

Employees skills research



Prepared on behalf of **CII** THE CHARTERED
INSURANCE INSTITUTE by FWD Research

Agenda

- About the project
- Headline findings
- Detailed findings
 - Employees
 - Employers
- Conclusions

About the project

- Two over-arching objectives of this research
 - To understand how the market perceives current skills levels in the UK
 - To support PR messages that will aid lobbying
- Quantitative research programme conducted via web survey
 - 659 interviews with CII members
 - All 7 Faculties represented
 - Includes 103 employers too
 - Between Feb 10 and 26th 2007

Sample profile

Faculty	Sample size	Percentage
Faculty of Insurance Broking	100	15.1%
Faculty of Claims	101	15.3%
Faculty of Underwriting	112	17%
London Market Faculty	79	12%
Life & Pensions Faculty	81	12.3%
Personal Finance Society	83	12.6%
Employers	103	15.6%
<i>Total</i>	<i>659</i>	<i>100%</i>

Headline findings

The results of the research indicate that skills levels are not as good as they were ten years ago and that there is a shortage of technical and general skills in key business areas

Headline findings - Employees

- 46% of employees believe that people joining the industry today are not as well equipped with the appropriate skills compared to new entrants ten years ago
- Employees perceive that developing technical skills, obtaining professional qualifications and understanding their business are the three most important aspects of skills training
- 38% of employees believe that the CII is good at meeting the training and competence requirements of today's skills sets whilst 23% think that the CII is very good. However, only 38% believe that the industry is doing enough to encourage employees to obtain professional qualifications
- It is believed that the CII is at the forefront of financial services training and qualifications but just under a half (47%) of employees comment that it is employers that are driving training rather than the industry

Headline findings - Employers

- 71% of employers perceive a shortage of technical skills. This is a concern when coupled with the fact that 63% also believe that the demand for professional qualifications will increase in the next five years
- Top of the training agenda for employers is the development of soft skills, closely followed by technical skills and then the development of business skills and a greater/broader awareness of the industry
- Employers have obvious concerns with the skills levels of new entrants to the industry, with a majority of 46% commenting that the UK education system is poor at serving the financial services industry
- Overwhelming 94% of employers agreed that technical skills are critical in maintaining the competitiveness of a UK financial services provider and 90% also believe that there is a direct correlation between the level of investment in training and the profitability of a company

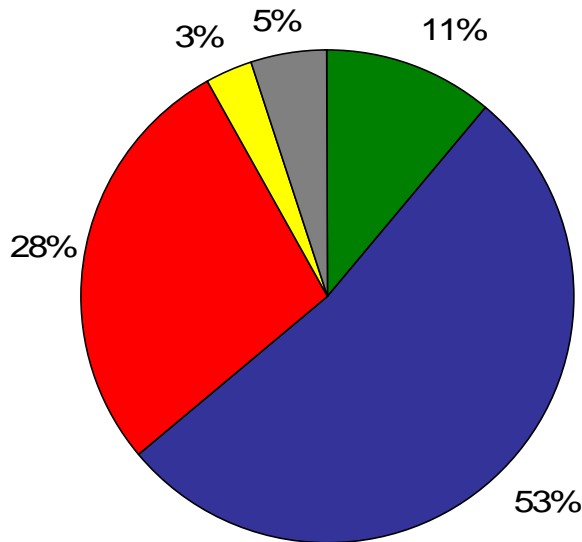
Detailed findings

Employees

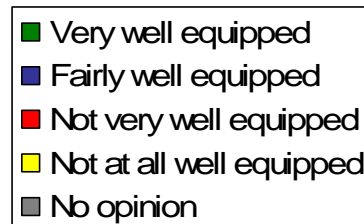
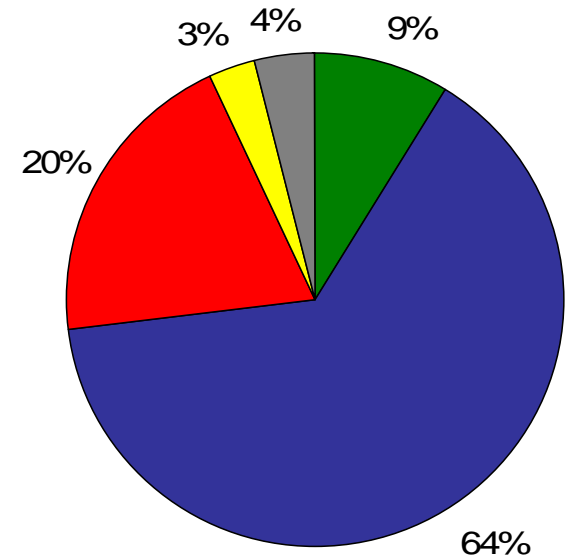
How well equipped in basics?

Q. In terms of skill levels, how well equipped in basic communication, numeracy and literacy, would you say people are joining the industry today?

Employees (556)



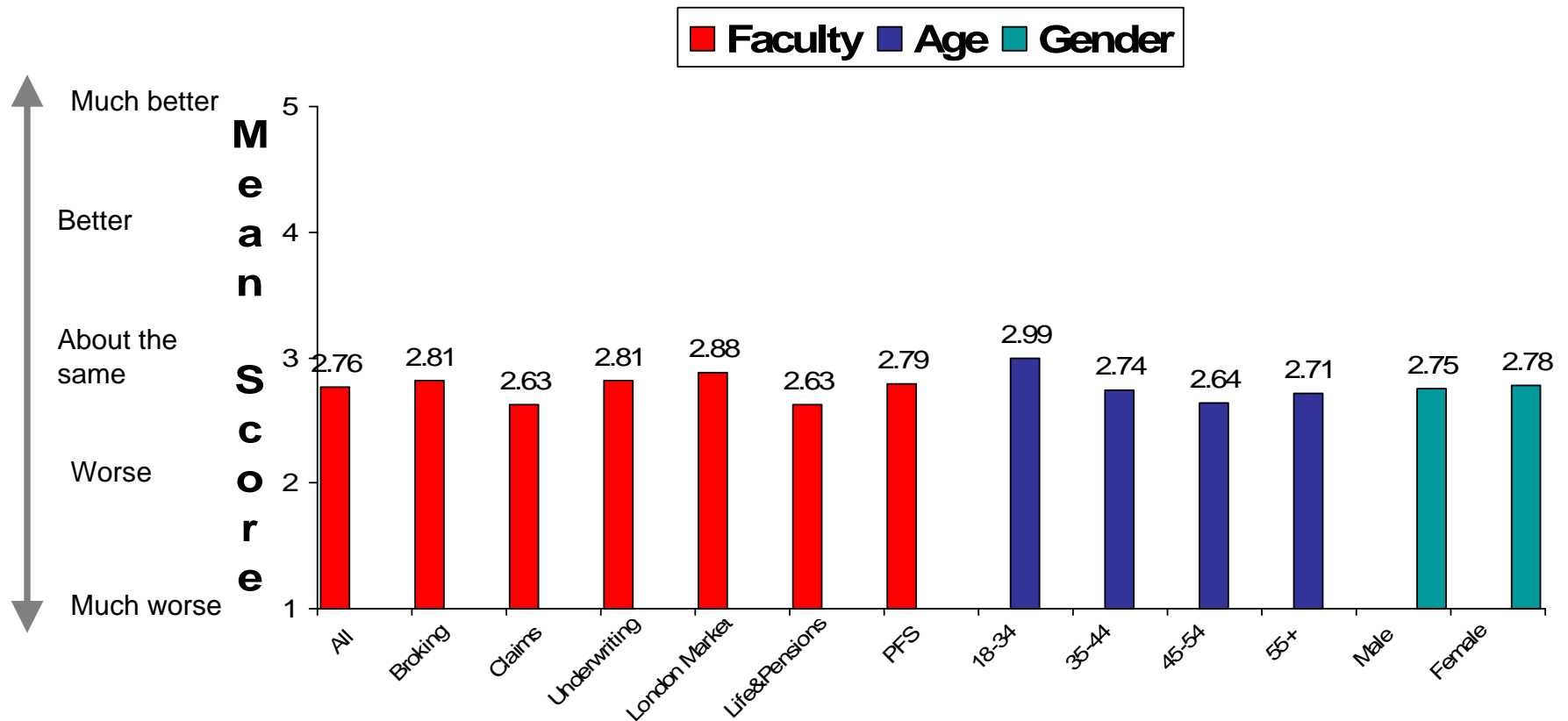
Employers (103)



Ratio of 2:1 overall feel well equipped, with Employees less so than Employers

Who feels better/ worse equipped?

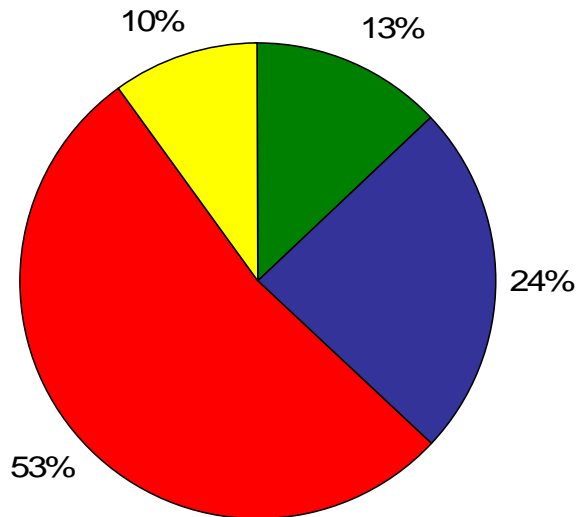
The youngest joiners feel better equipped suggesting they do not perceive the skills shortfall as extensively as others do



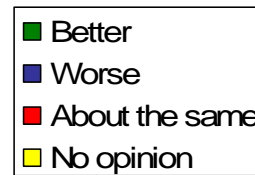
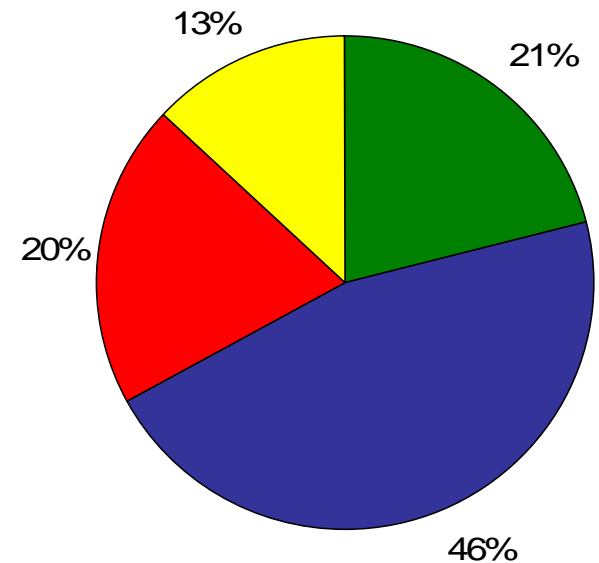
How well equipped compared with a few years ago?

