

GLOBAL INSURANCE FORUM

Discussion Group Report: Talent

Discussion Group Meetings: July 9 & 10, 2018
InterContinental Hotel Berlin, Germany

Moderators:

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July 9 Discussion Session:

The discussion on day 1 evolved around the topics **talent acquisition, training and development, gender equality** and **traditional career paths patterns**.

In the area of **talent acquisition**, the consensus was that individuals still mostly fall into insurance or have a family relation working in insurance. However, the industry is doing a better job of “selling” insurance to current and potential employees by pointing to social value of the industry. Throughout the globally diverse discussion group, compensation has been mentioned as an entrance barrier for to top talented young professionals. Compensation is still an issue however, as industry salaries for new joiner’s falls 30-40% short compared to our competitors in banking and consulting.

In the area of **training and development**, the industry has developed good standards for getting new joiners familiarize themselves with the business model and develop the required skill sets. Case studies enabling new joiners to understand the insurance business holistically were discussed as a best practice for development. Companies feeling expense pressure was mentioned as a barrier to talent development as these ‘luxury’ programs are the first to be cut. In addition, the group mentioned several outstanding development programs for executives and emerging leaders. Yet, neither the middle management layer nor the functional receive the training that enables them to develop into their new roles as quickly as they could. One idea discussed was to introduce a “Management 101” course for newly appointed managers to develop skills such as delegation and leadership of small teams.

With respect to **gender equality**, the group noted that the industry has much improved attracting young women to the industry. Yet, retention and development of the female workforce still falls short. The group discussed several ways to support women to have long-term careers in the industry: flexible work models enable parents spending time with their families. In addition, we should rethink stereotypical male structures and provide more successful role models to young female employees to progress the industry in terms of gender equality.

With respect to **traditional career patterns**, the industry compensation structure rewards “managers and executives” the most, encouraging highly technical people out of their roles into management positions. Possible concerns about this approach are that highly qualified individuals in technical roles which do not want or qualify for a managerial career may therefore feel underappreciated. Investment broker and successful sales agents (in insurance) were mentioned as examples of highly compensated technical roles.

July 10 Discussion Session:

Topics on day 2 focused on the millennial generation emerging in the workforce: **development programs**, **the talent gap**, and the **interaction between industry and academia** to develop future insurance leaders.

Development programs at insurance companies must marry hard and soft-skills; perhaps it is more of an 'emotional' gap as opposed to a 'hard skills' gap. Teaching should include core skills such as negotiation, stakeholder management, report writing, communication, etc. We discussed best practices for successful development/engagement. These programs nearly always engage some form of rotation across both commercial and functional areas, utilizing 'real life' business issues to prepare and develop the emerging workforce. Overall, the industry tends to be tactical, not strategic when it comes to talent in general. Considering constant expense pressure at corporations and a general concern about training a new generation that will later leave, this makes corporations reluctant to invest heavily in the area of talent development.

The **talent gap** by definition is a mismatch between the required skills from the demand side and the available skills from the talent supply side. The group was not overly concerned by the demographic talent gap from the retiring baby boomers or the skill gap from changing technologies in insurance. The consensus was that the industry would find ways to account for and overcome these challenges. What is a more challenging situation is the 'emotional' gap; whereby the next generation are more dependent on support than previous generations but also have higher expectations much earlier in their career. Laying out career path are one way to increase retention among millennials.

The **academic arena** can help mold students and 'mature' them relative to their entry to the corporate world. Managing expectations, experiential learning, and interdisciplinary classes are critical success factors for on-boarding and retaining new talent. Similarly, the universities and schools should recognize that not all students are the same and can tailor learnings for different groups.