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# GIRO Conference 2022

21-23 November, ACC Liverpool

**#GiroConf22**





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# Diversity, Equity, and Inclusion – How to measure progress?

- Maurice Rose
- Yasmin Carter-Esdale
- Ben Johnson

**#GiroConf22**



# Agenda

- Introductions
- DEI: Risks of not getting these right
- Regulatory focus
- The business case
- Data collection
- Measuring DEI
- What does success look like?
- Practical initiatives



# Introductions - Speakers



**Maurice Rose**

Senior Manager ERM,  
MS Amlin



**Yasmin Carter-Esdale**

Development  
Underwriter, Hiscox



**Ben Johnson**

MD & Global Head of  
Insurance & InsurTech,  
Sheffield Haworth



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# Introductions - Lloyd's partner networks



iCAN (The Insurance Cultural Awareness Network) is the first industry-wide, independent, not-for-profit network that focuses on multicultural inclusion and career progression across the insurance sector.



Link is the cross-insurance industry LGBTQ+ network whose mission is to make the insurance industry the employer of choice for the LGBTQ+ community. Link looks to support the attraction and development of LGBTQ+ talent into, and within, the insurance industry by engaging and collaborating with market participants, the LGBTQ+ community, and diversity networks to drive inclusion and acceptance within the workplace.

# DEI: Risks of not getting these right



**Performance  
& Profitability**



**Regulatory  
Priority**



**ESG &  
Client**



**Pay Gap  
Reporting**



**Talent  
Attraction**



**Employee  
Feedback**



**Deepen &  
Widen the  
Talent Pool**



**Legal**



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# Regulatory Focus

- In July, The FCA, PRA and Bank of England published their joint discussion paper, Diversity and Inclusion in the financial sector – working together to drive change
- The paper is the first step towards making diversity and inclusion a regulatory requirement over and above the provisions of the Equality Act 2010
- The regulators want to accelerate the pace of meaningful change and are asking financial services firms, including insurers, and stakeholders for feedback on how best to achieve this
- Data collection is emphasised as a key area in making progress and the four categories of data collection proposed are: recruitment, retention, advancement and pay
- ESG credentials are coming under scrutiny



# The business case

- More diverse companies are more profitable, on average, than less diverse ones
- Diverse teams are more innovative and more likely to develop new products than those with homogenous teams
- Greater diversity has been shown to give rise to better decision making and reduce group-think
- Diverse organisations, who support diverse communities have greater levels of brand loyalty
- Inclusive cultures create a more pleasant place to work and are associated with reduced employee turnover and more successful teams
- The regulators are beginning to scrutinise DEI policies across the financial services sector
- It's the right thing to do!



## Attract talent

More than

**80%**

of LGBT+ millennials (people born between 1980 and 1995) say that an employer's policies on diversity, equality, and workforce inclusion are an important factor when deciding whether to work for them, according to PwC research.



## Act as a brand influencer

**78%**

of LGBT+ people and their friends, family and relatives would switch to brands that are LGBTQ+ friendly, according to PwC research.



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# Data collection - Guide to data collection

## 5 Golden Rules

Be clear from a strategic perspective as to why you are collecting diversity monitoring data and what you want to do with the information, linking it to improving the inclusive culture of the workplace to benefit everyone

Work with HR and legal partners to comply with your local laws. Remember ethnicity is different depending on where you are in the world and LGBTQ+ is viewed differently in some jurisdictions

Communicate effectively to staff and make it really engaging. Share the reasons why you want the information and make sure privacy is respected

