



European Foundation for the
Improvement of Living and
Working Conditions



Insurance sector: Working conditions and job quality

'Work plays a significant role in people's lives, in the functioning of companies and in society at large. But what is work? How can we describe it? Is it changing, and if so, is it for better or for worse? Is it fulfilling the numerous and at times conflicting expectations we have of it? How can we take steps to improve work for the well-being of all?'

Eurofound, *Fifth European Working Conditions Survey: Overview report, 2012*



This report gives an overview of working conditions, job quality, workers' health and job sustainability in the insurance sector (NACE 65).¹ It is based mostly on the fifth European Working Conditions Survey (EWCS), which gathers data on working conditions and the quality of work across 34 European countries. Additional information on the structural characteristics of the sector is derived from Eurostat data. The sector includes all activities related to insurance, reinsurance and pension funding, except compulsory social security. The fifth EWCS contains responses from 415 workers in this sector. The report compares aspects of work in the sector with the EU28 as a whole.

Structural characteristics

In 2010, 1,317,600 people worked in the insurance sector, 0.8% of the European workforce (Eurostat, 2013). Employment in the sector increased quite impressively between 2008 and 2010 by 9.5%, but then decreased slightly by 0.3% between 2010 and 2012. Countries where the insurance sector is relatively large are Luxembourg (1.5%), Ireland (1.1%), Slovenia (0.9%) and the United Kingdom (0.8%). The sector has relatively little prominence in Estonia (0.3%), Romania (0.3%), Italy (0.3%) and Latvia (<0.1%) (Eurostat, 2013).

A slightly higher than average proportion of workers in the insurance sector (16%) work in large workplaces (250+ employees), compared to 12% in the EU28. While the percentage of workers in micro-workplaces (1–9 employees, 42%) is the same as in the EU28 as a whole, employees in small and

medium-sized enterprises (SMEs) (10–249 employees, 41%) are slightly underrepresented in comparison (46%). The gender breakdown of the sectoral workforce is 53% women and 47% men. Workers aged 25 to 39 (41%) are slightly overrepresented in comparison with the EU28 (36%), while workers under 25 and those aged 50 and older are slightly underrepresented (Eurostat, 2013). In the sector, 5% are self-employed with employees and 10% self-employed without employees, compared to 4% and 11% respectively in the EU28. Figure 1 shows that among employees, indefinite contracts are considerably more prevalent in the insurance sector than in the EU28 as a whole and, within the sector, are more prevalent among women than among men.

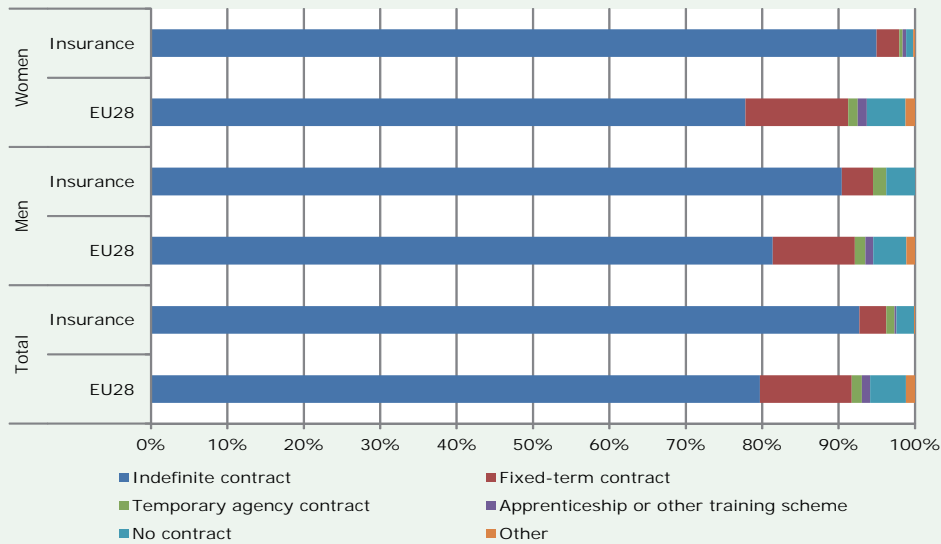
Among both men (9%) and women (30%), part-time work is slightly less prevalent in the insurance sector than in the EU28, where the percentage of men and women working 34 hours or less is 12% and 38% respectively.

Insurance sector in a nutshell

- Workers in small and medium-sized workplaces have been most affected by decreases in working hours and salary, but in general the sector was less affected than the EU28 as a whole.
- Atypical hours are less common in the sector but working times tend to be less regular
- The proportion of women in the sector is higher than men but the percentage of workers reporting a female boss is below the EU28 average
- A high proportion of workers under 35 report being 'over-skilled'
- Workers in the sector are better off in terms of job quality than workers with similar characteristics working in other sectors

¹ Nomenclature statistique des activités économiques dans la Communauté européenne (statistical classification of economic activities in the European Community).

