

# Insurers can win the war for talent—if they tell their story

In our [overview of the top issues](#) facing the insurance industry, we note that carriers need to do a better job of fully committing to and funding their strategies. This commitment naturally extends to identifying the kinds of skills and attributes they want in their employees.

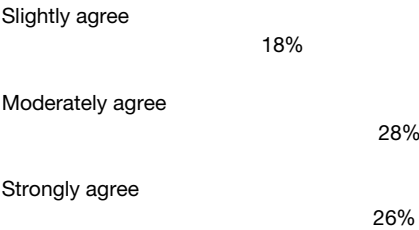
This kind of prioritization may sound obvious, but most carriers are trying to catch up to their counterparts in other industries who are competing for the same workers. This isn't just because of perceptions that, for example, working at a technology firm is more exciting and offers more growth opportunities than at an insurer. It's also a consequence of carriers failing to clearly identify and pursue what they really need. For example, you're probably moving at least parts of your operations to the cloud. This requires a rethink of the skills you need not just in IT but throughout the entire organization. Are you targeting candidates and developing employees accordingly? Are you considering your intermediate and long-term needs, not just current ones?

In other words, of course you want to offer an attractive workplace to potential and actual employees, but you also want to appeal to the right employees. Too often, we've seen recruitment and staffing decisions focus on doing business as it's always been done, ultimately to meet past needs. This approach means you're likely to lose out on the best employees now and into the future and struggle to build a workforce that can help you compete in an increasingly challenging market.

Fully committing to your way to play in order to determine requisite longer-term skills is the overarching issue you have to address. We know this isn't easy. As the graphic shows, skills identification is a real challenge for all business leaders. We [recently asked](#) FS executives to choose from a list of the biggest risks that could prevent their companies from achieving their 2022 growth goals: 55% cited talent acquisition and retention challenges, well ahead of their peers, and just 26% said they expect these talent shortages to ease by the end of 2022.

Current recruiting difficulties only compound the challenges involved in attracting, developing and retaining the right employees. Read below to learn how insurers can win the war for talent even as they hone in on their unique strategies for the future.

## We are able to identify the skills workers will need in the future.



Source: PwC September 2021 future of work and skills survey of 3,937 business executives and HR-focused leaders.

[Download the report](#)

## 1) Create a more compelling career path that coincides with your skills needs

High-performing workers—especially younger ones—are strongly focused on building long-term skills. When they consider the course of a career, they'd like opportunities to do different and interesting things. This isn't just whimsy; it's a matter of professional survival. PwC recently conducted a global **"Hopes and fears" survey** of over 30,000 workers, which revealed that 39% of employees think their jobs will be obsolete within five years. These respondents know they'll need to be able to do something different in the future.



However, the insurance work model has not historically offered this kind of flexibility and opportunity. In most insurance organizations, employees have started at the bottom and worked their way up through different job levels in the same or closely related functions. In employee perceptions (and often in reality), this hasn't encouraged a culture of innovation.

So, how can insurers create a career path that's attractive over the intermediate and long term and provides them access to workers with diverse backgrounds and abilities?

For starters, proactive carriers are becoming more intentional about upskilling. To develop the workforce they'll need in the future, they're actively trying to create a culture in which employees build relevant skills in order to meet new market and business demands. By tracking progress across the company, they're also able to ease out employees who prove resistant to or are simply ill-suited to developing the skills they need to remain professionally relevant.

In addition, prescient companies are creating rotations within and across functions, especially at junior levels, to create more diversity of experience. They're giving individuals exposure to different parts of the business—including leadership—and even arranging temporary gigs outside the company at startups (including insurtechs). All of this makes work more interesting and provides employees more flexibility in navigating their careers. Just as importantly, this system also benefits the organization because it builds a breadth of skills and knowledge in various areas, including the experience of working at new market entrants (who in turn benefit from getting experienced labor from industry incumbents). The end result is a larger pool of internal talent that can be plugged in when and where it's needed, which is especially important at a time when employers themselves are trying to anticipate and define future workforce needs among change and uncertainty.

