



MARLIN HAWK

Marlin Hawk Industry Pulse

Insurance Talent Challenges:

How Assessing for Skills can

Bridge the Leadership Gap

Introduction

Talent shortages, wars for talent, and AI impacting the workforce – these are the buzzwords we see circulating in conversations Marlin Hawk are having with business leaders and in the press.

Across multiple industries and territories, it is widely recognised by CEOs that it is harder to find exceptional talent who can lead both today's organisation, and concurrently execute and deliver the strategic agenda for tomorrow. Attraction and retention of top transformative talent should be the key strategic HR initiative for most business leaders, and the competition is real. Talent is limited, and the best of that talent wants to work in future-ready and progressive environments.

Insurance is one of the most important global industries, employing in excess of 320,000 people in the UK alone with a market size of over £120bn. However, in terms of attracting the best talent, the industry continues to struggle. It is an industry that is keen to appoint strategic, capable leadership but has ultimately struggled to attract the transformative style of leaders it requires.





Future Challenges

According to London Market Group data referenced by RSA Insurance in its article, 'Closing the gap; the London Market must address its talent shortage', statistics show that there are as many people aged over 50 as there are under 30 working in insurance. With 26% of the workforce over the age of 50, many of whom in that group will retire soon, demographic issues in the talent pipeline will quickly start to materialise creating a talent gap, particularly in the 25-to-40-year-old age bracket.

When it comes to revitalising that talent

pool, it is not happening fast enough. Ask any capable under 30-fast-track leader if they are attracted to insurance as an industry, very few will immediately say yes. Insurance is not attracting enough diverse, effective, and change-oriented leaders.

Exacerbating existing talent pipeline problems, the industry also has a propensity to recycle leadership talent rather than promoting individuals with potential and developing new candidate populations. In the past few years, hiring activity has demonstrated a very limited appetite to hire from outside of insurance,

especially into commercial roles. More recently, external hiring has only really been seen in functional disciplines. While the past few years have seen a sustained and active hiring cycle, diversity in terms of both gender and ethnicity hasn't evolved leading to a lack of true role models for people from diverse backgrounds. There is also a sense that without significant industry experience it is difficult to enter insurance in a commercial leadership role. The data tells the same story.

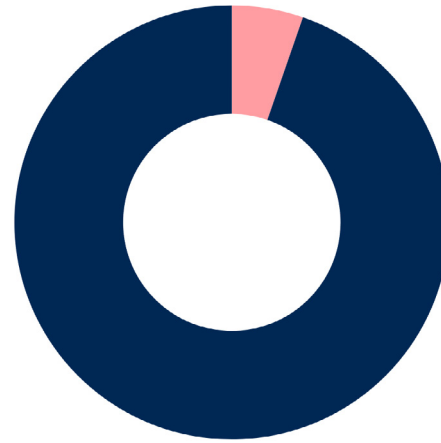
Insurance in Numbers

Demographic Data

The UK insurance industry at large does not represent the population for which it serves. Census 2021* figures reveal that 18% of the total UK population is ethnically diverse, and 46% of London's population is ethnically diverse, which is in stark contrast to insurance where ethnic diversity sits at 5% at board level.

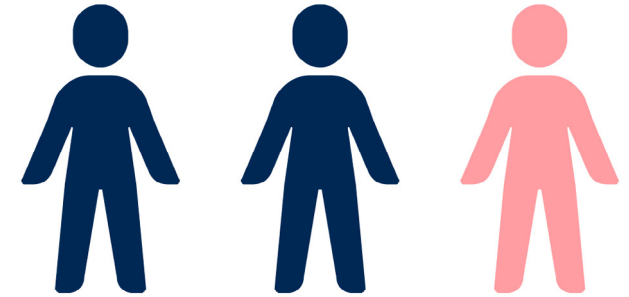
36% of executives who joined boards between 2020 and 2024 were female. More tellingly, only 17% of CEO positions are held by women at Group or subsidiary level.