Figure 1: Employment status, by gender



Working conditions

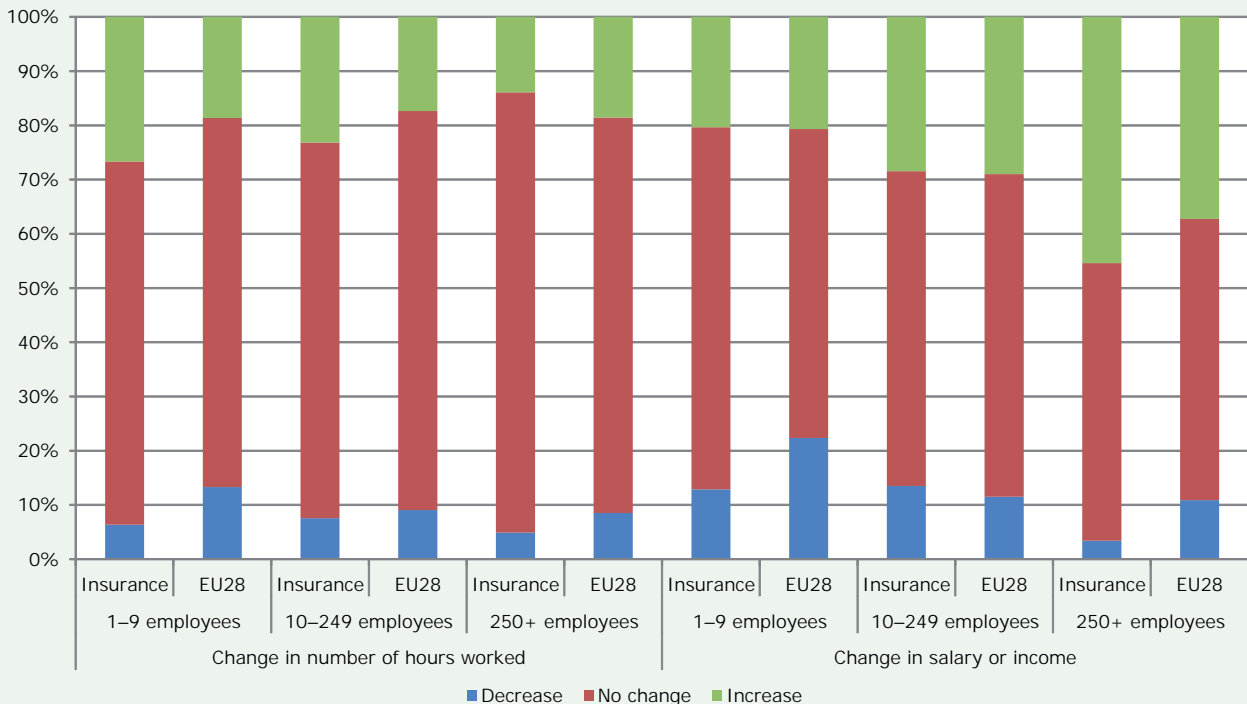
Changes since the crisis

Figure 2 shows that the insurance sector slightly differs from the EU28 averages in reported changes in hours worked. In the sector as a whole, the proportion of workers reporting a decrease in hours worked (7%) is lower than in the EU28 (11%), while reported increases in hours worked (23%) are more common than in the EU28 as a whole (18%). Across all workplace sizes, the proportion of workers who experienced a decrease in their working hours was below the EU28 share for equivalent workplaces, while in both micro-workplaces and SMEs the proportion of workers reporting an increase in hours worked (27% and 23% respectively) was higher than in equivalent sized workplaces in the EU28 where the

proportion of workers reporting an increase in working hours was, respectively, 19% and 17%. In large workplaces in the sector, the proportion of workers reporting no change in their hours (81%) was higher than in large workplaces in the EU28 (73%).

The proportion of workers in the insurance sector reporting no changes in salary in the year prior to the survey (61%) was higher than in the EU28 (58%), while decreases in salary (reported by 12% of workers) were less common than in the EU28 (16%). There are, however, differences across workplace sizes (Figure 2). While salary increases were as common in insurance as in the EU28 for workers in micro-workplaces and SMEs, they were considerably more widespread for workers in large workplaces in the sector (45% compared to 37% in large workplaces in the EU28). The proportion of workers reporting a decrease in salary was considerably lower in

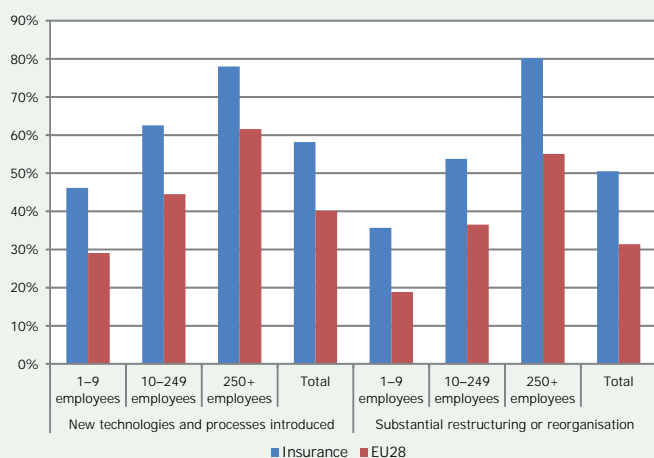
Figure 2: Percentage of employees reporting changes in number of hours worked and salary or income in past year, by workplace size



comparison to the corresponding EU28 averages for workers in micro- and large workplace, while it was slightly higher than in the EU28 for workers in SMEs (14% compared to 12%). Overall, workers in SMEs were most affected by decreases in both working hours and salary, in contrast to the EU28 where workers in micro-workplaces were most affected by these changes.

Workers in the insurance sector in general were more affected by restructuring and the introduction of new technologies than workers in the EU28, across all workplace sizes. The sector follows the same pattern as the EU28, where the proportion of workers reporting the introduction of new production processes or technologies increases with workplace size (Figure 3).

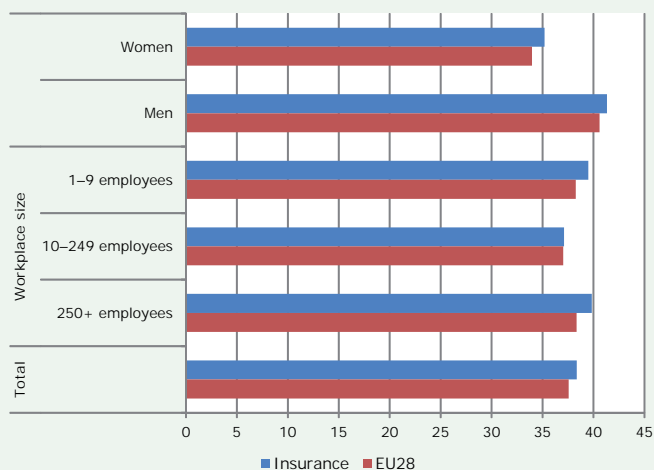
Figure 3: Restructuring and introduction of new technologies in past three years, by workplace size



Working time and work-life balance

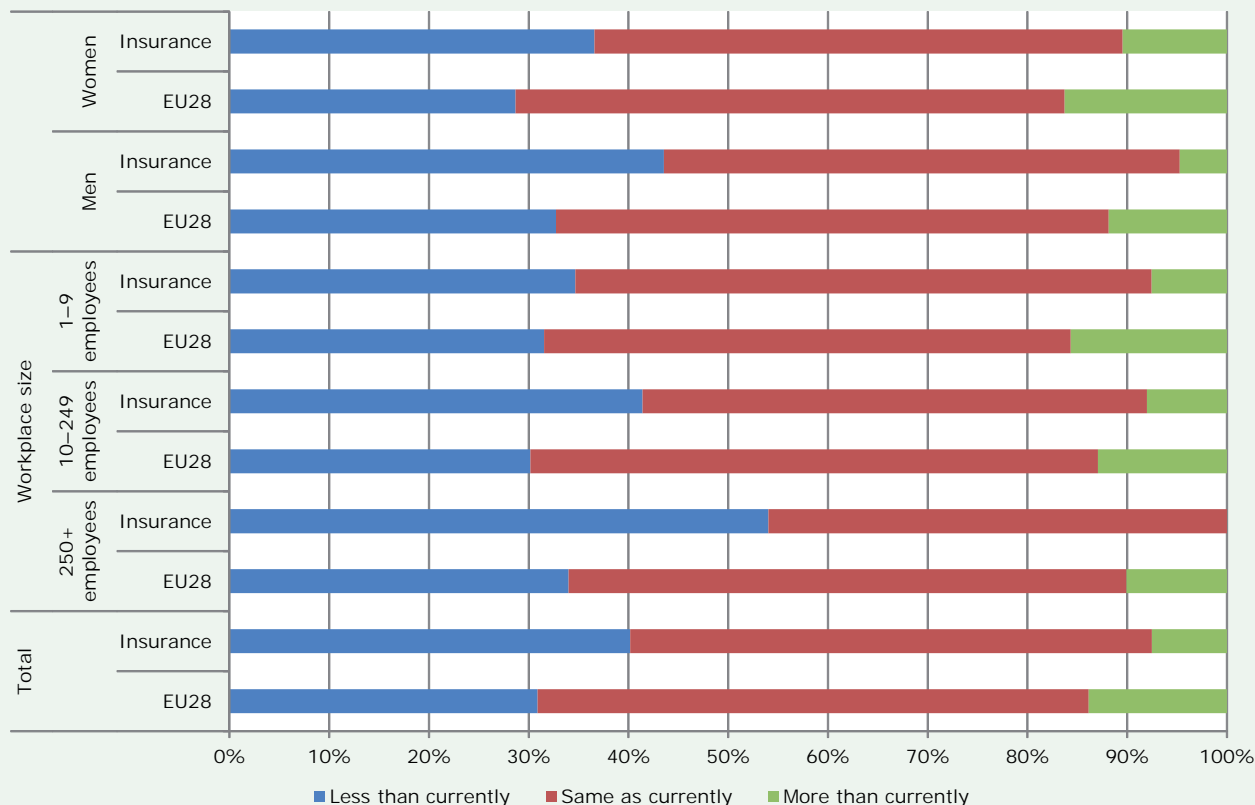
Workers in insurance on average work 38 hours per week, the same as in the EU28 (Figure 4). As in the EU28, men working in insurance tend to work more hours on average than women. However, the average working hours for women in the sector (35) is slightly higher than the average for women in the EU28 as a whole (34). Across all workplace sizes, average working hours in the insurance sector is marginally higher than in the EU28, with the exception of SMEs where there are no differences in average working hours between the EU28 and the sector.