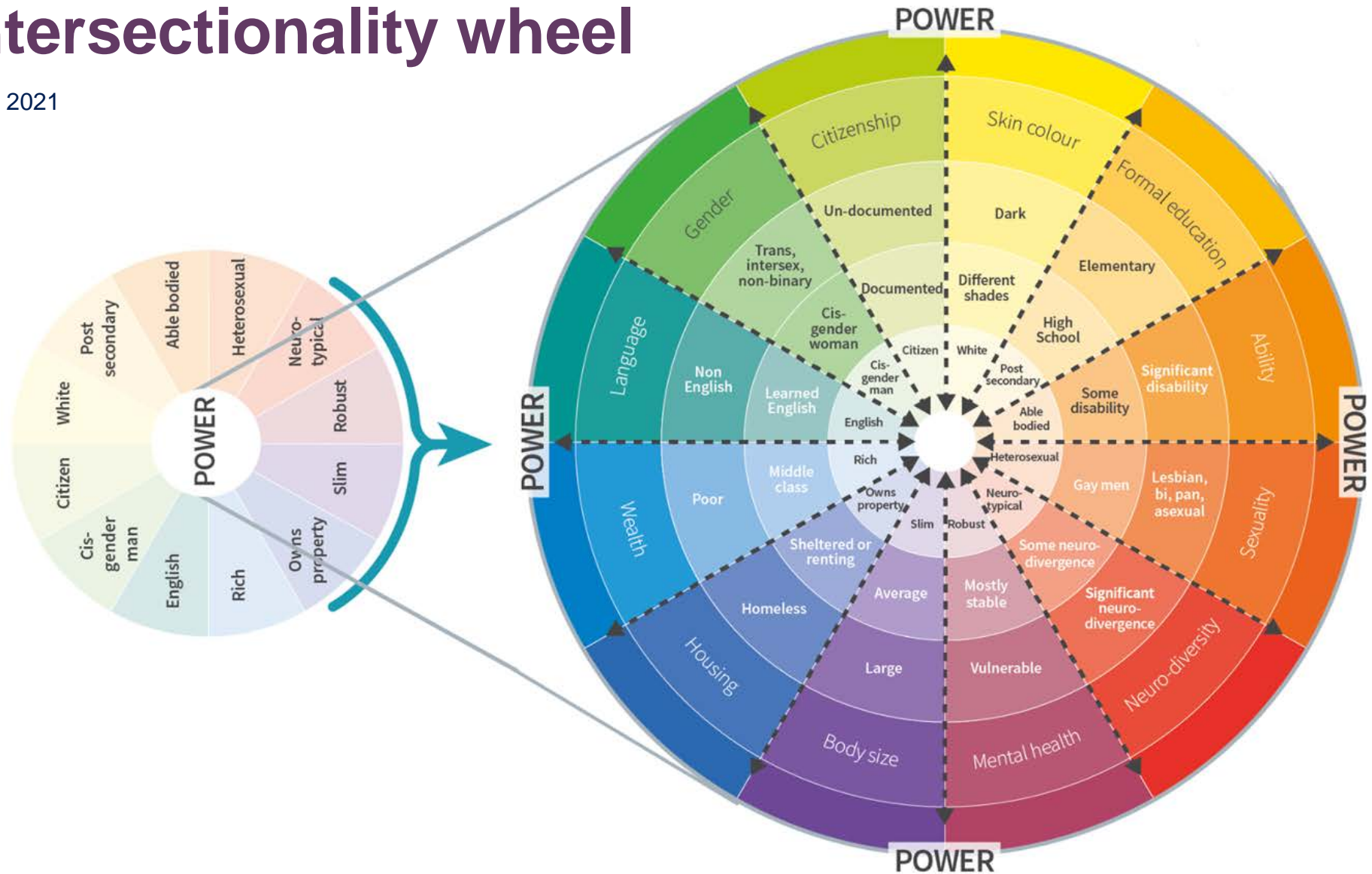
Analyse the data and use it to inform your strategic action plan. Don't just store data and take no action

Set targets and develop action actions against which you can monitor progress



# The intersectionality wheel

Aviva Investors, 2021



# Data collection – dealing with resistance or pushback



Some organisations have been collecting diversity data for many years. By collecting data, they have a much greater understanding of the makeup of their workforce and their experience of the workplace. Those with a long history of collecting data will have a much more mature and informed approach to inclusion and diversity as a result. Many organisations though are still taking the very first steps to collect better quality data and they are nervous about backlash and a lack of trust from their workforce.



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# Measuring DEI – The business imperative

## Recruitment

- Number of inquiries, applications, interviews, and hires
- Employees' perception of the company's efforts to hire diverse talent
- External perception that the company is a good place for diverse talent to work
- Cultivating sources of diverse talent

## Retention

- Actual retention numbers, accounting for voluntary and involuntary departures
- Engagement survey results on employees' morale and intent to stay at the company
- Engagement survey results on employees' morale and intent to stay at the company

## Advancement

- Percentage of promotions by level and business unit
- Diversity in succession plans
- Parity of performance reviews
- Composition of the Executive and Board

## Representation

- Percentage by level and business
- Employees' perception of Inclusion (e.g. do you believe your opinion matters? Do you have a role model at work? )

## Pay

- By role and tenure
- Base pay
- Discretionary and bonus pay
- Pay gap reporting



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# Measuring DEI - How to Set DEI Goals

