

Building Talent Pipelines Through Inclusive Interview Practices



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The Problem

In the insurance industry, the competition for talent is increasingly intense

The challenge extends beyond merely finding suitable candidates; it also encompasses nurturing and maximizing their potential. According to a report from the U.S. Chamber of Commerce from 2021, the U.S. Bureau of Labor Statistics predicts that within the next 15 years, 50% of the current workforce in the insurance industry will retire, leaving more than 400,000 positions vacant.

Addressing this impending and very real talent shortage will require leaders to be focused and intentional about attracting and developing talent, which is best optimized by applying a Diversity, Equity, and Inclusion (DEI) lens to every aspect of an organization's talent strategy.



DEI is a Business Advantage

Extensive research confirms that inclusive organizations are more adaptable and responsive to evolving market dynamics. Diverse teams bring fresh perspectives that aid in recognizing emerging trends and devising strategies that lead to more innovative decision-making and improved business outcomes. Such organizations also tend to experience higher levels of employee satisfaction, which in turn enhances retention rates.



Unveiling Inequalities

Kweilin Ellingrud, a director of the McKinsey Global Institute, recently shared some eye-opening statistics related to the North America insurance industry. While highlighting successes in gender representation, stating that more than half of entry-level employees are women and 40% of board seats are held by women, she notes:

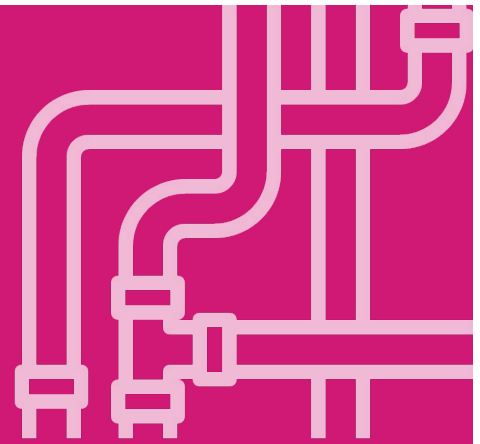
"Unfortunately, most of the progress has been almost exclusively for white women, and men and women of color are lacking representation. Men of color make up only 8 to 14 percent of the talent directors seats. Similarly, men of color hold 12 percent of C-suite roles, while women of color hold 3 percent of them."



As Ellingrud suggests, the insurance industry still has a significant opportunity to increase diversity

Achieving meaningful change requires more deliberate efforts to consider and promote candidates from diverse backgrounds and experiences. To continue to develop diverse talent pipelines, organizations need to go into communities, universities, and other areas where diverse people live and work to help them see the value of a career in insurance and recruit these individuals into entry-level roles. Every new hire is an opportunity to significantly impact the future state of not only the organizational culture, but the business and industry more broadly.

For more senior-level roles, an organization can attract and develop diverse talent that will enrich and drive business performance by reconsidering how roles are defined, thoughtfully reshaping candidate evaluation processes, and providing opportunities for growth. This starts with practical adjustments to recruitment practices that can help attract a wider range of potential candidates and sharpen evaluation across the interview process.



8%

to

14%

of the talent pipeline at every level comprises men of color, while representation for women of color is even more lacking.

