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Attraction and retention of diverse talent in Insurance

How are we addressing the diversity gaps?



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Introduction

We all know we're not yet where we need to be as a sector in terms of our diversity. We are not yet representative of the population we serve, and that means we're missing out on vital sources of talent as well as making it hard for us to see through the eyes of our customers.

But I see huge efforts by many across the sector to change this, with festivals such as Dive In, representative networks and outreach campaigns to change perceptions, learn from each other and drive action.

We are committed to holding up the mirror to our profession and working with all those who share our determination to expedite change – to measure progress, identify barriers, and share good practice. Each organisation will have its own challenges and approaches to overcoming them, but I hope over time to help us step forward as a profession, learning from and challenging each other to open up more rewarding opportunities for more people to serve our customers.

Sian Fisher, Chief Executive,
Chartered Insurance Institute

Executive summary

The Chartered Insurance Institute reached out to senior HR practitioners across the insurance sector during July and August 2020 and to understand how firms assessed their relative sophistication in terms of talent attraction and retention, with a particular focus on understanding the relative focus on different intersectional groups.

A total of 42 completed responses were received, and a further 4 responses were partially complete, with representation across insurers, brokers and other types of employers, and a split across small, medium and large employers. While this number does not enable us to make conclusions on quantitative data alone, it provides an instructive basis for further qualitative review, which we plan to do in partnership with employers as part of our ongoing D&I engagement with the market.

Key findings

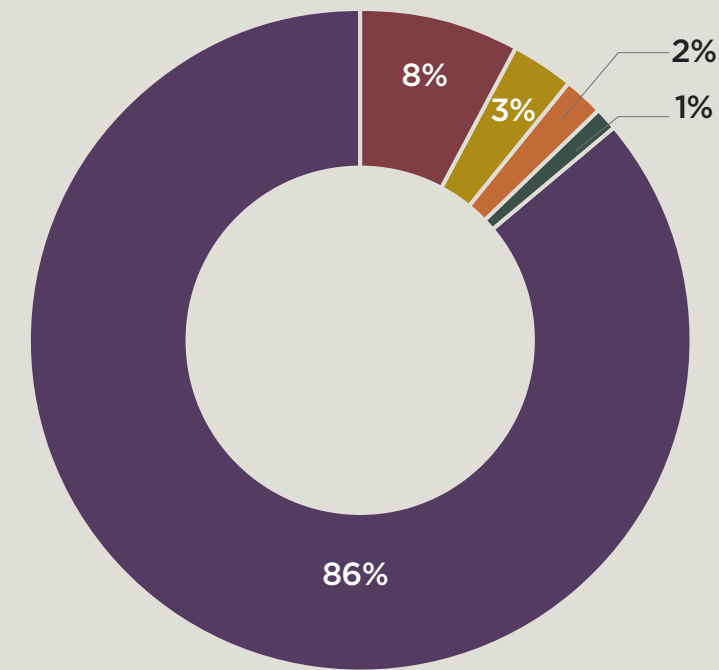
- The insurance sector remains significantly less diverse than the UK population, however initial research suggests that the underwriting community is significantly less diverse than the broking community.
- Talent management remains a very high or critical priority for 94% of respondents, however only around 50% felt that they shared a consistent understanding of it across their organisation.
- Around one in three of respondents felt they had a formal talent management strategy with clear metrics and owners. Others had either a retention or attraction strategy, but not both. 43% were either developing plans, or had tactical plans in place but not at a strategic level.
- Where firms have monitoring or targets in place for specific intersectional talent groups, gender is by far the most common demographic category that they either monitor or target. Ethnicity and age are also monitored and targeted to a significantly lesser degree than gender. Over two thirds of respondents say they have no monitoring that focuses on attraction or retention of talent using categories of disability, sexual orientation and social mobility.



The current state of Diversity in insurance

- We all know that the insurance sector lacks diversity in many dimensions. Looking specifically at ethnicity, the 2019 Insurance Census from Post magazine shows the insurance sector overall is significantly less diverse than the UK population as a whole.
- Insurance is 93% white – 7 percentage points more than the UK population as a whole standing at 86% white.
- Data from the ONS Annual Population Survey (2015-2019), which collects data on jobs and ethnicity indicates while insurance as a whole is significantly less diverse than the wider population, there are significant differences between those in broking and in underwriting. This is likely to be driven by differences in the types, sizes and location of the employers and their practices.
- Brokers have a greater representation of non-white colleagues, with 84% white (2 percentage points below the national population). This compares with a 94% white underwriting community. These findings are stark, and warrant further analysis to understand the drivers behind these differences, and what that may tell us about what may be learned from the broking community that could be transferrable to improve the diversity of the underwriting community. The CII will work with employers and the HR community to provide further insight and proposed guidance and priorities as a result.

