

The Future of Leadership – Authenticity & Inclusion

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Featuring:

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TOM HOARE: Hey, everyone. It's Tom Hoare. Welcome back to the BNY Mellon *Perspectives* podcast series, where we bring you the leaders, influencers and conversations that are shaping our financial world and beyond.

We've got another great episode for you today. This is an episode that is actually taken from an internal dialogue series that we host at the bank that we call *Courageous Inclusion*, and it's a series that really supports and amplifies BNY Mellon's commitment to what it means to be a truly diverse and inclusive workplace. Right? This is a series where we have the conversations, where we listen to each other, where we learn, and where we discuss these important issues of diversity and inclusion.

And we recently hosted Carla Harris. Carla is a Vice Chair and Managing Director at Morgan Stanley. She's a well-known leader and executive in our industry and even outside our industry, of course. And she's a published author, she's a motivational speaker, and she's just someone who has an incredible perspective on life and career -- and all the things that can shape a leadership journey. She also happens to be an accomplished gospel singer, which you'll hear a little bit about in this conversation.

She was interviewed by our Head of Strategy and Global Client Management here at BNY Mellon, Akash Shah, as well as our colleague Madison Gray, a Senior Specialist in our Compliance

Governance and Risk organization. And it's a great conversation.

Carla talks about what it means to truly bring your “authentic self” to the workplace, how that can help enhance a company's culture and actually bring, ultimately, a competitive advantage. She talks about what it means to own your career: how to think about taking risks and even how mistakes can ultimately shape a career journey and ultimately accrue to your advantage. What it means to seek out sponsorship and mentorship, and the difference between those two things. And finally, of course, diversity and inclusion, and how that topic is a business imperative. If you want to recruit the best talent, if you want to innovate to win in your industry, you have to be a truly diverse, a truly inclusive, and a truly open workplace. And Carla talks at length about what it means to do that.

So we're going to get right to it. I hope you enjoy the conversation. And as always, we want to hear from you. Listen, rate, review – this matters in the podcasting world. So we appreciate it if you would be willing to take the time to do that. Share your feedback. Tell us about who else you might want to hear from or the topics you want to hear about. And of course, you can find us on social media – LinkedIn, Twitter, Facebook, Instagram. And of course, on bnymellon.com. Let's get right to this fascinating conversation with Carla Harris. We hope you enjoy it, and we'll see you at the next episode.

AKASH SHAH: Carla, it's a pleasure to have you at BNY Mellon. We are so appreciative to get this time from you and your wise words and counsel. As we've talked about, we want to make this session as impact-oriented as we can. And I think, Carla, you've expressed this desire to give practical advice to all of us. And so I'm going to ask you a few questions, but please guide us in a way that we can really go home and walk out of this session with a clearer sense of just something we can do differently tomorrow morning, the next day, and so on and so forth.

So, Carla, maybe just to start, you talk a lot about being an authentic leader. And one of the things that, for all of us who have gotten to know you better, you're a leader in so many different fields, whether it's as a vice chairman at Morgan Stanley and a senior banker and executive, a civic leader, an artist, and a number of capacities. How does it all come together to form something that's uniquely you? And how have you gone about that throughout your career?

CARLA HARRIS: So, Akash, let's talk a little bit about authenticity. I have to tell you it was the first chapter in my book *Expect to Win*, my first book. And I had no intentions of writing about authenticity.

But I'd learned that people were struggling with that. And I realized I've got to say something about this. I have to write about this, which is how it became Chapter 1.

And I believe strongly that your authenticity is your distinct competitive advantage. Nobody can be you the way that you can be you. And anytime that you're trying to speak or behave in a way that is inauthentic to who you are, that's when you create the competitive disadvantage because now you're using valuable intellectual capacity that you could use to hear what your team or your clients are saying but they are not articulating. Valuable intellectual capacity that you could use to demonstrate a quick-twitch response right in that moment and valuable intellectual capacity that you could use to co-create with that person on the other side of the conversation.

And here's the deal, as quiet as it's kept, I've learned after observing people over 30 years that most people are not comfortable in their own skin. So when they see someone who is comfortable and confident in their skin, they will gravitate towards you. They absolutely want some of that. You all are in financial services just like I am, which means we are in a client service business, which means relationships are key in order to drive your individual success, either internal relationships or external relationships. And the easiest way to get somebody to trust you is to bring your authentic self into that environment. When you bring your authentic self into that environment, that's when people trust you, and trust is at the heart of any successful relationship.