Figure 4: Average working hours, by gender and workplace size



Overall, the insurance sector is characterised by a higher than average share of workers who say they would prefer to work fewer hours than currently (40%

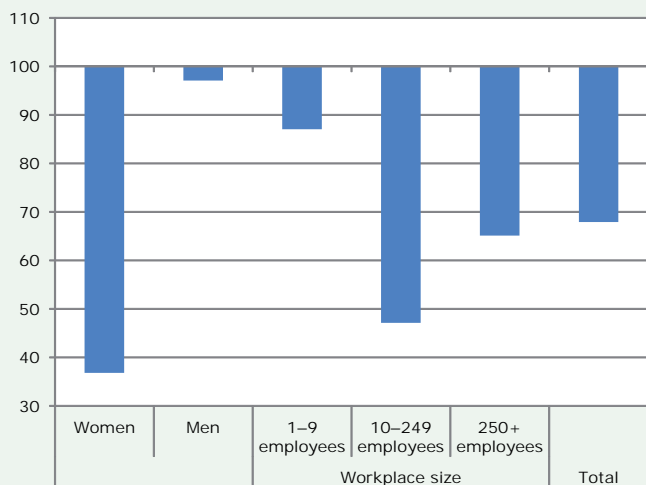
Figure 5: Working time preferences, by gender and workplace size



compared to 31% in the EU28), and a lower than average share who would prefer to work more hours (8% compared to 14% in the EU28 as a whole) (Figure 5). The pattern is the same across both genders and all three workplace size categories – with the biggest difference between the sector and the EU28 found in large workplaces where a striking 54% of the workforce says they would prefer to work fewer hours, and no workers express a preference for working more hours than currently.

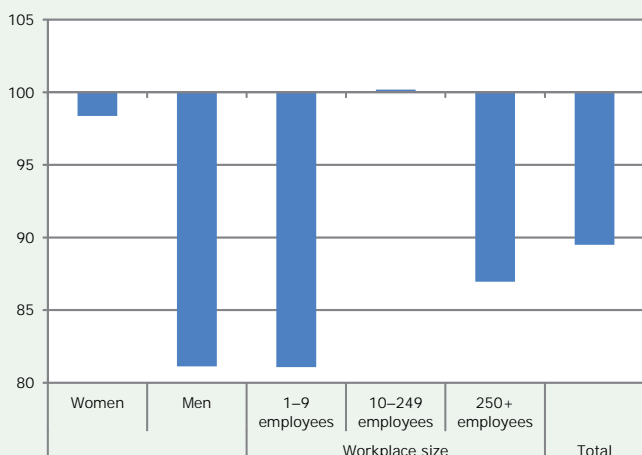
Figure 6 shows that working atypical hours (weekends, evenings or nights) is much less prevalent in the insurance sector than in the EU28 as a whole, particularly for women.

Figure 6: Index of working atypical hours (EU28=100), by gender and workplace size



Within the sector, atypical hours are most prevalent in micro-workplaces and least common in SMEs, but all workplace sizes are below the EU28 average. On average, workers in the insurance sector report lower levels of working time regularity (working the same number of hours each day and the same number of days each week) than workers in the EU28 (Figure 7).

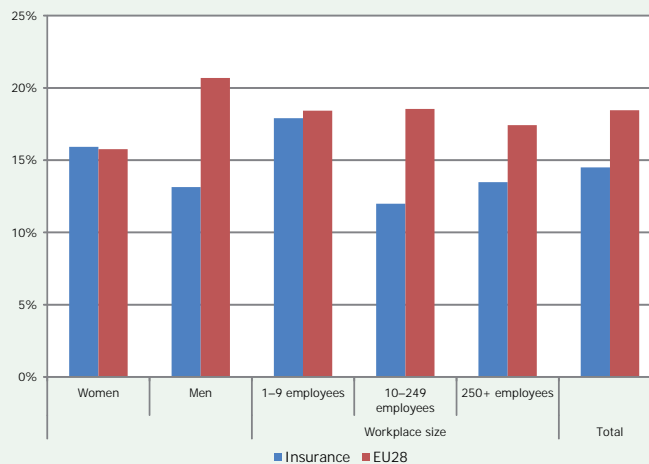
Figure 7: Index of regularity of working time (EU28 = 100), by workplace size and gender



Within the sector, working times tend to be more regular for women than for men, and also more regular for workers in SMEs than in the other two workplace sizes. No difference in levels of working time regularity is found between SMEs in the sector and in the EU28.

Workers in the insurance sector seem to enjoy a slightly better work–life balance (the fit between working hours and family or social commitments) than average (Figure 8). Almost 15% of workers in insurance as a whole report a poor work–life balance, compared to 19% in the EU28 as a whole. The difference between the sector and the EU28 appears particularly pronounced for men (with only 13% of men in insurance reporting a poor work–life balance compared to 21% in the EU28), while there is no difference between the sector and the EU28 in the proportion of women (16% of whom declare a poor work–life balance). The sector deviates from the EU28 pattern in this respect, as women in insurance are more affected by a poor work–life balance than men, while the opposite is true in the EU28 as a whole. Workers in SMEs report the lowest levels of poor work–life balance in the sector (12% compared to 19% in similar workplaces in the EU28).

Figure 8: Poor work–life balance, by gender and workplace size

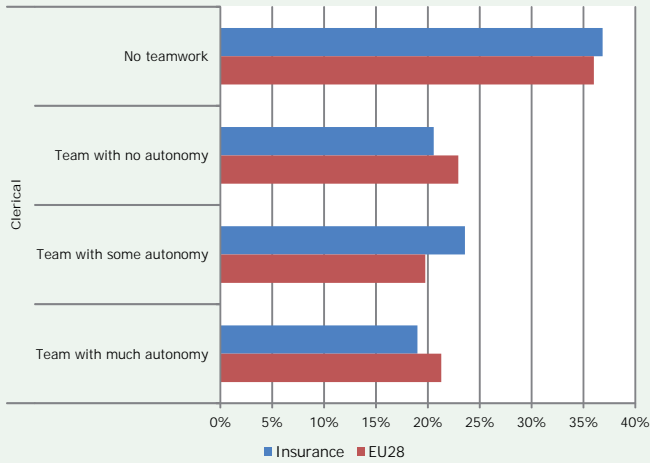


Work organisation

Teamwork

Teamwork has been proposed as an alternative to work organisation models based on high levels of labour division. As teamwork reflects a variety of practices, it can also assume a variety of forms. Different types of teamwork can be identified using the EWCS by looking at the level of autonomy within the teams. Teamwork is as common as in the EU28 for clerical workers in insurance, and while working in a ‘team with some autonomy’ remains the most common form of teamwork, it is only reported by 24% of clerical workers in the sector (compared to 20% in the EU28) (Figure 9). Scores for workers in manual occupations in the sector are not reported, as the number of respondents in this category was too low.

