Building Sustainable DEI Initiatives in the Insurance Industry and How to Measure Success

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INCLUSION, DIVERSITY AND BELONGING: TALKING POINTS

NLC Inclusion, Diversity and Belonging

Rochelle Rosato, Global Inclusion, Diversity & Belonging Leader | New York
Guy Carpenter, New York
October 17, 2022
What it means to belong
at Marsh McLennan

• We are four businesses made up of 80,000 people united in our shared purpose to make a difference in the moments that matter.

• Together, we create a culture of belonging in the ways we show up, big and small, every day. We aspire to expand what is possible by leading with empathy and embracing every voice.

• To belong at Marsh McLennan means openness, trust, support, visibility, caring, and respect.

• With the contribution of all our colleagues’ energies, we create a better version of the world inside Marsh McLennan — and outside of it, too.
Guy Carpenter: Diversity is critical for us to achieve our purpose

- At Guy Carpenter, we help colleagues and clients grow – and communities thrive – by protecting and promoting possibility.
- In the security we provide, there is empowerment to pursue bigger and better things. Our work creates the freedom to move forward for clients and for each of us.
- Why Guy Carpenter? The answer lies not only in our size and depth of expertise, unwavering commitment to clients, unrivalled industry knowledge and unmatched global reach; it takes more than capabilities to protect and promote possibility—it takes character.
- We love this work, and we are determined to make a difference for our clients. We are a people business, and we build genuine relationships founded on trust. We want to know more, do more; our favorite question is the one we have yet to answer.
- We seek better ways and define more effective paths to the right outcome. It’s what insurance is—knowing someone is there in the moments that matter. We are passionate, human, inquisitive and enterprising – that’s what enables us to protect and promote possibility. Going beyond risk to rewards— for clients, colleagues and the communities in which we serve.

We value diverse perspectives, talents, and backgrounds because they are key levers in driving innovation and enabling us to fulfill our purpose.
Value of Inclusion

Inclusion correlates to:
- Increased profits
- More innovation
- Improved brand identity
- Increased engagement
- Improved productivity

Inclusion generates:
- Increased commitment to teams
- Collaboration
- Less turnover
- Trust
- Efficiency
We value and seek differences: Guy Carpenter’s DEI strategy focuses on three pillars

**Drive deliberate diversity and equity**
- Set D&I targets and metrics
- Partner with external organizations
- Sponsor self-ID campaign

**Facilitate a culture of inclusion and understanding**
- Training for leaders and colleagues on inclusive leadership, unconscious bias, microaggressions, and allyship
- Diversity and inclusion concepts are embedded in the Marsh McLennan leadership framework and talent development programs
- I&D regional Councils

**Interweave DEI into the colleague experience**
- Sponsor colleague resource groups
- Partner with nonprofits to enable colleagues to support at-risk communities
- Encourage colleagues to volunteer and give back to their communities
Grounded in the ID&B Center of Excellence’s three focus areas: CLEAR PURPOSE, COLLEAGUES & CULTURE & OPERATIONAL ALIGNMENT, Guy Carpenter’s Inclusion, Diversity & Belonging strategy seeks to:

**Guy Carpenter Global ID&B Strategy**
Enhancing our Culture of Inclusion, Belonging & Access To Equal Opportunity

**Hire**
We will ensure our workforce is representative of the communities in which we live and work by leveraging our newly formed partnerships and promoting our value proposition to hire underrepresented talent.

**Grow**
We will grow our colleagues with targeted efforts around career development, mentorship and sponsorship and by ensuring equitable access to opportunities.

**Retain**
We will cultivate a culture of belonging by listening and raising the level of visibility and exposure of our talent to align them to growth opportunities.

**Educate**
We will enhance our position as employer of choice by branding ourselves as a company that leads the change and pushes the needle with select training and educational opportunities, including leveraging GC Embrace.

**Shared Accountability & Responsibility Leveraging Identified Metrics**
Training: Executives, People Managers & Top Talent Programs

Specialized programming deeply rooted in GC specific business context. Requires selection process as outcome of talent discussions.

Positions leaders for critical roles.

Designed and delivered through partnership between internal and external SMEs.

MMC Top 180

Leader Lab

New MD Development Series

MD Summit

VP Development Program

Black Leadership Program

Accelerated Leadership Program

NEW
Future Leaders Program

Allyship

Managing Your Bias
• MMC established the Racial Inclusion and Social Equity (RISE) MBA Fellowship, in partnership with the National Black MBA and Fisk University (2021). Our 2nd cohort launched in October with over 50 fellows across the US/UK/CAN.

• Additionally, the company nurtures our talent through the Black Leadership and Diversity Development programs for high-performing colleagues in historically underrepresented populations.

