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**The Future of Talent
in Insurance**



“With increasing disruption, and continuous and rapid change, the insurance sector is being transformed - jeopardising traditional business models”

At a Glance: The Insurance Industry

In today's rapidly transforming world, the only constant is change. Companies who are unable to adjust to the pace of change while adapting to disruptive innovation leave themselves vulnerable. The insurance industry is no different, facing disruption from an industry and technology perspective, ranging from the emergence of insurtech, increased regulation, changing demographics and talent models, mobile domination and new distribution models¹. Yet, this disruption also presents unprecedented opportunities, with advancements in Blockchain, AI, and automation technologies², offering insurers an opportunity to enhance efficiency, develop new ways of working and create more value-add roles for their people. In an increasingly commoditised environment, the risk of customer selectiveness has grown, increasing the pressure on insurers to capitalise on digital growth and connectivity, while creating a more customer centric experience³.

While the future of the insurance industry will undoubtedly be shaped by many factors, one area which cannot be ignored, is unlocking the opportunity within the workforce. With the rise of automation, cognitive technology, people analytics and the 'gig economy' there is real opportunity to capitalise on developing skills that are

unique to people and can generate real value for insurers.

The Challenges for Insurers and Talent Scarcity of talent:

Are insurers attracting the right type of employee to navigate the ever-changing landscape? In Deloitte's 2018 millennial survey, just 28% of financial services respondents expect to stay with their current employer for the next 5 years⁴. With only 4% of millennials expressing a desire to work in the insurance sector, attracting and retaining talent will undeniably be a major challenge for companies. With the current unemployment rate hovering at 5.1%, this will undoubtedly create even more competition for talent, and insurers need to prepare themselves to win that competition.

Data as a talent opportunity:

The use of people analytics is growing rapidly, creating new opportunities to optimise the workforce. With just 6% of insurance companies utilising people analytics as an integral part of business and talent decisions, many organisations could be left behind as issues of productivity and employee engagement grow in prominence.

1 2018 Insurance Outlook, Shifting strategies to compete in a cutting-edge future, Deloitte (2017)
2 Collaboration vs. Competition Unlocking the Power of Blockchain in Insurance, Deloitte (2017)
3 The Future of General Insurance, Deloitte (2016)
4 2018 Millennial Survey, Deloitte (2018).

Need for innovation and new skills:

HR have a critical role in attracting and retaining multi-generational talent with skills in technology and data science, by providing insight driven advice to their organisations and ensuring that HR and talent programmes are aligned to the needs of their people. Yet, with just 13.65% of insurance organisations expected to significantly invest in HR over the next 12-18 months, HR may struggle to meet this need.

The Future of Talent in Insurance

Technology advancements and demographic shifts are changing the nature of work, forcing operating and business models to constantly change to keep pace in a rapidly changing environment. Given the potential impact, there is a need for a new generation of talent to deliver value within the industry. So where do you begin? You can start by:

01 Building leaders of the future

- Leadership is consistently rated as a top human capital priority, with 91.17% of insurance respondents supporting this⁵. For companies, focused action must be taken to identify, retain and develop digitally savvy and people centric leaders who can successfully execute an organisation's strategy and vision.
- Insurers that are ready to tackle this challenge and consistently invest in skills needed for future leaders will have a powerful resource at their disposal.

The bottom line:

- Develop leadership skills such as creative thinking, digital skills, emotional intelligence and resilience, as technical leaders' transition into more people-centric leaders.
- Instil a culture of collaboration and cross-organisational teamwork.

- Adopt an alternative approach to organisation design by transitioning from the traditional hierarchal organisational structure, to a more fluid and flexible one.

02 Reframing the employee value proposition

Financial rewards are the most important aspect for millennials when choosing to work for an organisation. This is closely followed by flexibility and a positive workplace culture⁶.

- 82% of respondents noted the importance of making rewards personal, yet just 41% of organisations are ready to do this.
- Only 4.3% of companies offer extensive well-being programmes and actively analyse their impact on employee productivity and efficiency.

The bottom line:

Insurance companies need to change the way the industry is viewed and build awareness of the attractions that the sector has to offer, including:

- Increase emphasis on branding, such as a multi-disciplinary career and the opportunity to innovate within the sector.
- Understand the needs of employees and reframe the employee value proposition to explicitly state and meet those needs including introducing more personal, agile and holistic reward programmes.
- Proactively define a culture aligned to the business strategy and desirable to employees to engage and retain them.

03 Leveraging the workforce ecosystem

As alternative work arrangements gain popularity, insurers must appeal to, engage with, and drive value through workers of all types. With the scarcity of talent, companies must ensure they're positioned

to utilise non-traditional, or contingent, employees, including contractors, consultants, temporary workers, and technological advancements in AI and automation.

- 16.24% of insurance companies have a defined strategy and established policies / procedures for the use of the non-traditional workforce in support of the organisations overall strategic goals⁷.
- 41.18% of insurers still have a primarily traditional salaried and hourly workforce, with 23.53% using non-traditional employees on an ad hoc basis, but without any consistent policy or process.

The bottom line:

- Develop a workforce plan to strategically understand and plan for future workforce needs.
- Understand financial implications of the workforce ecosystem, and work with leaders to understand potential benefits of this extended workforce.
- Consider what new policies may be needed for managing responsibilities within the workforce ecosystem.

The future of work has arrived, and companies should embrace this disruptive opportunity. Insurers must rethink how they attract, retain and lead talent to drive productivity, innovative products and services. Companies who are unable to adjust to the pace of change leave themselves vulnerable. Organisations must ensure that any investment in technology and enablement is complemented by an investment in talent and creative means to continuously engage the employee.

To find out how Deloitte's Human Capital Team can help you, please visit [Deloitte.ie/humancapital](https://deloitte.ie/humancapital)

⁵ Global Human Capital Trends, Deloitte (2018)

⁶ 2018 Millennial Survey, Deloitte (2018)

⁷ Global Human Capital Trends, Deloitte (2018)

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