

Deloitte.

Human capital trends in the insurance industry



Introduction

The insurance industry is experiencing change at a rate that has not been seen for at least a generation. The regulations that govern the industry are changing at the same time that innovations, like telematics and wearable health/fitness devices, continue to shift the way insurers analyze customer behavior as well as price and sell their products. Customer expectations for how they will interact with their insurers also continue to increase, making it more important than ever that insurers provide a high-quality customer service experience. Additionally, external forces are putting pressure on the traditional insurance business model, including but not limited to the rise of ride sharing and other “sharing economy” services, shifting generational preferences, and the reduced cost of entry for new market players.

All these factors combined create a “perfect storm” for insurers and make it more critical than ever that they evaluate and tackle the associated human capital challenges, which if left unaddressed could prevent them from successfully adapting their business models to meet the changing demands of the market. In this point of view—inspired by Deloitte’s Global Human Capital Trends Report—we will discuss 10 human capital trends that, although common across several industries, will contemplate and opine on the unique implications for the insurance industry.

The ten trends are focused on four broad areas

LEADING



Leadership: **Why a perennial issue?**

Companies are struggling to develop leaders at all levels and are investing in new and accelerated leadership models.



Learning and development: **Into the spotlight**

Companies are actively exploring new approaches to learning and development as they confront increasing skills gaps.

ENGAGING



Culture and engagement: **The naked organization**

Organizations are recognizing the need to focus on culture and dramatically improve employee engagement as they are facing a looming crisis in engagement and retention.



Workforce on demand: **Are you ready?**

Companies are taking a more sophisticated approach to managing all aspects of workforce including hourly contingent and contract workforce.



Performance management: **The secret ingredient**

Organizations are replacing traditional Performance management with innovative performance solutions.

REINVENTING



Reinventing HR: **An extreme makeover**

HR is undergoing an extreme makeover to deliver greater business impact and drive HR and business innovation.



HR and people analytics: **Stuck in neutral**

Too few organizations are actively implementing talent analytics capabilities to address complex business and talent needs.



People data everywhere: **Bringing the outside in**

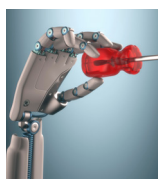
HR and talent organizations are expanding their HR data strategies by harnessing and integrating Third party data about their people from social Media platforms.

REIMAGINING



Simplification of work: **The coming revolution**

Organizations are simplifying work environments and practices in response to increasing organization and system complexity, and information overload.



Machines as talent: **Collaboration, not competition**

The increasing power of computers and software to automate and replace knowledge Workers in challenging organizations to rethink the design of work, the skills their employees need to succeed.

Leading Leadership: Why a perennial issue?



Insurance sector executives consistently rate leadership as a top human capital concern.¹ Given the many factors contributing to a volatile landscape in the insurance sector—including regulatory uncertainty, an increasingly challenging cyber environment, and evolving customer needs—having effective leaders who can provide strategic clarity is crucial. This conclusion is reinforced by a 2015 survey conducted by Deloitte, where 87 percent of insurance respondents agree that leadership is an “important” or “very important” issue. Yet, only 33 percent believe their leadership pipelines are “ready” or “very ready” to lead and respond to these business challenges.² This gap can impact insurers’ ability to navigate through challenges and it may affect the bottom line. In fact, equity analysts place a measurable “leadership premium” on stock price—there is a 15.7 percent premium on organizations perceived to have effective leadership and a 19.8 percent discount on organizations with perceived ineffective leadership.³ This differential underscores the importance of nurturing high-potential leaders and creating leadership pipelines.

Effectively navigating leadership challenges

Across industries, organizations with strong leadership pipelines yield significant returns compared to their peers, improving their ability to retain employees, execute change, and develop talent.⁴ Developing a strong leadership pipeline requires careful succession management and an understanding of an organization’s bench strength. Currently, a majority of executives across industries say their direct reports lack the skills needed to join the C-suite, citing a “lack of personal ambition and motivation” as a perceived deterrent. To compound the issue, executives-in-waiting note a lack of access to leadership training, which creates an obstacle to assuming leadership roles.⁵

These sentiments reflect a need to develop leadership at all levels across organizations. This is especially pertinent for insurers that provide a variety of products to institutional, commercial, and individual consumers, as developing leaders for the enterprise is critical, not just leaders within the silo of a function or business line. To do so, insurers can begin by creating a leadership strategy that aligns to the enterprise’s business strategy. Second, insurers should leverage an unbiased, data-driven capability assessment process to identify high-potential candidates. Finally, a sustainable, enterprise-wide leadership program needs commitment from existing leaders across the organization. These factors are crucial for creating an effective leadership development program.

Creating a leadership strategy and supporting capability model

A foundational element for building an effective leadership program involves creating a strategy that aligns with organizations’ business imperatives. This allows insurers to pinpoint the core capabilities required to achieve business goals, which may include managing growth in the midst of regulatory uncertainty or making strategic investments to capitalize on big data. These targeted core capabilities can guide the selection of promising, high-potential candidates who merit differentiated investment in their development. Clearly identified capabilities also paint the picture of the successful leadership profile, making it easier to detect development gaps in high-potential populations.

Leading Leadership: Why a perennial issue? (cont.)



Assessing development gaps through a valid, reliable, and data-driven process provides a clear measurement of candidates' capabilities and potential. Research indicates that a finite number of leadership capabilities are common to highly successful leaders, and there are defined measurements of potential that predict how far and how fast individuals can grow⁶. It is also important to note that context matters—a particular leadership capability can look and feel differently depending on the environment in which a leader is operating. For example, an insurer's chief financial officer (CFO) and a regional vice president (VP) could use the same capability (e.g., business judgment) when evaluating the impact of climate change on property insurance products in the Northeast. The CFO would need to understand and mitigate the financial impacts of this trend, while the regional VP might be tasked with developing new products to serve consumers who previously have not considered climate exposure risks. This approach puts the focus on assessing, and subsequently developing, the capabilities germane to individuals' roles.

Making leadership development sustainable

Insurers can use the insights gleaned from leadership assessments to create development programs. This could include stretch assignments, individual coaching and mentorship, targeted experiential learning programs, and networking with peers and leaders. Incumbent leaders can also provide developmental learning opportunities when assigning new tasks or roles by considering the current strengths and capacity of their teams. These experiential learning opportunities can allow high-potential candidates to build capabilities against their individual development needs and apply these skills in new operating environments.

It is important to recognize that significant time and resource commitments are needed to make such an effort sustainable across an enterprise. Leadership development is a long-term investment, requiring integration with an organization's talent strategy and sponsorship from business leaders. Executive commitment and ownership is critical for anticipating development needs and their endorsement opens the door to more experiential learning opportunities. Without this support, insurers risk the program being perceived as an ineffective, temporary fix owned wholly by individual business units rather than an integrated, customizable system that will grow an enterprise's leadership succession pipeline.

Preparing leaders for the future

In a sector facing myriad challenges and uncertainty, insurers are rightfully recognizing the importance of strong, effective leadership. A shortage of leaders is one of the biggest impediments to growth, and insurers are acutely aware of this risk.⁷ Deliberate action must be taken to identify, retain, and develop enterprise leaders who can successfully execute against an organization's strategy and vision. Insurers that are ready to tackle this challenge and invest in their future leaders will have a powerful resource at their disposal to succeed in this dynamic environment.

Leading Learning and development: Into the spotlight



Learning and development: Into the spotlight

Learning and development issues have increasingly become one of the most important talent challenges for organizations today. Meeting the demand for new and rapidly changing skills in the workforce is complicated enough, and that task is made even more difficult by the pressures insurance companies are facing, including an increasing skills gap and a changing learning landscape, where both the needs of learners and the availability of emerging technologies are evolving.

