

WHERE DOES INSURANCE STAND IN GENDER EQUALITY?



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In recent years, the insurance industry has made steady progress toward reversing its “boys club” reputation, opening its doors to embrace diversity and inclusion (D&I) in all forms. Organizations are expanding beyond their borders, and a conservative, traditional work environment is no longer sustainable to meet the reality of today’s business world. Well aware they cannot survive with an inner circle of males, insurers are prioritizing D&I and looking to bring people from diverse backgrounds into their organizations.

Key As a result, many leaders are working to elevate the topic of gender equality and diversity from mere conversations to meaningful actions, initiatives and investments. According to the Insurance Industry Charitable Foundation, 86% of professionals believe the industry has made strides toward gender diversity.¹ The historically male-dominated industry is gradually changing its demographics.

The numbers tell a story of progress. The percentage of women in insurance occupations has substantially increased. According to the Bureau of Labor Statistics, 64% of insurance underwriters are women, as opposed to 59% in 2010.² Further, a 2017 insurance industry demographic research study conducted by Saint Joseph’s University found that 58% of the surveyed companies have two or more women on their board, as opposed to 34% in 2013.³

Still Far from Complete

While we should celebrate these successes, is it enough? Men continue to hold overwhelming majority in senior-level roles, and only a very few women end up on the path to becoming CEO. PayScale’s data on the opportunity gap indicates men are 70% more likely to reach executive roles than women and 142% more likely to achieve vice president or c-suite status.⁴ In addition, according to Million Women Mentors,

Executive Summary *The insurance industry is breaking away from its male-dominated tradition, elevating diversity and gender equality from mere conversation to meaningful actions and investments. However, true workplace equality is far from complete. Men still hold majority in leadership roles, while women are paid less and experience obstacles to career development. Insurers must recognize the business value of gender equality and re-evaluate their recruitment strategies to reflect its importance in the workplace.*

women make up only 17% of directors, 8% of named officers and 10% of top officers in the industry.⁴

The problem doesn’t end there. Men’s wallets are also thicker than those of women performing the same responsibilities. Even though there are more women than men in the underwriting function today, according to the Women’s Bureau, men’s median salaries are \$73,389 in contrast to \$56,465 for women.⁵ The pay gap is due in part to harsher unemployment penalties put on women for employment gaps during their child-rearing years. Gender equality in the workplace is far from a reality. **Key**

According to the Women in the Workplace 2018 report, even though women are just as interested in promotions as men, entry-level women are 21% less likely than their male peers to be promoted.⁶ Due to a smaller pool of women at the top, rising female professionals have less access to advice from managers and senior leaders on how to advance than men. Skewed workplace representation hinders women from obtaining the valuable mentorship and sponsorship opportunities needed to propel their careers.

Key Insurers must recognize the business value of gender equality and diversity. D&I is no longer just “nice to have,” but rather a pressing imperative. The problems of the future are complex and boundary-less, and nobody is better than a diverse workforce to effectively address them. Employees and leaders from diverse backgrounds and experiences can come together and leverage unique perspectives, generating creative ideas and effective solutions. Knowing that an organization values and promotes one’s unique perspective improves motivation, loyalty and, as a result, performance. Studies have shown companies that value workforce diversity at all levels outperform their competitors.

Leaders must recognize the power of diverse perspectives and weave that message into their organizational fabric. The mandate for gender equality must come from the top down, and recruitment strategies should be re-evaluated to reflect the importance of diversity at all levels. An organization’s workforce should represent its market. It is essential that hiring managers seek out candidates who may have been overlooked by traditional recruiting strategies. By examining demographic gaps in their existing workforce, employers can be more deliberate about improving equal representation through new hires.

Qualified emerging female leaders stand ready. While the priority should remain on selecting the best individual for the job, insurers must widen their talent pools and intentionally attract women for consideration. The diversity mindset should apply to recruitment campaigns for every position at every level of the organization. Diversity hiring requires a holistic and purposeful approach. Organizations with diverse senior leaders are able to naturally expand their candidate pools and inspire their work environments to be more inclusive. Others are likely to benefit from establishing internal resource groups and building external partnerships with women’s groups and communities. From pioneering alliances like the Women’s Insurance Networking Group and the Insurance Supper Club to advocacy groups within national industry associations, there is no lack of opportunities to get involved with the women’s movement. These connections deepen talent pools and provide a network which organizations can rely on when searching for diverse candidates.

At the same time, female senior leaders who have broken through the glass ceiling should pay it back by proactively guiding other aspiring female leaders.

Mentorship provides young professionals an opportunity to learn, build confidence and expand their networks to better navigate their careers. Mentors and mentees come together to strengthen an organization’s diversity initiatives and build a pipeline of success for talented professionals.

Fortunately, males have also joined the cause and stand as allies for gender equality in the workplace. They strive to increase awareness and identify barriers to forming an inclusive environment. 2017 research from Bentley University found that 41% of men publicly advocated for equality, inclusion and diversity at work, and collaborated with others to convert attitudes and diminish barriers to diversity.⁷ Male executives have established employee resource groups and implemented corporate D&I programs to support the cause.

These enlightened males must educate their peers on the importance of gender equality and collaborate toward removing bias in their organizations. Gender equality is an important initiative, but women cannot achieve it alone. Men and women must come together to increase awareness and identify barriers to a truly inclusive work environment. The key is to create a culture where diversity issues and solutions are actively supported.

Creating an inclusive workplace is an important undertaking that insurers must excel at in order to thrive today and tomorrow. Although gender equality has been a priority for many organizations, and leaders have made concerted efforts to reduce gender disparity, a gap still persists. Organizations must continue to work independently and collaboratively to bridge the gender gap and equally provide opportunities to professionals of all backgrounds.

Notes

1. Most Believe the Industry Is Making Strides Toward Gender Equality (2016). Insurancenewsnet.com. <https://insurancenewsnet.com/oarticle/believe-industry-making-strides-toward-gender-equality>.
2. Labor Force Statistics from the Current Population Survey (2018). Bureau of Labor Statistics. www.bls.gov/cps/cpsaat11.htm.
3. Insurance Industry Research Reveals More Women in Leadership Roles (2017). Saint Joseph’s University. www.sju.edu/news-events/news/insurance-industry-research-reveals-more-women-leadership-roles.
4. The State of the Gender Pay Gap 2018 (2018). PayScale. www.payscale.com/data/gender-pay-gap.
5. Employment and Earnings by Occupation (2018). United States Department of Labor Women’s Bureau. www.dol.gov/wb/occupations_interactive.htm.
6. Women in the Workplace 2018 (2018). McKinsey & Company. https://womenintheworkplace.com/Women_in_the_Workplace_2018.pdf.
7. Men as Allies: Engaging Men to Advance Women in the Workplace (2017). Bentley University. www.bentley.edu/files/2017/05/02/CWB%20Men%20as%20Allies%20Research%20Report%20Spring%202017.pdf.

About the Author

Richard L. Jacobson of Highland Park, IL, is co-chief executive officer of The Jacobson Group, the leading executive search and staffing firm for the insurance industry. He has successfully guided the firm through substantial growth over the years, as demonstrated by the company's recognition as one of the nation's fastest-growing private staffing firms on multiple occasions. Rick joined the organization in 1997 and played a key role in the substantial development and recognition of its temporary staffing service offering. He received his MBA from Northwestern University's Kellogg School of Business in Evanston, IL, with concentrations in management and strategy, as well as marketing.