

The People Imperative:

Technology and Talent in the Insurance Industry Finding and Retaining Skills for the Future



Technology in the Life and Annuity Industry

Technology represents one of the biggest opportunities and threats to the life and annuity industry. Technology is the backbone of the industry. Good technology helps win and keep business. It drives customer experience. Behind the scenes, businesses need to maintain and update administrative systems and ideally find efficiencies to improve operations. In addition, different technologies are radically changing the business (e.g., automation, underwriting).

Strong talent is necessary to achieve these goals and run a successful business. At the same time, the talent environment in technology is as challenging as it's ever been. Tech skills are in high demand.

Competition for talent is fierce, and the industry isn't just competing with each other for talent — they're competing with other industries as well.

In a recent discussion among chief technology executives, it was unanimously acknowledged that attracting and retaining talent is one of their biggest challenges. In a survey, every single one agreed that turnover was up among all employee segments (entry-level, professional-level, executive, and diverse employees). One executive said that their best workers get multiple offers per day. Turnover was also up among technology vendors companies work with.

Alison Salka, Ph.D.
Senior Vice President
860-285-7754
asalka@limra.com

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As they look to attract and keep talent, the insurance industry faces specific challenges:

- Insurance is a highly regulated industry. This can make work more difficult and slower than in other industries that don't have the same level of oversight. Product development is also slower. Companies face more risk and compliance requirements, which means more training and education are necessary for employees.
- The nomenclature the insurance industry uses in job descriptions may not reflect the current state of the technology industry. Language can be outdated.
- The insurance industry has the benefit — and disadvantage — of longevity. Many companies have been around for a century or more. As a result, many have multiple legacy administrative systems. Many job seekers prefer to work with new technology, not older or suboptimal systems. (Work with older systems will not help them secure a position with a leading new technology provider in the future.)

“Every technology discussion turns into a conversation about talent and recruiting.”

—Technology Executive commenting on strategic challenges

ROLES THAT ARE ESPECIALLY CHALLENGING TO FILL:

- Cloud/AWS
- Cybersecurity/Security operations
- Developers
- Data and data analysis

What Do Today's Job Candidates Want?

It's a candidate's market, and candidates know it. Their expectations have increased, and factors that used to be employer differentiators are now table stakes. Flexibility around where and when people work is largely expected. New employees also expect:

- A good (high) salary. A couple of executives mentioned that salary expectations are sometimes unrealistic. Compensation expected may not be commensurate with skill level and background. Some are paying people above their skill level and likened today's environment to the dot.com boom. Will a recession bring a salary “bust” and rationalization of compensation?
- To work on hot projects. Few new employees really want to work on maintenance or legacy systems. They are attracted to projects that are new, exciting, or teach them in-demand skills.
- An explicit career path and development plan. They want to feel valued and know that their employers are invested in them and their growth. Many, particularly entry-level employees, also expect quick career progression, including frequent promotions and an impressive title.
- Flexibility. Remote or hybrid work is an expectation. Executives told us not offering it would lead to immediate turnover.

Strategies to Attract and Keep the Best Talent

How can employers manage these expectations and still acquire the talent they need?

- Bring executives into the recruiting and interview process early. An executive who takes the time to meet with a candidate and talk about the organization makes an impression. It shows interest in the candidate, makes them feel important, and lets them learn about the organization early. While this may seem counterintuitive, it can actually improve the ability to recruit.
- Focus on growing internal talent. Bring in entry-level developers and train them for a long-term career. Consider this as an alternative to “off the shelf developers” who are hired for specific tasks or projects. Having a flexible stable of in-house talent can pay big dividends. This leads to an expanded skill set and depth of knowledge of company systems.
- Provide a “product team” versus “project team” atmosphere. Break down silos and have technology be part of the business rather than the traditional process. This can make work more interesting and help technology workers better understand and appreciate the business. This could lead to more innovation and retention.
- Mix different work types in a role, if possible. Bringing together teams with different skills to “solve problems” is both appealing and productive. It also helps people build different skills and work on a variety of projects, giving them a familiarity with different parts of the business and a bigger network — all of which add to employee engagement/development/retention and value.

Talent really drives technology development and innovation. In a technology enabled industry like insurance, that means having the best talent will ensure a long-term competitive advantage.





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