So yes, sir, whenever I go into any new environment, I bring Carla Harris, investment banker. I bring Carla Harris the singer, Carla Harris the prayer warrior, Carla Harris the investment manager, Carla Harris the mother, the golfer, the speaker, the writer. I bring all of those Carlas into that environment because I don't know coming into a new environment which Carla will be the one that will attract and own that relationship in a proprietary way.

I will tell you that I got feedback once that my presentations were not landing with the client, that my presentations were rote, that I had no presence. And I kept thinking, well, how is that possible? Those comments are so unfair. I'm giving the presentations exactly the way Allan gives them. We're going to call him Allan. Now Allan happened to be a banker that at the time everybody thought he was our premier banker. He owned so many important relationships. And every time I went into a meeting with Allan as the Capital Markets partner, I was writing down everything he said on page 4, everything he said on page 7 or page 9 so that when I had the opportunity to give a presentation by myself or with

another partner, I would say exactly what Allan said. But yet now I'm getting this feedback. And I said, how is that possible? I'm saying exactly what Allan said on page 7 or page 9.

But guess what? I could not out-Allan Allan. At the end of the day, Allan gave the presentations in a way that made sense for him. And after I got that feedback, okay, I said I might as well just do it my way because this is not working for me. I might as well just do it my way. I have nothing to lose. And as I say, a black woman with nothing to lose is a dangerous animal. But then I said, okay, I'll give it my way. And then I walked into the next presentation and I said, "You know Morgan Stanley likes to put together these big books. I got a big book. We can take you through it because that's how we tell you how smart we are. But if you only have 45 minutes, I want to understand what we need to talk about in these 45 minutes in order for you to say, 'This was the best 45 minutes that I spent today.'" And the client began to speak and tell me what was on their minds and what was important. And that was the day that I realized any time that you can make a pitch a conversation, you have achieved the sale.

So, ladies and gentlemen, I tell you your authenticity is your distinct competitive advantage. You can bring all of you into any environment and in the moment decide which part of you is going to connect with that person in the room in an authentic way.

AKASH SHAH: Well, Carla, and those are such powerful anecdotes as well because I think we all remember those sorts of moments. And it could be just yesterday, frankly. But I think, Carla, one question I have is the subject line covering all of this is courage. And there's courage in leading others, but there's probably it starts with courage for one's self. How do you think about small moments, big moments throughout your career and moments where you had to find that courage, and what advice would you give the rest of us?

CARLA HARRIS: Yes, so here's the advice I want you to think about. Everybody on this call has a track record of successful firsts. You read a book the first time. You stood up in front of people and presented the first time. You rode a bike the first time. You have a successful track record of firsts in your life. So any time you are approaching something that you haven't done before, remember that you've done this before and you did it successfully. So if you did it before, you will be able to do it again.

If that's not enough for you to muster up the courage, now you ask yourself -- what's the worst that can happen? And the worst that can happen is that I fail. And guess what, ladies and gentlemen? Failure always brings you a gift. And that gift is called experience. Now you know how to do it better. Now you know how to do it differently. Now you know how to do it successfully. At the margin, it's always worth taking the risk to exercise your courage. And if anybody is on this call over the age of 21, you have had a disappointment or a failure before. And guess what? You lived to tell it. You lived to tell it.

And then the third thing, if that is not enough, if strategy A or strategy 1 or strategy 2 is not working for you, here's strategy 3. Every time you take a risk and you try something, i.e., every time you exercise your courage, you get one of two things. You either get the lesson or you get the blessing so either you get the thing you were going for, aha, success, victory in this moment, or you get that lesson. And both are valuable because the lesson is what you can use as leverage and an investment in your next try and your next probable success.

So yes, it is all about courage, Akash, and I'll tell you courage is important also to people bringing their authentic selves into an environment because that's why people don't do it. You're thinking to yourself, oh, the real me might not be accepted, or they can't take the real me. And it takes courage to show up as who you are. The buyer knew what they were buying when they bought you. And they bought you. They put you into that role because they thought you could make rain, so make rain.

AKASH SHAH: Carla, we're having a corporate-wide dialogue about the difference between avoiding risk and managing risk. And I just wanted to build a little bit on what you just described because taking the right moment and taking the right step feels like a very important decision in every micro-situation. Yet when we look back on your career or other people's careers, it seems like it's just a straight line. We know that that's not the case. So how do you juggle that? How do you get into that mindset of today is the day I'm going to walk into the meeting and do it differently? Tomorrow's going to be the day I'm going to go and talk to Allan and say actually, Allan, you may not have liked the way I did that meeting but it was actually successful. I'm not saying that was the case here. But how did you put that map together, or was there a map or --?

