Auto Casualty

The Insurance Workforce: How to Maintain Knowledge & Set New Employees up for Success

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For the past few years, the insurance industry has become increasingly concerned that many of its most experienced adjusters are thinking about retirement. As many of our most veteran employees are getting ready to walk out the door, the industry needs to not only find a way to retain all of their invaluable expertise, but also make changes to attract, train and retain more young workers to take their place. The COVID-19 pandemic has only sped up the need for the industry to adapt. Let's take a closer look at three main factors affecting today's insurance industry workforce.

Aging Workforce

The insurance industry today has an experienced generation of adjusters, many of which have been in the industry their entire careers. While the data shows that workers aged 65 and older are staying in the industry longer—over the next five years, we expect this demographic to grow by 4.5% according to the Bureau of Labor Statistics—most workers approaching that age bracket are eyeing retirement. As this generation begins planning to retire, the industry needs to capture their expertise before these longest-tenured employees leave.

High Turnover Rates

While the older generations had a habit of staying with one company for the majority of their careers, younger generations have shown a tendency to switch jobs more frequently. For example, 57% of younger workers said they were not likely to stay with their current employer for the duration of their career, according to the Pew Research Center. Frequent turnover is a huge shift for many of us in the insurance industry, including me. I got my first job out of college in the workers' compensation industry. While I have technically worked for three different employers, those were really all due to acquisitions, so I have essentially had the same job for my 25-

year career. Many of us have similar stories, meaning that collectively, we are going to need to shift not only our expectations, but also our recruiting, training and retention strategies.

COVID-19 Impacts on the Insurance Industry Workforce

The COVID-19 pandemic has accelerated the need for claims organizations to digitize and make other changes to appeal to the younger generation of workers. For example, prior to the COVID-19 pandemic, many companies preferred that their employees work in the office. When local governments started issuing stay-at-home orders, the entire world had to figure out how to continue to operate their businesses remotely, literally overnight. Companies had to accelerate multi-year plans that they had in place and boost technology and networks in order to successfully transition their employees to working from home. It's now estimated that 25-30% of the workforce will continue working from home even after the pandemic is over.

Want to hear more? Listen to Rebecca's interview about the changing workforce on the mPower by Mitchell Podcast

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Five Changes to Make Today to Manage our Shifting Workforce

COVID-19 has shown the world, including the insurance industry, how quickly we can really make changes. As companies continue to figure out their long-term remote working strategies, the industry will need to again shift how we recruit, train and retain employees. Here are five changes companies should make right now in order to maintain valuable institutional knowledge long term.

1. Technology for Today, Innovation for Tomorrow

In order to effectively attract, train, develop and retain employees from the younger generations, the insurance industry must update its workplace technology. These generations are going to demand an at-work experience that keeps pace with the way they use technology in their personal lives. Two-thirds of the millennial and Gen Z population consider an organization's embrace of technology and innovation as an important factor when choosing an employer. Our industry needs innovation and new technology in order to be more effective at meeting our business goals, which can have a significant impact on our ability to attract younger generations. For example, 54% of CIOs reported in a VMWare survey that the ability for their workforce to more easily access business applications has reduced attrition rates. Additionally, less than a third of U.S. employees strongly agree that they have the materials and equipment needed to do their work properly, according to Gallup. Doubling the number of employees using the latest technology leads to an 11% increase in profitability for U.S. companies. If we can provide our employees with the tools they need to become more efficient, we will not only attract new talent and make current employees happier, but also potentially improve our profitability. The COVID-19 pandemic has, of course, already led to a dramatic shift in technology use. I would bet that the majority of people in our industry are using a technology today that they weren't using before March 15. The pandemic has caused us to rely on technology to an even greater degree and has accelerated the industry's need for innovation and greater technology adoption.

2. Recruiting Great Talent

Recruiting today looks pretty different than it did even five years ago. With increasing turnover rates, we are recruiting faster and more frequently than ever before. Not only that, but we are competing for talent with new,

modern, technology-focused industries that may seem more appealing to younger generations. To be successful in attracting these younger workers, we have to reinvent our recruiting processes. What we in the insurance industry might lack in the sexiness of startups and major technology companies, we can really make up for when it comes to supporting our employees with development and culture. Here are a few key things to keep in mind as you're refreshing your recruiting programs:

- The rising generation wants corporate citizenship, career growth, development, technology and a sense of purpose.
- Make sure to highlight the programs within your company that align with those key factors when talking to candidates. Do you offer a development program? How about grassroots empowerment groups? Community service initiatives? If not, start looking into them now. If so, make sure you don't forget to highlight them when talking to new candidates.
- Help candidates understand the importance of the work they will do in the insurance industry. Spell out for them that what they'll do will have a long and lasting impact on those that our industry serves—ultimately helping people restore their lives. This job can truly provide the younger generations with the fulfillment and purpose that they are looking for.
- Embrace technology and make sure your organization is using the latest and greatest to help attract talent from the start. You don't want the fact that you don't offer email on a mobile app to cause you to lose out on an all-star candidate.

