

Coursework Consultancy project

Title: Workforce Diversity Training Programme Evaluation – Aetna Health Insurance corporation.

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Executive Summary

Training people to get them sensitized about inclusion and diversity has emerged as an important HR practice in organizations today. The research on training the employees on matters of diversity has gained prevalence today but it is still to get robust theoretical base in literature. The consultancy report presents an analysis of diversity issues in Aetna, a health insurance organisation that is popular and a market leader within its industry. Initially a highlight of literature has been provided on a broader spectrum of diversity concept covering age diversity, ethnicity, disability etc. However, as this report focuses on workforce diversity training programmes, there is a critical assessment based on how Aetna have managed their workforce diversity programmes and its value for money outcomes judged against their policy statements. Thus, report identified several issues with Aetna's diversity policies on their training programmes specifically targeting workforce diversity, way it was implemented and the results that are generated in justifying value for money. The report helps in finding the gaps in the current literature and also recommends the ways in which these can be fulfilled in practice. The evaluation shows that the duration of on the job training for diversity is much lesser than that of the off the job training. The off the job training sessions are mostly 3-7 days exclusive training sessions while the on the job are sessions for a few hours only. There were no linkages found between the location of the training and the duration of the sessions. Actually, the consultants found that there was no real synergy between the duration of the programmes and the learning objectives that had to be received for those. For example, the training sessions that were being delivered to enhance the skill sets of the employees were often of very short duration and the sensitizations and knowledge enhancing programmes were of longer duration for the people. Such anomalies have to be corrected in the future.

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1.0 INTRODUCTION

Having a health insurance for oneself and family members has become one of the critical needs in the current times. The various socio-economic, cultural, and economic factors have contributed towards building a society where one needs to be aware of one's social and physical environment. Health insurance is a small step with large benefits, towards acting responsibly in healthcare management. This insurance allows for a small co-payment to gain access to a wide variety of care services on demand. The greater the insurance coverage of an individual, the larger may be his demand for medical care, which is also termed as a 'Moral Hazard Effect' (Aguinis & Kraiger, 2009). Having a health insurance coverage also allows for preventive care like yearly physical examinations, vaccinations, and access to medical care for trivial concerns like common cold etc. The Affordable Care Act is one of the key reasons for boost in the demand for adequate health care (Alcazar et al, 2013). This is the reason for the growing popularity and emergence of low-cost health insurance provider like Aetna.

This report is a consultancy-based discussion to provide details on an evidence-based approach to contemporary issues in people management in insurance sector. The report discusses the specific case of global insurance provider Aetna and elaborates on the diversity management issues in the firm. Basis this, the report presents a business case for adopting adequate policies for improving competitive agenda for diversity in the firm. First an exhaustive literature review has been provided, discussing a broader perspective on diversity management as it is practiced in organisations. This serves as a base for a critical review and analysis of how Aetna has conducted its workforce training programmes on diversity.

1.1 Methodology

The report was made by first reviewing the document that laid down the complete diversity training module at Aetna's from the year 2012 to 2017. The report also has the points that have been mentioned in the diversity training programs given by Denyer and Tranfield (2008) and Brammer et al (2009). This practical as well as theoretical method has much significance. It presents a step by step process for training the staff on diversity. The literature review in the report will help the consultant who will be hired by the company to base the practices on robust theory.

To have an exhaustive database of the main diversity training literature and modules the consultant went through the following process: First of all, the boundary was set as to what literature would be searched for and this was applied to only articles that have been in the Association of Business Schools (ABS), Academic Journal Quality Guide Version 4 as per the subject area (Bezrukova et al, 2012). Second the article that have been listed in the ABS on the following topics were used, human resource development, Youth studies, Psychology, and Social Science. These were selected because the probability of finding diversity training modules were very high in journals of these topics. Third. Electronic resources like the Business Source Complete, SAGE, and many other such databases were used to make the literature review.

2.0 Workforce diversity management - literature review

This section will elaborate on the theoretical positions which justify the business case of diversity and equality in a workplace. The section also describes the definition and understanding of diversity management in general, its perceived benefits and the justification for organisations like Aetna to adopt it as a practice and policy.

2.1 Diversity Management concept

Diversity management in firms is an attempt to value and maintain heterogeneity within the firm to ensure high performance (Ozbilgin and Tatli, 2011). Within countries like the US and the UK, diversity management has been adopted as an initiative towards larger liberalisation and deregulation. Within their business environments, there has been a radical shift from a legal case to an actual business case for upholding diversity within organisations (Brammer et al, 2009). According to Shen et al (2009), diversity management at the workplace is a proactive attempt to maximise employee ideas, innovations and maximising employee potential at work.

