

Diversity and inclusion in the insurance industry

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The insurance industry has a diverse workforce. Walk into any office just about anywhere in the world and look around; you'll see women and men together as well as a multitude of different races. Women are included, but the issue is, where in the companies are they included? As it turns out, women are often seen as a positive tick on the human resources diversity scale, but they are not seen as the leaders of the pack. **Hanover Stone Solutions'** **Dr Joanne Stone Morrissey** shares her views.

The percentage of men and women in the world is roughly equal with 50.4% men and 49.6% women, as per the Institut national d'études démographiques. Why, then, do women not comprise the same or similar percentages in business management, especially in the insurance industry? It's because the stereotype of the woman as nurturer and the man as leader persists.

In the US, women comprise 58% of all insurer employees, while 48% are first and mid-level supervisors. The percent drops to 30.7% of executive and senior managers. Catalyst, a consulting firm that studies women in the workplace, reports that women held under a quarter of senior roles across the world in 2018, a decrease from 25% in 2017. However, in 2018, 75% of businesses had at least one woman in senior management, compared to 66% in 2017.

Finance sector's poor showing

Finance is an area that is sorely lacking in women at the top. Mercer's 2019 Global Talent Report asserts that automation and other technological advances will disproportionately impact women, who make up the largest portion of the office clerical and technical positions of insurance carriers. This disruption will culminate in numerous job losses. Since most women typically begin an insurance career on the lower rungs of the corporate ladder, this will adversely affect the potential for future female leaders.

The 2017 US Bureau of Labor Statistics analysis of the insurance industry shows that women make up 64% of underwriters and 84 % of claims personnel. Yet very few of them make it to the top levels. Why aren't more of these women, who form the base of the insurance operations pyramid, making it to the top tiers of management? I am one of the women who started in claims and found the rise to top management to be particularly problematic; education, skills and ability were often ignored. How did I finally make it? Like so many other successful C-suite women, I with a partner started the Firemark Group, our own company doing research and investing in the insurance industry.

Other good examples include AIR pioneering founder Karen Clark and Capitol Special Risks president Dorothea Westin. Both are highly effective unicorns in the insurance industry. One who began as an entry level employee in claims, but made it to the top is Progressive CEO Tricia Griffith. Ms Griffith is one of just 24 female Fortune 500 chief executives. We're moving up, but at a snail's pace.

Missing pieces

According to the 2017 World Economic Forum's Global Gender Gap Report, "Female talent remains one of the most underutilized business resources." The 2018 report states "The progress towards parity continues to be very slow." Forbes tells us that, in finance, as career levels rise, female representation declines. Although 46% of financial services employees are women, at the executive level, it's only 15%.

Reputation is at play in the gender hullabaloo. A company's reputation can make or break it. The stock and public image of companies like AIG, Volkswagen and Hewlett Packard suffered greatly from reputation damage. Personal reputation can also create or destroy a career. A woman's reputation, much more so than our male counterpart's, suffers at the hand of perception. While a man can be assertive, powerful and commanding, a woman behaving in the same manner may be perceived as bossy, bitchy and difficult to work with. Is it harder for a woman to assert strong leadership skills because of societal expectations than it is for a man? Apparently so.

Slow change

"Women outshine men on interpersonal and team skills but men are seen by bosses as better than women at business, strategic and financial acumen," according to a Business Week cover story published in 2000. Have things changed? Not much.

Research reported by the Harvard Business Review and several of its updates found that "...at all levels, women are rated higher in fully 12 of the 16 competencies that go into outstanding leadership ... and two of the traits where women outscored men ... were taking initiative and driving for results, traits that traditionally were thought of as male strengths."

There are other women leaders in the insurance industry, but their way up the corporate ladder found shards of glass on numerous rungs. That precarious crystal ceiling has seen many pushed off the glass cliff. Although there are thousands of insurers worldwide, you can count the number of female CEOs on your fingers.

Quality leadership

Women make effective leaders like the Insurance Development Forum, London secretary general Ekhosuehi Iyahen, Green Delta Insurance Company, Bangladesh managing director and CEO Farzanah Chowdhury, Blue Marble Microinsurance, Bermuda CEO Joan Lamm Tennant, Hamilton Re, Bermuda CEO Kathy Reardon, Hamilton Insurance Group CEO Pina Albo and GIC Re, India CEO Alice Vaidyan.

They made it, but have seen successful, tough women like Hewlett-Packard former CEO Carly Fiorina sacked. Ms Jill Abramson was fired as the first woman executive editor of the New York Times, Ms Marissa Mayer is out at Yahoo! and Ms Ellen Pao of Reddit and Sheri McCoy of Avon have both been dismissed.

The glass cliff is a real phenomenon and is the gender version of the poisoned chalice. Women are most often offered CEO positions when a company is in trouble. Ryan and Haslam of the University of Exeter found that

people believe women are better suited to lead stressed, unhappy companies because they are felt to be more nurturing, creative and intuitive ... and they can take the blame if the company ultimately fails.

If she succeeds, the company gets credit for having been egalitarian and progressive. If she fails, the company is no worse off and can return to its prior practice of hiring men. The University of Houston's Kathryn Anderson posits that companies may offer glass cliff positions to women because women are more expendable and better scapegoats. In two separate research reports, Ms Alison Cook and Ms Christy Glass, after interviewing top executives at Fortune 500 companies, found that women who reached the C-suite took risky positions throughout their careers in order to be more visible and prove their leadership capabilities. Some characterised themselves as 'turnaround artists'.

Uneven playing field

Korn Ferry found that it took a third longer for boards to consider a woman CEO than a man. A 2013 PwC report found that over a 10 year period, more women were forced out of office than men – 38% of women CEOs versus 27% of men CEOs. Translation: Women who walked into bad situations were given a shorter leash to fail. And if women CEOs fail, they are not given future opportunities at the same rate as men. "They get these opportunities, and they're amazingly talented and extraordinary women, and if something goes wrong, I'm not seeing them get pulled back into another company," according to Utah State researcher Alison Cook.

Dame Inga Beale, the first and only woman to become CEO of Lloyd's, said, "The progress is great, and to me there feels so much momentum ... to make it – a more inclusive industry – but we're not yet seeing enough different types of people get to the top of organisations."

That about sums it up, except to say, that as long as negative, stereotypical perceptions of women as leaders continue, we will have to persist in the fight for inclusion and diversity in the insurance industry. ^A

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