Q. Would you say people joining the industry today are better equipped with the skills to do the job than 5 years ago, worse or about the same?
And compared to people joining 10 years ago?

5 years ago (659)



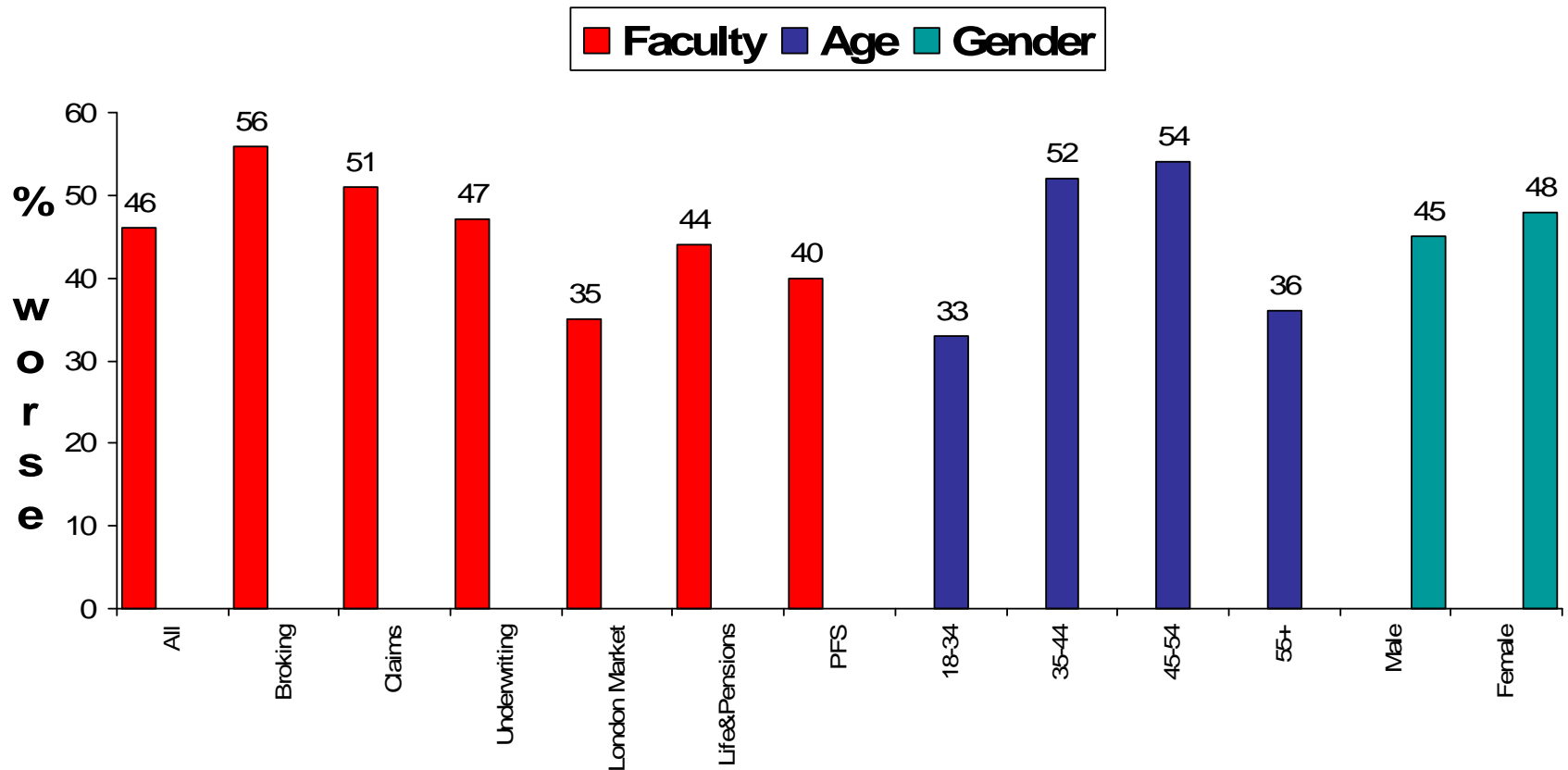
10 years ago (659)



Ratio of 5:2 overall feel well worse equipped than 10 years ago, but rate has slowed

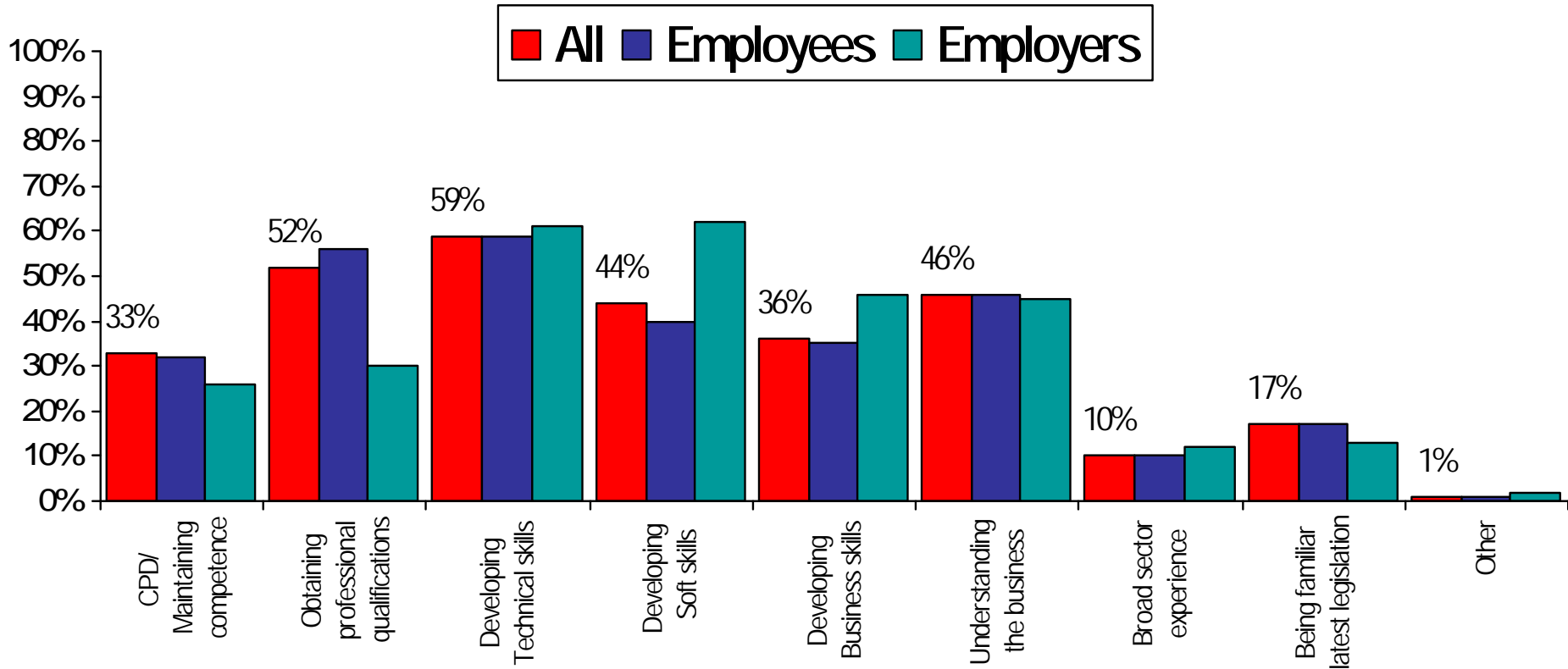
Who feels worse equipped than 10 years ago?