1. Determine what to measure
2. Understand available data and what is missing
3. Find trends within different groups
4. Leverage data technology for metrics, insight, and strategic recommendations
5. Benchmark externally with market sources
6. Welcome and actively seek feedback
7. Ask what others are doing, this is an important area to collaborate
8. Check-in regularly
9. Report at Board level to support oversight





# Measuring DEI - Example measures of progress

**Outcome metrics indicate only whether you have a problem. Process metrics will tell you exactly where to focus your attention to bring about meaningful change.**

Companies often assume that diversity metrics are all about the “body count”—how many women, ethnic minorities, and perhaps members of other underrepresented groups they employ and in what positions. Those are *outcome metrics*, and they’re important. They’re a good indicator of bias; they’re vital for establishing a baseline against which progress can be measured, and they’re necessary for assessing the effectiveness of various interventions.

To do better, you need ***process metrics***, which can pinpoint problems in employee-management processes such as hiring, evaluation, promotion, and executive sponsorship. If your outcome metrics tell you, say, that you don’t have enough women or LGBTQ+ staff, process metrics will tell you where exactly to focus your attention to bring about meaningful change. Examples of these metrics include the speed at which LGBTQ+ people move up the corporate ladder and the salary differential between men and women in comparable jobs.

Process metrics allow for an assessment of whether deficiencies in process are driving poor outcomes for diverse groups. Once assessed, changes can be made to address and remediate processes that are not supporting positive outcomes for all groups.



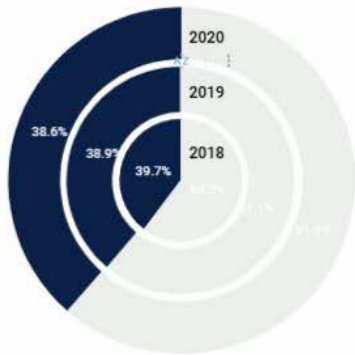
# Measuring DEI - Softer measures of progress

- Consider softer, no-obvious measures such as:
  - Fathers taking parental leave and time taken
  - Time taken off for fertility treatment or surrogacy
  - Holiday swaps for different cultural and religious holidays
  - Number of female returners
  - Number of job shares / part time workers

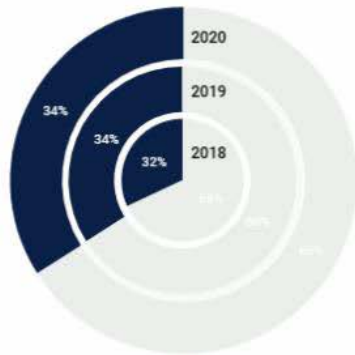


# Measuring DEI - How to Set DEI Goals

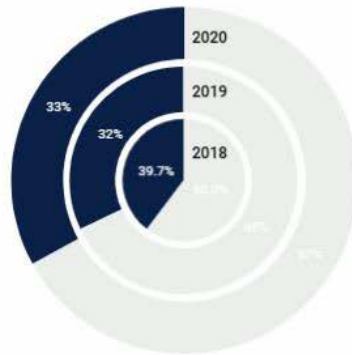
TOP QUARTILE



Admiral



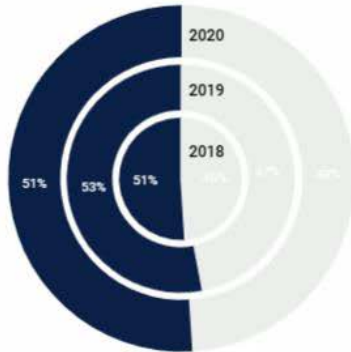
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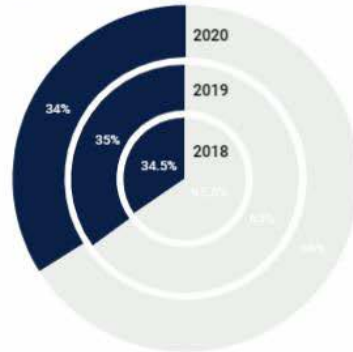
AVIVA



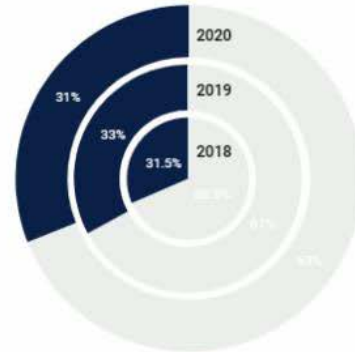
AXA Health



Bupa



DirectLine Group



Legal & General

## Insurance Industry Gender Gap Report Generator

Sheffield Haworth as part of an ongoing project to research and refresh our data on gender trends at the C-suite level within the insurance carriers, and the salary differentiators for the same demographic. Our pay gap tool is fully interactive, current, and accurately dated from the last four financial years, allowing clients and users a timelapse and overview of how gender diversity has evolved across the market and competition and the compensations associated with it have changed over time. View our gender pay gap report generator [here](#)



