



Diversity, Equity, and Inclusion Strategic Plan

2022-2025



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Message from Industry Leaders and CEO

The Massachusetts Bankers Association's mission is to support, advise, and educate member banks and bankers, helping them to become stronger and more successful. When thinking about what has transpired in our industry and our Country since the Association's founding 116 years ago, banks have been the steadfast leaders in communities across the Commonwealth, helping businesses and clients alike through challenges, such as wars and economic downturns as well as opportunities, driven by economic prosperity and a desire to help our clients grow and thrive.

Although we are proud of our rich history, we realize that this history is also imperfect. Community, regional and nationwide banks in Massachusetts have also acknowledged our imperfect history through their efforts to make their banks and their communities more diverse, equitable and inclusive. Importantly, the Association also recognizes that our members are in different places on their diversity, equity and inclusion journeys, a fact that was confirmed through the MBA's 2021 DEI Member Survey. Some banks are well along in their DEI strategies and initiatives and others are beginning their planning.

In recognition of the industry's efforts and a desire to position the MBA as a greater resource, the MBA Board of Directors created a Diversity, Equity and Inclusion Steering Committee in July, 2021, charged with determining how the Association can be the greatest resource for our members, wherever they are on their DEI journey. The Steering Committee, a dedicated group of bank CEOs, DEI leaders and human resource officers, has been incredibly engaged over the past several months, listening to member feedback, testing concepts within their banks and being aware of efforts underway in state and national bankers associations and other leading groups.

We are very pleased to share with you MBA's Diversity, Equity and Inclusion Strategic Plan which includes specific goals, actions and metrics that will serve as a roadmap for our work through 2025. This work will not be easy, but it is vitally important – we have an obligation to our members to support you as we collaboratively seek to eliminate biases and exclusion and celebrate the positive impact that a welcoming and inclusive culture can have on our organizations. The success of banks is inherently linked to the success of the communities we serve.

By putting this 2025 Strategic Plan in place, the Massachusetts Bankers Association commits ourselves to help our members advance this important work. We thank you for what you are doing on your DEI journey and look enthusiastically to the future as we work together to make our industry, and Massachusetts communities, even stronger and more successful.



*Chris Oddleifson, Chair
MBA 2021 DEI Steering Committee
and CEO, Rockland Trust*



*Peter Brown, Chair
Massachusetts Bankers Association
and President and CEO,
Dedham Institution for Savings*



*Kathleen Murphy
President and CEO
Massachusetts Bankers Association*



The Strategic Planning Process

In June of 2021, Massachusetts Bankers Association hired SDS Global Enterprises as its Diversity, Equity, and Inclusion consulting partner. SDS Global is a full-service strategic development solutions firm with a proven track record of providing comprehensive strategies and solutions in talent management and human resources development, diversity, equity and inclusion, leadership effectiveness, personal and professional reinvention, training, coaching, organization/culture transformation and strategic planning. Their strategies and solutions focus on building sustainable, diverse, equitable, inclusive and high-performing workplace cultures where ALL talent can thrive. It's President and CEO, Dr.



Shirley Davis was specifically tapped to lead these strategic planning sessions for MBA because of her extensive background in banking and financial services, DEI, and her previous work with the Maryland Bankers Association.

Working directly with Kathleen Murphy and her team, Tanya Duncan, Executive Vice President of Revenue & Strategy, and Misa Nguyen, Manager of Executive Administration, Dr. Davis and Cyndi Ramirez-Ryan, a Principal Consultant with SDS Global Enterprises, facilitated four sessions with members of the MBA Steering Committee. These sessions were conducted virtually on July 13, 2021; September 13, 2021; October 6, 2021; and November 15, 2021. A summary of what was covered in each session can be found on the following page.

Between Sessions 1 and 2, MBA administered a web-based Diversity, Equity, and Inclusion Survey. The Executive Summary of the survey findings can be reviewed on the following page.

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Session One: July 13, 2021

- Level Setting on Diversity, Equity, & Inclusion Terminology
- 2025 Visioning Exercise and Success Measures
- Clustering, Theming, and Prioritization
- Establish Guiding Principles for Accomplishing DEI Goals
- Identify and Celebrate Accomplishments To-Date
- DEI Vision Statement—Key Words Activity
- Start/Stop/Continue Group Discussion

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Session Two: Sept 13, 2021

- Review and discuss the survey results.
- What problem/s is MBA trying to solve? What is our desired outcome? How will we measure our success?
- Guidance and discussion regarding the creation of two preliminary products.
- Guiding principles/core values that create awareness and say that we care about this issue, and we care deeply (The Message) and,
- Summary of the banks' and the MBA's role in helping to solve the problem (Objectives/Road map).