Broking and Claims Faculty members perceive the skills shortfall as having declined most



Important Skills Training Factors

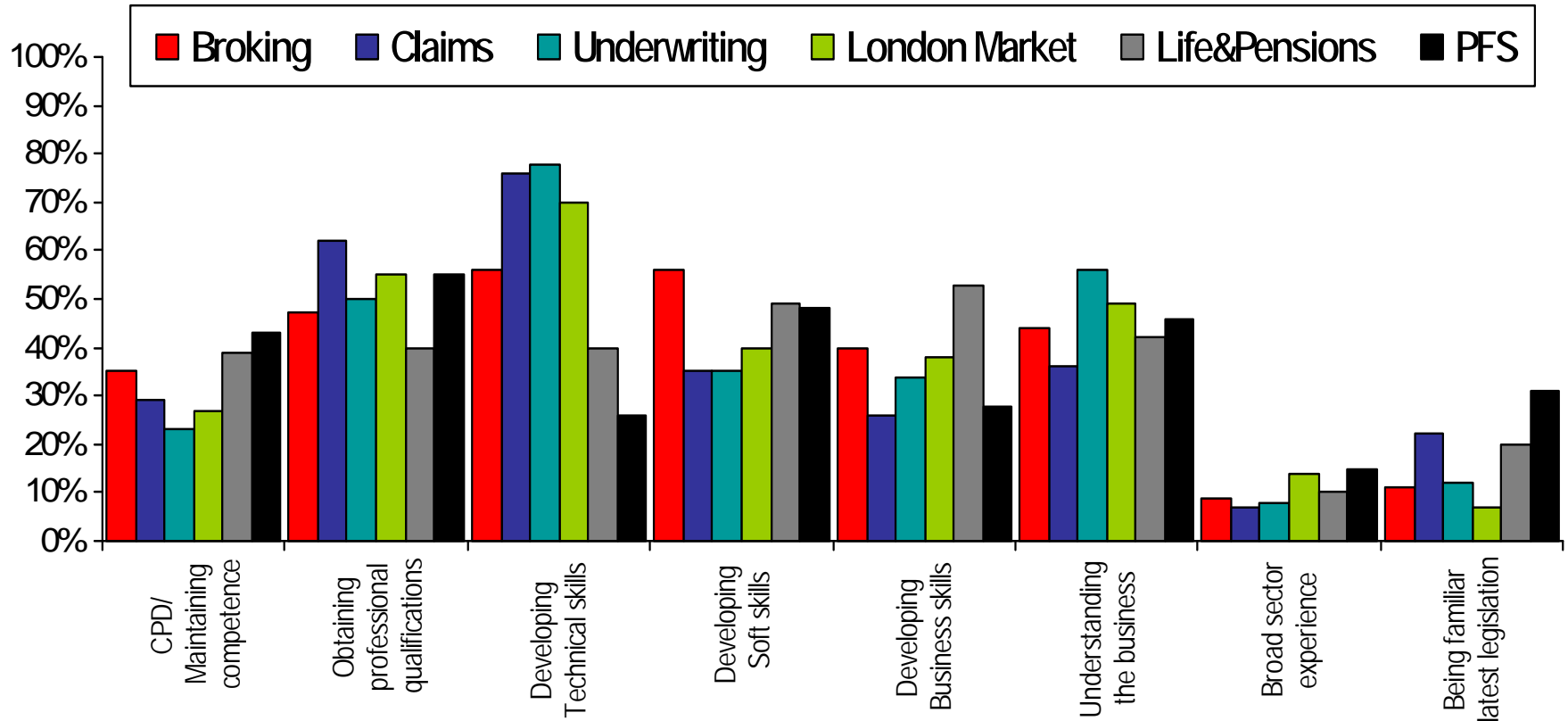
Q. From the following list, what 3 things would you say are most important to you in skills training?



Technical skills predominate, but Employers value Soft skills more highly

Important Skills Training Factors

Q. From the following list, what 3 things would you say are most important to you in skills training?

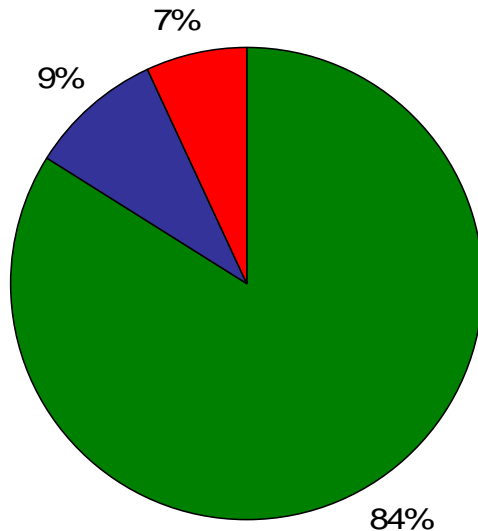


Importance of particular skills varies by Faculty

Attitudes towards Skills

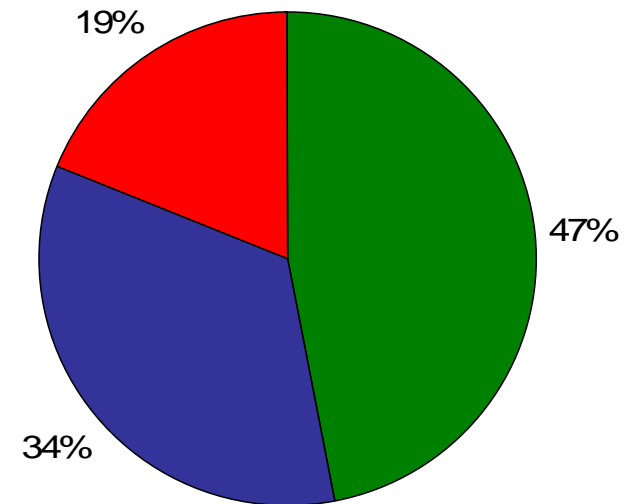
Q. To understand the attitudes of the Industry towards training and skills levels, will you please indicate how strongly you agree or disagree with each statement.

It's vitally important to get professional qualifications today

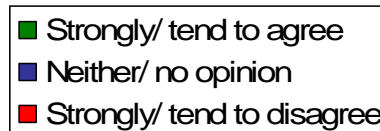


Significantly more likely to agree: Employees, PFS, age 55+

We're already falling behind other countries in our skills levels in the UK



Significantly more likely to agree: age 55+



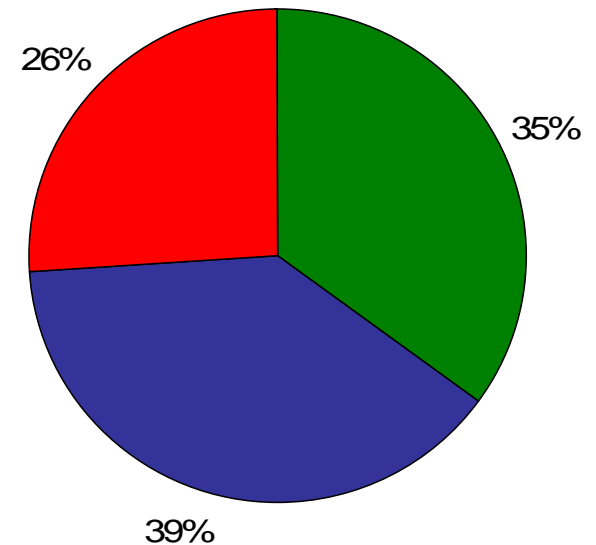
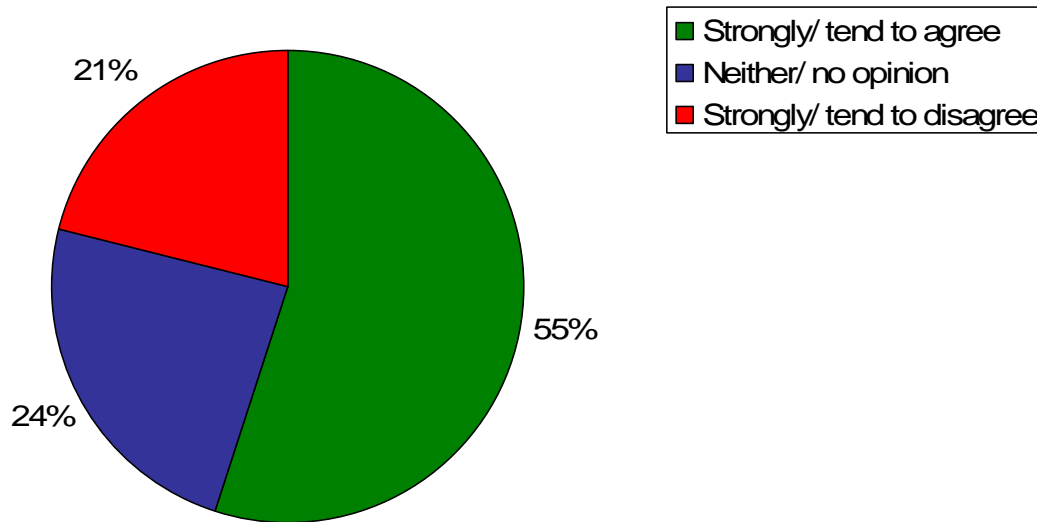
Base: all (659)

Attitudes towards Skills

Q. To understand the attitudes of the Industry towards training and skills levels, will you please indicate how strongly you agree or disagree with each statement.

If we carry on as we are, by 2020, skills levels in the UK are in danger of being left behind

Skills levels in Financial Services are generally higher than other industries



Base: all (659)

Significantly more likely to agree: PFS

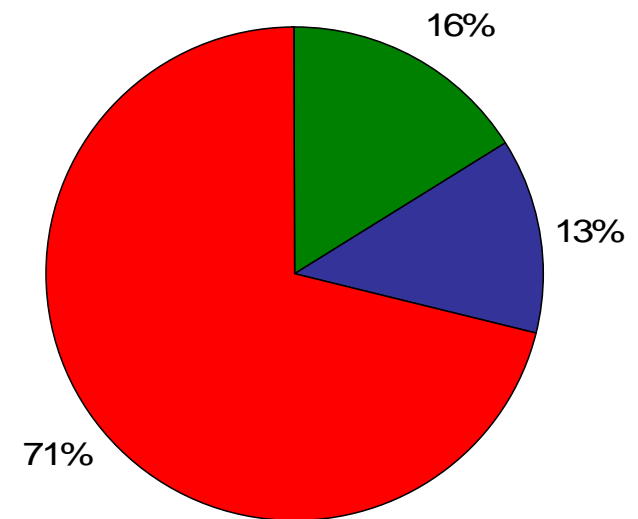
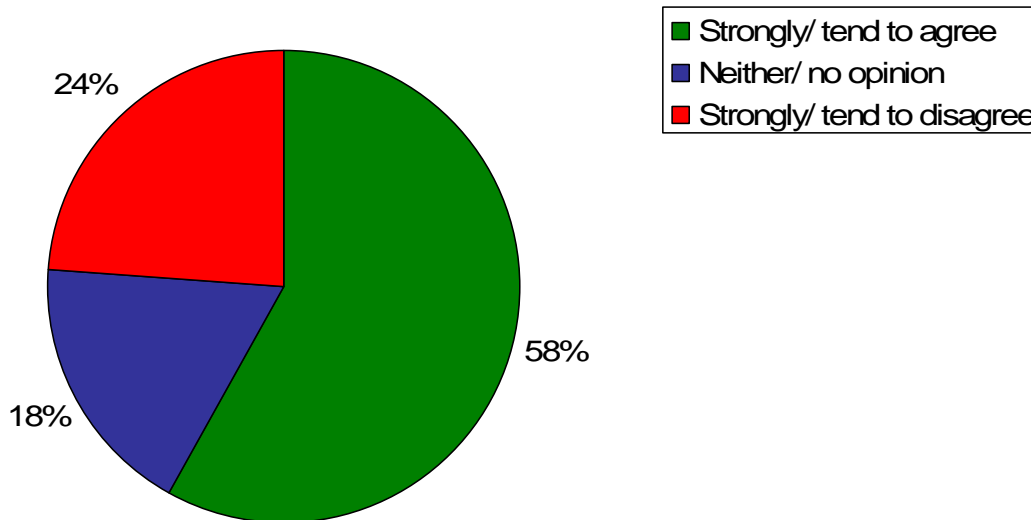
Significantly more likely to agree: age 45-54/ 55+,
1,000 -10,000 Employees size

Attitudes towards Skills

Q. To understand the attitudes of the Industry towards training and skills levels, will you please indicate how strongly you agree or disagree with each statement.

