

GUIDE

2016 INSURANCE INDUSTRY TALENT TRENDS

What trends will have an impact on the industry?



Insurance Talent

JACOBSON

INSURANCE INDUSTRY TALENT SHORTAGE COMES TO A HEAD

“For years, the insurance industry has failed to engage enough professionals to help bridge the growing skills gap resulting from impending retirements. Now the mass talent shortage is here and insurers must take action.”

– GREGORY P. JACOBSON, CHIEF EXECUTIVE OFFICER

#1 Insurance Industry Talent Shortage Comes to a Head

The insurance industry labor market is heating up. Low unemployment, increased demand and an aging workforce have created a talent war within the industry. With 25 percent of the current workforce expected to retire by 2018, the industry faces a potential deficit of 400,000 positions. Unfortunately, the current pool of insurance industry talent is unable to keep up with these anticipated demands.

Faced with a mass talent shortage, organizations are being impacted by lengthening hiring cycles and backlogged projects resulting from being short staffed. In order to combat this, organizations need to revamp their current staffing strategies—including looking at alternative staffing solutions such as contract and interim talent.



Key Takeaway: Organizations must shift their focus to addressing the growing need for industry talent and rethink their current staffing strategies and practices in order to ensure their future success.

- The number of **insurance workers over age 55** is **expected to grow by 25 percent** from 2008 to 2016, while the number of workers between ages 35 and 44 will decline by three percent.
- An estimated **60 percent of all new jobs** in the 21st century **will require skills and experience held by only 20 percent** of the current workforce.

EMERGING TALENT IS THE KEY TO THE INDUSTRY'S FUTURE

“Faced with an aging workforce, impending retirements and an increasingly shallow talent pool, young professionals and recent graduates are the key to combating the industry’s growing skills gap.”

– DAVID E. COONS, SENIOR VICE PRESIDENT

#2 Emerging Talent is the Key to the Insurance Industry's Future

Millennials are currently the largest generation in the workforce. These young professionals make up more than a quarter of the U.S. workforce. Unfortunately, the insurance industry is falling behind in its efforts to attract this generation of talent. Despite placement rates close to 100 percent, the annual yield of graduates from the nation's risk management and insurance (RMI) programs meets only 10 to 15 percent of industry needs.

Organizations must ramp up their engagement and recruitment efforts in order to bring more Millennial professionals into the industry. Insurers must focus on appealing to the next generation by promoting the perks and benefits they desire—including flexible work, mentoring opportunities and corporate citizenship. Only then can they successfully combat the growing skills gap within the industry.

- Annually, one million Millennials are entering the U.S. workforce.
- By 2020, 40 percent of the workforce will be comprised of Millennials.

Key Takeaway: Update engagement and retention strategies to bridge the talent gap and become more attractive to the next generation of professionals.



TIME TO LOOK BEYOND THE INDUSTRY

“Finding exceptional talent is becoming more and more difficult. Organizations must rethink their hiring strategies and look beyond the resume in order to expand their potential pools of talent.”

- **ABBE SODIKOFF**, SENIOR VICE PRESIDENT AND HEALTH MANAGER

#3 Time to Look Beyond the Industry

Finding qualified, experienced talent within insurance is becoming more and more of a challenge. As the competition heats up, insurers are presented with a unique opportunity to expand their talent reach and look at professionals outside of the industry. In order to succeed, organizations must begin to look at individuals with key transferable skills.

By shifting the focus towards qualifications and looking beyond a resume with limited insurance background and experience, companies can bring in excellent candidates with unique abilities who can make an impact on the industry. It also presents the opportunity to bring in fresh talent and perspectives that may be key to revitalizing the insurance industry. Professionals with backgrounds in STEM—science, technology, engineering and math—or individuals who have worked as CPAs, financial officers and customer service professionals have been shown to excel in insurance. Now is the perfect time to cast a wider net and begin recruiting out-of-industry talent into the insurance ranks.

Key Takeaway: Finding talent in today's challenging labor market may take some innovative thinking. Looking beyond the resume, finding professionals with the base skills and growing them into valuable employees is key.



