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It's all about people



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## Teamworking and Investment Performance: Rediscovering the Individual in UK Fund Management Companies

Jim Hunter

The Postgraduate Business Psychology Conference 2008  
University of Westminster

- Introduction - what to expect
- What are fund managers and what do they do?
- Why they use teams:
  - Share information and ideas
  - Lessons from behavioural finance
  - Avoiding 'star' managers (damage limitation/high turnover)
  - Marketing message
- Hypothesis:

**Teamworking and team decisions improve the performance of UK retail fund managers**

- Quantitative, online questionnaire: factual, Likert, ipsative

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- Design & Operationalisation:
  - Benton (2001)/Tjosvold (1991) and Katzenbach & Smith (2003)/Jung (1929)
  - Short Jungian Type Indicator (Quaternity)
- Early difficulties:
  - It's sometimes easier to ask for forgiveness than it is to ask for permission. (in Katzenbach and Smith, 2003)
- Motivation to participate: appropriate incentives, email marketing practices

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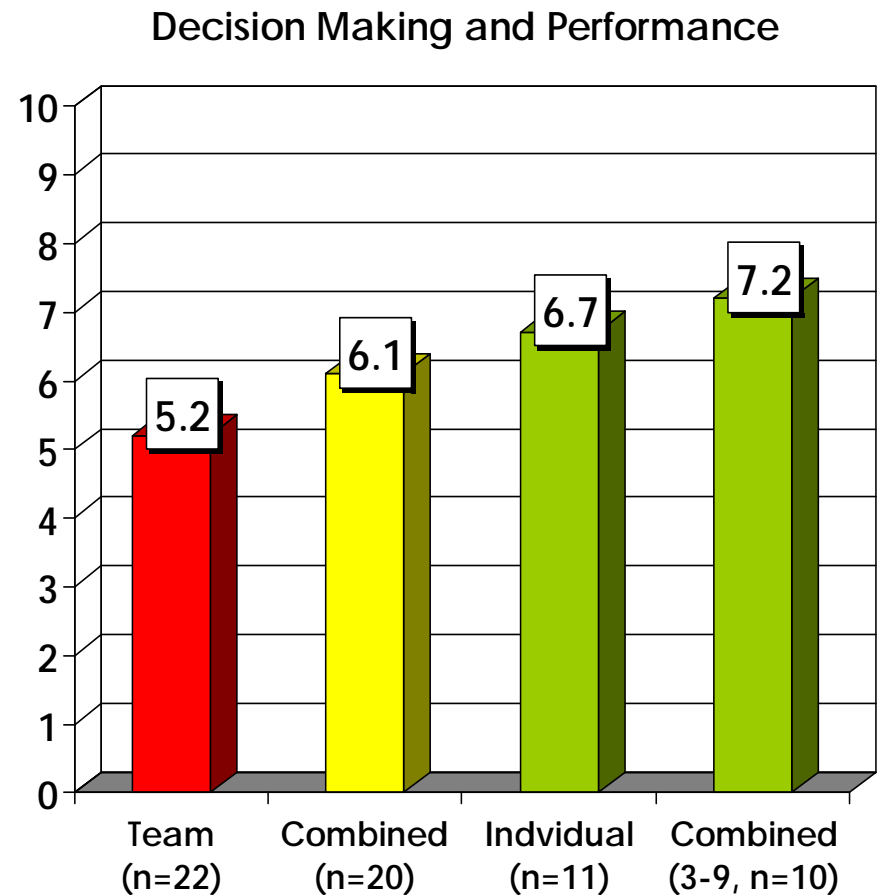
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- The results: 54 fund managers from 27 companies
  - **Team size** and investment performance (-.28\*)
  - **Team size** and sense of control (-.4\*\*)
  - Non-significant correlations: identity, enthusiasm, satisfaction, etc.
  - Too many cooks!
  - Quality of **teamwork**?! No relation...but one person....
  - **Conflict** appeared unimportant to performance; mostly constructive

