



Taking a Holistic Approach to Talent Management

By Gregory P. Jacobson

The “war for talent.” The growing “talent crunch.” Regardless of the term or phrase, the reality is that we stand amid an increasingly challenging labor market. Despite continued warnings, this long-predicted talent shortage has hit the insurance industry with incredible force. While the market’s return to its pre-recession state and relative stability has been positive for organizations’ bottom lines, it has left insurers unprepared to face what is undoubtedly the most competitive recruiting environment the industry has ever faced.

This increased competition is being driven by a perfect storm of economic factors, including low industry unemployment. According to the U.S. Bureau of Labor Statistics (BLS), the unemployment rate within the insurance industry was 1.6 percent for October 2017. With predictions for the future hovering between one and three percent, it is clear

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insurance has rebounded to full employment. While this is certainly a positive indicator of the industry’s economic recovery, this continued low unemployment rate highlights an increasingly shallow talent pool from which insurers are able to find and recruit talent.

Further compounding the issue is a workforce that is more aged and tenured than the rest of the economy. The BLS reports that nearly 50 percent of the insurance industry workforce is more than 45 years old. In fact, there are approximately 693,000 insurance workers aged 55 and older — an increase of 74 percent within the past 10 years. This rapidly aging workforce is driving an unprecedented wave of retirements. Within the next 15 years, nearly 50 percent of current insurance professionals will be retiring.

In addition, less than 30 percent of industry employees fall under the age of 35. As a result, the current bench of less-tenured employees is not large enough to match the departure of retiring professionals. In fact, the industry needs to add 400,000 open positions to its bench by 2020 in order to remain fully staffed.

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that 70 percent of companies point to talent management as their top business priority for the next three years. What can insurers do to find human capital success?

Embracing Proactive Talent Management

In order to compete in today’s labor market, insurers need to shift away from traditionally reactive recruitment practices. Proactivity is key to building and maintaining a successful talent pipeline. Unfortunately, many organizations fail to be proactive in their talent acquisition and do not have a defined human capital strategy in place.

A proactive approach to talent management challenges organizations to move beyond thinking about recruitment only when positions are open. Proactive talent acquisition requires embedding a culture of recruitment at all times. Similar to business development, it requires strategically planning for the talent needs of the organization in the present and the future.

Finding talent becomes much more difficult when a company waits until a position needs to be filled. By advocating, selling and engaging candidates regardless of openings, organizations can build opportunity pipelines they can turn to in times of need.

Implementing Holistic Talent Strategies

People are the most important asset of an organization. It only makes sense to be strategic with how these critical assets are managed. In today’s labor market, organizations are concerned with investing in forward-thinking labor management strategies. These efforts must span across all aspects of the talent acquisition journey — from planning and branding to onboarding and development.

This all-encompassing approach, called holistic talent management, takes a wide-lens view of the entire candidate-to-employee life cycle. Despite proven benefits, including stronger financial performance and higher revenue growth, few companies are taking a unified, holistic approach to their talent management. What exactly does a unified talent strategy look like and how can insurers take a more holistic approach to their staffing acquisition?

The first step of a holistic talent strategy is planning. This step is critical to developing an effective talent acquisition strategy. In fact, Harvard Business Review reports that 73 percent of organizations have experienced talent shortfalls



leading to missed business objectives as a result of poor workforce planning. In order to plan effectively, insurers should identify organizational weaknesses and the future talent needs required to support corporate goals. From there, they can create dedicated talent strategies that allow them to tailor their recruitment efforts based on the unique needs in different segments. For example, recruiting Generation Z employees requires a different plan and strategy than recruiting Generation X.

Organizations should then take a deep look at their current talent brand. A positive talent brand can play a big role in standing out from the competition. Having a strong talent persona not only enhances an organization's reputation and name recognition, but has also been shown to result in faster hires and better recruitment results. In fact, 83 percent of recruiting leaders surveyed by LinkedIn point to talent branding as a critical driver of their ability to hire top talent. An organization's talent brand should have an employee-specific value proposition that flows from its organizational business strategy and specifically targets the types of individuals desired. In order to promote this brand, insurers may want to incorporate video engagement on their career pages and highlight employee stories. Current employees are the best ambassadors for a company's talent brand and should be featured front and center.

Within the insurance industry, job openings have reached a historic high — putting added pressure on recruitment and selection. In order to compete in today's candidate-focused market, insurers must focus on the candidate experience. Company's should share their values and highlight what it is like to work at the organization. The interview should be seen as an opportunity to sell the organization to potential employees, as well as to evaluate candidates. Implement a diversified interview strategy that includes traditional techniques, behavioral-based questions and exercises. Include cooperative interviews and collaboration to ensure alignment among members of the hiring team.



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The hiring process doesn't end with recruitment and selection. How an organization handles the first few days and months of a new employee's experience is critical to retention. Often a new hire's decision to stay with a company long-term is made within the first months of employment. In addition, the Corporate Leadership Council found that offering an effective, structured onboarding program can increase employee performance by up to 11 percent. Consider including a new hire peer mentor as part of a structured program in order to connect employees to the organization. Regular check-ins should be used to reiterate business goals, provide and solicit feedback, and address any new hire questions.

Professional development is the final piece of the holistic talent puzzle. Today's professionals want opportunities for advancement and development. In fact, according to a Society for Human Resource Management (SHRM) report, the opportunity to build and expand skills and abilities at work ranks as the top contributor to employee job satisfaction. Organizations should look to promote a culture of continuous learning. This can include rotational programs that offer variety and the ability to gain new skills and greater business understanding. Special assignments, apprenticeships, training, job shadowing and even mentoring are additional options for developing professional skills and experiences.

As insurers focus on growing and expanding their organizations amid a tightening labor market, rethinking their current talent acquisition strategies and best practices is critical. Regardless of the strategy, proactive talent management is key to ensuring future organizational success. Taking a holistic and unified view of human capital management is necessary to successfully navigate today's labor reality. Only those organizations that embrace a meaningful, well-thought-out strategy will be able to grow and prosper in today's evolving market. 🌐

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