

every
woman

Inclusion and Innovation:
Accelerating Change - Transforming
the Insurance Industry

In partnership with:



Foreword

While women make up 56% of entry level recruits into Insurance roles, they only hold 20% of board positions. We all know that diverse teams increase growth and profitability in a business, so why aren't women progressing at the same rate as their male colleagues?



Previous everywoman research has shown us that the combination of quality learning and development resources and access to female role models, is a powerful one. It's cited by 81% of our members who use our own digital learning tool, as providing them with the opportunity to develop their careers, and, furthermore, makes them 42% more likely to be promoted.

We put this knowledge at the heart of our agenda for the inaugural 2019 everywoman in Insurance Forum, hosted by Hyperion Insurance Group. This one-day event brought together a diverse group of women, and men, representing a huge variety of roles within Insurance. Everything from our inspirational panel talks to our skills masterclasses, was designed to give women the tools to forge ahead, thereby bringing greater diversity to the industry as a whole and enabling its greater prosperity as a result.

We know that there are a great many businesses in the sector which are openly committed to driving down their gender gaps. But this new research, undertaken with delegates at the everywoman in Insurance Forum by Wharton Business Consulting (WhartonBC), highlights the existence of a 'saying-doing gap', whereby an organisation's intentions aren't always followed through with concrete action.

The information we've gleaned from our delegates indicates that the Insurance industry must undergo a cultural transformation, taking action on multiple levels in order to make a meaningful reduction to its gender gap. At the end of this report, we specify our calls to action to every Insurance business. We hope you'll come on this journey with us.

Maxine Benson MBE & Karen Gill MBE
Co-founders, everywoman



**“Diversity & Inclusion? It's simply
about building a good business”**

David Howden, CEO, Hyperion Insurance Group



Hearing the Voice of the Insurance Sector - An Introduction

The Insurance sector is on the cusp of significant and lasting transformation. The 4th Industrial Revolution², with the rise of InsurTech, Artificial Intelligence, Blockchain and increased direct customer access, is leading to a pace and scale of change not previously experienced³.

According to the Association of British Insurers⁴, women make up 56% of people joining the Insurance industry at entry level. However, progress at board and executive level is slow, with women holding only 20% of board level positions and 27% of executive team positions. Attracting and retaining talent, and the need to develop the capabilities needed to insure ‘new risk’, means Insurance firms must embrace greater diversity and create more inclusive environments.

Wharton Business Consulting (WhartonBC) surveyed the views of over 130 representatives from 50 Insurance firms as part of the inaugural 2019 everywoman in Insurance Forum. Whilst we observed great passion and enthusiasm for improving diversity in the room, significant barriers to embracing inclusive working practices were found. Attendees reported that diversity initiatives are not always mainstreamed, fostering an environment where blind spots and harmful habits of organisational silence prevail. Junior voices frequently go unheard, failure is not discussed openly, and organisational change is solely seen through the lens of technology, inhibiting learning, innovation and limiting the sector’s ability to transform. Greater focus and momentum are needed to place inclusion and diversity of thought at the forefront of the Insurance industry, in order to make meaningful and sustainable change.

The following summarises three key themes observed at the everywoman in Insurance Forum, outlines key insights underpinning these themes, and then presents recommendations for how the sector can accelerate its approach to building a truly inclusive environment that fosters the innovation needed to transform.

Natalie Wharton, Founder, Wharton Business Consulting

Your Voice: Accessing the views of the Insurance Industry

The data in this insight report was collected live at the 2019 everywoman Insurance Forum. Based on the Speak Up Index by our research partner, John Higgins, questions were tailored by WhartonBC and posed via SLIDO at key points through the event for anonymous response. This data set comprises:

138 participants

35 male; 103 female

50% line managers of more than 5 people

48% under 40



Theme 1- Problem? We see no Problem: Placing Diversity Front and Centre

Diversity of thought is critical to driving innovation in business. Yet our research found that creating a more inclusive and balanced Insurance Industry is not currently being treated as a mainstream issue by the sector. Most respondents reported that getting women to speak up continues to be treated only as a ‘women’s issue’ (65%) and that there is a mismatch between what is said and done around diversity within their firms (73%). But unless diversity is treated as a mainstream issue it risks being overlooked by Exec boards, and the vital role it can play in enabling large scale change and transformation will be lost. As Avivah Wittenberg-Cox⁵ advocates, change comes about by impacting the ‘will and skill’ of all leaders, and WhartonBC’s recent blog on achieving gender parity similarly emphasises that building the business case for balance needs to be shared by all functions within an organisation, not just HR or D&I⁶.

