

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob: Hello everyone and welcome to another episode of the Future of Work Podcast. My guest today is Amy Philbrook. She is the head of diversity and inclusion at Fidelity Investments. Amy, thank you for joining me.

Amy: So happy to be here. Thanks Jacob.

Jacob: Yes. After a couple of my glitches before we got started, I'm glad... I was getting a little nervous, but I'm glad everything is working out now. So before we get started and jump into some of the fun stuff around diversity and inclusion, why don't you give listeners a little bit of background information about you, how you got involved with all this stuff and what you do at Fidelity Investments.

Amy: Yeah, happy to. So let me start by saying my name is Amy, my pronouns are she, her, and hers. And I am really honored to be having this discussion with you today because I think talking about the Future of Work and talking about the future of vitality and innovation and how businesses really do great work to serve the world is probably one of the best things we could spend our time talking about. I personally have been building my career for the last 24 years. And almost all of that time in the financial services industry. And unique in some respects to today's workforce, I've spent my entire career at one firm, which is Fidelity Investments. When I started right out of college, I was a political science major and I was bound and determined that I was going to be a human rights lawyer and work for the United Nations.

Amy: I had a great experience in college studying conflict and conflict resolution around the worlds. But upon graduating and contemplating law school, I realized there were two things I needed. I needed money to pay for law school and pay my rent. And I needed dental insurance because back in those days you couldn't stay covered on your parent's plan. And I knew how important that was. So I got the opportunity to work for Fidelity Investments. I knew next to nothing about the stock market or investing. It really was a way for me to generate some income and to join a company with a great reputation and good benefits here in Boston. And that's all I knew-

Jacob: What was your first job there when you started, what was your very first job at Fidelity?

Amy: My very first job was to answer customer service phone calls at the end of a 1-800 number. Fidelity was launching a new business at the time in health and insurance

outsourcing. And so they hired eight ladies to sit in the basement of the World Trade Center. There were probably about 300 people answering customer service calls, most of them in the retirement business. And most of them were men. And there were a group of us, eight ladies, all fresh out of college in the corner taking the very first health insurance calls from our first corporate benefits client.

Jacob: Wow. That is awesome that you started off there. And then, what is it, 24 years later you said, now you're the head of diversity and inclusion. So it must have been quite an interesting ride.

Amy: It's been a really great experience. And what I like to say is I've probably had the same variety you would get changing companies five or six times just by changing roles at Fidelity. So I've done, you name it Jacob, I've pretty much done it at this company. I've worked in customer service roles, I've worked in finance, I've worked in risk, I've worked in technology, compliance, marketing, distribution management. Three years ago, I took my very first kind of HR role with the company leading HR and recruiting for our wealth management and investment center business across the country. And then a year and a half ago stepped into leading diversity and inclusion. So I've gotten a really good education on how a big company works all the way from the front end facing the customer to the backend and operations to all the corporate functions that keep the lights on and keep people coming in the doors every day.

Jacob: Why did you stay at Fidelity this long? What is it about the company that made you say, you know what, I see myself having a career here instead of just kind of like, this is a stepping stone and I'll stay here for a couple of months, maybe a couple of years and then move on elsewhere?

Amy: Well, first of all times were different. So when I started my career, it was the mid-1990s and job mobility wasn't quite the same thing as it is today and people tended to have long careers in the same industry and with one or two employers. So first and foremost, it was really not that unusual for the times to think about building a long term career with a single big company. I think as I progressed in my career, I realized that what I cared about was adding skills and experiences to my portfolio. I was never one of those people who knew what she wanted to be when she grew up. And what I would say to you now is there is no role I can think of that's my destination role for the next 10, 15 or 20 years.

Amy: I'm always looking to add new experiences and new relationships to my portfolio. And Fidelity is a company that understands the benefits of mobility and innovation and they really allow you to use the corporation as your classroom as long as you understand what it takes to generate value for our clients and make a smart contribution to the business at the same time.

Jacob: Very cool. And maybe we can talk a little bit more about that in a couple minutes. So that's how you became the head of diversity and inclusion, you've been there for a couple of decades now, which is amazing. And so what are you responsible for? So as the head of diversity and inclusion, what does that mean you have to do for Fidelity Investments?

Amy: I have to help Fidelity make smart decisions about how we invest our time and our energy and resources to ensure that we're taking 100% advantage of the talent available to us both on the marketplace in terms of who we could hire and internally within our workforce. Are we creating an environment where we're tapping into the best that every employee has to offer in service to our customers and our shareholders? So when I think about what is the work I do, I help make sound investment decisions when it comes to our human capital resources. And I help the business do really smart process engineering to make sure that the way that we're running the business gets us the outcomes we want. And those outcomes are the best thinking of the differences that come from having a lot of different people in your workforce.

Jacob: Is this a pretty new role at Fidelity or is this been a role that's been there for a while?

Amy: So we've had a head of diversity and inclusion for about a decade. And I was very fortunate to take the roll over from my predecessor who had been in place almost since the beginning when Fidelity created this role in the early 2000s. So in some respects, we have a longstanding commitment to diversity and inclusion. And we've always had this office and this person in the role doing what I'm doing now. I'd say a lot has changed in the environment, both in the outside world as well as in the financial services industry, really across every industry. When you think about how technology has disrupted almost every industry and the way people think about the very concept of work itself, this job has changed a lot, but it's not a new role for the company.