UK Population

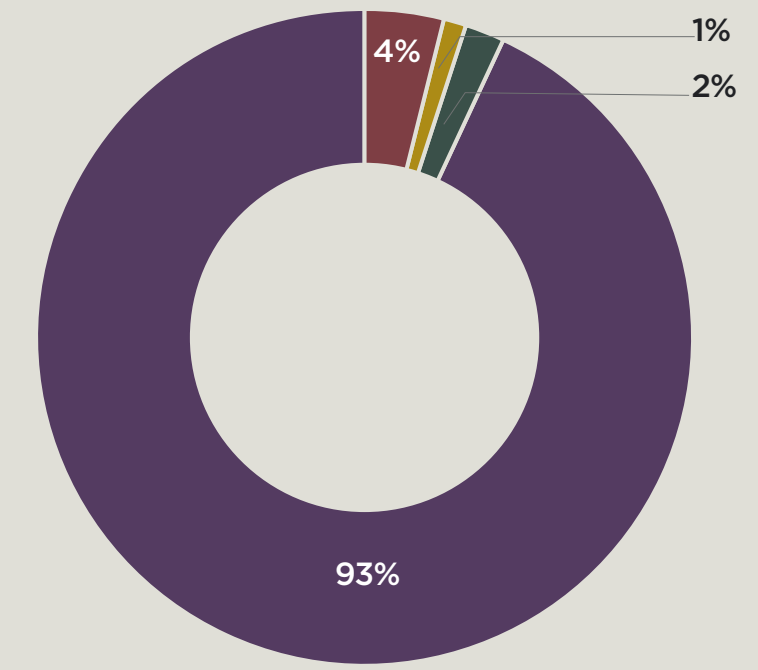


Key

Asian Black Mixed Other White

Source ONS – UK Census 2011

UK Insurance population overall

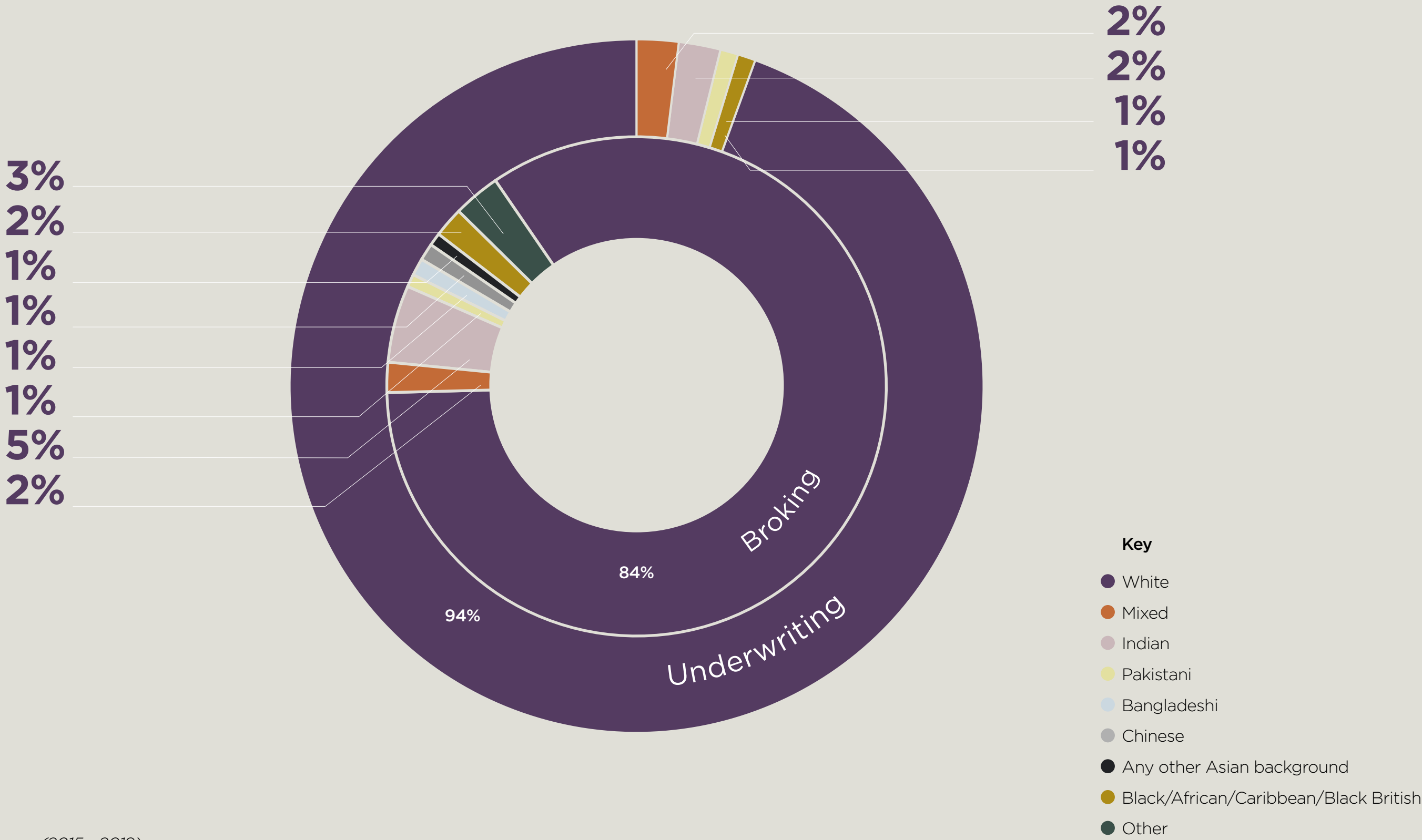


Key

Asian Black Other White

Source: Post Insurance Census 2019

The current state of Diversity in insurance - continued



Source: ONS Annual Population Survey (2015 - 2019)

Talent management – is it a priority?

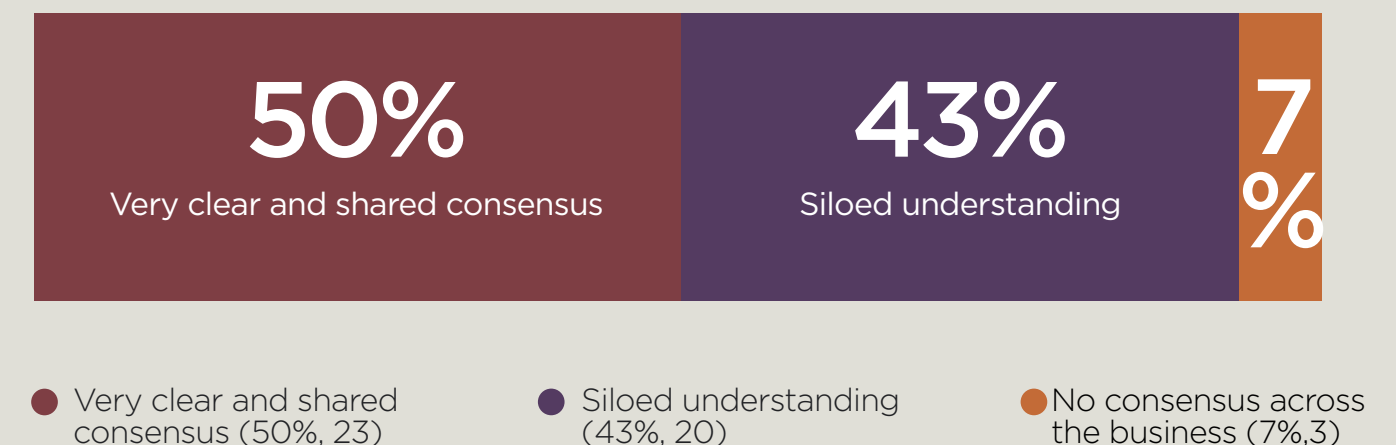
The insurance sector has for a long time talked of ‘a war for talent’, and a need for new skills, and it frequently tops polls of CEOs’ top 10 concerns, so it’s not surprising that nearly all firms felt that talent management was a high priority. 94% felt it was either high or critical, with the remainder feeling it was of moderate priority, and no-one felt it was a low priority.

On the other hand, despite it being of high importance, only 50% of respondents felt that their organisation has a shared consensus of what talent management actually is. Given the later findings in this report, this suggests activities and outcomes may not be aligned with a uniform strategy, and different stakeholders may be focusing on different aspects of talent strategy, for example where the focus lands between attraction, development and retention, between skills, knowledge and behaviours or indeed between different intersectional groups.

Q How much of a priority is talent management to your organisation during 2020/21?



Q Does your organisation have a shared consensus of what talent management is?

