



Dive In

The Festival
for Diversity & Inclusion in Insurance

Deep Dive on Inclusion
Inclusive Culture Survey

Deep Dive on Inclusion: Inclusive Culture Survey

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Inclusion is a critically important ingredient to ensuring that diversity drives better business performance in the insurance industry. The challenge of inclusion lies in the fact that it is not a “one size fits all” concept, which makes it difficult to measure and operationalise.

Wotton + Kearney and SURA recognised that raising awareness and understanding people’s experiences of inclusion at work is key to driving impactful change where it matters. This year, in partnership with ANZIIF, we ran the first industry wide survey ever undertaken in the market. This involved surveying more than 600 people working across the insurance industry on how they perceive inclusion at work. The data collected now creates a benchmark that will allow us to measure industry change over time.

The *Deep Dive on Inclusion: Inclusive Culture Survey*, conducted by diversity and inclusion expert Dr Jennifer Whelan (Psynapse Psychometrics), explored issues from leader capability and inclusion practices, to flexible work and psychological safety. The results align broadly with what research tells us about inclusion, and shows how people experience it differently depending on factors such as their gender, age and type of role. The survey also highlights the value of flexible work practices in promoting inclusion.

Four key themes for improvement have emerged from the survey results:

- Closing the gender gap in inclusion
- Enabling more flexible ways of working
- Better engaging with employees across generations
- Enhancing leaders’ understanding of their inclusion impact.

We intend to give careful consideration to these themes and how they might be applied to achieving greater inclusivity in our respective businesses.

We are proud to present the results of the inaugural survey and would be delighted to hear your thoughts on how its findings could benefit your business.



David Kearney

Firm Chairman
Wotton + Kearney



Angie Zissis

Managing Director
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Diversity in the insurance industry

While the insurance and risk industry has made significant gains in diversity and inclusion, considerable challenges persist. Internationally, we know that like most other sectors, while women outnumber men in the industry over all, they are persistently under-represented in key management positions.

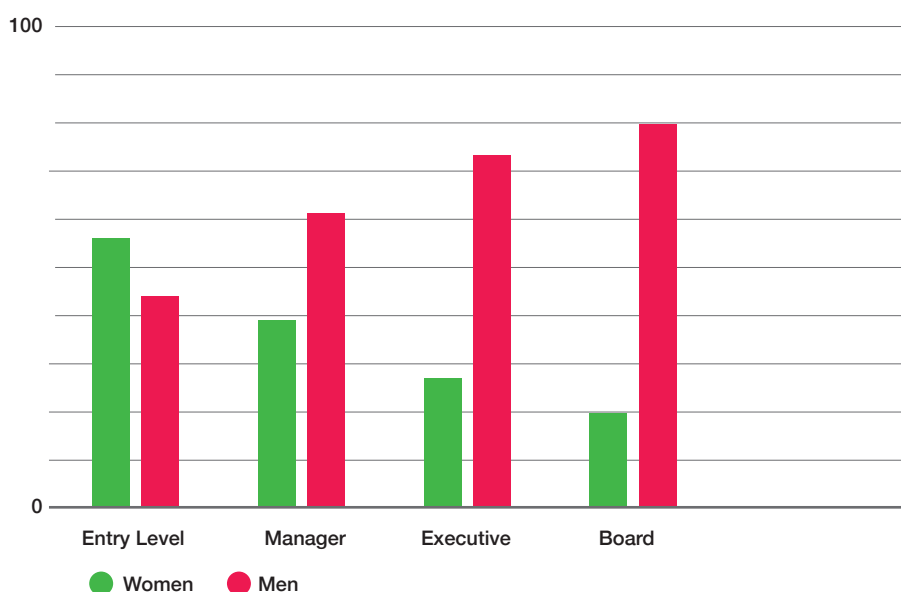
This “Jaws of Gender” effect is evident across the corporate landscape. According to the most recent WGEA data, while women constitute 47% of employees, they hold only 13.7% of chair positions and 25.8% of directorships, and represent 17.1% of CEOs and 30.5% of key management personnel. In Australia, the industry has the largest gender pay gap, sitting at just over 30% according to 2018 WGEA data, compared to an average pay gap of 16%.

The lack of comprehensive data and rigorous research on diversity and inclusion is a persistent challenge when it comes to understanding what works and what doesn’t. The insurance industry is not unique in this regard. Beyond gender diversity, there is very little in the way of comprehensive data on the representation of diverse people in organisations, for example; cultural and linguistic diversity, disability, gender identity and sexuality, Indigenous, mental health and neuro-diversity. There is even less research on inclusion.

