



Article from

The Stepping Stone

November 2016

Issue 64

DIVERSITY SPOTLIGHT

Building, Retaining and Growing Diverse Teams

By Mitchell Stephenson and Linda Lankowski

Spend a few moments with this statistic: According to research from McKinsey & Company, gender-diverse companies are 15 percent more likely to outperform their peers, while companies that are ethnically diverse are 35 percent more likely to do the same.¹

Despite being consistently ranked as one of the top careers in the United States, actuarial science remains one of the least diverse professions. This trend also reverberates across the larger insurance industry.² Although African-Americans make up 13 percent of the U.S. workforce, they make up only 2 percent of all actuaries. Hispanics and Native Americans comprise 16 and 1 percent of the workforce, yet account for only 2 percent and less than 1 percent of all actuaries, respectively.³

The contrast between these statistics suggests the need for an effective diversity and inclusion (D&I) strategy to ensure not only the vibrancy of the actuarial profession, but also of the larger insurance industry. Recognizing this, the Society of Actuaries recently formed an Inclusion and Diversity Committee to focus on short- and long-term efforts to increase diversity in the actuarial profession.

Before we look at some best practices to enhance D&I in the workforce, it's important to understand the terms. "Diversity" refers to the appreciation and celebration of those attributes that make us unique, including gender, race, ethnicity, ability and sexual orientation. "Inclusion" refers to the creation of a culture of support and collaboration for individuals of all backgrounds—where every employee feels that they have the opportunity to bring their true, authentic selves to the workplace.

As actuaries and business leaders, it's important to attract and retain a talented and diverse workforce. We've included a few examples from our experiences at Prudential, and we invite readers to submit additional examples for future publication (email your examples to SteppingStone@JHACareers.com).



CENTRALIZED EFFORT TO DEVELOP AND MAINTAIN A D&I STRATEGY

D&I are integral to the strength of our talent, our culture, our business performance and our company identity. At our company, we are very fortunate to have a centralized team called the Office of Diversity and Inclusion (ODI) that develops an enterprise-wide strategy for D&I. ODI aims to create a culture of support and collaboration for people of all backgrounds, which allows every employee to bring their full and authentic selves to work, and where every customer sees a part of themselves in all company communications.

EARLY AWARENESS PROGRAMS

Developing career awareness programs aimed at high school and college students—especially those residing in diverse areas—helps identify high-potential talent at an early age and exposes students to a variety of career opportunities. Prudential's Actuarial Success Awareness Program hosts freshmen and sophomore college students, as well as high school juniors and seniors, from diverse communities for a week-long summer session to introduce them to actuarial science and the actuarial profession. The students meet actuarial executives, receive a mentor, and gain information regarding internship and scholarship opportunities.

ACTIVE PARTICIPATION IN ORGANIZATIONS THAT SUPPORT DIVERSITY

Actuarial communities need to initiate, develop and maintain strong relationships with external groups that support diversity. Our company works with several such organizations, including its long-standing relationship with the International Association of Black Actuaries (IABA). Associates—from new hires to the chief actuary—continuously focus on building relationships with external organizations.

BUSINESS RESOURCE GROUPS

Enterprise-wide business resource groups (BRGs) that are open to all employees serve as networks for promoting individual development while helping the company achieve its business objectives. BRGs help demonstrate the value of D&I. Many of our actuaries are involved in the company's seven BRGs, which include Able & Disabled Associates Partnering Together; the Asian/Pacific Islander American Association; the Black Leadership Forum; the Employee Association of Gay Men, Lesbians, Bisexuals & Transgender; Generations; the Hispanic Heritage Network; and the Prudential Military Veterans Network.

EMPLOYEE REFERRAL PROGRAMS

Building upon the BRGs, Prudential created an employee referral program to actively engage BRGs to assist in attracting top, diverse talent. This is in addition to the standard employee referral bonus for actuaries.

ONGOING D&I SUPPORT

Continuous interaction with strategic partners across the enterprise helps build strategies to ensure D&I are embedded into every aspect of our business. As actuaries, there are a variety of actions we can take to get engaged, including:

- Have a D&I topic as a regular agenda item in staff meetings or town halls
- Attend and participate in company diversity events
- Become a talent ambassador in helping identify diverse talent
- Ensure that diverse individuals are included as part of the hiring process
- Establish an audit process to ensure that your department is considering diverse suppliers

Excellence in D&I takes an organized strategy and dedication. At Prudential, our ongoing commitment to these initiatives was a contributing factor in receiving the 2013 Innovation Excellence Award from the National Association of Colleges and Employers, and being named the "Employer of the Year" in 2015 by the IABA. It is our hope that other companies will establish and foster similar D&I initiatives.

Yet, we shouldn't just focus on D&I because it is the right thing to do, or to comply with government regulations. A D&I strategy also shouldn't be a stand-alone program. Rather, if we get this right, D&I will drive our growth, development and competitive advantage, making a definite impact on the bottom line. ■



Mitchell Stephenson, FSA, MAAA, is director and actuary at Prudential. He can be reached at mitchell.stephenson@prudential.com.



Linda Lankowski, FSA, MAAA, follows emerging actuarial regulatory issues for Prudential Financial. She also chairs Prudential's Actuarial Recruiting Task Force. She can be reached at linda.lankowski@prudential.com.

ENDNOTES

- 1 "Why Diversity Matters," McKinsey & Company, January 2015. <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>
- 2 Population Reference Bureau survey, 2008. http://www.prb.org/pdf08/scientistprofiles/occprof08_actuaries.pdf
- 3 Barry McKeown, "Diversity in the Actuarial Profession," *Expanding Horizons*, Society of Actuaries, April 2014. <https://www.soa.org/News-and-Publications/Newsletters/Expanding-Horizons/2014/april/Diversity-in-the-Actuarial-Profession.aspx>