



Building Black and Latinx Talent Pipelines for the Financial Services Industry in Chicago

# Update on Bridging the Diversity Gap

FSP

October 16, 2020

**Rick Guzzo**  
Partner, Washington

**Bess Tschantz-Hahn**  
Principal, San Francisco

welcome to brighter



# Organizations participating in the research



MADISON DEARBORN PARTNERS, LLC



Michael W. Frerichs  
ILLINOIS STATE TREASURER

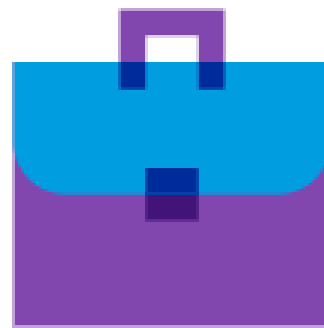


# Executive summary

## Positive Relationships with Others



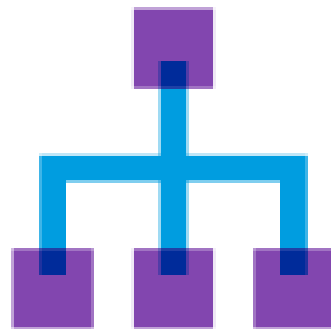
## Commitment to the Industry



## Favorable Working Conditions



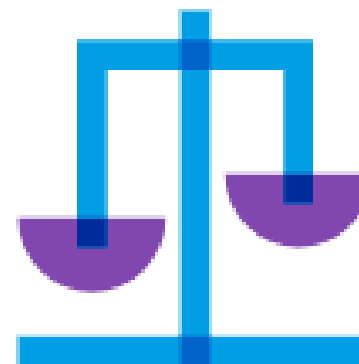
## Continued Low Representation of Black and Latinx Leaders



## Inequity in Opportunities and Outcomes

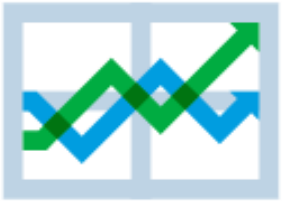


Development &  
Opportunities



Rewards &  
Advancement



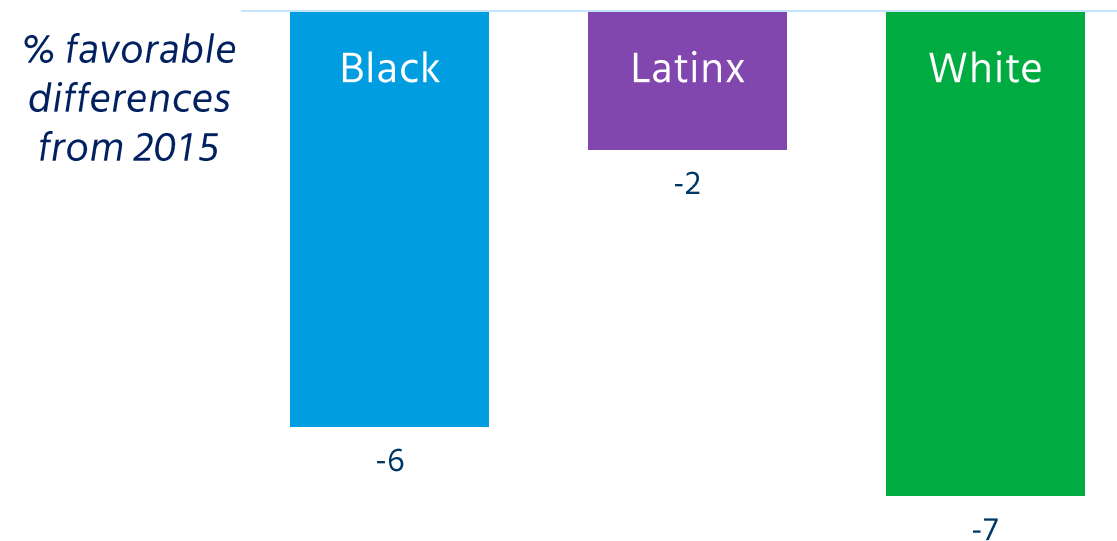


# Diversity in leadership – a widely recognized shortcoming

**The Financial Services Industry** has a good mix of people from different racial and ethnic backgrounds that I can look up to as role models.



**My company** has a good mix of people from different racial and ethnic backgrounds that I can look up to as role models.



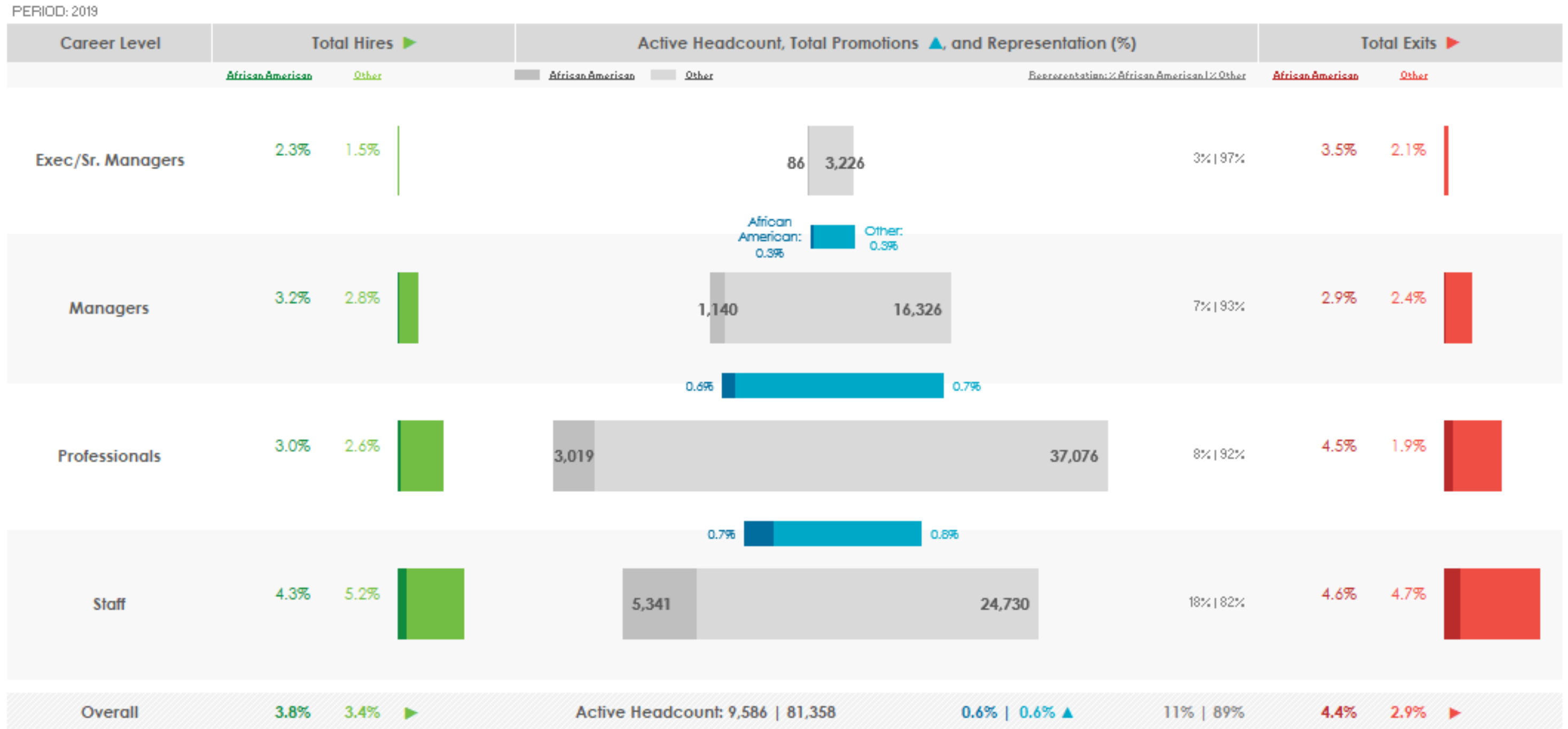
*“The perception that the industry is run by old, white men, which, unfortunately, in many instances is also the reality. Incremental change is not enough. There needs to be a wholesale effort across the board to make the diversity among senior leaders match the diversity of our markets.”*  
White, male, Professional/Technician



