

# The Jacobson Group Compass

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The Jacobson Group is the nation's leading provider of insurance talent. For 40 years, we have been connecting insurance organizations with professionals from the board room to the back room on both a permanent and temporary basis. We offer a variety of solutions including executive search, professional recruiting, RPO, temporary staffing, subject matter experts, and onsite and work-at-home operations support. Regardless of the need or situation, Jacobson is the insurance talent solution.



## PULSE OF THE INDUSTRY'S LABOR MARKET

- The national unemployment rate held steady at 9.1 percent for the third month in a row.
- The unemployment rate for insurance carriers and related activities, reported at 4.6 percent for August, rose to 5.3 percent for September.
- On a year-to-year basis, industry employment, now standing at 2.2 million jobs, is down one percent since September 2010.
- Previously reported data, showing a surge of 3,400 new industry jobs in August, has been revised to a gain of 2,600 jobs.
- Agents and brokers and reinsurers posted modest year-to-year job growth of 0.7 percent and 1.5 percent respectively. Others saw declines in employment from 0.7 percent (life) to 2.9 percent (property/casualty). Health and TPAs decreased 2.3 percent followed by title, down 2.2 percent, and claims adjusting, down one percent
- Weekly wages for reinsurance continued their steep incline, increasing by 19.9 percent for the month of August. Other sectors saw smaller gains of 3.1 percent (health), 1.3 percent (TPAs) and 0.6 percent (property and casualty). The remainder of the industry experienced diminishing weekly wages: title, down 20.1 percent; agents and brokers, 4.1 percent; life, 0.5 percent; and claims adjusters, 0.2 percent. ▲

*\*Derived from the data released by the U.S. Bureau of Labor Statistics*

## THE RESULTS ARE IN!

### *Here are some highlights from our 2011 Mid-Year Labor Outlook Study:*

- 44.4 percent of companies plan to increase staff during the next 12 months.
- 75 percent of companies plan to increase revenue in the next 12 months.
- The likelihood of companies increasing staff is up 14 percent since beginning of year.

***For a full summary of the results, [click here.](#)***





# INDUSTRY EXECUTIVES ON THE MOVE

Congratulations and best of luck to the following executives who recently took on new challenges within the industry:

- **Brian K. Atchinson**  
*President and Chief Executive Officer*  
Physician Insurers Association of America (PIAA)
- **Miguel A. Barrales**  
*President*  
Universal Insurance Holdings of North America
- **Paul Becker**  
*Chairman, Construction Practice*  
Willis North America
- **Charles Brooks**  
*Global Operations Officer*  
ACE Group
- **Steve Courchaine**  
*Chief Underwriting Officer, Burlington Insurance Group Inc. and Guilford Specialty Group Inc.*  
International Financial Group Inc.
- **Jamie DePeau**  
*Corporate Chief Marketing Officer*  
Lincoln Financial Group
- **Georgia Dodds Foley**  
*Chief Compliance Officer*  
Amerigroup Corporation
- **Sue Ericksen**  
*Chief Information Officer*  
New York Life Insurance Company
- **Michael Finnegan**  
*Chief Operating Officer*  
Liberty Mutual Reinsurance
- **Sean M. Fitzpatrick**  
*President and Head of U.S. Property and Casualty Retail Insurance*  
Endurance Specialty Holdings Ltd.
- **Liz Flynn**  
*President, Chief Executive Officer of U.S. Consumer Business*  
Marsh
- **William Guptail**  
*President, Hawaii Operations*  
UnitedHealthcare
- **Rick Hawkinberry**  
*Chief Executive Officer, Construction Practice*  
Willis North America
- **David Herndon**  
*Chief Operating Officer, Hawaii Operations*  
United Healthcare
- **Robert D. Kleppinger**  
*President, Personal Lines Division*  
Hub International Northeast
- **Richard S. Maxwell**  
*Chief Underwriting Officer, Political Risk and Trade Credit (PRTC) Unit*  
XL Insurance
- **Steve Peeters**  
*Chief Operating Officer and Executive Vice President of Insurance Operations*  
The Main Street America Group
- **Bill Pieroni**  
*Chief Operating Officer*  
Marsh
- **George P. Reeth**  
*President, Companion Property & Casualty Insurance Group*  
BlueCross BlueShield of South Carolina
- **Christopher T. Schaper**  
*President*  
Montpelier Reinsurance Ltd.
- **Randy Stone**  
*Chief Financial Officer*  
SCAN Health Plan
- **Dr. Ross Taubman**  
*President and Chief Medical Officer*  
Podiatry Insurance Company of America
- **Kevin Walker**  
*Chief Financial Officer and Member of Board of Directors*  
Fireman's Fund Insurance Company
- **Anthony Washington**  
*President*  
Western Heritage Insurance Company
- **Pierre Wauthier**  
*Chief Financial Officer and Member of Group Executive Committee*  
Zurich Financial Services Group
- **Edward J. Yorty**  
*President*  
Pharmacists Mutual Insurance Company

# BUILDING A SUCCESSFUL CULTURE THROUGH RECRUITING AND RETENTION

by David E. Coons, Senior Vice President, The Jacobson Group

The estimated cost of disengaged workers is a startling \$300 billion in lost productivity annually<sup>1</sup>. Fierce competition necessitates a motivated, engaged workforce; and savvy organizations know that the difference lies in a strong, positive company culture.

Company culture can dramatically influence an organization's success or lack thereof. In fact, studies have shown that organizations with adaptive cultures that are aligned with their business goals outperform their competitors by up to 200 percent. Moreover, companies that foster an environment in line with their cultural goals boast turn-over rates up to 30 percent lower than their peers.