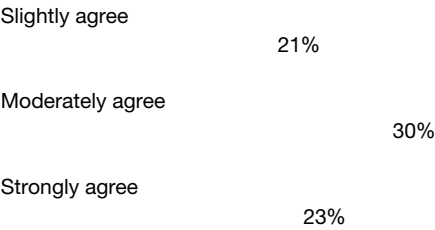
Moreover, digitization and automation are decreasing routine, manual tasks and elevating insurance jobs. This is an excellent selling point with existing and prospective technologically minded employees, especially if they have the opportunity to co-create solutions. Insurance isn't the field most people equate with technological advancements, but employees can actually do as

equate with more great advancements, but employees can actually do as much as if not more cutting-edge work there than in any other industry. For example, an increasing number of insurers are encouraging greater adaptability and collaboration on the job, often via technology. Employees are more free to self-organize, have works in progress and bring prototype concepts to work. This allows carriers to benefit from the variety of knowledge their employees have regardless of where they actually sit in the organization, and means that they can gain employee buy-in for initiatives that use advanced technologies like AI.

Keeping track of your talent pool

To take full advantage of your talent pool, we recommend investing in systems that create and maintain an inventory of current skills and assess future skills gaps. Curiously, despite persistent skills and staffing shortages, most companies don't do this. The ones that do can more easily fill gaps with general and targeted upskilling, targeted hiring and onboarding and enhanced on-the-job coaching. It also means that they can design career paths and succession plans that facilitate mobility and build new skills and experiences.

We use workforce analytics to predict and monitor skills gaps.



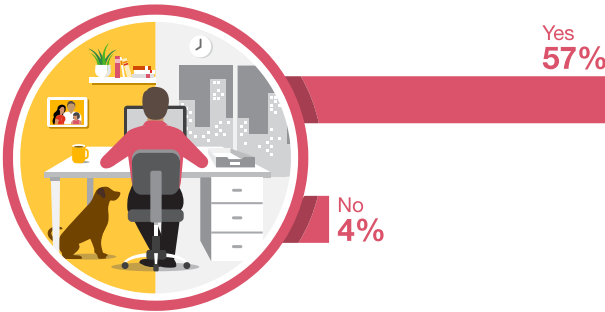
Source: PwC September 2021 future of work and skills survey of 3,937 business executives and HR-focused leaders.

2) Offer more flexible workplace arrangements

In the wake of the pandemic, **most workers want and expect** the flexibility to work from home at least some of the time. Despite the insurance industry's reputation for conservatism, almost all of the industry executives with whom we've spoken say they're moving to a hybrid work model because they recognize that it generally encourages productivity. This benefits the industry because it not only makes for happier employees but also gives employers better access to talent. If workers don't have to be in a given location, then companies can access a much wider market for talent, adopt compensation models that reflect the—often lower—cost of living where employees reside and avoid building out an expensive physical footprint.

Workplace flexibility is also influencing benefits. Employees increasingly value more optionality and flexibility in the types of benefits they receive, and employers can offer different benefits packages to workers depending on where they work. For example, if an employee has to be in an office, then offering child or elder care stipends may make a big difference in the quality of the person who accepts and stays in a given role. Moreover, by embracing “voice of the customer”

Does hybrid work increase productivity?



Source: PwC September 2021 future of work and skills survey of 3,937 business executives and HR-focused leaders.

Insurance executives are moving to more flexible work arrangements because they encourage productivity and help reduce costs.

(VOC)-type initiatives internally, more and more carriers are asking employees which benefits they want in order to determine how best to attract and retain talent.