• We leverage targeted partners/sponsors to build a diverse pipeline of talent by promoting our Employee Value Proposition and brand within reinsurance.
Marsh McLennan partners extensively with diversity talent acquisition organizations to attract top talent.
Our colleague resource groups bring to life our commitment

The **Embrace Council Network** is integral to the GC culture. Each council is made up of colleagues who voluntarily work together to help us achieve our diversity vision.

Hire, develop, and retain the best talent

Work with an increasingly diverse client base- partner with clients on DEI efforts to increase impact and engagement

Connect to the increasingly diverse communities in which our colleagues and clients live and work- helpful for recruiting and building our brand

Our CRGs currently cross the following communities:

- Women
- Racial and Ethnic Diversity
- Disability
- Lesbian, Gay, Bisexual, and Transgender
- Working Family
- Community Involvement
- Veterans
- Rising Professionals/ Emerging Leaders

Each GC Embrace Council provides unique perspectives from across the organization to:
We invest in our communities

In 2020, **Marsh McLennan pledged US $5M** over the next three years to non-profits advocating for equity in the Black community.

Marsh McLennan’s Double Match Program for Racial Equity matches all personal donations colleagues make to racial justice non-profits with an unlimited cap.

As of July 1, 2021, **one thousand colleagues from 19 countries** have donated **$1,000,000** (including the company match) to **68 non-profit organizations** around the world who advocate for racial justice.

Additionally, Marsh McLennan supports employees in giving back to the causes they care about by providing each colleague with **one paid volunteer day each year**.
The Journey of African American Insurance Professionals Study (2018) highlighted:

- Insights into the significant deficiencies of opportunity faced by African Americans at every level
- Macro socio-economic progress not reflected in executive and leadership ranks
- Provided recommendations to build momentum for industry inclusion

2017: 312 surveys, 25 interviews
## Barriers to Entry

<table>
<thead>
<tr>
<th>2017</th>
<th>2022</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of exposure to industry</td>
</tr>
<tr>
<td>2</td>
<td>Lack of networks</td>
</tr>
<tr>
<td>3</td>
<td>Lack of experience</td>
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<tr>
<td>4</td>
<td>Racial bias</td>
</tr>
<tr>
<td>5</td>
<td>Educational preparation</td>
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</tbody>
</table>

1. Lack of exposure to industry
2. Lack of networks
3. Lack of experience
4. Racial bias
5. Educational preparation
Mentoring and Sponsorship

- Importance of Mentorship: 91% (The Journey Study (2017)), 94% (The Next Steps (2022))
- Have a mentor?: 37% (The Journey Study (2017)), 35% (The Next Steps (2022))
- Have a sponsor?: 13%
- Have a coach?: 7%
2021 Public Service & Government Demographic Stats

Top three public service employers by industry (in millions)

Source: Current Population Survey, U.S. Bureau of Labor Statistics. Total employment in those industries is: health services, 10.3M; elementary and secondary schools, 8.7M; hospitals, 7.3M; public administration, 5.9M; colleges, 3.8M; and social assistance, 3.1M.

- Health services, except hospitals
- Hospitals
- Public administration
- Elementary and secondary schools
- Colleges (incl jr. colleges)

Does the gender, racial and ethnic composition of the workforce reflect the local community they serve?
### 2021 Public Service & Government Demographic Stats

**Diversity, equity and inclusion: How would you describe the gender composition of the workforce?**

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reflective of the community</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>Not as representative as it could be. We are addressing via targeting recruitment campaign.</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Not as representative as it could be. There are no targeted recruitment or retention efforts.</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Don't know</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

**n=226**

**Diversity, equity and inclusion: How would you describe the racial/ethnic composition of the workforce?**

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reflective of the community</td>
<td>38%</td>
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</tr>
<tr>
<td>Not as representative as it could be. We are addressing via targeting recruitment campaign.</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Not as representative as it could be. There are no targeted recruitment or retention efforts.</td>
<td>36%</td>
<td></td>
</tr>
<tr>
<td>Don't know</td>
<td>7%</td>
<td></td>
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**n=224**
In exit interviews with departing employees, which of the following have been cited as among the top three reasons for leaving?

- Pursuing further education: 2%
- Physical / mental health* (Did not conduct exit interviews): 3%
- Dissatisfaction with co-workers: 4%
- COVID-related health/safety concerns*: 4%
- Dissatisfaction with the organization: 5%
- Workload/burnout: 6%
- Change of career: 17%
- Dissatisfaction with supervisors: 22%
- Advancement with a private employer: 23%
- Advancement with another public employer: 23%
- Lack of internal advancement opportunities: 24%
- Compensation not competitive: 25%
- Person/family priorities: 30%
- Retirement: 36%
- Other: 3%
- Not applicable: 4%
- Advancement with a private employer: 5%
- Lack of internal advancement opportunities: 6%
- Compensation not competitive: 7%
- Person/family priorities: 8%
- Retirement: 9%
- Other: 10%
- Not applicable: 11%
- Advancement with another public employer: 12%

Over the past year, what changes, if any, have your retirement-eligible employees made regarding their plans for retirement? (Details, 2009-2021)

- Postponed their retirement: 44%
- Accelerated their retirement date: 12%

See note

* Note: The percentages might not add up to 100% due to rounding.
Skill sets

Sought-after skills have been a survey topic since 2015, with nontechnical skills topping that list every year. The most sought-after skill is analytical/critical thinking (74%; see Figure 6).

