INTERVIEW

BY **JENNIFER BAKER**

A DIVERSE FUTURE IS A STRONGER FUTURE

As CEO of the High Performance Institute, Kirsten Sasady works on leadership development and organisational capability in knowledge-based environments. She has a particular interest in how a diversity of perspectives strengthens collaboration, decision quality and long-term value creation in professions such as the actuarial field, and with more than 20 years of experience across insurance, pensions, regulation and consulting knows how it works in practice. She spoke to The European Actuary about how diversity can be a strategic capability for the actuarial profession.

KIRSTEN SASADY

How has your own experience shaped your perspective on diversity and inclusion in the actuarial profession?

'I quite early had leadership positions within the actuarial world, and when you get the opportunity, you want to change things for the better. I've always been driven by improving things rather than simply accepting the status quo – I always want to change things for the better for all of us. But what I often discovered was that you could discuss how things could be better or different, but when it came down to practice, it was always short-term next quarter thinking. And that limits the ability to actually change things. In fact someone once told me "you would have great career opportunities if you just stopped asking questions and just do as you're told." But we miss so many perspectives that way.

To me, diversity is fundamentally about broadening perspectives, improving decision-making and helping the profession navigate an increasingly complex world. The goal is not diversity in itself. The goal is better >

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decisions, stronger organisations and long-term value creation. Diversity is one of the means to achieve that.'

How diverse is the actuarial profession in Europe today compared to when you started and where do the most significant gaps remain? For example, gender, ethnicity, socioeconomic background, neurodiversity, etc.?

'In my work on diversity, I try to avoid talking about these labels. My view is that all of us are different people, and often we don't even have to know why we are different, just that everyone is an individual. As a manager or leader you need to bring out the best in everyone, so you have to stop labelling people or expecting to know who they are from a superficial label. Start by being interested in the people you work with.

You asked what I think has changed in the profession since I started more than 20 years ago, and actually I don't think a lot has changed. Not in the way we run companies, and that's what I want to change. Since my last article, which was two years ago, a lot has changed in the surrounding world – now we have AI everywhere, and things are moving more and more quickly. We need to be able to adapt, and if we still drive companies and the profession thinking we know best, and don't need other perspectives, we risk becoming less relevant as AI increasingly takes over technical tasks. AI can build on enormous amounts of existing knowledge and data, but we still need people who can challenge what we already know, imagine different possibilities, integrate different perspectives and ask the questions we have not asked before.'

What is the concrete business case for greater diversity in actuarial teams — do diverse teams produce better work? Can you point to examples where lack of diversity has led to blind spots in actuarial models or risk assessments?

'I do have a great example but from a different profession. A woman I know worked in the telecom industry at the beginning of the 2000s and all of the management team had been working within the telecom industry for years, when this new thing arrived. It was the possibility of cell phone data, and they couldn't figure out how to sell it to the clients. They thought everyone just wants cheap voice calls and cheap texts, and why would anyone want phone data? So they ended up giving it away for free! This was about half a year before the first iPhone.

So the point is that if just one person at that table had been from a different industry, or maybe younger, or with a more open perspective, they might have seen where the disruption was going to come from. It's not only the actual profession, but also every profession right now. I think disruption always comes from places you don't expect, so if you surround yourself with people who think the same, and you have a culture of just agreeing, you miss a lot!'

What are the most persistent structural barriers that prevent underrepresented groups from entering or advancing in the actuarial profession?

'Actuaries are rightly proud of their expertise. But expertise can sometimes make us overconfident >

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in our own perspective. We are very clever, but we're clever in our own ways. When I meet people and I tell them I studied actuarial math, they always respond with "Oh, you must be so clever." But I'm clever on a very specific topic, it doesn't mean I know everything. Unfortunately, I think there's a tendency within our profession to think that we know most things, and we don't need other perspectives. And that's one of the biggest barriers, both for recruiting and retaining people.

I left the profession because I got so frustrated with not being allowed to be different, and not getting any points for asking questions, and trying to change things. I think that's one of the biggest risks, and it's also why younger people may choose differently. It's not like the old days, where you become an actuary and you stay an actuary for the rest of your career. If people are not content with what they're doing, they're going to do something else.'

How much of the diversity challenge is a pipeline problem versus a retention and promotion problem?

'It's both. I work with diversity in many professions, and I think at least now in Denmark, we've gotten to a point where people understand that they need to hire more diverse people of more diverse backgrounds. But many organisations still approach diversity primarily because they feel external pressure rather than because they understand its strategic value. They do it because they think the surrounding world expects it of them. They do it to take nice pictures where people look different. They do it to be able to say "look how diverse we are." Often, they haven't yet connected diversity to better decisions, innovation and long-term resilience.

I'm also working in an ISO group making a global standard on diversity management, and we're trying to create a management system standard under governance. We're trying to take diversity from being an HR nice-to-have project to a need-to-have project that is central for your company strategy. Because if you know why you want diversity and it's because you want different perspectives and you want to be ready for the future, then you're going to look for diversity when you hire, and you're going to create a culture where speaking up is what people are applauded for, and not for keeping quiet.'

Are voluntary initiatives enough, or is there a role for mandatory targets or reporting?

'I think mandatory targets often create more difficulties than advantages, because if you say we need to hire more women, then you have the bigger group saying you were only hired because you were a woman. Or you will have people who think that you're going to take from one group and give it to another. It's not a zero-sum game; it's actually really the opposite.

It's also about people using their brain capacity for doing the actual work instead of trying to fit in – because even within the majority, people >

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are different, with different perspectives, experiences and needs. In some companies, there has traditionally been a strong fit-in culture, but creating room for people to be different benefits everyone.

And that is also about recognising that we are human beings outside the workplace. People go through different phases of life, and at some point, almost everyone will experience circumstances where flexibility and understanding matter. Maybe you have small children, maybe later in life you have aging parents you need to take care of, or maybe something else happens in your life that requires flexibility. In the end, everyone benefits from a culture where there's room for being human.

Organisations were created as though we are all the same, and as though life outside work has no impact on us. We need to change that.'

What concrete steps should actuarial employers, professional bodies, and educators each be taking right now? How can the Actuarial Association of Europe (AAE) and national actuarial associations better collaborate on diversity?

'The first point is to educate yourself on why you want diversity. There are some people who understand that, and there's research that shows that more diversity creates better decisions, better innovation, but it doesn't happen all by itself. It happens if you have leaders that know how to put it into play. So, if you just add diversity, it's just going to create friction, and it's not going to be helpful. So, what I want the profession, and managers, and everyone else to understand is the "why". It's not about morals or ethics, it's actually about all of us, and it's going to benefit all of us. It's not about helping, it's about being ready for the future. I think the world has become too complex for one person or one profession to understand. We need to collaborate, and we need to understand that people who see the world differently from us are going to help us see the world differently too.'

What does a truly diverse and inclusive actuarial profession look like to you in 10 years' time?

'I think AI is going to take over a lot of the work that we do today, so I would like us to become a profession that focuses increasingly on what humans bring – challenging assumptions, thinking beyond existing knowledge and patterns, imagining new possibilities, integrating different perspectives, asking better questions and bringing human judgement to decisions that affect people. We're going to challenge the assumptions, and we're going to integrate different perspectives and ask better questions, and be the guardians of decisions regarding people. And one of the things I'm also increasingly interested in is to get the profession back on track in remembering why we are here. Insurance was created to help people share risk, and it's not about profits. In my opinion that's not the end goal. The end goal is helping people share the risk, and I think we should remember that an ethical profession helps people in the wider society.' <