Emerging skills gap

The insurance industry, in particular, faces a significant skills gap. According to a 2015 Deloitte survey, only a third of insurance companies consider themselves ready or very ready with the skills and abilities required to meet their business needs. For example, data sciences are increasingly essential to the business, but traditional product managers struggle with new pricing techniques and senior leaders are skeptical to abandon traditional approaches for new data-based decisions. Furthermore, agents struggle to explain these new quote breakdowns to customers.

Insurers also face variances in their workforce's understanding of an evolving customer base. Demographically, the US customer base is increasingly ethnically diverse and trending toward a millennial majority population, both of which necessarily morph traditional approaches to product and service. Perceptions of property and casualty insurance as a commodity are persistent with younger customers and customer expectations for real-time, social, or digital interactions are dramatically different than legacy approaches.

To address the most critical talent gaps in the organization, including voids left by the retirement of Baby Boomers from the workforce, many companies have turned to peer-based informal learning to supplement traditional, formal learning. Leading-practice learning organizations leverage experiential methods to ensure knowledge transfer. In insurance, nearly two-thirds of companies surveyed indicate that they do a sufficient to excellent job in developing a culture of apprenticeship and on-the-job learning—a clear strength upon which insurers can build.

Learning must adjust to close gaps

While many organizations note the rising importance of learning to organizational success, the learning capabilities required to successfully meet organizational learning objectives have declined significantly in recent years. Accordingly, organizations are recognizing the need to transform their learning functions and build new capabilities. Transforming learning involves a review of the effectiveness and efficiency of the learning function.

Today, insurance companies are beginning to see and grasp this need to break from traditional learning methods and use new approaches. However, one question remains—which learning trends will most appropriately address not only their needs today, but also their needs of the future? Research has found that the most highly functioning learning organizations have already gone through this process and identified what will best fit their needs. Overwhelmingly, they have found that the use of technology improves not only accessibility to learning, but also the overall learner experience, much in the same way that digital and social have impacted traditional operating models of most insurance companies. With a multitude of technology solutions available to transform learning organizations, insurance companies need to understand their options and select appropriate fits.

Today's learning and development technology trends go well beyond the traditional learning management system (LMS), but most insurers are not ready to leverage these capabilities. A staggering two-thirds of insurance companies surveyed indicated that they saw their capabilities as “weak” when it comes to providing social or mobile learning or using advanced media, such as gaming or simulation. These tools are vital to real-time learning, matching the pace of life/business for today's society, and appealing to the increasingly millennial workforce. The industry is missing opportunities to design essential learning around claims scenarios, catastrophe situations, department of insurance (DOI) presentations, and agency sales simulations that would accelerate performance faster than the more traditional learning methods.

Leading Learning and development: Into the spotlight (cont.)



Other emerging learning trends can be leveraged for strategic advantage. For example, only 38 percent of surveyed insurance companies indicated that they were prepared to an adequate or better degree to build employee skills through the use of massive open online courses (MOOCs). MOOCs, a highly scalable and cost-effective means of delivering learning, could be more highly leveraged for top operational business learning needs such as product training, compliance/Sarbanes-Oxley (SOX)/DOI requirements, and strategic organization structure (including policy administration, claims life cycle, profitability ratios, etc., and how they all connect). Where MOOC offerings do not exist on these topics, insurers have an opportunity to innovate and partner with higher education to create them. Pioneering open, sharable content through this channel can provide learning to their own organizations and also make an external impact that increases the companies' presence in the market and appeal as cutting-edge employers.

While insurance companies invest in digital platforms and technologies to support the virtual servicing of customers, they should consider similar investments to support the development of their employees. Simplifying and upgrading learning technologies can reduce costs, improve learning outcomes, and facilitate the ability to quantify business outcomes.

Case Study—Chubb Insurance: Proud of its commitment to learning

In a discussion with Chubb's chief learning officer, it was clear that this leader in property and casualty insurance sees learning as a key to business success.

Chubb faces the challenge that 40 percent of its population will be retirement eligible in the next three to five years. Concurrent with this massive change, Chubb needs to attract, develop, and maintain the millennial generation without increasing spend in the learning department.

To meet these challenges, Chubb first restructured its learning department into a hybrid/federated model that leverages the key aspects of centralization, including monitoring learning spend, while maintaining learning governance at the organization/department level in the spoke model.

Second, the learning culture, carefully nurtured over time, was refreshed by reinforcing the pay-it-forward philosophy, motivating and leveraging subject matter experts for intermediate and advanced training.

Third, Chubb introduced a Knowledge Management department to focus on gathering and documenting institutional knowledge "going out the door" with the retiring population and is working to incorporate that knowledge in business processes.

While not putting aside the needs of the retiring generation, who prefer the classroom and instructor approach, Chubb is pivoting to a blended learning approach that includes more eLearning, gamification, peer-to-peer learning (using social media communities), and mentoring, as well as looking to new technologies to deliver just-in-time learning.

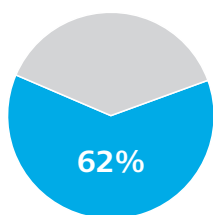
Leading

Learning and development: Into the spotlight (cont.)



Efficiency: A perennial focus for insurance

While nearly 60 percent of insurance companies surveyed in the Deloitte 2015 survey stated that their management of learning operations is “adequate,” a full third of them cited their operational efficiency level as “weak.” Operating expense is a perennial focus for insurance companies, as it is a primary driver in their ability to price products competitively, yet learning operations continues to be a potential source for efficiency gains.



62% of organizations surveyed **don't know exactly** how much they are spending on learning



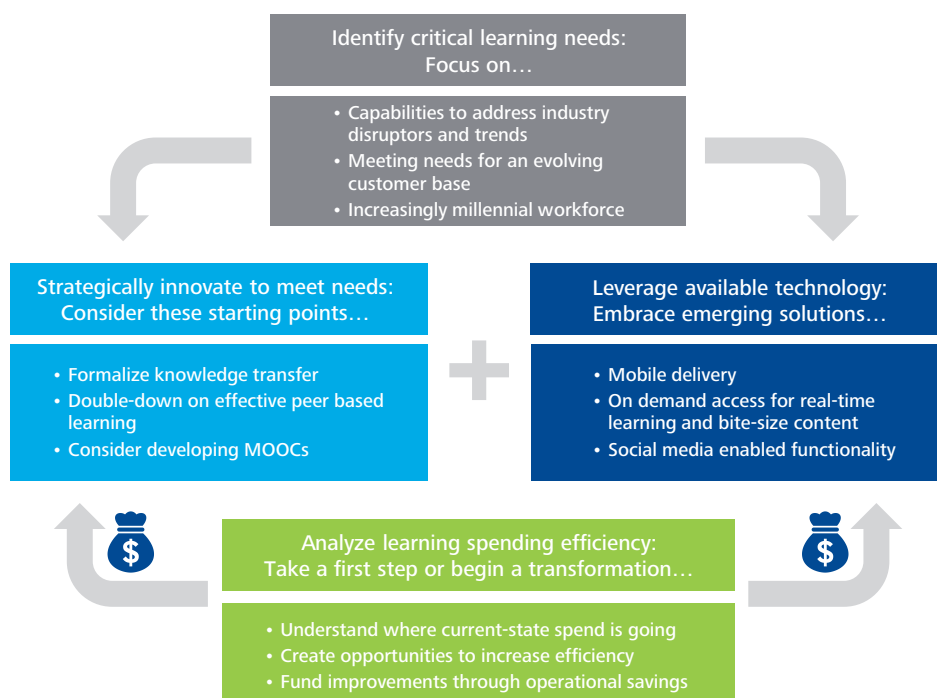
Annual L&D spend is typically **1.5–3x greater** than the amount visible to the learning function

Deloitte Consulting LLP, Survey of learning and finance professionals, 3/2014

According to a 2014 Deloitte research survey, more than 60 percent of organizations don't even know exactly how much they are spending on learning, and fewer than a quarter of these same companies rate themselves as “good” or better at demonstrating value or return on investment (ROI) on their learning investment. Insurance companies can look for efficiencies by addressing common redundancies in technology, curriculum, and vendor relationships.