2015 saw an average of **243,000 job openings** within the industry.

65 percent of insurance organizations are planning to **increase their staff** in the coming year.

INTERIM TALENT IS CLOSING THE GAP

“A drastic increase in regulations, new policy demands and a growing demand for talent is creating a shortage of professionals. Organizations are turning to interim talent solutions to fill the gaps.”

– BRAD WHATLEY, SENIOR VICE PRESIDENT



#4 Interim Talent is Closing the Gap

The insurance industry is feeling the talent crunch. Organizations are facing a number of industry-wide changes, including new mandates and regulations that must be addressed. As the focus shifts to staying ahead of the growing number of new requirements and processes, insurers are in need of qualified talent.

As a result, more and more insurers are turning to interim staff to help get the job done. These highly-qualified interim industry professionals offer a cost-effective, time-sensitive solution to growing organizational staffing needs. With talent providers now staffing a broad landscape of contract professionals—from entry level all the way up to subject matter experts and executives—insurers are realizing that interim professionals offer a unique opportunity to find expertise on a temporary, contract basis.

Key Takeaway: Low industry unemployment, impending retirements, growth in talent demands and new regulatory requirements are driving a talent shortage. Interim talent is quickly becoming the solution.

Source: Intuit, Bureau of Labor Statistics

- By 2020, more than **40 percent** of employees in the U.S. will be temporary, contingent workers.
- The temporary penetration rate has reached 2.05 percent, with the addition of **72,200 temporary employees in 2015**.

FLEXIBLE WORK OPTIONS BECOMING THE BUSINESS STRATEGY OF THE FUTURE

“Work-at-home and flexible work options are becoming increasingly popular retention tools. As the labor market tightens and recruitment becomes more challenging, flexible work is a great opportunity to expand the talent pool.”

– CATHERINE PRETE, SENIOR VICE PRESIDENT OF OPERATIONS

#5 Flexible Work Options are Becoming the Business Strategy of the Future

Flexible work options are making waves within the business world. Facing an unhappy and disengaged workforce, organizations are turning to telecommuting as a viable employee engagement strategy. Not only does flexible work top the list of requirements for many job seekers, employees who are given the option to work-from-home are 73 percent happier in their jobs.

Having a work-at-home program allows organizations to better position themselves among today's job candidates, providing a competitive advantage that may be key in the growing war for talent. In addition, telecommuting allows organizations to choose from a much larger talent pool, as they are able to recruit talent regardless of physical location.



An estimated 30 million professionals in the U.S. work from home at least once a week.



By 2020, it is estimated that the number of telecommuting workers will increase by 63 percent.



Organizations save nearly \$11,000 a year for each employee who works from home.

Key Takeaway: There are a number of strategic benefits that result from flexible work programs. As a result, telecommuting is quickly becoming a key engagement and retention tactic.

HIRING AND STAFFING GOES MOBILE

“As we move further into the digital age, more and more organizations are starting to look at how they can take their hiring and staffing strategies mobile. Smart phone compatible applications and onboarding processes are the first steps in this digital revolution.”

– JOJO HARRIS, SENIOR VICE PRESIDENT OF HUMAN RESOURCES

#6 Hiring and Staffing Goes Mobile

Today's professionals are the most connected generation in history. A recent survey revealed that 50 percent of individuals check their phones 25 times per day, while 10 percent check more than 100 times per day. In order to reach and engage potential candidates in today's labor market, creating a mobile experience is key.

From optimized career sites to training apps, organizations must embrace digital advances lest they lose talent to organizations that are more tech-savvy. Mobile is no longer the future. It is the present and businesses must catch up.

Key Takeaway: Organizations that fall behind in today's rapidly evolving digital environment are going to miss highly-qualified, skilled applicants. Having a recruitment strategy focused on getting your organization seen on the small screens of smart phones and tablets is vital in today's increasingly competitive labor market.

