Pearson
TalentLens

HR Trends and Perspectives: Talent Acquisition and Retention in the Insurance Sector

INDUSTRY REPORT

TRENDS AND HR PERSPECTIVES

Talent Acquisition and Retention in the Insurance Sector

With expected revenues of $7.5 trillion globally by the end of 2025, the insurance sector holds significant weight in the financial landscape. Insurance companies face various challenges. Their employees, often older, must adapt to an ever-evolving digital environment, sometimes requiring skill upgrades. Additionally, the sector struggles to attract young talent, leaving many positions vacant.

To remain competitive, companies must embrace new technologies and improve their image, often perceived as conventional and lacking innovation. Let's explore in more detail the HR challenges facing this sector and propose solutions.

I. Specific Challenges in the Insurance Sector

The insurance industry must address several challenges.

Key Characteristics of the Sector:

- **Numerous Demands:** Emerging risks such as cyber threats, natural disasters exacerbated by climate change, pandemics, and unpredictable geopolitical events increase insurance company activity. Customers also expect increased personalization of products and services, as well as faster and more transparent claims process.
- **Growing Adoption of New Technologies:** Although traditional, the insurance sector is constantly evolving, notably through technological advancements (AI, process automation, blockchain, data analytics). Insurers continuously develop new offerings, adopt digital tools to enhance the customer experience, and explore new ways to manage risks and design products tailored to the changing needs of policyholders.
- **Regulatory Pressure Impacting Costs and Operations:** The sector is subject to strict regulations in solvency, consumer protection, data privacy, and anti-money laundering.
- **Increased Competition:** InsurTech startups leveraging technology to disrupt the insurance sector, push insurance companies to innovate constantly and differentiate their offerings to remain competitive.
- **Sustainability and Social Responsibility:** Concerns about environmental and social sustainability lead insurance companies to consider risks related to climate change, promote responsible business practices, and support sustainable development initiatives. An asset to attract both customers and employees.

Main HR Challenges Faced by the Sector:

The insurance sector faces several HR challenges, including:

- **Talent Attraction and Retention:** Recruiting and retaining qualified talent is a major challenge, especially as digital and analytical skills become increasingly important and highly sought after, also found in rival Tech-IT and Banking-Financial sectors. According to the US Bureau of Labor Statistics, nearly **half a million** insurance professionals are nearing retirement. This expected wave of retirements worldwide, due to the sector's aging population, only exacerbates the talent shortage.
- **Adapting to the Expectations of New Generations:** Millennials and Generation Z seek a dynamic and innovative work environment, flexibility, a positive corporate culture, professional development opportunities, and meaningful work. Insurers must adapt to their expectations to attract and retain them, especially since only **4% of millennials, who are expected to make up 75% of the workforce by 2025**, express interest in pursuing a career in insurance.
- **Change Management:** Digital transformation, demographic changes, and regulatory developments require insurers to invest more in change communication, employee training, and better team support.

II. Solutions and Best Practices

Tips to Attract Insurance Sector Talents

To attract, recruit, and retain talents in the insurance sector, here are some possible solutions:

- **Develop a Strong Employer Brand:** Highlight your corporate culture, mission, purpose, and commitments.
- **Offer Competitive Benefits:** Provide attractive compensation, generous health and retirement insurance schemes, wellness programs, flexible working hours, remote work options, additional paid leave, childcare services, and financial incentives such as bonuses and performance rewards.
- **Promote Career Variety in Insurance:** Showcase the wide range of careers (agent, broker, actuary, claims adjuster, underwriter, risk manager, data analyst, cybersecurity expert, etc.) and implement internal mobility plans.
- **Highlight Technological Innovations:** Insurers now offer many services through mobile applications (claims submission, video uploads for claims assessment, inspection scheduling, claims process tracking, direct inquiries to an agent) and leverage artificial intelligence to streamline their processes. Promoting technology use and innovation in products and services is a way to attract talents, especially the younger generation who are fond of it.
- **Optimize Recruitment Processes:** Use innovative recruitment tools such as online recruitment platforms, professional social networks, and psychometric tests to identify top talents.

- **Promote Inclusion:** Create an inclusive work environment to foster innovation and creativity.
- **Invest in Skills Development:** Offer personalized training and development programs to enable employees to acquire new skills and advance in their careers in a more digital and automated sector.
- **Incorporate Psychometric Assessments** in Insurance Talent Recruitment and Development.

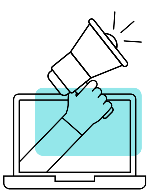
In addition to technical skills, jobs in insurance require significant behavioral competencies, including:

- **Empathy:** Understanding the needs and concerns of customers, acting with sensitivity and compassion when handling their claims or delicate situations.
- **Stress Management:** Working under pressure and effectively managing stress in urgent situations or complex problem-solving.
- **Time Management and Organization:** Prioritizing tasks to meet deadlines.
- **Problem-Solving:** Analyzing complex situations, identifying problems, and proposing effective solutions with creativity, perseverance, and critical judgment.
- **Communication:** Interacting effectively with customers, colleagues, and partners.
- **Collaboration:** Demonstrating teamwork in project management.
- **Professional Ethics and Integrity:** Adopting ethical behavior and respecting applicable regulations in the sector.
- **Adaptability:** Adapting to regulatory, technological, and economic changes and demonstrating flexibility and agility.
- **Learning and Development Ability:** Being open to continuous learning to acquire new skills and knowledge.

HR professionals should assess these soft skills when recruiting candidates or supporting the skills development of existing employees. They can use reliable psychometric tests, designed according to rigorous scientific standards:

- **Critical Thinking Assessment Tests:** To measure candidates' ability to step back, identify and analyze problems, and seek and evaluate information to draw relevant and logical conclusions, making better decisions.
- **Cognitive Ability Tests:** To assess their intellectual potential, learning and adaptation abilities, data analysis skills, grasp of new concepts, reasoning, and problem-solving skills in search of innovative solutions.
- **Personality Inventories:** To learn more about their communication and collaboration skills and complementary dysfunctional trend inventories, to ensure they do not have tendencies to adopt inappropriate, unethical, or counterproductive behavior.
- **Career Planning Tools:** Support in developing career plans that take into account their key interests and motivations for better retention.

The insurance industry is evolving. Insurance companies must increasingly showcase it to attract, recruit, and retain talents. Evaluating the technical and behavioral skills they need becomes crucial to address skill and staffing shortages. Psychometric tests will be a valuable asset in addressing this HR challenge.



Evaluate your talents' skills with Pearson Talentlens psychometric tests!

Unlock the full human potential of your company by refining your talent acquisition and retention approach. Contact us.

CONTACT US

About TalentLens

TalentLens is a central component of the Workforce Skills division of global learning solutions publisher Pearson and an international leader in assessing and supporting individuals. The Workforce Skills division comprises Pearson TalentLens – a well-known and recognized provider of psychometric tests in the professional environment, as well as Faethm AI – the world's first company to use data to operationally project a company's future skills, and Credly – the global leader in certifying digital badges.

Drawing on over 70 years of research, our psychometric tests, such as the WATSON-GLASER™ III test, are used by hundreds of companies worldwide for recruiting and developing their employees' skills. As professionals in the professional world, our primary goal is to help you assess your practices, understand and define your needs, and support you in choosing and using our assessment solutions.