Developing skills for future leaders

The insurance industry has an ideal opportunity to develop the skills of its workforce and simultaneously engage a generation of learners who will lead these companies into the future. By focusing on the four key areas outlined below, insurers can close skills gaps and differentiate themselves in the employment and learning marketplaces.



Engaging

Culture and engagement: The naked organization



Traditionally, an insurance company's survival depended on its strict adherence to the industry's conservative, risk-adverse philosophies. However, changes in the workforce, technology, and customer expectations require that insurers adapt quickly to help ensure their survival. Millennials now comprise the largest percentage of the workforce, technology has eliminated barriers to entry, and customers have more influence than ever before. To meet these challenges, insurance leaders must make culture and engagement a top priority.

The problem

Research shows that only 13 percent of the global workforce is engaged⁸ and more than half of the workforce would not recommend their current employer to a peer.⁹ Furthermore, insurance has one of the largest capability gaps of any industry, with 93 percent of insurance industry respondents in a 2015 Deloitte survey indicating that culture and engagement is their top challenge, but less than half reporting they are ready to face that challenge.¹⁰ When asked how long it has been since they updated their retention and engagement strategy, 37 percent of insurance industry respondents said that they are currently updating their strategy, 35 percent said they have updated their strategy in the past 18 months, 15 percent said that they did not have a strategy, and 13 percent said that their strategy is outdated.¹¹ In spite of these lackluster results, a robust engagement strategy is vital to retaining a competitive advantage in an increasingly complex marketplace.

The forces

The recent influx of millennials and the influence of social media have created challenges never before faced by corporations across industries. Social media applications that connect employees directly with recruiters or publish employer reviews and salary benchmarks have removed the veil of corporate transparency. Formerly private issues are now debated in public forums for every employee—and potential employee—to see. Employee priorities have shifted from seeking a promotion to finding a passion. This shift is impacting the talent pipeline for the insurance industry in particular. A 2012 study found that few millennials are familiar with the insurance industry and only 10 percent are “very interested” in choosing insurance as a career.¹² Insurance companies must now *attract* millennials by offering a corporate culture of flexibility, empowerment, development, and mobility.

Technology also plays a crucial role in the evolving marketplace. While many traditional insurance companies are hindered by static technology and archaic platforms, new improvements in customer interaction and responsiveness have raised customer expectations and customer service standards and, as a result, have created an opportunity for virtual insurance companies to enter the marketplace, steal market share, and disrupt the status quo. For example, when regulatory requirements increased after 2008, many traditional insurance providers responded by increasing internal layers of oversight rather than rethinking internal workflows. Conversely, their more nimble, virtual counterparts adopted new technology, analytics, and real-time feedback that allow them to anticipate market trends, adapt quickly to customer feedback, and improve the customer experience. Insurance companies should consider their processes as a key contributor to their overall corporate culture, affecting everything from engagement to revenue.

Engaging

Culture and engagement: The naked organization (cont.)



The opportunity

Employee engagement is critical to remaining competitive in a customer service-driven industry. Many studies show that highly engaged companies can hire more easily, deliver stronger customer service, have the lowest voluntary turnover rates, and be more profitable over time.¹³ In the face of increased regulations, mergers, and other market influences, insurance industry leaders must adapt quickly and build a strong and enduring culture to attract, engage, and retain the new millennial workforce. Below are three tangible opportunities for insurance leaders to build a strong culture and engage employees:

1. Increased regulations provide an opportunity to implement innovative, customer-focused policies that drive engagement and transform culture. Streamlining claims processing and other customer-focused processes can increase customer satisfaction and directly impact employee engagement.
2. Analytics provide a competitive advantage in improving customer service. When internal customer satisfaction data identifies an issue, insurers can analyze the customer's experience, identify root causes, and improve their performance.¹⁴ By building in this regular data feedback cycle, insurers will gain end-to-end visibility of their work and its impact. Knowing the result of work performed fuels employees' intrinsic motivation, enhances job performance and job satisfaction, and reduces absenteeism and turnover.¹⁵

3. Customers are now the most powerful voices in the market, meaning great customer service drives market share. As corporate leadership consciously shapes a customer-focused culture, the workforce will modify behaviors to meet new service expectations. Increased customer satisfaction increases employee engagement, reduces voluntary turnover, and makes it easier to attract and retain high-potential employees.

The insurance marketplace will continue to change. Over time even more millennials will enter the workforce, technology will continue to advance, and customers' expectations will increase. For insurance companies to thrive, leaders must guide their companies to become more agile and responsive by embracing new technology, empowering employees, and building a corporate culture focused on outstanding customer service and employee engagement.

Engaging Workforce on demand: Are you ready?



Workforce on demand: Are you ready?

More than a third of all workers in the United States are contract workers and more than half of respondents to a 2015 Deloitte survey say the need for contingent workers will continue to grow during the next three to five years. Insurance companies remain no strangers to the changing world of work and have already begun feeling the shift in core workforce capabilities, from in-house to open-sourced or “borrowed” talent. This on-demand workforce offers companies the ability to tap into extensive networks of innovators, technical experts, and seasoned professionals. On the heels of a rapidly emerging *Open Talent Economy*, insurance companies are already exploring more sophisticated approaches to managing their entire workforce, including the hourly, contingent, and contract employees.

Observations for the insurance industry

The insurance industry is undergoing significant change and one emerging theme is innovation. Innovation is particularly impacting the industry through constantly evolving disruptive technologies that are changing how insurance companies function, interact, and provide services to their customers and, in turn, how they leverage their workforce to address changing customer demands. The second dominant trend in the industry is the growing importance of analytics in running the enterprise. Analytics have always been core to the insurance sector, however, with emerging technologies such as big data and automation, it has become even more fundamental to how businesses function and make decisions. Both these themes drive the need for thinking beyond the current walls of the organization to the external marketplace, especially to drive innovation and leverage the analytical mind power that exists in these networks.

Insurance companies have traditionally developed talent in-house and allowed careers to span long-term growth trajectories. While some of these elements will remain, to leverage key analytical skills and drive innovation, insurers will need to go beyond the traditional models of developing talent. Given that most insurance companies have highly skilled employee populations, they tend to think a contingent workforce is not an issue that they will have to deal with; on the contrary, with new emerging talent and technology breakthroughs, more and more evidence is mounting that depicts new ways to perceive talent and manage it in the new world of work.

