

WHITE PAPER

THE INSURANCE INDUSTRY'S TALENT BATTLE



THE ROOT CAUSES

For years now, the insurance industry has struggled to attract and retain people. Now though, with so many in the industry set to retire, addressing the industry's talent crisis has become a top priority for many insurance executives.

Before we go into the latest research about why the insurance industry is finding it difficult to find, hire and retain talent and the steps being taken to solve this issue, it's relevant to discuss how we got here.

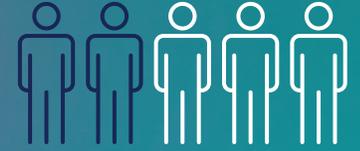
A quarter of the insurance workforce is at or nearing retirement age, and the insurance industry can thank loyalty and dedication for much of today's impending staffing crisis. For decades, while the world underwent transformations in manufacturing, logistics, supply-chain, and more recently communications and technology, the post-war insurance workforce quietly supported these changes by innovating the risk solutions it offered. As the industry gradually brought fewer young people into insurance careers each year, these long-tenured professionals tilted the average age upward.

Now, this natural progression has caught the eye of many in the industry who are facing the challenge of bringing new minds into what is sometimes perceived as an "old" business. It's a complex business, requiring insurance-specific market and client knowledge, not to mention the ability to provide high levels of customer interaction to meet changing service level expectations; all while accurately and expediently executing a range of administrative processes. Similar to other professional services such as law, accounting and tax preparation, these fields make up the operations of our macro business environment. Not considered flashy, but completely indispensable. Today, technology and new approaches to operations have substantially lessened the administrative burden, but existing perceptions are hard to change.

In McKinsey's research states that "the industry's main participants—insurers, reinsurers, brokers and agents, professional associations and schools—must act with a unified voice to improve the industry's reputation, build awareness of the industry's opportunities among students and their advisors, expand the number of graduates from schools of insurance and risk management, and improve the education and training that risk professionals receive." Furthermore, this will require "unprecedented industry collaboration" and "will take years before significant results will be realized."

Once the perception of the insurance industry changes, the potential talent pool expands and the pool of trained talent expands with it. While the industry and its organizations are working on building a more attractive brand, businesses still need to solve their talent issues.

Talent



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adults in the US feel positively about the insurance industry as a wholeⁱ

83%



of RMI alumni agree the industry offers a great work-life balanceⁱⁱ

ⁱ McKinsey & Co: Building a Talent Magnet
ⁱⁱ McKinsey survey of alumni of participating Risk Management and Insurance schools

SOLUTIONS FOR THE IMMEDIATE AND LONG-TERM

Like other industries, insurance is experiencing disruption, which is forcing many to rethink the way they operate their businesses. There are steps insurance businesses can take to optimize their operations and address staffing issues:

IDENTIFY AND ELIMINATE LOW-VALUE WORK

In a business rife with compliance activities, it can be difficult to separate the “valuable” from the “important.” The key to eliminating low-value tasks is to consider each activity and determine whether it adds value or simply meets expectations. Often, you can quickly separate these by determining if, when done well, the activity will not increase the value of your client relationship, but when done poorly it will detract from the relationship. That’s the definition of a low-value task. On the other hand, a valuable activity is one which, when performed well, increases the value a client captures from your relationship. Low-value tasks should be optimized and delegated down or out of the organization. This liberates staff to focus on higher-value, more interesting work, and when combined with optimized processes, accuracy and efficiency increases and staff is more engaged.

GET STRATEGIC ABOUT TALENT DEVELOPMENT

Attracting millennial and gen Z employees is going to be a key to perpetuity. This will require that potential candidates understand that your career opportunity responds to many of the criteria that are important to them: they want to make a difference in their communities; have a connection with their managers and a vision for their career path; and they want to be professionally developed. Taking a strategic approach to talent development is critical to both attracting and retaining today’s younger talent.

EXPOSE TALENT TO YOUR BUSINESS

Many people in the insurance industry say that they fell into it and were pleasantly surprised by how different it is from its reputation. Running intern programs not only provides you with some assistance, it gives businesses exposure to potential employees and allows them to experience the reality of the business.

