

VIDEO

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Focus on Funds: Increasing Industry Diversity Benefits Funds and Investors

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Funds are driving innovation by building diverse staff teams that are better able to serve a rapidly diversifying investor base. The September 22, 2017, edition of *Focus on Funds* features strategies and insights from Sonnia Shields, executive director, head of diversity at J.P. Morgan Asset Management.

Transcript

Stephanie Ortvals-Tibbs, ICI director, media relations: The asset management industry has always been committed to getting the best minds in the room. And these days, that looks different than it might have in the past, as the industry pursues new innovative diversity efforts. At ICI's General Membership Meeting, diversity was on the agenda. Afterwards, I learned how we might define diversity these days and what the business case for diversity looks like.

Sonnja Shields, executive director and head of diversity, J.P. Morgan Asset Management: We actually addressed three key things. One of the things that we wanted to do was, first, define diversity. What does diversity mean? Because it means different things in different regions, depending on where you are.

We also wanted to talk about the business case for diversity. There is a solid business case backed by research as to why diversity matters on teams.

Then we wanted to lead the audience with strategies for implementing diversity and inclusion—fostering an inclusive workplace—and specific strategies for driving diversity from a talent perspective.

Ortbals-Tibbs: Let's start by defining diversity. That definition might look a little different than what people think.

Shields: For diversity, we should be thinking about diversity through a couple of different lenses. First, it means something different globally. If you look at the global agenda,

diversity could mean gender, for instance. In Asia, it could be local talent. In Europe, it could be about socioeconomic status. So, it's really to make sure that we are addressing representation in our firms.

I would look at diversity in one lens in terms of the diversity that you're born with and so that's where socioeconomic status comes into play. That's where gender, age, race, ethnicity, physical ability, sexual orientation—all of those things that we think about above the water line, when we typically hear the term diversity.

But we also need to look at diversity through a second lens, and that is through your acquired diversity. That is your language ability, cultural fluency, it could be nonprofit board service—all of those things that you are bringing to the table that really make your firm a dynamic place to work. It's about diversity of thought, perspectives, background.

So, technically, everyone has some diversity to bring to the table. But we cannot dismiss the importance—and this is one of the things that we talked about on the panel—of addressing underrepresented groups in our firms. We have to make sure that we are not working in a homogenous workplace, because our client base is continuing to expand globally. We have to make sure that our talent internally reflects the global talent base that we serve.

Ortbals-Tibbs: That really ties into the business case for diversity.

Shields: Yes, and there is a clear business case. I mentioned before that there is a ton of research out there that shows that diverse teams generate more innovative results. We're all about the bottom line, and making sure that we are coming up with the most innovative products and solutions for our clients. You have to have diversity of thought and perspective in order to do that. In terms of results, it's critical.

Also, if you think about the marketplace and the clients that we serve, it is important—and I mentioned this—to make sure that we have talent up and down our organizations that reflects the marketplace and the clients that we serve. We have to make sure that we have people with different language abilities. We have to make sure that we have talent that understands the cultural marketplaces that we're tapping into. In the US, when we think about the ethnic diversity that is consistently growing, we have to make sure that we are reflecting that diversity as well, because someone has to tap into those marketplaces where the wealth is increasing.

Additional Resources

- [*ICI Viewpoints: Industry Leaders Highlight Opportunities Presented by Industry Change*](#)
- [*Video: Industry Leaders Discuss Diversity in the Asset Management Industry*](#)
- [*Sonnica Shields on Defining Diversity Effectively*](#)

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