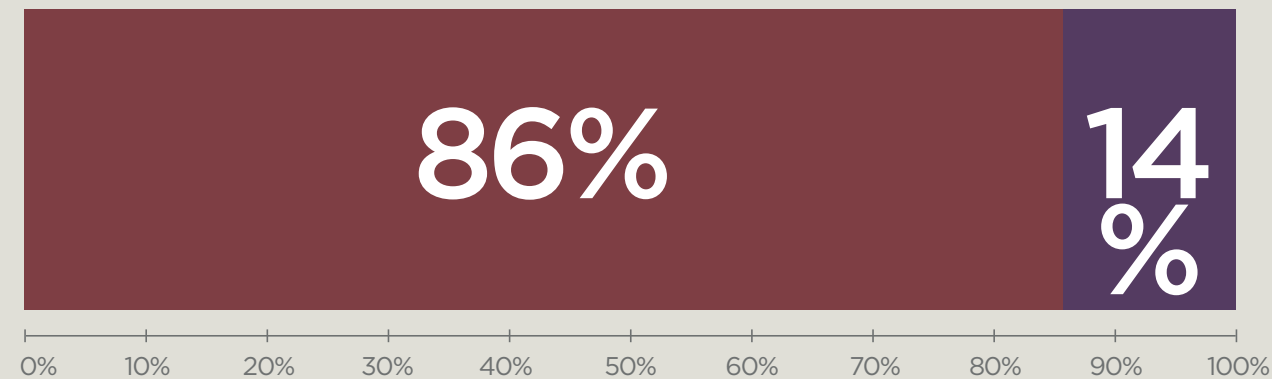


Talent management – is it a priority? - continued



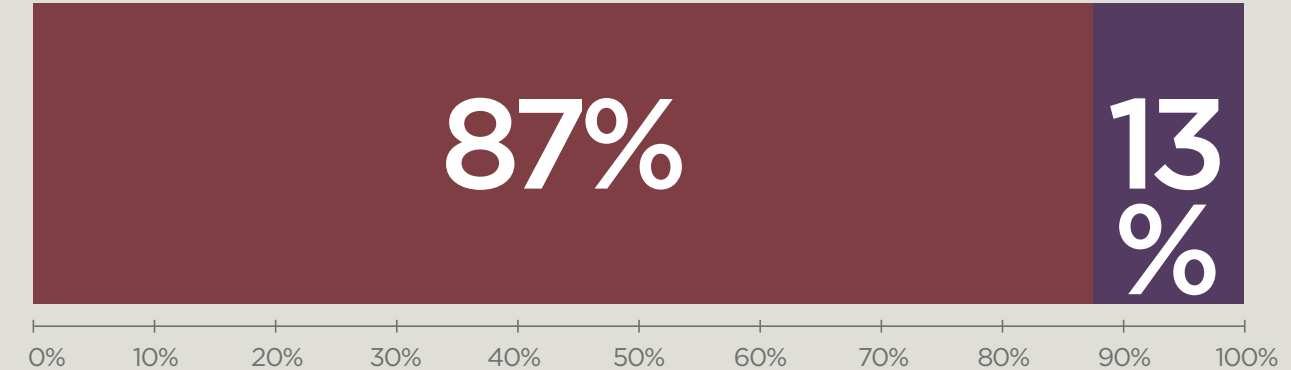
Has your organisation discussed talent management at leadership level over the past 12 months?

Talent attraction



● Yes ● No

Talent retention



● Yes ● No

How sophisticated is the sector in its approach to talent management?