Ozbilgin and Tatli, (2011) Also describe that the private sector firms show higher belief and diversity management practice as they are strongly profit-driven. On the other hand, public sector indulges in diversity mainly from a social responsibility perspective. However, the definition of diversity management is gradually evolving to include both visible and non-visible characteristics, unlike before where it is majorly focused on protecting minorities. Wider characteristics like age, gender, sex, physical abilities etc. have come under its purview as compared to race or ethnicity which was the earlier focus. While diversity strategy is focused on characteristics of groups and individuals, 'equality' as a strategy is more related to autonomy and opportunities for employees in various processes.

2.1.1 Gender diversity in the workplace

Gender diversity and its application in the Europe has become a high-profile debate in the recent times. Various justifications have been provided for the internal and external business benefits which such a move offers. The FTSE report for 2012 described that only 15% of FTSE 100 board members were women. Likewise, the GMI Ratings'2012 within the USA also revealed women represented only 12.6% of the board members between the period 2009 to 2011 (Celik et al, 2012). The survey revealed a better representation for women in France (16.6%), and Germany (12.9%), and Norway (36.3%). The various evidence on impact of gender diversity at the workplace tend to segregate the benefits into two categories. Firstly, in terms of benefits of access to more talent (Combs & Luthans, 2007), and secondly in terms of benefits of better stakeholder management within the firm providing external business benefits (Brammer et al, 2009). Researchers have established the 'internal benefits' of having a gender-diverse board of directors in terms of better ideas and more innovation (Dobbin et al, 2011). Likewise, some researchers have also highlighted the business case of such a diverse representation stating that such firms with higher gender representation have average return on equity of 11.4% as compared to a 10.3% return for those firms with lesser women representation (Groeneveld & Verbeek, 2012). Likewise, such firms also achieved an average stock price growth of 64% as compared to a 47% value achieved by those with lesser representation (Hubbard, 2014).

2.1.2 Age diversity in the workplace

Age-diversity in the workplace has also been justified on various grounds.

Doorenbos et al (2010) describes that representation of younger people on the board gives it a higher ability to take risks, while older members continue to provide guidance based on their experience. A report by the Chartered Institute of Personnel and Development describes that with more than 13.5 million vacancies arising in the UK in the next 10 years, the number of young graduates estimated as 7 million may not be sufficient to fill these positions (Ernst & Young, 2010). Likewise, another report by the OECD (2011) also describes that skills and experiences of older population is critical for ensuring quality within the manufacturing sector. Some researchers also argue that employing older workers may block the progress of the younger generation (Moss, 2010), but these claims have not been empirically established. Overall, most employers believe on adopting a mixed recruitment strategy to gain from experiences of the older employees and have fresh innovative ideas from the younger employees (King et al, 2012).

2.1.3 Ethnic diversity in the workplace

Ethnic diversity in the workplace has also been linked with positive business impact. Wagner (2007) conducted a secondary literature review to describe various studies which have established the relationship between ethnic diversity in the workplace and superior firm profitability. Likewise, within the UK as well, a study amongst FTSE 100 firms has established a strong linkage between the stock performance of a company and the representation of ethnic minority groups (de Menezes & Kelliher, 2011). A case study on the Rabobank Nederland established that higher representation of ethnic minority also led to increase in market share for the firm (Aguinis & Kraiger, 2015). There are studies which have reported positive correlation between ethnic diversity and rising rate of return amongst banking firms and on overall positive impact on the business settings (Celik et al, 2012). CEA (2006) also describes that the diversity climate of a firm may also be correlated with the sales performance of the firm in its business markets. Unlike the gender diversity, there are less empirical studies available on impact of ethnic diversity on business outcomes.

2.1.4 Disability, religion and sexual orientation

There are fewer studies to describe the causal relationship between diversity aspects like disability, sexual orientation, or religion and the overall business outcomes. In most cases, it is because of data limitations. Few private firms collect data on sexual orientation or religion. Even if they do, they may have low response rates, particularly disability has a wide range of conditions and may not always be self-reported. Even for publicly available data sets, there are few studies establishing relationship between sexual orientation and business outcomes. Likewise, studies on religion are also quite few as questions on religion have begun to get included only after Labour Force Survey 2014. However, there are studies establishing wider definition of workplace diversity and not restricting it only to religion or sexual orientation. One may try to generalise that findings from such research may equally apply to any diverse setting irrespective of specific data on sexual orientation, religion or disability. For instance, Hubbard (2014) describes that a demographic heterogeneity within a firm helps determine the nature and extent to which it manages its external networks, and hence also determines the business performance.