*Census, 2021



Ethnic diversity of boards as of 2024

■ White ■ BAME



1 in 3 people who joined boards between 2020-2024 were female

Ethnic Diversity

5%

of all executive positions are held by ethnically diverse individuals

Gender Diversity

17%

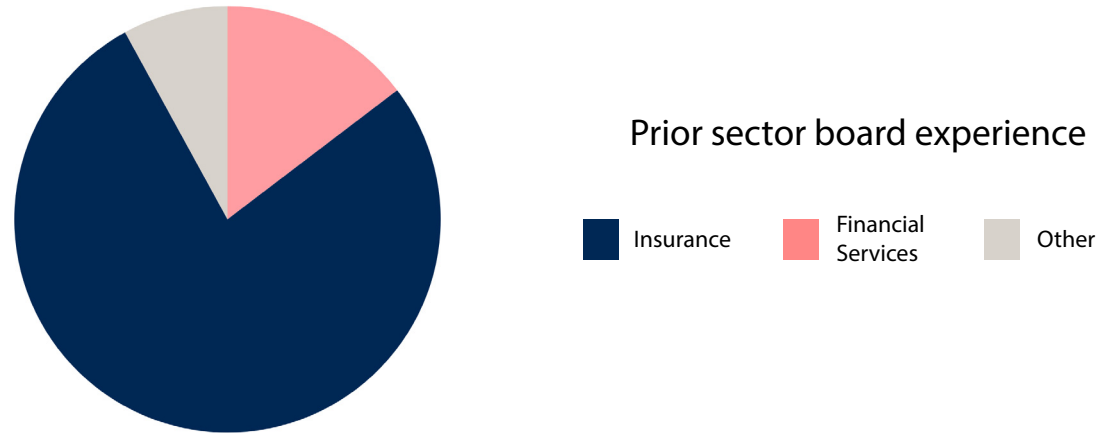
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Insurance in Numbers

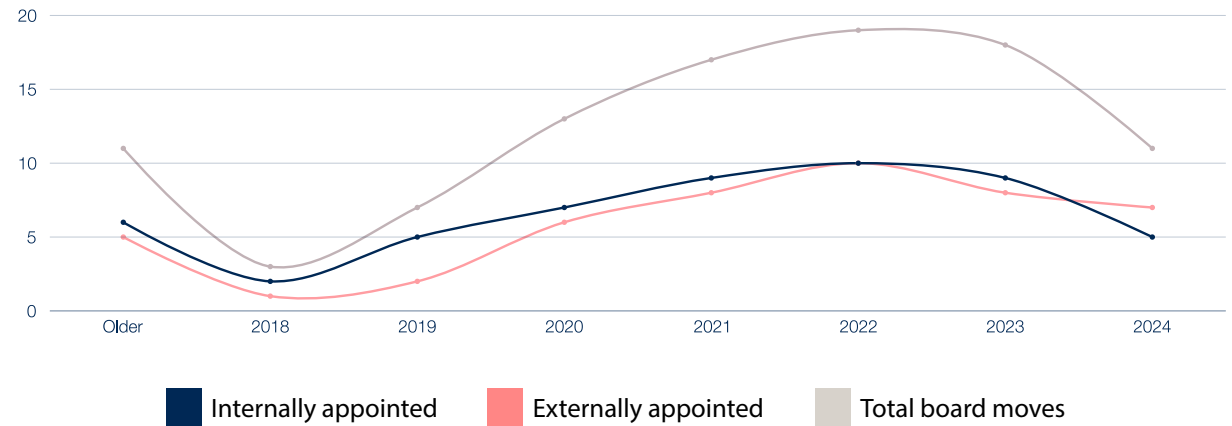
Hiring Data

In the past 3 years, 47% of new ExCo appointments to UK insurance boards have been external. That number increases to over 77% over the last 5 years which illustrates significant leadership changes that have taken place in the industry.

Nearly 80% of these appointments have been candidates who have either joined from a direct competitor, or have significant insurance experience. The only area of true industry diversity is seen in functional appointments.