Looking broadly at your workforce, what general skill sets are needed?

Conduct a needs assessment around future skills and capabilities
Build a learning and development strategy around these targeted skills
Create career progression maps to share with all talent in performance conversations
# Self-ID/Who We Are Campaign

## Overview

<table>
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<tr>
<th>Why</th>
<th>What</th>
<th>How</th>
</tr>
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<tbody>
<tr>
<td>Demographic data helps us to understand the diversity of our colleague population or areas to focus on in tackling underrepresentation (based on comparison with wider social demographics and talent trends).</td>
<td>Self ID refers to the <strong>diversity monitoring questions</strong> we ask employees to share in Workday. The Self ID expansion is designed to capture further questions and options which better reflect dialogues on inclusion.</td>
<td>By improving the quality of language in Self ID questions and expanding to cover greater diversity, we have a <strong>better picture of our diversity now and can track progress</strong> to improve accountability, support monitoring and enable better reporting as required.</td>
</tr>
</tbody>
</table>

## Key Campaign Components

- HR & CEO Leadership Champion Messaging
- Multi-Channel Video Promotion on how to self-identify
- Colleague Connect Article highlighting why colleagues choose to self-identify
- In-office monitor displays highlighting self-id
# Why we believe self-identification campaigns are key enablers of our strategy

## Why focus on Self-Identification

- To make visible the diversity of our workforce with respect to people whose difference may otherwise be invisible
- To encourage and empower colleagues to voluntarily disclose how they identify with respect to various identities
- To better support an environment of inclusion and belonging for colleagues who are part of historically marginalized groups
- To inform our ID&B activities as well as broader people management practices
- To establish a program of tracking for hiring, promotion and retention of underrepresented colleagues

## Keys to Success

- Strong **partnership between HRIS and ID&B**
- Strong **implementation and change management Team**
- Impactful, multi-channel, **multi-touchpoint communication campaign** sustained over time
- Visible **leader support and messaging**
- Uptake and **buy-in from resource group leaders** and vocal support and promotion from RG membership base
- Leveraging the ease of new colleague dashboard to simplify steps to completion

## Campaign Goals

- Provide a baseline view of our colleagues’ characteristics and facilitate goal setting to achieve appropriate representation at all levels
- Monitor talent pipelines to ensure colleagues and candidates are provided with equitable opportunities
- Enable monitoring of colleague experience through analysis of feedback through a wider range of variables
- Provide colleague resource groups with greater (high level) information on our populations so they can target efforts accordingly
- Develop targeted interventions to improve our culture of belonging
- Participate in benchmark data efforts and demonstrate levels of representative diversity

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**Self-Identification Campaigns can be a key catalyst in driving towards a culture of belonging at Marsh McLennan**
We are proud of our legacy of championing diversity, equity, and inclusion yet know we have more work to do

1. **Global Partner from the start**
   GC has sponsored the *Dive In Festival ever year since it first began in 2015*. Considered the premier D&I event in the insurance industry, the 2022 Dive In Festival featured a record-breaking 150 events across 40 countries around the world.

2. **Industry-wide thought leadership**
   GC has commissioned and collaborated on several studies about retaining and increasing diverse talent.

   GC is the sponsor of the DEI track for RIMS, *the* risk management society. GC colleagues serve as panelists and speak about DEI at RIMS, as well as other industry events.

3. **Top score for 13 years in a row:**
   Marsh McLennan has received a *100% rating on the Human Rights Campaign’s Corporate Equality Index every year since 2009*. The index is the national benchmarking tool on corporate policies, practices and benefits pertinent LGBTQ employees.
REAG 2022 Racial Equity Survey Results

Number of Respondents as of 9/22: 20

Pools with Racial Equity Goals/Mission: 8

Responding Pools with Past and/or Upcoming Racial Equity Programming: 11

Of those 11, number of pools offering (note: some have more than one type):

- Internal Committees or Taskforces: 6
- External Committees or Taskforces: 6
- Recruitment Partnerships: 1
- Facilitated Conversation or Training for Members: 7
- Online Training (internal or external): 5
- Conference sessions: 1
- Consultant Programs: 3
- Toolkits: 3
Discussion Starters

Please introduce yourself with name, role, and pool.

• Any comments, thoughts, or ideas you have relevant to this workshop or REAG’s work

• How are you or your pool thinking about RE issues in terms of investments, claims handling, underwriting, etc.?

• What are the types of claims that happen the most often?
  o How does racial equity possibly affect them?

• How does racial in/equity affect the role you play at your pool?