

Business Better (Episode 43): A Discussion on Diversity in the Workplace with Anne Robinson, general counsel of The Vanguard Group

Speakers: Marcel Pratt and Anne Robinson

Marcel Pratt:

We have a very, very special guest on this edition of Ballard Spahr's Business Better Podcast, Anne Robinson, the general counsel of Vanguard. I'm very excited to talk to Anne today about a number of topics. This is something that we've been looking forward to for quite some time, and I'm sure we'll have a lot of content that our listeners will really enjoy. So I'm going to start off with my first question for Anne. So Anne, you have an extremely exciting role. You're the top lawyer for a multi-trillion dollar asset manager. When someone asks you what's that like, what do you say?

Anne Robinson:

Well, so first of all, thank you for having me. Thank you for that generous introduction. And I get asked that question quite a bit. What do you do with your day? Or what is your job all about? The first thing, I guess I would make sure that we ground people in is Vanguard because the job is only as special or rewarding as the company and the clients you serve, and Vanguard is indeed a special place. So within asset management, we are different. We are a client owned firm. So what that means is that any Vanguard investor, any investor in a Vanguard fund, is an owner of Vanguard. We have a mission to give our investors the best chance for investment success and to help materialize their long-term goals. I always refer to it just as a way of personalizing it for me is that when a hardworking person gives us their money to invest, behind every dollar is a dream.

Anne Robinson:

It's a hope, it's an expectation. So if you're investing money with Vanguard, you expect that to turn into a house, a college education, a retirement that you can actually take, and there's a tremendous amount of responsibility associated with that. Our clients expect that we will protect those investments and that we'll make them grow so that they can realize those goals.

Anne Robinson:

And so a big part of my job is right smack in the middle of the fiduciary responsibility that the organization has to deliver, everything that we do for our clients, with the best interest of our clients in mind. And so my organization is mobilized around advising our business partners on business risks, regulatory risks, legal risks. We are the voice of public policy. We are the voice and advocates for investors, whether they're investors with Vanguard or not. And we are very focused on engaging with our portfolio companies, whose securities sit in our funds to drive long-term shareholder value creation. So that's what I think I would describe the job as being, what our division does and why I'm so excited to do it for Vanguard.

Marcel Pratt:

That's an exciting role in indeed. And I can hear in your voice the passion that you have for Vanguard's mission. And so I want to talk about kind of the role you've carved out for yourself since you've joined the company. You've been described as someone who's a change agent, someone who's helped Vanguard grow and evolve since you've started. And I know that you've talked about the changing role of general counsel and in-house legal departments into business partners for organizations. Could you describe for us what that shift in expectations looks like?

Anne Robinson:

Yeah, I think a phenomenon in the industry in general, to be perfectly honest. There's an expectation that business leaders act as business leaders, whether you lead the legal department, the compliance organization, finance, HR. There's a stated goal,

you've got business priorities, you've got objectives. And increasingly, you have to adopt the mindset that's associated with that goal in order to focus on the things that you should focus on to do your job well. So I always fancy myself as someone who goes to bed at night, worrying about tossing and turning over the same business initiatives, the same business objectives, the same business challenges that my business partners do. And I wake up in the morning, and I'm brushing my teeth, and I'm trying to figure out what the answer is to those questions. You have to be focused on, not the day-to-day sort of technical aspects of your job exclusively, but you have to be able to identify how those technical aspects of your job feed into a bigger vision.

Anne Robinson:

So what that means for divisions and departments like those functional shared services groups, is that when I first joined, and I think many organizations are starting to move in this direction and/or have moved in this direction, is to move away from a functional alignment, moving away from solely thinking about things from a technical standpoint. So, instead of having groups clustered by subject matter expertise, we have groups that are now aligned to the business groups that they serve. And that allows you to think about what that business group is trying to achieve versus thinking about how to respond to their question. You're thinking about how to proactively partner with them to drive solutions. So you're involved early because you're dedicated. So you want to be early in the solution, early in understanding what the problem is and sitting side by side with those partners.