CARLA HARRIS: Yeah, I have to tell you every single day we have an opportunity to exercise the courage. And every single day, we have an opportunity to make a decision that sort of feels like a risk. And frankly, the more you do it the more comfortable you are at doing it. It truly is like a muscle.

So the first time you take the risk and it works out, you say, aha. Okay, that's currency now that you can invest in the next try. Okay, that one didn't work out, but now you stop and say, well, why didn't that work out? And I'll tell you what I think was "the unlock" for me is, I did not like the feeling of regret. I did not like walking out of a meeting and saying I knew I should have said X or I knew I should have said Y. Why didn't I say that? And I didn't like the conclusion of somehow, I was scared. And I always tell people that fear has no place in your success equation. Fear has no place in your success equation. And the more you embrace and understand that the more you will stop yourself when you say, oh, man, I'm just—I'm afraid of doing that, so I'm feeling scared right now. That should be your trigger. No, let's move forward. What's the worst that could happen? It doesn't work out right now but if it does work out? So you always think to yourself that's a 50-50 shot that this thing will work out, and with 50-50 odds in financial services, you do that all day long. And if you take the risk and at that moment it turns out that it was not the right thing, well, now you've learned, okay, I should have waited for this signal, or I should have done that. But the last thing you want is a history of regrets in your career. When these are things that you have to power to obtain, you have the power to say, you have the power to do and you left your power on the table? And so that's the message that I want professionals to understand: You got a lot of power. Own that power and build from there.

AKASH SHAH: And, Carla, maybe now thinking about scaling, and scaling and our enterprise to think in a certain way as well. We at BNY Mellon have a lot of affection for Morgan Stanley which is both a large client, as you know, and a competitor to us in many ways. And one of the things we look back and say is, wow, Morgan Stanley today does not look like the same Morgan Stanley it was 10, 15, 25 years ago. And yet there are certain aspects of it that seem very consistent. And I guess we're right now doing the full transformation of our company from strategy to purpose to culture. How would you think about all of our roles, given the fact that you've been driving that change at your company for the last couple of decades, and what advice would you give the rest of us to scale?

CARLA HARRIS: Yes. Thank you so much. And I'll have to tell you this is going to sound a little paradoxical because I think that the way that you create lasting change, sticky change is really at the micro level, not at the macro level. So the macro, the organization can say: Here are our aspirations. This is what we want to look like and who we want to be in the world that we compete in. But I will tell you the way to make that sticky and actually the way to get it done fastest is have it go from the bottom up. So every individual leader that can own this transformation needs to make sure that they are being exemplary in their behavior around it.

So for example, if you say you want a more inclusive environment, then every leader needs to make sure that their behavior every day intentionally is inclusive. So here's what I've been telling a lot of leaders to do over the last eight months. When you bring your teams and you want to show up as an inclusive leader, when you bring your teams together every day you might want to try this. Say hey, listen, here's the problem that we're trying to solve. I'll get us started in this conversation not because I'm the smartest person in the room but because I'm the most seasoned –not old –I'm the most seasoned person in the room. So let us get started with this conversation. Here's what I'm thinking the answer is. Now, Abby, how would you add on to what I said? Now, Bill, how would you add on to what Abby said? Now, Clarissa, I want you to play devil's advocate. How would you turn this argument on its head? Show us where the gaps are, argue the other side of this. Now, Damon, I want you actually to add on to what Clarissa has said.

What have you done as a powerful impact as an influential leader? You've done two things. You have said to your team "I see you" because you invited them each into the conversation, each into the solution by name, which means as a leader you must engage enough with your people that you can invite them into the conversation, invite them into the solution, invite them into the transformation by name. And who doesn't value being seen by the boss? The second important thing that you've done is that you've said "I hear you" because not only did you invite them into the conversation by name but you invited them explicitly to support or refute the argument on the floor. And guess what? Everybody values being heard. Everybody values being heard. When you say to anyone, "I hear you," or "Let me understand what I think you said," you generate immediate currency that you can now reinvest back into that relationship.

And here is the intended consequence of what you've done. You've now put everybody's fingerprints on the blueprint, so now everyone is equally invested in the success or failure of that solution or that transformation. And it doesn't get any better than that, Akash, than having your people drive the transformation. But they got to trust the leader that's in front of them, that is leading them day in and day out into unknown territory. I have figured out that it's not that people don't like change. They fear uncertainty. And as the leader your job is to create clarity even when you can't see.

AKASH SHAH: Carla, what has been the toughest bit of feedback you've received from one of your team members over the years, and what did you do about that?

