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Gender pay gap report 2019



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Foreword

It's two years since organisations in the UK started publishing figures on the gender pay gap, and already we can see positive strides are being made.

First, our understanding of the issue has improved enormously. Now that we have proper data across the economy, we can see where some of the root causes lie, instead of making educated guesses based on partial information and anecdotes.

We have seen how the gender stereotyping of roles from a very early age affects later pay disparities. There is a societal need to remove gender-stereotypical educational choices that reduce later career options. The CII's Discover programme provides an opportunity to raise the profile of our profession and to encourage both girls and boys to consider the varied roles in our profession. We also have a role to play to break down the stereotypes and to start hiring based on potential and transferrable skills.

Now that we understand these key underlying causes, we can select the right tools to tackle them. For example, we know how to re-evaluate roles to address the historic unfairness towards part-time workers; we know how to train managers to recognise

and overcome the unconscious biases; and we know how to encourage social networks both within and outside our own organisations to support people as they take on more responsibility.

Understanding the scale and nature of the problem and mastering the tools that can help us resolve it means that progress can be – and is being – made.

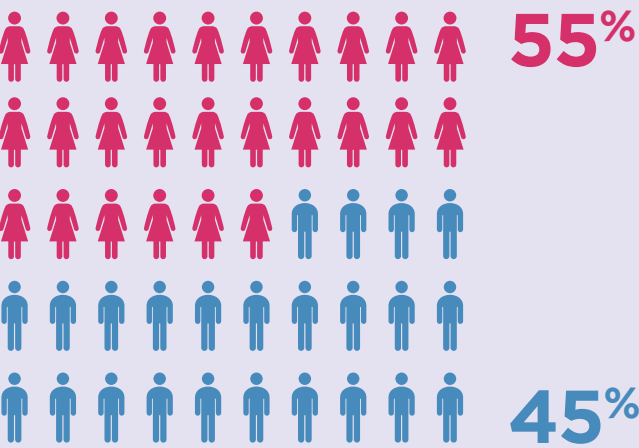
I'm very proud that the CII has reduced its own mean gender pay gap in the last 12 months. I know that we can't be complacent, that we will always have to be vigilant against bias and continue to monitor and evolve our initiatives to support our colleagues, but I'm also confident that we have the insights and the methods at our disposal to make progress.

I know what the insurance profession can achieve when it has a clear target and a reliable method for measuring process. I look forward to seeing many firms in our profession making progress in narrowing the gender pay gap.