% favorable = "Agree" + "Strongly Agree"

# Talent flows in the Chicago FS industry, 2019

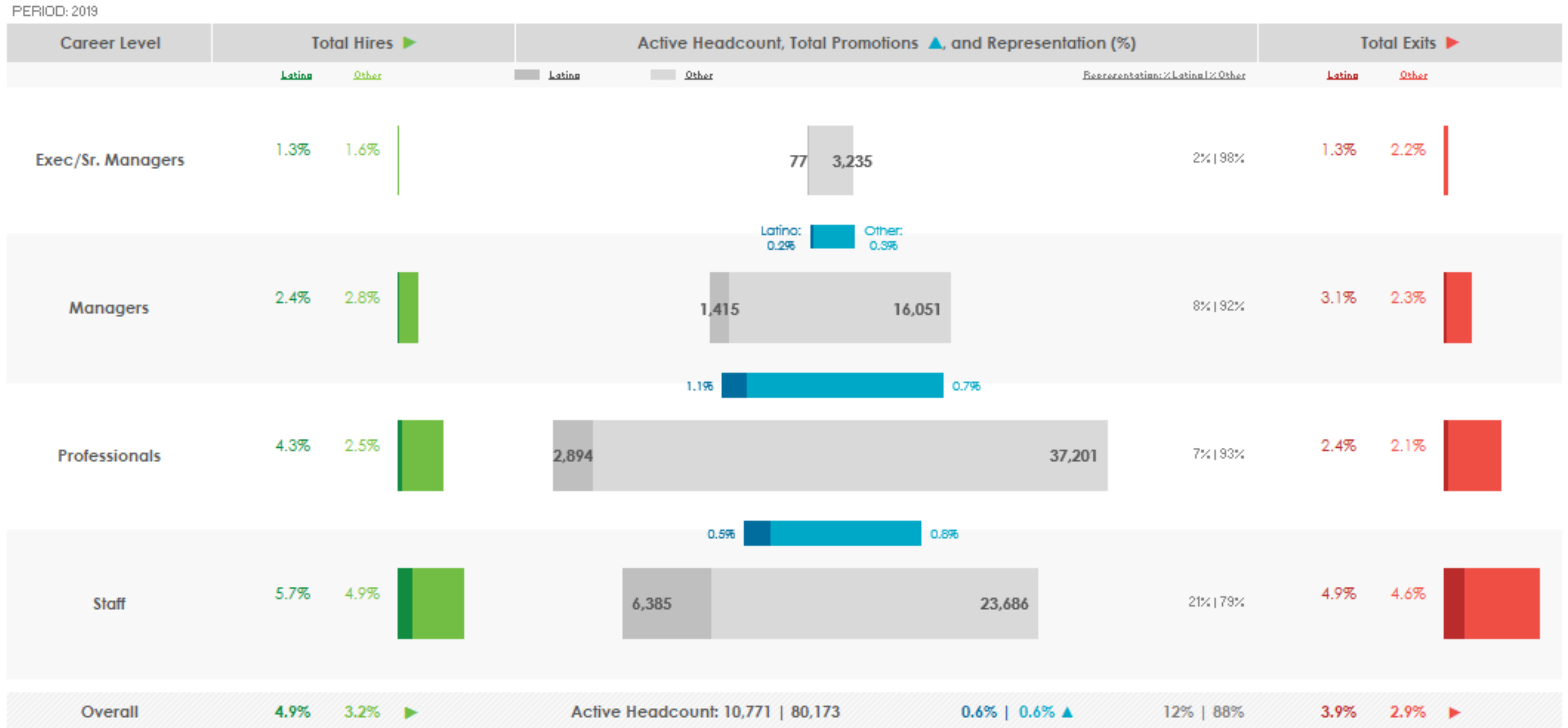
## Blacks vs all other



Hiring rates favor Blacks at all levels ... turnover rates are generally higher for Blacks ... promotion rates are very low for all

# Talent flows in the Chicago FS industry, 2019

## Latinx vs all other



Hiring rates favor Latinx at Staff and Professionals levels ... turnover rates are generally higher for Latinx ... promotion rates are very low for all

## How 2019 compares to 2017 and 2014 Reports

Since 2013, the Chicagoland FS industry has experienced ...

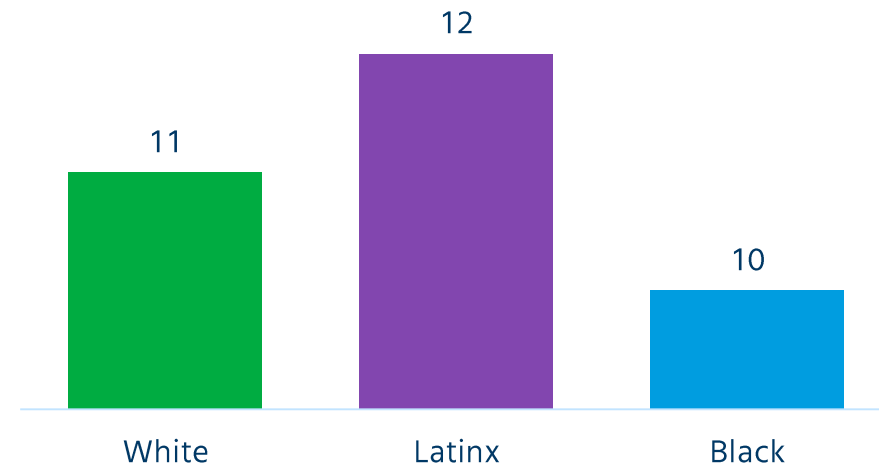
- **Sustained success at attracting Black and Latinx talent**, as judged by favorable hiring rates
- **A narrowing of the gap in attrition rates, although attrition rates remain higher for Blacks and Latinx** relative to others
- **Fluctuations in promotion rates**
  - Promotion rates into the Executive/Sr. Manager rates have remained low for all
  - Promotion into and out of Professional ranks vary considerably
- **No change in the representation of Blacks and Latinx** in the Executive/Sr. Management, Management, and Professional levels



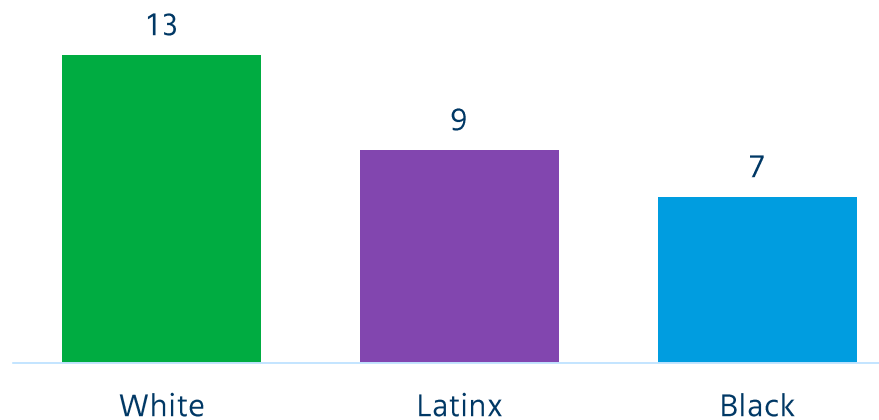
# Work experience overall – what has changed?

