

## **Marine Forum Address**

by Sharon Paterson, Chief Executive Officer Infiniti Insurance.

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## **Together we can be so much more**

In the process of preparing for this morning's address, it was interesting to learn more about the long-standing and trusted partnership Insurance has with the marine industry, a collaboration that goes back some 500 years to the time when Edward Lloyd opened a coffee house in London which became a popular meeting place for ship owners, merchants, and ships' captains. The establishment became known as a good place to purchase marine insurance – today global marine insurance is a massive business with premiums that totalled USD 28.9bn in 2018 - the pre-COVID era. (Safety4Sea). For many years, until it produced a glorious and big crack, the bell at Lloyd's tolled every time a ship went down. Clearly too many ships have gone down and it worked too hard! Now it tolls only on the death of a member of the Royal family and, given their longevity, it should now last for ever.

Shipping boasts the mantle as the world's second oldest industry and the first global business. It has been the engine of trade throughout the millennia and the source of pride, industry and employment and until recently, it has been an almost entirely a male domain. However, in the past 50 years, there has been a slow shift and opportunities for women to participate in this exciting, dynamic industry are increasing every day.

It is a statement that always raises the same question for many: What is so important about gender equality, job parity and balancing the power between men and women when it comes to decision-making?

An important part of the answer is that it makes business sense. It is about the welfare of your company and sustainability of the business. A Credit Suisse report about the 2008 financial crises, found that companies with at least one woman on their board outperformed companies with all-male boards. If the reverse research had been done, you would probably have had a very similar result.

Some ten years later, the 2019 Credit Suisse report shows female representation on boards globally doubled in the period and reaffirms findings from previous iterations: that a material correlation exists between companies with a higher participation of women in decision-making roles and their stock market and corporate performance.

This is not because women are better leaders than men but because we lead differently and show a different understanding of staff and clients alike. An all-female executive cannot be best placed to run a company staffed only by men and likewise an all-male executive cannot be best placed to run a company staffed only by women. Given that non-executives in most companies, and indeed the clients of most companies, are staffed by both men and women, it follows that Executive Committee's and Boards should likewise be representative of both men and women if the company is going to function optimally.

A recent report by the International Finance Corporation (IFC), a member of the World Bank Group, revealed that private equity and venture capital funds with gender-balanced senior investment teams generated 10% to 20% higher returns when compared to funds that have a majority of male or female leaders. The same study showed that if women fully participated in formal labour markets, GDP would increase by USD28 trillion.

A supportive argument is found in a 2018 report, WomenRising2030, an initiative launched by the Business and Sustainable Development Commission: Women's leadership in business is critical to driving significant economic opportunities and driving better performance—opening opportunities for more than USD12 trillion in new market value linked to the Sustainable Development Goals.

If one looks to the international front, there has been a 'stellar' management performance by women leaders of countries in the recent times of crisis. According to the Harvard Business Review of June 2020, their superior performance reflects well-established gender differences in leadership potential. Numerous articles have dug into individual strengths, celebrating Angela Merkel's data-driven trustworthiness, Jacinda Ardern's empathetic rationality, and Tsai Ing-wen's quiet resilience. Jacinda Ardern is known worldwide for her handling of the Christchurch massacre – she was so 'there' for everyone, showing a wisdom beyond her years and experience as a politician.

Maren Hjorth Bauer, CEO & Co-Founder of Katapult Ocean summed it up well: ***"It is stupidity to only leverage half the talent pool in the world. We need all to solve some of the greatest challenges we face today."***

In approaching gender inclusion, it is as important to understand the differences, as it is to adopt a non-confrontational approach. A Deloitte study shows women provide diversity through their differentiated leadership style and are able to contribute many elements, in addition to the typical pure business and industry knowledge expected. Women are known to be more diplomatic, emotionally intelligent, balanced, nurturing, and perseverant; they also understand staff needs and are socially conscious, the study affirms. Their words, not mine!

Other studies show that women leaders tend to communicate openly, visiting their team members, inspiring them, offering guidance as well as encouragement aiming to transform them into professionals. They care more about their team members' well-being than males do and share their feelings. In most cases, women are masters in paying attention to details, which means they have a strong ability to track, assess and manage change. And finally it is shown that men are less organized than women, mainly when switching quickly between tasks. This is probably because they all have PA's and wives to help them. But women are not perfect – we can easily fall into the negative role of the 'nurturing parent'.