2.2 Evidence on Workplace equality approaches

The last two decades have been seeing a growing relationship between HRM practices towards superior employee relations and the employee performance (Combs & Luthans, 2007). In general, most of the employee relations practices are tailored to promote a flexible work environment, provide equal opportunities at the workplace, and other forms of employee satisfaction practices (Dobbin et al, 2011). In general, for researches conducted in this area, the standard practice is to bundle up such form of practices as a variety of indicators and then study the causal relationship with firm performance. For instance, data released by the Workplace Employment Relations Survey (WERS) for 2014 revealed that 25% of the workplaces focused special attention to gender, age, sex, disability and ethnic diversities while handling recruitment for open positions. Likewise, nearly 70% of organisations believed that they could think on the possibility of reducing work time to ensure better work-life balance of employees. A number of empirical papers like Groeneveld & Verbeek (2012) make use of the data released by WERS to assess the relationship between employee relations practice and workplace performance.

Most of the existing literature tend to capture the impact of equality policies and practices in an implicit manner. For instance, a survey by King et al (2012) conducted across Irish firms revealed that there was a strong relationship between equal opportunities at the workplace and overall employee satisfaction rating for the employer. However, keeping other factors as control, there are few researches to establish that equal opportunities are linked with higher job satisfaction or increased commitment to work. Shen et al (2009) conducted a study to understand the link between policies promoting equal opportunities and the business performance of the firm. The econometric investigation revealed that the relationship is complex and difficult to prove the larger benefits. The analysis revealed that these practices did not incur much cost to the firms, and the benefits were largely for the larger and mature organisations. The study recommended that more work was required in this subject.

A study conducted by DeMenezes & Kelliher (2011), was aimed to analyse the systematic evidence of linkage between business performance and flexibility practices at workplace. The study concluded that it was difficult to demonstrate the business case for flexibility practices. Another study conducted by Denyer & Tranfield (2008) tried to analyse the relationship in ten SMEs and four large sized organisations in the UK. The study looked at practices towards flexible work practices, and family friendly work arrangements. The results revealed that these SMEs can reap a number of business benefits of adopting such practices including higher retention of a highly skilled workforce. Ozbilgin & Tatli (2011) also revealed through a survey that diversity management practices promoted a high-performance work system with enhanced workplace productivity. Firms with higher use of diversity management practices reported increased labour productivity, higher innovative practices in the workforce, reduced rate of voluntary turnover. Firms using high-performance work systems and greater diversity management in tandem could explain 13.2% of the correlation with worker productivity, 8.8% of the innovation and 8% of voluntary turnover.

Another such study was conducted by Alcazar et al (2013) which tried to study the impact of announcement of awards for exemplary action initiatives, and the damages for discrimination on the value of the company's stock price. The study adopted an event-study methodology and concluded that announcement of awards

lead to an increased competitive advantage, and also a stock price rise for the firm. Likewise, incidents which highlighted discriminatory practices led to reduced stock price valuation. Brammer et al (2009) also discovered that High Performance Work Practices (HPWP) are strongly associated with high firm performance, superior employee commitment and higher effectiveness. On the other hand, a 2004 CIPD survey showed a weak relationship between HPWP, work-life balance and workplace diversity. Other literature reviews like, Combs & Luthans (2007) also highlight that it is difficult to conclude much from these studies. Dobbin et al (2011) described that there is lack of concrete evidence to demonstrate the business benefits of diversity and equality management and that most of the evidence is only context-specific and difficult to generalise. This explains how data and methodological differences can make such generalisation difficult to achieve. Firstly, most of the evidences on impact of policies show little light on the impacts of diversity management practices. Likewise, most studies trying to describe the relationship between company policies and impact on firm performance may suffer from an 'Empty Shell Approach' which firms are likely to adopt (Doorenbos et al, 2010). If organisations adopt an approach where diversity policies are on paper alone and not much into practice, then survey indicators as used in such studies may not be able to capture the impact on business performance. Secondly, most of the methodological approaches used in studies to capture causal impact of diversity on business benefits, tend to rarely deal with work environment complications. They may ignore the relevant variables or fail to adopt a comprehensive approach leading to biased estimates. The relationship between policies, practices, diversity and business outcomes may be quite a complicated one.