CARLA HARRIS: Yeah, the toughest bit of feedback that I received actually was somebody who was above me. And it was very early on in my career, and she said to me, "You know, Carla, you're too quick to say you don't know something." And I will tell you, Akash, back then I thought if I said, "I don't know," it was actually a badge of honor because I felt pretty good about the fact that I knew a lot. So if you tagged me on something I didn't know, I'll say, okay, I don't know. Right? And she said, "Uh-uh. We're in a business where people pay us millions of dollars for our judgement and millions of dollars for our answers. You can't say I don't know." And she said, "Let me give you a piece of advice. Do like the boys do." Sorry, Akash. She said, "Do like the boys do, frequently wrong but never in doubt." And I said, "What?" And basically what she was saying was just put something out there.

Well, again, and this will tie the authenticity point in nicely. I didn't feel comfortable with that advice. I could not go out there, I thought, as a woman and a woman of color, just saying anything and it could be wrong. I just wasn't wired that way. But I understood what she was trying to say. You just can't say I don't know. So I thought about a way to own that advice in a way that was authentic to me. And so here's what I did. I said, "I'm going to give my best thought at the time but leave myself some room to go get the correct answer." So if someone asked me something, I would say "Hmm, based on what I know, I think the answer is this. But give me a shot to go and check it, and I'll come back to you with the right answer." So that bought me some room. It gave me an opportunity to give an answer in the moment based on my experience, but I also took the opportunity to go and find the right answer. And if I came back and it turned out that my answer was completely wrong and I had a new answer, I said "You know, I told you X, but the correct answer is Y. And I wanted to make sure you had that." Now interestingly enough, people didn't tag me on oh, she told me a wrong answer. All they cared about at the end of the day was that they got the right answer. But it gave me the ability to deliver what was expected as a banker that you're paying millions of dollars for a judgment and an answer from.

AKASH SHAH: That's very powerful, Carla, and I think finding that right balance is exactly the right thing. People want to hear a perspective but also having the courage to say that you may be wrong or that there may be a better one out there and again to your point about authenticity you can own that. Carla, as you know, we're joined by hundreds of our colleagues here today and we're so appreciative of you spending this time with all of us. Madison, would you like to maybe take a couple at this moment, please?

MADISON GRAY: Of course. Carla, Akash, that was great so far -- really electrifying discussion. Firstly, I think there is career progression and development so, Carla, on sponsorship, how can I get a sponsor when I don't regularly interact with senior managers and they don't with me? Where do you begin?

CARLA HARRIS: Yes. So here's how you find a sponsor. Let's start first with the profile of a great sponsor. Number one, the sponsor must be internal to your organization. And I differentiate because your mentor does not need to be inside of your organization. They just need to understand the context that you're working in, in order to give you tailored advice that you can successfully execute. The sponsor, on the other hand, must be within the organization. They must have exposure to your work. They must have a seat at a decision-making table, and they need to have some power, they need to have some juice in the organization. And oh by the way, if you're not sure who has a seat at the decision-making table, ask someone. I can remember I was up for the big promotion, the managing director, and I had been hearing for years about the promotion committee, the promotion committee. And finally I asked another manager director. I asked, "Who's on the promotion committee?" And she said, "Have a seat. Let me walk you through it." And not only did she tell me who was on the promotion committee, she went so far as to say, "And he sits next to him and he sits next to him and she sits next to him." I mean, she just laid the whole table out for me. And I thought to myself, all these years I've been walking around in mystery, and all I had to do is ask someone. So the person, as I said, needs to have some exposure to your work because they need to have credibility behind closed doors. So here's what you do. Study your organization for two weeks, and you really want to take note, who has a respected voice in the organization? Who is toxic? Who may not have a seat at the table but they're influential to other people at the table? Once you've done that, now you've figured out, based on these people that I've identified, who has some exposure to my work? And if you don't often have exposure to senior people, who's the intermediary? How would they ever see your work? So who sits on top? So that's how you can start to figure out two or three people that you want to start to build a sponsor relationship with.

MADISON GRAY: Good, okay. And I'm assuming, Carla, then you get your sponsor, all goes well, and you're heading for the C-suite. Are there times where being your authentic self could actually be a barrier to breaking into the C-suite? Do you think -- what do you think about this concept of cultural and motivational fit?