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# Measuring DEI - DEI Scorecards

- Compiling metrics into a scorecard is a way to increase visibility and accountability.
- Speak to executives in a language they're used to
- Use as a tool to track progress
- **Beware!** Strict hiring and promotion quotas can also undermine employee engagement and morale by suggesting that people are being hired or promoted because of something other than performance. And that can create an environment that both minority and non-minority employees find disconcerting.
- Policies that focus on flexible targets which allow managers to factor diversity into their decision-making as a 'plus,' while continuing to consider all candidates, inclusively, and without overreactive or unreasonably heightened emphasis on profile



# Measuring DEI - Ensuring better DEI outcomes

## Ensure accountability with metrics

Set goals, measure progress, and share transparently. If it doesn't get measured, it doesn't get done! To help ensure your organization is achieving its DEI goals, you need to identify what governance looks like, whether there is a process in place to revisit initiatives, and how best to progress. One way to foster accountability is to track diversity of the assignee population, including candidate selection and offer acceptances, and to analyse whether candidates are being offered the right opportunities.

Workforce  
Progression  
Planning

Engagement  
Survey

Retention by  
Female Group &  
Overall

Internal labour  
market mapping

Engagement on  
assignment by  
female group  
and overall



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# Measuring DEI - Pay Gaps

## Our Ethnicity pay gap for 2022



Tim Bailey  
CEO, Zurich UK

"Since publishing our ethnicity pay gap for the first time in 2020, we have implemented a comprehensive action plan to address both the pay gap and representation. We still have a long way to go but we are starting to see progress, particularly in our pay gap, driven by internal promotions and recruitment."

<b>7.1%</b> Mean pay gap in average hourly pay	<b>3.1</b> Percentage point improvement from 2021	<b>7%*</b> of our people self-declare as an ethnic minority
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Our data shows that we have more work to do to appoint more diverse candidates to our business at both junior and senior levels and to better support them in their careers. We have taken a number of steps in line with our Ethnicity Action Plan which has contributed to an improvement within our ethnicity pay gap, some of the actions taken are outlined below.

### Actions for 2022

- Goal of 10% ethnic minority representation by end of 2023 to be delivered through action plans in every business area.
- CEO commitment and involvement with the Race Action Through Leadership board.
- Partnering with organisations who have networks of diverse talent (e.g. BYP Network and Bright Network) to market our 2022 apprentice and graduate schemes as well as standard vacancies.
- Training for hiring managers on recruitment to ensure use of best practice attraction, assessment and selection techniques.
- Dashboard to enable real-time tracking of proportion of ethnic minority candidates applying for roles.
- New panel of headhunters who have been selected for their focus on diversity.
- Hiring managers asked to utilise diverse interview panels.
- 4 Internships given to ethnic minority talent via the 10,000 Black Interns scheme.
- Partnering with BBBA talent accelerator to assist the development and progression of ethnic minority talent.
- Review of our Zurich Community Trust charitable activity to ensure that charities supporting Black and ethnic minority communities are represented.

These actions have been facilitated by discussions with our Cultural Awareness Network (CAN) and the accountability for delivery lies with our D&I Council, chaired by Zurich UK's CEO, Tim Bailey.

\* As at 31 Aug 2022



## Our LGBT+ pay gap for 2022



Tim Bailey  
CEO, Zurich UK

"As part of our commitment to LGBT+ inclusion, we are sharing our pay gap and representation data. Our aim is to make Zurich the most attractive place to work for the widest range of people and this starts with transparency around our numbers."

<b>7.6%</b> Mean pay gap in average hourly pay	<b>3.2</b> Percentage point increase from 2021	<b>3%</b> of colleagues self-declare as LGBT+
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Three per cent of our people self-declare as LGBT+, with 71% sharing their sexual orientation (down from 75% a year ago) and 58% their gender identity (up from 51% a year ago). This means that our data (including our pay gap) is still not as accurate as we would like it to be. Our pay gap widened slightly this year, driven by a very small number of employee moves.

We have added more options to our declarations including 'unisex' for both Sexual Orientation and Gender Identity to allow employees more options to express their identities. We continue to work to increase levels of self-declaration by explaining to our employees why it's important for them to share this very personal information.