The key objectives of this report were twofold:

- Firstly, this report was aimed at better understanding how inclusion is experienced by people working in the insurance industry, with a view to understanding more impactful inclusion practices
- Secondly, we aimed to establish a baseline metric for inclusion to enable progress to be assessed over time, and to serve as a benchmark against which organisations within the industry can compare their progress.

Women’s Representation by Level



Why inclusion matters

While awareness of the business case for D&I has grown, we know that increasing diversity alone does not guarantee the much publicised performance benefits. Inclusion is a critically important ingredient to ensuring that diversity drives better business performance.

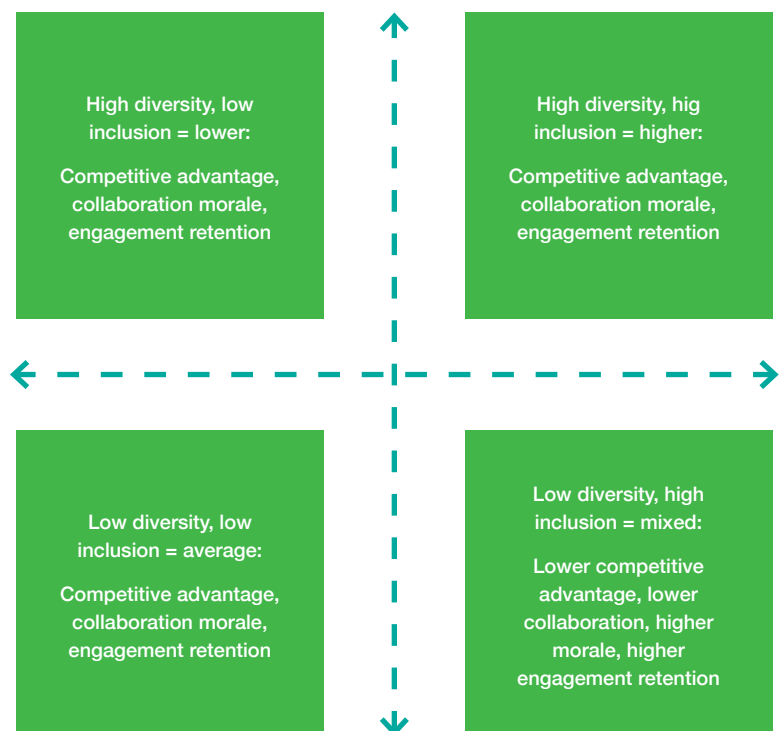
While the focus has typically been on more easily measured demographic differences (like gender, age, culture), we now increasingly think of diversity in terms of diversity of thought: intellectual and experiential differences in perspective, world-view, thinking style and problem-solving.

However, even broadly defined, diversity on its own does not necessarily deliver the benefits most organisations seek. Inclusion is what brings the value of these demographic and intellectual differences alive. An inclusive culture is an open, curious and agile one that embraces uniqueness and that thinks of difference as an asset rather than an obstacle.

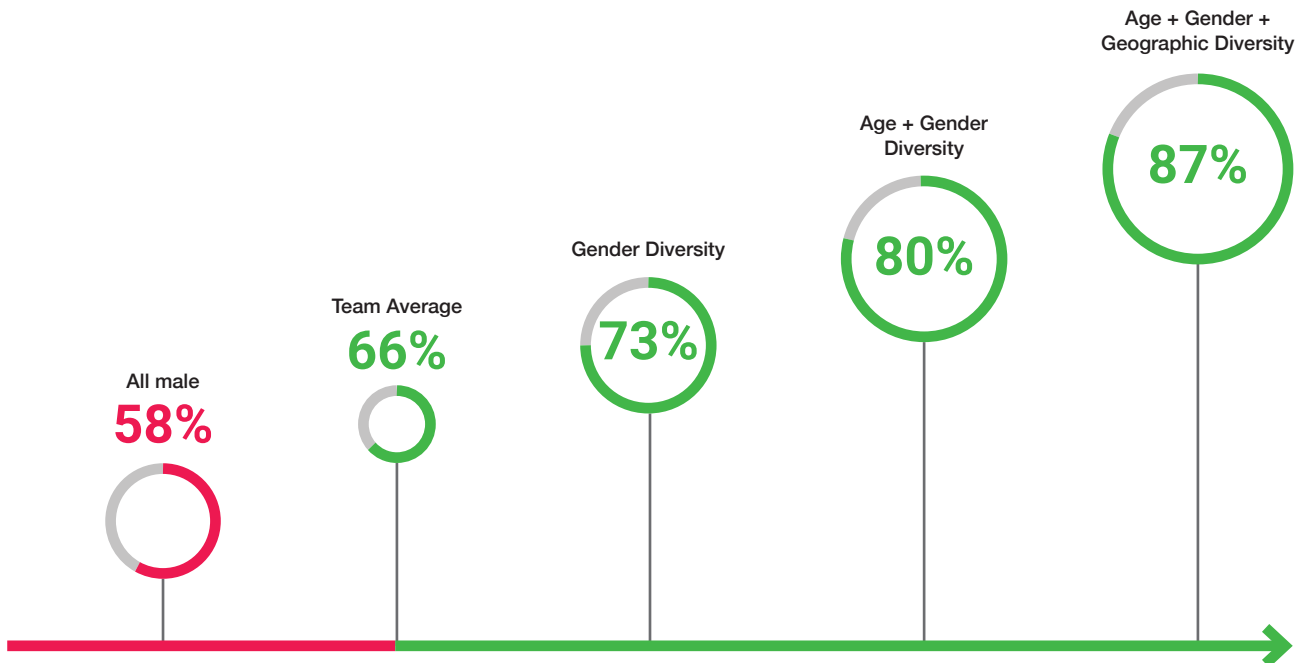
Inclusion is not about “treating everyone the same”, and it is more than fairness, respect and non-discrimination. Inclusion empowers and celebrates difference, and it enables a sense of belonging for a more diverse range of people and capabilities. Without an inclusive culture, the value of diversity can be a lost opportunity.