Figure 9: Teamwork and team autonomy, by occupational category



Task rotation

Task rotation is also an important feature of work organisation. Depending on how it is implemented, task rotation may require different skills from the worker ('multiskilling') or may not ('fixed task rotation') and is either controlled by management or by the workers themselves ('autonomous'). Task rotation has been shown to be beneficial for workers' well-being, and autonomous multiskilling systems in particular are associated with higher worker motivation as well as better company performance.

Task rotation is less common in the insurance sector than in the EU28 as a whole (Figure 10). The proportion of workers who report not being in a task rotation system is higher than in the EU28 across all

workplace sizes. Management-controlled multiskilling is the most common form of task rotation in all workplace sizes in the sector. While all forms of task rotation are less or equally common for workers in micro-workplaces in insurance than in the equivalent EU28 workplaces, workers in SMEs report a marginally higher incidence of autonomous fixed task rotation (4%) than the corresponding EU28 workplaces (2%). Finally, it is interesting to note that even if task rotation as a whole is less common than in the EU28, workers in large workplaces in insurance report higher levels of autonomous multiskilling (16%) than in large workplaces in the EU28 (12%).

Female bosses

Considering that female workers in the sector are slightly more numerous than male workers, it is striking that the percentage of women who report having a female boss in insurance (29%) falls below both the EU28 average (47%) and the proportion of women in the sector. The percentage of men who report having a female boss (10%) is marginally lower than the corresponding EU28 average (12%).

Skills and training

Across all workplace sizes and genders, the proportion of workers in the insurance sector who say they are 'under-skilled' for their current duties is considerably higher than the corresponding EU28 scores (Figure 11). Within the sector, workers aged between 35 and 49 are most likely to report being 'under-skilled' (22%), while among young workers (under 35) a very high proportion (52%) say they are 'over-skilled' for their current duties. Older workers are less likely than their EU28 counterparts to say they

Figure 10: Prevalence of task rotation, by workplace size

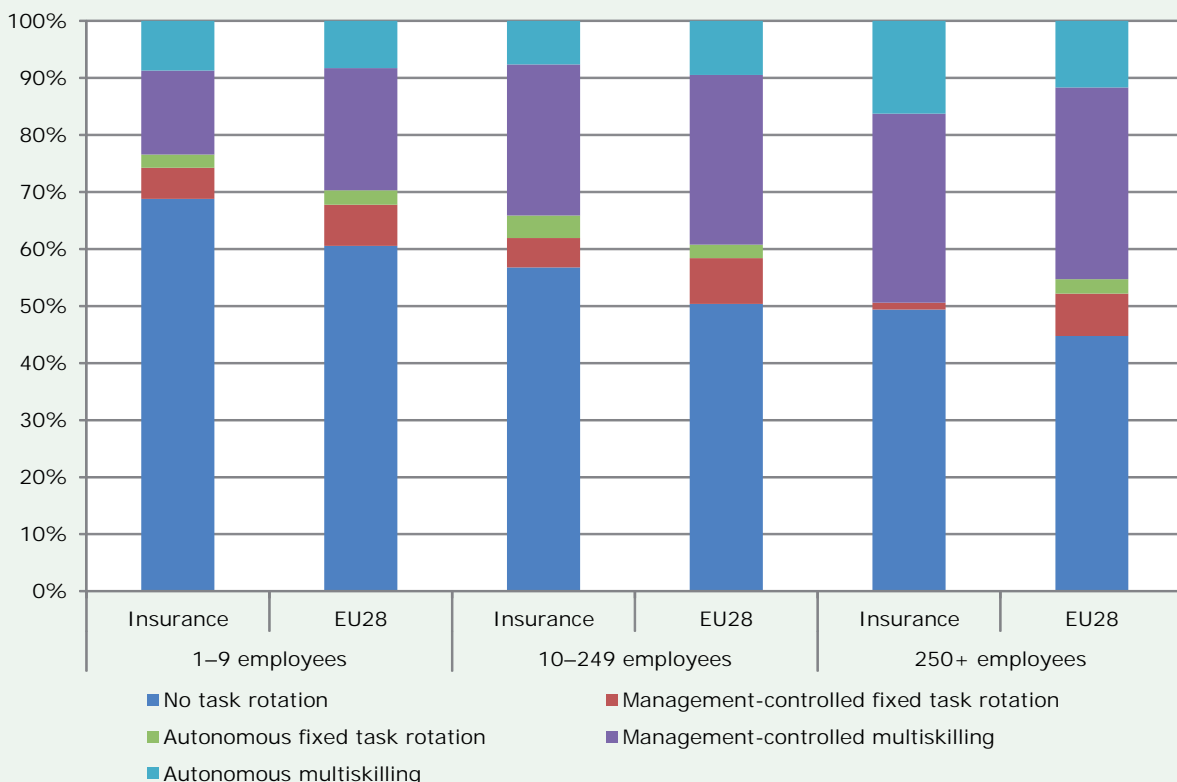
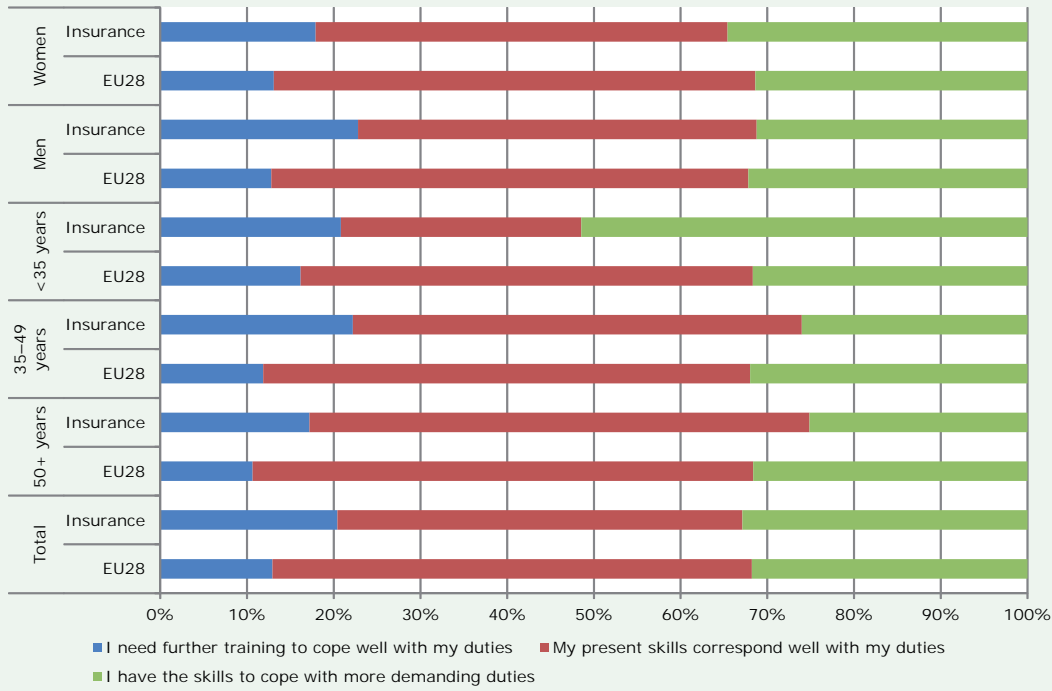