Jacob: Very cool. Okay. So we talked a little bit about kind of what you're responsible for on a macro level, but how does that translate into kind of what you do on a day-to-day? So how do you actually make sure that Fidelity is embracing these differences, physical diversity, cognitive diversity, what does that actually mean and how do you do it?

Amy: I'll set a little context and I'll share something with you that surprises a lot of people. We're a fairly large multinational corporation based in the US. We have close to 50,000 employees, but I lead a team of five people. And sometimes I get the question, how does five people possibly scale across 50,000-

Jacob: I was just going to ask you that.

Amy: And that's a whole location.

Jacob: I was just going to ask you that.

Amy: Yeah, that's actually a strategic decision. It's really you're leveraging scarcity as a strategic advantage. So my job is not to run the diversity programs of the company or to make sure that our business practices are as inclusive as they can be. My job is to make sure that the business leaders, the people that actually own the P&Ls of our business, make the decisions about who to hire, who to fire, who to promote, how to pay people to make sure that they have responsibility, education, and ownership over all of those processes, policies, and decisions. So if I had a large team, people would have a place to

point to and say, she's going to fix these problems or she's responsible for progress with diversity and inclusion.

Amy: Having a small team allows me to stay on message, be a very clear voice for the company that's setting direction in terms of these topics, but put all of the responsibility for action on the business leaders themselves. It's very important I think for us in our company that diversity and inclusion not be seen as the HR department's job but to be seen as a day-to-day responsibility of every business leader at the company. And staying small and my group is one way to accomplish that.

Jacob: Okay. So you work directly with the leaders of Fidelity Investments?

Amy: Yes.

Jacob: Okay. So when you say work with the leaders, maybe you can give us a little bit of insight around what that means. I mean, are you having calls with them on a regular basis? Are you offering training for these leaders? What does working with them actually entail?

Amy: So the first thing is I'm responsible for working with our people analytics function and making sure our leaders have transparency into the demographics of our workforce and the trends. Both trends in our favor and headwinds that we're facing, whether it's internally or in the labor market. So I sit around the senior executive table and we have a lot of conversations about data. Data is the foundation for every decision you make in corporate America, and human decisions are no different. So working with the leaders in one sense means doing heavy lifting on people analytics and data analysis and then sitting down with the leadership team and putting that data on the table in a way that they can understand. And that motivates them to take action.

Amy: The second thing I do is I do an awful lot of process reviews. It's so unsexy or unfun sometimes to talk about. When you talk about diversity, people want to hear about how are you engaging with the historically black colleges and universities? And what does your recruiting campaign sound like? And all of that stuff is really important, but when I have time with our executives, I'm literally looking at things like how do you run your staff meeting? When you do your annual talent or review, how are you generating the list and deciding who you're talking about first versus who you're talking about at number 50 spot on list. It's looking at every aspect of process that underlies their business and saying where are these processes engineered for inclusion and where are there gaps or opportunities to take bias out of the system?

Jacob: So I have a couple of questions on that, but I realized that before I jump into the questions, we should probably even start with very high level around explaining what diversity is and what inclusion is and how they're different if they're different. So how would you define or explain those two things?

Amy: In the simplest terms, I would say diversity is the presence of differences and inclusion is a leveraging those differences to create value. So they are different things. You can have

one without the other. In fact, it's pretty easy to generate inclusion when your business or your group is fairly homogeneous. Everyone feels comfortable putting their thoughts on the table, you tend to not get a whole lot of innovation. But people can feel very included. You can have diversity that doesn't produce the magic of innovation and best in class experiences if you're in an environment that's not inclusive and those differences don't really matter and aren't really put front and center in your product development and your innovation cycle. So there are two different things. They can both exist without the other, but I don't think you get the benefit of the business case that's been kicking around for the last couple of decades unless you have them both combined.

Jacob: You mentioned people analytics and data, and I had a couple of conversations around that on the podcast over the years. And it's a huge theme as you know, and it's only growing and becoming more important and more prevalent in the business world. So can you talk a little bit about people analytics at Fidelity Investments? Do you have a big team? What sort of data are you actually looking at when you make your decisions? What are you collecting? How does that entire function work and what are you looking at?

Amy: Yeah, happy to explain that. I want to make sure I'm clear. Our people analytics team is a separate function within our enterprise HR group. So I am a client of our people analytics department. That's how I think of my relationship with them. I contract with them to give me what I need. So what I can speak to is leading our diversity and inclusion work, what's the data that's important to me? But I can assure you that we do have sophisticated people, data analytics capability that we've built in-house. And then there's a huge market for people analytics, technology and software out there that we're actively engaged with as well.

Amy: I think this is a really interesting part of the technology fields. And I love when corporate people analytics comes together with ed tech, education technology, med tech and medical technology. And then this emerging field of inclusion technologies, it's a really interesting area right now. I'm not an expert on data analytics, but I am well versed in what does a diversity and inclusion leader want to look at and care about, and how does data help inform making decisions and strategy on my end? Fair?