In an article published in Chief Learning Officer 2019, Rick Koonce and Carol Vallone point out that men provide direction for their employees, while **women** encourage employees **to** find their own direction. The **cooperative style** involves more conversation and listening, which often takes more time **but leads employees to feel more valued**.

‘Business leaders today lead highly diverse multigenerational teams and workforces. The markets for their products are equally diverse. Developing empathy, intuition, strong relational skills and a high degree of emotional intelligence are thus critical leadership qualities for individuals to possess in exercising clear leadership vision and maximizing their influence with direct reports, colleagues, customers or other stakeholders.’

The article points out that leaders today are faced with a plethora of adaptive leadership challenges — problems that haven’t been encountered before. Addressing such issues requires agile, adaptable and imaginative leaders who can exercise personal influence and impact through other people — often people unlike themselves. This is most effectively accomplished by executives who are visionary and inclusive, who can see business issues from a variety of perspectives, who foster wide-ranging dialogue as part of team decision-making, and who optimize trust and engagement of others by encouraging all voices around the table, regardless of gender, to speak and contribute.

Why, if diversity is so critical am I focussing on the need for women rather than men in senior positions? It is not only because I am a woman. It is because women are newly recognised both in the workplace and in politics. We have had to push our way through the so-called glass ceiling and often we feel that it has cracked not splintered.

Consider that 150 years ago no woman was entitled to vote.

Sweden gave limited franchise to women in 1718 but retracted it in 1771.

In 1773 the French parliament agreed in principal that women should be allowed to vote but felt that the time was not yet right for such a sweeping change.

It took a further 100 years before New Zealand became the first country to give full franchise to women.

In the UK women above the age of 30 were allowed to vote for the first time in 1918 and given equal franchise with men in 1928.

White woman in South Africa were given the vote in 1930. Not so long-ago Helen Suzman was the only woman member of Parliament. She was the epitome of a lady.

In the 1980’s in South Africa, women had to have their husband’s written permission to open an account. Believe me, I know, it happened to me.

My husband and I have virtually the same qualifications, we started work at the same time. He earned 10% more than I did only because he is a man.

We have had to fight to get where we are. Men have always been there!

Certainly, when I was growing up, when I went to university, and even when I started working in the insurance industry, there was a glass ceiling. I considered myself privileged to be allowed to go to university. Not all my girlfriends all had that privilege although their brothers did.

Women in the industry were in the minority. They were few and far between at the institute dinner in the days that it was held at the Carlton. There were advantages, I could wear what I liked. There was no one to notice, and no competition. Look at the institute dinner now – women almost outnumber the men and, watch this space, one day the past presidents table may be only women.

So what did I have to overcome to be the ceo of an insurance company in South Africa.

I had to overcome the fact that I have a Bachelor of Arts degree. That was all my father would permit me to study – in case I earned more than my husband one day. Fortunately, Infiniti has a forward-thinking board and shareholders.

My career only started when I was 32 – I spent 7 years at home when my children were little – so boy did I have some catch up to do.

I had to overcome the guilt of being a working wife and mother. I could not always be there to fetch my children from school and supervise their homework and I did not cook every meal. I soon found that they rather enjoyed having a driver who was far more patient than I could ever be and they never went hungry. My husband I are still married 40 years later and all three of my children are successful individuals.

But enough of me and the why's - Let us put the spotlight on the onshore and offshore business of the maritime industry as a dynamic industry ranging from shipping, tourism to fishing and fish trade, shipbuilding, transportation and resource exploration, renewables, and not forgetting insurance. It has historically been understood as a male-dominated environment, associated with masculine values, traits and identities.

As per the Institute for Security Studies, Women currently make up around 2% of the world's seafarer workforce and their experiences are seldom considered in the design, development, or implementation of maritime programmes and policies.

Evidence suggests that utilising women's potential as leaders, economic actors and consumers will result in higher levels of industrialisation and sustained growth according to researchers Denys Reva and Lizelle Kumalo, both researchers with the Institute of Security Studies. In an article entitled 'Women in Africa's maritime space' they show that if more women are allowed to participate in the same roles as men in the markets, global GDP could increase by 25% by 2025. They call on the government to encourage the development of gender sensitive budgets and gender mainstreaming in policy developments to improve the quality of working conditions for women in the sector in addition to offering specialised training and a mentorship programme in the maritime space.

Reva and Kumalo point to the inclusion of women in meaningful engagement in processes to assist framing national priorities in terms of both security and development. *'Bridging the gender gap is therefore not a 'women's issue' but a matter of increased prosperity and enhanced stability across all socio-economic domains, including the maritime space as an effective means of accelerating progress and efficiency.* So, woe betide the company or country that still believes that women have no place at or near the top.