% favorable differences from 2015

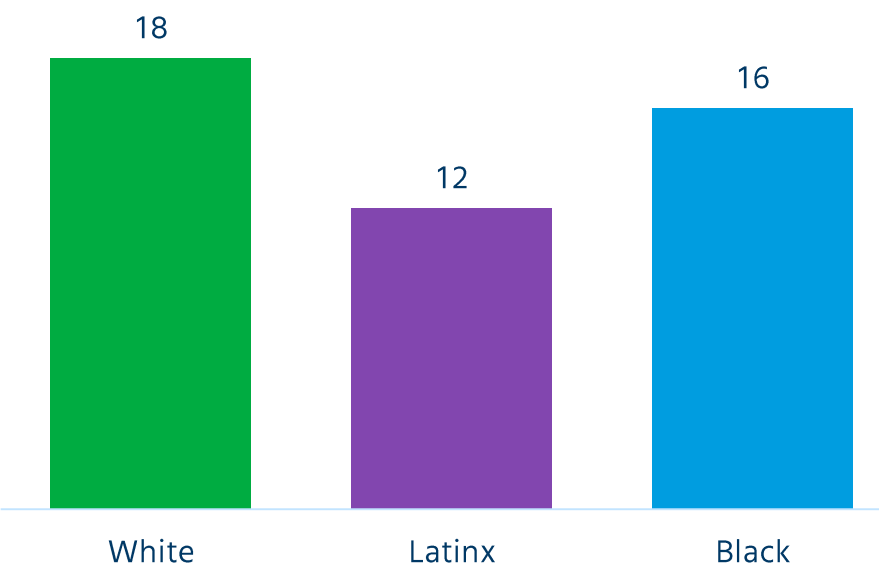
Satisfaction with the level of ethics and integrity demonstrated by those I work with



Overall, how happy are you working in the Financial Services Industry?



Commitment to the Financial Services Industry.



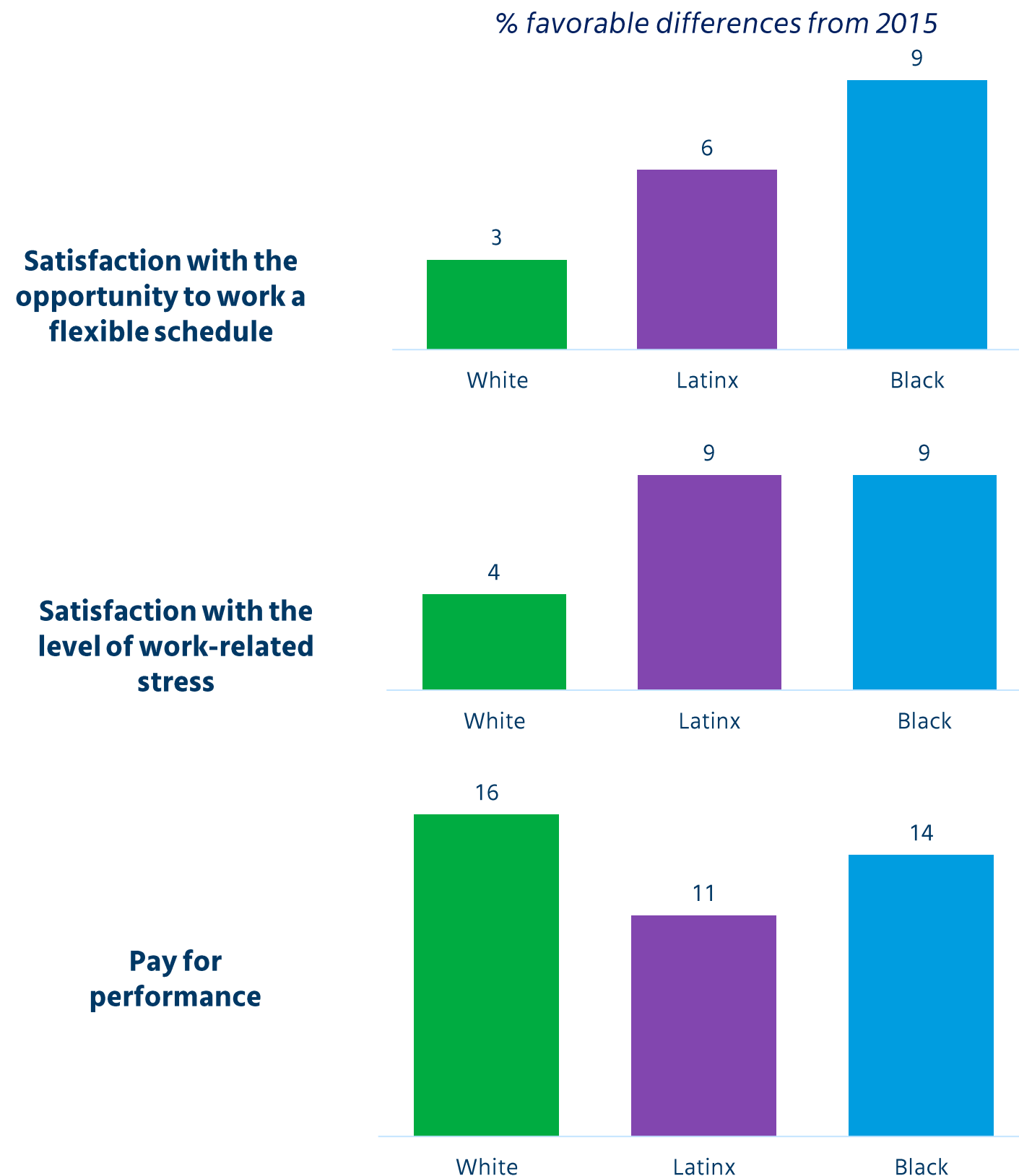
*“I value what the company stands for as their core values and ethics as well as helping the community by giving them what is best for them, not just making a sale for compensation reasons.” Latinx Female, Sales*

% favorable = "Agree" + "Strongly Agree"





