NAIFA: Advancing Diversity and Inclusion in the Industry
Dear Strategic Partner:

On May 23, the NAIFA Diversity Task Force held its first Diversity Symposium. The Task Force – comprised of enthusiastic NAIFA members dedicated to advancing diversity and inclusion in our industry – invited forward-thinking executives from the nation’s top financial firms to discuss the importance of having a diverse workforce, and strategies for making this happen.

On hand to give a warm NAIFA welcome to participants and introduce NAIFA President Paul Dougherty was Ali Agha, Corporate Alliances Team Lead and Vice President at New York Life. David Buga, Diversity & Inclusion Training Manager for Arvest Bank presented the business case for promoting diversity, and NAIFA Trustee Delvin Joyce, managing director at Prudential Financial, facilitated discussion on how to “move the needle forward” in advancing diversity at companies.

“Our agency force does not reflect the diversity of the people it serves,” Dougherty said. “NAIFA’s mission to advance diversity with strategies and tools to attract a diverse workforce is critical to our industry.”

I agree. The makeup of the agent/advisor workforce must reflect the communities it serves. In addition, in order to remain relevant – to help Americans realize their dreams and embrace the opportunities before them – agents and advisors also must learn the values, traditions and beliefs of different people groups.

For well over a century, NAIFA members have protected the financial futures of millions of American families and businesses. As we prepare for continued success in serving consumers and implementing the NAIFA 20/20 Strategic Plan, of which diversity is a major priority, NAIFA’s ability to lead forums such as the Diversity Symposium will empower the financial-services industry to work together to identify current diversity standards in the industry, and share ideas around the challenges, opportunities and potential resources that will benefit all, now and in the future.

Achieving diversity takes time, but NAIFA is willing to make the cultural shift. Stay tuned for updates and events surrounding the work of the NAIFA Diversity Task Force.

Sincerely,

Cammie Scott, MSIE, ChHC, CLTC, REBC, RHU, SHRM-SCP, SPHR
NAIFA Trustee and Chair of the Diversity Task Force

About NAIFA’s Diversity Task Force

Diversity is a major component of NAIFA’s 20/20 Strategic Plan, which seeks to position NAIFA as the premier advocate, employer, and resource organization that attracts talent and prestige to the profession, and advocates for consumers. Visit NAIFA.org for more information on NAIFA’s 20/20.

MISSION

To be the industry expert on diversity and inclusion by both having a diverse membership serving a diverse population and providing the tools and resources to work with specific people groups.

The Task Force seeks to accomplish its purpose and mission via an advisory group of volunteers who provide guidance, advice and support to diversity initiatives as outlined in NAIFA’s 20/20 Strategic Plan. Within the Task Force, three (3) working groups were established as follows:

MEMBERSHIP

Purpose: To embrace diversity to grow and retain membership and to create a culture of inclusion and participation.

DIVERSITY RESOURCES

Purpose: To promote cultural awareness and develop understanding, tools and resources for various people groups, corporate and strategic partners, and educational materials for use both with advisors and consumers.

CORPORATE ALLIANCES

Purpose: Grow relationships with corporate partners, with NAIFA serving as the springboard to identifying and strengthening relationships within the industry. Also to provide tools companies can use to recruit a diverse workforce.

The first Diversity Symposium organized by NAIFA was a huge success by any accounts. Held on May 23, just before the association’s 2017 Congressional Conference in Washington, D.C., the meeting brought together forward-thinking executives from some of the nation’s top financial firms to discuss the importance of having a diverse workforce and helpful hints for making this happen.

The keynote speaker was diversity expert David Buga, SHRM-SCP, SPHR, whose presentation was titled, “Diversifying Your Other Portfolio.” Buga has been serving as a training program manager for Arvest Bank Operations, Inc., which was founded in 1961 and now has 280 locations and more than $16 billion in assets. The bank is also a winner of the prestigious JD Power’s Award, and was cited in Forbes as one of the country’s best places to work. As program manager, Buga is responsible for delivering Arvest’s leadership, diversity and corporate-culture messages to more than 6,000 associates.

Buga focused his remarks on how to attract workplace talent that reflects diversity. If the industry does not address the diversity issue, it is not really meeting the needs of the people who need its products and services.