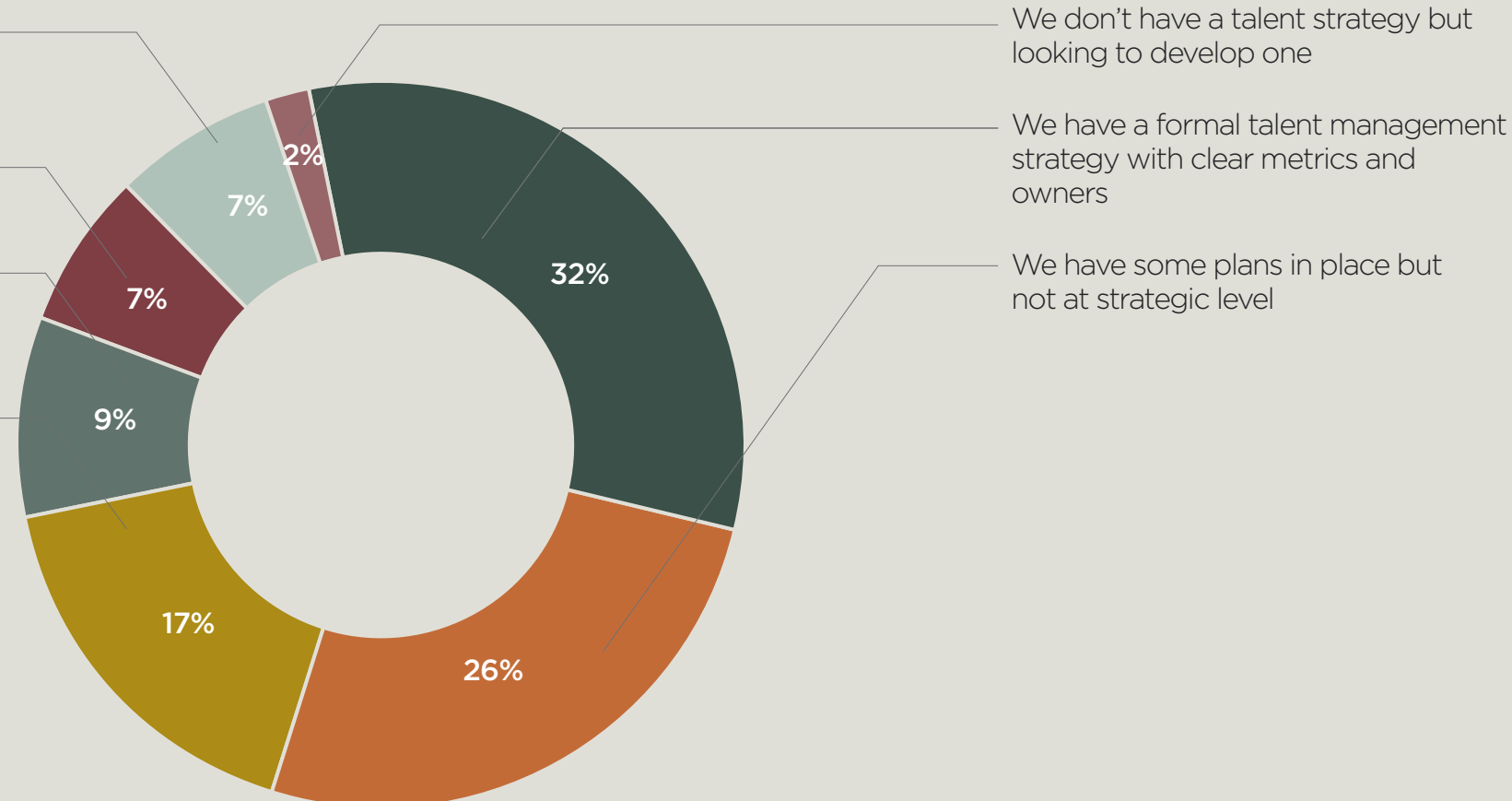
Which of the below statements best describes your approach to talent management:

We have a formal talent RETENTION strategy with clear metrics and owners

We don't have a talent strategy and are not planning one

We have a formal talent ATTRACTION strategy with clear metrics and owners


We are currently developing our talent strategy

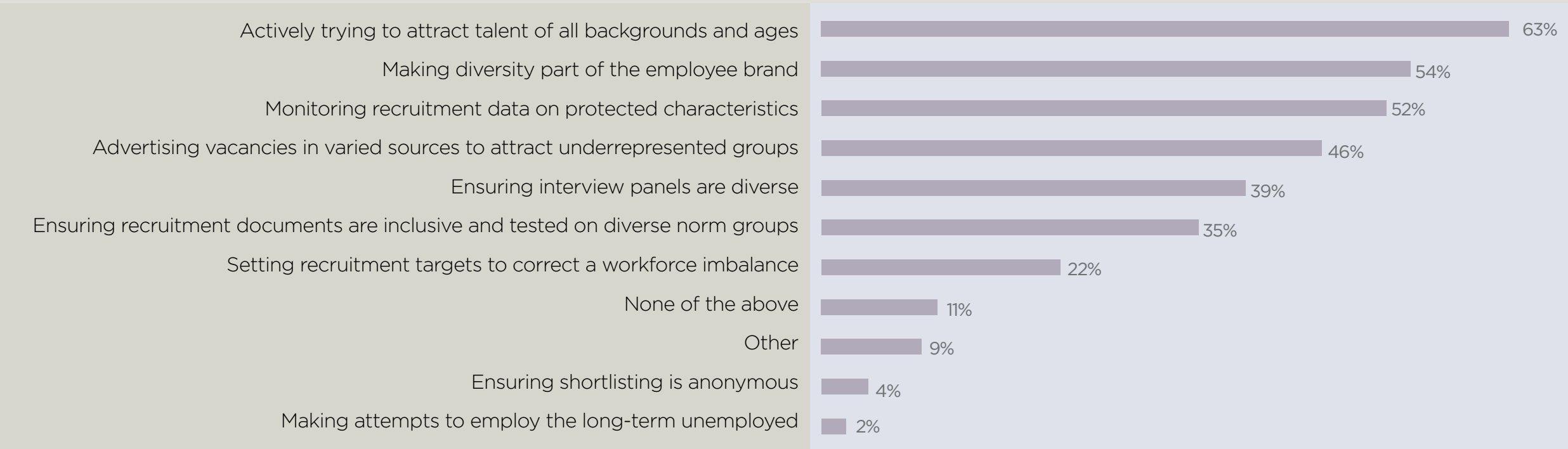


Only around one in three of respondents felt they had a formal talent management strategy with clear metrics and owners. Others had either a retention or attraction strategy, but not both. 43% were either developing plans, or had tactical plans in place but not at a strategic level.