Board appointments over time

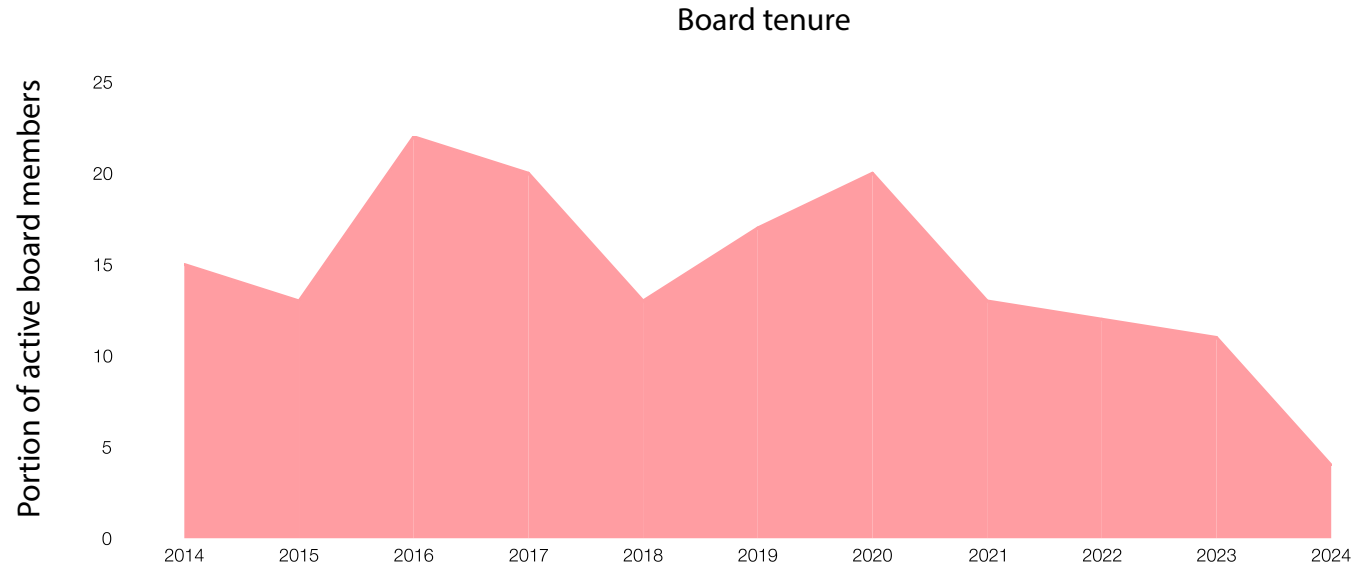


Insurance in Numbers

Tenure Data

First time ExCo appointees make up about 11% of current leadership teams, meaning the average tenure of most ExCo members is 10 years.

This statistic shows that most ExCo members have previously sat on either another ExCo or have been moved internally. This recycling of talent constitutes the industry's current talent strategy, rather than focusing on renewal.



Active Board Seats

11%

of active board seats are occupied by individuals that were appointed to the board for the first time in the last 3 years

Insurance Talent Pulse

Existing hiring processes, which are already struggling to attract change-oriented leadership, if continued are not going to fulfil the future needs of the insurance industry. Recognising this, and the broader war for talent, other industries are now looking to adopt a skills focused framework, rather than relying on experience-based hiring. The [World Economic Forum's recent report](#) supports this, detailing the growing importance of developing a "skills-first" strategy.

The challenge for insurance organisations is to now move at speed from the existing model towards the new framework to quickly supplement the shortfall in talent populations.

In any significant shift in strategy and transformation, the first stage is to gain executive sponsorship. The data indicates that there is little appetite for change with nearly 4 out of 5 hires coming from or having an insurance background. The only real areas in insurance organisations that

hire from outside the industry are support or 'back office' functions, and most of these hires are from other segments of financial services or professional services. There is little new thinking or experience being added to the industry.

More progressive firms now understand the skills they require to support their future talent management strategies, and have begun forecasting for future skills too. The breadth of the requirements can be daunting for business leaders, specifically for more technical roles. Hiring managers can be looking for up to 20-30 target skills for any one role. Coupling this with leadership criteria such as collaboration and communication, successfully embedding this new approach to talent strategy into organisations is complicated and difficult.

Using technology and assessment tools to enable that transformation will help. Assessing skills utilising internal marketplace technologies can efficiently

match requirements to individuals.

Despite there being no guarantee of success, especially at the senior leadership level, it can give organisations a competitive, forward-looking advantage. Taking strategic risks, onboarding and supporting the transition is the only way to deepen talent pools and provoke the change being sought in the industry. Understanding the key elements of an individual position alongside a clear mandate from the CEO to hire outside the norm needs to happen in more than one organisation to facilitate and accelerate change.

There are a few notable examples in the insurance industry where this has happened, and when in discussion with (current and future) talent, those are the companies that these individuals most admire. As attractiveness for the industry is not as strong as it potentially could be, examples of diverse talent and role models are of utmost priority.

Our Approach

Marlin Hawk is a global executive search firm renowned for delivering creative candidate solutions. Our business philosophy is to appoint candidates who can help deliver the business agenda for both today and tomorrow. We do this by using creative sourcing methodologies, coupled with an assessment methodology supported by Hogan and focusing on five key criteria:

1. Strategic Mindset
2. Purpose-Led Leadership
3. Results Orientation
4. Building Teams
5. Technology Evangelism

These five key elements, coupled with a track record of delivery, can provide hiring managers with the necessary comfort to take additional risk on appointing leaders from outside the industry.

About Marlin Hawk

Marlin Hawk is a global leadership advisory firm specialising in executive search, strategic intelligence, and interim management. For over 20 years, we've empowered our clients with data and insights to make diverse, inclusive and impactful leadership decisions. One globally connected team, we are headquartered in London with offices in New York, Denver, Toronto, Chicago, Amsterdam, Dubai, Singapore and Hong Kong. Unconstrained by a one-size-fits-all approach to both clients and candidates, we build relationships with care and attention to detail, while delivering at pace.



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