

# Talent in Insurance

With the onset of rapid change in the financial services sector, the business of Insurance is changing.



Key challenges facing the Insurance industry include among others; increasing regulatory compliance; the entrance of new, non-traditional players such as Google and Tesco; the competing demands of revenue growth and cost reduction; evolving distribution channels; and the wider impacts of digital, data & analytics. Insurance companies face an urgent need to evolve and develop talent at all levels to position themselves to deal effectively with these challenges — from attracting the best talent to identifying and developing the right capabilities to keeping their current workforce engaged. This article highlights the talent challenges affecting the insurance industry and sets out some options to address these challenges.

## Addressing the talent gap in Insurance

From both our research & the recent 'Talent in Insurance' breakfast briefing jointly hosted by Insurance Ireland and Deloitte in the Deloitte Greenhouse, there are a number of key human capital trends and challenges facing the insurance sector including;

### Difficulties in attracting the right talent:

Attracting new graduates into the insurance sector is a challenge. The popularity of insurance in Ireland is the 5th lowest in the 17 EMEA markets surveyed and is the 2nd lowest in Western Europe<sup>1</sup>.

### Leadership development programmes are currently for the few, not the many:

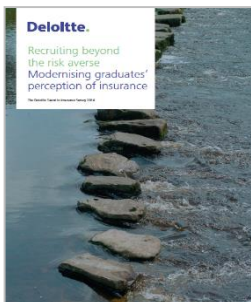
Globally, leadership remains a top challenge for financial services organisations with 88% citing it as important or very important. Yet, just over a third (35%) feel ready to address it<sup>1</sup>. Many companies treat leadership development sporadically, confining it to a select few employees. In addition, leadership development is also seen by some organisations as a short-term training programme, or a number of disjointed 'tick the box' activities that are funded one year but not the next.

### Talent development programmes not focused on the next generation:

Globally by 2025, millennials will represent 75% of the workforce, and by 2020, retiring Baby Boomers are expected to leave 31 million positions open<sup>2</sup>. However, 76% of insurance companies rate themselves as weak in their ability to provide focused development programs for millennials, suggesting that insurance companies have a long way to go in terms of providing bespoke development programs for this generation<sup>3</sup>.

### Engaging and retaining talent:

Globally, culture, engagement & retention emerged as one of the top challenges faced by business leaders in insurance. With innovative tech giants like Google and Facebook representing by far the most popular ideal employers for insurance students perhaps by virtue of their noted cultures of



<sup>1</sup> Deloitte Global Human Capital Trends 2015: Leading in the new world of work

<sup>2</sup> Deloitte Tech Trends 2015 – The Fusion of Business & IT

<sup>3</sup> Deloitte Global Human Capital Trends 2015: Leading in the new world of work

innovation. Indeed, with **58.8%** of Irish insurance inclined students including creativity as one of their top 3 career aspirations<sup>4</sup>, the rapid rise of FinTech may represent an interesting & timely opportunity for the industry.

**Diversity:** One of the most pressing issues for insurance companies in trying to broaden their appeal and to become an employer of choice is to address a gender imbalance. Female Irish business students are much less likely than their male counterparts to express an interest in working in insurance. While **59.5%** of all business students surveyed in Ireland were women, they make up only **43.5%** of insurance-inclined students<sup>5</sup>. This represents a significant talent pool that Insurance companies could tap into.

#### **Responding to the workforce of the future - What can we do to deal with the challenges facing the insurance industry?**

There are several ways that insurance companies and the overall sector can address the challenges facing them, some of which are outlined below.

#### **Talent Attraction**

1. **Raise the profile** of insurance by:
  - Defining the employer brand and employee value proposition and developing a marketing campaign that clearly articulates what talent in Insurance looks like supported by a clear and focused employer brand
2. **Look outside** the insurance sector to other industries and organisations known for their creativity and innovation to identify and acquire leaders with innovation, change and technical skills.
3. **Increase diversity:**
  - Highlight role models at top and mid-level positions in the industry in order to build & develop diversity programmes
  - Look at the new models of work – introduce flexible working environments
4. **Attract graduate talent** with the right mind-set:
  - Build a strong campus presence - use university recruitment fairs to tackle misconceptions about insurance.
  - Leverage the strengths of the Insurance industry to present advantages over other competing industries.

- Develop and define a career framework that provides flexibility, the opportunity to build experiences and skills along with leadership programmes.

#### **Talent Development & Engagement Programmes**

To build effective leadership development programmes, companies should;

- **Prioritise investment in identifying and developing the right talent -** Focusing development efforts beyond the immediate top layers enables organisations to identify, tap into and fast track their high potential employees and future leaders.
- **Develop leaders at all levels -** Build a capability framework for selection, assessment, development, and succession that defines the leadership required for today and tomorrow. This requires focusing on growing segments of leaders such as Millennial—and tailoring development to their unique needs and preferences.
- **Extend boundaries to create new development opportunities -** Work with business partners, universities and other third-party organisations to create a range of new leadership experiences, including pro bono and community service projects.
- Focus on **understanding current levels of engagement** and mapping the journey and actions required to raise engagement in the organisation.
- Closely **align the business and talent strategy**, focus in on making engagement a core pillar of both.
- **Integrate engagement into talent practices** at all points of the employee life cycle, and review and enhance reward and recognition programmes that align to what really matters to employees.

**Please note that the Deloitte Talent in Insurance 2015 Survey will be launched in November. For further information on the upcoming launch event, please visit the Insurance Ireland website at <http://www.insuranceireland.eu/events>.**

<sup>4</sup> The Deloitte Talent in Insurance Survey 2014: Ireland in Focus

<sup>5</sup> The Deloitte Talent in Insurance Survey 2014: Ireland in Focus

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