CARLA HARRIS: Yes. Whenever any employer is looking to hire you, they're looking to hire you based on three things -- your 'can do,' your 'will do,' and your 'fit.' So you pass the fit test. Now the question is do you have executive presence? Do people see you as a leader? And the way to make sure that people see you as a leader is to understand how they think about leadership. What's the profile of a good leader? When someone says, oh, that person is an outstanding leader, how do they define them? How do they describe them? Now you know the adjectives that are associated with success, your behavior needs to be consistent with those adjectives. So when they look at you, they see the leader because you're already behaving that way, you're already speaking that way, you're already wearing the uniform.

And let me stop there for a second, Madison, and talk about the uniform because every seat has a uniform. And even when we went to sort of a dress-down or a more casual look, I've been telling younger professionals "I want you to look at the uniform that the senior folks are wearing." They may be dressed down, but they have on a pair of khakis. They have a navy-blue blazer. They're wearing a collared polo shirt or they're wearing a scarf and pearls, whatever it is, look at the uniform and make sure that when people look at you, they see the officer there, they see the senior person there. And it's not being inauthentic because if you have an aspiration to sit in that leadership seat, then you are saying I accept the fact that there's a uniform associated with that seat. So if I want the seat, I'm obviously willing to wear the uniform. I talk a lot about that, the appearance and uniform in Chapter 1 of *Expect to Win* if someone wants, you know -- further explanation around that.

MADISON GRAY: Super, super. And so on that, Carla, you're bound to encounter some setbacks, aren't you? How do you pick yourself back up when you fail?

CARLA HARRIS: Yes. Thank you so much for that question. So listen, ladies and gentlemen, everybody makes a mistake. There is nothing special about making a mistake. Everybody does it. What makes you special is how and if you get up. And you would be surprised how many people make a mistake and allow it to become a career-limiting move because they continue to focus on the mistake -- the mistake, the mistake -- instead of what they got out of the action. And what they got out of the action is the lesson. You learn something. So now it's time to take the lesson and the learning and put that in your tool chest and walk on. But if you stay focused on the mistake, it becomes baggage. And baggage is heavy. And it will create a competitive disadvantage, so one of the things that I used early on when I made a mistake, Madison, is that I would remember something that my

grandmother told me all the time. “Honey, you won't be the first and you are -- you are not the first and you won't be the last.” So whenever I'm feeling in that isolated place like, “Oh my gosh, I made a terrible mistake.” And you're starting to feel like you're the only person that made that mistake, or you are the dumbest person in the room, uh-uh. Remind yourself you are not the first person to have done that, no way, no how, and you will not be the last. But you can stay there if you want. You have two choices. You can stay right there, or you can continue to ascend. And sometimes it's the mistakes that provide the diving board to let you move further up.

MADISON GRAY: Yeah. Well, your granny sounds very wise. I think, assuming your mistakes then, it's that courage, isn't it, to get back and keep on going? But now is the time of our year-end performance conversations, so assuming you've had a really successful year with some mistakes, how do you think performance appraisals are still relevant today and how will you approach that conversation? What's the advice for really buckling down and having those conversations with your manager?

CARLA HARRIS: Yes. Thank you so much for that question because for years I did not approach my performance evaluations in the right way. And here is the way you should approach your performance evaluations. Number one, you should have done your own evaluation. So you have done a real diagnostic on what kind of year you've had, what did you accomplish, what did you fail to do, what were the upside surprises, things you did that you didn't plan to do in January '20, what were the learnings or the big mistakes that you made, what would you do differently now if you knew A, B, and C? How are you going to leverage those learnings going forward? What are your plans in '21 to create even greater value for the organization and oh, by the way, what do you need from the organization to successfully prosecute those plans? That is how you manage your performance evaluation.

One third of that conversation, if we're going to have 30 minutes together, one third of that conversation, ten minutes, should be about what you did last year. Twenty minutes, 2/3 of that conversation, should be about what you are prospectively going to do even if it's remedial, even if you had a horrible '20 and it was nothing but learnings – learnings, learnings – then you say, well, here are the five learnings that I got out of '20, right? And here are the risks that I wish I had taken. Now here's how I'm going to translate that into better performance, greater contribution, and ability to ascend in '21 based on that. Now I'm kind of glad I had that because I couldn't do this, and this is

what I'm going to do. And how are you thinking about that? And what am I missing about this? It should be very active with you driving, not sitting back passively taking it which is what most of us do, and certainly what I did for a number of years before it clicked.

AKASH SHAH: Carla, maybe building on that because one of the things in the exciting moments that we're in our company is as things are transforming and changing, we're building new products and services, we're entering new geography, we're abandoning some of our older thinking on certain things, it's creating new opportunities, but they don't all show up on an org chart. But it is one of those opportunities I think we're going to look back and say hey, if I step up, there's a seat for me that I can create for myself. I'm sure there's been plenty of moments like that in your career where you created your own role. What advice can you give the rest of us, especially as we enter the performance management part of the year and it's about making "the ask" back to the organization as well?