# Work experience overall – what has changed?



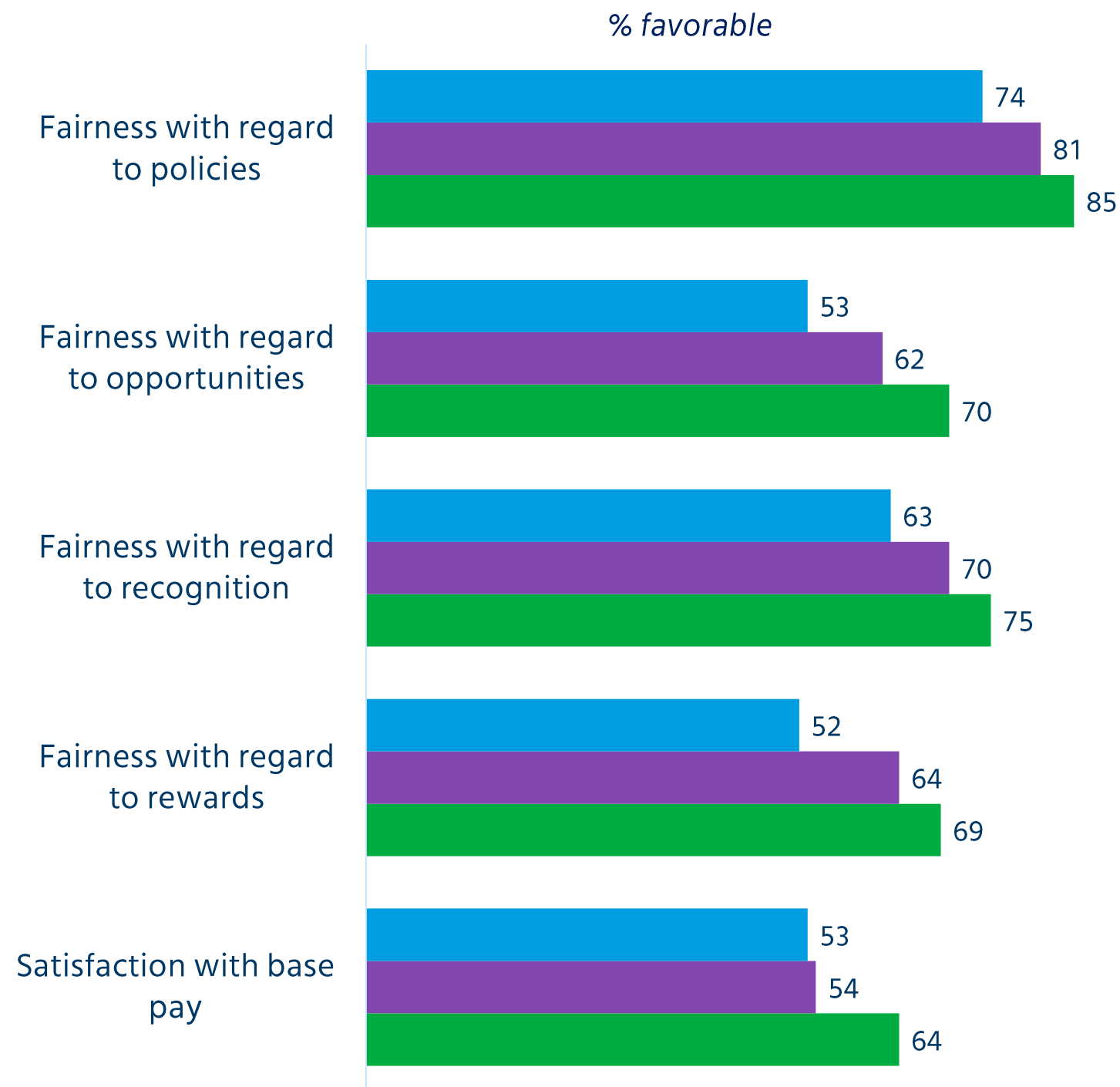
*“Flexible work arrangements/schedule - Trust & autonomy to do my work.” Black, Female, Mid-Level Manager*

*“The work from home has been eye opening and thus reducing the stress level my family would have had otherwise.” Latinx, Male, Professional/Technician*

% favorable = "Agree" + "Strongly Agree"



## Overall opportunities – fairness & rewards

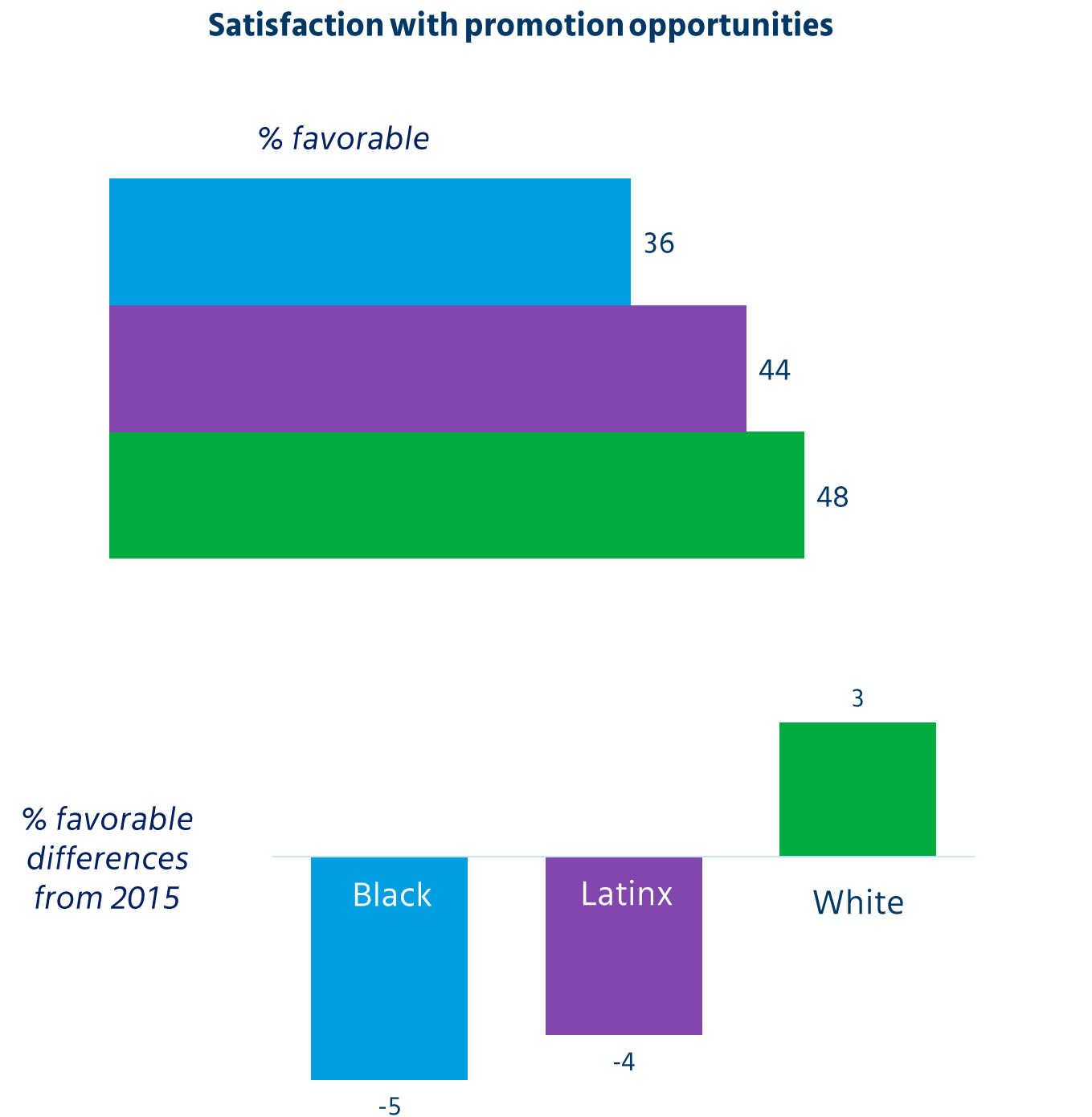


*“Implement a fair performance evaluation system that seeks to root out the loop-holes that allow managers to “underrate” their employees of color year after year with no oversight around ‘why’.”*  
Black, Male, Higher-Level Manager

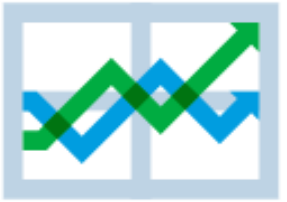
% favorable = "Agree" + "Strongly Agree"