2.3 Business Benefits of Diversity

There are various studies which have tried to establish the business case for equality and diversity. Most of these studies have tried to focus on establishing the potential costs, or losses, etc. associated with equality practices and their lack of it. For instance, Ozbilgin & Tatli, (2011), concluded from their research that lack of equality management practices was associated with high turnover amongst the employees, loss of talented employees, and bad publicity in the market. Another study conducted amongst 139 Hispanic employees to study the costs associated with discrimination at the workplace found that perceived discrimination in the job environment is linked

with negative outcomes like, low job satisfaction, low commitment, high work tension amongst employees (Moss, 2010). Likewise, the Commission for Racial Equality (1995) also describes that discriminatory practices in the workplace is also linked with higher rate of absenteeism. Another case study based on a construction company established that senior leadership believed strongly that their positive action policy and fair employment practices have given them the necessary popularity and competitive advantage in their markets (Wagner, 2007). An empirical study using 1998 Workplace Employee Relations Survey (WERS) also concluded that workplace practices or Equal Opportunity Policies (EOP) tend to enhance motivation and productivity of workers. This effect was more pronounced in organisations which had a greater representation of women or ethnic minority employees. All this highlights that the more the diversity in the workplace, the more evident are the short term and long-term impacts of having equal opportunity policies (King et al, 2012).

Based on an extensive literature review on this subject, Doorenbos et al, (2010) established a list of six primary business benefits of a diverse workforce:

1. Cost argument: Managing diversity better can give a cost advantage as the cost of doing a poor job for worker integration is rising.
2. Resource-acquisition argument: Organisations adopting equality practices for women and ethnic minority tend to gain high reputation as prospective employers and tend to attract the best talents in the market
3. Marketing argument: MNCs tend to gain more insights or cultural sensitivity of their markets if they have themselves have a diverse workforce which brings in diverse opinions and perspectives on the table.
4. Creativity argument: Diverse employees at the workplace bring in high creativity as there is less focus to conform to past norms
5. Problem-solving argument: Inclusion of heterogeneous members adds diversity of thoughts, opinions, and experiences, which in turn helps solve a wider range of problems.
6. System-flexibility argument: A system with high diversity is more flexible, less standardised and can respond better to environmental changes.

All this offers a wide range of potential business advantages and has also been supported by various studies. Brammer et al (2009) describes that increased

diversity enhances the ability of the firm to understand and respond to local market changes, local customer needs, ability to attract and retain best people, higher problem solving and flexibility. Anecdotal evidences from primary studies, surveys, and interviews have also built more evidence on this proposition. For instance, the interviews conducted as a part of the study by Ozbilgin & Tatli, (2011) described that leadership of most organisations believed that diversity helped them to recruit best people from the market, enhance efficiency of business functions, build trust-based relationship with employees, ensure higher satisfaction and commitment from workers, and overall have a high-quality service delivery. Another study conducted by Ozbilgin & Tatli (2007) surveyed 285 officers on diversity and equality management practices and their impacts for the organisation. The survey revealed the top-ranking business benefits which these officers perceived. 63.9% believed that they could recruit or hire best talents, 60% believed that such practices have high business advantage, 47.3% believed that it creates less recruitment problems, 43.2% believed that it helped strengthen customer relations, and 42.6% believed that it added diverse ideas and creativity for better product and service design.

4.0 A CRITICAL ASSESSMENT OF AETNA'S DIVERSITY PROGRAMMES

4.1 Overview of Aetna's Diversity training programme

Aetna is one of the biggest and most diversified healthcare company in the country with a client base of almost 44 million people. Its huge database and expertise has allowed it to serve more these people and help them take rational decisions. The products and services that the company offers range from conventional, voluntary and patient directed health care products like medicines, pharmacy, dental products, life insurance, service to disable people and medical management facilities. They also provide services like medical health care, admin services etc. The client base of the company includes people like other organizations, groups of people, students, part-time workers and also the government. Diversity therefore is at the heart of the values of the company.



Figure 4: Aetna's diversity agenda

The company has been very particular on its workforce understanding and behaving in manner that fits its agenda of taking the communities along. The culture is to encourage diversity in the organization and motivate everyone to do their best (Aetna's 2017 annual report). The company has collaborated with Magic Johnson Enterprise. The two companies have the common goal of improving the awareness level for organizations and the individuals on healthcare and helping them make better decisions when it comes to their well-being. The company has also been applauded for its diversity and has been awarded for being in the top 40 most diverse organizations. The company was also among the top 100 companies for employees in the year 2008 (Shen et al, 2009).

4.2 Theoretical framework for assessment

The segment here will be focused on the diversity training for the workforce that is conducted at Aetna's and will use the value for money methodology to check for the most impactful process at the lowest minimum cost.

There have been a number of researchers who have studied the results of the diversity trainings. There have been a lot of analysis on the results of these training sessions (Combs and Luthans 2007). There are two different concepts that have been

used here to get a better understanding of the training effectiveness: the social categorization and the information processing methods.

