Examining the Correlation Between the Financial Performance and Gender on Boards of Fortune 500 Companies

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Executive Summary

Despite women's significant progress since entering the modern workplace, they remain unrepresented on corporate boards due to ongoing societal and organizational challenges. Like the lofty positions of chief executive officer (CEO) or chief financial officer (CFO), boards play a vital role in ensuring a company's success by performing critical decision-making functions. In Hambrick and Mason's (1984) upper echelons theory (UET), they go so far as to say one can predict a company's outcomes, strategic decisions and performance based on the experiences, values and viewpoints of its top managers.

Unfortunately, these boards lack a gender-diverse perspective, something that can open the door to innovations and new ideas. This absence is at odds with healthcare industry research, which indicates women represent 65% of the healthcare workforce and make 80% of buying decisions. Despite this, they only represent 13% of its CEOs (Stone, 2019).

Diversity continues to be a significant goal for many corporations and industries. Nasdaq now requires traded companies to meet specific diversity criteria of at least one woman and one person identifying as an underrepresented minority or LGBTQ+ on a board of directors (Ramonas, 2022). Many countries, such as Belgium, France, Germany, Iceland, India, Israel, Italy, Portugal and Norway, have adopted quotas to increase women's board representation. Norway takes it a step further, imposing a liquidation penalty if companies do not have women hold at least 40% of seats on corporate boards (Arora, 2022; von Meyerinck et al., 2022; Wamsley, 2018).

While many studies examined workplace diversity to express its benefits, such as opening access to a broader talent pool, fostering innovation and securing better alignment with company and customer needs, none have tried to identify whether gender diversity on boards impacts an insurance company's financial performance.

This first-of-its-kind research study illuminates a powerful link between female representation and financial success,

suggesting gender diversity alone can catalyze powerful change while demonstrating just how disruptive the years of 2020 and 2021 were on female professionals' career journeys.

Furthermore, by illuminating the dynamics of the UET in the context of gender and financial performance, this study empowers organizations to strategically select leaders that contribute to a more diverse and inclusive corporate landscape. These efforts are especially critical today, as vocal opponents of diversity, equity and inclusion (DEI) programs are taking advantage of the 2023 Supreme Court ruling on affirmative action to challenge these efforts within the public and private sectors.

Introduction

DEI initiatives began in the 1960s due to anti-discrimination legislation. They gained serious momentum in 2020 as formalized programs and job opportunities, following the racial unrest and national conversation spurred by George Floyd's murder (Dong, 2021). While the discussion around DEI continues, with vocal opponents causing several corporations to roll back or discontinue their programs throughout 2024, research studies show improved company performance when decisions result from varying perspectives.

Despite this progress, there is still a long way to go. Organizational inequalities have deep roots and continue to be recognized in structures, processes and practices (Stamarski and Hing, 2015).

Demographic data from Harvard Business School in 2019 shows that of the top 16 Fortune 500 companies, 85% of the senior executives and board members were white men. This is compounded by workforce labor data from the same time period, which indicates women represented more than 60% of the workforce yet held less than 40% of management positions (Bureau of Labor Statistics, 2022). Specific to the insurance industry, studies showed that in 2022, 28.5% of insurance board seats were occupied by women (financialservices.house.gov, 2022) despite females making up more than 50% of the workforce (Ariella, 2022).

> In a 2020 survey, 92% of respondents viewed gender diversity on boards as necessary (Halliday et al., 2020).

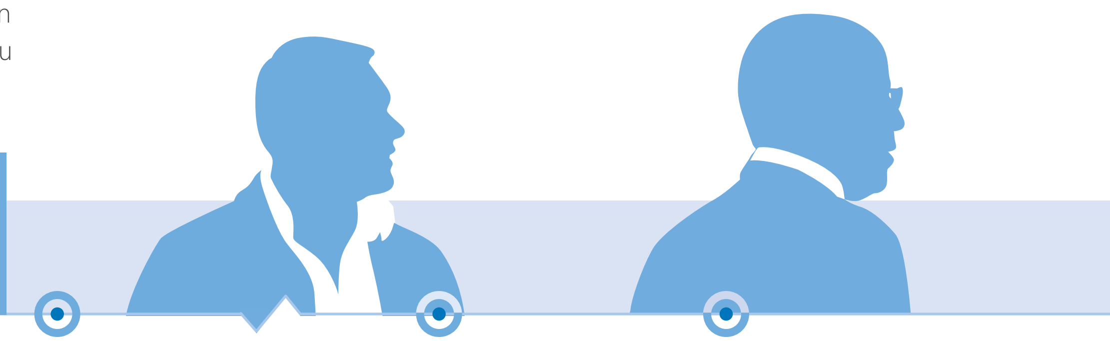
Some research has revealed quantitative benefits for workplace diversity, yielding increased revenue growth, improved innovation and 5.4 times higher employee retention (Bush, 2021).

Board directors play a vital role in corporate governance by selecting leaders, monitoring performance and providing advice and resources, as well as formulating, implementing and reviewing strategy. As such, the composition of a board of directors has become one of the most investigated subjects because of these functions and their impact on a company's financial decisions (Kramaric et al., 2018).

These responsibilities are well understood in the life and health insurance industry. Their efforts have become even more critical in recent years due to market turbulence following the norm-disrupting effects of the pandemic. While the unprecedented surge in claims that marked 2020 and 2021 has since slowed, confusion and uncertainty persist regarding some COVID-related claim issues. Many of these cases continue to work their way through the courts.

At the same time, property and casualty insurance carriers are grappling with the ongoing effects of climate change and extreme weather. Increasing weather-related losses and inflation-impacted costs to restore damaged assets are cutting into corporations' bottom lines and harming their profitability. Some are crafting creative solutions to continue providing coverage while safeguarding their finances.

History of Diversity, Equity and Inclusion in the Workplace



While ongoing efforts around the term "diversity, equity and inclusion" (DEI) can make it appear as a modern phenomenon stemming from the impact of recent social justice movements, its historical roots can be traced to the 1940s. Here is a timeline of some presidential efforts to promote equal treatment in employment settings:

June 25, 1941
Before joining a global war, President Franklin D. Roosevelt authorizes Executive Order 8802, outlawing discrimination based on race, color, creed and national origin in the federal government and defense industries. He expanded this coverage in **1943**, making it applicable to all government contractors.

July 26, 1948
President Harry Truman signs Executive Order 9981, creating the President's Committee on Equality of Treatment and Opportunity in the Armed Services. This order mandated the desegregation of the U.S. military.

Dec. 3, 1951
President Truman creates the Committee on Government Contract Compliance with Executive Order 10308. This committee oversaw federal contractors and ensured they did not discriminate based on race, creed, color or national origin.

Others made the difficult decision to stop offering certain policies or leave an affected region altogether.

In the face of these challenges, insurance companies must ensure their boards of directors are up to the task. But why are they failing to achieve diversity, particularly in these coveted leadership positions?

Is the lack of women in the upper echelons due to other studies claiming they exhibit less innovation breadth and depth than men due to segregated education and employment experiences (Strohmeyer et al., 2017)? Or is it due to the belief that they underperform male-led leaders in short-term sales, profit performance and long-term innovation and training development (Singhathep and Pholphirul, 2015)?