# Satisfaction with promotion opportunities – what has changed?

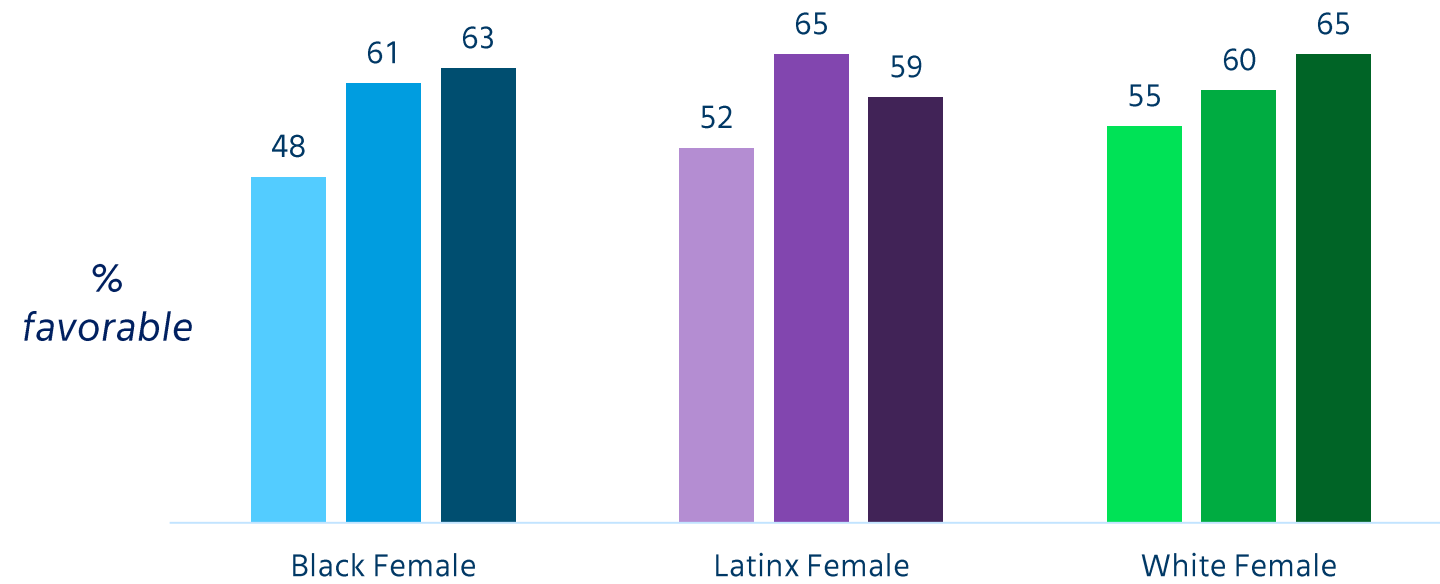


*“Senior Management continuing to promote people who look or act like them.” Black, Female, Professional/Technician*