Case Study—Allstate Insurance: Innovative solutions for sourcing talent

In 2013, Allstate held a competition on Kaggle, which is an external network of data scientists who bid on analysis problems and the group regularly holds competitions for the data science community. Allstate challenged participants to help predict a purchase for an insurance policy using a limited subset of the transaction history. The prize offered was only \$10,000, but remarkably, somewhere around 600 data scientists, composing 300 teams, took part in the competition. The reason the data scientists chose to compete was all about demonstrating their creativity and wanting to reach the top of the leaderboard against other brilliant people in the field. The results of this competition were nothing less than stunning. In the end, the outside experts (i.e., tapping into the global cognitive surplus) blew away Allstate’s internal experts. The winners of the Kaggle competition demonstrated a 340 percent improvement in predictive accuracy over Allstate’s best internal algorithm! This is a prime example of how innovation is being driven externally through open source talent, and how a large number of highly skilled professionals have the opportunity to be exposed to an organization’s challenges without being employed full time with that organization.¹⁶

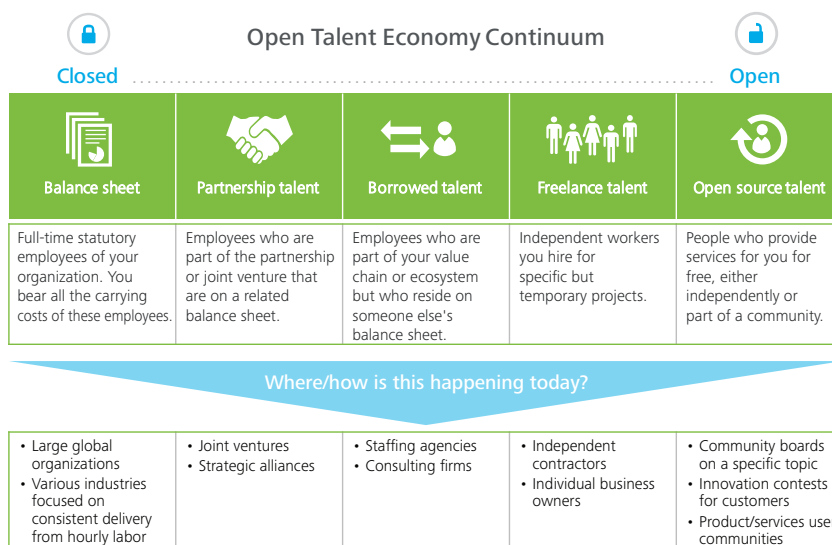
A new way of thinking about talent—The Open Talent Economy¹⁷

In a recent survey of millennials, fewer than one in 10 reported being highly interested in working in the insurance industry.¹⁸ Attracting the next generation of talent is going to be one of the biggest challenges insurers face, especially given that millennials already comprise more than 50 percent of the workforce as of 2015.¹⁹ Insurance companies need to start looking at talent differently, including embracing freelance talent and tapping into this new way of working. Culture and engagement has become a top concern for employers across industries and will remain a top issue for insurance companies as well. To attract and retain the millennial workforce, insurers will need to adapt to their desire for more flexible working conditions and yearning to feel engaged in ways that are different than prior generations.

Engaging Workforce on demand: Are you ready? (cont.)



The change in talent demographics has inherent impacts on how the talent market functions. Deloitte introduced the Open Talent Economy in its 2014 Global Human Capital Trends Report.



This concept is now gaining traction within organizations and some companies are already rolling out talent programs that address its demands. The Open Talent Economy encourages insurance companies to think about a new way of workforce planning and role fulfillment, especially those related to innovation and analytics. Embracing the Open Talent Economy can be challenging but it is a necessary step for the insurance industry to meet the needs of innovation and growth and remain competitive for the best talent.

One example of similar talent sourcing is Analytics for Insurance, an event frequented by freelance data analysts, insurance experts, and other industry professionals that offers opportunities for attendants to leverage critical skills. It also provides insurance companies with an avenue to explore talent that could work on critical issues without having to add to their headcount permanently. Insurance companies can leverage this forum and similar events to attract freelance analysts or look at opportunities in crowdsourcing. (See Allstate case study on pg. 10) These are just a few examples of how insurers are seizing the moment to drive innovation through the Open Talent Economy that exists beyond the walls of their organization.

Challenges for the insurance industry

Adapting to the Open Talent Economy complicates how organizations manage talent and these challenges will need to be addressed proactively. For example, workforce planning, budgeting and staffing, and job design have to be thought about differently and HR needs to help prepare line managers to lead highly skilled contingent workforces while still driving business results. Talent acquisition is going through a major paradigm shift as the Open Talent Economy pushes the needle on the contingent workforce and how to account for them in recruiting forecasts. For example, actuaries have always been in high demand, while supply remains low; how can the Open Talent Economy address this issue? Is it possible to borrow actuaries from expert networks on an as-needed basis? These are among the questions the insurance industry is being challenged to reconsider, and companies' responses will impact how they design talent programs that can motivate and engage both ends of the workforce.

As insurance companies begin to test these waters, they can take the following steps to become better prepared to embrace the Open Talent Economy:

- Consider expert networks that provide for contingent technical positions and rethink recruiting by areas of interests rather than just traditional staffing.
- Redesign HR programs and policies that eliminate lines of distinction between contingent and permanent employees.
- Look at innovation through the eyes of millennials. Innovation does not always need to be born within the walls of an organization, but could be harnessed externally through leveraged and borrowed talent. Insurance companies should strive to make their culture inspiring by allowing free movement of talent both internally and externally to help keep the innovation agenda on the forefront.

The contingent workforce, Open Talent Economy, and crowdsourcing are realities of the talent market today and will continue to grow in importance as millennials become an even bigger constituency of the highly skilled workforce. Mindsets are different and technologies have made networking and collaborative work environments a reality for many. Insurance companies are in the midst of these challenges and must be prepared to attract, engage, and develop talent to meet business needs—on both a contingent and non-contingent basis.

Engaging Performance management: The secret ingredient



In many organizations, performance management processes are more focused on quantifying performance than they are on managing and improving performance. At worst, they are seen as a drain on time for direct managers, a source of frustration for employees, and a waste of time by HR professionals and organizational leaders who still don't feel they have a good line of sight into the performance levels of their people.

Organizations are rethinking their performance management philosophies in an effort to better align their processes with their organizational strategy and culture. Some organizations are beginning to move away from managing performance through traditional performance scores and annual/semi-annual performance reviews to a process where performance is managed on an ongoing basis through simplified, data-driven reports, regular feedback, and coaching.

It has been years since many organizations rethought their performance management processes, which are often on the front lines of the employer/employee relationship. Performance management has the capacity to deliver on a wide range of organizational talent needs—from driving a high-performance culture and increased employee engagement, to helping identify and retain future leaders.

As one of the top five challenges noted by respondents in a 2015 Deloitte survey, performance management was one of the areas in which insurance industry survey respondents saw the biggest gap between the importance of the trend and their readiness to address it.

Case Study—New York Life Insurance: Aligning performance management to business goals

Historically a very traditional company with a strong, hierarchical culture, New York Life brought on a new CEO in 2008 with the goal of increasing growth and innovation. He wanted to change the culture by emphasizing “distributed leadership,” defined as encouraging dialogue among employees around work priorities, pushing accountability for results further down in the organization, and promoting reasonable risk-taking.

As part of the shift in culture, leaders decided a “Coaching and Development” approach to performance management was a better fit with their business strategy and organizational values, as opposed to a “Competitive Assessment” performance management philosophy.

The primary goal of the new performance management approach is to reinforce the values of distributed leadership and shared ownership for business results.

Compensation decisions are now based on four criteria: goal completion, goal difficulty, goal impact, and how goals are met. Managers are completely responsible for writing performance reviews and providing compensation recommendations.

Feedback indicates that the company is moving in the right direction and employees believe the new system is more fair and useful.

Engaging

Performance management: The secret ingredient (cont.)



Performance management: Implications for the insurance industry

Research shows that insurers will continue to face growing talent challenges. The US Bureau of Labor Statistics anticipates a growth of 200,000 new jobs by 2022 and unemployment within the sector was less than half that of the national average. It's not just that more jobs need to be filled—there is also a shift in the skills required. As the industry pushes toward mobile and social solutions, paperless environments, and increased use of predictive analytics, new skills in technology and data science will be critical. Insurers are struggling to attract and retain millennial talent that could potentially start to close these skills gaps. According to a survey in 2012, less than one in 10 millennials reported being “very interested” in working in the insurance industry.²⁰

While performance management can't solve all these talent issues, taking an innovative approach could be a significant differentiator for insurers in attracting top talent. A 2015 Deloitte study of millennials found that they want leaders to focus first on employees' well-being and growth and development rather than short-term financial goals and the leaders' own personal income and rewards.²¹ Organizations that are able to build and maintain a performance management culture that focuses on providing employees with frequent, ongoing performance feedback to foster continuous employee growth and development will likely have an advantage in acquiring and retaining millennial talent.

