

COMPASS

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In this Issue

Industry Executives
On the Move **2**

A Brave New Workplace:
Building a Bridge Be-
tween Generations **3**

PULSE of the Industry's Labor Market

derived from the seasonally-adjusted data released by the U.S. Bureau of Labor Statistics

- Overall, the U.S. unemployment rate held steady from May to June at 5.5 percent, following the largest monthly jump in more than a decade - a 0.5 percent spike from April to May.
- Total non-farm payrolls have steadily decreased each month this year; in June, they lost 62,000 jobs.
- Meanwhile, the insurance payrolls dropped 4,500 positions in June. This puts an end to the industry's three-month streak of increased employment.
- Though industry payrolls are down this month, employment in the sector is actually higher on a year-to-year basis. The industry gained 7,800 jobs since June 2007.
- The reinsurance sector saw the largest percentage of employment growth during the past year, jumping 12.4 percent since May 2007.
- Health insurers followed with job growth at 2.9 percent. Job growth for TPAs is at 2.4 percent and life insurers at 2.2 percent, while property and casualty insurers (0.8 percent) and agencies and brokerages (0.4 percent) show only moderate growth.
- Industry salaries are also increasing. Average weekly earnings for non-supervisory insurance industry positions rose 4.2 percent during the past 12 months. Employees within the life insurance sector saw the largest boost to their paychecks at 5.5 percent. ▲

Did You Know...

- Millennials outnumber Baby Boomers by 1.3 million (79.8 million to 78.5 million), according to the U.S. Census Bureau. When fully-integrated into the workforce, Generation Y will become the largest generation the U.S. labor market has ever seen!
- 45 percent of GenXers who plan to leave their employer within the next three years feel that their expectations around work/life balance have not been met, revealed a study by Catalyst.
- Most Boomers expect to retire around age 63, but 66 percent plan on working for pay in retirement, according to a survey by *The Associated Press*.

Read more in A Brave New Workplace on page 3.



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industry executives ON THE MOVE



Congratulations and best of luck to the following executives who recently took on new challenges within the industry:

- **Gregory Besio**, *Chief Administration Officer & EVP of Global Strategy, Aon Corp.*
- **Larry Bloomenkranz**, *Chief Marketing Officer, Progressive Corp.*
- **Richard Booth**, *SVP & Chief Administrative Officer, American International Group, Inc. (AIG)*
- **Bob Casale**, *SVP & Deputy Chief Information Officer, Massachusetts Mutual Life Insurance Co.*
- **David Cordani**, *President & Chief Operating Officer, CIGNA Corp.*
- **John Degan**, *Vice Chairman & Chief Operating Officer, Chubb Corp.*
- **James Drinkwater**, *President of Brokerage Division, AmWINS Group, Inc.*
- **Michael Farley**, *Senior Vice President of Annuity & Life Actuary, Consec, Inc.*
- **Christopher Fish**, *Chief Financial Officer, QBE the Americas*
- **Ivan Gilreath**, *President of Employee Benefits, ING*
- **Tracey Gray-Walker**, *Chief Diversity Officer, AXA Equitable Life Insurance Co.*
- **Walter Jones**, *Senior Vice President of National Accounts, Allstate Workplace Division*
- **Kevin Kelley**, *Executive Vice President of Domestic Personal Lines, AIG*
- **Ed Kelly**, *Chief Executive Officer, Paris Re America*
- **Kevin Kelso**, *EVP & Chief Marketing Officer, Farmers Insurance Group*
- **Francis Lockwood**, *President, Montpelier Underwriting, Inc.*
- **LoriAnn Lowery**, *President of North America, Lloyd's North America*
- **Mark Lyons**, *President & Chief Executive Officer, Arch Insurance Group*
- **Brian MacLeon**, *President & Chief Operating Officer, Travelers Companies, Inc.*
- **Catherine Mahone**, *Senior Vice President of Enterprise Operations, Allianz Life Insurance Co.*
- **Theodore Majewski**, *President & Chief Operating Officer, Harleysville Life Insurance Co.*
- **Connie O'Brien**, *Senior Vice President of Internet Strategy and Development, AXA Equitable*
- **Durr Sexton**, *President of AIG American General Annuity Profit Center, AIG American General*
- **G. David Shafer**, *Senior Vice President of Health Division, Principal Financial Group*
- **Paul Springman**, *President & Chief Executive Officer, Markel Corp.*
- **Jon Stenberg**, *Senior Vice President of Individual Retail Insurance, New York Life Insurance Co.*
- **Marshall Turner**, *President and Chief Executive Officer, Maxum Specialty Insurance Group*
- **Bryan Tutor**, *VP & Chief Financial Officer of Individual Products Distribution, Guardian Life Insurance Co.*
- **Robert Willumstad**, *Chief Executive Officer, AIG*
- **Matthew Zimpfer**, *EVP & General Council, Consec, Inc.*

A Brave New Workplace: Building a Bridge Between Generations

by Margaret Resce Milkint, Managing Partner

The human capital landscape is changing fast - in a very literal sense. Today's insurance workplace feels different, looks different and behaves like never before. And this is only the beginning.