Jacob: Yeah. Fair enough. No, I love that relationship that you described that you're a client of the people analytics team. And a quick side question to that, can anybody inside of Fidelity Investments be a client of the people analytics team? I mean, if I'm running, I don't know, a marketing team or a customer service team, does anybody have that ability to just go to the people analytics team and say, hey, I need some help with some stuff?

Amy: In theory, yes. I mean, we don't have unlimited resources like every business, there is a prioritization process. People analytics team and HR is one example of our people analytics capability. We have a very robust and deep data analytics and customer analytics capability that resides in our institutional and our retail businesses. So data analytics really drives, I would say, the fundamental decision making of the firm. So

there's broad access to getting the analytical capabilities that you need to make good business decisions.

Jacob: Okay. Okay. Got it. So what is the data that you look at? So when you reach out to the people analytics team, what are you requesting from them?

Amy: I'll start with stuff that's pretty common sense and basic. I think anybody in my role would probably reel off the same list of data attributes. So when it comes to our hiring practices, I'm looking at what we would call the hiring funnel. So who are we attracting as applicants in the different geographies for the different skillsets and markets that we're tapping into? How does that translate into who we're interviewing? And then how does that translate into who we're hiring? So we track all the analytics through every step of the hiring process to see are we attracting a broad set of talent? Do we have equity in our screening processes? And then are we building a more diverse workplace as we extend offers and make the hires that we're hiring? And we do that both externally and internally. So if you think of your internal employee base as an internal job market, the same analytics apply.

Amy: Who's raising their hands for roles, how are they moving through the process, and what does that mean for how people are advancing along the leadership pipeline? So traditional hiring statistics can tell you a lot about your company's behaviors and how they're building teams. The second thing we look at is retention. So you need to have the right people in the boat. You need to keep those people on the boat. We look at retention by demographic, we look at retention by geography, business unit, tenure. And what we look for is we look for trends. So where are we losing people? What kind of people are we losing, and what can we learn about root cause as to why? And I'll give you an example there because I think stories always help bring this to life.

Jacob: Yeah. I was actually just going to ask you if you had any examples of like how or any insights that you learned from the data that you were kind of like, "Whoa, that's pretty cool, we didn't know that."

Amy: Yeah. Yeah. So one thing we track really closely is the different experiences we have across our different genders. And all companies in financial services are laser like focused on recruiting more women into the industry for a bunch of different reasons that we can go into later. So my team was looking at, well, how are we doing with retention of women? Whether we're bringing them in as part of our technology core or as financial advisers. Are we at successful helping women grow their careers, and do they commit to stay for the long term compared to their male colleagues? And we were really pleased to see the trend there going in a positive direction and be able to state that on the whole, our retention of women is as good as that of men. And retention across both broad segments of the population is really positive and in a really healthy zone.

Amy: But when you broke it apart by tenure, you see some interesting differences. And one interesting difference we saw was it was more challenging for us to retain women in their very first year at the firm no matter what experience level we hired them in at, what type of role we hired them in. We were more at risk if we were going to lose a new

employee within their first year, we were more at risk of losing a woman than a man. That's the kind of insight that you're looking for. It's hardly ever apparent at the macro level where your opportunities are. But when you start getting really specific and saying, what about this, what about that? So we learned from looking at attrition that we would be more at risk of losing a woman than a man in their first 12 months.

Amy: That caused us to dig for root cause to say, why is that? We did a lot of analysis, a lot of empathy interviewing, a lot of human centered design research. And we found out that we needed to redesign our employee onboarding process, the entire first 12 months, both the digital and the human experience. And we ended up designing it through the design persona or the target of a female new hire in order to address some unique needs that women were presenting to us in their first year that men weren't. But then we did the back testing to say, if we change this experience, does it work better for women? I.e., are we retaining more of them in their first year than we did before? And how is that impacting our ability to retain men? So you end up designing an experience that's positive for both, but you really narrow in your design target by getting deep into your data trends.

Jacob: So what was the problem? I'm very curious now, why is it that women were leaving after the or within the 12-month period? And what changes did you make, and did you see an impact afterwards?

Amy: Yeah, great question. And let me just clarify. We didn't have a problem where we were seeing streams of women exiting the door. But when we were comparing retention rates of women versus men by tenure, we saw a higher uptake of women than men leaving in that first year. So while we didn't feel like we had a significant challenge with retention in the first year, we did see that there was a difference between men and women. And differences are where you get curious. And exploring differences is where it comes to, where innovation tends to come to the service and create a great solution. So a couple of things we learned, and they're probably common sense. We wanted to do our homework based on the data, we're a data driven decision making company. But some of it, you could have intuited.

Amy: When women come in to a new job, they tend to focus first and foremost on making sure that they're 100% proficient at everything in the scope of that role. And that means putting your head down, studying your craft, getting your work done and going beyond. We found that the men that we hired had a more natural tendency to balance building proficiency at the job and building a network. And in an industry and in an organization where there are still more men represented in the workplace than women, that's a little bit easier to do and might come a little bit more naturally. So one of the things that we changed was for everybody that we hire in the first year, we're not always able to hiring cohorts, groups of people all onboarded together as a class. Especially when you get into your more experienced hires, you're tending to hire a person here, a person there for a very specific role.