Based on research conducted in other sectors of the economy, increasing women's participation and leadership within the maritime sector should also boost innovation and organisational performance.'

Today women are succeeding because of—not in spite of—certain characteristics that were previously considered to be “feminine” and even inappropriate in leaders.

Judy B. Rosener, who has done research in the areas of men and women at work for more than 30 years published a Harvard led study which qualified women leadership style as “interactive leadership” – saying that women leaders actively work to make their interactions with subordinates positive for everyone involved. More specifically, women encourage participation, share power and information, enhance other people’s self-worth, and get others excited about their work. All these things reflect women’s belief that allowing employees to contribute, to feel powerful and important is a win-win situation, good for the employees and the organization – and in my view and experience a powerful activator of talent, commitment and ultimately growth for the organisation.

Research by the Harvard Business Review among more than 150 companies found that after women join the top management team, firms become more open to change and less open to risk. They tended to shift from an M&A-focused strategy to investment in internal Research and Development. In other words, when women join the C-suite, they don’t just bring new perspectives — they can actually shift *how* the C-suite thinks about innovation, ultimately enabling these firms to consider a wider variety of strategies for creating value.

But not all workplaces are alike: The participatory style may backfire in traditional male settings such as the military and interestingly enough in organised sports – says the American Psychological Association.

It is however clear that women’s non-traditional leadership style is well suited to the challenges and conditions that characterise today’s work environments and can increase an organisation’s chances of survival in an uncertain world. The growth and economic impact measured linked to women leadership firmly supports the understanding that there is strength in enabling diversity in leadership ranks.

This brings me to the most important question - often at the top of everyone’s minds. What is there I can do about it?

Whether you are in business, politics or in the broader communities, the first steps are to commit to gender parity in leadership or at least a leadership that matches the gender mix of the clients and staff. You can establish policies and practices that encourage women’s as well as Men’s leadership and promotes gender parity. Invest in and develop public services and programmes that enable women as well as men to succeed as leaders.

To help women advance, companies should establish formal development programmes as part of Employment Value Proposition, to support the levelling of the playing fields by creating a broader set of networks that can help identify and promote talent more equally across the organization. Women and men in leadership roles can take the initiative to create more informal social network groups to help women and other diverse leaders advance. These programmes should include the structures to enable sponsorship but also reinforce the expectation that leaders are accountable for ensuring talented women in the organization are not overlooked for their male counterparts and are equally developed. Seeing this initiative

as a directive from the top will also help make sure it's taken seriously, driving equity and equality.

It is fundamental that we change the narrative on women in leadership and confront socio-cultural drivers of gender inequality. These actions need to be implemented across governments, corporations and civil society to balance power in leadership and decision-making. *My message to the women in the audience is to believe in yourself and focus on achieving **your** goals. Build and lead your team and do not hesitate to ask for help or for the top job.*

The International Maritime Organisation is working towards enhancing the contribution of women as key maritime stakeholders and is conducting the first global survey to obtain baseline data on the number of women in maritime and oceans fields and the positions they occupy. The closing date is June and it would be helpful to make a contribution – that is for those who have not already done so.

Today the majority of guests are men, many of whom no doubt are wondering on what authority – apart from being a woman – I broach the topic. About 2 months ago I delivered an address to the 3<sup>rd</sup> Annual Women in Insurance Conference. The audience was predominately women and I draw from the same explanation I gave then;

The world has been re-invented by the pandemic that has reshaped our lives and more specifically the way we do business outside of the traditional office-bound mindset. I take pride in the way Infiniti Insurance tackled the difficulties of setting-up a virtual operation while maintaining efficiencies and productivity levels. We adapted quickly and this I feel strongly was in part due to versatility and the resilience of our team which is staffed, at all levels by trained, highly skilled and motivated women and very competent and skilled men. The secret of our success is indeed found in this balanced approach to gender and skills.

I conclude my address this morning by quoting the UN Deputy Secretary-General Amina Mohammed. 'COVID-19 is testing our common humanity, and gender equality is both an imperative for building back better and an opportunity to tap our full human potential. We must not return to pre-pandemic inequalities. We need bold business leadership as society struggles to rebound from the health and economic crises of COVID-19. But we must do more than ensure that women are not left behind. We must let women lead.'

Thank you, ladies and gentlemen, for allowing me to address you. I am happy to take any questions.

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