Implications for how performance is managed

Given these talent challenges and expected growth, it won't be enough to just refresh the performance management process so that it appeals to a new generation. The performance management process should enable the development of new and different skills within existing employee talent, while also serving as a platform to promote retention by communicating attractive and exciting long-term career opportunities.

How to get started

- **Set expectations:** Align on a clear set of competencies and proficiencies with definitions for critical roles to provide a consistent understanding of performance expectations.
- **Change the timing:** Convert performance management from a semi-annual process to a common occurrence. Institute “check-ins” and encourage ongoing discussions between managers and employees to set expectations, offer feedback on performance, and recognize strong work.
- **Train and empower:** Coaching is a skill. Make coaching and development a core competency for your leaders and people managers. Provide managers with the resources they need to effectively coach employees. Train employees to own their own development.
- **Measure progress:** Track employee engagement and retention as a critical measure of successful performance management. Gather periodic employee feedback on the process through the use of targeted focus groups and continuously improve the process as necessary.
- **Hold leaders accountable:** Encourage consistent, effective, and high-quality performance management as a part of every leader's goals and reviews. Reward those who promote a high-performance culture by soliciting feedback on behalf of their employees, providing regular feedback, and conducting meaningful and honest career conversations.

Reinventing Reinventing HR: An extreme makeover



It's time to reinvent HR. In the fast-paced and change-filled business environment, top business leaders are calling for HR to deliver greater business impact and drive innovation. To accomplish these business imperatives, HR needs an extreme makeover.

HR originally evolved from the "Personnel Department" in early generations, where it focused on implementing controls and "policing" the way organizations managed people. In those early days, the primary focus of HR was establishing policies, procedures, rules, and boundaries for the management of an organization's "Human Resources" and the technologies utilized focused on the transactional elements of HR and payroll. Information about the workforce was limited and, where it existed, was maintained manually. The next HR evolution will likely feature a move towards "Business Driven HR" with HR supporting the business in a more strategic way, enabled by tight linkages between business imperatives and HR and people strategies. To meet the increasing complexity, economic pressure, global completion and other imperatives of today's business, HR must transform itself to be more agile, business- and data-driven, and focused on managing the organization's talent and employee engagement.

The findings of the 2015 Human Capital Trends Report reveal that among financial services industry participants surveyed, 42 percent rated "reinventing HR" as very important to their organization, but only 8 percent rated their organization as very ready to meet the challenge. Two pressures at play within the insurance sector specifically drive the mandate for an HR organization that can support business strategy and growth:

- **Ongoing regulatory changes**—Uncertainty and continual updates to international, federal, and state regulations are part of the landscape for insurers in the foreseeable future. Upcoming challenges include the potential for new group capital requirements, the first Own Risk and Solvency Assessment filing, and the fate of life insurer-owned captives. In light of the regulatory environment, HR organizations have a business mandate to:
 - Maintain **accurate employee records**
 - Maintain employee data in an **accessible, secure, and analyzable** form
 - Serve as a **facilitator in planning for upcoming regulatory change**
 - Serve as an **interpreter and communicator** of the impact of regulatory changes
- **Transforming for growth**—Insurers are recognizing a need to rebrand their business not just as product sellers, but as a long-term partner that consumers can count on to help meet their evolving financial needs. Transformation includes creation of more innovative business models and has organization design and talent implications. To support this need, insurers require an HR organization with the following capabilities:
 - **Geographically scalable** and adaptable to regional nuances
 - **Efficient in handling transactions** and administrative activities
 - Able to **optimize talent utilization**
 - A partner in **driving adoption of new programs**

The bottom line

As insurers work to transform their business for sustainable growth and to keep up with perpetual changes to the regulatory environment, there is a need for the HR organization to serve as a business partner, an efficient manager of employee data, an effective vehicle of talent deployment, and as a communicator of the impact of changes. The role of the HR organization for insurers as a strategic business partner is more important than ever, but HR must first reinvent the model that keeps HR mired in administrative and transactional work, leaving no capacity to respond to the changing business needs.

Reinventing

Reinventing HR: An extreme makeover (cont.)



Case Study—Global P&C Firm: Revamping HR from top to bottom

In 2008, one of the world's largest insurance firms, operating in the United States as well as in over 80 countries across the world, engaged Deloitte to lead a multi-year transformation of the HR function to provide HR employees with the integrated tools and organizational structure to better support HR customers and partner with the business. Prior to the transformation, HR delivery was highly manual and costly due to a lack of technology with 74 percent of HR's time spent on transactional and administrative activities. These transactional burdens hindered the ability of the HR organization to support the businesses strategically via programs to positively impact the bottom line. The business needed HR to develop the capability to better attract, assess, educate, and retain employees. To meet this need, Deloitte led the company through a reinvention of HR.

The transformation began with a definition of the desired corporate HR strategy and operating model, followed by a current-state assessment of HR in terms of costs, allocation of resources, technology, and process. Based on this foundation, Deloitte guided the transformation, providing program management and change management support throughout. The transformation included:

- Global process design for the future state, socialization, and local legal/regulatory requirements gathering
- Support for the HR Shared Service build and deployment in Asia, EMEA, and the Americas. Support for the enhancement of the current HR Shared Service Center in the US that supports the domestic US population, including implementation of salesforce.com
- Implementation of Workday as the global HR information system
- Consolidation and outsourcing of payroll to regional vendors
- Implementation of a portal and self-service to employees and managers
- Domestic outsourcing of Domestic Benefits Administration

The reinvention of HR reduced the amount of HR time spent on administrative work by 38 percent and improved adaptation, scalability, compliance, and quality of HR services. By implementing HR Shared Services and Centers of Expertise, and redefining the role of the HR Business Partners, the HR organization developed the ability to better serve the needs and priorities of the business.

Reinventing Analytics: Stuck in neutral



Insurance companies pioneered the use of advanced analytics to increase the narrow margins in their customer-facing business—across the industry, customer segmentation, pricing models, and risk analysis have become standard tools to drive revenue and minimize expense ratios. And yet internally, industry HR leaders still rely on the blunt instruments of headcount reduction and reactive performance management techniques to manage workforce costs and track employee performance. Insurance chief human resource officers (CHROs) are overdue to begin applying the same analytic rigor to the acquisition, development, and retention of employees as they do to the parallel stages of the customer life cycle. By embracing the analytics techniques of their colleagues in finance, marketing, and operations, HR leaders can help companies improve their bottom line and provide a competitive advantage in the war for talent.

On the surface, HR leaders recognize the potential of analytics: 75 percent of respondents to the 2015 Deloitte Human Capital Trends survey—and 80 percent within the insurance industry—indicate that people analytics is “important” or “very important.” Unfortunately, only 8 percent of survey respondents believe that their organization is “strong” in this area—a marginal change from the response in 2014. Applied thoughtfully, HR analytics can help refine employee retention and engagement strategies, improve the quality of new hires, and even predict likely compliance risks. With regard to implementation of people analytics, HR leaders are currently stuck in neutral.

A big, missed opportunity

Ten years ago, a major barrier to robust people analytics was a lack of data, both quantity and quality. Today, HR organizations track copious amounts of information throughout the employee life cycle (e.g., recruiting, learning and development, performance management, retention, compensation)—but they lack the strategy and organizational skills to operationalize this data. HR data too often languishes in a database and is not referenced for strategic analysis or shared with business leaders.²²

Why? Human resources professionals are not currently hired for the skills and experience to apply statistical modeling and predictive analytics to employee data, and HR leaders have not made an effective business case for investment in this capability. Traditionally, candidates with analytic backgrounds pursue opportunities on the business side, where they are both courted and embraced. HR leaders must make the case to develop or hire talent and build the analytics infrastructure, or risk losing the opportunity to demonstrate relevancy as a critical business partner.

