



**Recorded Message:** The Hennessy Report from Keystone Partners. A free flowing conversation with leaders in the HR community talking about themselves, the industry and their work. Brought to you in cooperation with NEHRA, the Northeast Human Resources Association.

**Dave Hennessy:** Welcome to The Hennessy Report. I'm Dave Hennessy. Our guest for this episode is Melanie Foley, the chief talent officer at Liberty Mutual Insurance. Melanie shares her personal story and how she grew up in the sales department at Liberty Mutual before taking over the reins of HR for this 50,000-person insurance powerhouse. Melanie describes on the podcast how she and her team transformed the HR group, and then later she discusses how they created a nine-part video training series for diversity and inclusion. This had a big impact on Liberty Mutual, and it has received some recognition outside of their organization as well. She goes into some detail about what's included in that video training series. It's quite interesting.

Up next on the podcast is Tiffany Mosher, the chief people officer at dataxu, and now I bring in my discussion with Melanie Foley.

Melanie, welcome to The Hennessy Report.

**Melanie Foley:** Well, thanks for having me, Dave.

**Dave:** This is an exciting day here in Boston as where right now at this very hour, in fact, outside of your Liberty Mutual Headquarters, is the Patriots parade celebrating their sixth Super Bowl victory. I think it's starting right now, going right by us. In fact, coming in today, we saw many of your employees probably just taking an early lunch, getting out there for an 11:00 to 12 o'clock lunch to watch the parade go by.

**Melanie:** Yes, I'm sure there's a complete work stoppage right now here at Liberty Mutual. I did notice that the dress code today got even more casual as everybody was wearing their Patriots' jerseys today. That's awesome. We're very excited about that.

**Dave:** Yeah. Very exciting. Well, let's talk about you a little bit now before we talk about HR at Liberty Mutual. Can you tell us a little about your background, early life experience that set you on your career path?

**Melanie:** Sure. So I'm a Boston native. I grew up here in the city. My mom was a single mother and as a young child, I had to one, step up and take additional responsibilities to help look after my younger brother. But I watched my mother work very hard to put herself through school. She became a nurse, going to school at nights and pulling us out of low income housing, et cetera. The lessons that I learned from my mom or what she inculcated me was education, hard work, and in personal grit and resilience.

And I think that that's just kind of like the foundation of who I am. After going to school locally for marketing and general management, I started my career at Liberty Mutual as a B2B sales rep. I was responsible for the New England territory, building relationships with companies or associations where we could access their membership to be able to sell them personal insurance products.



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And from that point, for 15 years, I grew within our personal insurance division, increasing responsibilities, managing ... From that individual contributor role, I started to manage a couple of people and then it was six people and more responsibility, bigger scope, budget complexity after 15 years.

**Dave:** And why were they putting more and more people reporting to you? What was going on that that was happening?

**Melanie:** I was getting things done and the way that I went about it was aligned with the values of the company, right? So I share the values that Liberty Mutual holds true, which is dignity and respect, integrity, putting people first, being open, in making things better, acting responsibly, all of those things that are so special to our culture at Liberty Mutual were things that resonated with me. So that great alignment and just getting things done, demonstrating results. I was able to continue to get increased responsibilities by after 15 year run in just sales and marketing distribution, I was managing 6,000 person organization, all US personal insurance distribution. And then I was given the opportunity at the end of 2011 to consider a career change in the same company.

**Dave:** Into human resources.

**Melanie:** Into human resources.

**Dave:** How did that come about? Why were you identified or did you pursue it? Can you talk a little about...

**Melanie:** Yes, sure.

**Dave:** ...how that came about?

**Melanie:** When the CEO was looking for somebody to fill this position ... My predecessor had been in the role for 20 years, and she had also been with Liberty for 40 years. We have a lot of tenure in this company. He was looking for someone with more of a business background, more business acumen to come in and make some changes to the way that HR operated in the company. More business minded. So I...