Anne Robinson:

It helps with the prioritization. So any shared service is going to be limited. We're not revenue generating. We depend on demonstrating the value that we create for resources. And the more you can align yourself with a business and drive value to that business, the earlier you are engaged, the more full and transparent the engagement is, and the more likely the business partner is to say there's value here that is worth funding that is worth supporting, and that is worth sort of engaging with on a day-to-day basis. So, the best compliment that was ever paid to me was that you are a terrific business person who happens to be a lawyer. I aspire to that, for every lawyer in the general counsel's office. A compliance professional in our compliance organization, I hope aspires to be an advisor on compliance solutions. An enabler, here's how we're going to do this thing in a compliant way. And so those are the things that I think really reflect the expectations of organizations today. We're just in the business of trying to deliver.

Marcel Pratt:

And so when you, as a general counsel, have that theme of lawyers being business partners, how do you drive that within the rest of your legal department?

Anne Robinson:

A couple of different ways. I mean, so first and foremost, by setting an example. So, leading by example. I will share, I've shared this a thousand times. I grew up professionally watching Ken Chenault as CEO of American Express look to and rely on Louise Parent, who was the then general counsel, as just such a trusted advisor. And you were able to see the wide range of issues upon which the organization relied on her advice. And so I really aspire to be that kind of business partner to my CEO and the rest of the Vanguard leadership team, where they can expect that I will bring my observations, my experience, and my insights to a wide range of topics beyond those that are limited to legal and compliance matters. So leading by example is the first one.

Anne Robinson:

Delegating responsibility, decision-making and authority to senior business leaders, who happen to be lawyers, on my team, aligning them with a senior leaders in the organization, and conveying very clearly the expectation that I expect from them partnership. I expect from those senior leaders on my team to engage with the business leaders as partners to understand what the business objectives are that that business leader is responsible for and to try to be there to solution early and often. So, it's setting clear expectations, delegating decision-making and authority, and leading by example.

Marcel Pratt:

And you've excelled in so many aspects of your role as general counsel. And I want to highlight in particular, your success in driving diversity in your department at Vanguard. Could you tell us what you've done and also some advice that you have for other general councils looking to do the same and make an impact in their organizations?

Anne Robinson:

Sure. So, one of the things that I feel so strongly about, and I'm just so I'm so humbled that I have the opportunity to impact is diversity in the industry. The platform, both within Vanguard and within the industry to help drive diversity, equity and inclusion, it's really powerful and it's really needed. I'll answer your question in two different contexts. First is internally to Vanguard and then externally in the industry. Internally to Vanguard coming in, assessing the team and identifying where there were opportunities for additional investment in resources was something that I did early on. Great team that I walked into at Vanguard, but opportunities to bring in experts that have sort of different perspectives and brought skills that we didn't have. So I'll illustrate that with a funny story.

Anne Robinson:

I came in and I said, "So who's our marketing lawyer?" We don't have one. We have lots of FINRA lawyers that understand what FINRA's expectations are from a marketing standpoint. And so, okay, well, so who is paying attention to, if I'm on Yahoo, and I get this big Vanguard banner that floats across my screen, who's looking at that? Well, we don't have people that look at that. That's not marketing. Yes, of course it is. That's brand, that's brand marketing. And so, I had a wonderful opportunity to say, "We need a lawyer who does that." And so what happens is if you are committed to the diversity piece, which is representation, and you have an opportunity to hire, you hire with a diversity lens. You want to make sure that you are looking for really talented individuals in the industry and looking at making sure you have diverse slates and diverse interview panels. You're looking to increase and improve the diversity of your organization, and that is what we did.

Anne Robinson:

And so we were able to go out into the marketplace and, and invest in acquiring diverse talent. In fact, our head of marketing legal is an African-American man that we were able to lure away from Apple, which is I think one of my, is a great accomplishment for Vanguard. And then once you wind up with a critical mass and you have a group of really terrific people, it starts to feed on itself because they are having a great experience. If you are driving inclusion in the experience that they have, then they become the best recruiters you can imagine. And that is another area of focus for me. But I think one of the things when it comes to internally that I have tried to bring and tried to encourage among my peers is an unequivocal commitment to it.

