PwC’s U.S. chairman has responded to national racial traumas with a rare willingness to address uncomfortable issues—and to rally his firm and others. Can he really spark change?

BY ELLEN MCGIRT
TIM RYAN, THE NEWLY MINTED U.S. CHAIRMAN OF accounting titan PwC, was set to have a great first week. “Like most new leaders, I had a 100-day plan,” he says, smiling. “I was going to bring my new leadership team together. We’d bond, set big goals, do all that stuff.” That was July 1, 2016.

Then on July 5, a black man named Alton Sterling, a CD seller, was shot by two white police officers in Baton Rouge. The incident was captured on two videos, which sparked immediate protests. The next day, a black cafeteria worker named Philando Castile was fatally shot by an officer during a traffic stop near St. Paul. His girlfriend, whose 4-year-old daughter was in the backseat, streamed his death live on Facebook. Then, on July 7, a disturbed veteran killed five officers in Dallas during a protest over police shootings. The world watched in horror on live TV as the terrified crowd scrambled to take cover. The shooter told investigators, before he was killed by a police robot, that he had been infuriated by the deaths of black citizens at the hands of police.

With those searing events, Tim Ryan’s 100-day plan went into the dustbin. “I got the team together and asked what they thought we should say or do about what was happening,” he says. “I knew it had to be something.”

That “something” started as a series of emotional, companywide conversations about race that continue to this day and have transformed PwC leadership and emboldened employees. It has also changed the way the firm thinks about leadership development for PwC and the world. PwC plans to make its antibias training, already mandatory for new employees and those who are being promoted, available to the public for free. (PwC also sponsors Fortune’s RaceAhead newsletter.)

Since July, Ryan, 51, has been thinking about other ways to share what the company has learned, including with clients and competitors. At first blush, his pitch sounds ridiculously naive: “Wouldn’t it be great if all the CEOs of the Fortune 500, who employ millions of people in the United States, came together and acknowledged that, notwithstanding everything we’ve tried, we can do even more about race?”

Naive, at least, until you consider PwC’s reach. The firm, which consists of audit, tax, and advisory businesses, brought in $35.9 billion in gross revenue last year. PwC claims 96% of Fortune 500 banking and capital market firms as clients in some capacity, 97% of automotive firms, and 100% of entertainment firms.

PwC is everywhere, giving Ryan a powerful platform to broadcast his message. “I sometimes meet with 20 to 50 executives a day,” he says. “Now I bring up diversity in every meeting.”

For Ryan, the cause has become more than just moving the needle on corporate America’s collectively dismal diversity numbers—PwC is faring no better than the typical big company, and that concerns him. It’s about how to make people throughout the country better equipped to talk to, and not past, one another.

If you asked a 1950s schoolkid to draw a picture of a businessman, the sketch might resemble Tim Ryan: a trim white guy in a suit with a friendly smile, never a hair out of place, just the right amount of handsome—a guy you’d trust with the corporate coffers. Yet he’s playing against type, surprising even himself. “If you had told me on July 1 that I’d be spending most of my time talking about race and thinking about how to solve these big problems,” he says, “I wouldn’t have believed you.”
like the mostly affluent parents saying goodbye to their sons and daughters. Ryan recalls himself as the “poor kid in the land of plenty,” but he made friends and left with a degree in accounting.

Ryan felt equally out of place on his first day at PwC, in its Boston office, on a sweltering June day in 1988. “My mom had taken me shopping at Sears Roebuck for suits and such,” he says, and they had bought two white dress shirts, both short sleeved. He realized their mistake during his first hours of training, as other rookies started taking their jackets off and rolling up their long, businessman sleeves. “I kept mine on as long as I could, but I was melting.” He finally took off his jacket, and everybody stared. “Then I really melted,” he says. “They were like, ‘Who is this kid?’” The instructor took Ryan to Filene’s Basement on their lunch break and bought him the kind of shirts that executives wear. “That meant a lot to me,” Ryan says. “I thought, Okay, they’re looking out for me. I’m going to make it.”