The Industry does enough to keep me up-to-date on skills training available

Firms have outsourced to India not just for cost reasons but because skills levels are comparable or better than UK



Base: all (659)

Significantly more likely to agree: Broking, 10,000+ Employees size

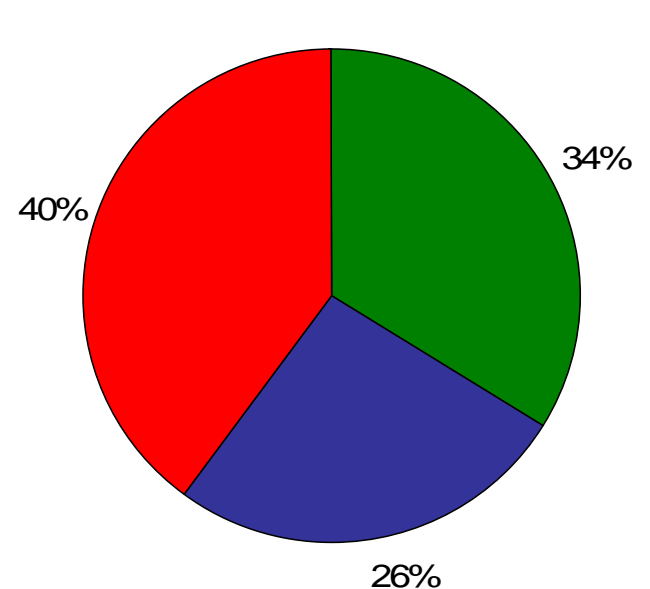
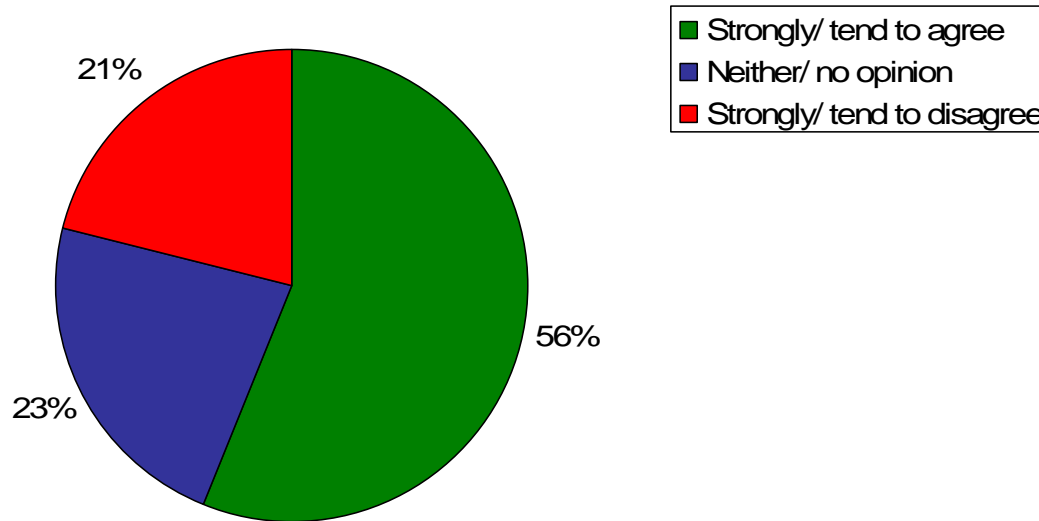
Significantly more likely to disagree: Broking & PFS, < 100 Employees size

Attitudes towards Skills

Q. To understand the attitudes of the Industry towards training and skills levels, will you please indicate how strongly you agree or disagree with each statement.

We've become too complacent in the UK believing our skills levels are superior

Our education system has prepared me well for a career in the FS industry



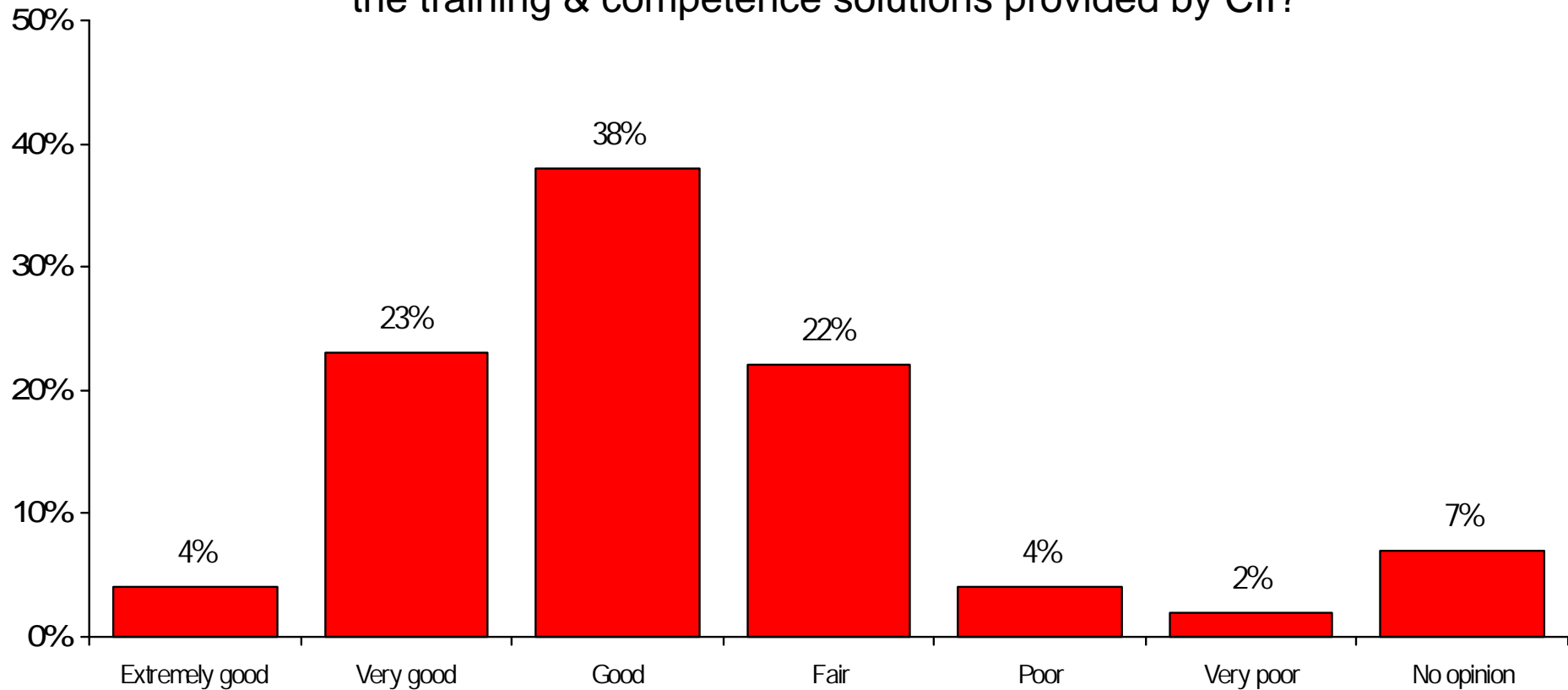
Base: all (659)

Significantly more likely to agree: Claims, Underwriting, L&P/ age 55+/ 10,000+ Employees size