Source: Kelton research, Monster



GAMIFICATION IS TAKING TRAINING TO THE NEXT LEVEL

*“The insurance industry is facing an impending training revolution.
Gamification is the future of successful business training.”*

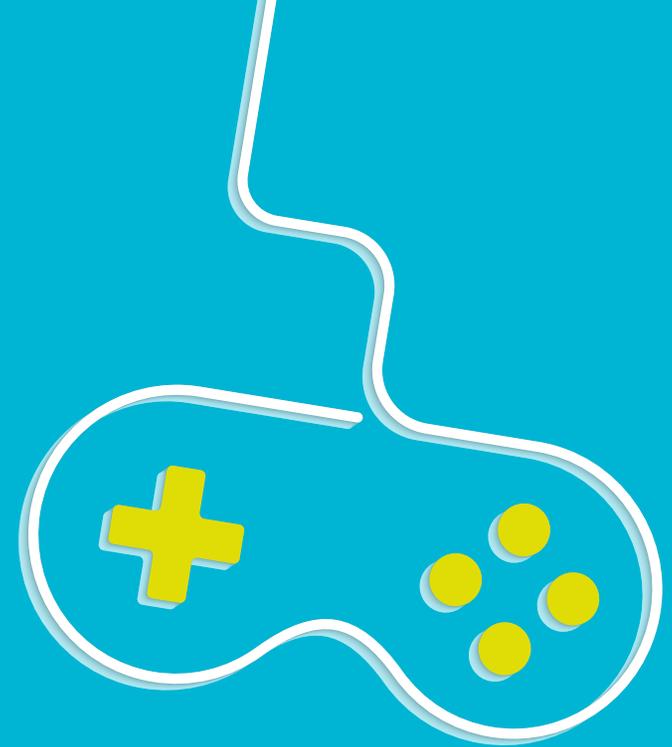
– RICHARD L. JACOBSON, CHIEF EXECUTIVE OFFICER

#7 Gamification is Taking Training to the Next Level

Facing a lack of interest in training and a growth in training expenses, organizations are looking for alternatives to the traditional format. The focus is shifting toward more accessible and engaging corporate training options.

Fortunately, the fast-growing world of digital gaming is poised to impact the world of business—and corporate training is the next gamification frontier. Gamified training adds fun and excitement to what is often seen as a tedious and boring process. Contrary to traditional training programs that can often discourage new employees, gamification increases engagement and morale.

Key Takeaway: Gamified training programs are taking the business world by storm, introducing a revolutionized process that engages and encourages new hires.



Gamification increases awareness among new hires by as much as **75 percent**.

More than **50 percent** of companies are gamifying aspects of their organization, including their training programs.

Source: SAP, eLearning

THE ANALYTICS REVOLUTION IS HERE TO STAY

“Analytics and technology are industry game-changers that are having a clear impact on the way insurers do business. Only those organizations that embrace the potential offered by these trends will find success in the new age of analytics.”

– MARGARET RESCE MILKINT, MANAGING PARTNER

#8 The Analytics Revolution is Here to Stay

Analytics is revolutionizing the business world. It is changing the way we play sports, track information and even shop for goods. It is driving the technology transformation within the insurance industry, permeating across all areas including sales, marketing and customer service. Within insurance, analytics has transformed business practices and even introduced new job functions.

As with all technology, change is happening at a breakneck pace. Today, 82 percent of insurance professionals believe that organizations that do not take advantage of the growing technology and analytics trends will become uncompetitive. It is clear that analytics is the wave of the future and the industry must get on board in order to find future success.

Key Takeaway: Analytics is impacting all areas and functions within the insurance industry. Insurers must embrace the newest advances in order to harness its potential.



- Companies in all industries are adding analytics positions at a rate more than **five times faster** than the overall national employment growth rate.
- The number of big data and analytics jobs are forecast to increase by **92 percent by 2017**.
- **25 percent** of insurers are now investing in big data and analytics.

Source: Strategy Meets Action, Gartner, Accenture, Computer Weekly

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For more than 45 years, The Jacobson Group has been connecting organizations with insurance professionals from the board room to the back room on a permanent and temporary basis. Regardless of the need or situation, Jacobson is the insurance talent solution.

Want to learn more?

Contact us at info@jacobsononline.com for more information or call us today at **+1 (800) 466-1578**.

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