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Session Three: Oct 6, 2021

- Finalize Guiding Principles
- Discuss objectives of the banks' and the MBA's roles (work streams)
- Measures for Success
- Discuss Pledge---Solicit Feedback
- Discuss drafted MBA DEI Vision Statement
- Draft Communication Plan

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Session Four: Nov 15, 2021

- Review the Recommended Actions for DEI Implementation
- Discuss ways to introduce/socialize the Plan to the members
- Present MBA's 2022-2025 Goals with fleshed out language and estimated timelines
- Walk the Steering Committee through an example of a DEI Strategic Plan and agree on contents for the MBA's Plan.
- Outline the Communications Plan

Diversity, Equity, and Inclusion Survey

Executive Summary

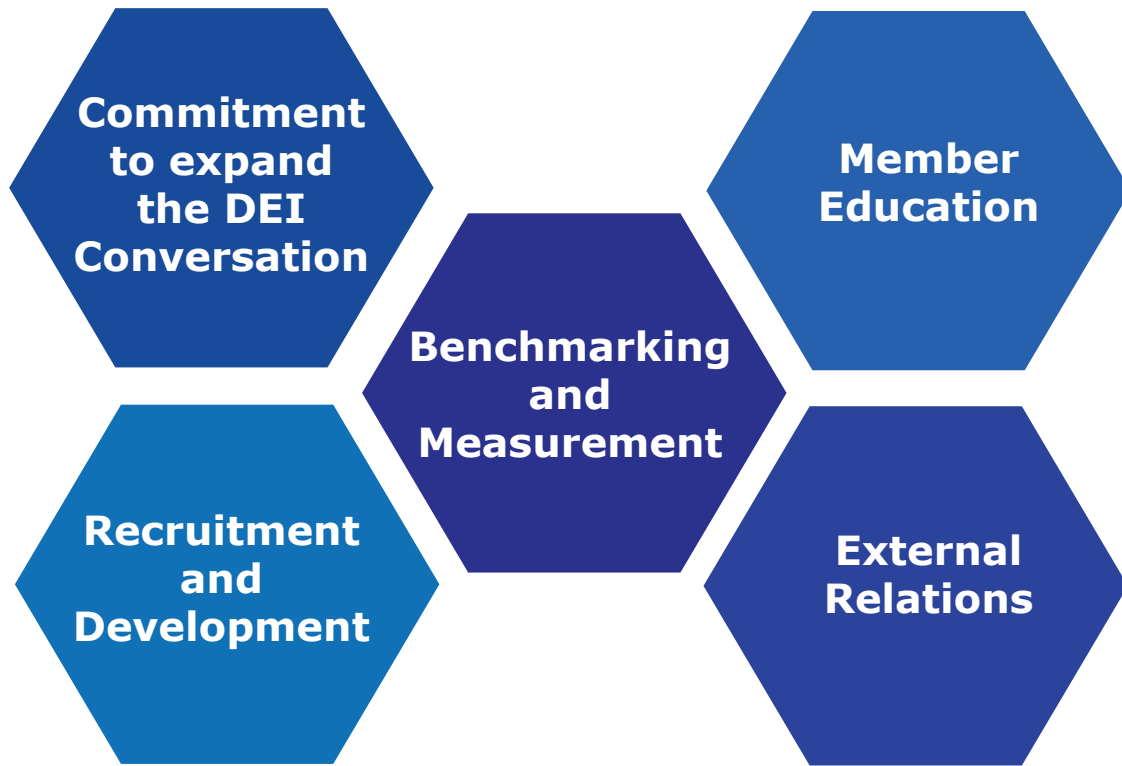
As part of the DEI strategic planning process, the MBA surveyed 120 banks on their Diversity Equity and Inclusion (DEI) efforts to understand better what banks are currently doing and learn how the MBA can be a resource to members.