**Dave:** A different perspective, he was looking for. Yeah.

**Melanie:** Yeah, different perspective to elevate the strategic importance of the function. And he was a new CEO, so he was also looking for transformative changes. And I had demonstrated that in my prior role on some of the initiatives that I had worked on and the ability to transform our operations. So, I think it was our talent management practices, which surfaced me up as a potential candidate, a successor for this role. My track record, being able to achieve results and the reputation that I had in the company as a trusted leader.



**Dave:** That's great. Could you talk a little bit about the values of Liberty Mutual? You just shared some. Maybe you can talk a little bit about how they're evolving, the culture and the values. The vision for the future.

**Melanie:** Sure. Yeah. We're over a hundred years in existence at this company, so we're steeped in tradition and have a lot of history. So there are some things that have been harder to change than others, and some things that we didn't want to change at all, because they've been key to our success, which differentiated us. What the tried and true aspects of our culture are that we are high integrity, treating people with dignity and respect are table stakes, timeless values and principles of this company. Some of the things that have ... we've been working to improve on are things like flexibility. For example, when I came into this role, as a business leader, I had always known that work life balance was something that we scored very poorly on from our employee opinion survey results and that our employees didn't feel like there was much balance.

So, we took that data ... Take a data driven approach from the way I was used to working as a sales leader and built ... Convinced the leadership of the company that we needed to really do something of targeted intervention on this aspect of our culture of inflexibility or not letting people have that balance between their personal and work lives. And we were able to make significant changes to mindsets, to policies and to the support systems that we have at Liberty Mutual to make the same more flexible environment.

When I ... I remember, I don't know if it's urban legend or not, but the prior CEO at Liberty Mutual is rumored to have said, "Yeah, we have two days a week that are casual or flexible, Saturdays and Sundays." And when I came into the role, I thought, "All right, maybe I'll take on this flexible work arrangements or flexible dress code." And it was...

**Dave:** So, there was some truth to it, it sounds like, whether it was said or not, but at that time there was...

**Melanie:** There really was.

**Dave:** There was a formal...

**Melanie:** Very formal.

**Dave:** Working full hours. Be in the office or with clients. Right?

**Melanie:** Yes. It was more about being seen than the quality of your output. It's time on task versus quality of output. It was... People were measured by how many hours a day that they spent in the office versus how well they were getting their job done. But by showing that research, the external benchmarking, our own internal research that we had to the executive leadership team and quantifying the impact that that had on productivity, employee engagement, turnover, employment brand, et cetera...



**Dave:** Right, acquiring talent too. Right?

**Melanie:** Acquiring, attracting and retaining talent. It was going to become an even greater obstacle that we had to overcome. So we went to work, and we had a flexible work initiative where we covered dress code. We covered work arrangements. We covered benefits that we provided to employees. And I would say in the last seven years, we've made remarkable improvements. If you've been at Liberty for five years or less now, you don't even know what it was like before. But you are a highly engaged and satisfied employee. And it makes it harder for people to leave, because we see that other companies are still not offering all of the flexibility and the benefits that we have to offer.

**Dave:** Are there other transformations that you've embarked on that you'd like to share?

**Melanie:** Diversity and inclusion is another really powerful journey that we've been on. Like many companies, I think. Although most of my experiences here at Liberty, but what I hear from my peers is that diversity about 10 years ago was more like if you had gotten in some kind of trouble, you would do a diversity program. It wasn't supported by a business case or it wasn't with the end consumer or the employee engagement in mind. It was really like this is...

**Dave:** Comply.

**Melanie:** Complete compliance thing to do. And so when I came into this role in 2012, there wasn't a company initiative or aspiration around diversity and inclusion. But again, pulled out the business case ... Put the business case together using internal and external data to say that this was good for business, that we would get better business results as a result of being more diverse and inclusive. It would generate more innovation, different thinking, different people with different backgrounds. It would create better employee engagement. So we'd have higher productivity. All of those reasons to do it. Besides, it's just a good thing to do. Helped us get to a place where we were willing to make significant investments.