Amy: It's important to create a network for that person to be connected with before their first day on campus at the company. So we changed a lot about our pre hire experience and making sure that even for our most senior hires, man or a woman, that they're

automatically connected to a network of people that have accountability for making sure that they onboard smoothly and successfully and making sure that that network extended beyond their primary job responsibility or the department that they were being hired into. That-

Jacob: That's super cool. I don't think that's intuitive at all. Maybe I'm just naïve. I mean, it makes sense after you explain it. If I were building, for example, an onboarding program, I wouldn't automatically jump to like, okay, let's make sure everybody has a network. So yeah, I mean, I think a lot of people listening to this, I don't know how many of them would jump to that. But it does make sense after you explain it why it's important. And it's really cool that you saw those differences. So it sounds like men were being more active at building that network and women were more focused on just making sure that they understand their job, their tasks, the project more effectively. But they didn't focus on building that network.

Amy: Not as quickly as men tended to do.

Jacob: Got it. Did you learn that from interviews or how do you even figure that out?

Amy: Yeah, that really did come out in the interviewing that we did. So we interviewed men, women, we interviewed managers for what their observations were. We were also able to analyze social networks on the company platforms. So how many people are you connected to in Skype by your first 90 days into the job? And are there differences there? Have you engaged in the employee resource groups or what on campus events have you attended or industry events have you attended with other colleagues? So yes, you can get the information and the insights through interviewing. And I think it's always important to get the real experience and the real story in real people's words. But again, I can't stress enough, there's so much you can learn from data. And you can really paint a picture of what somebody's internal network looks like by seeing who they're connected to digitally across your company social networking capabilities.

Jacob: Yeah, that's super cool. I mean, maybe I'm just a little nerdy and geeky. The fact that you're able to get these insights and figure that stuff out, I think is pretty bad ass. So hopefully people listening will be able to get some ideas and insights that they can bring in. You figure that out, you made these changes. I can't remember, I don't think we actually talked about what those changes were. So you encouraged kind of this network building for both men and women. And so what did that look like? Was it just kind of like, here's some people to connect with, here's a buddy for you to team up with.

Amy: So we're in the process of building it now, and it's actually a little bit personalized based on experience level, location and type of work that you're doing. So one of the things we learned was for new college hires, people just graduating and entering the workforce, a good amount of them are hired in cohorts. So we were kind of thinking like, oh, well, there's a natural network there hiring a class of trade operations specialists and bringing in 20 of them. They all just graduated from schools, they're in a six-week training boot camp together. Boom, natural network. And what we learned from working with that demographic within our population was that network tends to fall away after a couple of months and you see your women's ability to build a network lagging behind again. So



now what we do with our new college hires is we don't just rely on the training cohort that they're hired in as part of. We actually connect the cohorts to each other and we create a regional geographic network that will be in place throughout the entire first year regardless of when that training cohort falls away.

Amy: So that's one example. Another example, this is such a small thing, I never would have thought of it. But we actually now send a welcome bag to new hires that we're bringing in at a senior level. Every company has their swag, you've got t-shirts, you've got your water bottle with the company logo on it. Well, we didn't realize that even for a very senior person to receive something at their home with a handwritten note from their new leadership team welcoming them with some company swag in the bag actually sends a really powerful signal that people are anticipating their arrival and are excited for them to come and anoints them as a brand ambassador before their very first day on the job.

Amy: So two extremes there, right? One of them is a very programmatic kind of cohort network planning. Another one is as simple as put the coffee mug in a box and write a note and get it to their house before they start. So when they walk in the first day, they have something that says they're part of Fidelity to put on that desk and something to wear around their neighborhood when they're talking about being excited about their new job.

Jacob: For that second piece of the swag, the welcome box, did you have data on that too? Did you do interviews with business leaders and say, hey, do you care about this, did it make a difference? Or did you see some kind of something in the numbers?

Amy: When we started interviewing senior people that we had recently hired, what we learned was some people had managers that were intuitively doing this on their own. And those people were talking about the welcome box and what it meant to them. And other people were not talking about it, didn't have managers that either had the time or the capability or the thoughtfulness to organize that and get it done. And so this wasn't a really data driven strategic decision, but it was noticing like, wow, the people that had that experience, they really talked about it and it really signaled something to them about the type of team that they were joining. And there's a lot of goodness there for low dollar spent. I mean, you want to find these efforts that are really low investment, low effort, that have a big emotional payoff. Sometimes when you're working in inclusion, it's that emotional payoff that you're looking for more so than a measurable process outcome. And this was an example where through storytelling we found a low effort, low cost investment that had a high emotional payoff.

Jacob: I always talk about that as moments that matter or moments of impact. And then that seems at least for your leaders, it's a big moment that matters for them. It's right when they're about to get started working at Fidelity Investments and just that small little touch has a big impact. And I love that you have the data from these leaders that actually supports that. When you made changes to your onboarding process, have you already collected data on that? Are you already seeing changes as far as men and women over the 12-month period?

Amy: So it's too soon to tell, we're really still in design stages of many parts of the program changes. But the good news is going in on the front end, we know what our measurement target is. So you're looking at retention rate within that first year and then you're looking at the velocity of career progression for the first five years. We had another program a couple of years ago where we looked at redesigning the recruiting and hiring practice for our call centers. So going all the way back to 24 years ago when I was hired to shag phone calls at the end of the 1-800 line, call centers for anybody that works in call centers you know two things. You know they're the lifeblood of your organization because it's where the most human customer contact happens, right? Most of it is digital nowadays, but where you're going to have human to human contact, 90% plus of that is going to happen in your call centers.