While company culture is undoubtedly crucial to an organization's success, it is often not given the attention it deserves. Employer and employee interactions at all stages – from recruitment and onboarding through retention – play critical roles in the development and evolution of a company's culture.

## Define Company Culture

Company culture provides a foundation for the values that employees are expected to emulate and helps define the norms for accepted behavior within an organization.

Perhaps the best indicators of company culture are its current workforce and team dynamics. This includes all of the unspoken rules regarding how people interact and how business gets done. Company culture does not mean everyone acts the same. Diverse opinions, communication styles and personalities collaborating to achieve one common goal are what contribute to an effective and successful business environment. Employees learn and evolve by working together. The outcome of which is an organization's unique company culture.

To inspire change to the existing culture, a good place to start is by revisiting the organization's core values and mission and vision statements. Core values should serve as guidelines for proper office etiquette and work ethic. A clear mission statement should set forth a common goal, while the vision lays out a means for achieving that goal. The organization's mission, vision and values must be woven into the strategic decision-making process, and its management team must lead by example.

Other factors that contribute to company culture include management styles, compensation and benefit packages, and reward and motivation programs.



## Recruit for Culture Fit

According to a study by the Saratoga Institute, nearly one in three newly hired employees leaves voluntarily or involuntarily before the end of his/her first year. These ill-conceived matches cost companies an estimated 50 percent to 150 percent of the positions' annual salaries.

While a candidate's knowledge, experience and abilities are important, the cultural compatibility should also be a focus during the recruitment process from the initial attraction of applicants through the interview process and eventually the job offer. Employers must look for a balance between the skills necessary for the position and how that person will fit in with the existing team.

Culture fit is equally important to potential candidates. According to Monster.com, college students would accept an average of seven percent less starting pay to work for companies with cultures they value and appreciate.

Re-evaluate job ads and position descriptions. Do they describe company culture, including working environment and company values? An effective description of a company's culture will help attract ideal candidates, while deterring candidates who might not be a good fit.

The interview stage is crucial in determining whether or not a potential employee is the right fit for the organization. The behavioral interview method is a good tool for uncovering past behavior and predicting future behavior.

Many employers have established structured interview

1. Gallup Management Journal. (2003) Study on Engagement

procedures to help determine if candidates possess core competencies. Core values should be integrated into each position's "must haves." Compose interview questions that draw out values and characteristics that are important to the organization.

### SAMPLE CULTURAL FIT INTERVIEW QUESTIONS

- Describe a time when you disagreed with a superior. How did you handle the situation?
- What do you expect from a potential employer?
- Tell me about an ineffective team situation in which you were involved? How did you address the problems?
- Give me some examples of how you might demonstrate respect for your organization, managers, co-workers?
- Describe a time when you had to effectively assess and work through the politics of a situation in order to get your job done.
- What did you do in your last job to improve your skills and performance?
- Give me an example of a time when you had to make a quick decision with limited information. What was the outcome?

The interview setting is also an opportunity to get a sense for candidates' demeanors, including how they interact with co-workers. Peer interviews are an excellent opportunity to assess culture fit. Often candidates feel less stress during peer interviews and their personalities are more easily discernible. Employees that are invited to participate in this process should be company role models. While the peer interview should not be the deciding factor, it offers key insights that the hiring manager should consider and that may play an important role in the team's dynamic.

### Reinforce Values Through Training

Many factors play into the development of a desirable company culture, but a successful

on-boarding process is one of the most influential. More than 75 percent of top-performing companies have a formal on-boarding process in place for new hires<sup>2</sup>.

Implementing a formal process ensures that information is shared consistently throughout the company. All employees should have a clear understanding of the company's mission, goals and expectations from day one. Engage current employees in the process. This will help new hires feel more connected with the organization, while also reinforcing important cultural values with existing staff.

It is also important to understand each employee's career goals and create individual development plans. By giving employees ownership of the process, they will have a greater sense of their purpose. As they continue to advance, they will develop a deeper understanding of the role core values play in the organization's success.

## Strengthen Culture Through Retention

A good gauge of company culture is how proud employees are to be part of the organization they belong to!

The management of employee satisfaction speaks volumes and contributes to retention, employee engagement and production, as well as overall office morale. Companies must place a strong focus on retention, and tactics should reflect the company's values and the type of work environment it wishes to create.

For example, if teamwork is important, then institute weekly lunches or other team-building activities. If continual learning is fundamental, then host lunch and learns or offer tuition reimbursements. If the company wants to build a culture of promoting from within, then sponsor mentorship programs and job shadow initiatives. The ultimate goal is to create an atmosphere where employees collaborate with each other, are challenged to work hard, are accountable to themselves and the team on a daily basis, and enjoy coming to work.

Employee recognition should not be overlooked when building a retention strategy. An employee's perceived value has a positive impact on work ethic. According to a recent Globoforce Workforce survey, only 24 percent of U.S. workers are satisfied with the level of recognition they receive, yet 69 percent believed they would work harder if their efforts were better recognized!

Recognition does not have to be monetary in nature. However, generational differences may play a role in what recognition and reward mean to the workforce. Recognition can be as simple as a mention in the company newsletter. Shortened summer hours, extra paid-days-off or telecommuting opportunities are also great ways to provide incentives that promote work/life balance.

**“COMPANY CULTURE IS EVOLUTIONARY, AND THERE WILL INEVITABLY BE NATURAL VARIANCES AS AN ORGANIZATION CHANGES AND GROWS.”**

Company culture is evolutionary, and there will inevitably be natural variances as an organization changes and grows. The key is to understand what contributes to a successful environment and to weave those characteristics and values into the fabric of the organization. ▲

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