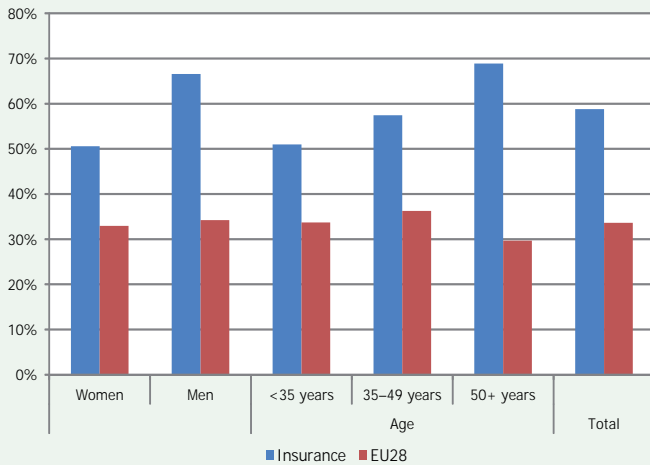
Figure 11: Match between skills and tasks, by gender and age



are 'over-skilled'. Skills mismatch for young workers in the sector is therefore a serious issue.

The percentage of workers in the insurance sector who say they have received training is higher than in the EU28 for both women and men and also across all age groups (Figure 12).

Figure 12: Employer-paid training, by gender and age

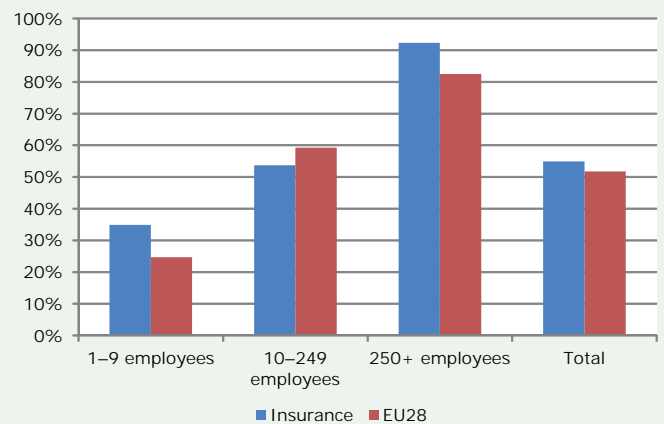


In the EU28, the proportions of men and women reporting that they have received employer-paid training is roughly the same (34% and 33%, respectively), while in the insurance sector women are less likely (51%) than men (67%) to have received training. The incidence of employer-paid training in the sector increases with age, but is significantly above the EU28 average for all age groups. Workers aged 50 or older report the highest rate of employer-paid training received (69%), while in the EU28 as a whole this age group reported the lowest share (30%) among all age groups.

Employee representation

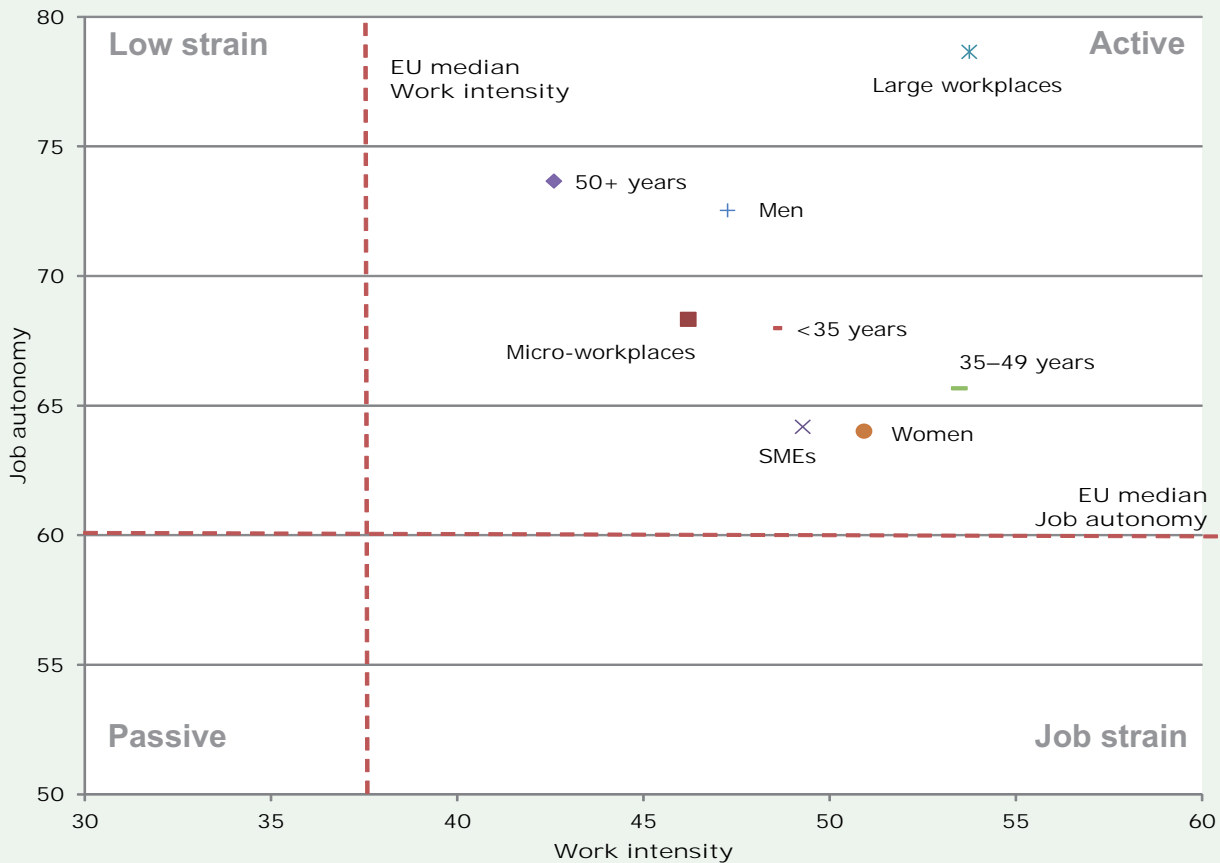
The EWCS contains fairly limited information on formal employee representation. It asks whether an employee representative is present at the workplace and whether workers have raised an issue with an employee representative in the past year. Figure 13 shows the combined results of these questions (an employee representative has been considered to be 'available' if they were present at the workplace or when an issue was raised).

