



## Ep. 5: Diversity, Equity and Inclusion with Marsh McLennan

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**Music & Legally Qualified Intro Voiceover:** Welcome to RumbergerKirk's Legally Qualified Podcast, where we answer important questions facing businesses today and discuss hot topics in the legal industry. From employment law to commercial litigation, product liability and everything in between, we've got it covered.

**Linda Bond Edwards:** Hello everyone. I am Linda Bond Edwards, an employment and labor attorney in RumbergerKirk's Tallahassee office. In our office and with my practice specifically, I advise clients on a wide variety of employment law and labor matters. Today we're going to be talking about diversity, equity and inclusion and one Fortune 500 company's journey to incorporate those principles into their culture.

With me today is Janelle Lester who works as the lead compliance officer at Marsh McLennan. Marsh is the world's leading professional services firm in the areas of risk, strategy and people. Janelle is the legal representative appointed to Marsh's internal Race Advisory Council, which provides strategic advice to executive leadership with regard to diversity, equity and inclusion. Thank you so much Janelle for being here today.

**Janelle Lester:** Thank you Linda. I am very glad to be here and just a great thank you to the team at RumbergerKirk for leading such meaningful and important discussions. Before I get

started, I did want to say that while I'll be sharing what Marsh is doing and our journey, some of the views will of course be my own.

**Linda Bond Edwards:** Great. I am so looking forward to our conversation. So Janelle, from a law firm standpoint, over the past year particularly and in some instances before that, but especially over the past year, there has been a major push in the legal industry to embrace and improve diversity, equity and inclusion in law firms. Much of this push has come from our clients, corporate America and our own self-reflection to ensure that we have diverse talent that represents our belief that diversity adds value to decision making and business operations. I think it would be very helpful to understand what companies such as Marsh McLennan are doing on their end in diversity, so perhaps law firms can learn from the initiatives that Marsh has put in place. We're going to just talk about a few things. But my first question for you is, what has been your senior management's most poignant action to address the DEI issue and how have employees and the industry responded?

**Janelle Lester:** Well, Linda, after the events of 2020, so the pandemic coupled with George Floyd and a lot of the conversations that were emerging around race, ethnicity, social justice, Marsh really put its head down and our CEO came out shortly after with a very strong commitment statement around building a culture of belonging and inclusion. The firm went further than simply stating that we stood against racism. He actually came out and said that the company's greatest strength is the collective talent of our people.

And really we defined three areas that we wanted to focus on to drive change. And I think of them as three main headings, that I think a lot of companies, law firms, Fortune 500, you really want to think about this when you're shaping any future planning. Our three areas were education, opportunity and then metrics and accountability. On the education side there's been a focus on the company educating its staff. Meaning the leadership team educating the managers, educating themselves and also colleagues becoming more aware of things like unconscious bias, allyship and what inclusion in the workplace really means.

And then on the opportunity front, we've been very focused on simply increasing the numbers of diverse leadership. Black colleagues in particular, but leadership across the board. We are trying to make sure that there are opportunities for people to rise among the ranks. And metrics and accountability, I think this is really in my opinion the underpinning, right. You want to understand where you are, define where you want to go and then build a sense of accountability within your leadership and your management team to get you there.

**Linda Bond Edwards:** Wow, that's pretty aggressive Janelle. That sounds really interesting. So let's kind of break that down a little bit. What are some of the components for that education initiative where Marsh is trying to educate itself and really understand what this whole issue of diversity, equity and inclusion really means? So what has Marsh done along those lines?

**Janelle Lester:** That's a great question, and I think Marsh, like a lot of firms, took a step back and really thought about how to increase awareness across the organization. So we have started rolling out training such as unconscious bias. There are training programs that are available specifically for colleagues who are people managers. So if you lead a team and you need guidance or you just want to become more knowledgeable on the experience of all of your colleagues, there are courses that our managers have access to.

And there are also courses on how to have difficult conversations. Like, things – myself included, that's something that it's sometimes uncomfortable. I think a lot of us grew up hearing, especially legal professionals, you don't have certain conversations in the workplace because we don't want to offend people. And now that you think that ripped off the lid and everyone's diving into these conversations, you still want to be sensitive. So there's training that's available to people on how to broach those topics as well.