CARLA HARRIS: Absolutely. Thank you so much for that question. And you are correct. I have created my last two opportunities that did not exist anywhere in Morgan Stanley. So here's the advice and here's what I did. Think about the organization as if you are the owner. Think about it as if you are the CEO. What do you see? What are the opportunities that are out there? What are the things you think the organization needs to be doing, and they're really not doing, and actually maybe it doesn't belong anywhere right now in the organization? But it is consistent with what you have heard your CEO and your chairman talk about in terms of the direction of the organization. So I'm going to give you a lot of example. In 2012, I was 25 years into my career, so that's the time that some people are thinking about hanging up the cleats. So I asked myself the macro question. I said "If you are going to bother to stay, what does that look like? What would you need to do every day in order for you to feel really excited about coming into work every day? Because you've done what you've done." I loved what I was doing. I was very good at it but you know when it's time for you to do something different in order to continue to play at a very high level and not have diminishing margin of returns.

So I took a blank sheet of paper, Akash, and I said, let me list out who Carla Harris is. I have had M&A experience, capital markets experience, management experience. I'm chair of the Morgan Stanley Foundation. So I'm probably one of the only people that can walk around and sell Morgan Stanley from all kinds of angles. And oh, by the way, I'm a really great client person. So whatever I do needs to be something that's going to be at the firm level because there's not a firm constituency that I cannot sell. That's number one. But number two, I listened in to our quarterly calls -- every company

has to speak to the Street, has to speak to its investors, and the CEO must message where you're going in the future. Every time I heard Gorman speak, I heard him say oh, investment banking is doing this and investment management is doing that, but we just spent a billion dollars in technology and wealth management. We just spent X, you know, billions of dollars acquiring new advisors. We just did this in wealth management. So call after call after call, he was highlighting wealth management, and I said "Aha, that is where we're making the bet." That is our bet for growth. So whatever I'm going to do if I'm going to bother to stay, it should have some interaction with the growth engine of the organization. And that's how I zeroed in on roles that were created and said – and oh, by the way, when you're creating a role, you need to be very clear to the organization as to why it's to the organization's benefit to let you do that thing. Here's what the organization gets if you are allowed to do A, B, and C. So as I like to say, Akash, you have to educate and sell, because not everybody has original thought, so if you're coming up without something that's original, you got to educate people around why that thing makes sense and then you have to sell it.

AKASH SHAH: Well, can we talk a little bit more about how to sell it because I think we're an organization where there are a lot of great ideas. But humility is actually one of the core values of the institution, and we're humble as an institution, but I think it actually makes it hard for us as individuals to talk about ourselves. And how did you manage the – is there a tension between being confident and being perceived as arrogant, or is that a false choice? And what advice can you give us to just telling our story more powerfully and without equivocation?

CARLA HARRIS: Absolutely. Yes. I will tell you arrogance is really exemplified I would say in the behavior and in the delivery. Now it can also be in the belief but if you really are believing that you are better than, then it is going to come out in your delivery, it is going to come up in what you say. So I don't think the two are opposed at all, to have humility and also to have confidence. And what I say to leaders and frankly, what I say to individual contributors is that you might want to be pretty liberal with the "we" pronoun. None of us in financial services does anything on our own. It is a very interdependent environment no matter what. So when I want to talk about something that has happened, even if I have been the driver, if I was the one, I will always say "Look at what we did." So if I'm messaging something to the boss, I say "Listen, just want to let you know what the team did. We made it happen this week." Right?

And I'll give you an example. I sent a note to my boss on Friday, we had an outstanding week in terms of things that we did. Now a lot of it was around my appearances, but I didn't say "I" or "my" or - - no. I said, "Look at the week we had." And by virtue of your telling the story, it underscores you as the leader. It underscores you as the contributor. So I do think that if you're going to sell an idea, if it's fine for you to be the one to put it forth but you have to put it in the context of why it's good for the organization, not just why it's good for you. Here's why it's good for the organization for me to prosecute this or for me to lead a team to prosecute this.

MADISON GRAY: That's perfect, Carla. And just on the focus on "we," how can we champion diversity, and what are the cultural and commercial benefits to doing so?