Amy: And the second thing you know is those are high burnout, high turnover parts of an organization. So you spend an awful lot of money bringing in talent, training them up, they own an extremely critical touch point with your customers. And it's really hard to keep them enrolled just due to the nature of the job. So when we redesigned our recruiting and hiring process for the call centers, we didn't have a goal focused on skill of higher, number of applicants. We had a goal of 13 months retention enroll. So all of the changes we were making were on the job advertising, the application process, and the interview process.

Amy: But the success metric for that project and that work was, are these people still enrolled past the 13 month mark? Because the real payoff for your investment is building retention and career longevity in that great theater pool of talent for the organization and that critical touch point with your customer. So I think it always pays to say, what problem are we really trying to solve? And while the work you're doing to solve that problem might happen in one part of your practice, your goal should always be focused on the ultimate outcome.

Jacob: How long does it take? Well, maybe let's start with the example that you gave, how long did it take to identify the difference between men and women in the first 12 months? Well, first, how did you even find that difference? Was it just kind of you're approving the data and came across it? And after you identify that, how long did it take to actually come up with a new programs implemented? What's kind of the length of the process?

Amy: I'm going to say that that depends on the challenge that you're solving. But let me start with your question around how did you find that? It's going to be an awfully a long process, and you're going to need a heck of a lot of luck if you simply sit in front of your people analytics dashboard and just try to wade through it and see if something interesting pops out at you. So one skill that I'm trying to build personally for myself is the ability to ask strategic questions. So before I even sit down, we're getting ready to run our next quarter refresh of our demographic data. And before I even sit down and look at that data, I need to spend enough time getting input from people that are way smarter than I am saying, what are the questions we should be asking right now?

Amy: Where's our business headed? How are things changing around us? What's the state of the consumer market today? And what questions about our workforce does that lead us to ask? What should I be asking? Then you sit down with your strategic question agenda

and you sit down with your people analytics consultants and you say, okay, what are the answers to these questions based on the data? And typically your first run in that leads to the next set of strategic questions and the next set of strategic questions. So your data analysis, some aspects of it can be really quick. There are certain questions you want to ask day in and day out, what does representation look like in our workforce overall, how do we compare against what we know about the talent markets and the areas where we're doing our hiring? Those should be quick, easy, repeatable, automated processes where that data is always at your fingertips when you need it.

Amy: But to really find an opportunity and make a decision about where you're going to invest your resources, you have to I think have a really strategic agenda. And what's more important than finding the right data is starting with the right questions. And frankly, that's a skill that I'm working hard to try to develop. So in the example of the first year attrition, the first natural question was, do we have any attrition hotspots? Are we losing people at certain places along their career journey? And one of the angles we looked at was tenure. And it was, well, do we tend to lose people after a certain amount of time and could that be a career reinvigoration opportunity? Do we lose people at retirement age? And therefore we're losing them at the right point and where we want to lose them.

Amy: One question we needed to ask was, most of our money and talent is spent on recruiting and getting the right people in the door. The last thing you want is to waste that money. And so what would be the biggest possible waste of talent recruiting dollars? It would be to lose somebody within the first year? Well, is that happening? And our first answer on that was no, we've got an excellent retention rate in year one. But then fortunately we were curious to say, well, is that true across the board? Or where is that not true? And that's a question that I have found is super useful, and I think it's probably useful in any type of analytics is you ask a question, you get an answer and then you ask yourself, where might this answer not be true? That's become one of my latest killer questions, I'm asking it repeatedly now about everything because that's where I'm finding it leads you to some really interesting opportunities.

Jacob: I like it. Where might this answer not be true? Yeah, I mean that's something that you can apply not just in analytics, but just kind of a good strategic question to ask yourself and see what you can find. Is diversity and inclusion everyone's job? I mean, if you're not a leader or a manager or somebody that's in diversity inclusion at a company, I mean, you guys have 50,000 plus employees. So for people that are in finance, in sales and marketing, maybe they're entry level or individual contributors, why should they care about diversity and inclusion?

Amy: Well, the first thing I would challenge is your question about if somebody is not a leader. I think anybody that chooses to exercise their power to come to work for a shift is a leader. I mean, they're exercising their power by making a decision about what direction they're going to lead themselves in. And I think they have an obligation to think of themselves as a leader. Everybody is the leader and the CEO of their own career. If you think about the fact that your biggest competitive advantage are those things that make you unique, then of course you care about diversity and inclusion because you want to put yourself in a position where you can put that uniqueness front and center. And that

might mean contributing to the behaviors of those around you so that it's a place that's comfortable for you and others to do that.

Jacob: What's the benefit of, I guess, surrounding yourself with a diverse and inclusive team? So, for example, let's say I worked at Fidelity Investments, maybe I'm on the marketing team. And I got put on a team of 10 other people and it's a bunch of just white guys in suits or something like that. Why should I as an employee who's a part of that team say, "Hey, wait a minute, we've got to mix this team up a little bit. We need people with different backgrounds, people with different cognitive diversity, physical diversity. This is not a good team for us"? Why should somebody like that speak up if they're not a part of a diverse or inclusive team, or should they speak up?

