As 2019 approaches, what trends will have the greatest impact on talent in the insurance industry? Is your organization prepared?
“The workplace of the future requires leaders who can offer a sense of stability and motivation to their employees.”

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Gone are the days when employers had an upper hand in hiring and staffing. To stay competitive, insurers need to quickly adapt to the new recruitment norm. With more openings than potential professionals to fill them, it’s now a candidate’s market—and a highly passive one as well. As low unemployment and rising retirement continues, traditional recruitment strategies must be reevaluated and expectations must be recalibrated. Competition for top talent is fierce. Finding candidates with the exact blend of skills, experience and competencies required, who are willing to make a move, is now a monumental challenge.

In today’s competitive recruiting climate, position requirements must be revisited. Hiring managers should consider what transferable experience might be appropriate and which skills and knowledge can be learned on the job. Culture fit and alignment with the company values are non-negotiable, of course. Considering non-traditional candidates opens the doors to diversity of thought and perspective. Another way to expand the talent pool is to eliminate geographical boundaries. The virtual workforce is gaining in popularity and opts candidates in who otherwise would have been ineligible due to relocation restraints.

Organizations must accelerate their hiring processes to avoid losing quality candidates to competitors who act more quickly and decisively. Offering more competitive base salaries and compensation packages that also include attractive benefits makes it more enticing for top candidates to consider changing employers.

- The insurance industry unemployment rate was down to just 1.2% in November.
- 63% of insurers plan to increase their staff sizes in the next 12 months.

Key Takeaway

A candidate’s market requires insurers to creatively reexamine their recruiting and hiring practices in order to expand their talent pools and appeal to the top talent needed to succeed.
Reevaluating salary levels has become imperative to recruiting and retaining top talent. Real wages have remained relatively unchanged despite decreasing unemployment rates and the resulting candidate’s market. The number of candidates open to employment changes for higher salaries continues to grow. Yet many insurers are still not prepared to compete. Offers of seemingly lateral compensation are simply not enough to attract talented candidates.

Insurers should be prepared to pay salaries high enough to entice passive, content professionals to leave their current jobs and join a new organization. Attractive compensation also encourages employees to stay in their positions rather than job-hopping to increase their take-home pay. To balance expectations of those in the current workforce, smart companies are evaluating their overall compensation packages to compete not only with their peer group but with the greater economy. As an employer, monetarily valuing employees is a decisive tool to ensure your organization stands out in the war for talent. Only insurers willing to offer enticing salaries have a chance to stay ahead of the talent crisis and outperform the competition.

Key Takeaway
Insurers must revisit their compensation plans to gain a competitive position in the talent marketplace.


Average hourly earnings only increased by 22 cents for the insurance industry from October 2017 to October 2018, compared to 82 cents for the general economy.

37% of employees are searching for the next job opportunity.

SALARIES REEVALUATED AS TALENT MARKET COMPETITION HEATS UP

by Gregory P. Jacobson, co-CEO of The Jacobson Group
Forward-thinking insurers understand the need to refine talent management strategies to capitalize on the contract workforce. After rebounding from the economic downturn, organizations have continued to embrace a “run lean” staffing strategy. Insurers continue to rely on interim talent in times of sudden work influxes to maintain operations at a fraction of the cost of maintaining a larger permanent staff. Carriers have also sought to bridge their internal knowledge or capacity gaps by hiring subject matter experts for special projects. With insurers expecting to continue increasing their use of temporary staff, the gig economy is here to stay. Insurance leaders are now tasked with overseeing a blended workforce of gig workers and permanent employees; and it is essential they address this new reality in order to maximize the impact of temporary hires.

A successful talent management strategy today includes the temporary workforce within its scope. Offering competitive salaries and benefits is a must, but leaders need to look beyond that to the employee experience. Managers should make a conscious effort to fully integrate contract employees within their teams. Temporary employees are likely to perform better when fully immersed in the organization and treated comparably to permanent employees. Embracing the contract workforce and providing a positive experience drives employee recommendations and positive employer reviews and increases the likelihood of talented individuals returning for another project.