Significantly more likely to disagree: Employers, PFS, age 45-54

Attitudes to CII

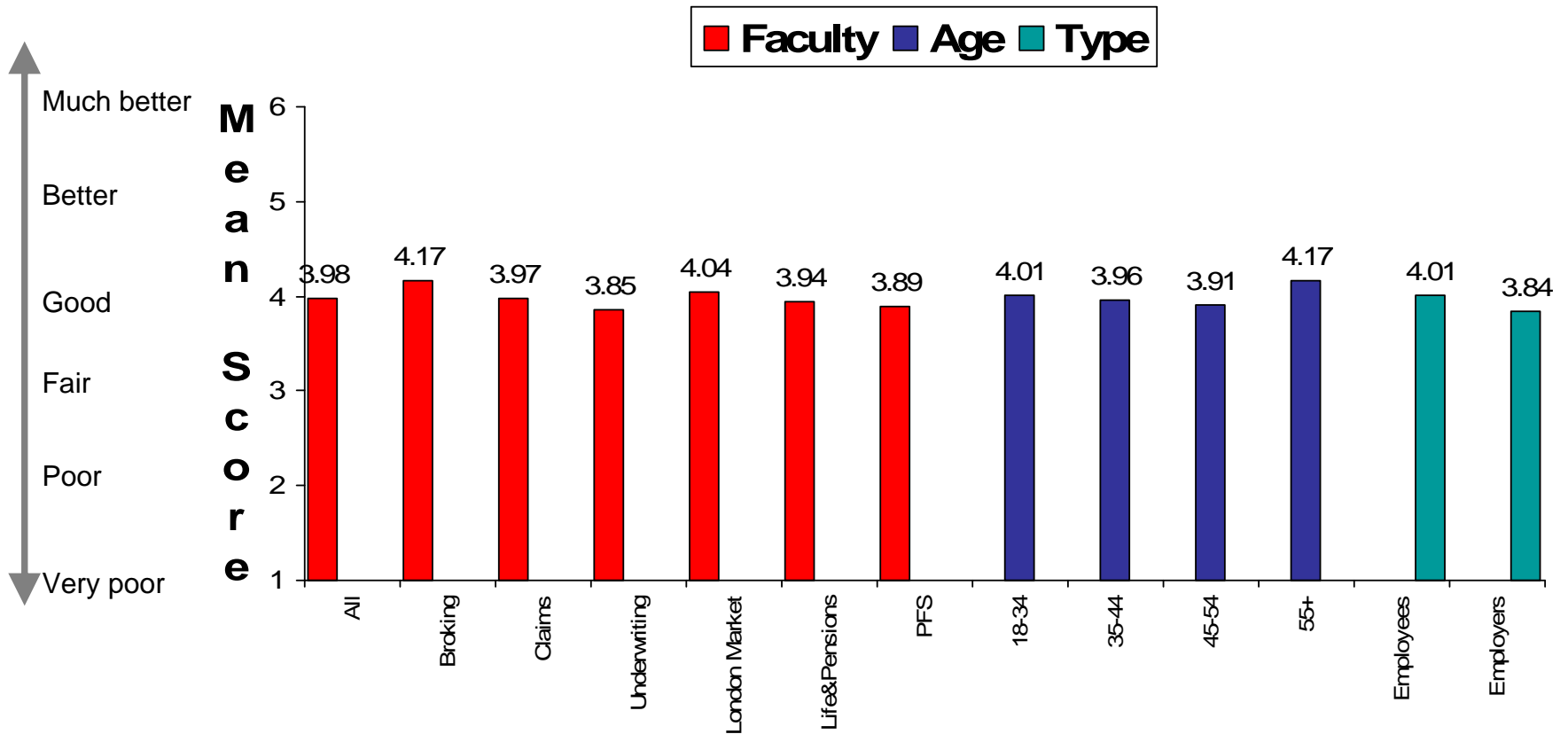
Q. How effective at meeting the requirements for today's skills sets is the training & competence solutions provided by CII?



Base: all (659)

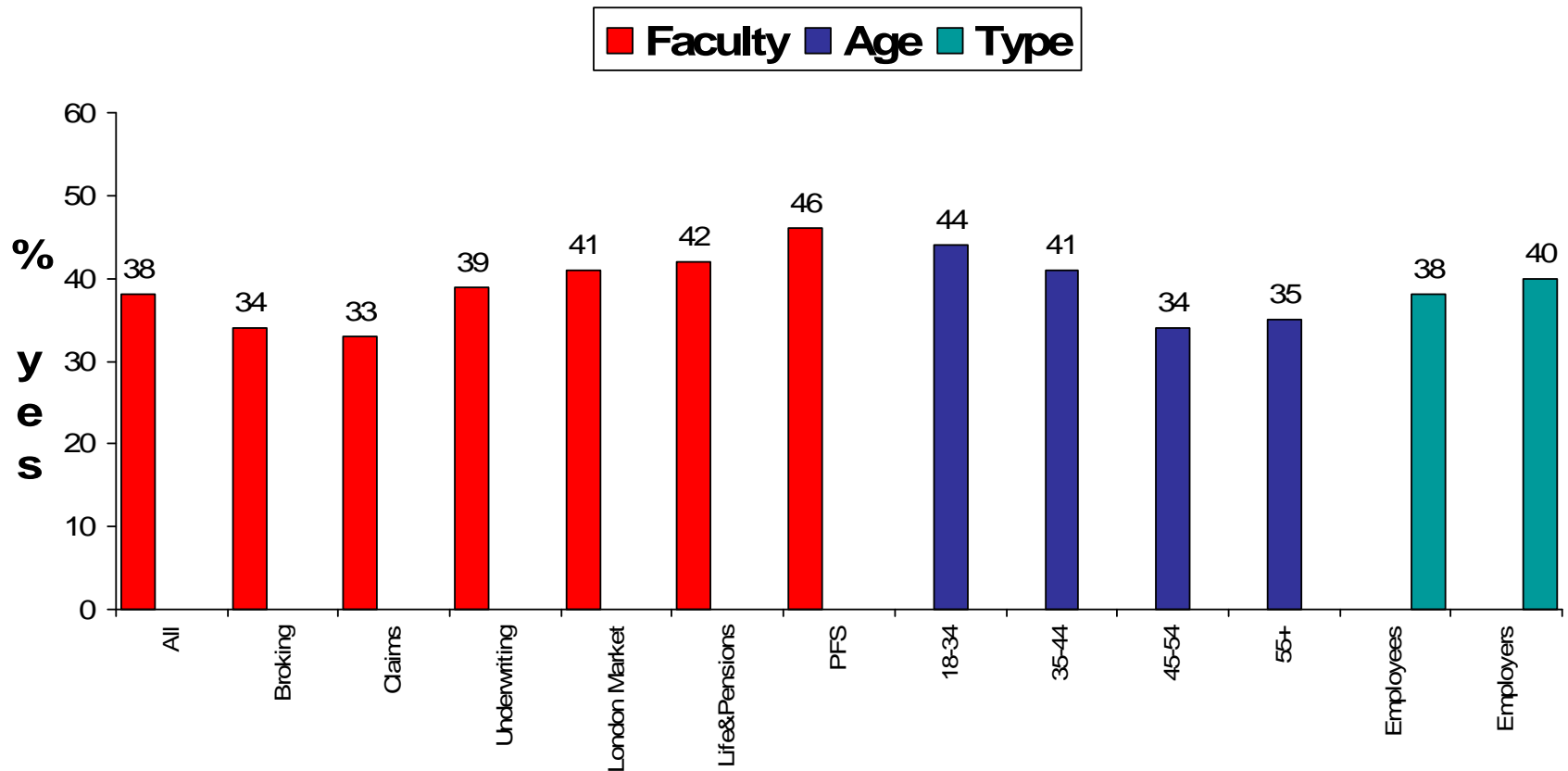
Who feels CII solutions better/ worse?

Q. How effective at meeting the requirements for today's skills sets is the training & competence solutions provided by CII?



Is CII doing enough?

Q. In your view, is the Industry doing enough to encourage obtaining professional qualifications?



Shortfalls in training

Q. What areas of shortfall in training and skills levels, if any, are there that the CII is not currently providing that it could be?

Basic Financial Services training for new entrants to the industry

Practical aspect of our industry

Basic communication and office skills such as complaint handling

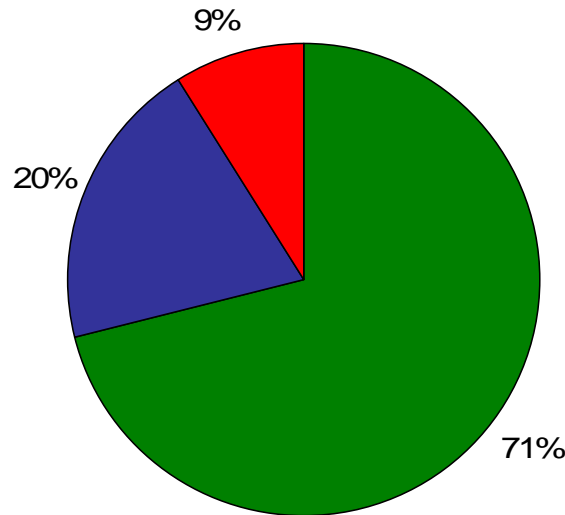
Mixing Technical skills with Customer Service

Encouraging commercial awareness in the insurance industry. No-one appears to know anything about business

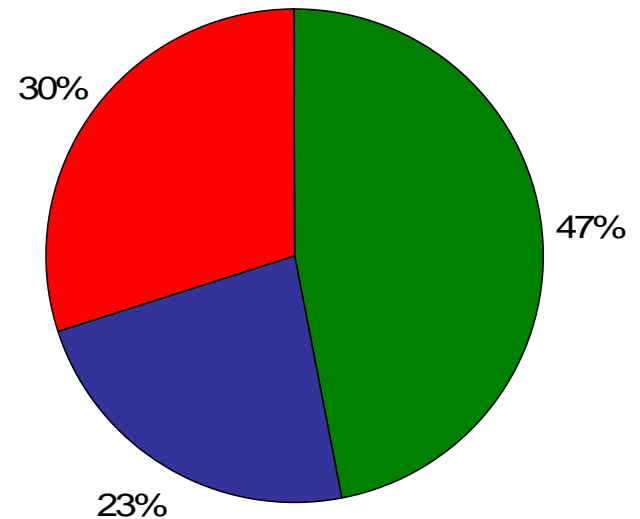
Attitudes towards State of Supply of Training & Skills

Q. To understand the attitudes of the Industry towards the state of supply at the moment of training and skills, will you please indicate how strongly you agree or disagree with each statement.