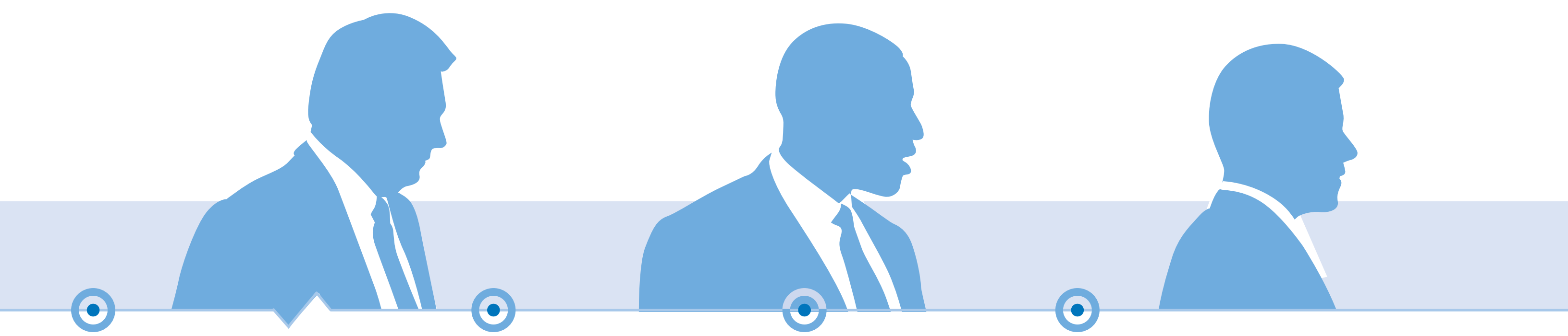
Research demonstrates similarities between certain groups, like men and women, as well as innate differences; some studies have shown women are more philanthropic and socially sensitive, less competitive (Amore and Garofalo, 2016; Berezinets et al., 2017; Cook and Glass, 2014) and more inclined to invest in innovation. These qualities could impact an individual's decisions for an organization, thereby affecting its performance.

At the same time, cultural gender norms and stereotyping can have a freezing effect on women's career aspirations, resulting in them being overlooked for upper-level employment opportunities traditionally offered to men.

Despite women lagging in leadership roles, there have been some exciting moments for women in the insurance industry throughout history, ranging from the earliest women-led organizations to the first female CEO. Securing tangible evidence that greater gender diversity on boards results in improved organizational outcomes might drive corporations to be more willing to create equitable boards and take advantage of diversity-driving initiatives within the industry.

According to the UET, a company's outcome is based on the strategic decisions of top managers (Chen et al., 2019; Lee, 2018; Hambrick and Mason, 1984). The leaders in a company drive business decisions, which determine the company's success or failure (Hambrick and Mason, 1984). Furthermore, it argues that leaders' views influence organizations' performance and executives make decisions based on their interpretation of the situation (Attah-Boakye et al., 2020). However, Hambrick and Mason's theory doesn't contain observations on gender (Erhardt et al., 2003).

After analyzing the data and accounting for the disruptive implications of the pandemic, this research study found a positive relationship between gender diversity on boards of insurance companies and financial performance. The results of this study are especially critical today, as DEI efforts are increasingly under siege.



Aug. 13, 1953
President Dwight D. Eisenhower signs Executive Order 10479, creating the President's Committee on Government Contracts. This order heightened contractors' obligations to ensure the successful execution of — and compliance with — the government's equal employment opportunity program.

March 6, 1961
President John F. Kennedy issues Executive Order 10925. Government contractors are now required to take "affirmative action" to ensure applicants are employed and treated fairly regardless of race, creed, color or national origin.

July 2, 1964
President Lyndon B. Johnson signs into law the Civil Rights Act of 1964. Discrimination based on race, color, religion or national origin is prohibited.

Sept. 24, 1965
President Johnson signs Executive Order 11246, making the Secretary of Labor responsible for administering the order's non-discrimination and affirmative action provisions. Shortly after, the Office of Federal Contract Compliance is created. It also reinforced existing requirements that federal contractors not discriminate in employment and take affirmative action to ensure equal opportunity based on race, color, religion and national origin.

Most notably, in 2023, the Supreme Court effectively ended race-based affirmative action in higher education. Following that decision, empowered activists put up many challenges, including litigation, against these inclusion efforts in both the public and private sectors. An increasing number of corporations and institutions have bowed to the public pressure generated by these vocal opponents, causing them to scale back or remove their DEI programs altogether.

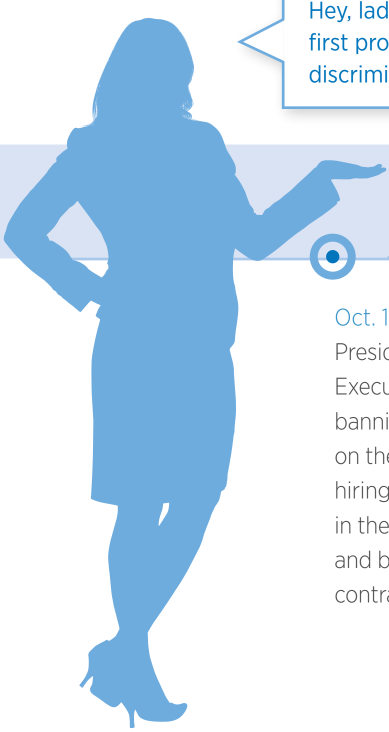
Arthur J. Gallagher and Co. recognizes the value diversity brings to organizations, with 30% of our board held by women. We harness the power of diversity for other organizations through the efforts of Gallagher Connect Partners by providing a national network of minority-, woman-, veteran-owned and other diverse certified insurance firms, but, more importantly, we recognize and value the unique qualities, experiences and talents of our leaders and employees in all forms.

We embrace the diverse identities in our workplaces, including race, ethnicity, sex, gender identity, sexual orientation, age, veteran status, religion and visible or invisible disabilities, among many others. In accordance with the tenets of The Gallagher Way, by valuing and appreciating these characteristics and the unique insight they bring, we can provide exceptional service and positively impact our communities.

We hope this study and its results encourage Gallagher's fellow Fortune 500 leaders to take advantage of the tangible benefits of diversity in the workplace and make steps toward creating more inclusive boards.

The research questions below were directly derived to identify the impact gender diversity has on the insurance industry's financial performance. The research aimed to establish a relationship between women on insurance company boards and the insurance company's financial performance during a five-year period by asking:

- Is there a correlation between gender diversity on boards of insurance companies and financial performance?
- Does the percentage of women on boards of insurance companies improve financial performance?



Hey, ladies! Notice this is the first prohibition of sex-based discrimination? About time.

Oct. 13, 1967
President Johnson signs Executive Order 11375, banning discrimination on the basis of sex in hiring and employment in the federal workforce and by government contractors.

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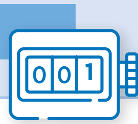

Dec. 12, 2002
President George W. Bush amends Johnson's executive order. Religiously affiliated contractors can now prefer individuals of a certain religion when making employment decisions. They are not, however, exempt from complying with the other requirements of that order.

Amendment Counter:

April 8, 2014
Amending Executive Order 11246 a second time, President Barack Obama signs Presidential Memorandum and Executive Order 13665. This measure promotes equal pay for women by improving wage transparency, making gender-based pay disparities easier to identify. It also prohibits retaliation against employees or applicants who inquire about their own or others' compensation.