Only 9% of respondents say they had no talent strategy at all, of which 2% said they had plans to do so.

How sophisticated is the sector in its approach to talent management? - continued

 Which methods does your organisation use to address diversity issues within its talent attraction approach? Select all that apply



For those that do have a strategy in place, the most commonly shared area of focus within attraction activities was promoting opportunities actively to talent with different backgrounds and ages, followed by ensuring diversity is reflected in the employee brand. At the other end, only 2% focused on the long-term unemployed and 4% ensure anonymisation of shortlists.

How sophisticated is the sector in its approach to talent management? - continued

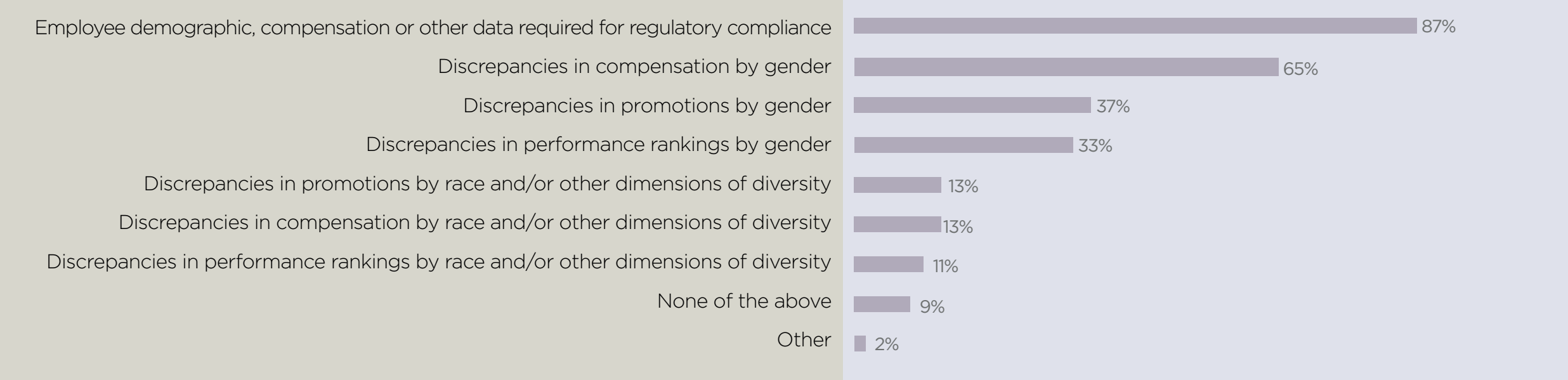
Q Which methods does your organisation use to address diversity issues within its talent retention approach? Select all that apply



When looking at retention, the most commonly used tool was ongoing employee feedback programmes, followed by line management empathy. Less than half of firms have affinity groups to support and connect people from different backgrounds or monitor staffing data on protected characteristics. Only 2% of firms set retention targets to mitigate diversity turnover.

How sophisticated is the sector in its approach to talent management? - continued

 Which of the following types of data does your organisation gather and analyse? Select all that apply