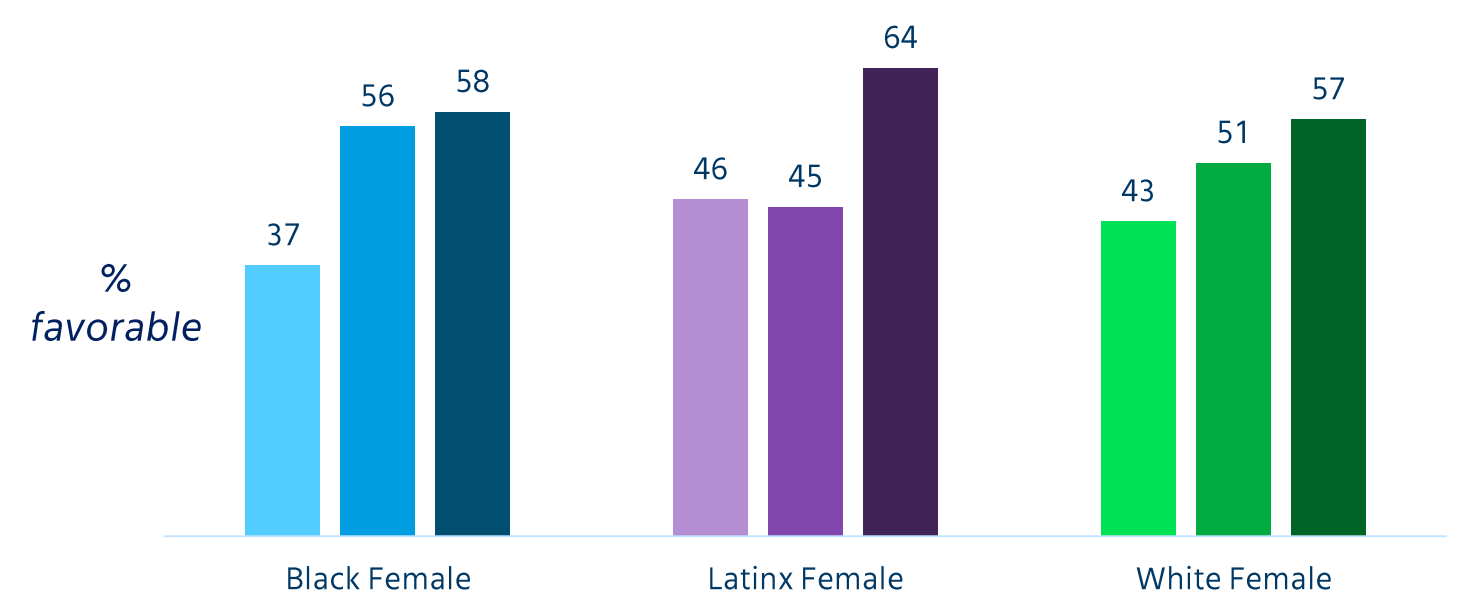


# Mentors and sponsors for female employees – level x race

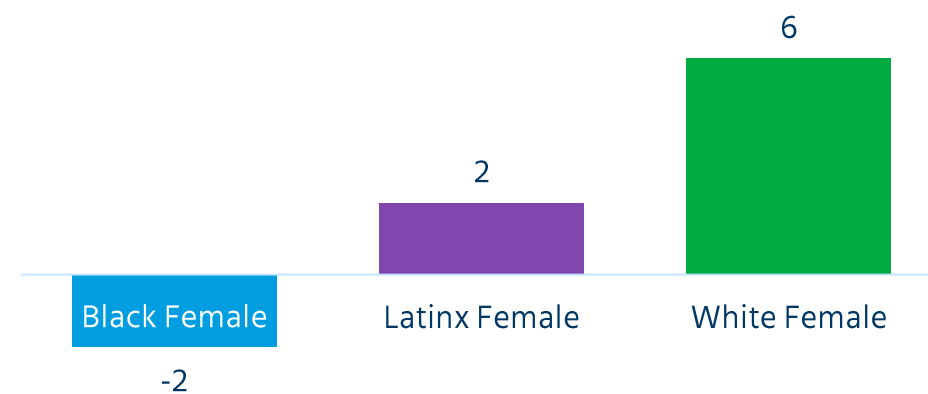
1 or More Mentors



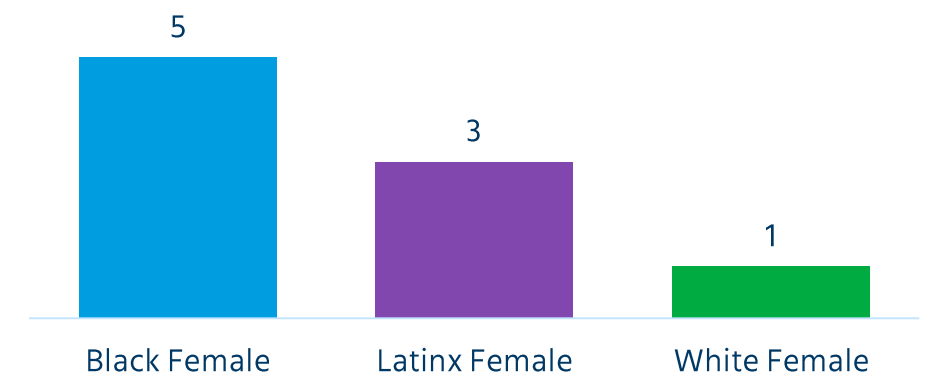
1 or More Sponsors



% favorable differences from 2015



% favorable differences from 2015

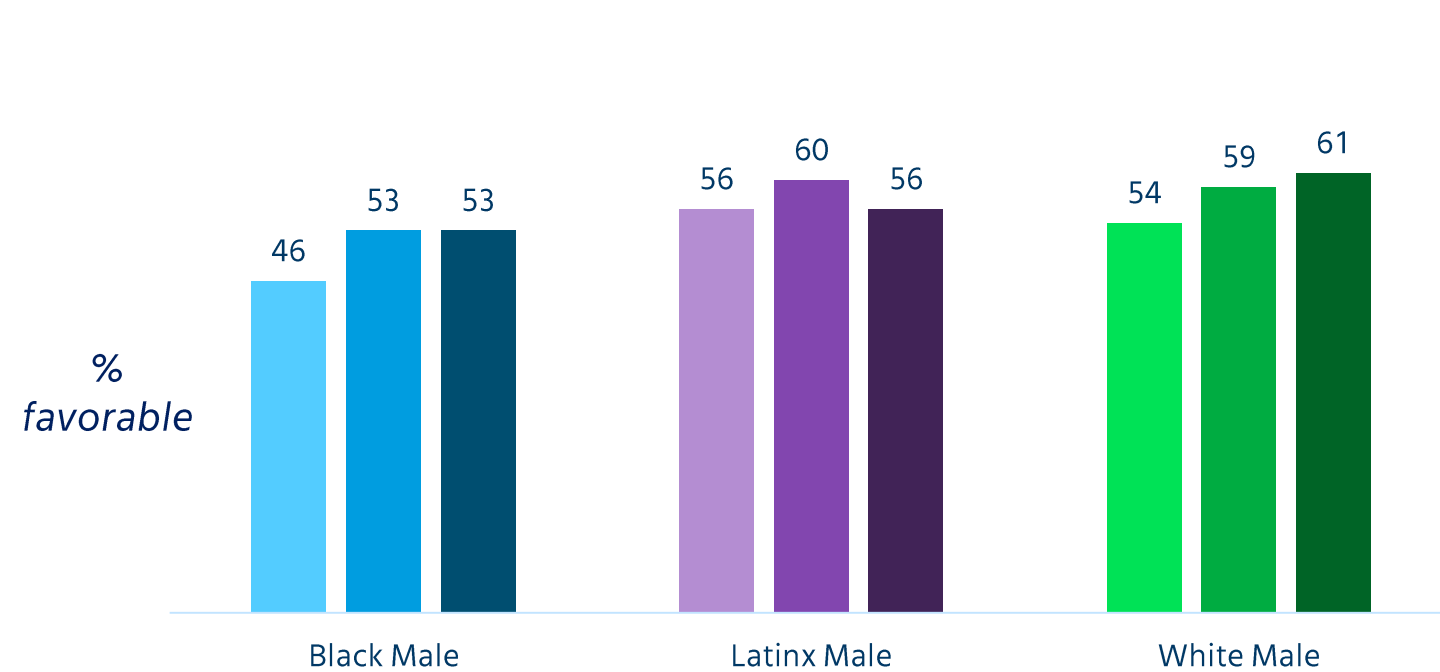


% favorable = "Agree" + "Strongly Agree"

