

# Playing for Keeps

The Connection Between  
Professional Development and Retention



Finding the way to a post-pandemic “new normal” has necessitated a new way of thinking across most industry fronts — such as when it comes to the workforce that keeps business going. As we approach the midpoint of 2023, it can be tempting to hope that some of last year’s intense talent challenges are behind us. However, there are clear and present reminders that, while perhaps the shape of it has changed, the talent landscape remains a pressing concern for employers. In fact, McKinsey names “talent in transformation” as one of six core priorities for chief executives this year — noting this also means focusing on “impact delivered” as a basis for accelerating an employee’s career path.<sup>1</sup>

When it comes to managing talent successfully, top organizations know this does not only mean recruiting strong new employees, but also holding on to those already hired, whether six months or 20 years ago. A commitment to retention is critical today. The Conference Board asked chief human resource officers (CHROs) overall about their confidence levels in the first quarter, and “many are concerned about workers jumping ship.”<sup>2</sup> In fact, 19 percent of CHROs said they anticipate more workers will leave. Also, a *Human Resource Executive* survey reveals 47 percent of these leaders feel hiring and retaining key performers is their most pressing challenge.<sup>3</sup>

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The insurance industry specifically may face some especially intense headwinds. According to an *InsuranceNewsNet* article, “One of the biggest challenges ... is employment recruitment and retention.”<sup>4</sup> While a record number of insurance jobs remain unfilled, keeping workers is also very difficult. The article cites Jacobson Group data finding total industry turnover (both voluntary and involuntary) reached almost 15 percent over the previous 12 months.

## Professional Development as a Solution

In the midst of this potentially harsh reality, what are company leaders across the industry to do? One key focus area likely to drive talent engagement and connection is professional development. In fact, responding CHROs in research from The Conference Board indicate they will focus on strengthening development and culture this year.<sup>5</sup> This is a step in the right direction, as McKinsey research shows a primary reason people leave a prior job is a lack of career development.<sup>6</sup>

A company can genuinely demonstrate commitment to professional development in several contexts:

## Onboarding and Retaining New Employees

Recent LIMRA research points to the importance of supporting employees with the right resources. This can especially be the case when trying to generate interest with recruits and new employees. When employees were asked about what they would seek in a potential employer, 19 percent cite “the ability to acquire new skills” among their top five most important factors.<sup>7</sup>

<sup>1</sup> Hatami, Homayoun and Segel, Liz Hilton, “Six CEO Priorities for 2023,” McKinsey podcast, April 6, 2023. <https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/six-ceo-priorities-for-2023>.

<sup>2</sup> “Survey: HR Leaders Are Confident About Hiring and Retaining Workers, Despite Recession Worries,” The Conference Board news release, April 4, 2023. <https://www.conference-board.org/press/leaders-confident-about-hiring-retaining-workers/>.

<sup>3</sup> Colletta, Jen, “5 Takeaways From HRE’s ‘What’s Keeping HR Up at Night?’ Research,” *Human Resource Executive*, January 3, 2023. <https://hr executive.com/5-takeaways-from-hres-whats-keeping-hr-up-at-night-research/>.

<sup>4</sup> Bailey, Doug, “Insurance Industry Still Faces Recruitment, Retention Challenges,” *InsuranceNewsNet*, April 13, 2023. <https://insurancenewsnet.com/inarticle/insurance-industry-still-faces-recruitment-retention-challenges>.

<sup>5</sup> “Survey: HR Leaders Are Confident About Hiring and Retaining Workers, Despite Recession Worries,” The Conference Board news release, April 4, 2023. <https://www.conference-board.org/press/leaders-confident-about-hiring-retaining-workers/>.

<sup>6</sup> Durth, Sandra, Komm, Asmus, Pollner, Florian, and Reich, Angelika, “Reimagining People Development to Overcome Talent Challenges,” McKinsey, March 3, 2023. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/reimagining-people-development-to-overcome-talent-challenges>.

<sup>7</sup> 2022 BEAT Study: Benefits and Employee Attitude Tracker, LIMRA, 2022. <https://www.limra.com/en/research/research-abstracts/2022/2022-beat-study-benefits-and-employee-attitude-tracker/>.

In terms of the workforce of the future, a recent report indicates Gen Z is likely to represent nearly one third by 2025.<sup>8</sup> Employers that offer what appeals to this newest segment of potential employees are most likely to engage more talent. The report cites Gen Z's five primary employment motivators as adequate compensation, control, safety and wellness, growth, and purpose. A strong culture of professional development clearly will resonate with the latter two values — providing opportunities for growth and a sense of individual and organizational purpose — and strengthen engagement with young new hires.

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A compelling consideration to offer new employees — perhaps different than what may come to mind as “traditional” professional development — is the opportunity to participate in a mentorship program. According to the Association for Talent Development, 48 percent of organizations have established formal mentoring programs.<sup>9</sup> The top benefits employers believe they receive from these initiatives are improved job satisfaction for participants (61 percent) and a stronger organizational culture (57 percent) — which both clearly link to reducing turnover.

In general, to ensure the employees you worked so hard to recruit and hire stay with your organization for the longer term, it makes sense to provide access to professional development early on. The specific form it takes may vary based on the individual's role and preferences,

but the important thing is to take action and offer valuable opportunities that will benefit both the employee and organization.

## Reskilling and Upskilling Veteran Employees

Of course, it is equally critical to do everything possible to retain employees who have a longer tenure with your organization. In the current strained talent environment, losing institutional knowledge and experience at this level can be even more risky, as it is difficult to replace.