According to the social categorization concept diversity training will lead to increased fragmentation of the team based on homogeneity of different diversity factors. On the other hand, the information processing concept states that it will enhance knowledge sharing in the workplace. There is a scarcity of studies that use concepts like resource based or human capital theories. Such theories and concepts have not been seen in all the literature that has been reviewed. The focus of these theories is completely on increasing the skills and behaviours that promote diversity and make it work by encouraging team work. There are very few works on the outcomes of diversity training having an impact on discriminatory practices in office, employee experience and retention, greater motivation and high performance. In this report, there are two frameworks that have been used which will assess the diversity training being offered by Aetna in the workforce diversity training and then evaluating its impact. The model has been illustrated below

Organisational Context	
Macro context	Micro Context
Organisation and sector recognize	• Nature of organization to
Strategic or institutional need	diversity training needs
Attendance requirements	

Diversity Training Design Programmes Level

Pre-Training

- Diversity training and outcome
- Definition
- Selecting the trainers
- Methods Used

Post-Training

- Support to imbibe training
- keep track of the evaluation process

Individual Level

Pre-Training

- Attitude on diversity at work
 - Motivation to learn new things
 - Differences in learning styles
- learning
- training

Post-Training

- Motivation to last during work
- The self-efficacy to transfer the
- Reaction of trainee towards the

Diversity Training Outcomes

Human Resources Outcomes

- Increased awareness of diversity at workplace
- Greater Job satisfaction
- Greater individual performance
- More committed employees

Organisational Outcomes

- Low instances of racial discrimination
- Greater ethnic and racial composition of the teams
- Greater performance at work

More retention

Figure 3: Model to understand the case, design and the expected outcome of the diversity training at Aetna's

4.3 Environmental context

Changes within the environment tend to impact the very context in which businesses operate. Within the healthcare sector, the immediate stakeholders to get impacted are the scientists, government and regulatory bodies. The financial crisis and global meltdown are specific examples which highlight the criticality of the environment in determining the future of businesses. Insurance sector is also one such sector which is deeply impacted by the changing socio-economic conditions. Insurance companies, risk managers, risk carriers and investors are amongst the front liners when dealing with uncertainty. The below section describes the PESTEL analysis for Aetna as an insurance provider and the uncertainty which it faces in this sector.

Political

Healthcare sector is highly governed by the political environment. Shifts in government tend to impact the policies underlying health and insurance which impact the bills, claims, and the related processes. Taking the case of 2008 subprime mortgage crisis, when widespread defaults were reported in capital markets and leading investment banks collapsed. Political environment in such a case struggled to battle the shore financial system with more tightening of the credit markets. Political forces battled to create necessary incentives to boost the economy or protect the insurance and healthcare sector from collapsing. Taking the case of Aetna or other insurance companies in general, governments within EU tend to provide tax incentives to the healthcare sector to promote greater benefits.

Likewise, introduction of new schemes like the Retirement scheme in Malta also creates more markets for companies like Aetna. Such retirement schemes create Recognised Overseas Pension Schemes and in turn encourage a larger market for companies like Aetna to operate.

Economic

Changes within the economic climate also pose concern for insurers as it tends to increase the risk involved, particularly in areas of life and health insurance. The success of this industry lies in adequately anticipating and handling risks. Out of the top 10 insured losses from 1970 to 2005, 5 of them occurred in the period 2004 to 2005, during the economic slowdown. This is why the insurance sector keeps a close eye on economic forecasts. Although it is argued that the insurance sector suffers lesser than the banking sector with low liquidity risk and limited systematic risk (King et al, 2012). Insurance firms do not face the risk of a defaulting client, but it is the other way around, as they face the risk of paying in the event of loss, death or maturity etc. (Dobbin et al, 2011). The 2008 crisis saw a decline in the collateralised debt obligations which impacted both banks and insurance companies alike. However, since the last two decades, Aetna followed a strategy of increasing connections with banks and non-traditional insurance, particularly in capital markets. Therefore, the systematic risk has seeped into sales and insurance packages offered by the firm. Diversification into non-traditional activities has led to a systematic link between insurance providers and banks altering the business model for Aetna.

Social

Social factors also impact the health insurance sector. Average age of the population, life expectancy, mortality rate etc. are some factors which directly impact the industry at large. Within the EU, the average life expectancy is higher than most parts of the world. With better healthcare service, the mortality rate is expected to lower down further, leading to better life expectancy in the region. This will eventually also effect the demography, such that a higher proportion of individuals would remain in their retirement age. An ageing population also implies lesser proportion available for the working age group. This would imply an increasing cost for pensions, and health and aged care costs for them. Given the rising costs for

state provided age pensions, several OECD governments have worked to equalise the male and female eligibility ages for beginning of pension age.

