

Transparency, Accountability and Urgency

An Interview with Carmen Fernandez, Senior Vice President & Chief People Officer, Marsh McLennan

EDITORS' NOTE *Carmen Fernandez is responsible for Marsh McLennan's people strategy and capabilities to support its colleagues' growth and its businesses' priorities. Prior to her current role, she held positions within Marsh McLennan for 15 years, most recently Deputy CHRO, CHRO of Guy Carpenter, and HR leadership roles at Mercer, including North America HR Leader, Global HR Leader for the Career business and Chief of Staff in the Office of the CEO. Before joining Marsh McLennan, she worked in investment banking at Bank of America and Goldman Sachs. She began her career as a consultant with PricewaterhouseCoopers. Fernandez earned a BA in economics cum laude from Wellesley College and an MBA in finance from Columbia University.*



Carmen Fernandez

COMPANY BRIEF *Marsh McLennan (mmc.com) is one of the world's leading professional services firms in the areas of risk, strategy and people. The Company's 76,000 colleagues advise clients in over 130 countries. With annual revenue of \$17 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses: Marsh provides data-driven risk advisory services and insurance solutions to commercial and consumer clients. Guy Carpenter develops advanced risk, reinsurance and capital strategies that help clients grow profitably and pursue emerging opportunities. Mercer delivers advice and technology-driven solutions that help organizations redefine the world of work, reshape retirement and investment outcomes, and unlock health and wellbeing for a changing workforce. Oliver Wyman serves as a critical strategic, economic and brand advisor to private sector and governmental clients.*

How do you define the role of Chief People Officer and how important is it for the role to be engaged in business strategy?

The role of the Chief People Officer has evolved tremendously over the last decade, with the last 18 months seeing some of the most impressive changes in terms of scope and scale. From strategic to operational, one of my primary goals in this role is to ensure we keep

people at the center of every decision to drive growth, both for our people as individuals and our organization. At Marsh McLennan, we have four global businesses – Marsh, Mercer, Guy Carpenter and Oliver Wyman – that, together, represent 76,000 people exchanging ideas and advancing the solutions that help our clients confront the challenges of our time in the areas of risk, strategy and people. With our breadth of services and global footprint, it's vital to our business strategy that our people experience our culture

as inclusive and vibrant, our leaders as inspiring, our workforce as a place to grow and learn, and our value proposition as compelling and guided by trust. Our colleagues represent our culture, and we strive to show our clients that our firm is a place of boundless opportunity and dynamic ideas.

Will you provide an overview of Marsh McLennan's diversity and inclusion strategy?

Our company is addressing inclusion and diversity with transparency, accountability and urgency. We've made a commitment to leading the change, and we're making good progress. In the past year, we've welcomed Zing Shaw, our Chief Inclusion & Diversity Officer, who will lead our efforts across the enterprise; set up a Race Advisory Council to provide direction, input and advice on the Marsh McLennan race equality agenda; and launch trainings on unconscious bias and allyship for all managers. We've also published our first integrated ESG report which includes

more information about our workforce demographics and internal labor market movement. These are among the key actions we've taken at the enterprise level, with additional activity across the four business lines and around the world.

Ultimately, our goal is to become the most inclusive and diverse organization in the industry, where everyone is at their best because they're bringing their best selves to work each day.

How engrained is diversity and inclusion in Marsh McLennan's culture and values?

This year, we're celebrating our 150th Anniversary while reflecting on our history. Internationally, we've seen remarkable growth over the past 30 years and nurtured talent across the globe. A diversity of backgrounds and perspectives has been essential to sustaining that growth. Over the past decade, we've spearheaded efforts to help diversify the industries in which we operate. We launched the first Insurance Diversity Roundtable more than ten years ago. More recently, we launched a groundbreaking report, *The Journey of African American Insurance Professionals*, with the National African American Insurance Association (NAAIA), to foster ongoing discussions while strengthening diversity in the industry. In March 2020, Mercer published their *Let's Get Real About Equality* report building upon their seminal 2014 and 2016 research that helps guide organizations in successfully institutionalizing the policies, practices and programs required to ensure equality of opportunity, experience and pay.