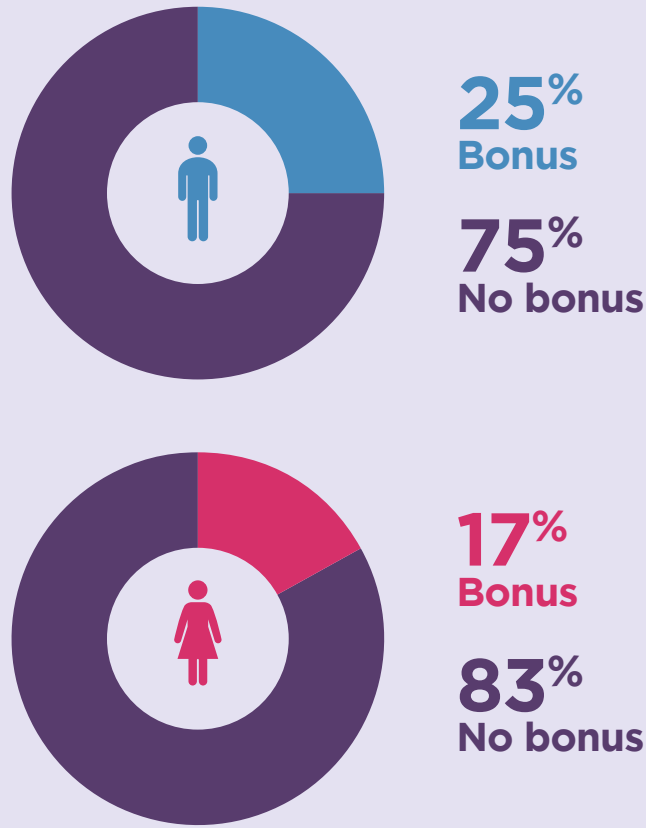
2019 gender pay gap

	Pay gap	Bonus gap
Mean	14.77%	34.74%
Median	14.62%	0%

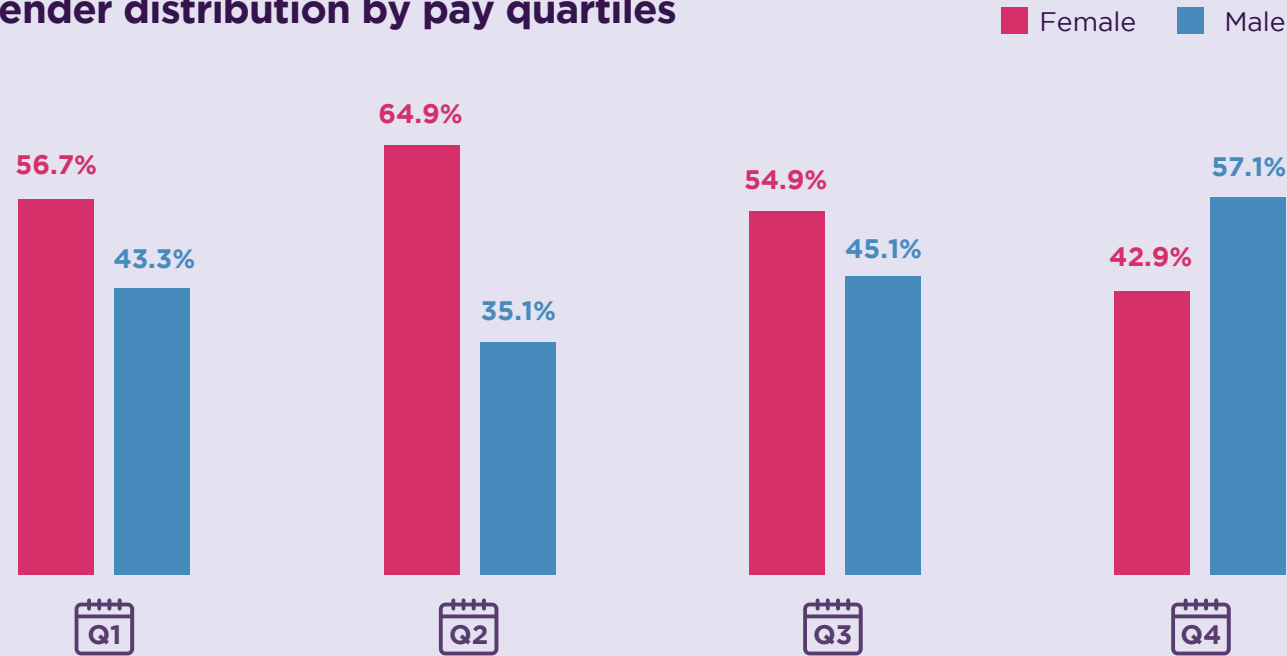
Overall workforce composition



Bonus participation



Gender distribution by pay quartiles



Year-on-year comparison

	2017	2018	2019	2019 v 2018
Mean gender pay gap	28%	16.64%	14.77%	↓ -1.9%
Median gender pay gap	18%	5.65%	14.62%	↑ 9%
Mean gender bonus gap	47%	34.47%	34.74%	↑ 0.3%
Median gender bonus gap	5.53%	5.46%	0%	↓ -5.5%
Males receiving bonus	87.4%	76.29%	24.75%	↓ -51.5%
Females receiving bonus	83.5%	70.94%	16.94%	↓ -54%