We also found that unconscious bias continues to influence ways of working in the Insurance Industry. 80% of attendees felt their senior leaders are unaware of their own unconscious biases and, shockingly, 77% believe that flexible working is seen by others in their organisation as evidence of a lack of commitment and ambition. A great deal of care, therefore, needs to be taken when introducing and promoting alternative ‘family friendly’ working practices to ensure they do not reinforce the historical status quo of established beliefs; double penalising those who take up this ‘benefit’.

- 65% believe getting women to speak up is treated as a ‘women’s issue’
- 80% of attendees felt their senior leaders are unaware of their own unconscious biases
- 77% believe that flexible working is seen by others in their organisation as evidence of a lack of commitment and ambition
- 73% believe there is a mismatch between what is said and done around diversity

WhartonBC's research partner John Higgins, co-author of 'Speak Up', an insightful book exploring how to open channels of communication in business, has found that 'speaking up' and 'being heard' is more of a challenge for females than males across a range of industries. This means any biases that exist, unconscious or not, risk being further strengthened as the voices that are challenging them may go unheard unless they are advocated by the majority. Making diversity a 'female only' topic isolates individuals further. Creating dedicated programmes for minority groups and niche 'support networks' can be counterproductive, reinforcing divisions and turning it into a 'special interest' area rather than a core part of the business strategy. This means organisations miss swathes of intersectionality where 'female issues' could actually be made relevant to the majority. For example, recent research found that 63% of new fathers request changes to their working hours⁸ suggesting flexibility is not a gendered working request (although interestingly nearly half of these requests were turned down). Aviva, for example, have had excellent uptake of their equal parental leave policy, a great example of leading practice.

This was an issue which those attending the conference were only too painfully aware of, as shown in the most popular question of the day: Are we preaching to the converted here? How do we change the mindset of decision makers who are not like-minded and not attending these types of events?

We must 'mainstream' inclusion in business practices to remove historical stereotypes and biases. Encouraging diversity cannot be the preserve of minority groups - actions in themselves need to be inclusive to challenge the status quo.



Theme 2 - Failure is too Risky: Fostering an Environment of Innovation

To thrive in an uncertain future requires any organisation to be open to a range of voices and perspectives and to know how to learn - an essential feature of learning being the willingness to accept, even embrace, the inevitability of failure⁷. Yet our data suggests what gets heard and not heard within the Insurance sector co-exists with other biases, impacting what gets paid attention to and limiting the ability for innovation to flourish.



68%

believe that leaders in their organisation focus on changing the technology but not the skills and capabilities needed to make use of these.



64%

state that people in their organisations are not willing to be public about failure - yet innovation requires failure to enable learning to take place.

Technology enabled change is frequently viewed as something that happens separately from the social and power context within which it is deployed⁹. Organisations focus solely on implementing the new software and not changing the people ecosystem that makes the software work. This results in commercial disappointment and an on-going reinforcement of the status quo. In addition, as highlighted eloquently by Perez's 'Invisible Women' research, the application of technology risks simply reinforcing existing biases, unless diverse principles are designed into these systems at the start¹⁰.

As Sochiro Honda, whose cars have the greatest resale value in the world, stated; "Success is 99% failure"¹¹. Without the public sharing of mistakes and disappointments, learning is superficial and innovation stifled. In a world where it is illegal to acknowledge biases on the basis of age, gender and ethnicity¹² it also becomes impossible for people to admit and own those habits of mind that they have been brought up with - and so begins the process of real challenge to the status quo. Insurance firms need to increase their transparency at all levels; openly sharing successes, failures and pain points, in order to accelerate learning and progress.



63%

state that their senior leaders do not make a genuine effort to listen to junior employees.

This reflects recent wider cross-industry research by Reitz and Higgins⁷, who found that senior leaders do not listen to others as well as they think they do. Failing to hear the views of more junior people means senior leaders are cut off from what is really happening, the root of many recent scandals. Senior leaders become out of touch with the shifting values of younger generations and remain unchallenged about how the business should progress. By 2020 half the workforce will be Millennials¹³; senior leaders risk becoming divorced from the needs of their customers and employees if they do not tap in.

Insurance Industry leaders must create a 'fail safe' environment. The sector needs to learn from others: Tata have implemented a 'Best Failed Idea' award and Lloyds Banking Group have a '30-day hack kit' to rapidly prototype, experiment, fail and learn to solve customer problems¹⁴. As highlighted by InsurTech entrepreneur Janathana Kaenprakhamroy¹⁵ at the everywoman in Insurance Forum, the design, application and implementation of InsurTech needs to place inclusivity at its heart if it is to revolutionise the sector from within. Equally Exec Boards need to 'crowd-source' innovation from employees at all levels if they are to stay ahead of the competition⁷.