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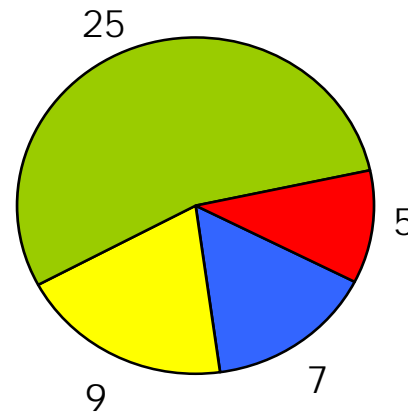
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- Decision making:
  - Teams did poorly
  - Individuals did best but...
  - combined did better when analysed by smaller teams



- Personality
  - Intuitive Thinking (NT) Rationals – wanting to understand their world, keen to be competent, enjoying autonomy
- Participation!

## Fund Managers - Keirsey Temperaments



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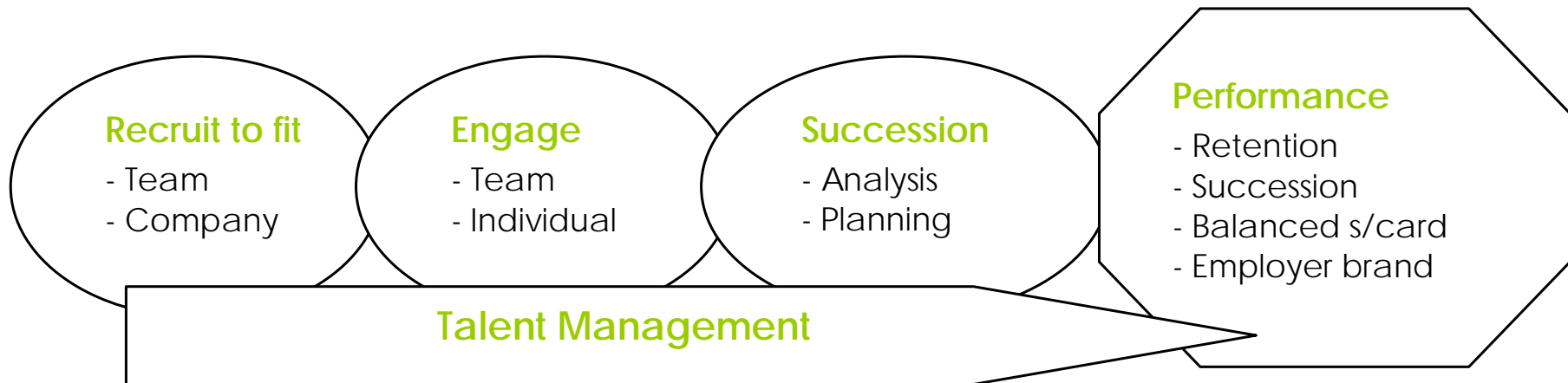
- Conclusions
  - Problems with some aspects of teamworking
  - Hypothesis neither wholly supported or rejected
  - Teams v stars or Katzenbach and Smith's "working group"

Participant: *"Team/individual is not an either or, e.g. we try to get the best out of both, the team shares research and ideas but, in the end, each individual manager is personally (and solely) responsible for the portfolios they manage."*

- The message to fund managers
  - Talent Management (retention, motivation, succession, etc.)

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Team analysis

Team development

Succession Analysis

Role profiles

Motivation

Succession Planning

Coaching

Mentoring

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- Blowing your own trumpet
  - Who is your research for?
  - Specialising in a saturated market
  - The power of PR – make them come to you!
  - Speaking to journalists
  - Google value
- Keep using research!
- Annual Studies
- Build your knowledge and experience
- Become an authority in your specialism



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**Jim Hunter**

**[jim.hunter@teamsight.co.uk](mailto:jim.hunter@teamsight.co.uk)**

**+44 (0) 7939 123 222**

[www.teamsight.co.uk](http://www.teamsight.co.uk)