CARLA HARRIS: Yes. Oh, well, let me start with the back half of that question, Madison. The commercial benefit of focusing in on diversity is that it is the driver around innovation. And we are all competing in some way around innovation. And it goes like this. If you need a lot of ideas to get to that one innovative idea to obtain and retain a leadership position in your industry, as I said, I have to have a lot of ideas in the room because innovation is born from ideas. If you need a lot of ideas in the room, you've got to have a lot of perspectives in the room because ideas are born from perspectives. If you need a lot of perspectives in the room, you better have a lot of experiences in the room because perspectives are born from experiences. And if you need a lot of experiences in the room, you better start with a lot of different people in the room because experiences are born from people. So you have to start with a lot of different people in the room in order to get to that one innovative idea that will allow you to obtain and retain a leadership position. If you do not have diverse thinking at your decision-making table, you will have a gap in your go-to-market strategy. And I don't need to mention the names of the brands that we all know and love that did not have diverse thinking at the table when they put together policies and procedures that did not anticipate what could happen on the ground in their stores. I don't have to mention the name of the brand that did not have diverse thinking at the table when they made a decision to go to market with that commercial.

And here's my last point. Every financial services firm likes to feel that they are the employer of choice in their vertical. And Millennials and Z-ers are quickly becoming the dominant population in the workforce. And their definition of excellence is very different than the definition of excellence of Boomers and Traditionalists. When I walked out of the lauded halls of Harvard Business School in 1987, excellence in corporate America looked like six white men at the top. But that is not what

Millennials have seen. They have seen women lead. They might have a mother in the C-suite, or a mother is driving one of the most high-profile nonprofits. They've gone to elite schools with a smart black kid on the right, smart Hispanic kid on the left, smart Indian kid in the front, smart Asian kid in the back. That's what excellence looks like. And if they don't see that in the companies where they're choosing to go to work – and we all have a war for talent right now – they're not going to go. And oh by the way, they care a lot of about the jersey that they're wearing. Boomers cared about the money, cared about the training, cared about the career trajectory and the opportunity to platform.

[Millennials] care about the jersey. So if the company is not aligned in its values with their values, especially around diversity and inclusion, they're not going, and that will compromise your ability to be the employer of choice in your space.

MADISON GRAY: Absolutely, Carla. So just on that then, how do we keep encouraging firms to provide more data on representation, whether it's a board level, senior level for women and ethnic minorities? Currently we see sometimes in citing privacy or data as a reason for not giving this information. How do we encourage firms to do more and be transparent about it?

CARLA HARRIS: Yeah, I've got to tell you, Madison, I think it's going to become the standard. It is going to become the standard. You saw it in some of the large pharma companies. But increasingly with leaders like Salesforce and others who have been putting that information out there, everybody else is going to have to follow because the question's going to be why? Why aren't you? And I will predict that you will see a few financial services firms soon that will start to disclose their numbers. And I think once that starts to happen, you're going to see others will follow because they will not be able to afford not putting that information out there. And it's going to be one of the things that, frankly, prospective employees will look at. And they're going to think there's a reason to worry if they don't see it.

AKASH SHAH: Well, I think on that note, Carla, our company has taken the point of view that we'd rather be transparent and reveal everything, warts and all, than try to hide or obfuscate facts. And we're proud of some of the results we have. We have one of the most diverse boards on Wall Street. We have a senior leadership team that has significant representation of particularly women in senior roles. At the same time, the numbers aren't great throughout the organization. And our chief executive, Todd Gibbons, has said he wants to set very clear guidelines and targets for all of us including his management team. And they are not 2050 targets. They are things that we'll be

measured on during the next couple of years. And they're real as any other target that he has for us. And what was interesting to us just sitting around in that executive committee was actually how little debate there was on this. We debate everything all the time. But on this topic about transparency, the prioritization of these efforts and the fact that we must hold ourselves accountable, it was one of those rare moments of just complete agreement, which I thought was powerful in its own right.

And just building on that, and you talked about the sort of intergenerational moment we're in. And we're starting to see Millennials in senior roles. Obviously if we go to the West Coast, many of them have already founded a company, run it, and retired. And we have Gen Z-ers coming into the workforce in large numbers. How have management style and management culture changed? And what do you think are other things that we have to be mindful as we have an intergenerational workforce at all of our organizations now?

CARLA HARRIS: Absolutely. And let me just applaud you guys in what you have done so far in this space, Akash, because I am aware of what guys have already done. And I would argue that you've been exemplary in the space. And I'm a big fan of targets. As you know I've said a million times on CNBC that the target is the right way to go because you have a target and a measure for everything else you do from a strategic standpoint. And if you don't do this, then you're not being serious. So you guys have been right on point about that. So let me applaud you and say keep going.

