



Client

T. Rowe Price

Industry

Investment management

Topics

Diversity and inclusion

Challenge

Boost leadership diversity and foster a culture of inclusion

Solution

1,300 leaders learned ways to provide coaching and feedback, and learned how to overcome unconscious bias

Result

Boost of hiring and promotions of minority employees

Achieved goal of 30% diversity candidates for leadership roles

DIVERSIFYING COMPANY LEADERSHIP

T. Rowe Price, a global investment firm with \$1.04 trillion in assets under management, wanted to increase the diversity of its leaders while encouraging all managers to give their team members regular feedback to boost their performance and reduce unconscious bias.



Challenge

A few years ago, T. Rowe Price wanted to increase the number of minorities among its leadership to better reflect the broader culture both inside and outside the firm. The initiative was part of the firm's long-standing commitment to diversity and inclusion, which included being one of 700 companies to sign the CEO Action for Diversity & Inclusion, a pledge to embrace and commit to supporting a diverse and inclusive workforce.

"We have made great strides in gender equity but had not progressed as far as we'd like with ethnicity," says Kathy Vizachero head of the company's executive leadership development and learning programs. "Our diversity stats were not where we wanted them to be."

To boost those numbers, T. Rowe's Diversity & Inclusion Operating Committee set a goal in 2016 of having 30% diversity among its senior leaders as well as individual contributors who have significant business or functional responsibility. To achieve that goal, the management team needed to address two issues they thought were contributing to the lack of diversity: T. Rowe's hiring and retention processes.

"Like a lot of companies, we have diversity lower in our ranks, but as people move up, that pipeline thins out," Vizachero says. "Hiring and promoting diverse individuals is key, but we also need to retain our people. Competition in the industry for these individuals is huge."

Reviewing this data led T. Rowe's management team to focus on giving managers the skills necessary to mitigate unconscious bias: quick judgments that people make about others based on characteristics like



age, gender, race, class, and sexual orientation. Although everyone holds unconscious beliefs about different social and cultural groups, these beliefs create inequality in the workplace when those in positions of authority aren't aware of how they impact their relationships with the people they manage.



At the same time, T. Rowe's management team wanted to increase the frequency of the feedback and coaching all employees needed to improve their performances, moving away from its old model of rating employees during annual performance reviews.



Solution

In May 2018, T. Rowe began training its 1,300 leaders on the importance of coaching and providing real-time feedback to their direct reports. During the one-day program, the trainers introduced the concept that relationships are built on conversations and that having candid conversations is critical to helping people perform at their highest levels.



The program also included a session on unconscious bias to help managers identify beliefs that might be affecting their decisions and behaviors toward different team members, including the quality and frequency of their interactions.

“When you're deciding whether to coach or not coach someone, or whether to provide feedback or not, are you doing so selectively?” Vizachero says. “That's what we wanted our managers to reflect on. So, there's some reflection in the class on ‘Who do I choose to coach? What are the patterns I see there? What would it be like if I coached outside my comfort zone?’”



The training also gave managers strategies for reducing unconscious bias, such as initiating coaching and feedback discussions that “interrogate reality” and “provoke learning” to counteract the tendency to jump to conclusions without stopping to challenge those assumptions.



“Becoming aware of your unconscious bias is not enough,” Vizachero said. “We have to give people the skills to create a more inclusive environment. One of those core skills is to be able to have open conversations with people.”



For example, one of T. Rowe’s values is to put clients first, which many of its older, more seasoned managers interpret as giving customers whatever they want. If a younger staff member objected to a customer request that was costly and complex, their manager might dismiss their concerns with conclusions like, “She’s just not customer-focused.”



Instead, managers learned to be more receptive and curious when their staff members raise objections. If an employee claims a customer request is unreasonable, managers are trained to ask follow-up questions such as, “Why do you think that?” and “What might we do instead?”



Results

Nearly all of T. Rowe's 1,300 people leaders have gone through the coaching, feedback, and unconscious bias training, which is expected to be completed by yearend. Already, Vizachero says the volume of candid conversations is rising, and openness to different viewpoints has become more evident.



"Now when an employee objects to a customer request, managers realize the employee might just be pushing for efficiency," Vizachero says. "The employee's essentially saying, 'Let's not offer our ice cream in 500 flavors.' And that's something we need to hear."








Although T. Rowe declined to disclose its current diversity numbers, Vizachero says the training has "positively impacted" the company's hiring and promotion of more minority employees. Once a quarter, the management team reviews whether T. Rowe is achieving its annual goal of having 30% diversity among the candidates it considers for leadership roles.



"We're having conversations about diversity and bias now that we wouldn't have had six months ago," she says. "We're embracing the notion that conversations are the currency of human capital, and we can change things one conversation at a time."

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