**Linda Bond Edwards:** That's so important, and it certainly highlights your CEO's commitment that, what a great resource you have in the talent of your employees. And it sounds like that training really helps to enforce communication among employees and enhances the palate of your people. So let's talk about the opportunities. That's always a challenge because we want to see that needle move. I'm sure organizations want their DEI culture to be about more than numbers. But how does that initiative, that opportunity initiative start to affect the numbers?

**Janelle Lester:** Well, hopefully it will have a positive impact on the members. The things specifically that we have done to increase opportunity, especially when it comes to having diverse colleagues rise to leadership ranks, there are two programs that the company has launched in 2021. One is called the Black Leadership Program. Which is geared towards getting black colleagues in particular, putting colleagues through a leadership development training program. And the end result hopefully will be that some of the individuals that go through this program will become the next leaders of Marsh McLennan.

People in the program are already in leadership seats. They're already in leadership positions. But going through the program hopefully will get people to rise to even more senior ranks within the organization. And a second program that we have launched is a partnership actually with Fisk University and the National Black MBA Association. It's a fellowship program. We will be bringing in 50 fellows starting in September of 2021. These fellows will be able to work within Marsh McLennan businesses. They will be able to engage with our clients and really help them to develop their business acumen.

At the end of that program, these MBA participants will be given full-time opportunities, either with Marsh McLennan or with one of our clients or other industry partners. Again, the goal here is to get these individuals well positioned to ascent to leadership positions within the industry.

**Linda Bond Edwards:** Along those same lines, and we've seen initiatives that have partnered with HBCUs or historically black colleges and universities like Fisk and as a recognition of the tremendous talent that resides within those institutions. So hats off to Marsh for partnering with Fisk for your program. Now with the Black Leadership Program, how were individuals selected for that program? And I think you said that they are current Marsh employees.

**Janelle Lester:** Yes, the Black Leadership Program was (sounds like: purely) selective. You had to be of a certain level of seniority to be selected. I'm proud to share that I actually was selected for the program. So in going through it now I can already see the value, even though we're not yet through the program. But you have to be of a certain level of seniority within the organization, in good standing of course. And then really recommended by your manager and a member of the executive team or another senior individual within the firm.

**Linda Bond Edwards:** Great. So you talked about that third leg of the Marsh program. I'm not going to call it program because it sounds like it is far beyond a program, but really an initiative. So metrics, talk about how Marsh will measure its effectiveness.

Janelle Lester: The metrics and accountability piece, I will say Linda, I definitely want to stress it. I'm going to talk a little bit about my own views on this. In the area of metrics and accountability, Marsh has done a very good job of starting to look at our colleague population. Understanding where we are in the journey. So what do our numbers look like across the globe? We are a very large organization. We operate in 130 countries around the world.

So just making sure we understood where we are today. And then starting to have some really interesting conversations with the leadership team, within HR, within our businesses on where we want to go. And again, that last piece on the accountability is thinking through and really defining how are we going to hold ourselves accountable? So I think that Marsh is still defining some of these things for the firm. We're still in the middle of that journey and that process.

But personally, I do think that as Marsh's other companies go through defining what metrics and accountability means for them, I believe you need to hold your managers accountable. So the same way that CEOs and CFOs put out targets for their businesses. You know exactly what your revenue targets are for the year. I think around the area of DEI you're going to be thinking about the same thing. And it's not - I don't think it's necessarily just about your head count numbers, right. I think organizations want to think about the culture that you want to breed. You're breeding a culture of belonging and inclusion.

So when you're thinking about metrics and accountability, think about what metrics you have around the culture, not just a sheer head count number. And some of that might be reflected in things like your engagement scores. A lot of organizations do engagement surveys to understand how their colleagues feel about the work environment. You can look at things like your turnover rate. You can look at things like your promotion rates. You can have 180 built in so that managers are also being rated on perhaps a DEI component, right.

So managers are sometimes rated by their team members on their overall performance. Maybe you make a component about how well is the manager doing it, breeding a culture of inclusion, right? So those are just some things that organizations can be thinking about. Those aren't necessarily things that Marsh is doing. Those are just my own thoughts.

**Linda Bond Edwards:** One of those areas that I wonder if Marsh has taken a look at, and that is with engaging outside counsel to do work for Marsh. Is that one of the areas that Marsh has placed some initiatives towards?

