



Commitment to Change: A Guide for Companies Looking to Combat Racism and Support Black Actuaries

Executive Summary

The *Black Lives Matter* movement has put a heightened focus on the ongoing systemic racism oppressing the Black community. These systems of oppression continue to permeate through corporate settings, both limiting the success and advancement of Black actuaries as well as presenting large obstacles for companies looking to cultivate true diversity, equity, and inclusion (DE&I) within their organizations.

As a response to the current environment, countless CEOs have issued statements that condemn racism and verbalize their support for the Black community. IABA, however, is asking companies to show their commitment to and support for Black actuaries through their actions, rather than words. Thus, we have provided a foundation of concrete actions employers can take. This framework (much like many DE&I programs) is meant to right imbalances by stripping away and avoiding practices that are inequitable, unfair and disproportionately hinder underrepresented and marginalized groups. They are meant to correct preferential systems that are already in place, not just in corporations but in society as a whole.

The ***IABA Pledge Framework: Commitment to Change*** consists of a four-step approach, “**The Four E’s of Diversity & Inclusion Organizational Transformation**,” summarized below:

1. **Educate** - Companies cannot address and combat systemic racism without first acquiring knowledge and expertise on the subject. These are actions employers can take to learn more about the history of racism and its impact on the Black community.
2. **Examine** - Due to the systemic and at times unconscious nature of racism, many companies may have inadvertently perpetuated racist practices. Here, companies can honestly and openly look at their internal and external practices and assess whether they are in fact anti-racist.
3. **Enact** - It is only after educating themselves and examining their practices that companies should begin to develop programs to combat racism and promote inclusion. Here is where specific action items and programs can be enacted.
4. **Evaluate** - It is not enough to put programs in place, companies must continue to monitor and evaluate the success of these programs and make adjustments as needed.



IABA Pledge Framework: Commitment to Change

STEP 1: EDUCATE

Companies will have to become smarter about the issues facing Black people in this country, and how those issues have a long history. Being educated on the history of systemic racism, and its effects on Black people in society and corporate America is the only way to effectively address the situation and build sustainable, scalable and actionable programs.

1. Become knowledgeable of the history of this country, specifically the experience of diverse cultures in this country.
2. Become knowledgeable on the effects of systemic racism and how its permeated through institutions throughout history.
3. Educate employees and leadership on statistics within nationwide employment and corporate development of diverse backgrounds, particularly in how it relates to the underrepresentation of racially diverse executive leadership.

STEP 2: EXAMINE

Once a thorough and full understanding of the issues that face Black people is achieved, companies must look internally to survey the recruitment and development practices in place. These practices must be examined to determine how they specifically address and/or affect Black candidates and employees.

1. Consider how current hiring and development practices are influenced by systemic racism (in education, economic opportunity, job opportunity, etc.)
2. Determine if the current culture would be considered:
 - a. **Racist** (objectively and overtly harmful to people of diverse backgrounds),
 - b. **Non-racist** (does not promote or encourage racist practices, typically through condemnation in a corporate statement or consequences if overt racism is shown in internal practices), or
 - c. **Anti-racist** (seeks out to eliminate all practices that are influenced by systemic racism, and promotes the dismantling of these systems through corporate action, both internal and external).
3. Determine whether current DE&I recruiting initiatives center on filling a quota, or creating an overall change in culture and look of organization.
4. Assess and consciously reject current practices if they are not producing a quantifiably and substantially diverse and inclusive employee population and culture.

STEP 3: ENACT

3.1. PIPELINE DEVELOPMENT

The framework is also intended to capture a “schoolroom to boardroom” approach for companies to actively build a pipeline in increasing diversity.