The last five years has seen the D&I practitioner space focus much more heavily on inclusion as an unlock for the benefits of diversity. The research is clear on this point, diversity alone is not enough.

The competitive advantage that a diverse and inclusive organisational culture delivers are becoming increasingly well evidenced in terms of financial outcomes, high performing teams, innovation and agility, and business decision-making outcomes.



Janakiraman, 2011



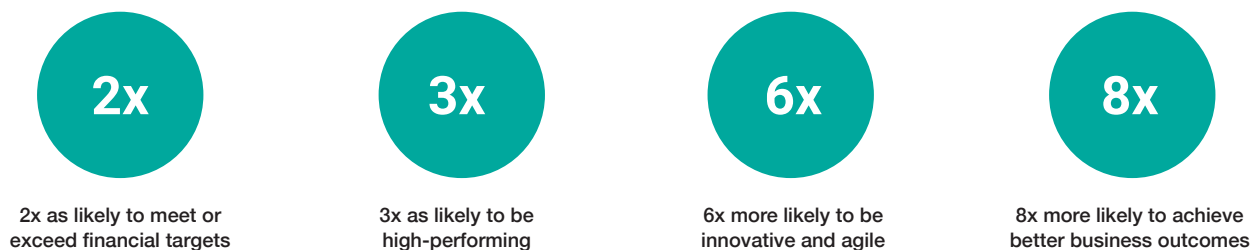
Diverse teams make better decisions up to **87%** of the time.

Diversity *without* inclusion can increase team friction by up to **15%**

BUT

Inclusion boosts team decision-making performance by up to **60%**

(Cloverpop, 2017)



Source: Juliet Bourke, Which Two Head Are Better Than One? How Diverse Teams Create Breakthrough Ideas and Make Smarter Decisions (Australian Institute of Company Directors, 2016)

Awareness to action: inclusion impact

The challenge of inclusion lies in the fact that it means different things to different people and it has been difficult to measure and operationalise. Research tells us that inclusion is not a “one size fits all” concept. How included people in a culture or organisation feel is very much driven by where they stand in it and how they experience it. That experience can vary dramatically depending on who you are.

Most research, and our experience with clients, tells us that organisational cultures “fit” some people better than others, and specifically, they tend to fit the dominant groups more. In other words, if you are “the type of person this place was made for”, you are much more likely to feel that the culture is inclusive. However, the less you fit this “type” the less included you are likely to feel. This highlights the importance of understanding the experiences of diverse people, and how other groups experience inclusion. The devil is in the detail when it comes to inclusion, and this is a challenge for measuring it, as much as it is when it comes to leading inclusively and creating an inclusive culture.