The CII is at the forefront of skills training and professional qualifications in UK FS industry today



Currently it is employers who are driving training rather than it being industry led (i.e. by CII)



Base: all (659)

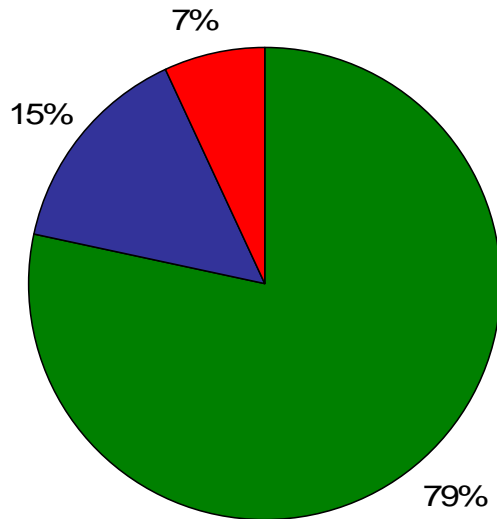
Significantly more likely to agree: Broking, Claims, L&P while London Market most likely to disagree

Significantly more likely to agree: Employers, Broking, Underwriting, age 18-34

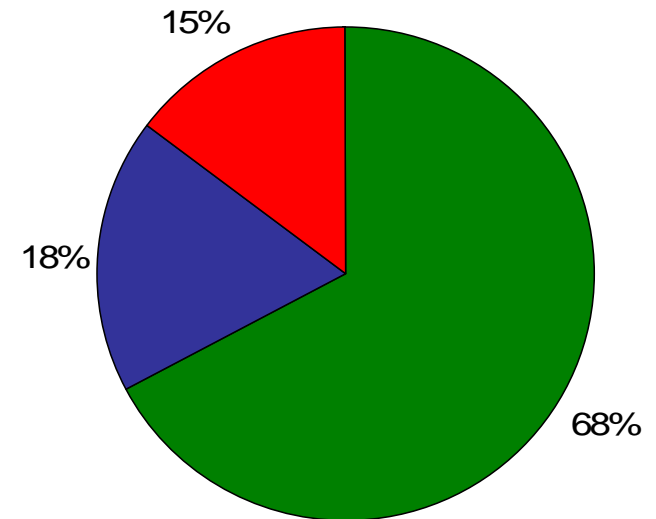
Attitudes towards State of Supply of Training & Skills

Q. To understand the attitudes of the Industry towards the state of supply at the moment of training and skills, will you please indicate how strongly you agree or disagree with each statement.

The CII is fine for technical training, but I wouldn't think of it for soft skills training



The CII needs to broaden its range of training to accommodate the increasing importance of soft skills



Base: all (659)

Significantly more likely to agree: Broking, Claims, L&P while London Market most likely to disagree

Significantly more likely to agree: Broking, Claims, L&P, age 18-34; while London Market most likely to disagree

In their own words

Q. What is the one thing in your area that would make a real difference to enhancing skill levels?

More specialist technical training, more training on non insurance areas e.g. customer related and office environment

Making access to general training material more freely available to all members - at low cost or no cost

Locally based courses in soft & technical areas

Stop using the phrase soft skills - concentrate on behavioral skills including the ability to satisfy customers

Sensible pricing of training

Broader knowledge of the FS Industry - too much focus and segmentation of processes has caused a decreasing level of technical ability

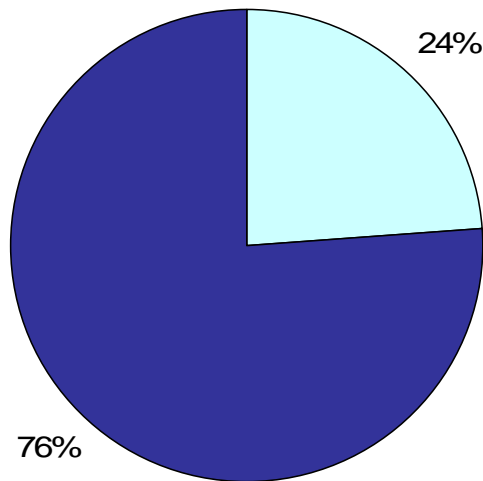
Encouraging school leavers to enter the world of insurance by representing the industry more at careers conventions for students - to enable them to see that it is a profession worth entering and to work towards achieving that goal ie like accountancy, law etc

Detailed findings

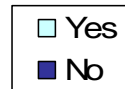
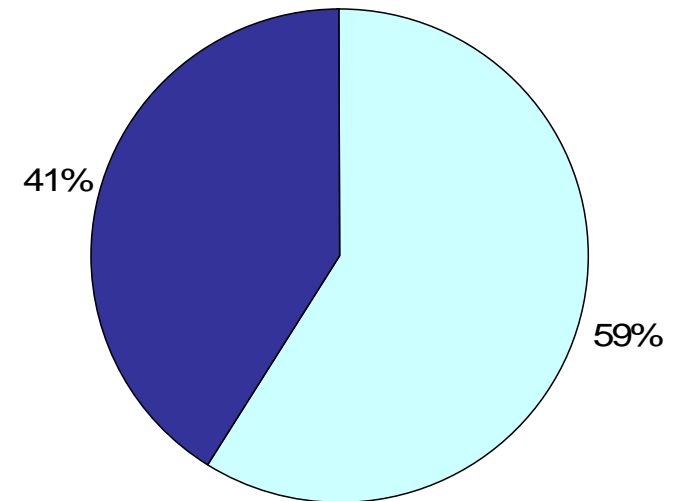
Employers

Importance of Training & Skills

Q. Are you aware of the conclusions of the Leitch report into the level of skills in UK industry?



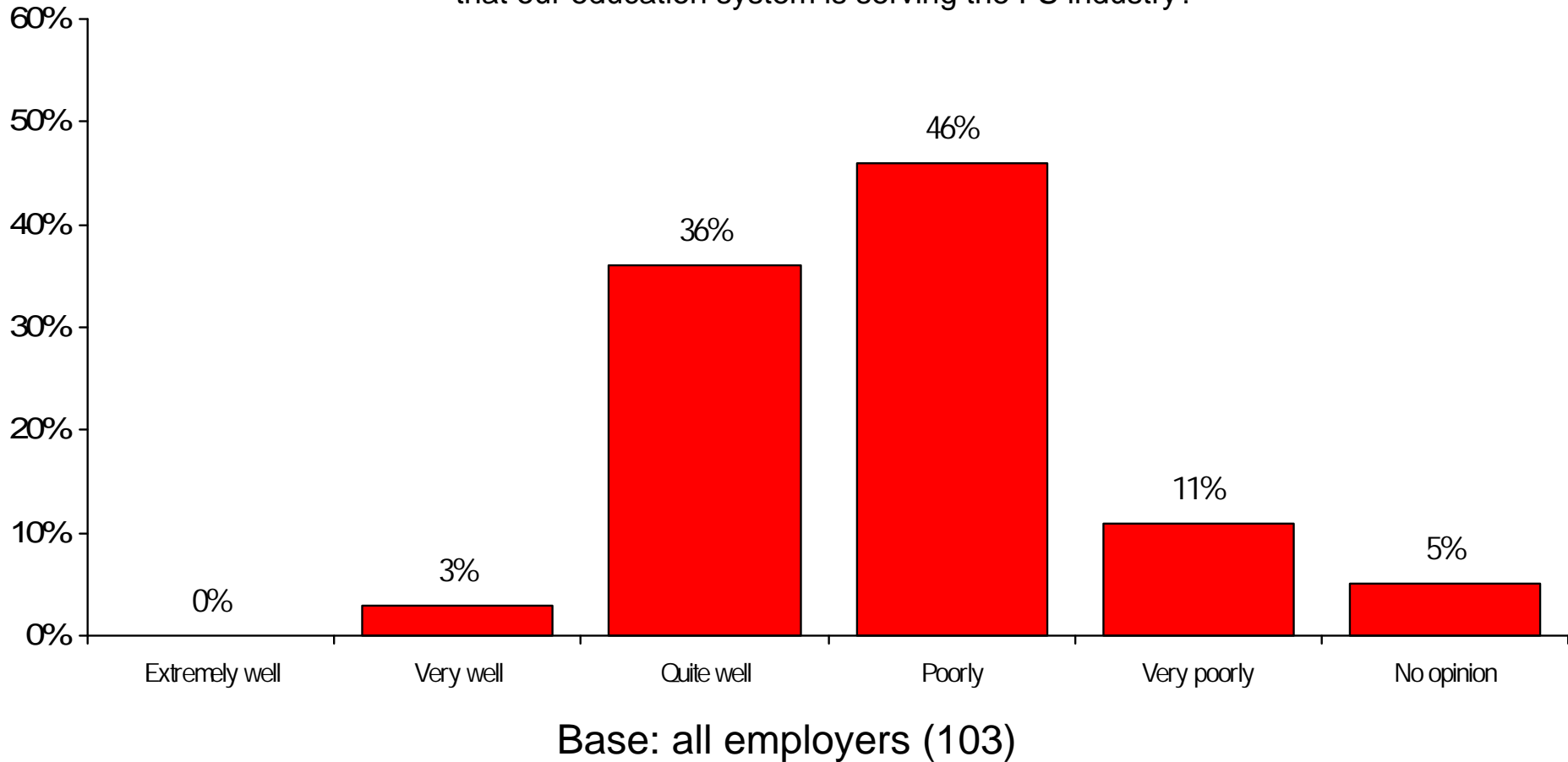
Q. Thinking of the relative importance of training and skills levels, would you say the issue is on your Boardroom agenda?