Anne Robinson:

And what that means is there's, what is this, what is the situation where you can't create a diverse slate? Are you really telling me you can't bring in meaningful candidates that have diverse backgrounds to interview for this role and not filling the job until you have seen diverse candidates for a particular job. And so that commitment to sort of withstand the scrutiny and the pressure around filling jobs quickly, or filling jobs with people that you know, really resisting that, because that's the kind of habit and pattern and practice that you really do have to break through in order to drive diversity. Inclusion, again, it's also just a matter of focusing on the experience that people have when they join the firm.

Anne Robinson:

Externally, one of the things that from all different levels of diversity in the industry that I think are so important, when you are just starting your career, there are so many opportunities to lose your way, so to speak. Organizations that I support include legal outreach that starts even before you go to law school. It's a college prep program that aligns people, students, really terrific students with the idea of having a career in the industry. And it calls itself a diversity in the industry organization, more so than a college prep program. And that's a big part of what they do is they prepare kids to be successful in college and

go to law school, and they have a 99% success rate. I've got former mentees that our partners at White and Case. I mean, it's really, really extraordinary success there. And then continuing to move through your legal profession, there are organizations like you're familiar with, PDLG and LCLDs, that really help develop law students and young developing legal professionals that could benefit from a wide range of opportunities and investment in their future.

Anne Robinson:

And then right up to the most aspirational success in industry is the general council 2025 initiative to try to make sure that we're making, we're developing diversity at the general counsel level. So those of us who are seated are very committed to making sure that we expand the population of African-American general counsels within a meaningful timeframe. And I think that's pretty exciting as well. That's just within the legal department, but I think there are so many opportunities for firms to focus on diversity, not just because it's the moral thing to do, but because we know that diversity drives better decision-making which drives better outcomes. And if you're in a public company, no matter what your role is, whether it's business, finance, legal, all of those better decisions lead to better outcomes for our investors. And so I never hesitate to use my platform at Vanguard to indicate the value of DEI from a shareholder standpoint.

Marcel Pratt:

And we're living in unprecedented times. This past year, we've confronted a global pandemic. We've been through a reckoning with racial injustice, and we had a very divisive election back in November. How have the events of the past year impacted Vanguard?

Anne Robinson:

That's a great question, and it's a great question. So I think Vanguard, like many companies, has had to grapple with just how impactful these events have been on our culture and our community. So whether it's the crew based community that are Vanguard employees or the communities that we live in, no company is immune from waking up and feeling and seeing the impacts of racial injustice, the isolating impacts of the pandemic and how it all came together over the last year to bring issues that had been deeply embedded in our society to the forefront.

Anne Robinson:

Vanguard has a stated commitment to diversity, always has. Inclusion is an incredible part of the way we'd like to shape our culture, but Vanguard is on a journey like many other organizations. And what I think the recent events have offered many organizations an opportunity to do was take a real hard look at how far we've come versus how far we need to go to be the best version of the organization we say we'd like to be. I am comforted by the progress that we've made. So early in our current CEO's tenure, Tim Buckley, he decided that one of the first leadership things from a personnel standpoint, decisions he would make, is to install a chief diversity officer. So that position had not been held in many, many years. And it was one of the first places he turned to craft the leadership team that would help him deliver his vision for the Vanguard of the future. And I credit him with that.

Anne Robinson:

We have a terrific CDO, who is internal, knows the organization, knows how to communicate and resonate effectively with our crew population. I credit him with as part of living and breathing sort of the principles of DEI. When he succeeded Bill McNabb, his successor was an African-American man. So I like to call Greg Moneyman Davis. I tease him because it is such a powerful thing that we have a CIO who is an African-American man. So when people herald Vanguard for all of the trillions in assets under management, those assets are managed by Greg, Greg Davis. And that was in part by Tim's leadership and his development, his focus on making sure that succession was executed in a way that reflected his commitment to diversity. But I also credit Vanguard for being humble and reflecting the journey of self, sort of self-awareness, that we have a ways to go.

Anne Robinson:

And there are inherent challenges for an organization like Vanguard, like the fact that it is headquartered in a location that isn't particularly diverse. Wealth management, as a construct, is an area of business opportunity that is almost elusive to so many diverse populations in this country. And so how you think about who you want to be in that space is evolving, but again, I think that Vanguard has really committed to being on the right side of the debate. And last summer there were a number of commitments made to greater education and engagement for our crew. So we implemented lots of programs to help support crew through the emotional distress of both the pandemic and the social injustice that has obviously been, experiencing for many, many years before last summer, but it really brought to bear the need to double down and provide resources there.