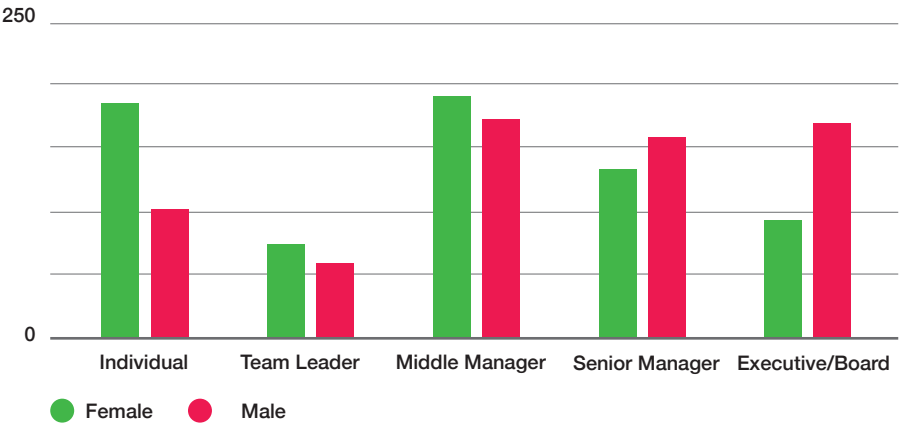
Following on from the “Awareness to Action” theme of the 2018 Dive In Festival, this year key Dive In stakeholders took a deep dive into inclusion in the insurance and risk industry. The goal of this endeavour was to shine a light on how inclusion is experienced by a broader range of people in the industry, with a view to better understanding how people and leaders can take action to increase the impact of inclusion.

Dive In Sponsors, in partnership with diversity and inclusion expert Dr Jennifer Whelan (Psynapse Psychometrics), surveyed over 600 people working across the insurance industry on how they perceive inclusion at work. The survey was undertaken between May and July 2019, and explored issues from leader capability and D&I practices, to flexible work and psychological safety. This paper explores the key survey findings, and suggests recommendations for increasing the impact of inclusion in the industry.

Demographic snapshot

We first explored the demographic make up of respondents. Women made up 54% of the respondents, over 66% were of Anglo-Australian or New Zealand cultural background and over 60% were in full-time office based roles. Over 41% of respondents were carers, the majority of these being women.

In line with WGEA data, the women's representation by level is detailed below, indicating that while the majority of individual contributors (and respondents over all) are women, their representation declines at the more senior levels.



Inclusion index

We firstly wanted to get an overall sense of how inclusive people feel their workplace is. To this end, we averaged the responses to all survey items to compute an overall “Inclusion Index” ranging from 1 (not inclusive) to 6 (very inclusive). Over 58% of respondents agreed to some extent that their workplace is inclusive over all and the Inclusion Index score was 4.1. While this sounds encouraging, consider that 42% of respondents felt to some degree that their organisation was not inclusive over all.

We then examined this Inclusion Index by demographic groups and some more useful (and predictable) dynamics emerged:

- Men feel more included over all compared to women.
- People over 45 years of age feel more included over all compared to younger people.
- People who can perform some of their work from home feel more included.
- Senior leaders compared to individual contributors and team leaders.
- People working in business support functions feel more included compared to people in operational roles.

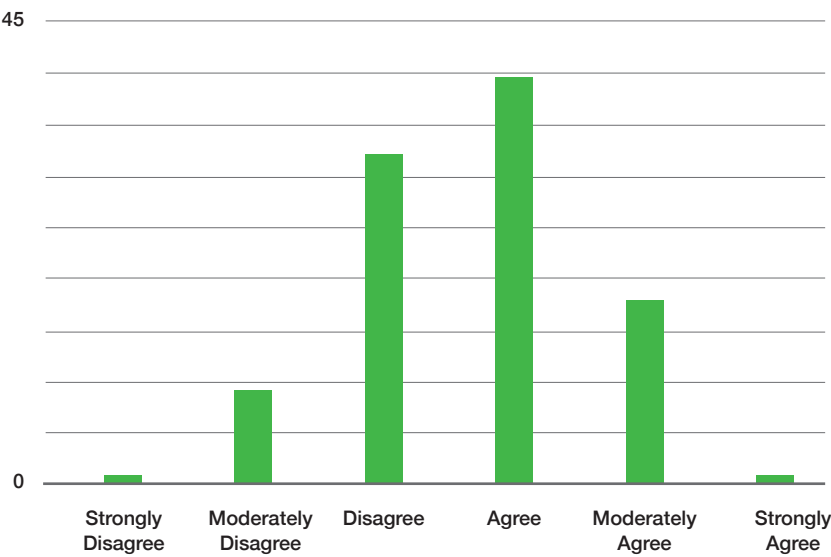
We then explored individual item responses by these demographic differences to identify in more detail where the gaps in inclusion are being felt, and by whom.

Response	Number	Percentage
Strongly Disagree	6	1%
Moderately Disagree	55	8.8%
Disagree	200	32.1%
Agree	247	39.6%
Moderately Agree	113	18.1%
Strongly Agree	3	0.5%
Total Respondents	624	100%

58% agreed their workplace is inclusive over all

42% do not

Inclusion Index



Inclusion & gender: a man's world?