Base: all Employers (103)

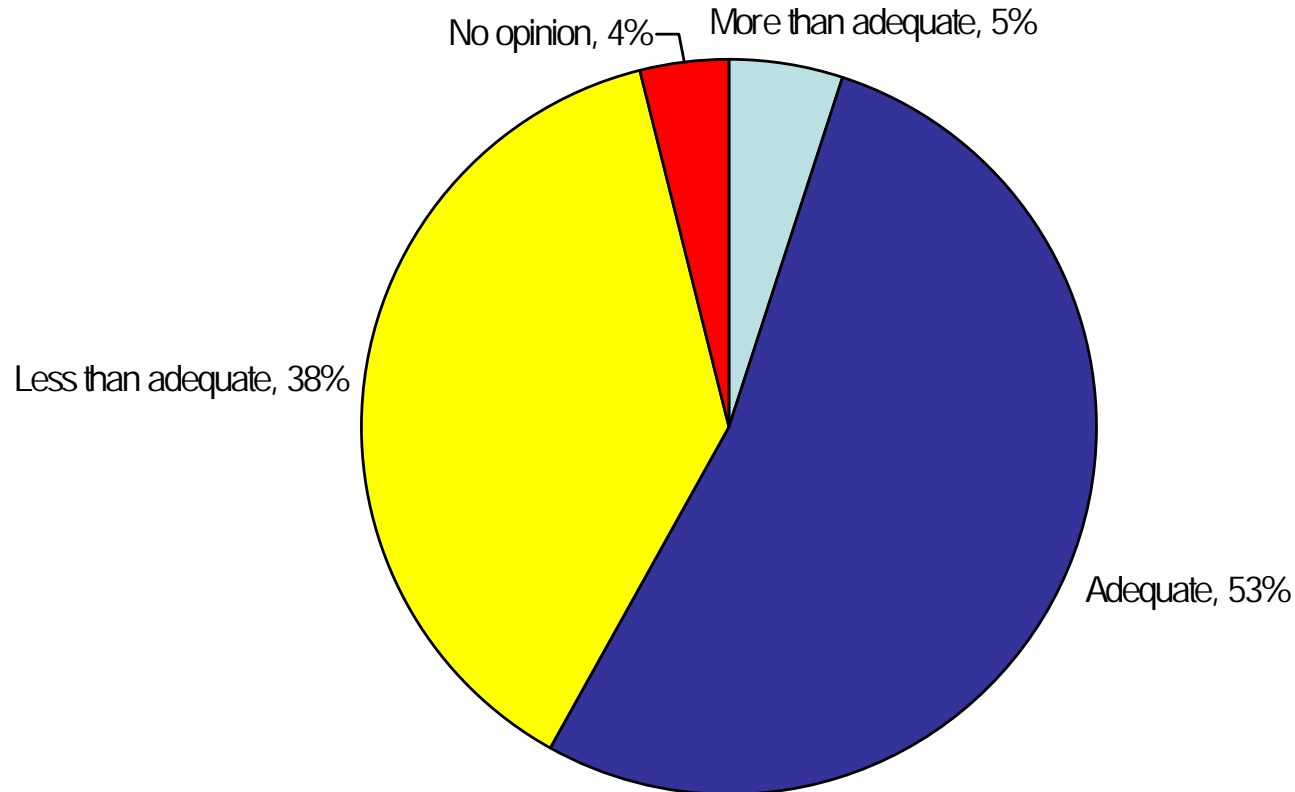
Attitudes to Education System

Q. Thinking of recent school leaver and graduate recruits, how well do you think that our education system is serving the FS industry?



Attitudes to Education System

Q. What is your opinion of the level of basic education of applicants when they join? Is it ...?

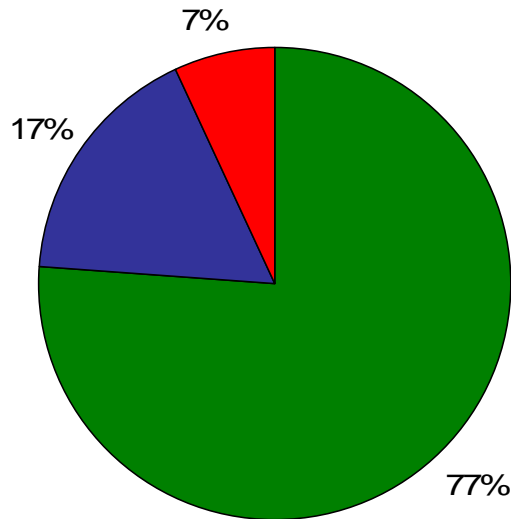


Base: All employers (103)

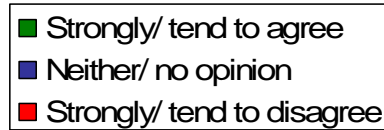
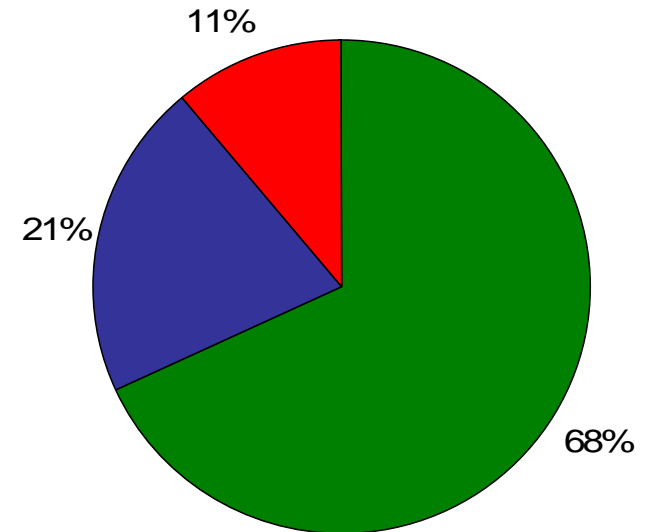
Attitudes towards State of Training & Skills in UK

Q. To understand what are employers' attitudes at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

Students leaving school and joining the industry can't write basic letters today



School leavers have problems with basic numeracy skills

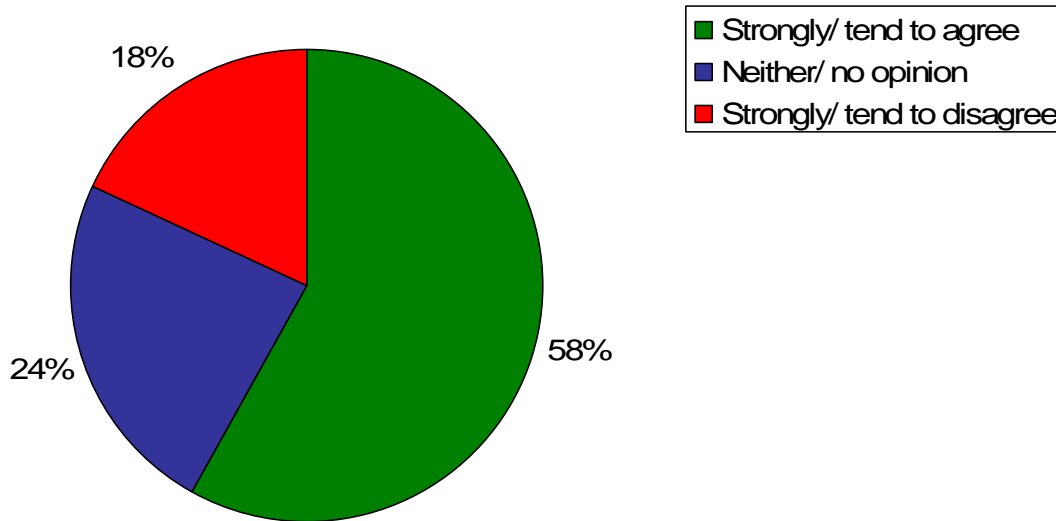


Base: all employers (103)

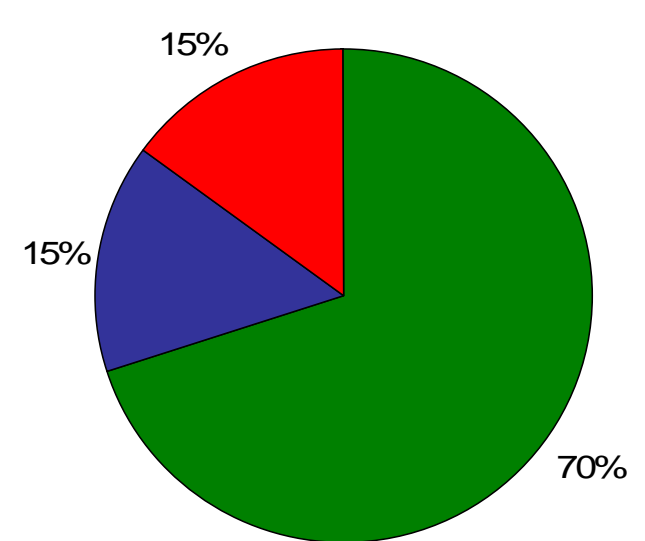
Attitudes towards State of Training & Skills in UK

Q. To understand what are employers' attitudes at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

Even graduates struggle with basic skills like grammar and numeracy



Having the soft skills is more important because technical skills can be taught



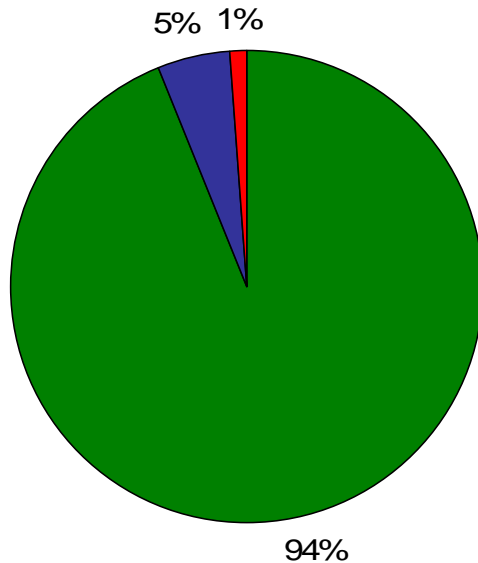
Base: all employers (103)