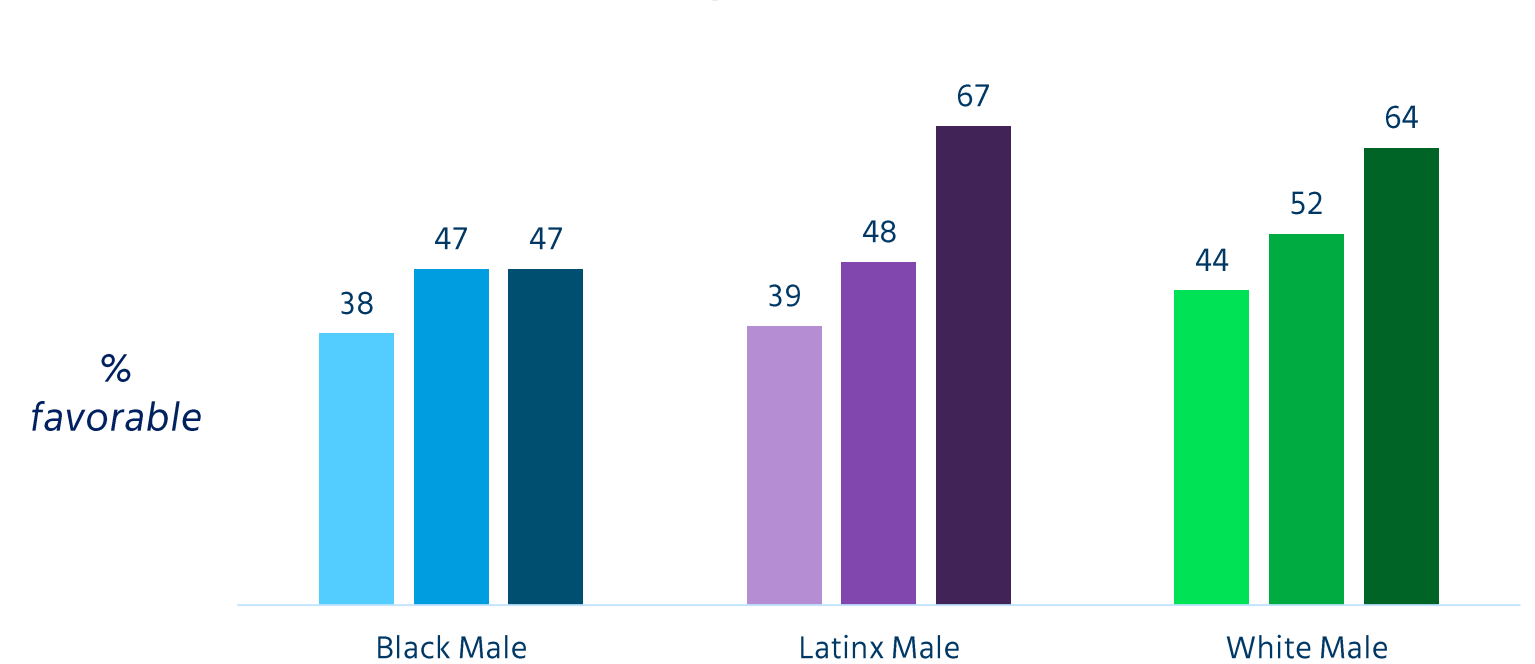


# Mentors and sponsors for male employees – level x race

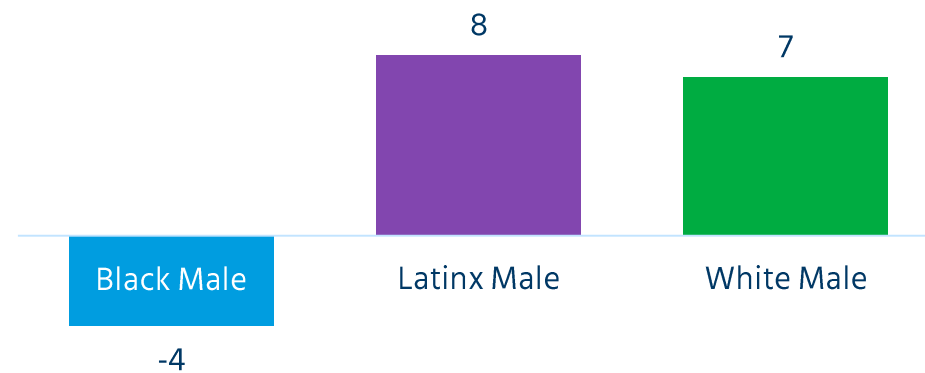
## 1 or More Mentors



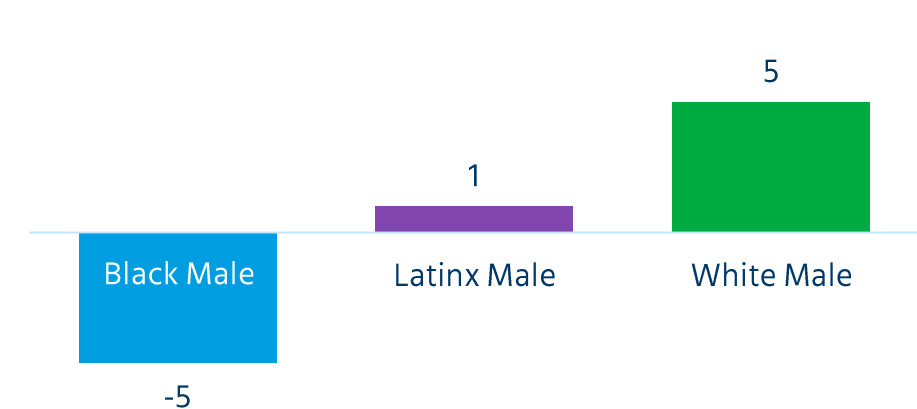
## 1 or More Sponsors



% favorable differences from 2015

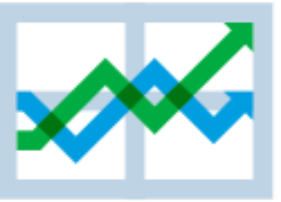


% favorable differences from 2015



% favorable = "Agree" + "Strongly Agree"

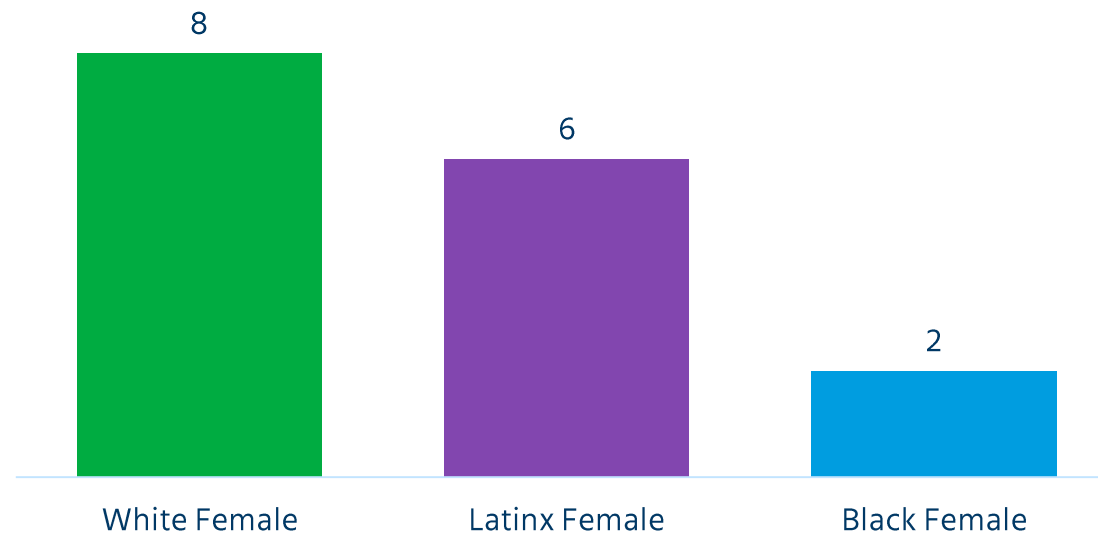




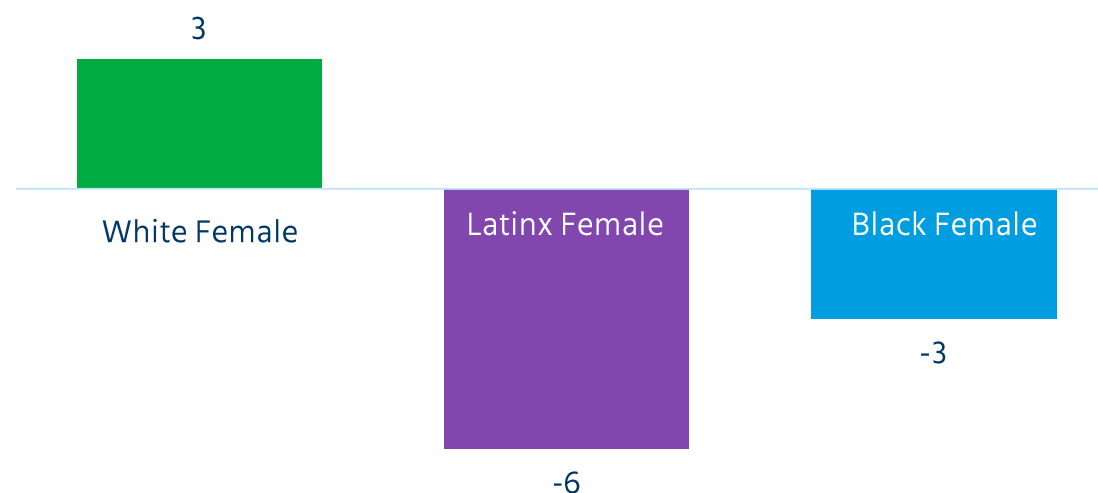
# Career outcomes for women – what has changed?

% favorable differences from 2015

Experience fair  
treatment with regard  
to reward distribution



Satisfaction with  
promotion opportunities



*“Higher level management  
and leadership positions are  
mostly filled by Caucasians, it  
seems like they rarely  
promote people of color.”  
Latinx, Female, Professional/Technician*

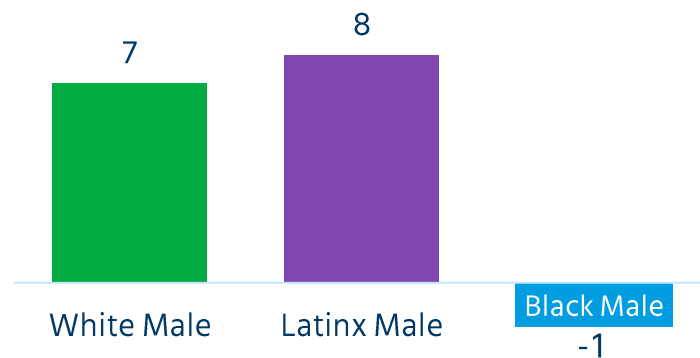
% favorable = "Agree" + "Strongly Agree"



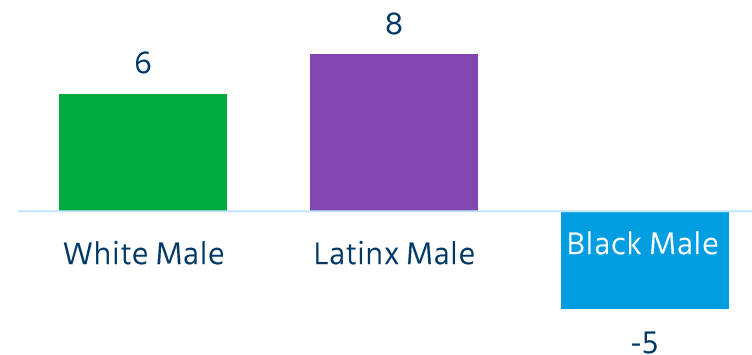
# Career outcomes for men – what has changed?