Over 54% of respondents were women, and they scored significantly lower on the Inclusion Index compared to men (4.09 for women and 4.24 for men). The key survey items that drive this difference in over all inclusion were unsurprising (see right).

In terms of work status, role and level, 54% of full time respondents were women, while 83% of part time respondents were women.

Women comprised 51% of operational roles (underwriters/brokers/claims and loss adjusters), and 63% of support function roles (Administration, HR, IT, Marketing, Finance).

Women made up 63% of individual contributor level employees, 55% of team leaders, 52% of middle managers, 45% of senior managers and 35% of executive/board roles. This decreasing representation with seniority is a good example of the "Jaws of Gender" dynamic evident across the corporate space: women make up the majority of employees, but the minority of senior or executive roles.

A small percentage of participants identified as "other" or non-binary and their scores on the Inclusion Index were significantly lower than both men and women, however the small sample size makes firm conclusions difficult to draw. Research suggests disclosing gender and sexual identity, disability and mental illness are perceived as risky, even on an anonymous survey. This means we know very little about the experiences of people from these demographic groups.

	Number	%	Inclusion Index
Male	341	54.6%	4.24
Female	266	42.6%	4.09
Other	17	2.7%	3.6
Total	624	100%	4.1

More women agree that working flexibly is seen as a barrier to promotion

51% women
34% men

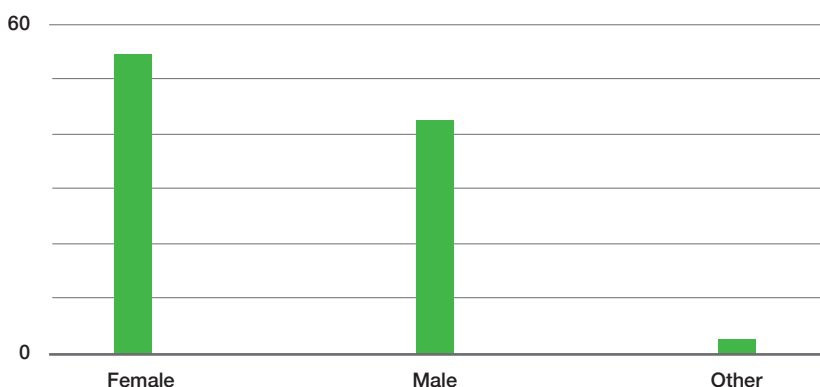
Fewer women agree that they have the same opportunities for promotion as anyone else

69% women
78% men

More women agree that you need to be a certain type of person to get ahead

72% women
60% men

Responent's Gender



Inclusion & age: the older you get...

The majority of respondents were aged between 36 and 55 years of age. Inclusion Index scores differed significantly by age, with inclusion scores generally increasing in older respondents. Those aged between 46 to over 65 years of age felt significantly more included than those aged between 18-45.

Younger people were more likely to agree that a certain kind of person is more likely to get ahead, that working flexibly would be a barrier to promotion, and that their commitment would be questioned if they worked flexibly.

Those aged over 46 agreed more strongly that they have the flexibility they need and are comfortable being themselves at work. These findings fit well with observations that the more senior or established people are in their careers, the more autonomy and control they have over their workload and work style.

It is also likely that age and seniority are correlated – not surprisingly, people who have progressed within an organisation have more confidence that they are a good fit for the culture.

	Number	%	Inclusion Index
18-25	21	3.4%	4.08
26-35	131	21%	4.03
36-45	149	23.9%	4.07
46-55	170	27.2%	4.32
56-65	103	16.5%	4.13
over 65	35	5.6%	4.21
No response	15	2.4	-
Total	624	100%	4.1