He then asked the audience to identify characteristics that make people “diverse” but to exclude obvious traits like race or ethnic origin, gender and age. Responses to this question were many and varied, including a person’s sexual orientation, economic status, religion, family background, and political affiliation.

Buga stressed that if we do not promote diversity in our organizations, the diverse employee will feel neglected, suffer a loss in productivity, and might eventually leave the company. This is not a positive outcome for a variety of reasons, including the high cost of replacing and training employees.

There are numerous reasons why organizations strive for diversity, including:

1. Legal considerations
2. Globalization. “This movement is rapidly changing how many companies do business as their clients become more international in scope.
3. Employee expectations. For example, many Millennials expect more diversity of thought in their workplace than other groups.
4. Demographic shifts in the U.S. In 2000, for instance, the number of U.S. Hispanics in the U.S. exceeded the number of African Americans, and the 2010 Census saw a 34 percent increase in the number of respondents who identified themselves as multiracial.

Also, according to the U.S. Census, there will be no ethnic majority in this country by the middle part of this century.

5. With the oldest Baby Boomers now 70 years old and eight years past the Great Recession, a large number of aging workers are retiring. Gen Y workers now comprise over 40 percent of the available workforce.

6. Religious changes. In 1990, members of Christian religions made up 86 percent of the U.S. population. Today, that number is below 75 percent.

Moving the Needle Forward

To achieve diversity in a world that is changing rapidly, one must plan strategically. Buga advised. The first step in a good plan is to assess where you are today. “We will not progress unless we know where we are. This is critical for success; so, do a solid assessment of where you are today.” You should then determine where you want to be, how much you want to invest, and your propensity for risk.

Many organizations share some common business reasons for deciding to push for diversity, according to Buga. These include:

▲ A need to increase market share (L’Oreal)
▲ A need to accelerate innovation (Sodexo)
▲ A need to disrupt the marketplace (Deutsche Bank)
▲ A need to integrate acquisitions, mergers, etc. (Ford)

No matter what is driving the need for more diversity in any organization, diversity should be a top-down initiative, which requires universal support. It includes the following steps:

▲ Seek diversity
▲ Create inclusion
▲ Drive accountability
▲ Diversity,” he stressed, “is not a one-off initiative.

Seeking Diversity

In seeking diversity, stakeholders must go beyond merely pulling applicants from a “diverse” pool, and must train managers to ensure that the hiring criteria and processes used are inclusive.

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Creating Inclusion
To create inclusion, stakeholders should:
▲ Go beyond just hiring a diverse workforce
▲ Leverage diverse perspectives to benefit the entire business
▲ Bring awareness to “unconscious” bias

Keynote speaker David Bugea and symposium facilitator Delvin Joyce

Sustaining the Program
To sustain diversity initiatives, they should:
▲ Respect cultural aspects
▲ Be inclusive
▲ Understand different viewpoints
▲ Appreciate the value of diversity

Driving Accountability
To drive accountability for their diversity programs, managers should promote free speaking in their company’s culture and empower employees with personal accountability for identifying bias.

The final step is measurement of the program, Bugea added. In dealing with this aspect, managers must realize that successful implementation is more likely when defined goals are set for any diversity initiative, they should begin with the end in mind, and should remember that depending on the objectives identified, metrics may be quantitative or qualitative in scope.

Common Pitfalls to Avoid
Success also requires the avoidance of a few common pitfalls, according to Bugea, and cited the following pitfalls from an article published in the July/August 2016 issue of the Harvard Business Review:
▲ Lack of strategic vision
▲ Ignoring unconscious biases
▲ Overreliance on training
▲ Hiring and performance-rating biases
▲ Lack of management engagement

Closing Thoughts
In closing, Bugea reminded participants that companies with gender and ethnic diversity are more likely to outperform their non-diverse competitors, and companies with more diverse executive boards had a 53 percent higher ROE than those without.

To enhance participants’ chances for success, Bugea told them to engage in individual and small-group networking, as well as take advantage of NAIFA’s resources. “NAIFA is willing to listen to your concerns and work with you on your diversity issues and initiatives,” he said.