% favorable differences from 2015

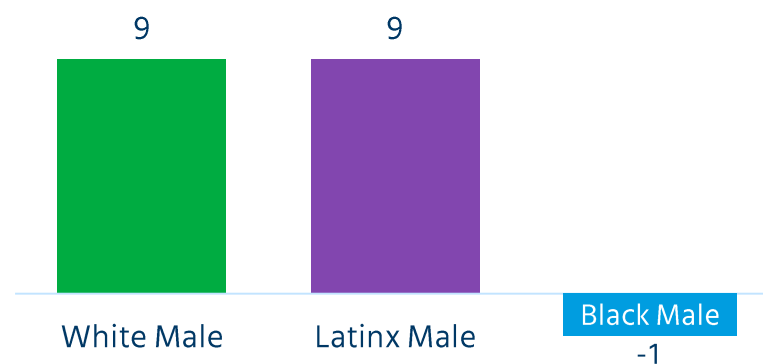
Opportunities to utilize my strengths / abilities



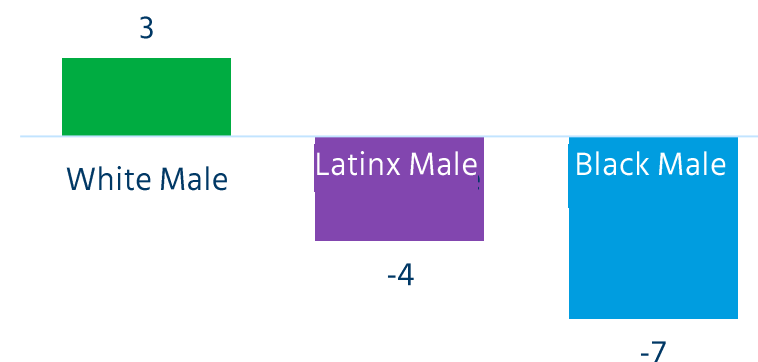
Satisfaction with job responsibilities



Feeling treated fairly with regard to rewards



Satisfaction with promotion opportunities



*"1. Provide a more transparent promotion process 2. Promote more people of color 3. Support minorities in those roles as they would those that are considered apart of the majority." Black, Male, Sales*

% favorable = "Agree" + "Strongly Agree"

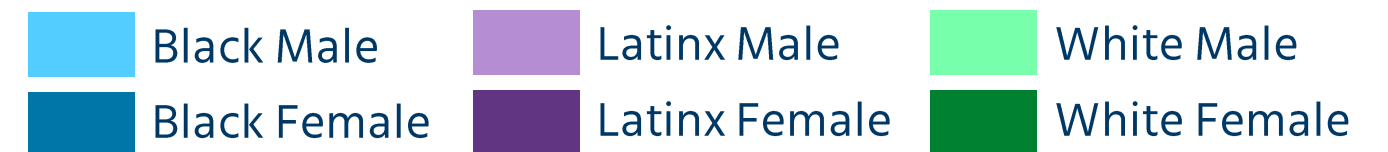
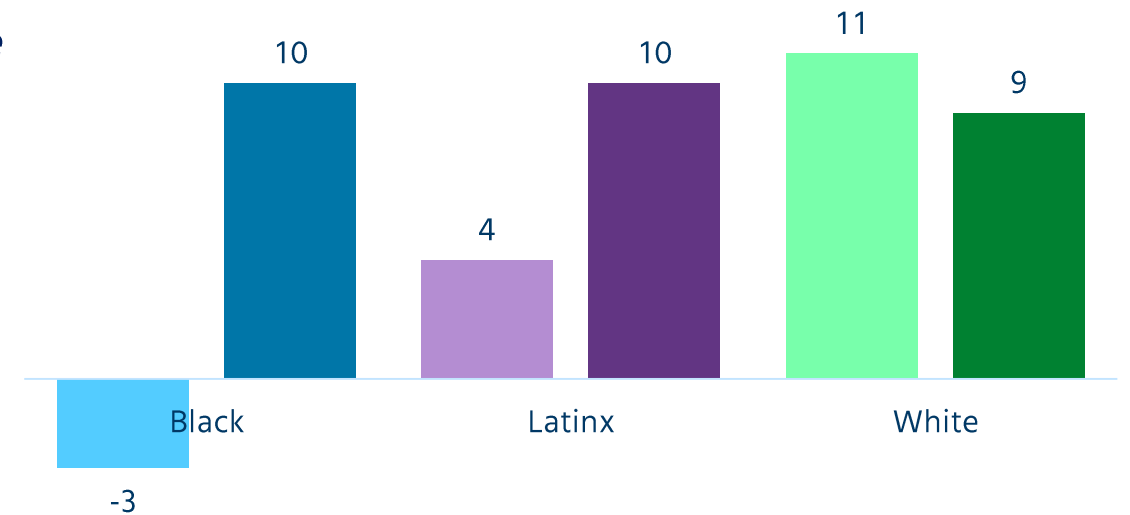
# Diversity & inclusion effort and impact

Senior leaders in my company are passionate advocates for diversity and inclusion

% favorable



% favorable differences from 2015



*“It’s rather insulting to listen to a company I work for promote D&I but I’m constantly looking at an all white panel of men at the top. What are these men doing to pull other talented people that may not look like them up through the ranks?” Black, Female, Mid-Level Manager*

## Key observations

The lack of change in representation remains a disappointing reality

A “fairness gap” exists relative to whites, with the gap more pronounced for Blacks

- Blacks and Latinx experience less fairness with regard to promotion, recognition, rewards

In several ways, the experience of working in the industry has become more favorable for Blacks and Latinx

- Increasingly positive views of ethics and integrity, lower levels of stress, stronger commitment to the industry

Evidence of a gender gap in experiences exists

- Black and Latinx women report having more mentors and sponsors than do their male counterparts
- Black men have a less favorable view of employers’ commitments compared to 2015 while the favorability of the views of Black women and all Latinx has increased

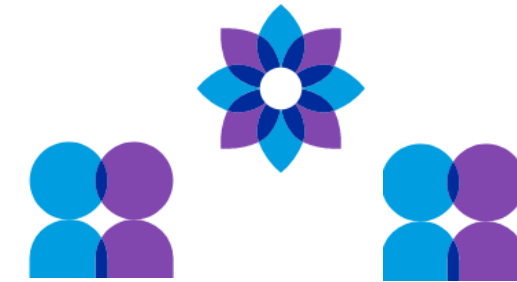
# Recommendations



**Maintain new flexibility to support work-life balance and alleviate stressors**

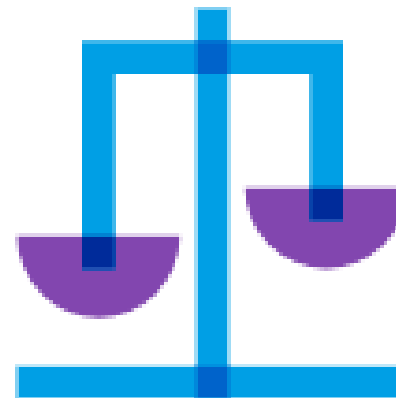


**Accelerate upward mobility and increase retention to increase representation in leadership**



**Continue and evolve leadership advocacy efforts with input from Black and Latinx employees**

**Intervene intentionally and aggressively to establish equity in the current workplace context, including access to training, development, mentoring, and sponsorship**



**Implement systems and processes for a more equitable workplace (e.g., diverse interview panels and candidate slates, clear and accessible career frameworks, integrated checks against bias in policies and practices)**

*Continue to measure and monitor representation and the employee experience.*



# About the authors



## **Rick Guzzo**

Rick co-leads Mercer's Workforce Sciences Institute, a research and innovation center. He is based in Washington, DC. In addition to R&D responsibilities, Rick delivers data-based advisory work — primarily to large, global clients — on a wide range of strategic workforce issues.

Rick can be reached at [rick.guzzo@mercer.com](mailto:rick.guzzo@mercer.com).



## **Bess Tschantz-Hahn**

Bess is a Principal employee research consultant in Mercer's San Francisco office. Bess works with a wide range of organizations to gather employee input on workplace issues and solutions related to diversity, equity, and inclusion, engagement, talent practices, and rewards.

Bess can be reached at [bess.r.tschantz-hahn@mercer](mailto:bess.r.tschantz-hahn@mercer).