3. Reinvent Training Programs

Gone are the days of six-inch thick binders full of exhaustive policies and procedures. I think my fellow parents out there probably just experienced a bit of this during COVID-19 when we all became teachers. I was trying to do geometry with my 14-year-old son and I asked him, "where is your textbook?" It turned out it was all online! We need to digitize our training to help match the younger generation's experiences. Note that digitizing doesn't mean just popping up a word document on SharePoint. Your training program should be more integrated and context-specific. If employees have a problem or question they need to solve, they need to be able to click a button right there in their workflow and be taken to the section that answers their question. In fact, good technology will even suggest the problem before the employee even thinks about it. Let me give you an example: In Mitchell's Claims Examiner Portal, we have what we refer to as the "Findings Card." This card contains alerts for the adjuster that flags unusual conditions on the claim they should be mindful of, for instance, a gap or delay in treatment or a treatment that is extending past the expected recovery date. A new adjuster may not even know to look for these issues, so this is a way of capturing the insights of experienced adjusters and turning it into real-time training for everyone. The COVID-19 pandemic has already shown us that it is possible to train remotely, and we should take that momentum to develop even more innovative and effective training programs.

4. Developing Employees

Now that we have recruited and trained the right people in our organization, how do we continue to develop those employees? More than anything else, the rising generation is hyper-focused on career development—it's even more important to them than their immediate salary. We have to be prepared to provide opportunities and coaching that will keep this generation engaged and growing at a pace we aren't used to in our industry. When it comes to development, the rising generation isn't as interested in a once-a-year performance and development conversation. They want the conversation to be more ongoing, and as a manager you should be providing them with ample opportunities to test new skills and explore leadership roles as you coach from the background.

5. Retaining Great Talent

If we've recruited the best talent, trained them thoroughly and provided a career-development roadmap, but then we aren't successful at keeping them in our organizations, then we are still going to be facing some of the same challenges we face today. Gallup reports that 63% of millennials think it's very likely, or somewhat likely, they could find another job as good as the one they have now. About half of millennials are actively looking for a different job even while employed. Switching jobs is constantly on their minds—and we need to keep that at the forefront of our programs. So how do we go about retaining talent? The good news is that the insurance industry does have some great infrastructure to retain the younger generation based on what we know most millennial employees are looking for: purpose, development, flexibility and more. Years ago when I was a young employee in the workers' compensation industry, I remember wondering if my job really had purpose. People were out there launching rockets into space and solving world hunger and I was writing software that would be used to adjudicate workers' compensation medical bills. At dinner with friends, I was the one who could put everyone to sleep when I described my work. If I was going to be successful in this industry, I knew I needed to find purpose. In order to figure it out, I really had to broaden my view of the entire claims ecosystem and focus on the people behind it all—the injured workers. They've just been through a devastating event in their lives. The work we do plays a part in helping them to get back on their feet. Helping the rising generation to understand that important purpose will make their jobs much more fulfilling and result in better outcomes for the injured worker. As leaders, we need to continuously help the younger generation see the connection between the work they do and its impact on helping restore lives. The culture of your organization—even while everyone is working remotely—is also an important factor in employee satisfaction. When you think about retaining talent during and after the COVID-19 pandemic, remember that how you treat your employees during a crisis will impact their decision to stay or leave after it's over. While the employment market is not great right now, the current experiences our employees are having will affect their employment decisions once the market improves.

Preparing for Tomorrow, Today

As the insurance industry continues to face these challenges, remember to keep these key points in mind as you're updating your recruiting, training, development and retention programs:

- Equip employees with the technology they need to perform their job function well, and match the way they use technology in their personal lives.
- Change the way you recruit talent to help candidates understand the benefits and fulfillment that a job in the insurance industry can provide.
- Reinvent the way you train your employees to ensure that it can be consumed in bite-sized pieces via technology platforms (no binders!).
- Ensure career development is a key part of your employees' experience within your organization.
- Retain great talent by providing flexibility and helping employees find meaning in their work.



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