

Addressing the social mobility challenge

Romaney O'Malley, CFO, AIG UK

The insurance industry has made undeniable progress towards accepting the importance of having a diverse workforce and the need to build a culture of inclusion that allows it to thrive. But there is still room for improvement.

Getting to grips with classism

While there are strides being made around gender, ethnicity and sexual orientation, the financial services sector would benefit from fostering a workforce that includes people from a diverse range of socio-economic backgrounds. Class – and perception of class – is still considered an issue in financial services. An unconscious bias persists, and this can stymie social mobility and act as a barrier to diversity.

As recently as January, a poll by the Social Mobility Commission confirmed that social mobility is in decline. Graduates from private schools typically earn 7 percent more annually than those from state schools, only three and a half years after graduation. By mid-career, workers in finance from less-privileged backgrounds should expect to earn £11,200 a year less than their counterparts, even after accounting for indices such as education and levels of training.

Learning from other industries

While the data can make uncomfortable reading, there are signs that things are changing. AIG, for example, has partnered with the charity Career Ready to enable city professionals to mentor students from low-income families, boosting social mobility by opening up the world of work to disadvantaged communities through workplace visits to real-life business environments, and skills-building sessions including CV writing and interview workshops. Across the industry, newly championed apprenticeships and internships can also act as a pipeline of diversity to the industry.

We would do well to look at how other sectors are approaching social mobility. KPMG, for example, was the first business in the UK to publish detailed workforce data outlining the socio-economic make-up of the firm. Deloitte has also championed contextual hiring, which emphasises a student's grades in the context of the school they attended. DLA Piper is looking at more inclusive ways of assessing people, dropping methods that unfairly benefit Oxbridge candidates and striving for the hiring panel itself to be diverse as possible, to minimise unconscious bias.

Moving in the right direction

At AIG we are already focused on improving our support of social mobility for our early career entrants. We partner with Bright Network to highlight the industry opportunities for university students from diverse backgrounds. We host university insight days at our offices – widening the range of universities from which we recruit and as a result the diversity of candidates. To avoid the trap of unpaid internships only being available to well-off students, ours are open to all and, more



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importantly, well paid.

As a CFO I remain loyal to the principle that what gets measured gets managed, so it is also important that we instil discipline around defining how we will measure success, track which initiatives or techniques are working and which aren't, and adapt accordingly as quickly as we can. This will ultimately drive progress over the longer term.

As we continue to attempt to facilitate social mobility, we need to learn and adapt. As a sector, the aim should be to make the smartest selections – not just in the risks we underwrite but also in the people we hire.

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