- 13% of insurers expect to increase temporary staff in the next 12 months, up from 9% just three years ago.
- Only 16% of employers have established policies and practices to manage a variety of types of workers.

Key Takeaway
Understanding the value of a seamlessly blended workforce and making it a reality organization-wide yields endless benefits in terms of productivity and innovation.
“Human skills” and emotional intelligence will become a critical differentiator for career success.

As technology’s influence explodes, the insurance industry continues to transform before our eyes. Today’s augmented workforce boasts robots and humans working side by side. The reimagining of work we are experiencing cries out for fresh talent with well-honed emotional intelligence and expertise broader than technical know-how. This evolving reality ignites a need for “soft skills” that only humans can possess. Enter the birth and the business legitimacy of “human skills.” The future of work demands insurance professionals work closely with core organizational values, demonstrate agile leadership, and seamlessly interact with clients and customers. The ability to exert influence, collaborate as a community, and tell stories with empathy and heart have come to light as competitive and professional differentiators.

Refining and celebrating employees’ human skills will be critical for insurers looking to stay competitive in the marketplace. Strong work ethic, confidence, curiosity and creativity can improve collaboration and positively influence enterprise performance. Networking, storytelling and empathizing help employees better understand one another, drive innovation and ultimately gain return on investment. Organizations should interview for and evaluate these human skills, and offer customized, individual training plans to help employees adapt to newly defined roles, relationships and business realities. Leaders of today and tomorrow must leverage these competencies to propel emotional engagement and to drive business impact.

93% of employers believe soft skills are either an “essential” or “very important” factor in hiring decisions.

94% of recruiters believe professionals with strong soft skills have a better chance of being promoted to a leadership position than an employee with more years of experience but weaker soft skills.

Source: Wonderlic, iCIMS
Tomorrow's business reality is full of uncertainty, volatility, complexity and ambiguity. Technological developments, demographic shifts and many more challenges continue to disrupt the industry; and the pace of change is only expected to intensify. As a result, leading organizations understand the need for a new type of leader to head enterprise initiatives, manage change and inspire creativity. The workplace of the future requires leaders who can offer a sense of stability and motivation to their employees.

As automation and other technological developments redefine professionals' job responsibilities, effective leaders must be empathetic, honest and approachable, including team members in the modernization process and allowing their voices to be heard. Furthermore, the ability to effectively influence, persuade, coach and encourage others can help leaders connect their employees to enterprise values and goals and to incite the courage and motivation needed to innovate and outperform. It is important that organizational leaders step forward and lead in the ways business schools do not teach.

- **85%** of employees believe empathy is often undervalued by their employers.
- **41%** of executives expect future leaders to empower their employees.

**Key Takeaway**

The future of work requires a different kind of leader, one who can courageously and effectively navigate their teams through the challenges and changes the transforming industry presents and ultimately inspire continued success.
Two-thirds of employees want honest discussions with their employers about implementing artificial intelligence in their workplaces.

The cost to replace a highly-trained employee can exceed 200% of their annual salary.

Source: Center for American Progress, Workforce Institute

While innovation and the future of work certainly present a promising outlook for the industry and its professionals, insurers often find it challenging to motivate and retain employees during times of change. It can prove troublesome for leaders to motivate their employees for projects that may reduce headcount and adversely impact their job security. Employees are concerned their leaders are painting the picture of a future work reality without them. Semantics are important. A spotlight must be put on how transformation creates promising opportunities for the industry, its workforce and its customers. Transparency and open communication regarding upcoming modernization initiatives are essential.