Strategies for acceleration

Because analytics are already an integral part of the insurance business model, HR leaders are likely to find receptive audiences to consider additional investment in this area. With a proper business case, a CHRO can demonstrate how the analytic strategies for customer acquisition and management can be applied successfully for internal employee attraction, retention, engagement, and risk mitigation—and demonstrate long-term value to the bottom line.

In some cases, business units have already begun to pick up the slack in leveraging analytics for employee assessment. At one large, multi-line insurance carrier, a predictive analytics model was developed to identify the attributes of the most successful agents, screen new candidates, and predict the candidates’ likely future success based on simulations. This analytics solution, rooted firmly in data modeling, helped streamline the hiring process by targeting the right agent candidates. It provided the company with a competitive advantage in recruiting.

Going forward, HR should play a leading role in these initiatives.

Reinventing Analytics: Stuck in neutral (cont.)



Potential benefits and the risk of inaction

With the pending retirement of the Baby Boomers, the largest population of insurance employees, people analytics becomes increasingly important to identify, recruit, and retain high-potential insurance candidates. Knowing which factors are most predictive of professional success can help recruiters target recruitment campaigns and incentive packages. Analytics can also help HR leaders better understand the evolving talent life cycle—and anticipate and proactively fill talent needs as average job tenures decrease.

In addition, due to the maturity of the insurance market in the US, companies must find new ways to differentiate themselves to customers on strategy and performance. To maintain market share, insurers have to apply strategic analytics in their talent organizations similar to its use in distribution. The value of a secure staffing life cycle can enable HR to more effectively provide the right support and resources for all business needs.

CHROs simply can't continue HR "business as usual." They must reach across other lines of business and integrate analytical techniques to talent management and people development. If CHROs fail to adopt these strategies, their organizations will be left behind in today's Open Talent Economy. Without recruiting top talent or aligning them with business needs, business performance will suffer.

As CEOs are concerned with increasing revenue, lowering costs, optimizing risk, and growing the customer base, CHROs must leverage people analytics to demonstrate their contribution to these strategic priorities.

"Imagine an organization where business leaders look to HR for advice as they develop business strategies to drive growth, where HR is considered the developer of talent and leadership across the business, and where business leaders respect and admire the HR professionals as co-leaders of the business. This can all happen, but only with an extreme makeover of HR."

—Deloitte's 2015 Global Human Capital Trends Report

Reinventing

People data everywhere: Bringing the outside in



In today's economic culture, the competition between an organization's talent and customer base is growing. To address this issue, organizations are realigning their data strategies, which now include people data (external data). By combining people data with internal data, leading organizations are experiencing organizational performance unlike anything they have seen before.

The people data that organizations are gathering ranges from social tools (social networks, recruiting networks, and talent networks), to well-being tools (like wearable fitness trackers), and other tools created to collect human data. The data collected can determine how many "likes" and "dislikes" an organization receives based on a post on social media sites, providing new insight into their target audience/customer base.

With this trend, insurers could leverage Fitbit or similar activity trackers to monitor a human's behavior just as American car insurers are now monitoring the driving habits of their customer bases to make better investment decisions. All of this rests on an organization's ability to not only leverage the data set from the major people data players including top social media platforms, but also to discover different ways to collect data that the major players don't have.

In the coming years, organizations will need to take advantage of available people data rather than risk incurring opportunity costs through inaction. These advantages include monitoring engagement, developing compensation strategies, building employment brand, and recognizing flight risk. An organization can either address this internally or turn to dozens of new startups that are building additional tools to help HR and other business professionals make sense of the mountains of data currently available.

Ranked as the last challenge in Deloitte's 2015 Human Capital Trends survey, this trend is going to continue to accelerate as the volume of available data continues to grow.

People data: Implications for the insurance industry

Research on this trend shows that wearable fitness trackers are preparing to play a larger role in how individual and group health insurance costs are determined. This means employers are opting to monitor data being generated by fitness trackers and holding their insured staff accountable with rewards as part of a corporate-wellness program.

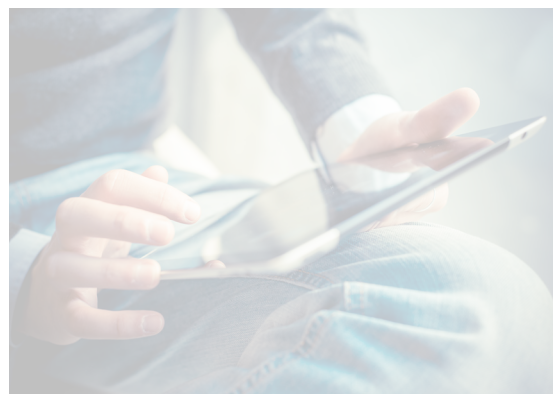
Certain tracking gadgets already are a major player in the American car insurance industry, as car insurance companies offer devices to customers to plug into their dashboards for 30 days to monitor their driving. Those who are safe drivers are eligible for a discount.

Other devices, such as smart watches and wearable fitness trackers, give companies access to different types of health data, which could lead to potential partnerships with insurance companies. For example, a glucose-monitoring device could provide insights into what a person has eaten. This information can enable insurance companies to better package their plans to fit the customer's budget and health needs.

Insurance companies should also begin leveraging social network data. Such data can provide insight into their brand and how to better align it with their customer base to increase customer retention and identify potential target audiences. Insurance companies can also leverage the data to increase employee engagement, develop a new compensation structure, and better align the culture. These benefits can drive retention, decrease the cost of recruiting and training, and help companies foresee flight risks of their employees and customers at earlier stages.

Reinventing

People data everywhere: Bringing the outside in (cont.)



Implications for how people data is managed

The biggest roadblock for an insurance company looking to leverage people data is not understanding who owns the data, whether internal or posted publicly. Data privacy and protection is currently a hot issue and ensuring full transparency allows organizations to leverage this data. In Deloitte's 2015 Human Capital Trends Report, 46 percent of respondents think their company owns employee data, while 43 percent believe data is jointly owned with the employee. This trend toward transparency and jointly owned data is being driven by millennials' expectations (largest workforce demographic). In fact, Deloitte's 2015 Human Capital Trends Report indicates one in four respondents expect their employer to provide full transparency into the data they collect. Insurance companies need to be mindful of this desire for transparency when making decisions on how to use the people data they collect, whether collected internally or externally.

If the data is mismanaged, it could negatively affect an insurance company's brand (internally and publicly). When this happens, the insurance company will most likely see a decrease in its customer base and employee retention. Both can lower revenue and put the organization at risk.

Ways to get started

- **Partner and collaborate with marketing:** Most organizations already have marketing teams trying to solve the problem and have tools and processes in place. Marketing team(s) need to partner with HR, talent professionals, and executives so that the data collected aligns with the organization's strategy, vision, and goals and the right decisions are being made.
- **Buy and access tools to tap into major social networks:** Buy tools that align with the organization's strategy and identified areas of risk such as LinkedIn, Twitter, Facebook, Glassdoor, or any other social network available with people data. In addition, explore tools that monitor human behavior/habits such as Fitbit or a plug-in device to monitor driving that could benefit the organization.
- **Understand that the drive for transparency is here to stay:** While who owns the people data remains undecided, organizations still need to do their due diligence on this issue. Insurers should be as transparent as possible both to their employees and customer base on how they are using data to avoid any risks.
- **Measure progress:** Track the effectiveness of the tools. Develop goals and/or benchmarks to ensure the tool is being leveraged the correct way and to minimize cost. Gather data periodically to find trends and outliers and to ensure accuracy.