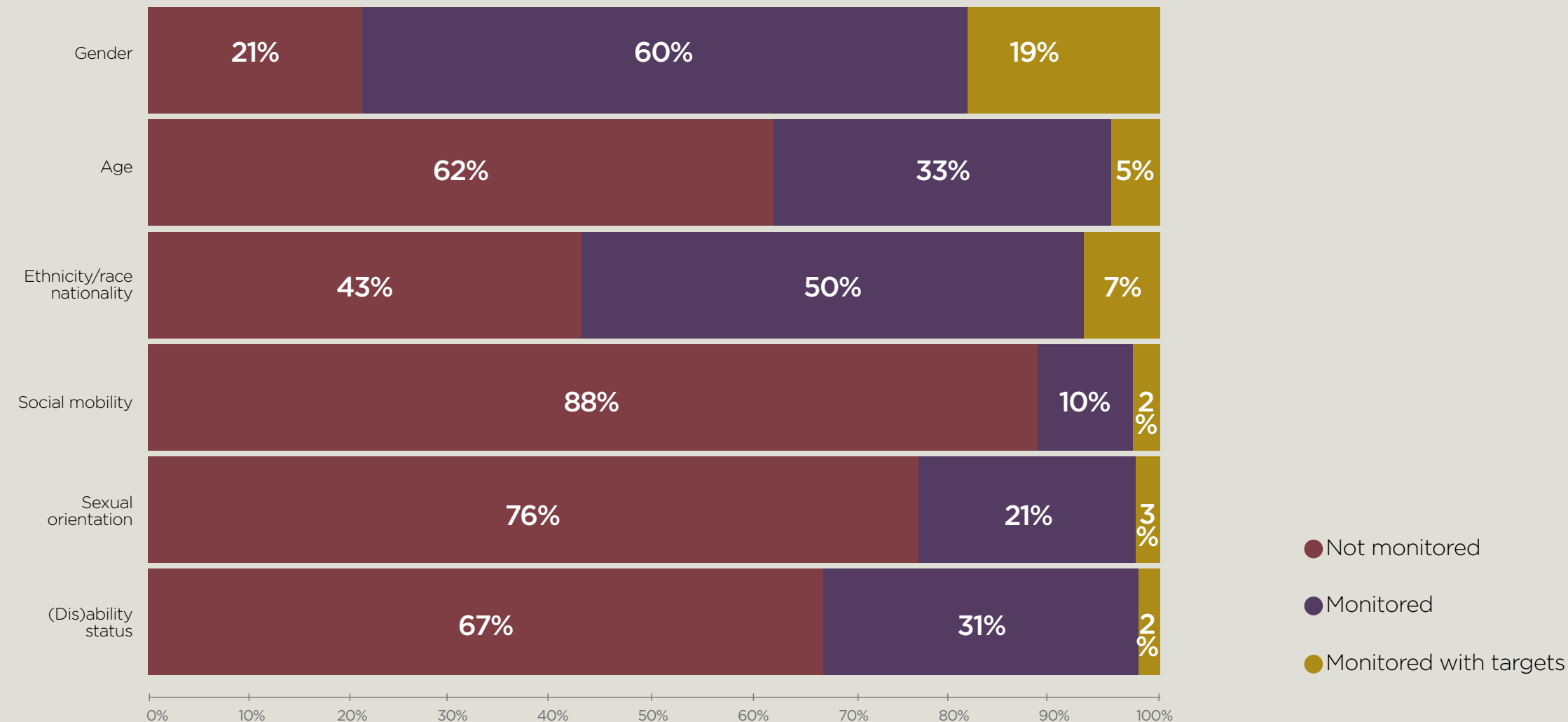
The majority (87%) of respondents gather and analyse data on employee demographics for regulatory purposes, and 65% look specifically at discrepancies in compensation by gender. 37% and 33% also talk about promotion discrepancies and performance by gender.

This drops all the way down to 13% and below for any measurement of other dimensions of diversity such as race and ethnicity.

Intersectional prioritisation in talent strategies



Which of the following dimensions of diversity does your talent attraction strategy monitor?