In comparison with other MBA surveys, the response rate is significant. Fifty banks – 42 percent of the membership responded to the survey. Overall, the results indicate that most banks responding have or are in the process of implementing a DEI strategy for the bank.

This Executive Summary presents key results from the survey.

- Ninety percent responded that diversity, equity, and inclusion are currently incorporated into their bank’s strategic plan. Six percent are considering adopting a DEI strategy, and four percent have not adopted one.
- Sixty-four banks have or are in the process of adopting a specific DEI statement as part of their core values or mission statement. Another third is considering whether they should adopt a DEI statement.
- Fifty-six percent of the respondents have or are in the process of adopting a specific social responsibility statement as part of their core values or mission statement.
- Sixty-four percent of banks that responded have (14%), or are in the process of (50%), developing specific diversity goals for their boards of directors, management team, or employees to guide decisions in recruitment, selection, promotion, pay, etc. One respondent commented that they do not have specific goals, but they have a “DEI mindset” when recruiting future corporators or Board members.
- Another commented that “the bank CEO and direct reports each have DEI goals with annual incentive implications...goals range from defined targets for recruitment, retention and business unit demographics.”
- More than half (57%), of the respondents have difficulty identifying and attracting DEI talent and board candidates.
- Most banks (53%), do not collect data or metrics on DEI, and those that collect such information (46%), use it internally.
- Sixty percent of the respondents indicated that measuring whether the bank’s board and leadership reflect its community’s racial and gender diversity is a good indicator of its commitment to DEI, stating that “it starts at the top” and bank leaders should mirror the community to gain diverse perspectives to make business decisions.” Forty percent disagreed, citing lack of racial diversity in some communities and lack of board term limits as reasons. In addition, some felt that there are other ways to measure commitment to DEI.

MBA's Identified Areas of Focus



MBA's DEI Vision Statement

The Massachusetts Bankers Association promotes a more diverse, equitable and inclusive banking industry that celebrates the power of our differences, champions broad access to financial services, and advocates for practices that achieve greater equity and inclusion for all. Our resources will help our members expand their collective impact on the communities, colleagues, and clients that they serve.





MBA's Four-Year Strategic Goals

2022-2025

Year 2022

- Form a DEI Council to oversee MBA's DEI Strategic Plan; convene the first meeting.
- Launch the DEI Strategy (at MBA's CEO/Senior Management Workshop).
- Develop an education/professional development plan for member engagement that includes the DEI Six Pillars for Success.
- Ensure the MBA Board of Directors continues to be a diverse and inclusive body through a nominating process that considers a diverse slate of candidates.
- Launch and maintain MBA's DEI website containing a digital vault of resources for members.
- Host First Annual DEI Summit.
- Host the 10th Annual Women in Banking Conference.
- Host graduation for the MBA's National Registered Credit Analyst Apprenticeship charter class.
- Conduct the annual DEI survey.
- Measure impact and success.



MBA's Four-Year Strategic Goals

2022-2025

Year 2023

- Build on DEI foundation built in 2022.
- Conduct the annual DEI survey.
- Explore how to expand the survey regionally with other states and partners.
- Hold DEI Member Forums.

Year 2024

- Build on DEI foundation built in 2022 and 2023.
- Conduct annual DEI survey.

Year 2025

- Build on DEI foundation built in 2022, 2023, and 2024.
- Develop a 5-year DEI Strategic Plan.
- Conduct annual DEI Survey

Ongoing/In Progress

- Expand resources for recruiting diverse talent and Board members (cast a wider net) through resources such as BankTalentHQ.
- Leverage the MBA's Credit Analyst Apprenticeship Program to recruit diverse candidates for the industry.
- Leverage the Workforce Training Grant for Career Development.
- Conduct member and director education on DEI relevant topics.
- Respond to media inquiries and advocate with policymakers regarding the industry's commitment to DEI.

Recommended Actions for Implementing DEI

6 Pillars for Success

The workforce, marketplace and our communities continue to increase in diversity, consisting of more women, people from various races and ethnicities, sexual orientations and gender identities, different abilities, and a variety of other ways that we are unique and different.

We recognize that organizations are in different places on the DEI continuum and that there is not a one-size-fits-all solution, nor is there a quick fix. These recommended actions include six pillars for success that we have adopted from a variety of best practices in DEI that can act as a resource for our members on the long-term journey of embracing, celebrating, and supporting the unique differences of our employees, clients and our communities.