The Upper Echelons Theory in the Insurance Space

Who dictates a company's fortune? Rather than some obscure figure of fate rolling dice, the UET promotes the idea that a company's outcome is based on the strategic decisions of its top managers (Chen et al., 2019; Lee, 2018; Hambrick and Mason, 1984). This theory argues that leaders' views influence organizations' performance (Hambrick and Mason, 1984) and executives make decisions based on their interpretation of the situation (Attah-Boakye et al., 2020). Hambrick and Mason formed a powerful link between organizational strategies and outcomes based on leaders' values and cognitive thinking (1984).

Decisions are made from individual perspectives, which, in turn, are based on values, beliefs and experiences. These perspectives shape how a person filters, selects, evaluates and interprets information. For example, imagine a company board is eliciting candidates for a new CEO. They might perceive an older, seasoned leader as more risk-averse and a stronger strategic option than a younger professional.

In their research, Hambrick and Mason hoped the impact of the UET would be threefold. First, to enable organizations to predict outcomes based on the leaders. For instance, the theory could guide a recruitment team to select a leader with a background in operations because they may be more likely to pursue cost-reduction strategies.

The second hope was the selection and development of executives based on tendencies. For example, a board might choose an executive to lead a department based on their expertise in a particular area, such as finance, marketing or operations. Alternatively, their educational background could be a deciding factor when comparing individuals for leadership positions, given any specialized knowledge or advanced degrees.

Hambrick and Mason's third hope was to promote hiring specific strategists, like those from outside the industry, to steer the company in a new direction (1984). They believe background, values and cognitive experiences guide business decisions that ultimately determine the performance of an organization.

This can be especially important in insurance companies, which make critical decisions that impact many stakeholders, including customers, communities, employees and investors. Some of these can vary in scale, ranging from regional issues, such as selecting a suitable insurance offering based on consumer need, to the long-term, like timelining a transformative project with global impact. Any decision an insurance company makes will likely be heavily scrutinized by customers and regulators, such as those concerning investments in communities devastated by natural disasters.

In the insurance space and beyond, these decisions are dictated by its board of directors. These boards generally provide four primary roles (Cook and Glass, 2015; McLeod et al., 2021):

1. **Control –** Monitors performance
2. **Service –** Provides advice and counsel
3. **Resource –** Provides assets
4. **Strategic –** Concerns formulating, implementing and reviewing strategy

Due to their significant role, board of director appointments must be thoughtful; they must be competent and qualified (Abor, 2017).

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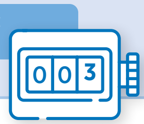


Despite these efforts, the gender pay gap still endures, according to Pew Research.

July 21, 2014
President Obama amends Executive Order 11246 for the third time since its inception. Now, federal contractors and subcontractors cannot discriminate based on sexual orientation or gender identity.

Jan. 20, 2021
President Joseph Biden releases Executive Order 13985, directing federal agencies to determine whether their policies produce racially inequitable results and to make necessary changes so underserved communities are properly supported.

May 28, 2021
President Biden establishes an initiative to advance equity, justice and opportunity among Asian Americans, Native Hawaiians and Pacific Islanders.

In this paper, we're measuring observable male vs. female gender diversity on Fortune 500 insurance company boards. We recognize that doesn't account for other gender identities or characteristics, such as race or ethnicity. If this topic is of interest to you, we encourage you fill the gap in the literature by exploring it!

Much has been written about board diversity, primarily gender diversity, with no conclusive correlation to financial performance (Gorte, 2020). According to the agency and resource dependency theory, a gender-diverse board is unrelated to board efficiency (Christiansen et al., 2016). Ali (2017) wrote that some studies concluded no significant connection between female directors on corporate boards and firms' financial performance (Ali, 2017; Torchia et al., 2018).

Why Examine Gender Diversity in Corporate Governance?

Gender disparity persists in corporate leadership despite mounting pressure for diversity on public boards. In 2022, women held roughly one out of seven, or 16%, of board seats, and nearly a third of companies did not have any women on their boards, according to a study examining high-growth private companies by Him to Her (Shepherd, 2023).

The seats women hold do not reflect their overall presence in the industry and role in buying trends, underscoring the significant gender disparity in decision-making roles. Women constitute more than 60% of the workforce and account for 80% of household buying choices, but they hold less than 28% of board seats, according to 2022 House Financial Services Committee data.

Considering these trends, how can women climb the organizational ladder and attain these positions? Navigating diversity challenges is complex. Entrenched norms, such as preferring leaders with similar backgrounds to the existing administration, discrimination — including sexism, racism and career-inhibiting trends known as the glass ceiling, glass cliff and glass escalator — and stereotypes can all exclude women from leadership roles. Misalignment in organizational diversity can also hinder progress.

Despite this, the issue is ripe for exploration thanks to available data and myriad perspectives. In a 2020 survey, 92% of respondents viewed gender diversity on boards as necessary (Halliday et al., 2020). At the same time, previous findings on the impact of gender are mixed; some studies established that gender diversity on company boards improved investment commitments, which improved performance (Attah-Boakye et al., 2018). Others, meanwhile, did not prove gender equity on boards has a positive financial impact.

However, these studies discussed positive factors of gender diversity, including social learning, human capital, network affiliation, motivations, demographics and environmental factors.

June 25, 2021
President Biden signs Executive Order 14035, seeking the creation of a government-wide initiative to promote diversity, equity, inclusion and accessibility (DEIA).

Feb. 16, 2023
President Biden signs Executive Order 14091, outlining a multi-pronged approach to advance equity throughout the federal government.

March 27, 2024
President Biden signs Executive Order 14121, recognizing and honoring the diverse trailblazers, including women and girls, who have contributed positively to the nation.

July 17, 2024
President Biden signs Executive Order 14124, advancing equity in economic and educational opportunities through Hispanic-serving institutions.

Sources: Department of Labor, n.d. | Kochhar, 2023. | United States Agency International Development, n.d.

No significant link was made with financial aspects or performance (Ali and Shabir, 2017; Torchia et al., 2018).

In August 2022, the Nasdaq Stock Market implemented a diversity rule requiring listed companies to have at least one woman and one person identifying as an underrepresented minority or member of the LGBTQ+ community (Ramonas, 2022). Around the world, countries are adopting quotas to increase women's board representation, such as India's adoption of Act 2013, where it is mandatory to appoint at least one female director in publicly listed companies (Arora, 2022).

Likewise, France, Germany and Norway have also adopted a requirement that boards must be comprised of at least 40% women (Arora, 2022).

A study in 2014 showed that although Norway was effective at increasing the number of women on boards, it was not closing the gender gap, nor did it improve stock market returns, and it imposed significant costs (Ferrari et al., 2018).

Creating equitable environments is positive for employees and employers alike. When people of all backgrounds and perspectives feel included and valued, participation improves, attendance increases and loyalty is enhanced. Many workers want to know they can trust their leaders, regardless of differences in background, and fostering a workplace where differences are celebrated can empower employees to succeed (University of Pennsylvania, 2023.)

As businesses continue to grapple with the status of purpose-driven initiatives prioritizing DEI, this study can provide some valuable insight — and financial incentive — encouraging insurance companies to secure boards as diverse as the communities they serve.