Anne Robinson:

It was a significant financial commitment and contribution to organizations committed to driving fairness, equality, and justice in our society. And there's a commitment to taking the journey on an enduring basis. So this is not one of those things that has a finish line or a destination. It will continue to require investment and focus and it will continue to require growth and self-reflection, and there's a commitment to being on that enduring journey to making Vanguard a better place, Pennsylvania a better place, the country a better place. So that's, I think, how Vanguard is thinking about it.

Marcel Pratt:

Thanks, Anne. And I want to comment on a couple of things that you said. So first, just this idea of attracting diversity to your company by having success in the first place. So you demonstrate some level of success and it makes people want to come and come and work for you. I think that's a very powerful notion that I think companies and law firms should be aware of that the idea that diverse talent isn't out there, one it's a myth, but two, once you have achieved some success, it does become easier to recruit additional talent by having folks in your company or your firm be ambassadors. And you mentioned something that's really important, which is the idea of having a diverse persons in your leadership and the signal that that sends and how powerful that can be. So I wanted to ask you a question about your perspective on the value of having diversity on corporate boards. Obviously, because of your role, I know you have a very unique perspective, but could you tell us what your views are on, why boards with gender and racial diversity perform better?

Anne Robinson:

Thank you for the question. Just as I alluded to in one of my earlier answers, it relates far more to the fact that while there is a moral imperative and while it is simply the right thing to do for its own sake, we believe that diversity in thinking, which is often generated through diversity of experience, makes better decisions. And it is, you look no further than every headline to see the degree to which your gender and/or your race or ethnicity can impact your experiences. People of color experience this country very differently. Women experienced this country very differently. And so, those differences are benefits because they drive different decision-making and different thinking, and you look at problems, you look at opportunities differently. And the more you bring wide range of experiences to any environment, the better the outcome is going to be.

Anne Robinson:

And so we, from a board engagement standpoint and stewardship, we're focused on the effectiveness of the board. That implicates a wide range of issues, including skills, experiences, backgrounds that you use to populate your directors. And we believe that you absolutely can see better performance when you have a wide range of perspectives looking at an opportunity or a problem, bringing the different perspectives and experiences that they've had to try to come up with a solution or an opportunity.

Anne Robinson:

I'll also highlight another thing that you said in some of your opening remarks about just the idea of being in leadership, being impactful. We also see that boards that are more diverse create cultures that expect more diversity, which tends to drive more workforce diversity. So the accountability to the board for your talent strategy, which should include diversity, tends to be

greater when you have more diversity on the board, and that's also created greater performance related impacts for companies. And so, it is true that having a diverse leadership at the highest level tends to impact how diversity sort of trickles through the rest of the organization, which again, leads to those better outcomes.

Marcel Pratt:

And your career has been very inspiring. I think it's inspiring to everyone. I know it's inspiring to me, and I think that's especially true for people of color and women. And I'm sure we have listeners who have been thinking about ways to emulate your success as a general counsel business advisor and even as a change agent. Is there advice that you have for those folks?

Anne Robinson:

Of course. So it's such an interesting question whenever I get the notion that somehow my journey has been inspiring because I feel like my journey has been defined by far more opportunity than actual accomplishment. And what I mean by that is, I often look at peers, really, really, really extraordinary people of color, women of color, and I think to myself, "they should be running a company," or, "They should be general counsel," or, "They should be doing whatever extraordinary thing that they are so capable of doing." And the key differentiator I feel is that I have just had opportunity. And it is part of why I'm so passionate about trying to level the playing field, create opportunity, because there's so many incredibly capable people who just don't have the opportunity. They are hidden, they are undiscovered, they are ignored or marginalized, but they are capable.