Reimagining Simplification of work: The coming revolution



Employees report being more overwhelmed than ever as a result of pervasive technology and connectivity, globalization, increased administrative and compliance demands, and overly complex business processes and systems. In addition to these cross-industry challenges, the insurance sector is also experiencing employees who are overwhelmed due to increasing regulatory pressure and rapidly changing technologies. As a result of these challenges, insurers are finding it difficult to meet regulatory demands, keep up with technology, and compete for top talent. Simplifying the work environment by streamlining compliance processes, investing in technology, and prioritizing work-life balance can help insurance organizations address increased regulatory pressure, attract and engage employees, and ultimately become more competitive in the marketplace.

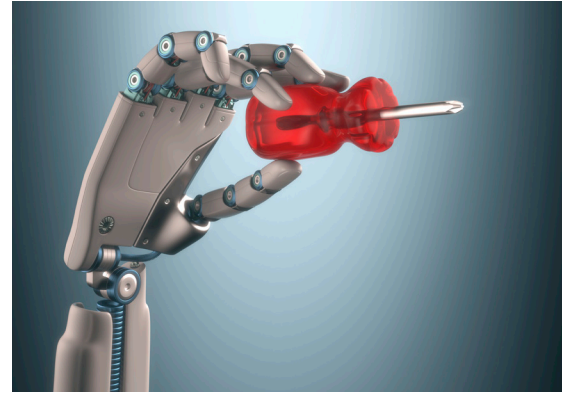
One of the primary issues facing insurers today is increasing regulatory pressure. The industry faces heavy regulatory demands, and compliance processes are often complex, inefficient, and time consuming. Second, the insurance sector is struggling to keep up with rapidly changing technologies. Many companies have outdated, overly complex systems and processes that take up employees' time, particularly in the HR and IT functions. Third, insurance organizations are struggling to recruit top talent, as the industry is unpopular among business students when compared to other options.

In a 2015 Deloitte survey, 81 percent of insurance industry respondents indicated that their work environment and business practices are either "complex" or "very complex." Insurance organizations can take several approaches to simplify aspects of their work environment. For instance, many insurance companies are already taking the initiative to streamline processes by investing in business process reengineering. As regulatory scrutiny expands to include HR, finance, and IT, insurers must enable the systems and processes in these functions to evolve to meet increasingly stringent regulations. Not only will changes in these areas help insurance organizations remain compliant, but investments in HR and IT can also reduce the time employees spend navigating complex, antiquated systems, which will contribute to a healthier work-life balance.

Insurance organizations need to make work-life balance a priority to attract top talent to an industry that is viewed as unpopular. The 2014 Deloitte Talent in Insurance Survey found that among global business students, insurance ranks 18th out of 30 industry sectors in popularity. Additionally, the survey found that work-life balance is the top career goal for insurance-inclined students, a trend that has continued since 2008. Implementing work-life balance initiatives will help insurance companies attract and retain top talent, providing them a workforce that possesses the technological skills and knowledge to keep them competitive in the marketplace.

Despite the fact that the majority of insurance companies surveyed claim to have complex work environments, only 20 percent currently have a major simplification program in place. For the small portion of organizations that do have a major simplification program underway, the value of these initiatives is evident. For example, Deloitte collaborated with one leading global insurance company to streamline actuarial processes and invest in technology solutions to enable its actuaries to focus on analytical work, paving the way for improved productivity and business results. Without making simplification a priority, insurance organizations run the risk of losing money on inefficient processes and outdated technology, losing talent to more attractive industry sectors, and ultimately losing customers to competitors.

Reimagining Machines as talent: Collaboration, not competition



New technologies are changing the ways employers across industries do business, deliver products, and interact with their customers. A 2013 Oxford University study examining the impact of technology on hundreds of occupations in the United States found that nearly half of total US employment could potentially be automated over the next two decades. Yet, according to the results of a 2015 Deloitte survey, this is still an area with significant capability gaps—while the vast majority of respondents surveyed rank it as important or very important, they also rate their organization’s degree of readiness as firmly “not ready.”

The potential for impact to the insurance industry by this trend is significant. Technical innovation is slowly but steadily becoming a significant factor as insurance companies gradually deploy machines to automate underwriting, provide insurance quotes online, and computerize customer service help lines.

Machines as collaborators: Implications for the insurance industry

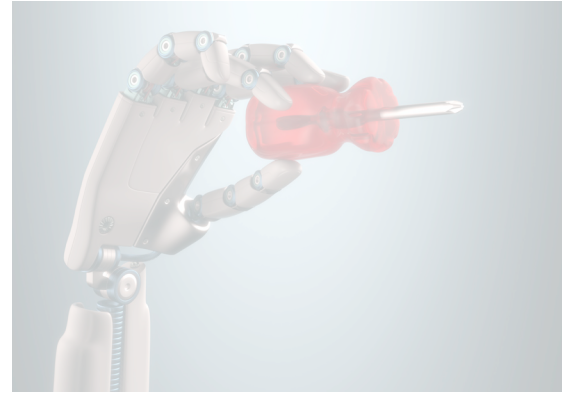
The general tendency is to view machines and automation as a substitute for human capital. However, the context of this trend tends to veer toward collaboration rather than competition. Intelligent technology on the whole has the capacity to help companies shift their focus rather than replace the human element. It allows employees to perform routine and tedious tasks more efficiently, pay more attention to challenging issues, and drive innovation. Emerging technologies are having a deep impact on the insurance industry, especially in terms of enhancing the skill sets of its workforce, who desire more innovative opportunities and want to move away from routine operations that can be more efficiently managed via machines.

Machines now provide immediate computations of the best quotes possible based on available data and predictive analytics. This is already a standard practice that is transforming the marketplace by allowing customers to compare quotes across insurance firms to purchase the best one. Using big data and cognitive technologies, this process could become even more accurate, incorporating information on the customer’s background, browsing history, and other important data points that could make the quoting process significantly more efficient. In turn, technology and machines now allow underwriters to spend less time worrying about gathering and verifying data and more time analyzing and assessing risks—their core skill. Each step along the claims life cycle has the potential to be improvised by emerging technologies, enabling improved service for the customer—and thus increasing the potential for more engaged employees, as workers shift their focus away from routine tasks to activities with the greatest need for creative problem-solving and human ingenuity.

Another instance of this implication is the use of social media and mobile technology to serve customer needs. More and more insurance companies now allow customers to take photos of their auto accidents and submit them electronically into claims software or a mobile app. This accelerates the claims process by allowing agents to focus less on detailing the facts of the accident and more on negotiation, analysis, and addressing the truly difficult cases. To take it one step further, auto manufacturers and insurers are considering the possibility of building technologies into cars that allow for damage assessments and provide reports automatically, allowing agents to pinpoint the causes of accidents.

In another example, to ease the claims evaluation process, a leading health insurance firm has employed a cognitive computing system to help reduce the hundreds of thousands of hours employees spend analyzing whether proposed treatments were consistent with the company’s policies. The system uses hypothesis generation and evidence-based learning to generate confidence-scored recommendations to help them make faster decisions. As a result, patients can receive care more quickly and medical organizations are able to resolve insurance conflicts more efficiently.

Reimagining Machines as talent: Collaboration, not competition (cont.)



Machines as talent: Challenges in building capability

As machines take on more collaborating tasks within the workforce, HR and businesses in general now need to ensure they stay abreast of these cognitive technologies and focus on strategies to help redesign work. The power of computers and software to perform cognitive tasks is projected to grow in coming years—and insurers should seize the opportunity to rethink their operating models and the capabilities their employees need to succeed.

Big data is playing a huge role in the insurance industry with its ability to mass compute with accuracy and allow companies to make better decisions, deliver a positive customer experience, and attain overall business growth. But having technology is pointless if a company is unable to match it with the talent that is capable of making the best use of it. Employers will need to build the talent and capabilities required to analyze, manage, and extract meaningful insights from this data so that it can be put into action. Insurers must think through how to build the analytics capabilities needed to achieve their goals—whether they are in-house or external, developed through learning or acquired through recruitment of top talent.