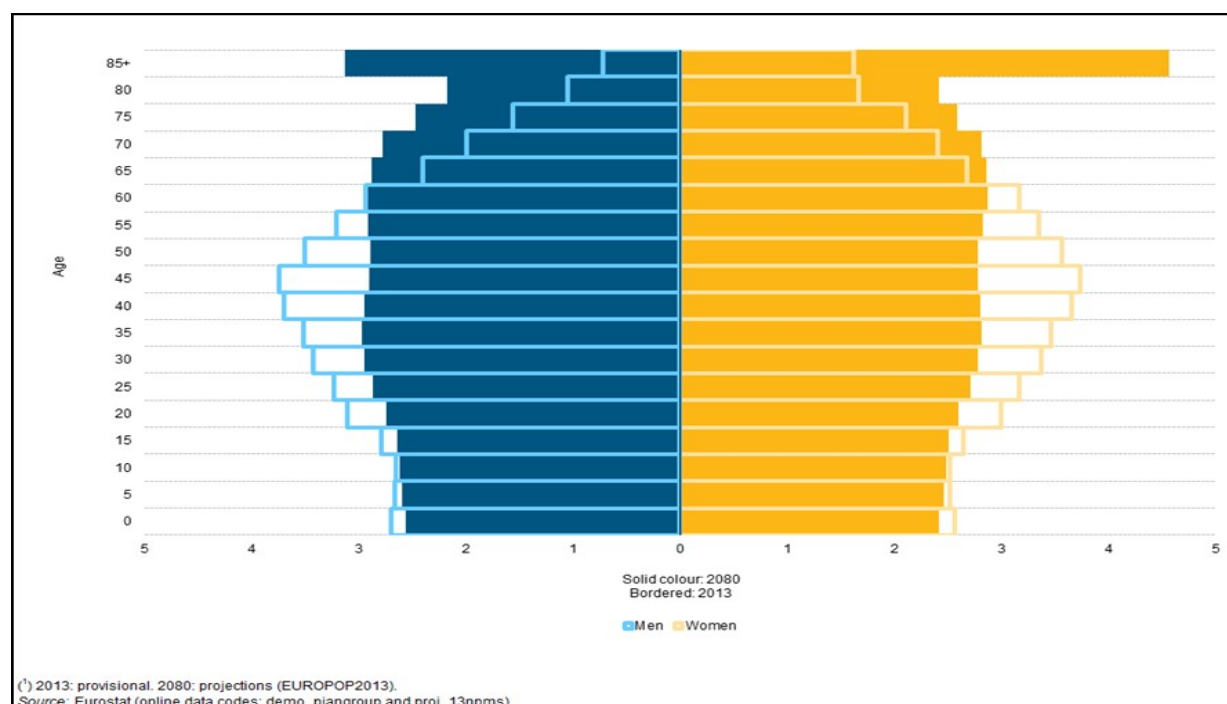


Figure 2 – Population and age distribution - Europe

The extremes for the ranges for life expectancy as evident from 2012 data, are for Bulgaria at 77.9 years for women, and Spain for 85.5 years for them. Likewise, for men, Lithuania at 68.4 years and Sweden at 79.9 year are the extremes. With higher standard of education and uplifting of living standards, the life expectancy is expected to get longer in the future. Looking at the data for the past 5 decades, average life expectancy for both men and women in the EU has increased by 10 years (OECD, 2011). In most EU countries, public pensions constitute one of the largest share of the budget items (Ernst & Young, 2010). Owing to this, most government are rethinking on the retirement age of 65 years. For instance, Germany is planning to raise it to 67 years, UK wishes to raise it to 68 years, and Iceland and Norway have already implemented a 67 years' policy (Hubbard, 2014). The policies aimed to increase retirement age are an attempt to ameliorate the impact on public finances which these governments manage.

Technological

Technological innovations bring about radical changes in the businesses operate within their markets. Newer products and innovations allow for more business diversification to insurance companies. For instance, with rise in solar power and photovoltaic panels, 5% of the electricity demand in Europe is met with this new form of renewable energy (Celik et al, 2012). Basis this, insurance companies have also started providing products with coverage for risks with solar panels. Likewise, with higher penetration of internet and mobile devices, betting industry has grown in scope and scale to become a large complex sector. This has increased demand for insurance for not just property but also towards financial derivatives.

Legal

The legal environment of the markets and the regulatory regime have a major role to play in the industry. Legislations create new form of strategic and compliance related measures. For instance, laws decide on the capital base needed for insurance, which is the biggest pillar to impact this derivative. This impacts areas like, Solvency Capital Requirements (SCR), technical provisions, Minimum capital needs etc. (Wagner, 2007). New requirements lead to insurance companies keeping additional capital base for being compliant. For instance, SII may not be prescriptive in nature. It allows insurance firms to develop their own internal models or take necessary risks based on their self-assessment of appetite, all of which is again subject to regulatory approval (Ernst & Young, 2010). Likewise, regulatory practices determine the flexibility which such firms have towards Own Risk and Solvency Assessment (ORSA) steps.