Overall, your workforce must feel they have the support and resources they need to succeed; this is directly connected to their desire to stay. LIMRA research shows employees who agree their companies provide the training and tools they need to do their jobs well are 1.7 times as likely as those who disagree to want to remain with their current employers.<sup>10</sup> And there seems to be room for improvement in this area: According to Pew Research Center, just 44 percent of American workers feel extremely or very satisfied with their opportunities for training and development.<sup>11</sup>

A Randstad Enterprise survey among C-suite and human resource leaders across 18 nations reveals 42 percent say talent scarcity is one of their top concerns.<sup>12</sup> To

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<sup>8</sup> “Report: Corporate America Needs a Plan for Recruiting Gen Z Workers — Or They’ll Lose the Talent War,” The Conference Board news release, March 9, 2023. <https://www.prnewswire.com/news-releases/report-corporate-america-needs-a-plan-for-recruiting-gen-z-workers-or-theyll-lose-the-talent-war-301768362.html>.

<sup>9</sup> “ATD Research: More Organizations Support Mentoring Programs for Employee Growth and Development,” Association for Talent Development news release, January 3, 2023. <https://www.td.org/press-release/atd-research-more-organizations-support-mentoring-programs-for-employee-growth-and-development>.

<sup>10</sup> 2022 BEAT Study: Benefits and Employee Attitude Tracker, LIMRA, 2022. <https://www.limra.com/en/research/research-abstracts/2022/2022-beat-study-benefits-and-employee-attitude-tracker/>.

<sup>11</sup> Horowitz, Juliana Menasce and Parker, Kim, “How Americans View Their Jobs,” Pew Research Center, March 30, 2023. <https://www.pewresearch.org/social-trends/2023/03/30/how-americans-view-their-jobs/>.

<sup>12</sup> “Employers Prioritize Long-Term Value, Measurable Impact Over Cost Savings Amid Growing Talent Shortages,” Randstad news release, February 22, 2023. <https://www.prnewswire.com/news-releases/employers-prioritize-long-term-value-measurable-impact-over-cost-savings-amid-growing-talent-shortages-301753261.html>.



address talent shortages, many leaders (76 percent) are focused on reskilling and career engagement among existing employees. This points to a slightly different application of professional development: In addition to ensuring people are equipped to perform their current role, employers also should identify where it makes sense to prepare employees for new and/or more advanced roles they need to fill. One approach is “quiet hiring,” where an organization taps into the talent of its current employees and offers them access to stretch assignments, the opportunity to enhance their skillsets, and additional incentives.<sup>13</sup> In addition to boosting employee morale, quiet hiring can provide a strategic benefit for employers by aligning talent with roles they need most.

Providing development and attention to this employee segment is key to success. A global LinkedIn Learning report points to four primary focus areas for learning and development leaders this year. These include upskilling employees and improving employee retention, which go hand in hand. Eighty-nine percent of the responding executives believe proactively building people’s skills will “help them navigate the evolving future of work.”

## Providing Exceptional Customer Experience

It is also valuable to remember that when teams are developed and trained effectively, this is a key component to the quality of customer experience they provide. When employees feel good about their work, supported by their employer, and equipped to do their job well, this will translate into exceptional experiences for both the internal and external stakeholders they serve. Creating a culture of learning and professional development within the organization boosts morale, which in turn carries over into how employees treat others.

This component is especially relevant today, as Gallup finds trust and confidence in U.S. institutions were on the decline last year.<sup>14</sup> This sentiment, and an accompanying decrease in customer satisfaction, can have a

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long-lasting negative impact. According to Gallup, one contributing factor has been employees feeling less empowered to provide exceptional customer experiences. Companies can work to mitigate this by supporting their front-line workers through professional development that helps them inspired by their brand purpose and feel fully capable to serve and impress their customers.

## Professional Development and Career Advancement

Ultimately, providing robust professional development offerings is an important way to help employees feel supported and cared for at work. According to a MetLife study, feeling “cared for” by their employers is a primary contributor toward their general health and happiness.<sup>15</sup> However, 42 percent of responding employees do not currently believe their employers care for them — and, of this group, just 54 percent are loyal to their company. In encouraging news, many companies appear to be recognizing the value of development in the future of work. A Gartner, Inc. survey among human resources leaders finds 41 percent intend to boost their learning and development budget.<sup>16</sup>

Learning opportunities (along with impactful work, autonomy, and a strong team) are identified as key contributors to employee engagement.<sup>17</sup> Leading employers recognize this interconnection and view professional development as a driver of value for new hires, veteran employees, and customers alike.

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<sup>13</sup> Turner, Jordan, “Why Quiet Hiring Is a Win-Win for Employers and Employees,” Gartner, Inc., January 25, 2023. <https://www.gartner.com/en/articles/why-quiet-hiring-is-a-win-win-for-employers-and-employees>.

<sup>14</sup> Ducharme, David and Robertson, Andrew, “Reversing the Customer Trust Deficit,” Gallup, February 20, 2023. <https://www.gallup.com/workplace/470618/reversing-customer-trust-deficit.aspx>.

<sup>15</sup> “Can Employers Afford Not to Care?,” MetLife news release, March 20, 2023. <https://www.businesswire.com/news/home/20230320005048/en/Can-Employers-Afford-Not-to-Care>.

<sup>16</sup> “Gartner Identifies Top Four HR Investment Trends for 2023,” Gartner, Inc. news release, March 7, 2023. <https://www.gartner.com/en/newsroom/press-releases/03-06-2023-gartner-identifies-top-four-hr-investment-trends-for-2023>.

<sup>17</sup> Mankins, Michael, Garton, Eric, and Schwartz, Dan, “Purposeful Work: The Secret Weapon in the New War for Talent,” Bain & Company, January 4, 2023. <https://www.bain.com/insights/purposeful-work-the-secret-weapon-in-the-new-war-for-talent/>.



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