Those are the kinds of stories Ryan likes to tell—he has a trove of them—that help him explain why he thinks the way he does, usually because he’s about to ask the nearly impossible of you. He has collected life lessons—and the people who have delivered them—voraciously since he was a kid.

Ryan is earnest and direct, with a few traces of a workingman’s Boston accent, all of which make him refreshingly accessible for a corporate executive. He’s devoted to his six kids (he’s divorced) and unrelentingly nice. What might come across as trite slogans when uttered by another executive sound authentic and profound when spoken by Ryan: Listen more. Be kind. Change your mind when it’s warranted. Care about people who are different from you.

“My job is to get 100% out of everybody,” Ryan says, “and everybody’s 100% is different.” He gleaned that wisdom in a dressing down he received as a teen working at a grocery store. Ryan and a buddy were caught mocking a special-needs co-worker who wasn’t as fast as they were at wrangling lettuce. “He’s giving me his 100%,” his manager told them. “Are you giving me yours?” Says Ryan, “I never forgot that.” He never forgets any of it.

Ryan grew up in a working-class part of Boston for his first few years. Like his father, his mother also worked, as a cashier (in the same market as her son). “There were three things that mattered,” he says. “One was working hard, the second was being honest, and the third was treating people with respect.” Academics, he says, were not emphasized.

Race was a palpable presence in Ryan’s early life. It was the early 1970s, and forced integration was coming to Boston’s schools and his white neighbor-
The shooting death of Michael Brown in Ferguson, Mo., in 2014, the incidents seem to multiply day by day, most of them captured in some form by photo, audio, or video. Black Lives Matter, which began as a hashtag after Martin’s killer, George Zimmerman, was acquitted, had evolved into an increasingly visible movement trying to address, among other things, racism in the criminal-justice system. But for many white people, the BLM protests and online commentary were a confusing and frightening new element in a conversation about race that they didn’t want to have in the first place. “This was the world that all of us, including our employees, were living in,” said Ryan. “We had to understand what it meant to them.”

Most corporate leaders struggled with what to say or do that week in July, and PwC was no exception. Ryan’s newly formed team settled on a thoughtful letter to employees, no easy task in itself. They sent the letter on Friday, July 8.

Over the weekend, Ryan’s in-box was flooded with emails from employees thanking him for saying something. “The big theme in the responses was that all this stuff was happening and the silence around it was deafening,” he said. “If I’m coming to work—the place I spend more time than anyplace else, practically—and I’m not sure my son is safe, or I don’t know what to say to a black person, then people can’t realize their full potential.”

Ryan announced that he wanted to get employees together to talk about race. A mild panic ensued. The response both inside and outside the firm was “Oh, my God,” says Ryan. “They worried that it would all go off the rails and turn into a fight about right and wrong and the police,” he says.

The meetings, called ColorBrave: A Conversation About Race, were set to take place on July 21 in offices across the country. They were to be informal with no agenda. To preserve privacy, the sessions were not filmed, and employees agreed to keep what was discussed in the room. But that was it. No rules, no protocol. Ryan and Elena Richards, from PwC’s diversity office, teed up the conversation with a short video and then just let people talk.

A lot could have gone wrong, says PwC’s chief commercial officer, Reggie Walker. He feared a social media debacle. “I didn’t want to look like we were taking advantage of the situation either,” he says. Later, Walker got a call from Ryan. “He said, ‘I think you’re scared,’ and he was right. I was. He called me out on it, in a good way.”

IM RYAN REACHED THE TOP

Spot at PwC just as the nation was reaching a pinnacle of its own. The previous four years had seen an alarming number of lifeless black bodies filling national news feeds, most dead at the hands of the police. Starting with the death of Trayvon Martin in Sanford, Fla., in 2012, then with the shooting death of Michael Brown in Ferguson,
The Atlanta meeting was “uncomfortable at times,” says Marvin Washington, a partner who attended it. People shared stories about being afraid for themselves or their sons at the hands of police, of navigating the pressures of mixed-race families, and about feeling invisible at work. Several PwCers told me there were more tears shed that day than on any other day in the firm’s 160-year history. “What really got me was the response from the [white] leadership,” says Washington. “They’re like, ‘Wow, I had no idea people felt this way, that they were going through these things.’”