### LGBT+ Inclusion at Zurich

This year we were delighted to be named as one of Stonewall's top 100 employers in the UK and to receive a Gold Award for our focus on Trans Inclusion. This accolade is testament to the dedicated work of our Zurich Pride UK employee network, which promotes LGBTIQ+ inclusion under three motives: conscience, education and support.

Recent Pride activity has included hosting virtual events on a variety of topics, from celebrating Black LGBTIQ+ History, to parenting LGBTIQ+ children. This summer the network was able to host its first in person conference since 2019. The network has also developed three training modules, including a module on allyship that has also been delivered to our global colleagues by members of the UK committee.

We were delighted to launch our Menopause policy in February this year, which is inclusive of all people who experience menopause.

### A note on equal pay...

The LGBT pay gap isn't the same as equal pay. Equal pay is ensuring people doing the same job are paid the same, regardless of sexual orientation or gender identity. Pay gaps arise when a greater percentage of one group is employed in higher paid roles than another group. We undertake Equal Pay analysis which confirms that we do pay equally.

### Trans and non-binary data

We acknowledge that the mandatory gender pay gap reporting does not represent our trans and non-binary colleagues, so we are taking steps internally to understand whether a pay gap exists and what we can do to support colleagues in this community. However, we would not want to put anyone at risk of identification or exposure, so have taken the decision not to report our trans and non-binary pay gap at this time.



## Our numbers at a glance

Our gender pay gap figures have been calculated in line with the government regulations and show the mean and median pay gap (based on hourly rates of pay at 05 April 2022) and mean and median bonus gap (based on bonuses paid in the 12 months to 05 April 2022).

### Our headline hourly pay figures

	Mean	Median
2022	18.4%	17.7%
2021	18.6%	15.9%
2020	19.7%	17.5%

### Our bonus figures

Our bonus figures (calculated using overall amounts, not an hourly rate – so do not take into account part-time working) are:

	Mean	Median
2022	50%	15%
2021	53.8%	42.2%
2020	39%	25.6%

### Proportion of employees receiving a bonus

	Male	Female
2022	93%	93%
2021	97%	96%
2020	96%	96%

## Gender Pay Gap vs equal pay

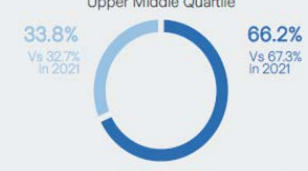
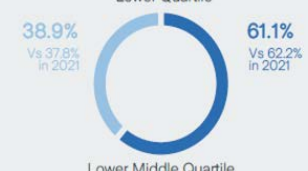
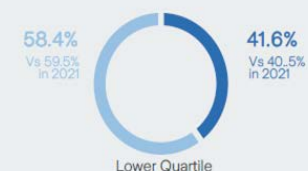
Ongoing analysis of our data shows that the main reasons behind Zurich's gender pay gap remain linked to fewer females in senior and technical roles. Over forty percent (44%) of our overall workforce are female, though a far smaller proportion hold senior management and leadership roles.

This also feeds into to Zurich's bonus gap which is compounded by the fact that the standard calculation set out by the government takes no account of part-time working. At the same time, we know that the majority of part-time workers are women (92% of Zurich part-time employees are female).

Measurement of the gender pay gap is not the same as equal pay; at Zurich we are confident that we have equal pay for the same or similar work. We have implemented various measures globally to track progress against this commitment. This includes performing an annual equal pay analysis to make sure gender is not a factor when it comes to salary decisions. If we find any issues or abnormalities, we take corrective actions. This analysis also forms part of our yearly remuneration review cycle.

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## Proportion of men and women in each pay quartile



● Women ● Men



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# What does success look like

1

The organisation's leaders are DEI ambassadors and all colleagues understand the value of DEI

2

The organisation is an authentic employer of choice and staff are differentiating based on DEI

3

DEI is embedded in the organisational culture across the globe, regardless of jurisdiction

4

The organisation's workforce truly reflects the world around them and diverse groups are loyal to the brand

5

The organisation is seen as a visible and active champion of global DEI. The organisation takes practical and tangible steps to support.



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# Practical initiatives

- Review the data you have, and identify where your key gaps are
- Draft a comms plan to promote disclosure of diversity data, the importance of this and how the data will be used
- Run focus groups to collect anecdotal and qualitative information from your staff base
- Consider the targets and metrics applicable for the nature, scale and complexity of your organisation
- Review what is reported and where and consider the use of scorecards
- Engage with peer firms to understand best practice and areas for improvement





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# Thank you

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