Amy: Yeah. Because what do people get paid to do in business today? They get paid to come up with great ideas and put those great ideas into action in a way that's received by your customers and your customers perceive enough value in it that they'll pay you for it, right? Whether you work in marketing, whether you work in finance, the bottom line is your company makes money by differentiating themselves in a way that the marketplace values enough to pay for. Well, if you are sitting on a team of all the same kind of people, you are all, I don't know, college lacrosse players who went to school in the mid Atlantic and graduated in the early 2000s, you're at a competitive disadvantage for differentiation.

Amy: And I think anybody who studied economics or a general business class in school these days has learned that. And certainly the business case around diversity and inclusion, which has been around for more than a decade and scientifically tested, I think six ways of Sunday proves that you have better innovation outcomes when you have more diverse perspectives in the room. So if I'm sitting on a team of all middle aged white women who grew up in financial services firms for their whole career and I understand that we all are more successful when we differentiate value for our customers, I'm going to have an objection to the composition of the team that I'm sitting on. And I'm going to look to add some different people to that team so that we can all benefit together.

Jacob: Is there a right way to speak up or say something? So let's say you were a part of that kind of a team and you weren't a leader, you were maybe an entry level employee, an individual contributor. What's the right way to speak up and make other people aware that that team needs more diversity and inclusion and different groups of people? I mean, who do you talk to about it, and how do you even bring it up?

Amy: So I don't think there's necessarily a wrong way to do it. I mean, there's a difference between really being gritty and digging down into the success of your business and being a jerk. And we don't want anybody to ever be a jerk, but that applies to any conversation or topic that you're bringing up. What I would say is one great strategy is to ask questions, who might be missing from this mix? What ideas are we leaving on the table or missing out on because we don't necessarily have the range of perspectives on this topic that we maybe could have if we brought more differences into the room? So a safe place to start and how I coach people who are looking to be brave on this topic is ask some brief questions and make the questions about the value you're generating for the customer versus the people or the personalities or the attributes of the team.

Amy: So always focus on the customer and the value you're trying to create for them and ask yourself where could we potentially get a broader set of perspectives that might lead us to generate an extra piece of value? And who's missing from the mix or what's missing from our mix is a great way to ask that question. The second thing I would say is there's not a lot that you need to learn from a diversity and inclusion expert to learn about diversity and inclusion. I joke that I have 24 years of career experience. I've learned the industry and our business and Fidelity really well. But most of what I've learned about diversity and inclusions come from listening to podcasts and reading channels like yours, reading the newspaper, reaching out to other people across my company and other companies and asking what they think and what they know.

Amy: And then a couple of quick Google searches on things like best practices for diversity is going to give you a wealth of information. So educate yourself first before you champion a cause is always a good idea. And people tend to overestimate or think they need to take a class or they need to hire a diversity specialist. You don't, the whole world is talking about this topic. And frankly, the solutions to diversity and inclusion aren't rocket science. I would guess that almost every professional in the workforce today could come up with at least one thing a person, a team or a company could do different to make progress on the behaviors of the company and how they operate.

Jacob: No excuses. People listening, no excuses. You mentioned that you coach people on, you mentioned the word brave, which I thought was interesting. Because I do think you have to be a little bit brave and courageous to actually speak up. I think part of the problem is that a lot of people are a part of these non diverse teams and they don't say anything about it. They just kind of go with the flow. And I suppose it is a little bit of bravery that's required to take a stand and say, "Hey, you know what, maybe we should mix this team up a little bit," or, "I think we could do better as a team if maybe we get some different perspectives in there." I'm glad you brought that up. Earlier you mentioned trends and headwinds, are you able to share any of the trends that you're paying attention to or any of the headwinds that you're seeing?

Amy: Yeah, absolutely. I think everybody needs to pay attention to the changing demographics in the workforce. I mean, for the last couple of years, all we've talked about are millennials. The oldest millennials I think are pushing age 40 now. One of the trends that I pay attention to is when did this generation with totally different ideas about work and career and education start attaining management positions in mass? And I think the year that that happened was 2015. So I think it's important to pay attention to a trend like that because I hear a lot of people of my generation say, "Well, yeah, your diversity job won't even need to exist 10 years from now because the millennials will take over and they've just been raised to think about diversity differently." Well, if you step back and say our oldest millennials are pushing 40 and they've attained leadership positions in critical mass since 2015 and I don't really feel the need for a voice like mine going away anytime soon.

Amy: You kind of understand how to not misread a trend or make false assumptions. When you look at generation Z and you look at how many of them will grow up in dual income, multicultural, single parent families. When you look at how they will attain education and the rise of professional certification versus traditional four-year degrees, when you

look at the tendency for people participating in the workforce to be more likely to identify as LGBTQ+ than people not participating in the workforce and how participation or identification in that community changes down the generations. I don't think any business leader in any part of their business can afford to not pay attention to those trends. They're fundamentally instructive not only about the people that will make your company run, but about the consumers that your company is trying to produce a value for.