So, we did. We created a diversity and inclusion office a little over five years ago. Again, we've seen significant improvements in our employee opinion survey results and our results from external surveys or benchmarks. We've gotten lots of recognition for the work that we've done in this space. And, we know that it's helping us to attract and retain employees, because of the work that we've been doing. And every leader, every person, including the CEO, is involved in doing work on themselves as part of this journey. So we've made a significant investment and there's a real commitment to this.

**Dave:** Can you talk a little bit about that, the work that people are doing on their ... themselves and how you help facilitate that, your department? What kinds of things are they exposed to?

**Melanie:** Yeah. I mean, so we started four years ago after we got the office up and running with unconscious bias awareness education for everybody in the company globally. So we've had everybody go through that, understanding their biases. Then we took that understanding or awareness into action and we've had lots of programming around how to dislodge, disrupt biases and become a more inclusive colleague, employee leader, manager. So we've created programs like guidelines for inclusion. So we've



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explained to folks, use these behaviors in your day to day activities, interactions, et cetera, and you will become a more inclusive colleague or manager.

We provided them, not only with text content rich resources, but a miniseries that won a Telly Award for this miniseries, 12-part video series. There are nine guidelines and then I think we probably had some beginning and end sandwich type videos. We're actually going to commercialize that because so many people have asked us at conferences, et cetera for access to it.

**Dave:** So your going to share that with other companies?

**Melanie:** We are going to share that with other companies.

**Dave:** That's amazing. And can you give us a flavor of what's in there that really resonated so well? Maybe an anecdote that's presented or why did it really, grab attention?

**Melanie:** It's practical. Okay. Some of my most senior leaders who may be more mature, more seasoned, successful by doing things a certain way their whole career, now we're telling them, you need to change your leadership styles. You need to change your behaviors because the new workforce coming in now has different expectations, communication, inclusiveness, et cetera. They're a little uneasy about all of this, but we've asked everybody for a commitment to go through these programs. And I had one typical senior executive say to me, unsolicited, "That was awesome. It was so practical." You take a real life situation that goes on every day in your office as it could be.

**Dave:** Yeah. I'd love an example, if you could give us one that comes out of it, pick one that's in the training.

**Melanie:** So one of our guidelines is be trustworthy. And the vignette is about a few colleagues where one of them is a man and someone in the office finds out that he's getting married. And that person, another colleague in the break room finds out about it, so excited for their colleague. But the colleague is a little bit taken back by the fact that that this is kind of out there if you will. And he's not comfortable with it.

But this person, the colleague, is so happy for him, she goes off and tells everybody. Then they have like a little party and so the person feels ... The person who has something to share, feels like his trust has been broken. He didn't get to communicate the message himself, and now he can maybe no longer trust this colleague. And then kind of goes off and tells you a little bit about how your intent and impact ... You need to be aware of your good intentions celebrating this wonderful life event of your colleague, but you've gone and outed them to the rest of the team when maybe they didn't want to. And now you're not considered as a trustworthy employee. And it's little vignettes like that that make it real, that it's not consultant speak. It's not esoteric...

**Dave:** They're real situations that happen in companies all across of the world.



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**Melanie:** Yeah. So there's a diversity and inclusion specificity to that example, but it's not always about something that has to do with diversity per se, right? It could be people in a group that get together often. Some people don't talk at all, but others always dominate the conversation. There's a guideline that helps you to see how maybe you need to take a step back and solicit other people's input in those meetings so that they're not domineered by one person. All the ideas come from one person and one person gets all the credit.

It invites you or it makes you aware of other people's styles and preferences and how they may be overshadowed by yours and vice versa. Maybe you're the one that never speaks up in a meeting. And so we're trying to help those people understand. You also have a responsibility to step up.

**Dave:** So that's all part of these...

**Melanie:** All part of this series.

**Dave:** So people go in thinking they're going to be, maybe early on they were thinking the training was one thing and they realized it's quite broad, the things that you touch.