Understanding the Issue

The insurance industry has a surprisingly long history; the methods used to limit women's career opportunities are also steeped in perceived "tradition."

The History of Insurance and Women's Leadership Roles

The history of insurance dates back to 1750 B.C. This first form of insurance allowed Babylonian and Chinese traders to pay extra money to a lender to cancel the debt if their goods were stolen as they traveled across the sea. Clearly Insurance (The History of Insurance Throughout the World, 2023) traces what we would consider the first "modern" insurance back to the Great Fire of London in 1666 after more than 30,000 homes were destroyed. Following that devastating event, a physician named Nicholas Barbon stepped up and created the first fire insurance company.

In the United States, the first insurance company was formed in South Carolina in 1732 to cover the same danger: building fires. Other types of insurance started surfacing in the 1800s as people began recognizing the need for broader coverage, such as life, marine and health. Over time, people began to recognize the importance of these policies, with some insurance types, including workers' compensation and unemployment insurance, becoming mandatory in the 1930s.

Some readers might remember the start of car insurance requirements in 1980, reflecting the growing importance of this coverage as car ownership became widespread (The History of Insurance Throughout the World, 2023).

The insurance industry has grown from its humble — and ancient — roots. In 2022, it represented 30 Fortune 500 companies (Fortune, 2022) and $7 trillion in annual insurance premiums (Flynn, 2023). But just how diverse is the industry currently?

While women are advancing and outnumbering men in entry-level positions in the insurance field, they remain underrepresented at the top of organizational charts (Cook and Glass, 2014b). Not only that, but they're also earning $0.79 for every dollar their male counterparts receive (Worters, 2020).

In 2019, 18% of senior executives in the insurance industry were women, while women held 66% of entry-level positions (Pieroni, 2019; Worters, 2020). In an article seeking to gain lessons from women who avoided traditional drop-off points to secure leadership roles, Pieroni (2019) shared these sobering statistics concerning "disappearing women," demonstrating the gender gap in the insurance industry:

61% of the general workforce are women

19% of board seats are held by women

12% of top corporate officers are women

11% of inside officers are women

Despite lagging in leadership roles, there have been several exciting firsts for women in the industry. In 1936, women banded together to launch the first women's insurance association, Women in Insurance and Financial Services (WIFS). More than two decades later, Virginia Mae Brown became the first female insurance commissioner for West Virginia in 1961. In 2013, the industry celebrated the first female CEO.

From the Home to the Boardroom

Women have long been critical to their families' economic wellbeing. However, their presence in contemporary employment is still a relatively recent phenomenon.

The Industrial Revolution of the mid-1800s featured women working in mills alongside children and men, but as social mores changed, so did their participation. Women's opportunities stagnated until the country entered World War I (1914–1918), resulting in a shortfall in labor and increased manufacturing needs. Women were then employed in factories alongside more traditional roles as domestic or personal service aides or those pertaining to clerical occupations. By 1920, women made up about 20% of the labor force (Red Kap, 2020).

During World War II (1941–1945), women entered the workforce in greater numbers. While people may imagine an iconic "Rosie the Riveter" figure marking women's acceptance into previously male-dominated careers, they didn't make significant inroads until the 1960s.

Barriers to Women in the Workplace at a Glance

Since women first entered the career field, boundaries — both unintentional and purposeful — have limited their professional progress. Here are some common barriers and how they impact women's career aspirations:

The Glass Ceiling

This metaphor from the 1980s concerns hidden workplace hurdles targeting women. The glass ceiling limits qualified women to inferior positions, preventing them from rising to managerial- and executive-level positions within an organizational hierarchy or industry. The word ceiling implies the limit; the glass is a barrier despite the outward availability of opportunities.

The Glass Cliff

This phenomenon, first introduced in 2005, describes what happens when women break the glass ceiling. They might secure leadership roles only to be placed in precarious situations designed for their failure. This trend can also result in women having better chances of promotions when the company is in perilous circumstances. Some research opines, however, that there is little empirical support to conclude the existence of a glass cliff.

The Glass Escalator

Men are less likely to enter female-dominated occupations, but when they do, they tend to rise faster and quicker to upper levels of leadership. This structural advantage helps men enhance their careers.

Informal Networks

Originating in male-only schools, "good ol' boys" networks can result in situations where men with similar social and educational backgrounds help each other advance. Today, gender-skewed socialization, like smoking breaks, watching sports, drinking at a bar and golfing, can further this trend. These networks are prevalent in CEOs' hiring practices, favoring candidates with similar schooling and backgrounds.

Leaking Pipeline

Internal succession planning is meant to ensure continuity in leadership. Unfortunately, systems within the workplace can restrict the rise of female leaders. Rather than offering a robust pipeline of skilled talent, research has found the pipeline narrows at each level. This "leaking pipeline" reduces the number of women groomed for succession opportunities. If gender-based gatekeeping continues, male-typed leadership trends will thrive.

In 1961, President John F. Kennedy's executive order mandated government contractors to treat qualified employees fairly, regardless of race, creed, color or national origin (Wynen et al., 2015).

Then, in 1965, President Lyndon Johnson issued an executive order prohibiting discrimination against a qualified candidate based on race, color, religion and national origin; in 1967, President Johnson amended the order to include sex.

women's workplace efforts have continued to be beset by bias, whether unintentional or implicit. Here are some of the mechanisms that inhibit gender-diverse workplaces:

Social Roles

When you picture a leader or CEO, how do they appear? If you automatically imagine a male, it could be the influence of social roles.

Alice H. Eagly developed social role theory from a study of sex differences in social behavior (Clevenger and Singh, 2013). In business, the social role theory argues that leaders occupy roles based on their position in a hierarchy and simultaneously function under the constraints of gender roles. Eagly et al. (2003) determined that male and female leaders sharing the same leadership style behave differently due to their gender differences based on their implicit background identity.

The social role theory builds on the think-manager-think-male framework, with men being more agentic, or being able to exert one's role and take agency regarding self-growth, and women more communal (Braun et al., 2017; Brescoll, 2016; Cuadrado et al., 2015; Sabharwal, 2015). Agentic attributes can take shape as aggressiveness, assertiveness, acting like a leader, self-reliance, self-confidence, forcefulness in negotiations, independence and dominance (Braun et al., 2017; Cook and Glass, 2014). In contrast, communal attributes are commonly those associated with establishing and building community, such as gentleness, kindness, affection, empathy, nurturing, sensitivity and helpfulness. (Braun et al., 2017; Sabharwal, 2015). Like any other broad generalization, the social role theory can impact individuals' opportunities based on their social categories and any biases or prejudices based on societal norms, according to Sabharwal (2015).

Gender Norms

Similar to social roles, gender norms are social expectations that dictate how individuals should behave based on their sex at birth (Berezinets et al., 2017; Athanasopoulou et al., 2018).

Whether intentional or implicit, followers of gender norms expect men to be assertive, dominant and career-minded. Women, meanwhile, must be nurturing, submissive and less career-minded, prioritizing home over their career (Clevenger and Singh, 2013). This can result in situations where women are expected to keep their heads down and focus on the work, reducing the opportunity to be identified as potential leaders (Pieroni, 2019).