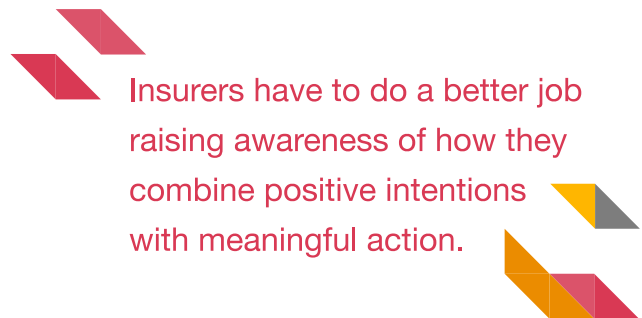
In addition, as part of VOC initiatives, leading carriers are redesigning workspaces to help employees not feel like “prairie dogs” in cubicles. Companies are rethinking how they use space and how much they really need. Many of our clients are looking to reshape the office to a more collaborative and open concept. For example, they’re repurposing floors that may have been previously dedicated to executive offices or cubicles and using them as shared spaces where teams can meet and collaborate in a more casual setting.

### 3) Seize opportunities in the intersection of personal and professional concerns

Employees increasingly see empathy and equity as strong differentiators when choosing where they work. They want to be able to trust their employers to do the right thing both for them and for society. As our “Hopes and Fears” survey results show, they want to work for companies that have a clear purpose and values, encourage diversity and inclusion and hold themselves accountable for matching words with action.

This is a tremendous opportunity for insurers.

The industry plays an important and positive role in society, helping to manage business and personal risks, making policyholders whole after they incur a loss and, increasingly, preventing negative outcomes before they happen. An example of note is the fact the industry has done much to help the world take action on climate change—a subject of real concern to younger people in particular—and will continue to play a major role influencing future climate risk mitigation. In fact, the catastrophe risk models the industry has pioneered and

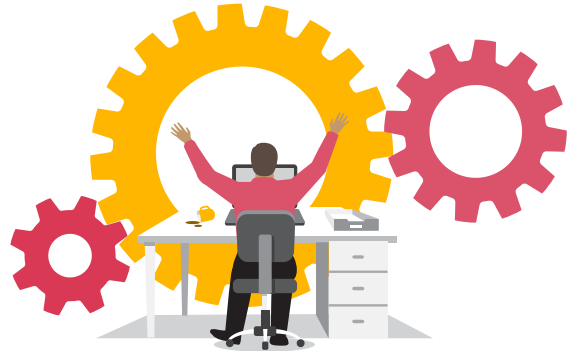


continues to refine are a vital part of the climate risk toolkit now used throughout the global financial system. These are prominent examples of how the industry benefits society, but insurers have to do a better job raising awareness of how they combine positive intentions with meaningful action. If they can do this, they'll be more attractive to socially conscious job-seekers.

#### 4) Redefine productivity

Despite the strategic advantages of shifting to work-from-home and hybrid models, related operational changes have forced many insurers to rethink what they mean by productivity. Most organizations have measured it by task-based outcomes. In other words, there's a list of things to do each day, and if you complete them, you're productive.

Moving to hybrid and work-from-home models in which managers are no longer physically with the people on their teams is changing this long-held assumption. An increasing number of insurers are thinking about productivity in terms of outcomes instead of specific tasks and methods. This focus to a results-first mindset requires a shift in managerial perspective (and often training) for both managers and staff, but the insurers out front are already well along in revising how they assess work quality and manage employees. They're giving workers the flexibility to manage their work and home lives as they see fit to support their individual circumstances. This strategy contributes to improved employee physical and mental health, making workers more likely to perform well in the long term.



#### Conclusion: Play offense, not defense

Most insurers feel insecure in the war for talent. They think—often rightly—that they lag behind “sexier” industries in attracting and retaining the best workers. However, recent changes in what workers expect of their employers and the nature of work itself offer insurers a great chance to level the playing field.

Insurers can and do offer innovative and rewarding careers, are increasingly open to new ways of working and management styles, offer meaningful opportunities



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to work on cutting-edge initiatives and play a vital role in maintaining a healthy and functioning society. They're in an excellent position to come out ahead if they clearly prioritize their needs and effectively communicate to job seekers and employees the industry's many selling points. The challenge is overcoming an industry culture that focuses on the past more than the future and tends to work behind the scenes rather than draw attention to itself. Insurers have a compelling story to tell. If they open up and start promoting themselves and the industry, they'll put themselves in a strong position for growth, led and supported by intelligent and capable people.

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