**Melanie:** It's been recognized as a very important resource and tool and support to managers and not just a "Check the box. I did this training." There are resources available for managers to have ongoing conversations and dialogue with their employees. I just had one on Monday with my team on be trustworthy; and we spent 15 minutes just talking about how well we're doing and specific examples where we think we did really well or we think we didn't do well. And then next week we'll pick a different guideline. And you can just go on and on for with this forever. And so that's...

**Dave:** And gives everybody tools to have these conversations. So how did it come? How did you come to the decision that you're going to allow other organizations to use this and when's that going to happen? We have a lot of people listening right now, Melanie, that probably want to get their hands on that after you've just given a five minute overview. When is this going to happen?

**Melanie:** Well, I'll tell you how it happened, but let me just quick cut to the chase so that I don't mislead you at all. When I say commercialization, it means that we're going to charge you for it. So but what happened was one of our vice presidents in the D&I space was at a conference and was asked to share. So they shared a little bit about this, and then the line to speak to them after, it was so long.

And he came back and was a little bit unsure of how I was going to react, because old school Liberty, we keep all our secrets really close to the vest and we don't want people to know what we're doing, to copy us. And I think he assumed that that's how I was going to respond. And I said, "Look, I want the world to become a better place. I know that not all of our employees are going to stay with Liberty. They're going to go somewhere else. I want them to have a great experience even if they do leave Liberty. So to the extent that this is really powerful stuff that can help other companies provide a better environment for their employees, let's do it."



**Dave:** Tell us about the structure of your HR group. How have you taken your line, business line, leadership skills and influenced how you do HR here at Liberty Mutual. The structure, the departments, the roles, a little bit about what you do in HR?

**Melanie:** Sure. Yeah. When I came into this field, this specific organization at Liberty Mutual seven years ago, we were structured like probably the majority of HR organizations in a big complex company like ours. So there was a corporate center which did most of payroll benefits, compensation, L&D, and then the generalist and ER and all of that was distributed throughout the business units.

The company's gone through a lot of organizational transformations as customer needs have changed, as the business environment has changed. And we made ... HR always has to help through those organizational changes. So we kind of stayed static for a while, while the rest of the company was changing. But in 2015, we had been aware of other companies' HR transformations. We also had again, data about how our internal customers were feeling about the way that we delivered HR services, that we knew it was time for us to make a change to the way that we were structured and the way that we were delivering service. Because we knew we had issues with inconsistent service delivery and efficient service delivery and not as satisfied internal stakeholders as we could have had.

We also knew that there was a lack of clarity among our professionals within the HR organization in terms of career progression and just role clarity, et cetera. So, well, we worked with our internal consulting group at Liberty Mutual and other resources outside of Liberty that specialize in HR to come up with a plan. And we piloted this new HR operating model before we rolled out, but we took parts of the business where we said, "We're going to face off with the business in a different way. We're going to centralize all of the tasks that should be centralized, because we will be more consistent, more effective and more efficient by doing that. And we will upskill the senior HR professionals so that they can be more strategic consultants to the business."

So, we piloted that for several months. We had the business very involved in, not only the structure but in providing us with feedback, so that we could modify as necessary. And then we ultimately rolled out this new structure. So the way that we're organized is we have very senior talent advisors who are aligned to very senior business leaders in the organization. And they basically sit on those management leadership teams as a strategic advisor to the leadership group. They are responsible for the high level talent strategies for that organization, as well as team effectiveness and other outcomes that you would expect to see senior HR professionals to have. But the execution of annual cycles of programs, et cetera, we have pooled what we call the talent delivery team. And so everyone that was a generalist is now part of a pooled team where they get assigned different projects based on an intake methodology. And so these folks are getting experienced with all different parts of the business and all different aspects of HR service delivery.

Then we have centralized employee relations. What this has done is give us tremendous information about what's actually going on, where we have policies, procedures, processes that need to be refined. Because now it's going to be data driven and we'll be able to put the case together that we need to make specific changes. We're getting things done more consistently, faster and cheaper. So it's been



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about two years since we've embarked on this journey. A little over a year that we've been completely rolled out. There's been disruption, but, by and large, it's been successful.