However, insurers need to do much more if they want to retain talent throughout company-wide transformations. While artificial intelligence and data analytics may indeed replace some job tasks, they will simultaneously create new opportunities. Organizations should carefully evaluate their employees’ transferable skill sets and areas for development and offer programs to support internal mobility and to help employees seamlessly transition into the new reality. At the same time, insurers can sponsor employee participation in technology and analytics events to empower employees to exert leadership, network and apply expertise within their organizations.

Key Takeaway

Insurers must focus on retaining and training their current employees to stay ahead in the innovation game.
Facing a fierce recruitment reality, the focus today is on providing creative benefits to quickly meet increasing employee demands and improve retention rates. For example, some insurers are beginning to move beyond physical office presence and a rigid workday schedule to allow employees to achieve better work-life balance and to expand their talent pools. Others are offering tuition reimbursement and student loan repayment programs, among other innovative perks.

However, such creative benefits are not an end-to-end solution. Lasting employee retention and positive employer brand are the result of an intentional and well-aligned corporate culture. A strategic and holistic approach to workplace culture starts with a company’s mission, vision and values and culminates with more tangible features like individual benefits. Corporate culture that is built with company goals in mind and supports employees’ desires and motivations can help insurers realize future success.

- 37% of employees think their organizations should make efforts to change enterprise culture to ensure a good work-life balance.
- 88% of employees said company culture was at least relatively important.

Source: Working Families, Jobvite

Key Takeaway
A piecemeal approach to individual benefits is a temporary fix. A holistic approach to workplace culture will result in long-term company value.
By now, it’s clear that diversity is good for business. Diversity of thought, experience and background is no longer nice to have, but a business imperative and competitive differentiator. By bringing people from all facets and faces of diversity together, insurers can leverage unique perspectives to drive innovation and success. As a result, smart leaders are looking to infuse diversity and inclusion into their cultures and strategies; and it all starts with a diverse workforce.

Organizations are refocusing their recruitment strategies to ensure they are attracting and nurturing a diverse talent pool. Human resource leaders are examining their organizations’ workforce demographics and identifying gaps. They are adjusting their recruitment tactics to intentionally focus on underrepresented groups. Although the emphasis must ultimately remain on selecting the best candidate for the job, hiring managers need to give special attention to evaluating a diverse range of talents and perspectives.

Diversity, of course, does not end with new hires. Insurers are turning talk into action by weaving diversity into their enterprise values, working it into corporate strategies and investing in support systems and programs. These efforts are a means to break away from the industry’s long-held “boy’s club” reputation and ensure lasting inclusion industry-wide.

Key Takeaway
Recruiting professionals of diverse backgrounds and perspectives must be a priority for insurers to stay competitive in today’s marketplace.
Today’s top talent are often passive candidates, who are not actively searching for jobs. To draw the attention of these individuals, many insurers have opted to weave marketing strategies into sourcing, managing and nurturing them. It helps improve employer brand and build and engage a strong talent pool. Modern recruiters are leveraging traditional marketing tactics to paint an attractive, honest picture of employers and to encourage candidates to apply for open positions.

To compete in today’s challenging recruiting landscape, hiring managers and human resource professionals should think like marketers, approaching the candidate journey the way marketing professionals manage the customer experience. Authenticity is key. Employer reputation is earned one employee story at a time. Insurers should empower their employees to tell their unedited real-life stories and then amplify those messages through social media and career sites. Organizations can also leverage data to develop targeted recruiting campaigns thereby building a lasting, impactful relationship with potential candidates.

Key Takeaway
Integrating the fundamentals of marketing into recruitment strategies can give insurers an edge in today’s candidate-driven marketplace.

- 79% of job seekers use social media in their job search.
- 69% of job seekers would not take a job from a company with a bad reputation – even if unemployed.
The Jacobson Group is the leading provider of talent to the insurance industry. For nearly 50 years, Jacobson has been connecting organizations with insurance professionals at all levels across all industry verticals. We provide an array of services including executive search, professional recruiting, temporary staffing and subject matter experts. Regardless of the need or situation, Jacobson is the insurance talent solution.

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