Summary

- We see positive year-on-year trends, in the form of a slightly narrower hourly pay gap at the mean and a narrower bonus gap at the median.
- Our bonus participation is largely due to the scheme setup - our instant recognition award is not representing a percentage performance bonus scheme.
- When we consider gender distribution by pay quartiles, as defined by the regulations, female colleagues appear under-represented in the top quartile, with a higher proportion of female colleagues in the lower three pay quartiles, most noticeably in the second quartile.
- Despite a narrowing of the mean gap, the median gap has widened by nine percentage points. The reason for this is that the female hourly rate has remained stable between 2018 and 2019, while the male hourly rate has increased slightly from 2018 and 2019. This is true particularly for those at the higher quartile. Therefore, when the female rate is compared to the male rate, the difference has become larger. This can be seen by looking at the percentiles between the two years, which have all increased.



Insight into action

Transparency and process

- In 2018, 13.7% of colleagues were promoted; of this, 56% were women. Comparing this to 2019 so far for the period January to September, 6.7% of colleagues have been promoted in the period and of those promoted, again 56% were women.
- We have a robust recruitment process to enable us to attract and recruit from a wider pool and find diverse talent. This includes working closely with recruitment agencies, blind CVs, balanced panels and putting in additional measures to achieve balanced shortlists. We also aim that all our managers who undertake recruitment receive inclusive-recruitment training.
- As both the facilitator of the Insuring Women's Futures programme and as an employer, we have contributed to the development of the Financial Flexible Working pledge and good practice for the market, which we will be pledging to support on behalf of our own colleagues.
- Our flexible working process is simple and transparent. In the past 12 months, 1.23% of our female colleagues and 2.05% of our male colleagues had flexible working arrangement put in place to support their work/life commitments.

Family friendly

- In 2019, we have had further parental coaching for all colleagues as part of our family-friendly support. Four colleagues have attended parental coaching this year, of which 75% women and 25% men attended. To further support our colleagues in 2019, we increased our family-friendly policies to provide 20 weeks' full pay for all colleagues expecting.

Training and visibility

- All line managers attend compulsory unconscious-bias training and inclusive-leadership training.
- We continue to participate in the 30% club cross-country mentoring programme, with seven women participating.
- We provide an informal mentoring and reverse-mentoring programme open to all colleagues, with 5% of colleagues participating.
- We are investing in all of our people to help them reach their full potential. In 2019 so far, our colleagues have participated in 1,203 hours of learning and development, not including CPD. Some 56.7% of staff who hold a CII qualification are women and 63% of those who are currently studying toward their CII qualifications are women.
- In 2019 to date, 17 colleagues are studying for a professional qualification, of which 14 are women and three are men. In 2018, 15 colleagues completed a new qualification, of whom 12 were female and three were men.
- We are currently at the one-year mark on our ILM Apprenticeship programme, which has a focus on developing diverse talent - there are 11 females and one male on the programme.
- We currently run two fundamentals programmes, which are learning toolkits that run across the year for our colleagues looking to enhance their core technical competencies and skills both at management and coordinator level.

Chief executive officer pay ratio

While the CEO pay ratio is not yet a requirement to report on, we are keen to lead the way on transparency and equity. This metric looks at the pay for the CEO compared to the organisation's other staff.

The method we have used takes the total cash paid to the CEO, which includes basic salary and bonus, and compares this to the total cash paid to the median employee. We identified the median employee by taking the total cash figures for all employees, putting them in order and taking the middle employee. Note that we have not included pension contributions in this calculation.

The CEO pay ratio at the CII has been calculated to be 8.67, meaning that for every £1 the median employee is paid, the CEO receives £8.67. This is down from 9.79 in 2018. Currently, there is no meaningful data to benchmark this against, as only FTSE companies report on this metric and the data illustrates 100:1 in some cases there.

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