Eliminating paperwork is a crucial perk of emerging technologies. Robots with character recognition capabilities can now take over the horrendous amount of indexing and matching when updating insurance policies, a task that traditionally fell on numerous employees whose day-to-day responsibility was to read and update policies for their clients. By collaborating with learning robotic technology, employees are now able to develop and focus on skills to improve policy-related processes, making their services more effective, innovative, and adaptable to technology-savvy customers. However, employers must plan for the shifting roles of employees. HR needs to think through the implications that machines as talent will have on their operating models and workforce planning initiatives.

To make the most of machines as talent and collaborators, insurers have the opportunity to lead the way in the industry. They should explore how cognitive technologies can best be incorporated into their business model. They can learn from other industries, especially those driven by innovation. Insurance firms also should not fear experimenting with new job models. Initiating pilot programs to test ideas with select groups and leveraging on-demand workforce (Open Talent Economy) allows companies to make changes without fully committing to an untested model.

It is important to remember that this is a gradual but critical process. Insurance firms should evaluate what does and does not work and keep the dialogue open with their employees and customers about tasks and services that can be automated without losing the human element needed for a service-focused business.

In the coming era of human-machine collaboration, many aspects of how employees currently work will need to change. Jobs, organizations, management practices, and many other aspects of work will have to be thoughtfully and deliberately redesigned. Though these changes bring uncertainty, they are exciting for insurers, employees, and customers alike.

Endnotes

1. Global Human Capital Trends—Financial Services: Insurance responses. Deloitte, 2015.
2. Ibid.
3. The Leadership Premium, 2012 and Leadership Development Factbook, 2012.
4. Ibid.
5. Business Confidence Report, Deloitte, 2014.
6. Kaisen Consulting Ltd, Deloitte's strategic alliance partner based in Bristol, UK with data and insights from more than 20,000 leadership assessments.
7. Global Human Capital Trends—Financial Services: Insurance responses. Deloitte, 2015.
8. Crabtree, S. Worldwide, 13% of employees are engaged at work, Gallup, October 8, 2013, <http://www.gallup.com/poll/165269/worldwide-employees-engaged-work.aspx>
9. Bersin by Deloitte proprietary research conducted with Glassdoor, November 2014.
10. Global Human Capital Trends—Financial Services: Insurance responses. Deloitte, 2015.
11. Global Human Capital Trends—Financial Services: Insurance responses. Deloitte, 2015.
12. Millennial Generation Attitudes About Work and The Insurance Industry, The Institutes, 2012, <http://www.theinstitutes.org/doc/Millennial-Generation-Survey-Report.pdf>
13. Crabtree, S. Worldwide, 13% of employees are engaged at work, Gallup, October 8, 2013, <http://www.gallup.com/poll/165269/worldwide-employees-engaged-work.aspx>
14. DNA of Engagement, The Conference Board, October 15, 2014.
15. Hackman, J. R., & Oldham, G.R. (1976) Motivation through the design of work: Test of a theory. *Organizational Behavior and Human Performance*, 16 250-279.
16. Diamandis, Peter H. M.D., How to Save Billions with a \$10K Competition...in 3 Months, Xprize.org, February 14, 2013, <http://www.xprize.org/news/blog/how-save-billions-10k-competition-3-months>
17. Liakopoulos, A., Barry, L. & Schwartz, J. (2013). Open Talent Economy, https://www.km.deloitteresources.com/sites/live/consulting/KAM%20Documents/All%20Consulting/KMIP-685408/dtt_cons_OpenTalentEconomy_070213.pdf
18. Millennial Generation Attitudes About Work and The Insurance Industry, The Institutes, 2012, <http://www.theinstitutes.org/doc/Millennial-Generation-Survey-Report.pdf>
19. Millennial Survey- 2014 (www.deloitte.com/MillennialSurvey)
20. <http://www.theinstitutes.org/doc/Millennial-Generation-Survey-Report.pdf>
21. <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-wef-2015-millennial-survey-executivesummary.pdf>
22. Bersin, Josh. "The Datafication of HR," Deloitte Review issue 14. Deloitte University Press, January 17, 2014

Contacts

Andrew Liakopoulos
Principal, Deloitte Consulting LLP
US Human Capital Insurance Practice Leader
aliakopoulos@deloitte.com
+1 312 371 9061

Neal Baumann
Principal, Deloitte Consulting LLP
Global Insurance Leader and US Insurance Consulting Leader
nealbaumann@deloitte.com
+1 917 371 3695

Contributors

| Section | Author | Contributors |
|--|---|---|
| Intro/overall | Andrew Liakopoulos Principal, Deloitte Consulting LLP aliakopoulos@deloitte.com +1 312 371 9061 | Rachael Luthy Manager, Deloitte Consulting LLP |
| Leadership: Why a perennial issue? | Margaret Painter Principal, Deloitte Consulting LLP mpainter@deloitte.com +1 404 444 1646 | Eric Wimpfheimer Senior Consultant, Deloitte Consulting LLP Emily Jane Arnold Senior Consultant, Deloitte Consulting LLP Sarah Fong Consultant, Deloitte Consulting LLP |
| Learning: Into the spotlight | Amy Titus Director, Deloitte Consulting LLP atitus@deloitte.com +1 202 525 8163 | Brett Mackey Consultant, Deloitte Consulting LLP Matt Stevens Specialist Leader, Deloitte Consulting LLP |
| Culture and engagement: The naked organization | Barry Tetrault Senior Manager, Deloitte Consulting LLP btetrault@deloitte.com +1 201 394 2080 | Anna Denton Consultant, Deloitte Consulting LLP Chad Marchant Consultant, Deloitte Consulting LLP |
| Workforce on-demand: Are you ready? | Andrew Liakopoulos Principal, Deloitte Consulting LLP aliakopoulos@deloitte.com +1 312 371 9061 | N/A |
| Performance management: The secret ingredient | Tina Witney Director, Deloitte Consulting LLP twitney@deloitte.com +1 917 693 5070 | Christina Brodzik Senior Manager, Deloitte Consulting LLP Frances Symes Senior Consultant, Deloitte Consulting LLP |
| Reinventing HR: An extreme makeover | Jeff Altman Director, Deloitte Consulting LLP jealtman@deloitte.com +1 347 204 0774 Jannine Zucker Principal, Deloitte Consulting LLP jzucker@deloitte.com +1 917 767 3534 | Nicole Geiman Senior Consultant, Deloitte Consulting LLP Christine Vanek Analyst, Deloitte Consulting LLP |
| Analytics: Stuck in neutral | Russ Clarke Director, Deloitte Consulting LLP rclarke@deloitte.com +1 908 581 6490 | Emily Ente Senior Consultant, Deloitte Consulting LLP Seneca Smith Senior Consultant, Deloitte Consulting LLP |
| People data everywhere: Bring the outside in | Christina Brodzik Senior Manager, Deloitte Consulting LLP cbrodzik@deloitte.com +1 847 219 7567 | Ismail Koubaytari Consultant, Deloitte Consulting LLP |
| Simplification of work: The coming revolution | Omosede Idehen Senior Manager, Deloitte Consulting LLP oidehen@deloitte.com +1 917 608 3057 | Ahson Raza Manager, Deloitte Consulting LLP Douglas Martin Consultant, Deloitte Consulting LLP Allie Hilovsky Consultant, Deloitte Consulting LLP |
| Machines as talent: Collaboration not competition | Steve Hatfield Principal, Deloitte Consulting LLP sthatfield@deloitte.com +1 917 439 8845 | Frances Symes Senior Consultant, Deloitte Consulting LLP |

Special thanks: Hafiza Gujran and Steve Regester

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.