



Five Tips to Combat the Insurance Industry's Talent Shortage

IN BRIEF

Five tips to combat the insurance industry's talent shortage, including developing a comprehensive talent strategy aligned with business strategy, embracing technology, and reimagining operating models.

The ongoing talent shortage is a significant concern for businesses and industries across the globe, pushing organizations to reevaluate and even transform processes to adapt and thrive amid constant change.



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According to the America Works Report: Industry Perspectives from the U.S. Chamber of Commerce, more than 400,000 open positions are predicted to remain unfilled in the coming decade across the insurance industry. As technology continues to disrupt traditional work paradigms, a transformative approach to talent acquisition and retention is essential for sustainable growth and success.

Here are five tips to consider when trying to combat the industry's talent shortage and retention challenge:

1. Know your talent

Developing a good understanding of the current talent landscape within the organization is the first step to take. Identifying existing skills and expertise of employees and how they align with the long-term business strategy helps determine the talent supply chain. Furthermore, understanding the talent supply chain helps to understand talent/skills gaps that may exist to meet business demand.

2. Develop your talent strategy

Addressing the talent shortage challenge requires a comprehensive and forward-thinking approach that goes beyond traditional recruitment practices. A talent strategy that aligns with the overall business strategy and prioritizes talent processes, programs, and initiatives is critical to successful execution. This strategy extends beyond simply hiring or engaging external talent and involves understanding necessary skills and rethinking how work is done within the organization. It is important to understand how changes in the workforce and business needs will impact various functions across the organization.

3. Embrace technology

Technology is changing the way business is conducted. For example, technological advances in underwriting are transforming risk assessment and product development. Reskilling the workforce to embrace new technologies and adapt to modern approaches is imperative to staying competitive in the constantly evolving business landscape. According to McKinsey & Company, the need for

technological skills will increase by 55% from 2021 to 2030, while the need for basic skills, such as data entry, will decline by 15%.¹ Beyond products and processes, technology can also support talent operating models within an organization.

4. Meet talent where they are

Attracting talent to companies and industries starts long before college recruitment. The need to think ahead has never been more important as less than 25% of the insurance industry workforce is under the age of 35.² Engaging with organizations and educational institutions to introduce the benefits of a career in insurance early on can foster interest among young people and prevent the decline in the number of professionals entering the field.

5. Reimagine your operating model

Worldwide, organizations are adapting the way their talent is connected to work. Adopting a skills-based operating model that promotes flexibility in workforce assignments can allow organizations to tap into a diverse set of skills, especially as employees increasingly seek a dynamic and personal growth-oriented work environment. In return, employers will gain increased efficiency, greater visibility into organizational talent, a more agile workforce, and insight into emerging or declining skills and performance.

In conclusion, addressing the talent shortage challenge requires a strategic and comprehensive approach that integrates talent strategy with business strategy. By recognizing the significance of professional development, fostering early interest in the industry, and embracing technological advancements, organizations can not only bridge the talent gap but also position themselves for sustained growth.