To create and embed a learning culture, leaders must role model transparency, create a culture that recognises failure as a learning opportunity and actively seek out and listen to alternative views and perspectives. Diversity and capability building must be 'baked in' to technological transformation.

Theme 3 - Organisational silence dominates: Speaking and Listening Up

When asked what attendees felt prevented themselves, and others, from speaking and listening up, four main reasons were given:

1. **Fear** in all its forms: ‘Fear of consequences, not saying the right thing...being different than the rest of the people in the room... fear of standing out, of being labelled a troublemaker’.
2. A sense of **futility**: ‘Men don’t need to care about women being promoted, so they don’t... history of speaking up and not seeing it make a difference... no confidence in your peers listening to what you have to say’.
3. **Blind-spots** of the powerful: ‘Stubbornness of senior management to acknowledge that there may be a problem... senior people not convinced of the need to change... the tone at the top, lack of encouragement of discussion.... inability to get time with senior people’.
4. **Day-job** commitments: ‘Time pressures, pressure on immediate results... lack of incentive for leaders to make this part of the business strategy... everyone is so absorbed in their own role and responsibility... wider issues are not in “their pay grade”.

The reasons given for not speaking up are reflective of the everyday experiences of people working in hierarchical organisations. Differences in how people experience their own power, and the power of others, lies at the heart of the choices people make about whether or not they are going to say something or stay silent¹⁶. Yet attempts to address diversity in the workplace usually avoid hierarchical power dynamics and create a culture of ‘let’s pretend’⁷. This is often seen by employees as leaders who ‘talk the talk but don’t walk the walk’. Recent City of London research¹⁷ shows only 15% of employees felt their leader’s words met their actions around diversity, research consistent with our Insurance sector findings. Recent Banking Standards Board research found only 42% of staff who spoke up about a concern said they were listened to and taken seriously¹⁸. Unless we measure, assess and overtly manage the extent to which the culture of an organisation enables people to actively ‘speak up and be heard’, then any investment in inclusion and innovation will be little more than window dressing.

Leaders must acknowledge the impact of power and hierarchy on the ability for people to ‘speak and listen up’, and to critically evaluate their internal culture if diversity and inclusion commitments are to result in lasting, organisation wide change.

Inclusion in Insurance: Recommendations for Embedding Sustainable Change

Creating an inclusive and innovative culture requires transformation across the employee lifecycle. It's not about improving gender neutral recruitment but then limiting the role females play in strategic discussions. It's not about proudly displaying your flexible working policy whilst unconsciously applying assumptions about the capability of part time workers to progress. It's not about leaders having 'open doors' but then failing to hear what is being said. From our experience, cultural transformation requires action on multiple levels. Here we outline five steps we believe are critical to improving inclusion and innovation in the Insurance sector.



(Wharton Business Consulting, 2019)

1. Insight: Measure your desired culture.

Many organisations agree metrics to give their initiatives ‘teeth’, but these must measure the right data to drive the desired behaviours. KPI’s must measure ‘input’ (e.g. numbers put forward for promotion) to avoid organisations ‘admiring’ the problem¹⁸ but also the right ‘output’. For example, measuring and congratulating yourself on the number of mothers who return to work post maternity leave is of no value if their engagement, performance and career progression waiver. Instead seek to understand your current and desired culture by using tools like the Speak Up Index⁷ to have tangible data points that form part of a Board level discussion. Set up meaningful KPI scorecards that tell you what is going on with your talent at all phases of the employee lifecycle and give regular and sufficient time at Board level to discuss what this data is telling you. Supplement metrics with qualitative data that contextualises the experience of working in your culture.

2. Mindset: Foster a ‘Speak Up’ culture.

Different voices need to be heard and failure needs to be recognised for diversity of thought and innovation to flourish. As our research has shown, hearing these ‘quieter’ voices can be hard. State Street²⁰ recently ran an initiative focused on developing their people to ‘listen up’ and not just ‘speak up’. They found that an emphasis on enabling leaders to ‘listen better’ built trust rapidly and gave more junior employees the space to be more vocal. Increased trust means that people try new things, share ideas, trial ‘fail fast’ solutions and transparently share problems so they become ‘experiments’ that produce learning for all. Focus on role modelling the desired behaviours at all levels of your organisation, and encourage all to challenge those who do not adhere to the expected values. Using performance and reward to recognise not only ‘what’ people do but also ‘how’ they do it to embed these values into everyday action.



“It makes good business sense to have a diverse team who represent your client base and the outside world.”

Lyn Grobler, CIO,
Hyperion Insurance Group

3. Environment:

Build a sponsorship network.