Stereotypes and Role Incongruities

Gender stereotypes and behavioral tendencies start very early in life and lead people to endorse specific goals for others based on their perceived genders, including occupational pursuits (Fitzsimmons et al., 2014).

Stereotypes are the direct antecedents of workplace discrimination and are the origins of organizational and sociocultural barriers impeding women's advancement (Wynen et al., 2015). For example, the social role theory argues that men and women possess innate qualities predisposing them to their typical societal roles. This can negatively influence and undermine women who are perceived to buck their "traditional" roles and aspire to leadership (Lyness and Grotto, 2018).

Harmful stereotypes regarding women in positions of authority include the idea that femininity makes them incapable of having supervisory skills, as the most desired qualities are so-called masculine traits (Brands and Fernandez-Mateo, 2017; Cook and Glass, 2013; Cuadrado et al., 2015; Fischback et al., 2015). Women under the weight of stereotypes can feel threatened, negatively judged or pressured to conform in order to succeed (Cadaret et al., 2017; Ezzedeen et al., 2015). If they don't, they can risk gender backlash (Brescoll et al., 2018).

When women demonstrate these assertive, masculine traits, they are perceived and often penalized for being pushy or demanding (Clevenger and Singh; Brescoll et al., 2018).

Where men secure accolades for their drive to succeed, role enforcers punish women for threatening the hierarchical relationship and violating the status quo. This includes not being offered the same opportunities and organizational rewards or facing social and economic penalties, according to research by Brescoll and others (2016 et al., 2018).

Leaky Pipeline

Why are certain groups, such as women, present at entry levels in a company yet are broadly underrepresented at higher levels in the organization? The leaky pipeline theory suggests plenty of diversity at entry levels; however, more women must be in the pipeline of organizations with female executives (Spencer et al., 2018). Further research has identified plenty of male executive candidates are secured through recruitment and succession strategies (Ezzedeen et al., 2015). Still, despite ample women waiting for leadership opportunities (Clevenger and Singh, 2013), not enough pipeline strategies are implemented to increase their participation (Spencer et al., 2018; Fernandez and Campero, 2017), such as the training and development programs commonly afforded to men (Korn Ferry, 2017; Kellerman and Rhode, 2017).

A lack of leadership development in childhood, adolescence and early work experience — all critical learning times (Fitzsimmons et al., 2014) — impacts the female pipeline challenge (Kellerman and Rhode, 2017). It commonly comes from the perception that men are more likely future leaders and, thus, are more likely to be invited to leadership development programs (Lyness and Grotto, 2018).

Studies show men receive more career-related support from their mentors and sponsors for promotions than women; they're also more likely to receive advice on career advancement (Lyness and Grotto, 2018). Another overlooked pipeline challenge is the lack of strong women's movement initiatives; when the occasional protest happens, there are few protestors (Lyness and Grotto, 2018). Unfortunately, these studies do not attribute the lack of a pipeline to barriers like gender stereotypes or biases (Kellerman and Rhode, 2017).

Succession Planning

Organizations plan for all possibilities, including ensuring continuity should a leader voluntarily or involuntarily exit an organization (Georgakakis and Ruigrok, 2017). Internal succession planning is cost-effective and reduces disruption. However, it can also open the door to gender bias, whether unintentional or otherwise.

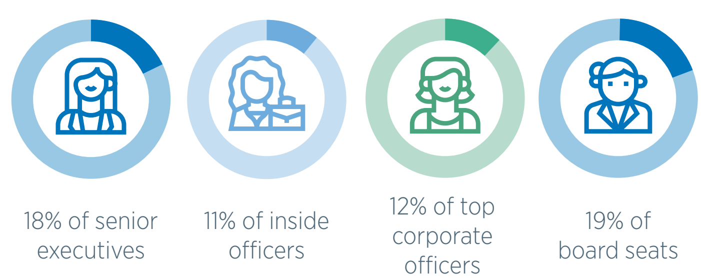
Successive chief executives are promoted from within and groomed for leadership (Hambrick and Mason, 1984), with general trends favoring white men. Unfortunately, studies show the pipeline of female candidates is narrow at each organizational level (Pieroni, 2019), meaning the pool of female candidates is small — and tends to shrink further — as one scales a company's hierarchy.

Succession planning poses a significant challenge to organizations that have yet to develop and cultivate a diverse pipeline of up-and-coming leaders (Pieroni, 2019). If the pipeline of female leaders does not improve through male predecessors' gender-inclusive gatekeeping, then male-typed leadership schemas will continue and successors will continue to be white men (Dwivedi et al., 2018).

Women in Insurance

The idea of "disappearing women" in corporate structures sounds like something out of science fiction, but it accurately describes the ongoing gender gap facing the insurance industry.

Women make up:



Despite this, **66% of entry-level positions** are held by women. Where did they disappear to as they climbed the organizational ladder? Research indicates hiring practices, gender stereotypes and a lack of professional support can all contribute to this issue.

Source: Pieroni, 2019

Informal Networks

Are you familiar with the concept of a "good ol' boys" club? These unofficial networks thrive on personal connections, shared experiences or common backgrounds. Within organizations or communities, these systems help men with similar social and educational backgrounds advance each other in business. These systems originated with students of male-only schools, where they cultivated a closed system, restricting opportunities for different groups (Clevenger and Singh, 2013). Today, gender-skewed socialization can be found in activities like smoking breaks, watching sports, playing golf and drinking at a bar (Kohler, 2021). Studies have shown male leaders support and promote other males through selection bias, perpetuating the male-dominated leadership team (Braun et al., 2017).

Glass Ceilings

First introduced in an Adweek interview by Gay Bryant in 1984 and popularized by a subsequent Wall Street Journal article highlighting women's barriers (Boyd, n.d.), the glass ceiling is a metaphor for hidden hurdles targeting women — initially referring to inequity in pay. The glass ceiling discriminates against women by limiting them to inferior positions to the point they begin to disappear through the levels of organizational hierarchy (Boyd, n.d.; Clevenger and Singh, 2013; Fernandez and Campero, 2017; Lyness and Grotto, 2018).

In a 2001 research study, four characteristics determined that a glass ceiling exists:

1. There are no job-related characteristics that explain gender or racial differences.
2. There is a gender or racial difference between higher and lower levels of the organization.
3. Proportionately, there are gender or racial inequities at higher levels of the organization.
4. There are gender and racial inequities that increase throughout a career.

Source: Clevenger and Singh, 2013

In an expanded study on the glass ceiling, Fernandez and Campero (2017) examined internal promotion bias that allocates men to higher levels in an organization. They introduced the external factors of recruitment and hiring practices as contributors to the glass ceiling. They argue that on the supply side, women are more often placed into lower-level job queues than men, and, on the demand side, there are screening biases against women. Finally, there were governmental barriers; discrimination wasn't outlawed until the Civil Rights Act of 1964 (Boyd, n.d.; Clevenger and Singh, 2013), which prohibited discrimination against a qualified candidate based on race, color, religion or national origin. It wasn't until 1967 that President Lyndon Johnson amended the order to include sex. By the 1960s, unfortunately, discrimination was already woven into the fabric of the workforce, perpetuating issues like the glass ceiling, and there was little monitoring and law enforcement to support the Civil Rights Act (Clevenger and Singh, 2013).

