

PERSPECTIVES

Why Culture Really Matters Within Asset Management

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Corporate culture plays a significant role in the way businesses operate. In this short article, Franklin Templeton's Head of UK Institutional, Jennifer Ockwell, explains how building and steering culture is important for the asset management industry to deliver its full potential to clients.

Asset management is a business just like any other. We work within existing practices and assumptions, we shape our successes and failures through the relationships and partnerships that we build, and we justify our existence through the value we create for those who use our services.

This means corporate culture—sometimes defined as “the way we do business around here”—is as important for asset managers as it is for all organisations.

As with any other business, the ways in which we engage with culture allow us to moderate many crucial issues. Innovation, decision-making, checks and balances and organisational conduct are obvious examples, but culture can also affect staff retention, long-term sustainability, creativity and diversity of thought and action, efficiency and effectiveness, reputation and market positioning.

There is also the potential for our actions around culture to be more significant.

Understanding What Drives Success

The work that we do as an industry sits at an interface between different worlds: success is realised in our domain and the value that this creates is ultimately then transferred to investors. As such, we must be carefully attuned to all the ways in which success happens in order to truly understand the investments we make and to be able to fully align the decisions we make with the goals of those we represent.

For us to succeed, we need to understand how the elements within our portfolios succeed, how the decisions we take in building our investment choices work, how we function as an organisation to bring our best to our clients and the boundaries of what our clients choose to engage with.

We need to better understand what we are doing, how we do it and why we do it. Culture is a critical component in all of these—it is not the only one, but if it is absent then there is a gap in our understanding of the challenge.

After all, our success lies in a handful of areas. Beyond our operational effectiveness are three platforms which enable our achievements:

- The trust that exists between us and our clients;
- The purpose which underlies the decisions and actions we take; and
- The ways in which we define and measure performance and value.

The cultural building blocks of organisations like our's drive each of these. They are shaped by culture and in return shape culture themselves: this endless loop of influence and evolution creates our operating environment and drives the outcomes we produce.

Asset management, as with all business success, is a holistic endeavour. Those who are able to keep in view the full circle of factors which impact on what they do are equipping themselves to sustain their success. Culture is a major link in this circle, and it is due to our full attention and engagement.

Culture is not just diversity and inclusion measurements, mission, vision or values statements. It is not just workplace engagement surveys, recruitment practices or corporate social responsibility. It is all of these and more; each of these is part of the patchwork of what culture really is: the way things are done around here and the way in which we choose to reach our goals.

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