

The insurance  
workforce of the future:  
Why will so many  
insurers fail to achieve  
their digital potential?

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Insurers are embracing digital disruption as a catalyst for change. It's a shame so many will likely struggle to achieve the advantages they're hoping for.

## Opportunities of digital not easily realized

A recent Accenture survey of insurance executives<sup>1</sup> confirms that digital is taking the industry by storm. More than 80 percent of insurance leaders believe digital disruption will transform not only how they interact with their customers, but also how they manage their traditional processes and operations.

And they are quite bullish about what their digital investments will yield. P&C insurers expect premium income to grow by 5 percent on average as a result of digital initiatives. Life insurers anticipate a 7 percent boost.

Unfortunately, many insurers will struggle to achieve the advantages they seek. They are focusing on technology as a catalyst for change and not paying equal attention to the talent that will be needed to bring their visions to life.

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# Help wanted: Insurers on the digital frontier

To thrive in the years ahead, insurers need to protect their core business, while expanding into new areas<sup>2</sup>, with workforces that are lean, agile and willing to embrace change. Science, technology, engineering, and mathematics (STEM) skills will be critical to realizing the potential of digitized processes, big data, algorithms and real-time analytics. Creativity and flexibility will be needed to navigate fast-changing policy frameworks and regulations. And softer skills—from problem-solving to communications—will be needed to boost sales, enable collaboration and deliver personalized customer experiences.

Many insurers are just starting to recognize the talent changes that the future will demand. For example, software and analytics will enable many underwriting and claims processes and decisions to be automated and processed without human intervention. Big data, supplied in real time, will supplement or take the place of historical data models when it comes to assessing risk. And video damage reports, submitted by policy owners, will eliminate the need for many of an appraiser's site visits.

Such advances will likely shrink the size of the traditional insurance workforce. They will change the nature of work for many existing employees. And they will require new or enhanced skills. For example:



**Underwriters** will team with data scientists to leverage new and broader sets of data from both within and outside the company. They will also need to apply new tools and sophisticated analytics to not only visualize that data, but also generate more meaningful insights that will enable them to carry out complex risk assessments.



**Claims agents** will become service advocates at the center of the customer experience. In addition to being equipped with the latest tools and real-time access to data, they will need to be empowered to serve as front-line problem solvers—applying sound judgment and new tools and data sources to resolve issues through multiple channels. Instead of following set processes to minimize costs, agents will focus on understanding, assessing and addressing customer needs with personalized solutions that will boost customer loyalty, Net Promoter Scores and long-term economic gains.



**Product developers** will become proposition designers, focused on developing and delivering outcomes that customers value. They may work with customer experience specialists and partnering organizations to develop new products and services, design engaging customer interactions, and bring new business models to life.



Innovation advocates will develop a “fail fast” environment for new ideas and shift the traditional focus of innovation from internal products and processes to external opportunities. Specifically, advocates will be tasked with identifying, establishing and managing mechanisms and relationships to incubate ideas, experiment and pilot innovations that can become viable commercial interests for the business. Such innovation labs are already in place, for example at AXA<sup>3</sup> and Allianz<sup>4</sup>.



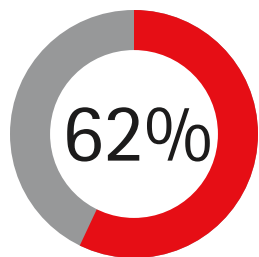
Ecosystem architects will also emerge as insurers join or form collaborative cross-industry partnerships that offer customers better outcomes and more relevant products and services. These architects will identify opportunities for insurers to team with other players and coordinate their participation in a market “beyond insurance.”

Only 2 percent of recent grads express interest in working in an insurance company

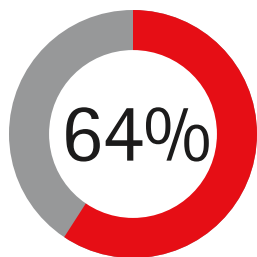


# Can insurance finally be cool?

Attracting and reskilling employees with the right skills have become strategic imperatives. The good news is that today's workers generally welcome the opportunity to be better at what they do—especially when it comes to being "digital ready." Our recent research<sup>5</sup> shows that 62 percent of employees are assessing the skills they will need for the future. These include new digital skills, as well as skills like ideation, emotional intelligence, and the ability to communicate ideas. And 64 percent are already seeking out learning opportunities. Getting current talent to embrace change apparently won't be too difficult, if insurers create the right support environment.