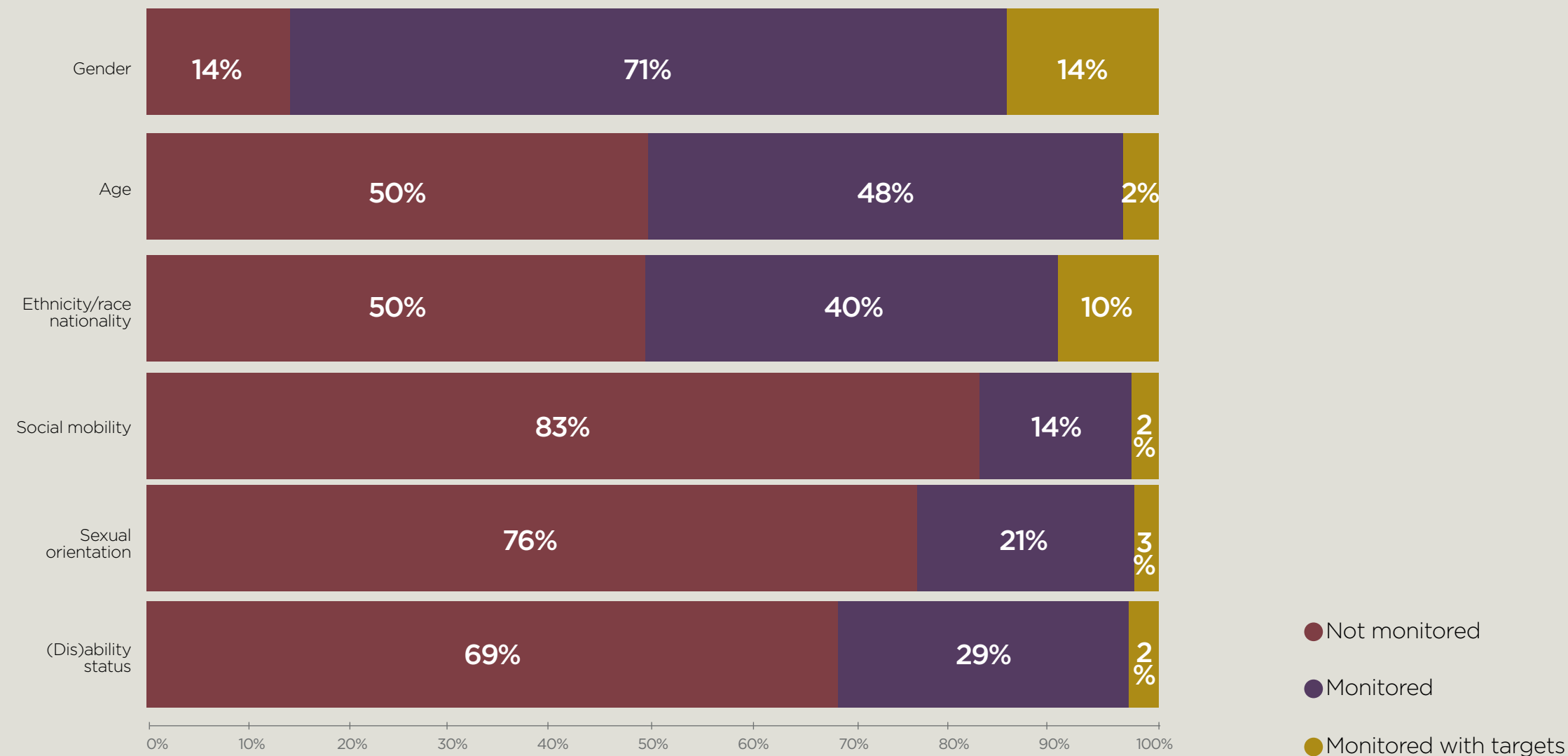
This theme continues when we look at how firms assess their relative focus on intersectionality in terms of attraction strategy.

- 79% of firms monitor gender in terms of talent attraction, and 19 not only monitor, but set targets. And all of those who set targets for gender diversity in their attraction strategies say that they are meeting their targets.
- Ethnicity is the next most commonly monitored intersection when it comes to how firms target new talent, with 57% monitoring the ethnic diversity of their new talent. However this drops to only 7% when it comes to setting targets, and only 25% of those who set targets say they are successfully meeting them.
- Disability and age follow in terms of focus areas for firms' attraction strategies, but very few (2% and 5% respectively) set actual targets for these groups within their attraction activities.
- Sexual orientation and social mobility were the least actively monitored groups within this survey, with only 12% of firms monitoring social mobility, and 24% monitoring sexual orientation.

Intersectional prioritisation in talent strategies - continued



Which of the following dimensions of diversity does your talent retention strategy monitor?



When the same question is asked about retention, rather than attraction strategies, the priorities remain broadly the same, with some slight variations in the percentage who actively monitor the age and ethnicity of existing staff.

In line with responses to the earlier question in terms of attraction, 100% of those that set gender retention targets say they are meeting or exceeding them. 50% of those who set retention targets by ethnicity say they are meeting those. No other categories had sufficient volumes targeting them to warrant analysis.

Conclusion and what next?

This survey is based on a relatively small number of individual responses, but reflects the current view of a range of employers, and a significant proportion by headcount.

Its purpose is to spark further discussion and sharing of good practice to address what we all recognise are currently missed opportunities.

The CII will continue to facilitate this debate through a range of platforms, and in particular helping Chartered firms to fulfil their D&I commitments as part of the Chartered ethos.

We will continue to contribute to and lead where appropriate market initiatives where the specific challenges of certain subsectors and types of organisation.

Further resources and guidance

[Embracing inclusive recruitment](#)

[Talented Generations](#)

[Diversity & Inclusion - Guiding principles for key stakeholders](#)

[Making Inclusion a reality](#)

[Inclusive language guidelines](#)

[Implementing the Thriving at Work guidelines](#)


[CII Ethnicity Pay Gap & guide](#)

[Financially Inclusive Customer Outcomes - a companion to the CII Code of Ethics](#)

[Financial flexible working pledge and guide](#)

[Inclusive Customer Financial Lives pledge and guide](#)

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