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We have also embraced inclusion and diversity as integral to our future. To celebrate our anniversary, we’re launching the RISE Fellowship Program, an innovative partnership between Marsh McLennan, Fisk University and the National Black MBA Association, which will provide Black MBA students with an enriching curriculum of practical business knowledge and social justice instruction. This will not only be an important way to recruit Black executive talent for our businesses and the industry, but will help to elevate Black voices within our organization and further develop our culture of inclusion. These efforts, together with “Leading the Change,” an initiative we launched in response to the devastating racial injustices brought into focus throughout the last year, are making diversity and inclusion even more central to our values than they have been in the past.

How do you engage your employees in Marsh McLennan’s diversity efforts?

We start with listening, education and advocacy. Last year, our senior leaders hosted a series of safe space conversations with our colleagues to understand their perspectives and experiences. We’ve also created additional advisory councils and colleague networks, like our Race Advisory Council, which helps ensure decisions taken by our senior leadership, particularly those that affect our people, benefit from diverse perspectives. For example, as a recommendation from our Race Advisory Council, we now recognize Juneteenth as a corporate holiday.

We also believe in the power of education and awareness. All of our colleagues are required to take unconscious bias and allyship

training. This is but one of many actions that are required to create the culture of inclusion we want at Marsh McLennan. Our extensive network of colleague resource groups plays a role in shaping local events throughout the year that provide more context for why we think moments like PRIDE, Juneteenth or Autism Awareness month are important.

We’re also conscious that we need to ensure the development opportunities, mentorship and sponsorship that research has proven to be a differentiating factor in career advancement are available to colleagues in underrepresented groups. This year, we’ve started piloting several talent programs that aim to serve that exact purpose.

Is it critical to have metrics in place to track the impact of Marsh McLennan’s diversity and inclusion efforts?

We believe taking a data driven approach is critical to our success. This includes understanding our workforce demographics, drivers for key workforce outcomes and evaluating pay equity on an annual basis. We’re fortunate to have access to in-house experts who counsel organizations on these issues. These advisors – along with our own workforce planning and analytics team – ensure we are well-grounded in both external and internal labor market dynamics. Without metrics, we can’t know how our strategy is working, what’s been successful and what isn’t adequately advancing the goals of inclusion and diversity within our organization. We’re tracking the results of our D&I initiatives and learning from them.

Another important element of this is transparency. We’re reporting on what we’re doing

and how our colleague population is changing. This spring, we published diversity statistics meaningful to our business in our 2020 ESG Report, letting all of our stakeholders know how we’ve made progress and where we have room to grow.

How valuable has it been to have the commitment of Marsh McLennan’s senior management in its diversity and inclusion efforts?

Tone at the top matters a great deal, and our most senior leaders have been engaged from the get-go. It’s heartening to see how the highest tier of our leadership is reacting to the trainings we’re offering and how they are implementing inclusive leadership lessons in the management of their teams. There is a reason that we call our signature Inclusion and Diversity initiative, “Leading the Change.” We can’t make lasting progress without strong leaders who are willing to do the work and bring the change to life.

What do you tell diverse candidates about the opportunities to grow and lead in the industry?

English is my second language. In kindergarten, I spoke only Spanish and the world around me communicated in English. That experience shaped my views on inclusion. Namely, I have a deep desire to understand people around me – recognize, learn from and celebrate differences – and make space for others. It also shaped my views on leadership. I subscribe to the notion of total leadership – your life story is your leadership story. Each person’s life experiences result in unique perspective, which when brought together, round out and broaden our vision.

If you take that as a baseline, leading with curiosity and allowing for possibility, you will be carrying with you the capacity required to grow. Across Marsh McLennan’s four businesses, we work within a wide spectrum of issues and across multiple industries. I tell candidates: It’s very likely we have a role that would benefit from your background and your unique perspective. If you’re interested in the future of work, people analytics and workforce strategies, stakeholder capitalism, climate change, building healthy societies, cybersecurity – our areas of focus provide the opportunity to deliver in an impactful way for our clients. It’s an incredible proposition – to work on the most important issues of our time. ●

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