Employees assessing skills required for the future



Employees already seeking out learning opportunities

Recent graduates may also be open to pursuing career opportunities that the industry presents. Accenture Strategy's 2015 US College Graduate Employment Survey revealed new graduates are idealistic; they want to do work that improves people's lives. They value interesting and challenging work after salary and benefits<sup>6</sup>. New meaningful, interesting and challenging insurance jobs are being created that have the potential to attract this younger, hipper and more technically savvy workforce.

At present, though, insurers need to overcome an image problem. Only 2 percent of soon-to-be grads express interest in working in an insurance company<sup>7</sup>. Making matters worse, the competition for STEM skills is intensifying. Other industries are also embracing digital opportunities. And those industries—from media to manufacturing—are creating job opportunities that may be more enticing than what insurance can offer.

To seize on workers' enthusiasm and desire to learn, insurers need to identify the skills they require—and determine whether they can be developed in-house or need to be acquired. Recasting themselves as highly relevant businesses, committed to delivering dynamic and innovative solutions that improve the lives of customers will help insurers attract top talent. Showing that they offer a unique employee experience—one that rewards creative problem solving, flexibility and innovation will be key.

# Digital disruption = talent disruption

Today, insurance carriers don't have an edge in the talent war. But tomorrow they might. The secret will lie in taking a much more proactive—even aggressive—approach to talent acquisition, development, re-skilling and retention. Here are three things insurers can do now to stay ahead of the talent curve:

## 1. Transform the employee experience

Customers in all industries navigate seamlessly across channels to interact with providers, access information, and secure the products and services they need. Employees expect the same experience in the workplace. Insurers need to take a page from the customer playbook and use new technologies in innovative ways to engage, delight and retain the talent they have.

Insurers have the opportunity to take a leading role in creating more engaging workforce experiences across the talent lifecycle. They can, for example, utilize recruitment apps and game-based assessment and selection tools in hiring and performance management. They can establish platforms that enable workers to manage their tasks across multiple devices or physical locations. They can adapt online features that are popular among consumers—such as peer reviews and personalized recommendations—to learning programs in the workplace. They can also mine their employee data and apply analytics to understand what employees truly value—much as they do now to understand customer preferences. The insights they glean will enable them to craft compensation packages that make economic sense to the company and that employees value.

## 2. Re-invent on-the-job learning

Seventy-seven percent of 2015 graduates in the United States and 84 percent of those in the United Kingdom expect their employers to offer formal training programs<sup>8</sup>. Insurers can use digital to tap into younger workers' appetite for learning with customized training at the point of need.

Short, sharp bursts of learning content, delivered via online, virtual or mobile channels can be as effective as, if not more effective than, traditional training methods. And gamification and real-world, online simulations will strike a chord with those who have grown up with ubiquitous, always-on gaming applications. These programs—which provide real-time feedback on consequences of a learner's decisions—are not just suitable for new hires, but also for existing workers who will need to be reskilled to perform at high levels in a fast-paced, dynamic world.

# Rethink, redefine, re-imagine

On the digital frontier, insurers are going to have to do things differently. One of the most significant changes involves re-thinking their approach to engaging and enabling their workforces. Only those carriers that redefine how they identify, source and develop their talent will thrive and be recognized as leaders in an industry transformed.


### 3. Re-shape the talent supply chain

Insurers need to fundamentally rethink their talent attraction, acquisition and retention strategies. By forging innovative educational collaborations, insurers position themselves in a broader talent ecosystem. Certification programs with regulators and internships with trade schools and community colleges can help cultivate potential talent that does not require a four-year degree.

Zurich Insurance Group, for example, is launching an apprenticeship program with a community college near its North American headquarters. The program will not only pay apprentices, but also offer academic credit for participants' work experience. Modeled after its successful apprenticeship program in Switzerland, the North American program aims to serve as a conduit to full-time employment. Zurich hired 94 percent of its 2014 program graduates in Switzerland<sup>9</sup>.

Insurers should also tap atypical talent sources. Partnerships with technology start-ups, for example, can introduce insurers to a new source of skill sets. Partnering with innovative companies can also help carriers overcome negative perceptions about the insurance industry. Trade organizations, online exchanges, skills platforms such as Kaggle, and crowdsourcing platforms are all potential sources of talent.

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