You need to be a certain kind of person to get ahead here

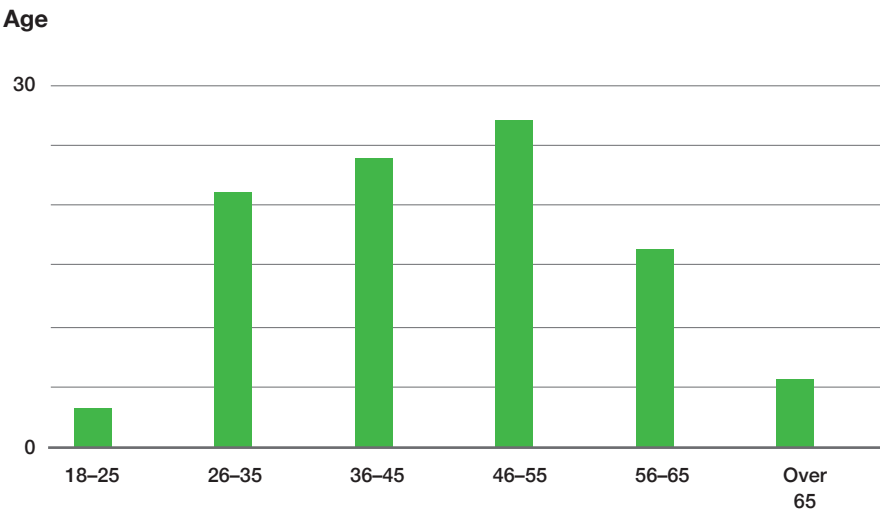
18-25yrs agreed more strongly

Working part-time or flexibly is a barrier for promotion in my organisation

50% of 26-35yrs agree
34% of 56-65yrs agreed

I feel comfortable being myself at work

66% of 18-25yrs agree
91% of 56+yrs agreed



Inclusion & role/function: the “coal face”?

This item offered a large range of response categories, many of which had very few respondents, making analyses less reliable.

As a result, data for this item was collapsed to create two primary role categories:

Business Support (comprised of Administration, HR, IT, Finance/Accounting, Marketing/Communications,)

Operational (comprised of Brokers, Underwriters, Claims and Loss Adjustors).

Inclusion index scores were significantly higher for people working in business support functions compared to operational roles, and this difference was particularly strong and consistent across a number of survey items (see right).

While we can’t know exactly why support functions are experienced as more inclusive, we do know that in many organisations flexible work and control over work hours and workloads are often easier to achieve in support functions compared to in operational or external-facing roles.

	Number	%	Inclusion Index
Operational	359	57.5%	4.04
Business Support	265	42.5%	4.31
Total	624	100%	4.1

D&I is a priority in my organisation

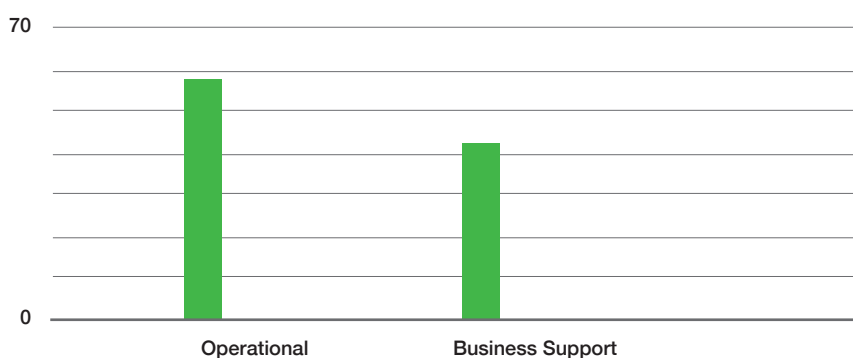
My leader is a good role model for D&I

Leaders take practical actions to recruit, develop and retain people with diverse backgrounds

I feel safe to express my views openly

People in operational roles significantly **agree less**

Role or Function



Inclusion & leadership: are leaders leading?

Almost 50% of respondents were individual contributors, with middle managers making up the next largest category of respondent

In line with other research, levels of inclusion tend to increase with level of seniority. Senior executives' and board directors' perceptions of inclusion are clearly quite different to those of individuals and less senior leaders.

Inclusion Index scores were significantly higher for middle managers compared to individuals, and more markedly higher again for senior managers/GMs and executives/board directors compared to individuals across most survey items, and this effect was particularly strong for some items (see right).

The relationship between seniority and inclusions is a commonly observed one from our experience. It is likely to be because leaders play a larger than average role in creating organisational culture, and they have greater influence and decision-making power within it. In other words, if you create the culture, you're more likely to feel comfortable within it.

	Number	%	Inclusion Index
Individual	308	49.4%	4.01
Team Leader	67	10.7%	4.16
Middle-Manager	122	19.6%	4.2
Snr Manager/GM	74	11.9%	4.34
Executive / Board	53	8.5%	4.51
Total	624	100%	4.1

You need to be a certain kind of person to get ahead here

73% of individuals
48% of executive

Different perspectives for solving problems are actively encouraged in our team

75% of individuals
96% of executives

I feel comfortable being myself at work

66% of individuals
93% of executives

My leader is a good role-model for inclusion

53% of individuals
77% of executives

I feel safe to express my views openly

70% of individuals
85% of executives

Role Level



Inclusion & flexibility : freedom feels better

Over 60% of respondents reported working full-time in office-based roles, with the next most represented category being in a full-time role but working partly from home.

Respondents who reported being able to perform some of their work from home reported higher levels of inclusion regardless of whether their role was part or full-time. This suggests that the flexibility to work from home at least to some degree is more important (as a determinant of inclusion) than whether the role is designated as full or part-time.

