



Preference for Hybrid Work Challenges Firm Leaders

By Mariana Lemann June 1, 2021

Employee preferences for remote and flexible work are challenging asset management firms to rethink work practices, even as some industry leaders seek to corral workers back into offices.

If industry workers get their say, the home office may be here to stay. Eighty-one percent of the 4,600 investment professionals surveyed by the **CFA Institute** between March and April said they would like to work remotely at least part of the time.

But that doesn't necessarily jibe with the preferences of company leaders, as more asset management firms start recalling workers to office spaces, and some executives dismiss the long-term potential remote work.

Results from CFA's survey point to a disconnect between how managers and other employees evaluate the efficiency of remote work. Fifty-three percent of respondents reported being more efficient working remotely and 80% said they've been either more efficient or as efficient as they were while going to the office.

In contrast, just a third of respondents who manage other workers agreed that their subordinates worked more efficiently away from the office, and about 40% of managers said they were not sure remote work resulted in greater efficiency.

That leaves companies with some issues to resolve as they plan what comes next.

While the asset management industry has remained resilient through the COVID-19 pandemic, it is likely to experience some long-term effects, says **Rebecca Fender**, head of the Future of Finance initiative at the CFA Institute.

In the past, hybrid work would be inconceivable for people in roles such as traders and chief investment officers, CFA's Fender says. "There's a huge shift from what was a culture of exceptions to the rule, and not actively supporting remote and flexible work, to now [it] being very much the standard."

The pandemic continues to accelerate trends that were already in place, urging leaders to be "open-minded about what is going to be a permanent shift," says **Kevin McKeon**, a partner at executive recruiting firm **Ridgeway Partners**, who leads the asset and wealth management practice.

“Very few investment professionals want to work fully remotely and very few want to work fully in the office,” he adds.

The work-from-home situation offered new benefits and gained advocates but heightened concerns about risks to company culture. The challenge before industry leaders is how to combine the best of both worlds – in person and remote work, Fender says.

One approach to guide the process of structuring hybrid work models, Fender suggests, is determining the time needed for uninterrupted work, which can be done remotely, and the time needed for teamwork, which tends to be more efficient with people congregated in offices.

Consistency and clarity will be key to making hybrid models function well, McKeon adds.

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“The inconsistency of when you are in the office and when you are at home makes it more challenging to manage,” he says.

The level of unpredictability of people’s duties in certain functions is another relevant factor in hybrid-work policies.

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“There are some roles where you are very much tied to the unpredictability of markets, or you must be available for key stakeholders,” Fender says. “If you are the CEO, you need to always be available... even in a flexible work environment.”

Some of the biggest industry firms have clearly positioned themselves against remote work.

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Despite operating smoothly with most of its staff working from home, **Goldman Sachs** aims to welcome workers into its offices as soon as possible. CEO **David Solomon** dismissed work norms that have emerged with the pandemic as “an aberration that we’re going to correct as quickly as possible,” at the 2021 **Credit Suisse** Financial Services Forum in February. Goldman Sachs plans to return its staff to its offices this month.

J.P. Morgan opened offices across the country in May, with plans to return its entire U.S. workforce to its offices in early July, at least on a part-time, rotating basis.

Nuveen’s head of Americas institutional services, **Dimitri Stathopoulos**, who was used to being on the road or in the office, was skeptical about the efficiency of remote work across the sales staff he manages when the pandemic hit the U.S.

“I was pleasantly surprised with how well we did [in terms of] fundraising throughout the year [2020],” he told FundFire in May. “That’s really a testament to our team staying very engaged and very focused.”

But while working from home gained many devotees in the industry, Stathopoulos’ says that members of his team have found that remote work impairs their ability to gain new clients and maximize sales.

“Our pipeline growth continues to be strong,” Stathopoulos said. “Yet, everybody personally feels like if they were in-person their pipeline would be even more robust.”

Removing the time spent commuting and the interruptions and distractions that happen in the office tends to increase efficiency for most people, McKeon says. But while most people agree they can work well remotely, “it is to be determined if the system and the entity [are] more efficient,” under the hybrid model, he adds.

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