14%

of board seats in insurance are held by men of color

2%

of board seats in insurance are held by women of color

12%

of C-suite roles in insurance are held by men of color

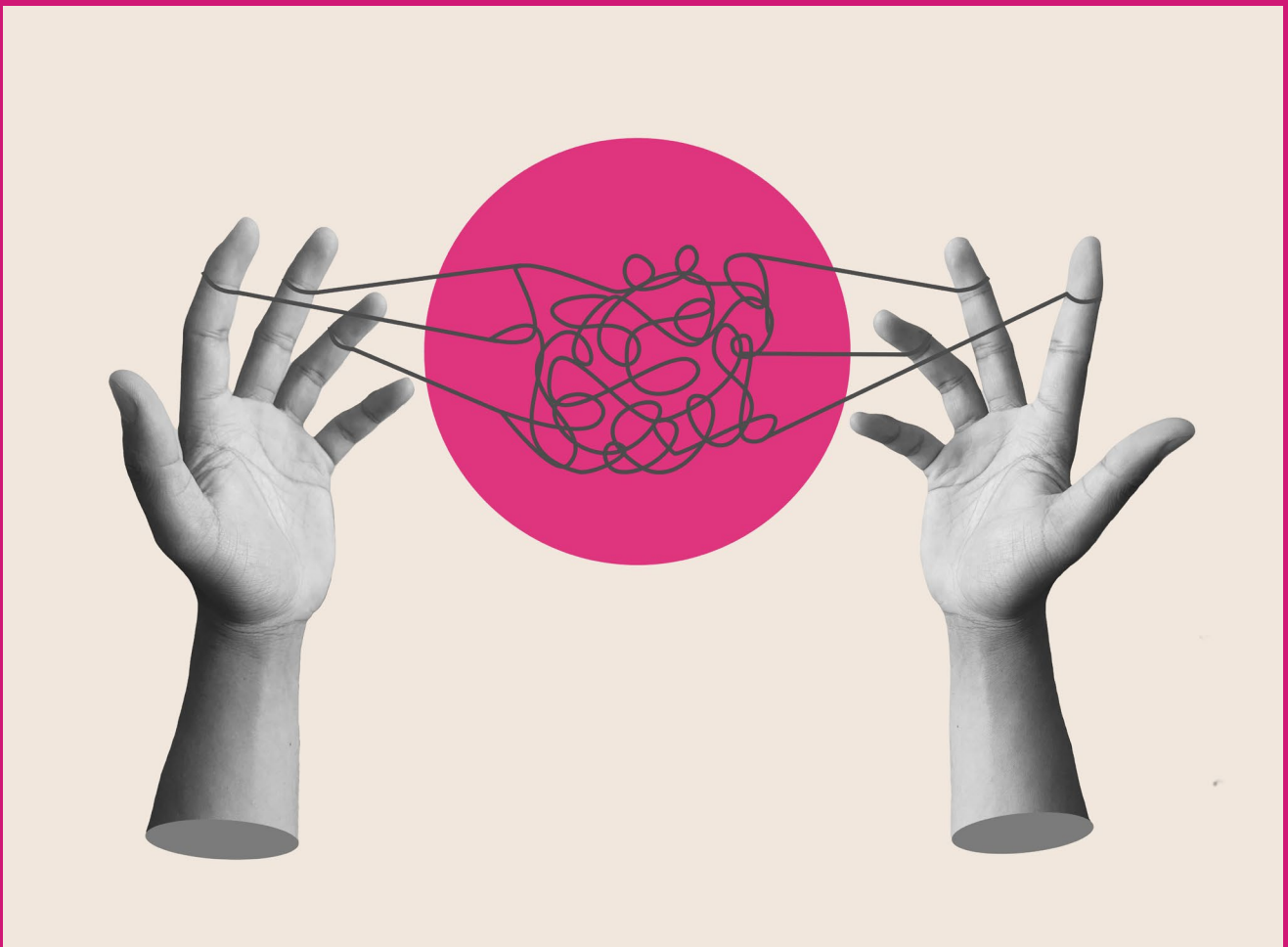
3%

of C-suite roles in insurance are held by women of color

Challenge Assumptions

As humans, we all harbor biases

Having evolved to allow us to quickly process vast amounts of information, these cognitive shortcuts can sometimes be helpful in a fast-paced work environment. However, when it comes to talent, a more intentional approach is essential for effective decision-making, especially in building and promoting diverse teams. Given the unconscious nature of many biases, it is crucial for a business to build awareness of preconceived notions related to someone's cultural, social, or racial background, as well as their gender, religion, age, and other less visible factors.