Significantly more likely to agree: firms of 101-1000 employees size

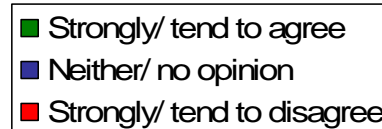
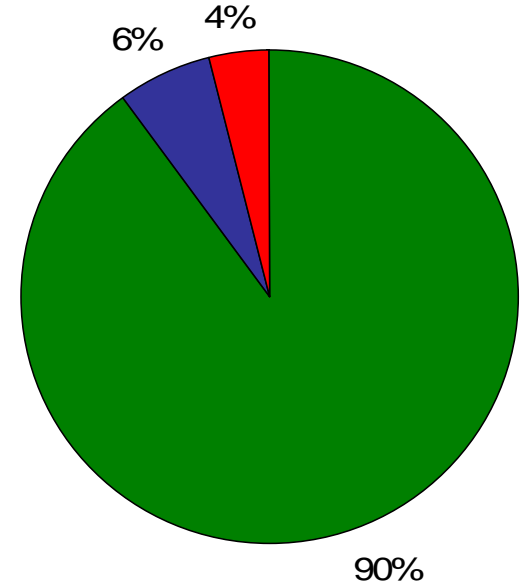
Attitudes towards State of Training & Skills in UK

Q. To understand what are employers' attitudes at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

Technical skills are critical in maintaining the competitiveness of 'UK FS plc'



We believe there's a link between the level of investment in training and profitability of an organisation

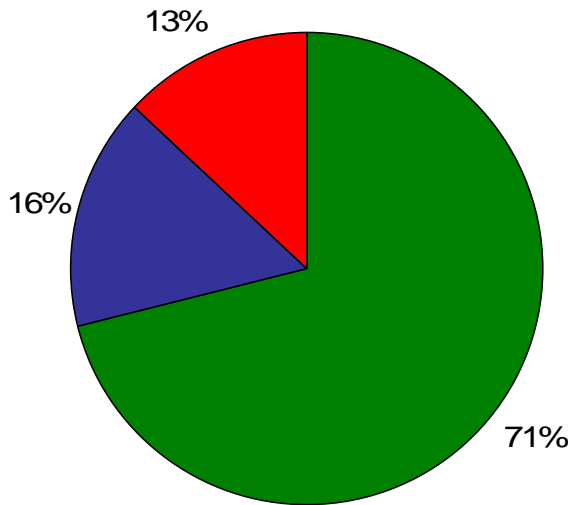


Base: all employers (103)

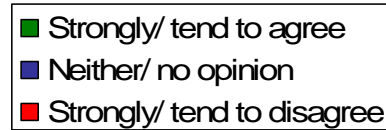
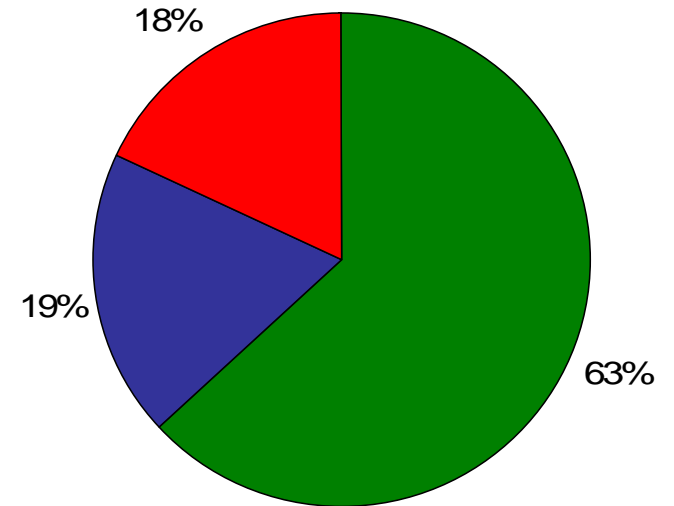
Attitudes towards State of Training & Skills in UK

Q. To understand what are employers' attitudes at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

There is a shortage of technical skills in key areas of our business



Generally, demand for professional qualifications will increase in the next 5 years



Base: all employers (103)

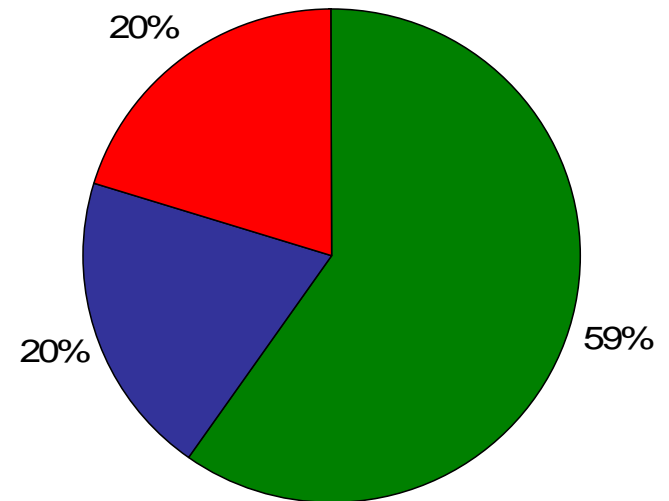
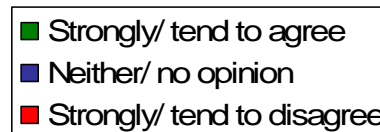
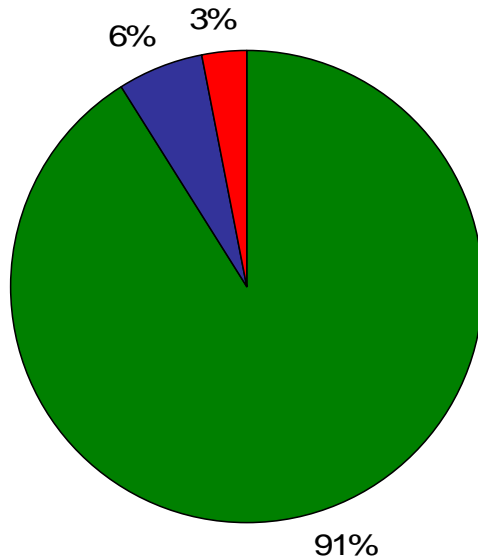
Significantly more likely to agree:
Employers aged 45-54

Attitudes towards State of Training & Skills in UK

Q. To understand what are employers' attitudes at the moment towards training and skills levels in the Industry, please indicate how strongly you agree or disagree with each statement.

Maintaining competence is just as important as passing examinations

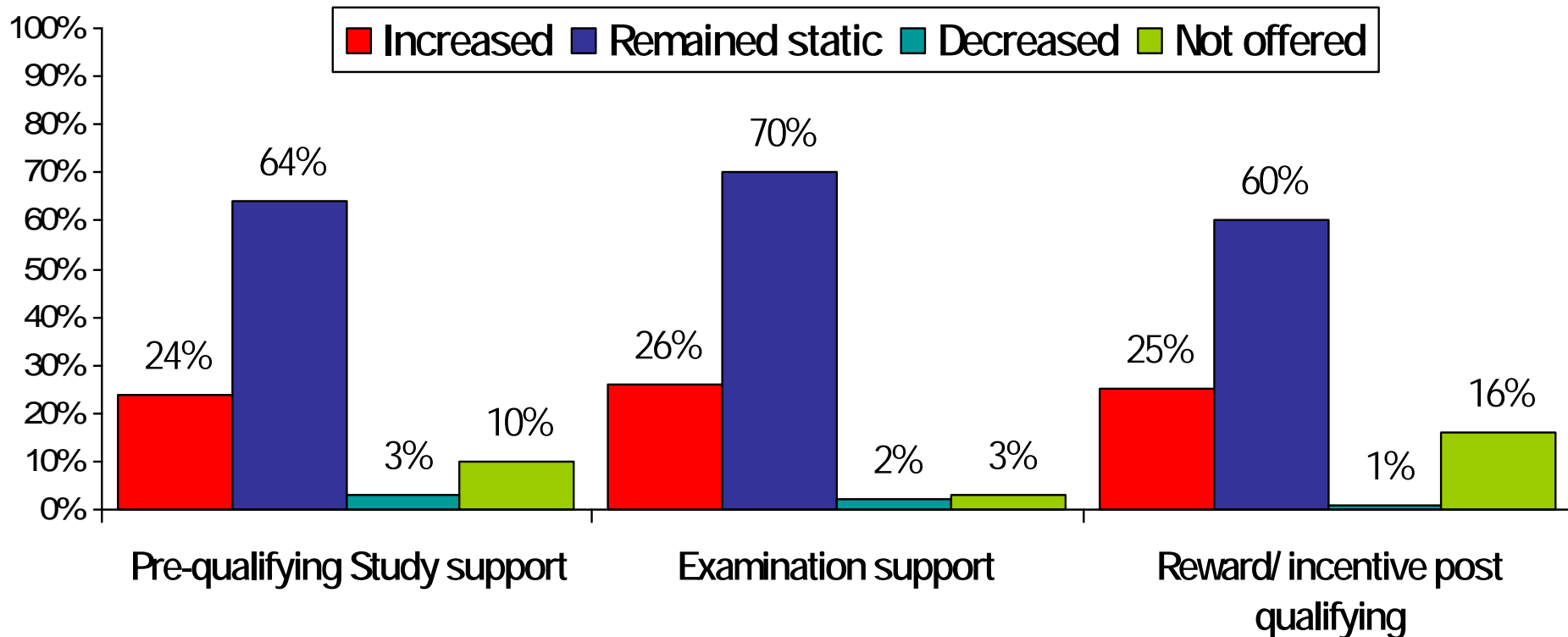
More staff will need higher level qualifications e.g. ACII -



Base: all employers (103)

Support for employees who study for professional qualifications

Q. For the following types of support, can you indicate if budgets which you set aside for 2007 have increased, decreased or remained static? Base: all employers (103)



36% aged 35-44 received increased Pre-qualifying support = significantly highest

Conclusions

- There has been a decline in skills levels. This has resulted in an industry shortage of skills and it is assumed that this situation will worsen as the demand for qualified employees is set to increase. What can be done to combat this issue and ensure that the industry's demand for qualified employees can be met?
- There is a lack of basic skills sets and financial services specific skills sets in today's market. How can we support current technical training and development whilst meeting the industry needs for wider training of business and soft skills?
- There is an understanding that more could be done to promote the financial services industry in educational institutions and that the skills learnt could be more aligned with the skill requirements of today's industry. What possible action could support the marketing of financial services and the development of skill sets within the UK education system?