Amy: So those are definitely trends. When I talk about headwinds, it's things like what do college graduation rates look like? What does income inequality look like, and how is that going to impact my ability to tap into a broader range of talent in the labor pool if I continue to think about jobs and job requirements and job descriptions the same way that I've always done? I think it's really important for business leaders to be in touch with the educational community and not just universities and higher ed, but high schools as well. The corporation has a role in the public classroom. I don't know exactly what that is yet, but it's something that I'm paying a lot of attention to and starting a lot of conversations about. And I think income inequality and failing school systems are a headwind that's going to have a major impact on corporations in this country, and we should be paying attention to that.

Jacob: Yeah, those are all I think important to trends and headwinds. One of the things that we didn't talk about, which I think is also very important is diversity and inclusion and the role that leaders play in all of this. So how do you get leaders to care? I mean, do you tie this back to their bonuses or their compensation somehow? Or how do you get a leader to genuinely say, you know what, I'm going to make sure that every team that I'm putting together is going to be diverse and that all the teams are inclusive and everyone feels like they belong there? How do you get a leader to step up and want to do that?

Amy: That question is so frustrating for me. And if I had the perfect answer, you wouldn't need people in my job at any company for much longer. Let me tell you why it's frustrating. So having diverse workforces all fully engaged is absolutely recognized, proven, and tested as a strategy to generate innovation, which leads to enhanced profitability. We also know in the social dynamic that we're operating in and the Me Too movement and Black Lives Matter that not having a diverse and engaged workforce poses tremendous risk. Whether it's litigation risk, whether it becomes regulatory risk in the future. So let me ask you this, what other aspect of business that is proven to improve profitability and revenue and innovation and is proven to be an escalating risk if left unaddressed do we have to convince leaders to care about and pay attention to?

Jacob: You got me on that one.

Amy: Tying it to compensation, I'm a big believer that people pay attention to what they get paid to do. I don't think that works perfectly in every culture, and I think you need to be really careful. That's not a blunt instrument to wield, but certainly compensation incentives are always effective. But I think the conversation, I think more people need to be asking that question that I just asked you. And the fact that we can't come up with an answer for it is pretty telling in and of itself. So I'll be frank when I talked to our leaders,

I try not to use the words diversity and inclusion. I talk about the word behaviors, I talk about the word process, and I talk about business outcomes and profitability.

Amy: And the best question that I can ask a business leader is, are you maximizing 100% of the resources available to you on the external talent market and in your internal workforce? And if they don't know the answer to that question, then we put the data and analytics in front of them about diversity and inclusion that paint that picture and show them where they're leaving opportunity and talent on the table. And that tends to change the dynamic around these conversations versus trying to win over their hearts and minds to get them to care about something that's so fundamentally part of their balance sheet.

Jacob: I like it. So you don't even actually mentioned diversity inclusion to them. You talk, I suppose in terms of the business, something that they would genuinely understand and be comfortable with?

Amy: Yeah. I won't say the DNI words never creep into my vocabulary, but I'm going to be wildly successful in my own eyes if I can stop talking about diversity and inclusion and start talking about resource utilization.

Jacob: Is that because you think that a lot of the leaders if you mentioned diversity and inclusion, they kind of get a little worried or confused, or why not bring up that word to them?

Amy: I think it comes with baggage that creates barriers that waste time and energy trying to get over them.

Jacob: It's interesting. I mean, that could potentially be some good advice for people that are listening that are wanting to drive these efforts instead of actually using that phrase in those words, just talk in terms of business and productivity and outcomes and teams and stuff like that that people might be able to understand.

Amy: Yeah, yeah, I think so.

Jacob: For leaders, I mean it sounds like so far at Fidelity you guys have been doing a pretty good job of embracing this concept. Leaders have been practicing this, which is great. But why do you think so many other organizations and even the leaders who work there, why have they been struggling so much with this? Why don't we have every company out there that has diverse and inclusive teams? Why is this such a tough thing for us to get right?

Amy: Yeah. Oh gosh, I wish I knew the answer to that question. I think that's as good a question as the one that I asked you a few minutes ago. And I'll say, at Fidelity we're very focused on this and committed and we're taking this approach about behaviors and process. But by no means do we have this solved either. All of your podcast, I'm mining them for great information from other leaders and colleagues out there because we can't get enough help and support for each other on this mission. I don't know why this

is so hard. What I can say is if you think about diversity and inclusion and if you think about majority minority and lack of equity, this spans centuries of human kind. And corporate diversity and inclusion is on a much broader spectrum of human history and world dynamics.

Amy: And so if you look to the far end of that spectrum to the most egregious atrocities of inequality, they pale in comparison to what we're trying to achieve in corporate America. But I think that's part of the problem. I think this sense of this weight of history and the weight of the world when it comes to true equity, it underlies this whole discussion. That's part of why I say the words diversity and inclusion and even the word equity have so much baggage with them that it takes them out of the realm of your typical business challenge. This isn't about innovating a product, this isn't about disrupting manufacturing with digitization or worrying about where artificial intelligence is going to go. This is about carrying the weight of human history and real suffering. And it's really hard to shake that and get focused on something as concrete and practical and frankly as easy to change as business decisions.

Amy: That's one thing. The second thing I'll say is the businesses that are really wrestling with this are wildly successful businesses that have been around for decades and have decades of behavior patterns that had been reinforced with tremendous success. And what is the hardest, scariest, most bravest thing that you can do? It's to challenge what's working. That expression, don't fix it if it ain't broken. That holds true with relevance for a lot of things, it simply doesn't hold true here. And it's hard to go against that norm.