The majority of respondents (58.2%) reported non-carer status, and carers reported slightly (but not statistically significantly) higher levels of inclusion. This is not usually the case in our experience. More commonly, people with caring responsibilities grapple more with managing workloads and schedules, and this impacts negatively on their experience of inclusion.

People who do not have primary carer responsibilities, and people who work full-time also agreed more strongly that their commitment would be questioned if they worked flexibly. This perception may be a deterrent to more people working flexibly. Anecdotally, we know that men in particular have greater concerns about the impact of caring responsibilities and flexible work on their promotability. However, younger people have more gender equal expectations of their personal lives, and increasingly younger men are more willing to request extended parental leave, or to work flexibly.

	Number	%	Inclusion Index
Full-time office-based	382	61.2%	4.08
Full-time partly home	127	20.4%	4.39
Full-time home	14	2.2%	4.33
Part-time office-based	35	5.6%	3.98
Part-time home	3	0.5%	4.38
Other	63	10.1%	4.2
Total	624	100%	4.1

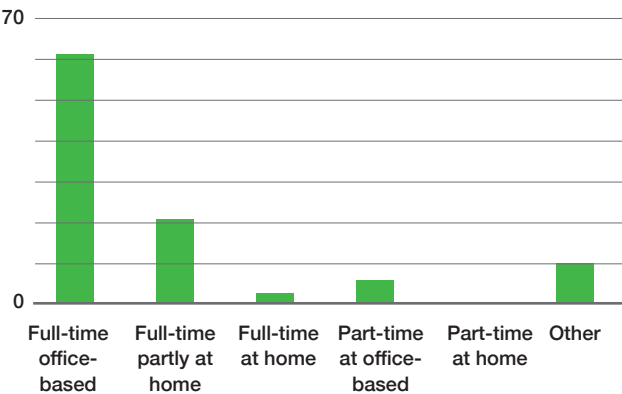
Part time roles

83% women
13% men

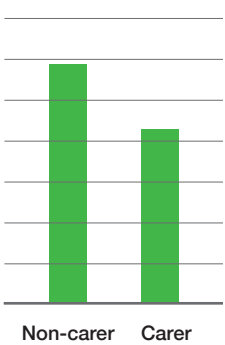
Fulltime roles

54% women
46% men

Work Status



Carer Status



Culture, sexuality & disability

While research typically shows that inclusion is often lower for culturally and linguistically diverse people, for people identifying as LGBTIQ+, and for people with a disability, the survey data did not provide reliable insights into the experiences of people from these demographic groups due to the low numbers of respondents in some of these categories.

The survey sample is likely not representative when it comes to some demographic groups. Broader workplace research suggests that in the case of disability, sexuality, and mental health, rates of disclosure are often low due largely to concerns about discrimination or exclusion.

There were marginally lower (but not statistically significant) levels of inclusion for people who speak English as a second language, and for culturally diverse respondents (analysed as a single group), compared to Anglo-Australian respondents.

While people identifying as lesbian or gay had slightly higher levels of inclusion, people who chose not to say, or who identified as bisexual, transsexual or intersex had significantly lower levels of inclusion.

About 20% of Australians of working age have a disability

About 20% of Australians of working age will experience a mental illness in a given year