Gender Matching

As another form of glass ceiling, gender matching describes the process of selecting incoming candidates of the same gender as the outgoing candidate. Tinsley et al. (2017) shared a study from 2005 that found when an individual leaves a board, their replacement is likely to be the same gender. They expanded this analysis in 2017 and found further evidence of gender matching in board selections. Some reasons for gender matching are heuristic, driven by a propensity to make quick decisions based on surface features rather than more profound logic. Some may seek gender matching to maintain continuity within a "well-functioning" group (Tinsley et al., 2017) since studies have shown males and females differ cognitively (Torchia et al., 2018).

Glass Cliff

In professional environments, women can be placed in positions requiring more support or authority to accomplish goals, resulting in shorter tenures than their male peers (Athanasopoulou et al., 2018). Known as the glass cliff, this also includes situations where women are given leadership roles with a high risk of negative consequences, thereby setting them up for failure (Elsaid and Ursel, 2018; Ferrari et al., 2018; Sabharwal, 2013).

The glass cliff phenomenon was first introduced in literature in 2005 by Ryan and Haslem; their study found empirical evidence of the glass cliff by examining U.K. companies listed on the Financial Times Stock Exchange (FTSE). They compared the stock prices of boards where women were appointed in 2003, finding companies that selected women experienced consistently poorer performance in the months before the appointment. They determined women had a better promotion chance when the company was in precarious circumstances (Carroll et al., 2013) and not performing well (Cook and Glass, 2013; Cook and Glass, 2014a) with shorter tenure post-promotion compared to white men — this is known as the savior effect (Cook and Glass, 2014b).

Furthermore, a 2011 study by Brady et al. of U.S. firms listed in the Fortune 500 observed a positive correlation between female board member appointments once performance declined or after an organizational scandal (Bechtoldt et al., 2019).

However, not all studies regarding the glass cliff phenomena are uniform. Some allege no correlation exists between performance and female appointments (Bechtoldt et al., 2019), and there is little empirical support to conclude a glass cliff exists (Carroll et al., 2013). A 1992–2014 study showed that female CEOs were 40% less likely than male CEOs to face turnover after an appointment (Elsaid and Ursel, 2018).

Limited Authority

A more current form of the glass cliff occurs when women reach higher organizational levels but receive lower levels of authority and fewer decision-making opportunities than their male counterparts. Women tend to be excluded from essential networks, evaluated less favorably, receive less support and receive greater scrutiny and criticism despite performing exactly as men in the same leadership roles. Moreover, others perceive them negatively when they exert authority in the same way as men (Sabharwal, 2013).

Making Moves in the Workplace

How do you contribute to the success of your team? Here are some of the unique skills women bring that help them excel in their careers:

- Relationship building
- Positive attendance record
- Preparedness for meetings
- Favorable financial behaviors
- Attention to detail
- Motivating force to others
- Commitment to ethics
- Willingness to educate

Sources: Athanasopoulou et al., 2018 | Berezinets et al., 2017 | Chen et al., 2016 | Cook, 2015

Opportunities for Women in the Workplace

There are no reasons women can't attain the same coveted C-suite positions as men. They need more social networks and role models to improve their lack of experience and confidence (Abor, 2017). From an organizational perspective, employers can overcome this through training, leadership development and family-friendly work environments. On an individual basis, women should be encouraged to consider leadership opportunities and advocate for gender equity (Bismark et al., 2015).

Some interpretations of women's reluctance to lean into leadership roles are their distaste for competitive environments and fear of rejection (Brands and Fernandez-Mateo, 2017). Or that men are more motivated by power than women, contributing to the unequal distribution of gender leaders (Braun et al., 2017). However, women are increasing their human capital by having higher workforce participation and graduating from universities and graduate programs in greater numbers than men, demonstrating their ambition for leadership positions (Sojo et al., 2016; Athanasopoulou et al., 2018).

Women are speaking up about their aspirations for leadership and taking control of their careers by embracing gynandrous leadership — as in containing both feminine and masculine traits — and gender-based behaviors to develop their unique leadership styles (Athanasopoulou et al., 2018). Studies have found that women with authority over policymaking, perceived empowerment and experience equities have less chance of falling off the glass cliff (Sabherwal, 2013).

Studies have suggested female leaders perform comparably and sometimes better than their male counterparts (Lyness and Grotto, 2018). Here are some ways women excel in the workplace:

- **Relationship building –** By acting as inspirational role models, developing followers' skills and motivating others to go beyond the confines of their job descriptions, women tend to foster positive relationships in a team or organization (Athanasopoulou et al., 2018).
- **Attention to detail –** Women are more detail-oriented (Cook, 2015) regarding their duties and prepared for meetings (Berezinets et al., 2017) compared to their male peers. They also boast better attendance (Chen et al., 2016), more emotional connection to clients regarding their insurance protection and superior performance when educating consumers about risk management (Cook, 2015).
- **Commitment to ethics –** A 1985 survey indicated that women hold more profound religious beliefs than men and, as such, are less likely to engage in unethical behavior. In analyzing the responses to the survey, female accounting students were more ethical than their male counterparts.

Behind the Research

The purpose of this quantitative, correlational research was to identify a relationship between financial performance and women's representation, thereby determining the financial impact the lack of gender equity has on boards of Fortune 500 insurance companies.

Women make up more than 50% of the population and 85% of all consumer purchases.

Thereby, women should be more represented in the upper echelon of companies, specifically in board seats (Stone, 2019). Establishing a connection between financial performance and women's board representation may incentivize corporate leaders to improve gender equity with their board of director seats.

Methodology and Design

Quantitative and qualitative studies are two distinct research approaches used in various fields. Each method has its strengths and weaknesses, and the choice between them depends on the research questions, objectives and nature of the investigated phenomenon.

Quantitative research is used when cognition and behavior are predictable and explainable and when a cause determines the events. A quantitative study relies on collecting numerical data, which is then analyzed using statistical techniques to test hypotheses, correlations and conclusions (Antwi et al., 2015). The limitation of a quantitative research study is its oversimplification of numeric data rather than individual experiences, context and subjective meanings, using what is called a narrow-angle lens (O'Loughlin, 2017).

In contrast, qualitative research seeks to gain an in-depth understanding of specific research problems, exploring the individual's meaning, perceptions and experiences using wide- and deep-angle lenses. (O'Loughlin, 2017). Thus, this quantitative study will not provide for individual experiences and perspectives on a person's journey to leadership positions.

The quantitative approach was applied to this study because it investigates two potentially connected characteristics: performance and gender. Therefore, this method is applicable to test the objective hypothesis that gender-diverse boards impact the financial performance of companies in the insurance industry.

Additionally, a correlational design was ideal as the research questions and hypothesis do not involve treatment variables or intervention, and the goal is to determine the nature of the relationship between financial performance and gender diversity on the board of Fortune 500 insurance companies.

Two similar studies used the quantitative method with a correlational design: Diversity and its Impact on Organizational Performance: The Influence of Diversity Constructions on Expectations and Outcomes (Simons and Rowland, 2011) and Gender Inequalities in the Workplace: The Effect of Organizational Structures Processes, Practices, and Decision Makers' Sexism (Stamarski and Hing, 2015). Both studies determined a correlation between diversity and outcomes; however, both noted additional research was necessary.