Figure 13: Availability of an employee representative at the workplace, by workplace size



In 2010, 55% of employees in the insurance sector reported that an employee representative was available, compared to 52% of workers in the EU28. Employee representation increases with workplace size, and it is above the EU28 average for micro- and large workplaces but below for SMEs.

Figure 14: Distribution of groups of workers by average levels of job autonomy and work intensity



Psychosocial and physical environment

Job autonomy and work intensity

The psychosocial and physical environment impacts heavily on workers' well-being. According to the job demand and control model of the American sociologist Karasek (1979), workers are more likely to suffer from work-related stress when they are faced with a high level of demand while being limited in the control they have over the way in which they carry out their job.

Figure 14 shows the likelihood of workers in insurance suffering from work-related stress. Groups of workers are plotted along two axes: job autonomy and work intensity.

In the insurance sector, the averages for all groups of workers (men, women, all age groups and all three workplace sizes) are found in the top-right quadrant, which refers to so-called 'active jobs'. Active jobs tend to be characterised by relatively high levels of work intensity but also by relatively high levels of job autonomy. Although their jobs can be very demanding, workers in this category tend to have sufficient discretion to choose the way in which they do their job as well as to develop coping strategies through active learning and are challenged into developing their potential to the full.

The other three quadrants, which indicate respectively 'passive' and 'low strain' jobs and 'job strain', are empty in the insurance sector. 'Passive' jobs, in the bottom-left quadrant, are characterised by relatively

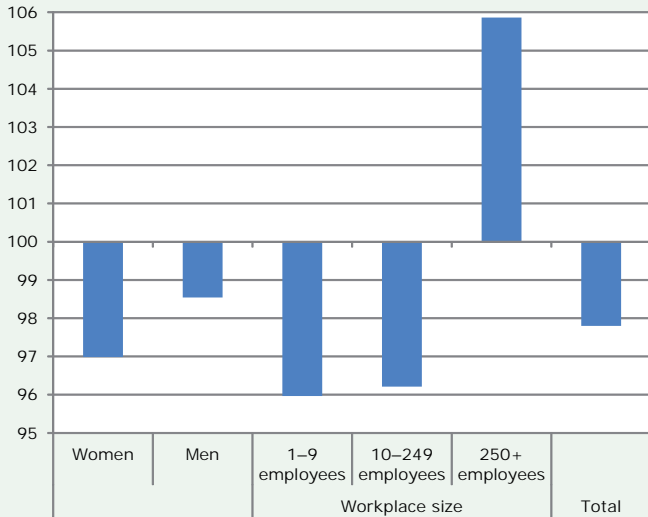
low levels of intensity and relatively low levels of autonomy. These jobs are not sufficiently challenging and while not being very much at risk of work-related stress, workers in these jobs are at risk of frustration and low motivation. The top-left quadrant indicates 'low strain' jobs, characterised by relatively low levels of work intensity and relatively high levels of job autonomy. Workers in this category are usually at low risk of stress, and are not as likely to suffer from frustration and loss of motivation as those in passive jobs. However, their jobs might not challenge them to realise their full potential. Finally, the most problematic category is 'job strain' in the bottom-right quadrant. Job strain affects workers negatively by increasing the risk of accumulating high levels of unresolved strain, which can cause unhealthy stress levels and consequently a range of stress-related illnesses such as cardiovascular disease and mental health problems.

The fact that no group of workers in insurance falls into these three categories indicates that while levels of work intensity tend to be quite high in the sector, they are also generally associated with high levels of job autonomy and this can mitigate the risks associated with high levels of work intensity.

Social environment

A good social environment is characterised by the existence of social support and the absence of abuse at work. Social support can help workers deal with high levels of work intensity.

Figure 15: Index of good social environment (EU28=100), by gender and workplace size



The social environment in workplaces in the insurance sector tends to be marginally worse than in the EU28 as a whole (Figure 15), with the sole exception of workers in large workplaces who report above average scores for a good social environment.

Physical risks

Average levels of exposure to all three types of physical risk (ambient, biological and chemical, and posture- and movement-related risks) in the sector are well below the EU28 average for both women and men (Figure 16).

Among workers in insurance as a whole, 9% report that they were not very well or not at all well informed about workplace risks, compared to 10% in the EU28 (Figure 17). Across the different workplace sizes, the proportion of workers not very or not at all well informed is roughly equal to the corresponding workplace size in the EU28 as a whole. However, the pattern in the sector differs slightly from the pattern in the EU28: in the insurance sector, it is workers in SMEs who least frequently report that they are not very or not at all well informed whereas in the EU28 the equivalent figure is for workers in large workplaces.

Figure 17: Not very or not at all well informed about health and safety risks at work, by workplace size