1 Actively Seek to Remove Bias in the Interview Process

Start by identifying areas where bias may influence the interview process. Recognizing and confronting established patterns, preferences, and responses is the initial step toward mitigating their influence. During an interview, we tend to unconsciously shift from assessing a candidate's competencies to seeking validation of initial impressions. Therefore, interviewers should be encouraged to employ reverse logic to test assumptions and overcome the influence of first impressions and snap judgments.

Being mindful about challenging biases is critical to reducing negative feedback loops that might otherwise cloud an individual's judgment with less relevant information. For instance, if a candidate demonstrates enthusiasm or a particularly extroverted nature, we may unconsciously equate this with competence or expertise which may or may not exist. Diligently focusing candidate assessments on the core qualifications for the role and evaluating the supporting evidence enables better talent decisions.

2 Reframe Job Requirements

It is easy to compile an exhaustive list of requirements for a senior-level position. In an ideal world, every company would prefer to find a unicorn who possesses all the desired traits, but such individuals are exceptionally rare, if they exist at all. Therefore, it is beneficial to prioritize the most pertinent role requirements, differentiating between what is truly essential and what would be nice to have.

Strive to avoid an exhaustive checklist, ideally aiming for around 10 key requirements. Aside from attracting a wider range of candidates, this approach also lays the foundation for a more focused evaluation of candidates.

3 Embrace a Growth Mindset

Rather than emphasizing what someone has already achieved in their career, a growth mindset allows interviewers to consider an individual's potential for growth as much as their prior results and outcomes. This involves shifting the focus from identifying a "rockstar" to assessing a candidate's upside potential and their ability to contribute to organizational results.

For example, instead of asking a candidate to share what they have accomplished in the past, present a real-life business challenge and give the candidate the opportunity to share how they might approach the work if given the opportunity. This may reveal attributes beyond technical skills and prior accomplishments, such as accountability, curiosity, courage, humility, resilience, and openness, which are valuable indicators of future development. Shifting the perspective allows for a holistic appraisal of a candidate's potential beyond fixed abilities, providing insights into a person's capacity to acquire new skills and their willingness to learn and adapt.

4 Create a Structured Approach to Interviews

The purpose of an interview should be to identify a candidate's skills and capabilities and how those best match the organizational need. To achieve this, it is crucial to establish a structured and rigorous interview process. Before meeting candidates, it is useful to review the essential requirements for the role and create an interview framework to guide the conversation. Ask candidates consistent questions across the core criteria, allowing them to elaborate on their thought processes, approach, or how they have handled similar situations. Focusing the discussion on the same competency areas leads to more accurate candidate assessments.

Equally important is selecting the appropriate internal stakeholders to serve as interviewers and ensuring a diverse panel in terms of not only roles and functions, but also different backgrounds, experiences, and ways of thinking. Including a range of interviewers will effectively signal an inclusive environment to candidates and can result in a more comprehensive and unbiased evaluation, given the variety of perspectives.

Developing a process that bases decisions on evidence is key. Taking notes during or immediately after interviews, or employing scorecards, can be invaluable for unbiased and structured candidate assessments, especially during subsequent discussions. Avoid making hasty judgments; take at least 30 minutes to reflect before making decisions, or even sleep on it. Concentrate on how a particular individual meets the required skills and capabilities, rather than relying on first impressions, gut instincts, or personal preferences.

Summary

Incorporating these strategies is just one step in cultivating exceptional talent and diverse teams

Implementing internal practices related to technical training, career development, and providing coaching, mentorship, and sponsorship opportunities can further develop the skills of both new hires and existing talent, while signaling that a company is committed to their success. When organizations are intentional about applying a DEI lens to every practice and policy that impacts its people, they will cultivate a culture of inclusivity and a sense of belonging which will make the industry more attractive and ensure long-term success for the individual and the organization.



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He joined the Eliot Partnership team in 2021 to support our growth in delivering on assignments for digital, technology, data, and analytics leaders. In addition, he serves as co-chair of Eliot Partnership's DEI Committee and as a Steering Committee member for the New York chapter of LINK, the LGBTQ+ Insurance Network