Data Collection and Analysis

Data analysis relied on unique data from Fortune 500 insurance companies providing Property and Casualty and Life and Health coverages in the U.S. over five years: 2018–2022. Based on this study's scope, research questions and available access to financial data, the companies in the study had to be publicly traded and required to disclose financial information (U.S. Securities and Exchange Commission, 2023).

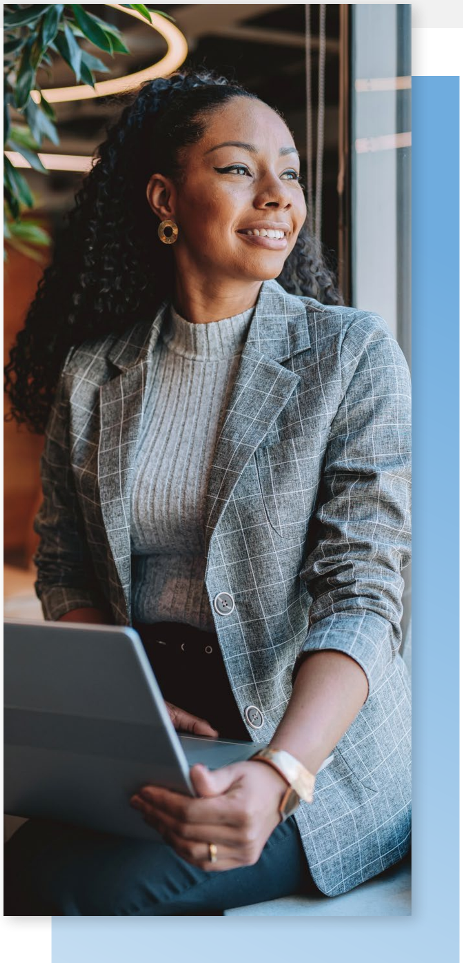
Financial data utilized for this study included total revenue and net income and came from company websites, the Securities and Exchange Commission (SEC), Hargreaves Lansdown, MacroTrends and the Electronic Data Gathering, Analysis and Retrieval System (EDGAR). Board demographic data was sourced from the insurance company's websites, EDGAR, Hargreaves Lansdown, LinkedIn and the U.S. House Committee on Financial Services.

The data set included detailed information on the gender composition of the boards of these insurance companies. The gathered information was applicable to the question at hand as scholars routinely use firm performance as a proxy for leadership effectiveness (Cook and Glass, 2015).

A significant sample size is essential to collect enough data. According to a G*Power software test, and because this population was homogenous, the sample size could be small (Fowler and Lapp, 2019). This study's random probability sampling was 26 companies out of a pool of 35; their revenues range from $2 billion to $9 billion, representing the largest insurance companies in the United States.

This study utilizes a random selection from all Fortune 500 insurance companies, with company names removed and replaced with a number from 1 to 35. The independent variable was the proportion of women on boards from 2018–2022, with financial performance as the dependent variable. A Pearson correlation coefficient measured the linear correlation between the two.

It was essential to use publicly available data for this study to ensure anyone with access to the internet could replicate it using the same method and circumstances (Heale and Twycross, 2015). Therefore, this study's validity was determined by its ability to be reproduced, sufficient data collection and correctness of the applied statistical approach (Bhosale, 2022).



Limitations

The study has a few limitations; it included only U.S.-based Fortune 500 companies and did not consider global companies as the political, economic and legislative business environments differ, including laws (Jiang, 2013). International corporations' financial data is not as easily accessible as those in the U.S., making securing an appropriate sample size more complex and potentially inaccurate. Also, the timing of accepting diversity on boards has differed, with many global companies requiring board diversity before the U.S. (Arora, 2021).

Additionally, the study only considered male and female; it did not consider transgender, gender neutral, non-binary, agender, pangender, genderqueer, two-spirit, third gender or any other combination of gender expression. Where sources were unclear by only providing the board member's name and no other identifiable information or image, the researcher used LinkedIn photos to ascertain the gender of the board member. While this was done to mitigate potential error, it is possible this visual review unintentionally misgendered for this study.

Finally, gender norms were exasperated during the pandemic, with one in four women unemployed due to a lack of childcare (Bateman and Ross, 2020). As will be explained in the key findings of this paper, this had a profound impact on its initial results. Finally, climate change causes rising sea levels, heat waves, drought, extreme rainfall, power storms and natural disasters, which are more frequent and intense, resulting in more claims than what's considered historically normal in the insurance industry (Cho, 2022).

Key Findings

The initial results of this study were surprising. When examining the financial performance of publicly traded Fortune 500 insurance companies against their financial performance from 2018 to 2022, a negative relationship was revealed between mean net profit margin and mean gender diversity and mean net profit and the mean percentage of women board members. That is, it initially demonstrated that the higher the percentage of women on the board, the lower the net profit margins, and the lower the percentage of women on the board, the higher the net profit margins. This is similar to Salim Darmadi's 2011 study on financial firms in Indonesia, where he examined gender, nationality and age board diversity and showed gender diversity did not improve financial performance.

However, the years included in this study captured an unprecedented time in insurance history — one that had a severe impact on the industry and professionals' lives.

The COVID-19 pandemic during the years 2020 and 2021 put enormous pressure on the life and health sectors of the global insurance industry, with a historic surge in claims during a time of extreme uncertainty (Makda et al., 2022). These challenges required the involvement of national regulators and lawmakers on a never-before-seen scale to review contract policy wording (Turnbull and Wood, 2023). The insurance industry engaged with regulators, mainly in an adversarial process, looking for guidance on policyholder claims without legal wording on pandemic coverage. For example, in January of 2022, Howden, an insurance broker, estimated COVID-19 cost the industry $44 billion, the third-largest cost of any catastrophe behind Hurricane Katrina and the Sept. 11, 2001, terror attacks (Turnbull and Wood, 2023).

At the same time, the pandemic enflamed gender disparities in employment spaces. With mandated work-from-home efforts and the shift to remote learning, parents and guardians had to contend with their children in the home on top of their work needs. Ultimately, one in four women became unemployed due to a lack of childcare (Bateman and Ross, 2020), which could have had consequences on their career aspirations, ultimately inhibiting their ability to scale the corporate ladder and secure board positions.

Considering what a unique and disruptive time this was, the abundance of articles written on the financial impact of COVID, its aftermath and insight into higher corporate profit margins pre- and post-COVID-19 than intra-COVID (Palazzo, 2023), the years included in this study were adjusted. A statistical analysis was conducted with the same sample of insurance companies, excluding 2020 and 2021, to determine if there was a correlational relationship between gender diversity on boards of insurance companies and financial performance for 2018, 2019 and 2022.

Statistical Package of Social Sciences (SPSS) software was used to determine the gender diversity mean, net profit mean and standard deviation of both. A Pearson Correlation was run between the mean net profit and the mean gender diversity to determine the relationship between gender diversity on boards and the percentage of gender diversity on boards of insurance companies and financial performance.

Table 1

	N	Minimum	Maximum	Mean	Standard Deviation
Mean Gender Diversity: Non-Pandemic	26	.09	.52	.3025	.09552
Valid N (listwise)	26				

Table 1 shows the descriptive statistics for gender diversity. As per the gender diversity table, the mean gender diversity was 0.3025 (SD = 0.09552), with 0.09 as minimum gender diversity and 0.52 as maximum gender diversity.