**Janelle Lester:** Yes, within the legal compliance and public affairs group we do have a team that is looking at that. How we can work better with outside counsel to ensure that diverse teams are working with Marsh. So that is definitely something we've been working

on, and redefining our statement and also thinking about how we are going to hold law firms accountable.

We also, outside of the legal team, across the entire firm we've been looking at supplier diversity. So there are teams within procurement that are kind of taking a look at how do we get better insight into the diversity of our suppliers, and then how do we increase that over time?

**Linda Bond Edwards:** That's great. And as a law firm, we are certainly interested in working with organizations like Marsh to show our diversity. So when those opportunities arise, how does Marsh go about looking at law firms or holding law firms accountable for the diversity within that law firm?

**Janelle Lester:** Yeah, great question Linda. I think some of it is still in development as far as how we're going to design the program. But we're starting basically with putting law firms on notice. So crafting language that's going to make clear to our firms that we would like to see diverse teams, not only kind of pitching us. But also actually working on the matter through completion. And we also want to take a look at the individuals that are viewed as managing the relationship. So who are the relationship managers on it, and how is everyone getting credit for the work? We want to go a little bit deeper.

But like I said, some of it is still in discussion phase and still trying to define how we're going to hold our – not only hold the law firms accountable. But how do we hold ourselves accountable, right? I think that's one of the things that we also want to think about. Because if you are engaged with a firm in a matter and you realize the team isn't diverse, you need to be prepared for what you are going to do.

**Linda Bond Edwards:** That's great information for law firms because as you know, there is a fair amount of research and literature in the public space about the challenges that minority partners in majority firms face in terms of getting to that equity partnership level. And it sounds like the work that Marsh is doing goes towards that

in terms of look at who is actually doing the work and looking at who is actually managing the work. So that's a great goal perhaps for other organizations to look at, is to include that. Not just who's presented as the team, but who's actually doing the work once the work is assigned. So that's a great initiative to work towards, and I'm glad that Marsh is also taking a look at that. So Janelle, how have Marsh employees responded to the initiatives that have come about within the last year or even before that, but particularly in the last year?

**Janelle Lester:** Well, that's an interesting question. I think that we have seen a lot of support for these initiatives. I think we're in a moment where people are more interested, at this point, in working for organizations that they view as ethical, than in simply having high salaries. A lot of – there have been studies on it, there's data, there are surveys that show when you ask employees at this point what are they most focused on and what do they find to be most important in the companies in which they work? So that's the feedback that you're getting.

So there has been a lot of support for the initiatives. I was going to say, let's be real about where we are. Not everyone is going to buy in. You will have some people who don't view diversity, equity and inclusion as a priority. Especially when the company has been doing well. Marsh has been doing very well. So if we're already profitable, we're doing very well, things aren't broken. Why view it as a priority? And I think Linda that's okay. I don't think you need to have 100% buy in across the board. But you need to have a system in place that brings the culture that you want as an organization.

I think about years back you also had a lot more CEOs who didn't view compliance as a priority. And you've seen over the past several decades that compliance has become more top of mind. Good CEOs recognize that to have sustainable longevity and growth, you need a strong legal and compliance team. I think that's going to be the same wave that we see for the future, to really have a sustainable growth and longevity and colleagues who will stay with you, organizations will need to focus on this. And you get there by building the systems of metrics and accountability.



**Linda Bond Edwards:** My hope is that one day there will come a time when you and I don't have to have this discussion. That DEI has become so engrained in the culture that it's not even an issue that needs to be discussed. That as you say, there will be some who will buy in and some who won't. But at least there is an understanding and an appreciation for the importance of considering the talents and the skills of all employees becomes the norm. And so how do you think that Marsh will keep the DEI initiatives from becoming just another program? I know and you know as well I'm sure, that these discussions have been going on for a while. So how does Marsh intend to move this from being just this year's initiative to really trying to incorporate the principles into the culture? And we talked about the three initiatives. But what happens if the leadership changes?

**Janelle Lester:** Great question. I think there's always going to be that risk. What's popular today may not be popular tomorrow or ten years from now. But I think that we are laying a really good foundation. So DEI goes hand-in-hand with ESG, right. And everyone knows that ESG right now is becoming not only, quote, unquote, popular with the kids. But regulators are looking at it, right. You have people coming out and putting diversity requirements on boards. You have people wanting more information from publicly traded companies on what your numbers are and what you're doing.