The headlines blast that a Boomer turns 62 every seven seconds; helicopter parents drop their kids off on their first days of work; and the talent shortage is looming. Insurance companies now face a double threat: not only must they attract talent from a shrinking pool of qualified professionals, they must also be able to retain this talent. For the first time ever, the nation's workforce spans four generations: the Traditionalists, the Baby Boomers, GenXers and the Millennials. A one-size-fits-all style is no longer an option.

The generations have different mindsets and values, as well as communication and application methods. An organization must understand each generation's idiosyncrasies in order to meet their needs and expectations.

Meet the Generations

Each generation, along with its unique talents and perspectives, is critical to a company's success. An organization must appreciate the diversity of ideas and approaches that the cross-generational workforce offers.

Traditionalists (born 1900-1945): Traditionalists are loyal, patient and dedicated. This generation maintains a strong work ethic, placing responsibility before pleasure and rarely turning down a work-related request. Traditionalists also possess a strong respect for the chain of command.

Understand that Traditionalists have spent the majority of their careers in a formal environment. Respect this mindset and take a formal approach when addressing them. Face-to-face communication is key.

Baby Boomers (born 1946-1964): Baby Boomers currently comprise the majority of the workforce. These workaholics are disciplined, loyal and extremely competitive. They find a sense of self in the work they do and are the last generation to believe that a job can be for life.

Often resistant to change, Baby Boomers are loyal to tradition and bureaucracy. Give them your full attention and admit that in certain situations they are older and



more experienced. Boomers prefer clear communication of objectives and desired results.

GenXers (born 1964-1976): In direct contrast to the Boomers, Gen X works to live. This generation is starting families and greatly values work/life balance. They respond best to employers that offer job flexibility, job sharing or telecommuting options. Independent, resourceful and comfortable with authority, they value productivity and desire high-quality results.

Gen X values challenge and feedback. Do not micro-manage; tell them what needs to be done, but not how to do it. This generation prefers open, honest and direct

communication. They value casual working relationships and the opportunity to be heard. They espouse to a “career lattice” rather than a “career ladder.”

Millennials (born 1977-1995): Millennials have high expectations of their employers. They view work as an expression of themselves; therefore, this mobile, goal-oriented generation wants to make an impact. Their energy and optimism drive their need to succeed. Millennials were brought up to believe that they can do whatever they put their minds to. Therefore, they have greater demands of employers than their predecessors.

A strong corporate brand and image is important to this group; they value teamwork, structured training, upward mobility, and flexibility in hours and dress code. They place emphasis on a well-rounded workplace, including opportunities for community service, a commitment to diversity, environmental awareness, office sports teams and social events. Assign them multiple projects and responsibilities and encourage them to share new ideas and solutions.

Attract the Generations

The social networking and online job boards that catch Millennials’ eyes may never be seen by Traditionalists. Likewise, newspaper and radio ads are obsolete in attracting the younger generations. Give your organization’s recruiting strategy cross-generational appeal and explore multiple avenues to targeting this broad audience. Visit college campuses, post open positions on websites and industry job boards, utilize word-of-mouth recruiting, pull out a rolodex of connections, and employ search firms. Revamp your recruiting program to appeal to college students, as well as mature workers.

Engage the Generations

A company’s corporate culture is critical to overcoming the obstacles created by generational differences. A strong, well-defined culture sets the expectations, rules of engagement and best practices that shape how employees interact on a daily basis.

Realize that each generation has a distinct expectation of how managers should communicate. Millennials want quick and consistent feedback. They seek involvement, new projects and the opportunity to grow. Meanwhile, Baby Boomers believe in fostering a formal working relationship with their superiors and peers. They feel comfortable with scheduled meetings and want to be recognized and rewarded on a company-wide scale. On the other hand, Traditionalists operate under the condition that “no news is good news.” They appreciate conventional rewards such as plaques and certificates.

Build a Bridge

If a disagreement occurs between a 35-year-old vice president with an MBA and a 60-year-old director with 25-year company tenure, who do you listen to? In an age where younger generations manage those with more years of corporate experience and where Traditionalists might be working closely with Millennials on a daily basis, it is imperative that managers acknowledge generational differences and make adjustments to accommodate staff members.

Upon graduation from college, Generation Y will be the largest generation our workforce has ever seen; and the insurance industry must engage and prepare our future leaders. Position the mature workers as the bridge for this transition. Utilize mentorship programs, a multi-generational task force or cross-generational project teams. Educate managers, supervisors and team members on the differences between the generations, as well as how to bridge the gap and leverage the diversity of ideas and approaches.

The bottom line? A company must be flexible and agile. At the end of the day, productivity and quality are the barometer of success. If employees want formal meetings, schedule them. If they prefer that a project is explained via email, do so. If they work at their desks with iPods blasting, don’t assume nothing is getting accomplished; examine the quality of their work. If Boomers want to conduct face-to-face meetings for the duration of the project, let them. If Generation X prefers to work from home and hold conference calls, yet still maintains productivity, offer telecommuting.

Managing a cross-generational workforce is a new challenge and must be approached with savvy and finesse. The one-size-fits-all workforce is long gone; however, the increased productivity and knowledge capital that will result from a diverse workforce is invaluable. The companies that will remain successful throughout the impending talent crunch are those that can alter their management styles to target and accommodate each generation. ▲

Want to Learn More about the Brave New Workforce?

View our other thought leadership pieces:

- The Case for the Mature Worker: Writing the Next Chapter
- Solving the Cross-Generational Workforce Puzzle