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Igniting a Passion for Learning

High expectations for client satisfaction and employee retention spur a cluster of innovative new learning programs.

Four years of double-digit growth has made recruitment and retention a hot-button issue for T. Rowe Price Group Inc., the Baltimore-based investment management firm. It has also made Michael McDermott, vice president of learning and organization development, a very busy person.

Several hundred new associates have been steadily added to expanding offices within the United States and overseas, along with supervisors needed to maintain high standards. That translates into increased complexity and a need for standardization of the learning function. Add to that consideration for the “emotional component” of the investor relationship during these turbulent times.

These and other challenges are being met with an array of initiatives aimed toward instilling a career development culture at the firm. Retaining high-performing frontline associates and increasing associate satisfaction are among top priorities of one joint program recently launched by the operations unit and McDermott’s corporate learning department.

The program identifies new supervisory and associate skills, as well as resources needed to foster that culture. The need for more career development support was identified in late 2005 by a survey of frontline associates. The challenge has been met with a comprehensive approach to narrow identified performance gaps such as specific training for supervisors and associates, a communications plan that links the culture to organizational performance, and new performance goals.

According to McDermott, one of the most innovative new programs to roll out on a companywide basis is Discovery, a wiki-based collaborative knowledge management tool created

by the firm’s IT group. It incorporates Web 2.0 tenets including forums, RSS feeds, bookmarking, and tagging.

Discovery enables associates to capture knowledge and create emerging categories of information. Answers to difficult research questions and other captured knowledge now flow through the organization more quickly—a distinct business advantage, McDermott says. New associates can gain quick proficiency by taking a web-based course inserted into their introductory training curriculum.

The program has resulted in a significant decrease in turnaround time for research items, including completion of service level agreements in less than two hours. Other benefits include greater transparency of ideas, increased ability to update and publish information, and improved capacity to implement contingency plans.

“We’re also applying the Discovery concept to other areas,” says McDermott. For example, it serves as the infrastructure for a two-and-a-half-day course called Building Change

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Capability, where associates can access a dedicated wiki site, blogs, and other social networking tools, along with hands-on instruction.

Another innovative learning program is called the Retail Sales Lab Initiative. The March 2007 partnership between corporate learning and the retail sales organization involves a learning solution around the emotional component of client relationships with investment advisors. The goal was to improve both client loyalty and sales activity with clients and prospects.

The sales organization appointed a team from within its ranks to identify, test, and institutionalize best practice consultative selling methods tied to the emotional needs of clients. The process has resulted in new instructor-led training from the learning department for some 200 sales associates based in the United States.

To reinforce these critical skills, the internal partners followed the concepts of Ken Blanchard’s Situational Leadership II model to create supervisor reinforcement workshops and coaching tools.

Measurement of the program’s results 12 months later showed impressive results. Sales interactions in which the emotional needs skills were used more than doubled the likelihood of a converted sale, from 36 percent to 81 percent. Overall customer satisfaction rose 17 percent in terms of “genuine gesture” of thanks from customers.

The approach is no mere sales tactic. It reflects a companywide emphasis on consultative selling that seeks to uncover every client’s real needs, be they financial or emotional, McDermott says.

“We have a long-term perspective of what’s in a client’s best interests. We try to advise our clients on what they need today and in the long term to make their financial situation work.”

Perhaps the culture of learning within T. Rowe Price is best demonstrated by the EDGE (experience, discover, grow, and evolve) program. It is a leadership program offered to meet the company’s needs for frontline supervisors. It is presented in three phases to classes of 20 carefully selected participants eager to advance from their roles as individual contributors.

The program offers a combination of self-paced, participant, and facilitator-led activities and business simulations. Presented on site at the firm’s major locations, EDGE also employs local business leaders as well as a blended learning element that includes courses in the Harvard ManageMentor suite. EDGE associates are required to attend seven supervisor development classes during the program.

The final phase is a three-month transition that includes a customized, self-guided workbook that reviews case studies on decision making, prioritizing, communication, performance management, and recognition.

McDermott says EDGE reflects the importance of development at the fast-growing firm. “We want our associates to have a career here, so we need to provide them with opportunities for growth. We take a long-term approach to our associates as well as clients.”

More than 100 associates graduated from the EDGE program last year, 80 percent of whom have been promoted to supervisor. The total number of participants in manager and supervisor courses has risen from 478 in 2005 to 1,163 in 2007.

Learning is linked to individual and organizational performance via a suite of interconnected processes and

reporting tools. Using SuccessFactors’ online Performance Management Process (PMP), associates receive continuous feedback about their performance against specific objectives set by managers. PMP is also used during the annual review process to create competency-based development plans.

High levels of customer satisfaction attest to the effectiveness of the company’s learning programs and point to a bright future, says McDermott. The optional change capability workshop again offers a case in point. By enabling participants to design an actual change management plan, it offers both learning and consultation, says McDermott. He reports strong demand by associates for customized learning activities that directly enhance their performance.

“Learning is an important part of our business model for what we call the virtuous cycle,” says McDermott. “When you have talented people collaborating, they create value, and that creates client satisfaction. The more client satisfaction and business you have, the more you are able to recruit and retain talented people. Attracting and recruiting the most talented people and rewarding achievement leads to more collaboration, and the cycle begins anew.” **T+D**



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T+D is published by the American Society for Training and Development (ASTD)

010859.63250