I think there is now more external pressure than there ever was before for companies to get this right. So when I think about what is really going to make this sustainable and make it a long-term commitment, when you have regulators putting requirements in place, yes, that can change with different administrations. But I think that's going to be something that's here to stay, a regulatory focus on it. You're also going to have shareholders focused on it. And then I think internally what we are building, that's just some of the metrics and the accountability that I talked about.

When you really have that kind of hard wired into the fabric of your organization, the way that you are measuring your management team, the way that you are setting down your revenue goals with your overall representation goals across the

organization. When that gets hard wired in it's hard to back out of it. And then hopefully the people who are going through the Black Leadership Program, the people who will come out of the fellowship and other programs that are to come still, right. So you have one cohort this year. There will be future cohorts. This will be something that will continue to grow. As we get more diversity in leadership ranks, I think those conversations will just naturally continue.

And one other thing that I wanted to mention is, a position that I think is very important, we hired a chief inclusion and diversity officer who is phenomenal. Her name is Nzinga Shaw. And I think that a lot of organizations, if you really want to build this into your fabric, making sure that you have roles like that and making sure that those roles are positioned for success. An organization has a chief inclusion and diversity officer and that individual has a well-resourced team, I think that's another really good indicator that things are going to be here to stay.

**Linda Bond Edwards:** Absolutely. So where does this position report within the organization? And before you respond to that, I've got to go back to one of the initials that you used, ESG reporting. Can you talk about what that is? And then maybe just a simple stating what ESG is, but that's a term that I may know it by something else. But if you would just explain what that is, and then talk about the position or the place in the organization where your chief diversity and inclusion officer sits.

**Janelle Lester:** Sure. So ESG, environmental, social and corporate governance, it is really the company measuring what we are doing in terms of sort of intangible assets across the enterprise. So environmental, you want to think of things like your carbon footprint. You want to think of what the organization is doing to make sure that we are doing all that we can to preserve the environment. Social, we are taking a look at what we are doing within the communities that we serve. What is the social impact that we have – that we are having? Whether it's volunteer campaigns for our colleagues or it is our charitable donations.

But as an organization, we keep track of things like that, and we share them publicly. And then corporate governance of course is how is the organization structured? How are we making sure that the decisions that we're making are sound and are following a set guideline? Marsh McLennan in 2021, we actually put out our very first ESG report. And we plan to do that on an annual basis going forward. Within our ESG report we included a section on diversity. And I think that they're kind of hand-in-hand now, diversity dovetails very nicely with ESG.

And because ESG I think is – diversity is also very much, it's not something that's new, right. But these two areas together are getting a lot more, I want to say press than ever before. Everyone, shareholders, regulators, everyone wants to know about ESG, and people also want to hear about what the organizations are doing around DEI, diversity, equity and inclusion.

**Linda Bond Edwards:** Before you talk about the Shaw, Nzinga Shaw, I want to talk a little bit more about the ESG factors because it appears that because there is so much press around these issues, that organizations almost can't afford not to address diversity and inclusion because of the external pressure, as you say, from shareholders or from contributors, from other stakeholders. So that is certainly a factor that will impact all organization's focus or lack thereof on DEI issues. And I'm so glad that you brought that up, and so that people can understand that it's not just what's happening internally. But the external vision of it is also something that organizations need to be aware of.

**Janelle Lester:** Yes, very much so. Very much so. I think that any organization that isn't very focused on this area is probably a little bit behind. But always possible to catch up. But you definitely want to be paying attention to it.

**Linda Bond Edwards:** Absolutely. I do want to hear about where Marsh has placed your chief diversity and inclusion officer in the organization.

**Janelle Lester:** So it's interesting, our chief inclusion and diversity officer whose name is Shaw, came to us from Starbucks, from the MBA. Is just a very well-seasoned professional and is really pushing the envelope on the way that we look at things within the organization. She came in and is reporting to our head of HR currently, and the head of HR reports to our CEO. I do know that a lot of other companies have structured that role differently. Where the chief diversity officer reports directly to the CEO.

And speaking again personally, I would probably tell companies, make sure the individual is positioned for success. If that means that reporting into someone other than your CEO will give them the support that they need, maybe more access to resources. Maybe that's fine for your organization. But I think a lot of other companies, you might want to think about positioning them directly, reporting to the CEO. I think that's probably at this point more in line with best practice, having your chief diversity officer report to the CEO. I think it gives them the access, the visibility, to have some of those meaningful direct conversations. But again, it doesn't mean that one way is right or another way is wrong. I think every organization just has to right size it.