**Dave:** You might hear some sirens and helicopters where the Tom Brady, Gronkowski, Belichick and the gang are rolling right by Liberty Mutual's headquarters right now. And this is the time in the podcast where we have the NEHRA YP Question of the Podcast and I'm going to have Sarah Dumont.

**Sarah Dumont:** Thank you Dave. The goal of NEHRA YP is to create educational and networking opportunities for young professionals. We're led by Scarlet Abraham who's a board member of NEHRA along with Dave. And she's also the senior director of Diversity and Inclusion at Bright Horizons and is our episode 19 podcast guest. So remember that if you ever have a question that you want to be featured on the podcast, you can email it to [thr@keystonepartners.com](mailto:thr@keystonepartners.com).

And today's question for you, Melanie, is from Katherine Cavanaugh and she was just hired by your team. She's going to be an incoming HR development program associate. Her question is, "When you achieve a goal, how do you empower employees to continue to innovate and avoid complacency?"

**Melanie:** Thank you, Sarah. And thank you Katherine for that question. I think I mentioned earlier about a little bit about our culture and we're very action oriented and part of that is that we're goal oriented as well.

And so we set out to achieve something based on a gap that we feel that we have to our desired future state and we build plans around that. And so we encourage everybody to help us close those gaps. Once we decide that that's what we're going to do, we have monitoring and measurement plans in place. We track our progress and then we celebrate our successes. But there's never a lack of goals and never a lack of a desire to be top tier. And we know that the goal line moves often too. Nothing in today's world stays status quo or isn't ever changing. And so we have recognition programs. We have a set of incentives. We have lots of mechanisms to make sure that folks are always aware of what the goals are and how we're doing to those. And then what the new ones are as we decide that something else has become a gap for us.

**Dave:** Melanie, we have some fun questions here to wrap up the podcast. This is if you could give advice to your younger self, if you could write our letter to Melanie at 30 years old, what would you write in that letter?

**Melanie:** Hmm. So I've been asked this question before, and I change it every time or add to it every time. So I think I have three things to say to my younger self now. The first one is be present. At that age, there's so much being thrown at you. You're probably going through life changes. You're trying to figure out what the next 10 years is going to look like. You're trying to advance in your career maybe or decide whether you go to business school or whatever. Just don't forget to be present in what you are doing, because you might miss rich things that you won't be able to deal with later on in life. So, be present. Take it all in. It's a little bit of mindfulness. I think it will just help you be less stressed as well.





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Be resilient. I think this is something that's been a key to my success is kind of roll with it, roll with the punches. Don't let adversity or failures set you back on your heels. Don't lose any time over challenges or failures. Just get back up and go forward. You have to and it's your responsibility. Don't put it on your employer or anybody else. Just go forward.

And the third thing that I had was to take risk. It took me a long time in my career to take risk. I was probably closer to 40, and it was the best thing that I had ever done was take a career risk. And before that I had been really taking the safe path. I don't think I necessarily missed out on much, but maybe things could have been even more fulfilling and rewarding if I had been willing to take a little bit more risk.

**Dave:** Great. And here's the last question of our podcast. What's the best performance, play, musical, sporting event that you've ever attended?

**Melanie:** So, two years ago I was lucky enough to be at the Super Bowl in Houston when the Patriots played Atlanta. And while for four fifths of the game, it seemed to be the worst event that I have ever been to, the last few minutes, including the overtime, were unbelievable. And I'm just so super grateful that I was able to be there to witness that history in the making. And, of course, my home team and what apropos, because we're sitting here listening to the parade go by right now. Yep. That was the game.

**Dave:** I am so jealous that you were at that event. That is, that's the best sporting event ever. Yes. The unlikeliness of it was just crazy.

**Melanie:** The greatest of all time.

**Dave:** Well, so great having you as a guest on the podcast, Melanie.

**Melanie:** My pleasure. Thank you.

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