6 Pillars for Success

Pillar One:

Leadership and Executive Culture Accountability & Measurability

Engage, interact, and listen to all talent from underrepresented groups to increase your knowledge and understanding of the diverse views, experiences and needs of your employees, customers, and your communities by taking actions such as the following:

- Ensure that the Board of Directors, senior executives, and all leadership team members are aligned and committed to championing equity, diversity, and inclusion
- Expand C-Suite circles and networking opportunities for diverse talent.
- Proactively listen and learn to increase your own knowledge.
- Use your power and position to influence and advocate for change internally and externally that will address systemic discrimination, marginalization, and biases to improve conditions for people of color, and other underrepresented groups.



Pillar Two:

Create an Inclusive Company Culture

Create a workplace where employees feel comfortable being who they are, are valued for their uniqueness, and feel a sense of belonging, and inclusiveness such as the following:

- Use engagement surveys, focus groups, and data analytics to assess the employee experience among your diverse talent.
- Encourage employees to develop their own awareness on aspects of DEI (i.e., racism, sexism, ageism, ableism, Xenophobia, homophobia, implicit bias, etc.), and to participate in learning experiences.
- Establish avenues for identifying, reporting, and recording instances of microaggressions, biases, prejudices and/or offensive behaviors that are counter to an open, inclusive, and diverse work environment.
- Encourage employee giving, volunteerism, and civic engagement in support of DEI.

Pillar Three:

Recruitment

Establish a candidate sourcing and selection process that ensures a diverse applicant pipeline and a diverse hiring result by taking actions such as the following:

- Ensure that education on implicit biases in selection and inclusive selection practices occur prior to recruitment.
- Partner with external professional groups that represent diverse communities to expand talent pools, pipelines, funnels, and access points (e.g., Adoption of the Rooney Rule*).
- Focus on hiring to increase diversity of teams and the diversity of the overall organization.

* Cook, Ian. "How HR Can Tackle Diversity Using the Rooney Rule." *Visier*.
Labor Editor. "The Biggest US Banks Depend On The Rooney Rule When Recruiting Workers On Range Tips." *Labor News Wire*.

Pillar Four: **Retention and Development**

Implement a formal program for the development of diverse employee talent that prepares them for leadership roles, and sets them up to succeed in those roles by taking actions such as the following:

- Ensure employees receive regular performance assessment feedback, understand their plan for development, and have opportunities to obtain new skills.
- Identify potential biases when evaluating employee performance and advancement potential; provide tools and processes that challenge leaders to consider the value of diversity and its impact on problem-solving and innovation when making talent and succession planning decisions.
- Invest in development programs that prepare diverse talent for career advancement (e.g., sponsorship programs, role switching, mentoring, etc.).
- Conduct “Stay Interviews” that identify reasons why diverse talent want to remain in the organization and provide the resources and support needed for employees to succeed.



Pillar Five:

Supplier Diversity

Implement/scale a supplier diversity program to increase the percentage of company goods and services procured from minority-owned businesses (e.g., women, minority, disabled, veterans, etc.) by taking actions such as the following:

- Identify partners to source for diverse suppliers, network with organizations to expand diverse suppliers, and utilize creative contracts to engage small businesses.
- Share information and resources with the Massachusetts Bankers Association for broader dissemination within the industry.

Pillar Six:

Accountability and Sustainability

Throughout the organization, ensure that DEI is measured, tracked, and sustained by taking actions such as the following:

- Establish a DEI Council and/or an experienced Diversity Officer/Consultant that leads these initiatives to ensure continuity, consistency, and sustainability.
- Implement diversity dashboards or scorecards for tracking diverse hires, promotions, pay decisions, attrition rates, representation at all levels including on your executive teams and your board of directors as well as progress toward supplier diversity and commit to sharing information company-wide and/or publicly.
- Leverage DEI within your organizational strategic and operating plans and provide regular performance updates to your senior leadership and Board of Directors.
- Include organizational DEI initiatives as part of executive performance reviews and tie DEI outcomes to compensation decisions.
- Engage and participate in Massachusetts Bankers Association DEI efforts, leveraging resources, sharing best practices, and learning from others.



Strategic Planning Process Contributors

Chair:

Christopher Oddleifson, CEO, Rockland Trust

Members:

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