For Students:

1. Create new recruiting and development procedures/practices that are anti-racist. Prioritize recruitment of experienced diverse candidates for leadership opportunities.
2. Consider creating unbiased and diverse panels for hiring and recruiting. This may include having interviewers of diverse backgrounds outside of the business area to have a material say in candidacy. Candidates may even be allowed to choose potential interviewers outside of business practice.
3. Do not seek to fill quotas but change the pool of candidates for entry level positions. Prioritize sourcing resumes from diverse organizations (IABA, Multicultural professional organizations, Business Resource Groups, etc.)

For Entry-Level:

1. Consider creating unbiased and diverse panels for hiring and recruiting. This may include having interviewers of diverse backgrounds outside of the business area to have a material say in candidacy. Candidates may even be allowed to choose potential interviewers outside of business practice.
2. Consider creating non-biased and diverse panels for performance evaluation. This may include having advocates (of diverse background and not) outside of the business area to have say in review on behalf of candidates, (possibly even with candidate's choice).
3. Start offering informal leadership roles and training of softer skills. Volunteering in organizations such as IABA, SOA and CAS can provide platforms to develop leadership skills.
4. Provide mentoring resources that can assist junior actuaries through their early development goals.
5. Diversity and Inclusion goals become part of performance evaluation for all staff and leadership. These goals and standards should be tied to compensation.

For Management/Senior Management:

1. Consider creating unbiased and diverse panels for hiring and recruiting. This may include having interviewers of diverse backgrounds outside of the business area to have a material say in candidacy. Candidates may even be allowed to choose potential interviewers outside of business practice.
2. Consider creating non-biased and diverse panels for performance evaluation. This may include having advocates (of diverse background and not) outside of the business area to have say in review on behalf of candidates, (possibly even with candidate's choice).
3. Be more intentional about creating opportunities for Black actuaries to challenge and grow their business acumen. Stretch opportunities should be accompanied with senior management support, continuous feedback and coaching as the Black talent navigates the organizational culture.
4. Consider enrolling future leaders in affinity-based leadership programs (examples are included here: <https://www.elcinfo.com/>). Leadership development programs can provide the skill development that the individual may need to succeed in a middle and senior management role. Leadership programs also serve to reinforce the organization's commitment to diversity.
5. Encourage executive sponsorship within the company. Sponsors can be effective advocates and provide career opportunities and exposure to key people who can positively impact the Black individual's career trajectory. Leaders should be encouraged, recognized and rewarded for identifying Black talent and nurturing it.

3.2. BUSINESS PRACTICES

Business Practices should consider how their success will be determined. Does the practice promote and encourage racial diversity and the advancement of Black actuaries.

1. Consider tying business practice goals to racial diversity initiatives. Performance of the practice is partially graded on racial diversity initiatives (hiring, development, education, etc.)
2. Revise contracts with suppliers or clients to include racially diverse initiatives, supporting the hiring and development of Black employees.

3.3. EXTERNAL ACTIONS

Companies must consider that the impact of their initiatives is not limited to within the companies. An effective strategy will also consist of actions that affect their community and their organizational sphere, which can indirectly influence the internal advancement of Black employees.

1. Consider supporting Ambassador Program at target HBCU schools.
2. Expand actuarial bootcamp concept to support Black students throughout the year.
3. Spread awareness of the actuarial profession to XX high schools a year.
4. Provide monetary resources to HBCUs to support building programs as well as assist with accreditation process.
5. Enhance relationship with actuarial recruiters to see if they can help further the mission of the employer:
 - a. Address wage disparities for diverse candidates;
 - b. Offer more racially diverse candidates in resume pool.

STEP 4: EVALUATE

Any company deciding to enact these initiatives will have to put a plan in place to assess the results. The program may have to be revised to address either new concerns or correct where the program did not succeed.

1. Create metrics to score and quantify results of programs.
2. Monitor the new practices and programs put in place, to see if the desired results are achieved.
3. Reassess and realign as necessary to improve or reject practice and consider other opportunities.
4. Consider the transparency of the results to your organization; make findings external facing to actuarial and recruiting organizations.

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