Washington was recruited to the firm 13 years ago to fill a competencies gap; the firm had sold its consulting arm and needed people with experience with the federal government, which he had. Now Washington expects PwC to bring in more outsiders. “Most of the people at PwC grew up here, like Tim,” he says. That’s part of the diversity problem. If PwC is going to continue to
grow, it will need to attract professionals with an increasingly modern set of skills. “And our clients expect diverse teams,” he says.

Ryan has asked that all of PwC’s units meet regularly to continue the ColorBrave conversations. Washington has found the gatherings eye-opening. He says he was the only black partner in the room at one such meeting, and he spoke up. “Oftentimes you feel like you’re always auditioning to be accepted,” he told the group. “And it feels like it will never end.” The white partners had no idea he felt that way. “There are so many emotions bottled up in all of us, and it can be surprising to some people,” Washington says. “But we’ve got a lot of momentum now.” He says he now talks routinely with people in his network about race and their lives.

Many didn’t know what to expect. Javier Perez Navarrete, a third-year associate on a banking and capital markets team in D.C., worries that his English doesn’t quite measure up (he’s from Puerto Rico). He found himself confessing his lack of self-confidence at a ColorBrave event. The message—be comfortable with the uncomfortable—hit home. PwC’s antibias training also impressed him. “I used to think I should treat people the way I wanted to be treated,” he says. “But really, I need to treat people the way they want to be treated.” That’s a subtle shift, one that requires a willingness to listen. “It’s good,” he says. “I’m growing.”

**Ryan is “The Right Balance of a Big Dreamer and an Action-Oriented Executive to Actually Get This Thing Done,” Says New York Life CEO Ted Mathas, Who Has Joined His Initiative.**

Ted Mathas. “He’s a big thinker. He’s the right balance of a big dreamer and an action-oriented executive to actually get this thing done.” Mathas continues, “He works closely with our audit committee to ensure the integrity of the books. Great. But doing a really good job as our audit firm is just table stakes. We spend a lot of time together. Tim’s thing is always, What else can we do together? This is a perfect example of that, and Tim’s exactly the kind of person who can invent something important for the business that has nothing to do with our books.”

What is still emerging is how Ryan’s new, largely leaderless alliance can put a shape to a conversation about race that improves the lives of companies and communities. Ryan, working hard to recruit other participants, says he is loath to discuss specifics until he has more companies onboard.

Ron Parker, CEO of the Executive Leadership Committee, an organization of black executives dedicated to corporate diversity and inclusion, has been watching Ryan’s work unfold. “They’re a longtime sponsor of our events, so we’ve worked closely with them over the years,” Parker says. He is thrilled but not surprised by Ryan’s quest. “Tim has a lot of courage on this but also credibility in the marketplace. He can garner a level of support to make this a very extensive conversation.”

Parker was particularly struck that Ryan started by bringing competitors onboard. “Tim reached out to industry peers, like Accenture and Deloitte and E&Y, and they aligned with him right away,” Parker says. Then the hard work was to figure out what they wanted the larger Fortune 500 cohort to sign up for. One of Parker’s roles has been to help frame the issue. “We needed to add the sense of urgency as to why this needs to happen now,” he says.

What happens next is still unfolding. “Every Fortune 500 CEO is going to be briefed on what is going to take place, and they will make the decision on whether or how far or how deep they’re going to play on this topic,” says Parker. Expect a commitment to implicit bias training and sharing best practices, with some bold-faced names taking the lead. “When you have enlightened leaders like Julie Sweet at Accenture, Indra Nooyi at PepsiCo, and Brian Cornell at Target, you have to take advantage of that kind of leadership,” he says. “This is their point in time to step forward on the topics and issues that we’ve all been silent on.”

Will all that be enough to make a difference? Diversity and race are, after all, notoriously intransigent challenges. Still, mustering a large coterie of leaders who account for a discernible chunk of our economy can only help.
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