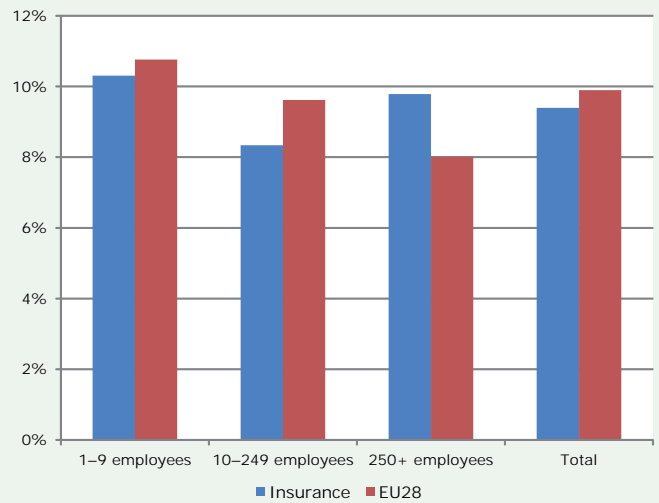


Figure 16: Indices of exposure to physical risks (EU28=100), by gender

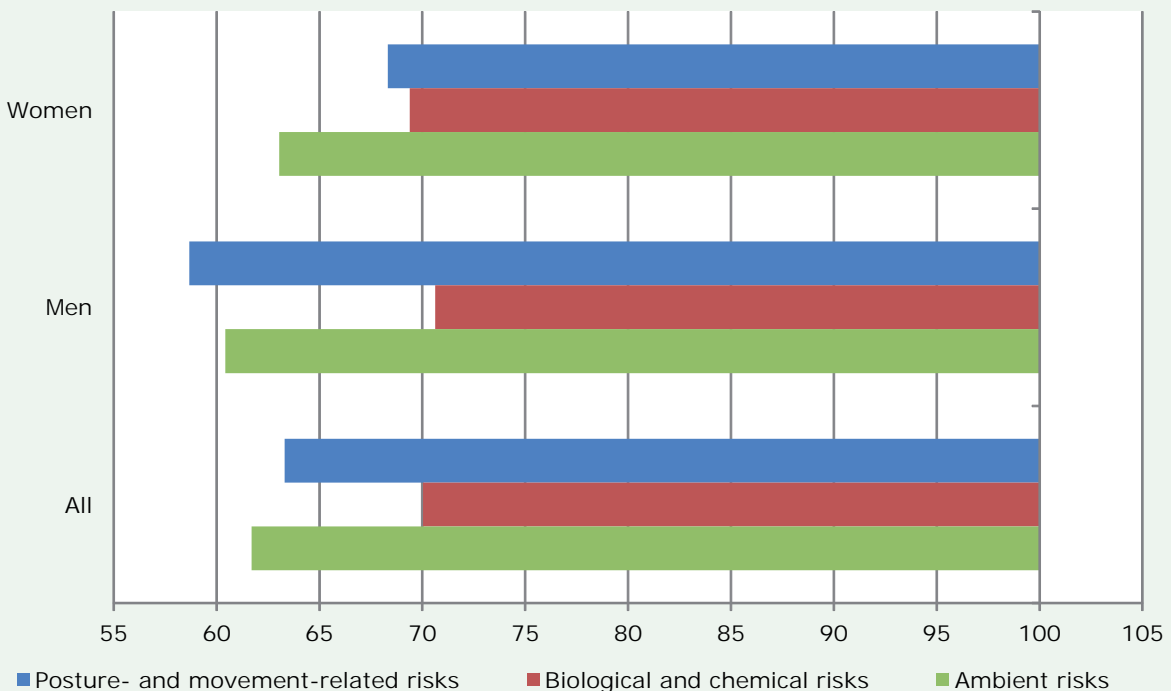
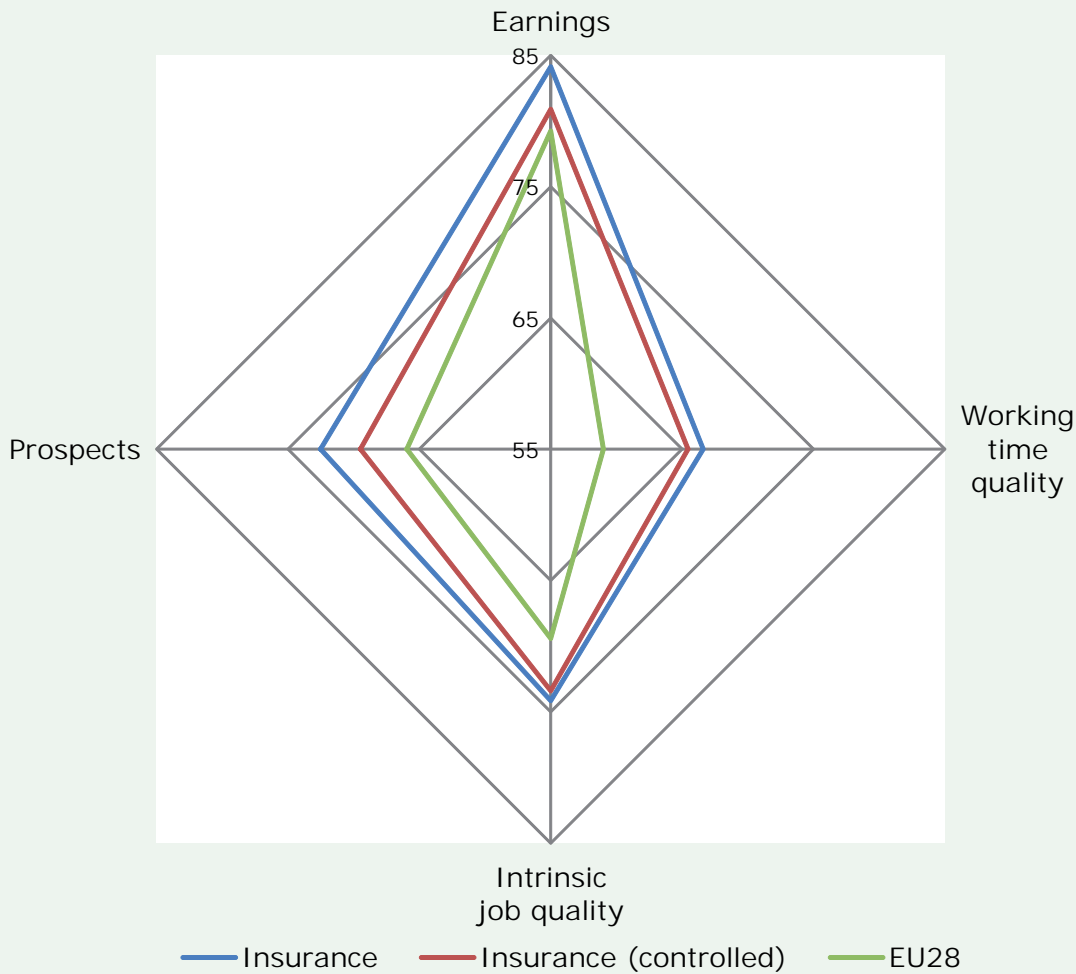


Figure 18: Job quality in insurance compared with the EU28



Note: Scores on all four indicators range from 0 to 100

Job quality

In the report *Trends in job quality in Europe*, the authors constructed four indices of job quality: earnings, prospects, intrinsic job quality and working time quality. The indices are built using job characteristics that are unambiguously associated with workers' well-being.

Figure 18 summarises job quality in the insurance sector. It shows the average score for the sector on each of the indicators, with and without controlling for the structural characteristics of the sector's workers (age, gender, workplace size, education level and country), and for the EU28.

Job quality in the insurance sector is better than the EU28 average in all four dimensions. When controlling for background characteristics, the difference between the EU28 and the sector on all four indicators (prospects, earnings, working time quality and intrinsic job quality) decreases, but they remain significant. This suggests that, even if part of the difference observed between insurance and the EU28 is explained by the higher than average levels of educational attainment of workers in the sector and by the age composition of the workforce, workers in the insurance sector have better job quality than workers with similar educational and demographic characteristics working in other sectors.