INNOVATE, INNOVATE, INNOVATE

Explore new, more efficient and cost-effective ways to run your business with an operations-first approach. Partner and engage professionals and subject-matter experts to help you rethink your operations. This will not only help you improve performance and keep you relevant, it will help you attract the talent you need for perpetuity.

“THE PROPERTY AND CASUALTY INSURANCE INDUSTRY FACES THREE CHALLENGES IN ATTRACTING HIGH-QUALITY TALENT: A POOR REPUTATION, A LIMITED UNDERSTANDING AMONG HIGH SCHOOL AND COLLEGE STUDENTS OF THE INDUSTRY’S CAREER OPPORTUNITIES, AND A LIMITED POOL OF TRAINED TALENT.”

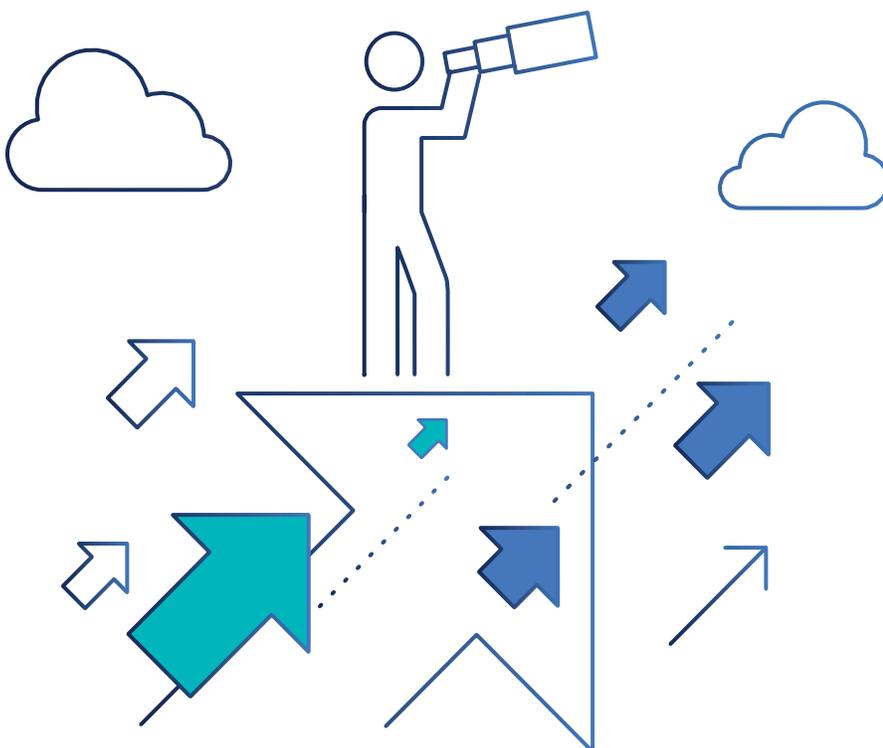
*McKinsey & Co’s research
Building a Talent Magnet:
How the Property and
Casualty Industry Can Solve
Its People Needs*

FOUR ELEMENTS IN A WORLD-CLASS TALENT SYSTEM



THE OPPORTUNITY OF CHANGE

Every threat is also an opportunity. As the industry looks to solve the staffing issues that many already consider a crisis, businesses should take a broader, more holistic view for longer term and even permanent solutions. Creating a more agile organization—one that painlessly and seamlessly responds to evolving market needs, new regulations and seasonal fluctuations—has never been more accessible than it is today.



ABOUT RESOURCE PRO

ReSource Pro brings to the insurance industry tools, technology and strategic services that enable profitable growth through operations excellence. Headquartered in New York, ReSource Pro's global service centers address client operational needs around the clock. Recognized as an industry thought leader and listed as one of Inc. 500/5000 Fastest Growing Private Companies annually since 2009, the company is renowned for its focus on innovation, service excellence and trusted partnerships, and its unique productivity platform for insurance operations. Over 4,000 ReSource Pro employees provide dedicated support to hundreds of insurance organizations, consistently achieving a 97% client retention rate for over a decade.

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