Sponsorship can dramatically impact career progression yet the majority (72%) of the attendees were trying to make it on their own, with nobody sponsoring them in the efforts. Organisations should actively establish sponsorship networks that go beyond passive 'mentoring' and instead match those with potential with leaders who can nurture their careers and broaden their perspectives. Exposing senior leaders to the views and perspectives of more junior people via 'reverse mentoring' can also broaden their diversity of thought. Within the forum responses, of those who are sponsored, 19% have a male sponsor and 9% a female one. In this we begin to see the green shoots of an approach to diversity in line with that of #HeforShe, that sees women and men coming together to deliver on the diversity agenda. This should be encouraged to avoid the risks of sponsorship becoming a self-referencing bubble of the usual suspects.

4. Capability: Enable a growth mindset.

It is critical to tackle the stereotypes and unconscious biases that exist. As argued eloquently by Melanie Eusebe²¹, one approach is to actively encourage the capability of managers to apply a growth mindset so that individuals look beyond traditional assumptions and stereotypes. When we asked what capabilities need to be invested in across the sector, 'communication', 'empathy', 'listening' and 'confidence' stood out. Invest in the core capabilities of leaders to support, enable and develop their people to unlock the potential that exists. Building these into existing training programmes, and recognising these skills through reward systems to reinforce the capabilities you seek, is critical. Whilst you can't erase unconscious bias, organisations can tackle underlying behaviours and redesign processes to reduce bias.

5. Process & Policy: Align working practices.

Rather than 'special interest groups' that isolate, set in ways of working that can benefit your whole workplace. Rethink the objectives you set for your people, your job profiles and what defines 'success'; WhartonBC, for example, focuses on delivery of outputs, not inputs; which places flexibility and inclusivity at the heart of all we do, enabling us to attract a diverse workforce. Champion all variations of flexible working; insight shows productivity increases rather than decreases when people have the autonomy to manage their own workload and work-life integration²². Implement 'blind' recruitment processes to remove implicit bias, including internal promotion boards.



“Diversity does not happen by accident- it requires people to get together and have a desire for it”

Clem Booth,
Non-Executive Director,
Hyperion Insurance Group²⁴



In summary, the insight and observations gathered at the Forum suggests Insurance has an opportunity to be at the forefront of an inclusive movement that could fundamentally make it a sector of choice for the Post-Millennial generation, as well as retaining the talent it has already. The sector is starting to respond; initiatives such as the Inclusive Behaviour Pledge²⁴ already adopted by over 118 Insurance firms provides the opportunity for sector wide progress, not just individual organisation change. But more overt action needs to be undertaken.

Increasing the numbers of Insurance companies, such as Hyperion and AIG, who are licencing the everywomanNetwork leadership development platform, will give diverse talent access to the tools and resources needed to become confident leaders. These women will, in turn, be enabled to speak up and take more responsibility for their career progression.

Likewise WhartonBC are supporting a number of organisations to understand and unlock barriers to create an inclusive and innovative culture, using tools like the Speak Up Index to gain greater cultural insight and help close the diversity gap.

We hope the insight shared in this report can bring key issues around diversity and inclusion to the forefront, so organisations can tackle barriers and enable the innovative and diverse voices that exist across Insurance to 'speak up and be heard'.

For more information speak to Natalie at natalie.wharton@whartonbc.co.uk

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- (8) www.daddilife.com/the-millennial-dad-at-work/
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- (24) www.inclusiveinsurancepledge.co.uk/the-pledge

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About everywoman

everywoman is an expert in the advancement of women in business. We provide leading edge products and services designed to enhance the existing potential and talents of women in business globally. Since 1999, we have developed highly acclaimed events, elevating female role models and high-quality training programmes, helping to shape tomorrow's leaders and their teams.



Our learning and development platform, the everywomanNetwork, stretches to tens of thousands of members in over 100 countries, enabling women and male 'ambassadors of change' to access first class development resources anytime, anywhere. The digital platform has been shown to have a positive impact on the way women view their own careers and future progression.



About Wharton Business Consulting

Established by entrepreneur Natalie Wharton, WhartonBC supports organisations to maximise their potential through their people.

Our diverse and talented team of experienced consultants offer expertise in Cultural Change, Operating Model Transformation, Talent and Leadership, with a passion for delivering insight-led, relationship-focused projects. We are a 'results driven organisation', focused on outputs not inputs, who place flexibility and inclusivity at the heart of all we do.

WhartonBC is delighted to be partnering in this work with leading academic researcher and published author John Higgins. John is an expert in the fields of organizational change, team resilience and communication, with a focus on research into people's relationship to their power and authority. His current focus is a long-term piece of applied research into 'speaking truth to power', which has resulted in co-authoring the 2019 book 'Speak Up; Say what needs to be said and hear what needs to be heard' with Prof Megan Reitz, and the production of the 'Speak Up Index', a tool designed to assess the cultural ability of an organisation to both speak and listen up





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Thank you

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