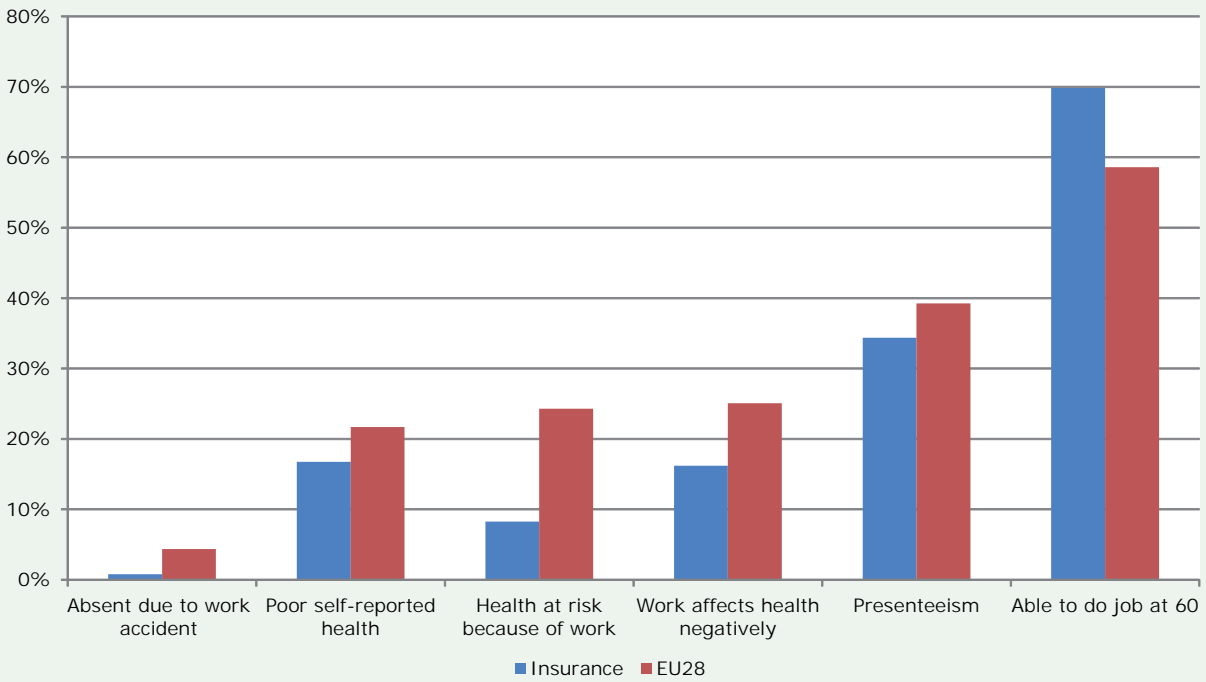
Health and sustainability of work

Working conditions can have both a positive and negative impact on the health of workers and on the sustainability of their jobs.

Figure 19 shows that the insurance sector compares very favourably with the EU28, with an almost zero incidence of absenteeism due to work accidents, a lower proportion of workers with poor self-reported health, a much lower proportion of workers stating that their health is at risk because of work or that work affects their health negatively, and a lower incidence of presenteeism (working when sick). A higher than average share of workers also declared that they think they will be able to do their job at the age of 60.

When controlling for the structural characteristics of the workforce (such as gender, age, level of educational attainment, establishment size and country distribution), the positive performance of the sector remains statistically significant for workers' lower likelihood of reporting that work has a negative effect on their health, the low absence rate due to work accidents, that their health is at risk because of work and that they have worked when sick. The difference between the sector and the EU28 for poor self-reported health and ability to do the job at 60 is, however, not statistically significant when controlling for structural characteristics, and appears to be explained by the country distribution of the workforce

Figure 19: Health and sustainability of work



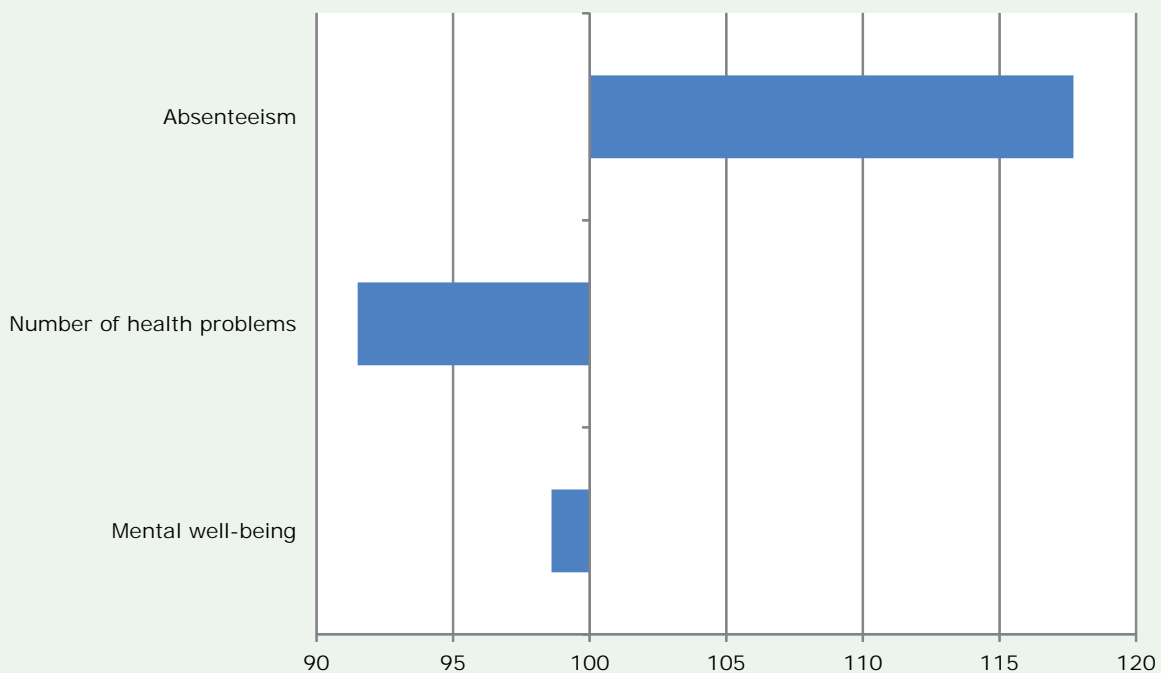
and by the higher than average levels of educational attainment of the sector's workforce.

Figure 20 shows a mixed picture of the insurance sector, with average mental well-being scores slightly lower than the EU28 average and levels of absenteeism considerably above the EU28 average, and yet a lower than average incidence of health problems. All three differences between the sector and the EU28 are, however, not statistically significant when controlling for the background characteristics of the workforce. Instead, the higher levels of absenteeism and slightly lower reported mental well-being scores appear to be partly explained by the higher than average presence of large workplaces in

the sector, which are associated with higher levels of absenteeism and worse well-being scores than smaller workplace sizes. The lower than average number of reported health problems is instead partly explained by the relatively young workforce in the sector.

It is important to keep in mind that the impact of work on health is a very gradual process that can take a long time and cannot be fully captured in a cross-sectional survey. The results in this section are likely to underestimate the often negative health effects that physically and psychologically strenuous working conditions can have.

Figure 20: Indices of health symptoms, mental well-being and absenteeism (EU28=100)



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European Working Conditions Survey

Eurofound developed its European Working Conditions Survey (EWCS) in 1990 in order to provide high-quality information on living and working conditions in Europe. Five waves of the survey have been carried out to date, enabling long-term trends to be observed and analysed.

The EWCS interviews both employees and self-employed people on key issues related to their work and employment. Fieldwork for the fifth EWCS took place from January to June 2010, with almost 44,000 workers interviewed in their homes in 34 countries – EU28, Norway, the former Yugoslav Republic of Macedonia, Turkey, Albania, Montenegro and Kosovo. The 5th EWCS was implemented by Gallup Europe, who worked within a strong quality assurance framework to ensure the highest possible standards in all data collection and editing processes.

The questionnaire covered issues such as precarious employment, leadership styles and worker participation as well as the general job context, working time, work organisation, pay, work-related health risks, cognitive and psychosocial factors, work-life balance and access to training. A number of questions were included to capture the impact of the economic downturn on working conditions.

For more information on the EWCS, see <http://eurofound.europa.eu/european-working-conditions-surveys-ewcs>

Sectoral analysis

The report *Working conditions and job quality: Comparing sectors in Europe* and the series of 33 sectoral information sheets aim to capture the diversity prevalent across sectors in Europe in terms of working conditions and job quality. The report pinpoints trends across sectors in areas such as working time and work-life balance, work organisation, skills and training, employee representation and the psychosocial and physical environment. It identifies sectors that score particularly well or particularly poorly in terms of job quality and sheds light on differences between sectors in terms of health and well-being.

For more information, see <http://eurofound.europa.eu/comparing-working-conditions-across-sectors-in-europe>

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