

JUNE 2023

# The Future Is Now: Reinventing Talent Strategies in Insurance

---

Jay D'Aprile

EXECUTIVE VICE PRESIDENT



The insurance market has been remarkably resilient in the current landscape, but securing insurance talent for the future is a top priority.

The insurance industry, in recent times, has battled with a plethora of challenging events. From the COVID-19 pandemic and potential recession to the Russian invasion of Ukraine, global events have shifted the attention of leaders to developing agile business strategy and, often, putting out fires as they occur. However, as tides change and new challenges face the market—namely, the growing talent shortage in the industry—insurers must turn their focus to securing a workforce for the future.

Talent strategies are well overdue for a reinvention in the insurance space. Employee needs have changed, and hiring and retention efforts must, too. In preparation for [the future of insurance](#) and the talent challenges that lie ahead, industry leaders must strengthen their workforce through innovative, modern talent strategies.

## The Current Dynamics of the Insurance Market

Today's challenges to the insurance industry will continue to echo and emerge in coming years. The effects of global events have carried into the present day, contributing to rising threats like inflation and high interest rates. Growing competition and technological advancements will also affect the direction of the market.

Somewhat remarkably, the insurance market has weathered the many storms of the decade so far. [Deloitte](#) reports the proactivity of top insurance companies—many of which already implemented modern technology systems prior to the pandemic—allowed for quick recovery. However, as the world catches up and new challenges arise, insurers must continue to stay adaptive to maintain their resilience.

In particular, as insurance talent shortages linger, firms must go above and beyond, transitioning to [remote and hybrid work](#) environments to ensure long-term growth.

## An Ongoing Insurance Talent Crisis

Persistent struggles in employee recruitment and retention are perhaps the most concerning signs of troubles ahead. Despite a 10-year low in layoffs, the insurance industry faces a [10-year high](#) in resignations. The present number of vacant positions is also at an all-time high.

According to [McKinsey](#), the intensity of the industry's focus on digitization—while essential for emerging triumphant after the pandemic—has shifted attention away from insurance talent strategy. As pressure to source and retain top talent rises, insurance leaders must find effective, innovative ways to invest in their workforce expansion and development.

Leading innovation on this front is the Chief Human Resource Officer (CHRO). Accenture found [89% of CEOs](#) believe CHROs will be a critical part of driving long-term profitability due to their impact on building, developing, and optimizing the workforce.

## Opportunities to Elevate Talent Attraction

As demand continues to significantly outweigh supply, insurers must turn their attention to transforming talent strategies to attract and retain a skilled workforce. Without significant changes—particularly to company culture—organizations may struggle to fill the roles they need to drive growth and maintain forward momentum.

Diversity, equity, and inclusion (DEI) efforts are critical in this arduous season. Employees with insurance and underwriting skills are aging—[less than 25%](#) of people in the industry remain under the age of 35—which indicates the talent crisis will increase in severity without intervention. To attract employees across age groups, companies must take the initiative to incorporate more diverse perspectives and facilitate more effective collaboration.

A diverse, collaborative culture is particularly appealing to younger generations—but there's more that can be done to introduce greater numbers of Millennials and Gen Zers into the insurance workforce. In a previous article about [attracting the next generation of insurance talent](#), we discussed the need for employers to reassess their employer brand. Insurer value propositions must align with the priorities of the younger generations—a demographic that, statistically, has not been particularly interested or familiar with insurance beyond standard health coverage. These priorities include meaningful career growth opportunities, as well as perks and benefits that address mental wellbeing and physical health.

Salary and [pay equity](#) will continue to play a role in employee attraction. However, flexibility will increasingly emerge as a leading factor in recruiting and retaining insurance talent. Rigid work culture is now a deterrent to top talent, whereas remote flexibility and digitalization are incentives. To develop an attractive modern workspace, insurers must leverage emerging technologies and show a commitment to staying agile, experimenting with digital tools that help employees with greater efficiency. Becoming an early adopter of technologies can be

highly appealing to today's employees.

For insurers insistent on a return to the office, effective communication and messaging is essential. Firms must win employee buy-in to the perks of office culture. [Deloitte](#) notes that focusing on collaboration and team building can maximize attraction and retention in a hybrid or fully in-office work environment.

## **Critical Changes Necessary to Stay Ahead of Competitors**

Moving into the future, top-performing insurers will be the firms that are most proactive about implementing changes. They will be the companies that offer comprehensive value—going beyond standard benefits packages and offering learning and development opportunities, remote flexibility, and an inclusive culture. Additionally, successful insurers will reframe their mindsets about *who* they need to hire.

Skills-based hiring will be an asset to insurers as talent grows scarce. But rather than focusing on seeking talent with a strict set of hard skills, insurers must increasingly recruit candidates with strong soft skills—transferable talents like critical thinking, problem solving, collaboration, and organization. People with these skills can best lend a hand to developing the culture that destination workplaces need. On the other hand, technical skills can be developed as part of employee development programs.

How will you reinvent your insurance talent strategy to attract and retain the workforce of the future?