**Linda Bond Edwards:** Absolutely. It certainly has to be at a level in the organization that has influence with other leaders. Not just the CEO, but also those leaders below the CEO. And it sounds like Marsh's chief inclusion and diversity officer is in a pretty good place of influence.

**Janelle Lester:** She very much is. She is working with our leaders. She is making recommendations. She hasn't been with us that long. But she's already come in and making quite an impact. I mentioned the Fisk University partnership with the National Black MBA, the fellowship program. That was really her brain child. It was her leadership that has gotten us to this point. So she's already being successful.

**Linda Bond Edwards:** Awesome. So Janelle, as we come to a close in our conversation, what do you think would be the best lessons that a law firm could learn from the initiatives

that Marsh has taken and how organizations could begin to take I guess a good internal look and move forward from there?

**Janelle Lester:** They're going to have to do a little bit of soul searching I would say. So something that worked for Marsh may not work for a firm that's not the size of Marsh. We have almost 80,000 employees globally. We're in over 100 countries around the world. If you're a smaller company or a small firm, you only have a few offices, then you don't need to do things maybe in as systematic a manner. But you definitely want to start by understanding the current climate. What's actually happening within your organization?

Marsh did some internal assessments to help us understand what exactly is happening across our talent pool. What are the experiences the colleagues are having? We had quite a few what we called (sounds like: fake bait) calls where black colleagues were invited to conversations with executive leadership and were able to share directly what our experiences were within the organization. What recommendations did we have? And this took hundreds of hours across all of the executives having these conversations. All of our colleagues participating. It was a huge investment in just understanding where we were.

We also did an analysis of the metrics, right. To also understand the data, what is the data telling us? What are our colleagues telling us? So if you're not a very large organization, an exercise like that maybe won't take you very long. You might be able to get through it in a matter of weeks. But starting there I definitely recommend because you can't really fix a problem until you've diagnosed it, right. It's like going to a doctor and walking out with a prescription and the doctor hasn't examined you yet. No one does that. So I would start by examining what's happening within your company.

**Linda Bond Edwards:** Fantastic advice. Thank you so much. Any closing comments that you would like to make Janelle about the whole issue of changing or impacting an organization's culture around DEI issues?

**Janelle Lester:** I just want organizations to understand that they don't have to try to boil the ocean, right. One of the things that Nzinga actually said and I have to give her credit for this because it made me shift a little bit my thinking or my approach to this. Is do a few things and do them exceptionally well. You have so many areas that you could try to tackle when it comes to diversity, equity and inclusion. You can have entire teams staffed and working 80 hours a week and going full steam. And year over year you may not be making a lot of progress.

I was reading an article a few months back about the plight of a Fortune 500 company who had a big blow up 20 years ago. They brought in all of these experts. They really changed their culture. Their numbers started to look great. And then you look at them now 20 years later and they're right back where they started. And that backsliding is what you don't want to have happen. But when I say don't try to boil the ocean, think about what you really need to put in place to move the needle, and do a few things exceptionally well. And then year over year maybe do a little bit more. Do a little bit more. But if you try to boil the ocean I just – I don't think you will have the long-term success that you need to make this sustainable. You might have a bump in the needle. But you want to think about long-term sustainability.

**Linda Bond Edwards:** Oh my gosh Janelle, I'm sure that the next time that you hear the words "don't boil the ocean," they may be from me. Because I will copy that. {Laughs} I love that. Don't try to boil the ocean. And secondly, do a few things and do them well. But more importantly, know where you are so that you know where you need to go.

Thank you, thank you, thank you Janelle. It has been such a pleasure talking with you today. It's been very interesting and inspiring listening to your direction, your information, your assessment, your recommendations about what companies can and should be doing to create a more diverse, equitable and inclusive company. And I appreciate your sharing the great initiatives that Marsh has put into place. And so that other corporations, as you say, based on their assessment of who they are and their size can use some of those as a model. So I'd also like to say a special thanks

to our listeners. We hope that you've been given some great ideas to take back to your organizations. If you have any questions or would like to reach out to us, please email us at [info@rumberger.com](mailto:info@rumberger.com). Thank you.

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