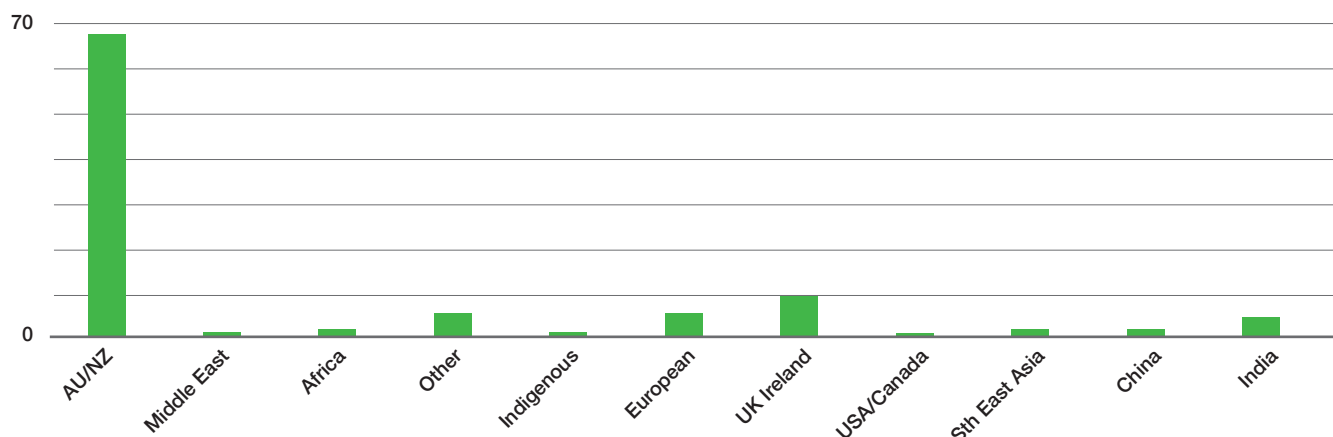
5.3%
disclosed a disability

Only about 50% of LGBTIQ+ people are out at work

3.7%
identified as lesbian or gay

Almost 30% of the Australian population was born overseas

68%
Australian / New Zealanders



Summary and recommendations

The results of this survey align broadly with what the research (and our experience), shows about inclusion and how diverse people experience it. Men, Anglo-Saxon people, leaders, and older people feel more included on average, compared to women, individual contributors, and younger people. Broadly we can say that dominant groups tend to create organisational cultures which suit their needs, and people who belong to those groups experience greater inclusion as a result. We also know that if you have progressed within an organisational culture, you are likely to feel more positive towards it, which is relevant in relation to the results around inclusion and leadership/seniority observed in these data.

Gender remains a challenge for inclusion, with men reporting higher levels of inclusion than women, especially for questions around flexible work, career progression, and perceptions of equal opportunity.

The ability to work from home is a stronger determinant of inclusion than working part-time for both men and women, suggesting that broadening our idea of flexible work beyond part-time roles is important. We also know that mainstreaming flexibility reduces the inclusion disparity between men and women, and encourages more men to take up flexible options.

Generational diversity is also evident as a key area for attention. From the data, the older you are, the more comfortably you fit within the organisational culture, suggesting that organisational cultures still reflect the values and norms of an older demographic of employee. Millennials will soon outnumber other generational groups, and we know that the social norms and values of this generation are more progressive, gender-equal, and flexible. Organisations need to consider how they adapt to meet the requirements of this generation.


Leaders consistently feel more included than less senior employees. The more senior the leader the more strongly they feel their organisation is inclusive, that leaders role-model inclusion well, and that leaders are proactive in driving D&I practices. The perception of less senior employees is clearly somewhat different however. We know from broader research that leaders consistently rate themselves as being more inclusive than their teams do. These survey results align with that, but they don't reveal whether this gap is a perceptual one, or a case of leaders' positivity bias around their own commitment and behaviours. Regardless, building inclusive leadership capability is a key way to improve team members' perceptions and experiences: more than good intentions, leaders must develop a better sense of their impact when it comes to inclusion.

The picture provided by this survey comes with a number of caveats. The respondents in this survey likely do not constitute a representative sample, and for some demographic groups, sample sizes were too small to draw conclusions (culture, sexuality, and disability). This limitation is a common and frustrating one when it comes to measuring demographic diversity beyond gender and culture, and even more so when it comes to measuring inclusion.

Inclusion remains frustratingly difficult to understand without large representative samples of employees. For some people, disclosing aspects of their identities is seen as risky or undesirable. This is especially the case with sexuality, disability and mental health, and research within the mental health space shows that organisational culture is a large determinant of peoples' willingness to disclose this information.

More generally, any culture change requires a comprehensive approach, and creating an inclusive culture is no different. Stand-alone, one-off or "tick-box" initiatives are unlikely to deliver sustainable change. To make inclusion more impactful, organisations should ensure:

- A clearly articulated D&I commitment and strategy that is visibly supported by senior leaders, and that broadens the narrative around D&I to focus building an inclusive culture that leverages difference.

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- A review of organisational “wiring” to make unbiased, inclusive processes easier and more automatic for decision-makers including assessing and adjusting policies and practices relating to recruitment, performance evaluation, talent management, remuneration, and promotion.
 - Measurement and accountability metrics to motivate and reward behaviour change and track progress over time. Most hard metrics around diversity in organisations still focus almost exclusively on the representation of women and culturally diverse people. More sophisticated metrics tracking inclusion both as a cultural dynamic and a leadership practice would better inform best practice.
 - Level and role-appropriate capability-building around diversity, unconscious bias, and inclusion that reach all employees in positions of people leadership, and in particular employees involved in key people decisions including recruitment, performance evaluation, and promotion.

Notwithstanding the caveats around representativeness, this survey and report do provide an invaluable first step in measuring inclusion across the insurance industry, in understanding how it is experienced and by whom, and in establishing a benchmark for the industry going forward.

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