman believes a fund manager career is an option that is open to them. Helping to create the content for the programme with my peers from across the industry has been a true privilege and I have been able to expand my own network through being involved in the programme. I have also met a large number of inspirational women who, I am pleased to say, are likely to form the strong foundation of our fund management industry in the future."



Karis Stander
Director of Culture, Talent & Inclusion
Investment Association
MD of Investment20/20

- **Outreach and recruitment programmes:** Implementing educational initiatives and outreach programmes can help increase representation of minority groups in the investment management industry. Early years recruitment programmes can attract young women, providing them with information, resources, and role models to develop an interest in investment management-related careers and build necessary skills. These efforts could be especially fruitful at the school-leaver or graduate recruiting level, from universities and business schools. Outreach and recruitment programmes can also target universities traditionally more highly represented by students of lower socio-economic background to improve diversity and inclusion on this dimension. These efforts can be helpful in improving diversity in gender and socio-economic strata.

"Investment20/20 has been a huge success in taking an industry-wide approach to reaching young people from a range of backgrounds and giving them access to a large network of investment management companies. These firms are committed to helping them start, grow and succeed in the industry. From school leavers to graduates, the programme builds a pipeline of entry-level talent, who otherwise may not have considered joining the industry. By bringing firms into schools, colleges and universities, Investment20/20 builds connections between students and industry, awareness of the breadth of career opportunities and helps drive a more diverse and inclusive investment industry."

- **Promotion of scholarship schemes.** Investment management firms can help a new generation of more diverse leaders by sponsoring scholarships at business schools and relevant undergraduate programmes for outstanding female students with an interest in investment management careers. These schemes can also target universities traditionally more highly represented by students of lower socio-economic backgrounds and could be especially helpful in enhancing gender and socio-economic diversity in investment management roles.

CONCLUSION

This study finds that investment management firms can reap benefits through promoting more diversity in their ranks, because a diverse workforce brings distinct advantages to firms in terms of resilience, persistence, and other desirable traits.

The investment management sector understands the importance of having a more diverse and inclusive workforce and is on a journey to improve societal representation. While changing unconscious biases can take years or decades to achieve, the study's authors believe that steps can be taken now to help make investment management a more attractive career for women and other underrepresented groups that would make the sector more diverse.

This report recommends several key steps to help achieve this goal. Leaders must actively promote diversity by implementing inclusive policies and practices, and they should foster open communication and encourage employee participation to ensure diverse voices are heard. Providing mentorship, reverse mentorship and sponsorship opportunities for underrepresented groups helps them thrive, while networking and industry engagement enhance the visibility and professional connections of women and minority groups. Training programs promote cultural sensitivity and promote a sense of belonging, while flexible policies can help promote diversity by enabling a better work-life balance. Finally, regular assessments and feedback mechanisms based on objective performance indicators help identify and address barriers to inclusivity, ensuring an ongoing commitment to an inclusive and supportive culture.

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