Table 2

	N	Minimum	Maximum	Mean	Standard Deviation
Mean Net Profit Margin: Non-Pandemic	26	-2.89	25.05	8.4006	7.48881
Valid N (listwise)	26				

Table 2 shows the descriptive statistics for the net profit margin. The net profit margin table shows that the mean net profit margin was 8.4006 (SD = 7.48881), with -2.89 as the minimum net profit margin and 25.05 as the maximum net profit margin.

Table 3

	N	Minimum	Maximum	Mean	Standard Deviation
Mean Percent of Women Board Member: Non-Pandemic	26	9.39	52.09	30.2525	9.55157
Valid N (listwise)	26				

Table 3 shows descriptive statistics for the percentage of women board members. According to the Percent of Women Board Member table, the mean percentage of Women Board Members is 30.2525 (SD = 9.55157), with 9.39 being the minimum percentage and 52.09 the maximum.

Research Question 1:

Is there a correlation between gender diversity on boards of insurance companies and financial performance?/Hypothesis

Correlations

		Mean Gender Diversity: Non-Pandemic	Mean Net Profit Margin: Non-Pandemic
Mean Gender Diversity: Non-Pandemic	Pearson Correlation	1	.016
	Sig. (2-tailed)		.939
	N	26	26
Mean Net Profit Margin: Non-Pandemic	Pearson Correlation	.016	1
	Sig. (2-tailed)	.939	
	N	26	26

A Pearson's correlation was performed to establish a relationship between net profit margin and gender diversity. As per Pearson's correlation, $r = .016$; $p = .939$. This shows a positive association between mean net profit margin and gender diversity. The higher the percentage of women on the board, the higher the net profit margins.

Research Question 2:

Does the percentage of women on boards of insurance companies improve financial performance?/Hypothesis

Correlations

		Mean Percent of Women Board Member: Non-Pandemic	Mean Net Profit Margin: Non-Pandemic
Mean Percent of Women Board Member: Non-Pandemic	Pearson Correlation	1	.016
	Sig. (2-tailed)		.939
	N	26	26
Mean Net Profit Margin: Non-Pandemic	Pearson Correlation	.016	1
	Sig. (2-tailed)	.939	
	N	26	26

A Pearson's correlation was performed to establish a relationship between net profit margin and gender diversity. As per Pearson's correlation, $r = .017$; $p = .939$. This shows a positive association between the mean net profit margin and the mean percentage of women board members. Again, the higher the percentage of women on the board, the higher the net profit margins.

Implications for Practice

This research study has explored the complex relationship between gender diversity on boards of Fortune 500 insurance companies and their financial performance.

While initially mixed, the results presented in this study ultimately support a positive correlation between gender diversity and company performance.

The implication of these findings is significant and contributes to the ongoing discourse on board diversity and its impact on organizational outcomes.

This finding highlights the importance of recognizing the nuanced relationship between gender diversity and financial performance. Despite the widely acknowledged benefits of diverse teams, including enhanced creativity, innovation and improved understanding of various customer bases (Eagly and Heilman, 2016; Lee and Wilkes University, 2018; Pieroni, 2019; Shemla, 2018), this research revealed a negative correlation initially. Subsequent analysis suggested a positive relationship when the tumultuous years of 2020 and 2021 were excluded. This demonstrates the potential influence of external factors, such as the COVID-19 pandemic, on the observed correlations.

Regarding the research framework, this study notably extends Hambrick and Mason's UET (1984) by establishing a correlation between the percentage of gender diversity on boards of Fortune 500 insurance companies and their financial performance. By addressing a gap in Hambrick and Mason's original work — which did not consider gender as a factor influencing leadership choices — this study contributes valuable insights into the intersection of gender, leadership perspective and organizational outcomes.

As such, this emphasizes the need for organizations to recognize gender as an impactful characteristic. As organizations strive for diversity and inclusivity, acknowledging the potential influence of gender on financial outcomes becomes imperative.

Conclusions

The relationship between corporate boards and gender is a complex one, as it is prone to influence from societal gender norms and organizational trends, whether overt or unintentional. This study expands existing literature gaps on this issue by determining a correlation between board diversity and financial performance.

With the world-shaking, norm-shattering impact of the COVID-19 pandemic, it should come as little surprise that those years threw the initial review of collected data askew. Including 2018–2022 made it appear that there was a negative relationship between board diversity and firm performance. When 2020 and 2021 were omitted — due to the harmful impacts on female professionals' careers and the insurance industry as a whole — the true positive relationship was revealed: The higher the percentage of women on boards, the higher the net profit margins; the lower the percentage of women on the board, the lower the net profit.

Looking ahead, future research should expand beyond gender to consider other forms of diversity, such as race, ethnicity, sexual orientation and age. These additions will recognize the multifaceted nature of diverse perspectives. Additionally, a shift toward qualitative research methodologies could provide deeper insights into the impact of diversity on board decision-making. By incorporating personal accounts from board members, researchers can explore the nuances of board dynamics, assess whether diversity is genuine inclusion or mere tokenism and understand the experiences of female board members in decision-making processes.

As organizations navigate the complexities of diversity and leadership, the findings presented here offer a foundation for further exploration and understanding in the pursuit of a more inclusive and effective governance.

About the Author

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Mickey Herbert came to know Gallagher during the acquisition of her former company in 2018, a moment that struck a chord as she witnessed firsthand its corporate-wide commitment to diversity, equity and inclusion (DEI). Upon joining the company, she began chairing its newly launched regional Inclusion and Diversity committee. This role gave her a powerful opportunity to contribute, shape and advance DEI initiatives to ensure everyone feels empowered and valued in Gallagher's growing offices around the globe.

Herbert's passion for DEI efforts goes beyond her current tenure at Gallagher. As a Black woman, she has firsthand experience with the challenges and barriers that arise from systemic inequalities and biases. DEI is important to her as it addresses ongoing and historic injustices while enriching communities and alike by bringing diverse perspectives and ideas to the table. At Gallagher, she uses this knowledge and her values of fairness, respect and empathy to drive positive change.

Herbert earned a Bachelor of Business Administration (BBA) from Howard University and her Master of Business Administration (MBA) from Grantham University. In 2024, she completed her Doctor of Business Administration (DBA) from Northcentral University. She also holds a Black Insurance Industry Collective® (BIIC®) Executive Leadership Program certificate from the University of Virginia Darden School of Business.

About Gallagher

Founded by Arthur J. Gallagher in Chicago in 1927, Gallagher has grown to be one of the world's leading insurance brokerage, risk management and HR and benefits consulting companies. With significant reach internationally, our organization employs more than 54,000 people, and our global network provides services in more than 130 countries.

Inclusion and diversity (I&D) is a core part of our business, and it's woven into the fabric of our organization. We understand it's essential to have a workforce that's representative of the clients and communities we serve and that the quest for strong future leaders comes from within. It's why we cultivate national and local relationships to support career exploration and professional development for young students and entry-level hires. We work hard to help everyone around us feel valued, respected and supported, from our employees and clients to suppliers and stakeholders.

As a global company, we can impact people's welfare in a powerful way. We accept that challenge and support a number of organizations through strategic partnerships and sponsorships to make a greater impact in our global communities for diversity and inclusion.

To learn more about Gallagher's inclusion and diversity efforts, visit ajg.com/us/about-us/inclusion-diversity.

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