Anne Robinson:

And so, I leave a wide range of suggestions. The first is advocate for yourself. You have to be your own best advocate. Step ups, insert yourself, assert yourself and ask for the opportunities because they're not going to just be given to quite a few of us. We have to pursue them with a different degree of intensity and confidence that we can deliver. For those in more senior positions, enable, create those opportunities, break down those barriers, put people in the right places at the right times, do those things for others that we wish had been done for us on our road to success. I wish I had a better answer for that one, but I really do believe that the difference so many times is on opportunity and being willing to just throw yourself out there and get picked up and seen and observed and the like.

Marcel Pratt:

Now I thought that was a fantastic answer. And you're absolutely right about the need to seize on opportunity when it's in front of us. And I think your message about others doing things that essentially help folks that need some assistance in seizing on that opportunity, or even just breaking down some barriers. I mean, I think that's a critical point that a lot of folks should be reminded of that. That's how we're ultimately going to change things is, you can have someone who wants to seize on the opportunity and is motivated to do so, but there are other folks who play a role in breaking down some of those barriers. I have a question for you about motivation. So what motivated you at the outset of your legal career and what motivates you today?

Anne Robinson:

Interestingly, it's probably the same thing, but just shows up differently. So I was the oldest child of two lawyers. I was going to be a lawyer. Both of my parents had devoted their legal careers to public service, and so I always expected to be a lawyer. I went to law school to drive change, to have an impact, to leave the world in some way a better place than I inherited it. So that was very much a motivator for me in the earlier parts of my career. And I did not follow either parents' footsteps and did not do anything for the public service space with my career. But I have always been motivated by a sense of purpose and a sense of commitment to trying to drive change for the greater good. And so I think where it shows up now, what motivates me now is that I have this incredible platform to influence and drive greater diversity in the industry, to drive greater diversity in the private sector, which is as needed as the public sector.

Anne Robinson:

And so it is with that same sense of responsibility that within the profession, I believe that it is important for all of us with an audience of any kind, to leverage it to make an impact, to open the perspectives of others to the talent that exists in the business community, in the legal community, and to embrace that talent for the greater good. So it is the same sense of purpose, of responsibility to try to drive change that I think motivates me now.

Anne Robinson:

And it feels like I, even more clear the sense of, well, you can't waste this opportunity. So much has been given. There's so much good in where I sit right now, if I'm not using it to help make it easier and better and more fair for others, what a tragedy that would be. It also makes it really nice because there's an alignment to that with Vanguard. So I wake up in the morning and I get to work for a company that brings a sense of fairness to investing and also has an opportunity to influence a lot of these conversations that are occurring. And so, again, that sense of value alignment and mission alignment is there. And it would be a tragic waste if I didn't use it to try to, again, make the business community, the world a better place.

Marcel Pratt:

Absolutely. So we talked earlier about 2020 and how much of a tragic year it was, but also some of the positive things that grew out of 2020 in terms of the reflection and changes and reforms that we saw in a number of different areas of our society, including the business sector. What brings you hope for the rest of 2021?

Anne Robinson:

A sense of clarity. One of the things that we don't do well is tackle big problems. If you can hide it and stuff it underneath something, you ignore it and it doesn't go away. It intensifies out of sight. And what I'm encouraged by is the transparency and the clarity of the issues that we need to tackle. It is only a first step, but it's an important first step to see and recognize the challenges and the problems that you're trying to solve. So I think we have a long way to go. I think there is a lot of work to do, but you can only do work towards closing a gap or solving a problem if you acknowledge that it exists. And the problems in this country are on full display, and the country has a choice to either commit to aggressively making it a better place or allowing the environment to deteriorate and allowing divisiveness to continue to persist. And I just hope that with it all in the forefront, that we make the right choice and that we come together as a community and as a country and move forward.

Marcel Pratt:

I agree with you. I hope we continue to come together as a country, as a community. And hopefully that's what the rest of 2021 and beyond brings us. Anne, I want to thank you so much for taking the time to join us for this podcast. You gave us some very powerful things to think about, your insights have been wonderful today. So I really just want to thank you, and hopefully we can have you back again at some point to talk to us some more.

Anne Robinson:

I'd be happy to come back if anyone wants to hear anything more from me. Thank you for inviting me. It's a great conversation and I really appreciate all that you've done and will continue to do, so thank you.

Marcel Pratt:

Thanks.