Jacob: Yeah. Challenging the status quo, totally agree. Well, we only have a couple of minutes left. So I thought it'd be fun to ask you just a couple rapid fire questions about yourself. So first one for you is what has been your greatest business failure?

Amy: Oh, I've had two jobs in my history of a long and winding career at Fidelity where I only lasted six months. One of them required really strategic, sophisticated thinking but without the backup of tactical execution. I won't tell you what role it was, but it was a unique combination of skills. I thought I had all of them, I was missing a key one. And within six months, it was a total disaster and it was clear to both me and my boss that I needed to move on.

Jacob: Hey, it happens. You learn from experimenting and from trying those things out. What has been your most embarrassing moment?

Amy: I got fired from my very first professional job ever. I was a fry cook at McDonalds, I only lasted two weeks, and I got fired for total incompetence.

Jacob: Oh my God Are you able to share what you did that got you fired?

Amy: The third time my hat went into the deep fryer and ruined the batch of fries. That was it, my shift supervisor I had had enough.



Jacob: Your hat with the deep fryer. Oh man, that's hilarious. All right, that's a good one. What are you most proud of?

Amy: As a person, I'm most proud of the children that I'm raising with my husband. I have a son and a daughter, 18 and 15, they are true citizens of the world. They are innovators, they are total super nerds like me. And I couldn't be more proud that I'm bringing people into this planet who care deeply about making it a better place.

Jacob: That's very good. What has been the hardest business decision you've ever had to make?

Amy: Every time I have to change a strategic direction and it affects the people on my team and causes us to have to part ways, it's a hard decision. Decisions that impact people's lives and our livelihoods and their ability to go home and support their families are never easy and they're always the hardest.

Jacob: Yup, yup. Totally agree. What has been, or what is your either favorite business or non-business book?

Amy: Oh, that's such a good question. Oh my gosh, I loved *The Kite Runner*. I've actually read that several times. There's an author that I'm loving right now, Glennon Doyle Melton. She's written two books, *Love Warrior* and *Carry On Warrior*. Those are kind of autobiographical books that really struck a chord with me and stuck with me. And I just finished reading *Bad Blood*, the expose of Theranos and the whole debacle there.

Jacob: Oh, I saw that documentary. It was very interesting.

Amy: Yeah. Journalistic research, that's something I read recently. Honestly, I can't tell you what my favorite book is because if you went into my house you would see walls and walls of books. And I'm typically reading five or six things at one time across the entire genre spectrum.

Jacob: Oh wow, that's a lot of reading.

Amy: Super nerd.

Jacob: Who's been the best mentor you've ever had? And you don't need to give a name if you don't want to, but maybe just what did they do?

Amy: The best mentor that I have calls me on my bullshit. I can tend to get so enamored of my own agenda and so committed to what I think is right. And this person can stop me cold in my tracks with a couple of well placed questions and make me realize that I'm not all that in a bag of chips and I need to come back down to earth and ask for help and involve more people.

Jacob: I love it. And last question for you before we wrap up, if you were doing a different career, what do you think you would have ended up doing?

Amy: I would love to have run for president.

Jacob: Wow. Okay. I think you're the first podcast guest I've ever had that said they would love to run for president.

Amy: Yes, I would love to run for office.

Jacob: Hey, it's not too late.

Amy: You never know.

Jacob: You do never know. Well, to wrap up, maybe you can just give people one piece of advice. If they want to bring diversity and inclusion into their organizations, where do you recommend they get started? What should they be doing right after they finish listening to this podcast?

Amy: I think they should pick one behavior. And I say behavior very specifically because at the end of the day, this isn't about big words like culture, this isn't about fancy things like programs, this is about behaviors. Pick one behavior where you have the opportunity repeatedly to bring different people to the table and build that habit. Take it as seriously or way more seriously than you take your New Year's resolutions and build the habit to bring difference to your table.

Jacob: I love it. Simple and practical. Well, where can people go to learn more about you or connect with you or learn about Fidelity Investments? Anything that you want to mention, please feel free to let people know about.

Amy: Yeah, absolutely. If they want to learn about Fidelity, Fidelity careers is an excellent resource. We are an incredible company, I wouldn't have spent 24 years of my career here if I didn't believe that there is truly something for everybody to learn and a place for all kinds of people to contribute. So definitely encourage you to visit our Fidelity career site. And then I'm on LinkedIn and I am an avid LinkedIn user. If folks want to reach out to me on LinkedIn, I will respond to all of your messages and engage with you there. And then Jacob, I just joined your future if Facebook group.

Jacob: Oh, the Facebook group. Very cool.

Amy: So I am looking forward to connecting with you and your audience there as well.

Jacob: Oh, very nice. If anybody's interested in joining, just go to the futureif.com, and that will redirect you to the Facebook group. I think we have over 2,000 people in there, so it's awesome. Well, thanks for taking time out of your very busy day to join me and to share some of your insights and ideas. I really appreciate it.

Amy: It's been my pleasure. Thank you.

Jacob:

And thanks everyone for tuning in. My guest again has been Amy Philbrook, and that's P-H-I-L-B-R-O-O-K in case you want to connect with her. And she is again the head of diversity and inclusion at Fidelity Investments. And I will see all of you next week.