Now let's talk about management styles. I would argue that for folks leading Millennials and Z-ers, you need to understand that they have as table stakes, three things – transparency, inclusivity and feedback – table stakes. And if you are a Boomer or an older X-er, you certainly didn't get a lot of feedback. You were told “Keep your head down, work really hard.” If you don't get fired, you know you're doing okay. But that kind of “my way or the highway” leadership style will never prevail in this environment. So leadership styles must change immediately if you find yourself in a leadership seat today and you are Boomer or an older X-er -- because most people lead the way they were led. And that would be a blind spot for you. So the transparency that Millennials and Z-ers have grown up with as CEOs themselves, that's what they want to have in place. So I think if we keep as guideposts as leaders –transparency, inclusivity, and feedback –and check yourself every day: Are you intentionally executing along those three every day? And if you have that intentionality around it, you will create the kind of culture that's going to be highly productive in this context.

AKASH SHAH: So it's very clear that your passion lies in helping others, and “Carla's pearls” has become a centerpiece for many of your speeches. When was the last time you clutched your pearls and why?

CARLA HARRIS: Oh, man. I talk about clutching my pearls all the time. I will tell you I clutched my pearls late last week. I heard a leader say that this is aspirational, meaning this transforming the culture, being a more inclusive culture -- that it was aspirational, and it was something that was hard, and it was going to take a while to do, and it wasn't that easy. And I got to tell you, every time I hear a leader say that, I clutch my pearls because I know that means there's a mentality of obstacles and challenges in that person's mind. And if that's where you are, it is going to be difficult, it is going to be hard, it is going to be a 2050 goal and not a 2021, 2022 goal.

So the first thing you have to do is clear those cobwebs out, and I'm going to call them cobwebs, and start with a blank sheet of paper mentality, and say, “If I were building this based on today's context today and I still wanted to have a leading revenue, leading profitability, all the customers that I have, the footprint that I have, what would I create in order to drive that?” Start with a blank sheet of paper mentality. And there'll be some things that you might want to keep, but there'll be other things that you would change just because you could. So start there and then start thinking about leveraging other people's intellect, other people's experiences. All of your people have networks. All of your people have experiences. And the big mistake that I see leaders make over and over, Madison, is they fail to leverage their people. They fail to take advantage of the intellect and the experience that's around them. And I have to tell you, people of color and women disproportionately leave organizations because they're underleveraged, they're underutilized. So what could you do, what could you be if you were truly accessing all of that as a leader? So that mentality, yeah, had me clutching my pearls.

MADISON GRAY: Absolutely. So, Carla, we're now down to the last ten minutes so, Akash, do you have a final question for Carla?

AKASH SHAH: Well, I think, Carla, it would be -- we've talked about this transformative moment. We've talked about this broader cultural change that we're trying to drive not just in our company but as part of a community as well. When you wake up in the morning, what gives you the most sense of optimism that we are on the right track as a society more broadly, and what gives you pause?

CARLA HARRIS: Yes. I will tell you, Akash, I'm a glass-half-full kind of girl. So I'm always going to see something good out of any environment. And frankly, the fact that it's a new day, I say "New day!"— a chance to make a bigger impact in what I say, what I do, how I show up. So that's the first thing.

The second thing that really gives me a lot of hope are on a macro —so I gave you the micro but the macro basis is the fact that we're having a conversation, the fact that we're having the conversation about courageous inclusion, about how to create an environment where we can be who we really are, we can embrace people for who they are. We're willing to take a chance and be wrong. We're willing to have a verbal footfall in some of these conversations that have heretofore been taboo, especially in financial services environments. So the fact that we're talking about diversity, we're talking about how to drive it, we're talking about the mistakes that we've made, we're talking about disclosing our numbers, all of that gives me hope that we can get there. All of the mess, by the way, was manmade. It was created. Right? And so if man made it, we can fix it.

AKASH SHAH: Thank you, Carla. I mean, I share in your optimism, and I also share in the sense that the world is really our oyster to change for the better, so it's very powerful to hear you say that and live a life based on that philosophy as well.

TOM HOARE: Hey everyone, Tom here again. Thanks again for joining. I hope you enjoyed that conversation. As I said at the top, keep listening on Apple podcasts, on Spotify, or wherever you consume your podcasts. Most importantly, if you're willing, leave a review or a rating. And tell us your feedback. You can find us on social media – LinkedIn, Twitter, Facebook, Instagram and bnymellon.com. Thanks again for joining. We'll see you on the next episode.

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