Environmental

Environmental factors also impact the way businesses are conduct. Particularly for insurance firms, they are at the cutting edge of assessing risk and providing early warning system to the society (Brammer et al, 2009). With new risks emerging in the environment, coverage requirements also keep changing thereby impacting the business model of these firms. Insurance firms need to think 'green' and help customers have adequate coverage to risks from environmental changes, terrorism, etc. Insurers face challenges when designing these products. For instance, identifying and determining the exposure to loss remains an area of challenge. Apart from theories for damage liability in the common law, newer form of theories and

designs are needed for liability for environmental damages claims, third party damages, damage to natural resources etc. It may be difficult to quantify such claims with regard to time, amount or place (Shen et al, 2009)

5.0 The Business case for Aetna's diversity programme

Diversity at Aetna means recognizing and appreciating the differences among the employees. In general terms diversity having a workforce that has people who have different backgrounds in terms of sex, religion, language, culture, gender etc. who can work in a team and perform better than when in a homogeneous group (Hubbard, 2014). This business model is very holistic in nature and it encourages the people to perform at their highest potential. At Aetna, the definition of diversity is core sophisticated and it is not just restricted to just the racial, gender or ethnic background but different work experience, different educational qualification and different cultural background. In the US the diversity training sells only if it can ensure that at the end of it there will be greater team motivation and provides the bottom line to the organization. The case for diversity can be enhanced only if it is not only for compliance with all the negatives of fines due to non-compliance, but also contribute to the success of the bottom-line results and makes the best use of the diverse resource pool that it has.

The employee resource groups that the company has are great examples of the diversity that is on display at Aetna. The Employee resource group that the company has in Africa helped in providing the ideas that has helped the company in penetrating the market, design if products and also in selling the products based on the promotions that were done. There are other ERGs at Aetna like the Telework, Caregivers and Amenabilities that helps in dealing with very specific segments of the market and also exploring the different business opportunities that are present. The Hispanic and the Asian ERGs help in providing translation of languages. The translation is very important as word to word translation does not literally provide the same meaning as the original and one has to have an intelligent person conversant in that particular language to be able to translate the same. The Generation Y ERG has helped the company in designing a retention model that is very popular with the employees. They also help in the marketing endeavours of the company.

5.1 Critical Analysis

As per the work done by Ernst & Young (2010) around 13% of the 8000 strong women participating in the International millennial survey did not want to be a part of the insurance companies as it had a bad reputation when it came to diversity. The hesitation of the women to work in the sector was found to be highest among the Asians at 19%, which was 10% in Western Europe and 11% in North America. This finding mirrored the fact that there were issues in the insurance sector when it came to dealing with women as the clients. Another study done by the AXA¹¹ in 2015 stated that with the trends showing that women have now more wealth than ever and they have increasing clout in the boardrooms. This could be a \$1.7 trillion market for the insurance agencies by the year 2030 (Aetna, 2017). This is more so in the emerging markets where the power of women has been greatly side stepped. When the industry taps into the talent pool that the women provide they can use it to enhance their organizational growth and also open up a new customer segment for the future.

These findings were stated the study of the diversity programme of Aetna as per the framework given in figure 3 of the report.

5.1.1 Recruitment of workforce

The recruitment and selection process at Aetna's shows that the selection of the candidate is based completely on the knowledge, skill and abilities of the person and on no other factor. The equal opportunities in the organization has been brushed onto many aspects of the organization like the employee relationship segments like hiring, promotions, learning and development, conditions of work, incentives and pay. The decisions are made using quantitative evaluations of the performance and the contribution of the employee towards the growth of the organization.

5.1.2 Training Duration

The consultant found that the off the job training programmes were far more in duration than that of the on the job training programmes. The off the job training programme lasted a few days while the on the job training programmes lasted for only a few hours. The report has also found that the duration of the training has nothing to do with the location of the job of the employee. There was lack of synergies in the

type of training and the duration of the training provided. For example, the trainings for the behavioural sessions that were for bringing change in attitude towards diversity were very short while the duration for just sensitizing the employees on diversity took much longer time.

This reveals that there are serious changes to be made in the implementation of the diversity training modules.

5.1.3 Identification of Diversity Training Needs

The analysis that has been done shows that there is a lack of needs analysis on the part of Aetna when it comes to providing the diversity trainings. Different training programmes which have been found in the database of the company from 2012 to 2017 show that the managers have always suggested some training modules for the employees. This shows that the needs that the managers have identified must not have been very well researched and hence the correct training might not have been provided to the right candidates. This defeats the whole purpose of the training programme. If the needs analysis is done in a professional manner then the knowledge, skill and ability of the employees must be taken into consideration. As per Groeneveld & Verbeek (2012), the process must be able to clarify between what are the requirements and what are being delivered. The needs analysis will help the trainers in identifying the actual training needs of the people and then implement the programme accordingly.

5.1.4 Methods to Deliver Diversity

The report here found that most of the diversity training is provided to the employees in a classroom setting and not on the job. These settings might be good for students but for professionals this might not be the most effective manner to deliver any training. These formal classroom training programmes are also viewed as being mere ceremonial events and they are linked with any performance enhancement at work. The classroom only training programme makes very little use of the technology that is at the organization's expense. The E-learning facilities using simulations and gratification have been widely used in the industry and they have become very successful in transforming learning and development in the organizations.

5.1.5 Evaluating Diversity Training Programmes

The present methods that are being used to evaluate the outcomes of the research are also very basic and they are not the most sophisticated methods on offer. The evaluation of the training outcomes is a very comprehensive process where the organizations collect data which includes the feedbacks and the performance data before and after the training being delivered. They also look at the different ways in which the training has been viewed by the participants and what have been the financial implications of the training processes. A major part of the feedback is collected just after the training process gets completed and that is it. There are very few instances where the companies have undertaken exercises where the bottom line of the company has been checked or the Return on Investment after the training process has been evaluated. There is a need for a more accurate and intelligent way of evaluating the training outcomes which must have a cost-benefit analysis and also there must be efforts made to pinning the value that the different training programmes have brought about to the organization. This will motivate the employees to participate whole-heartedly in the various training programmes.

6.0 CONCLUSIONS AND RECOMMENDATIONS

Diversity training is one area which still has not been addressed by many organizations and there has been a lot of work going on this topic in the academics and the industry. The report here states the main problems that the company like Aetna has been facing and the way ahead if the company has to provide the needed interventions in the form of diversity training to the employees. The three results have been shown using the data which has been documented by the company between the years 2012-2017. The training programmes that have been provided to the employees of the organization have been segmented into the categories of vision, focus, timing, cost and the concepts that provide the base for these programmes. It has been found that on these grounds the diversity programmes at the organization have not been able to provide the results that are expected from them. The research therefore has laid down three recommendations for the company:

- The diversity training in the company must take into account the business environment and all the aspects of the training right from the design, implementation and the evaluation of the outcomes must be based on complete

research and therefore must have a strong theoretical and results based approach.

- The HR department must articulate the benefits of the training to the employees and get all the different levels in the organization on-board for promoting the trainings. This will be very motivating to the ethnically diverse workforce in the company.
- The company must take care to not fall into the trap of unconscious bias. Having diversity as an agenda does not mean that all the processes like recruitment, promotions and incentives are provided to the diversity candidates alone. Any form of bias must be removed from the system. This will need training the trainers initially.

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8.0 Appendix 1 – Linking Aetna’s strategic Business goals to diversity outcomes

Aetna’s strategic	diversity Implications
» Profitably grow market share and earnings » Deliver superior member quality and total cost management » Achieve optimal expense structure through improved productivity to support » Create customer value through innovation and technology » Apply technology to customer value » Deliver best-in-class customer experience » Foster compliance competency » Enhance our diverse highperformance customer workforce	» Build a workforce that understands the racial/ethnic, gender, sexual orientation and generational diversity of the marketplace » Create an inclusive work environment that maximizes each employee’s contributions and productivity » Attract potential candidates to Aetna; choose from a broader and deeper pool of candidates » Achieve criteria to bid on government and public-sector businesses » Enhance workforce capabilities to address the needs of our multicultural/multilingual constituents » Provide culturally appropriate consumer experience; design products and services to meet their needs » Establish business relationships with organizations and local

communities to support
community-based marketing
and sales

- » Establish an infrastructure
that supports sales and
renewal efforts of employers
- » Increase supplier diversity
spending to fully leverage
business opportunities at
the local levels
- » Link diversity metrics directly
to enterprise scorecard

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9.0 Appendix 2 – Workforce training Programme

Action Plan – 2019-2020		
<i>Actions</i>	<i>Timings</i>	<i>By Who</i>
A statement of policy linking our existing core values to commitment to equality and training accessibility should be developed by the board and the executive.	Initial communication complete but repeat on regular basis	<i>Executive CEO</i>
Once the policy is agreed, this should be communicated across the organisation in a clear and meaningful way.	Q2 2020	all executive directors
Equality champions should be identified at executive level.	Q2 2020	chief executive
Equality champions should be identified to cover:		HR director
• leadership and strategy • access and inclusion • service delivery • recruitment, procurement and workforce diversity	Q3 2020	communications director
	Q3 2020	

Targeted and appropriate training and support will be provided to: members of the customer service group equality champions		communications director operations director
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