

2023

Insurance Talent Trends



Insurance Talent

JACOBSON

2023 INSURANCE TALENT TRENDS

The industry is facing a number of talent complexities and opportunities as we enter 2023. The reshuffling of talent that headlined the past year continues, unemployment remains low and a potential recession is looming. Employee attitudes and behaviors have shifted, and organizational leaders are reaching a crossroads as they balance growing talent needs with a pending economic downturn.

In 2023, leaders will need to approach their talent strategies through a future-focused lens, planning for both anticipated and unexpected scenarios. We hope you find the following trends and insights valuable. Please don't hesitate to reach out if our team can assist with any of your talent needs in the new year.

Here's to a successful 2023.



Gregory P. Jacobson, Co-Chief Executive Officer



Richard L. Jacobson, Co-Chief Executive Officer

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SUCCESSFUL TALENT STRATEGIES ARE FUTURE FOCUSED.

The industry's pace of change has accelerated, impacting business priorities and talent needs. Roles and responsibilities are continuing to evolve, as insurers work to meet new customer expectations and adapt to internal and external shifts. Insurers must lean into these changes and approach their talent strategies through a future-focused lens.

Rather than considering what has worked in the past, it's becoming necessary to recruit and develop talent based on how leaders aspire for their organizations to progress in the coming years. This includes recruiting for transferable skills over specific experience and investing in employee development. Individuals with strong leadership skills, a growth mindset and emotional intelligence are able to navigate new scenarios and embrace change. Now is the time to grow these qualities within current employees, while hiring individuals with these strengths into the organization.



“Your current employees are other companies’ candidates, so deepening their connections to your department, their colleagues and you as a leader is critical as we go into 2023. One of the biggest challenges is retaining employees who want even more responsibilities and growth. In the virtual environment, companies have access to a worldwide candidate pool. We need to challenge, appreciate and value each and every person within the organization to earn their loyalty.”

- Judy Busby, Senior Vice President of Executive Search and Corporate Strategy

CEOs RESPOND TO CHANGING ECONOMY.

Insurance CEOs are contemplating various changes in the event the labor market swings back into the employer's favor. Numerous situations are possible as we enter a potentially tumultuous year and leaders respond to shifting economic conditions. For instance, some CEOs are considering having employees return to the office full time. Some are discussing rolling back merit increase percentages or even reducing staff.


However, many companies have struggled to meet their hiring goals in the past few years due to the lack of available talent. With a low industry unemployment rate and a high number of open finance and insurance roles, leaders will need to thoughtfully decide how to approach a possible recession. These decisions will not only impact how a company performs during a slowdown, but for years after recovery begins.

A recent [KPMG study](#) found 91% of leaders of large U.S. companies predict a recession in the next year, with just 34% believing it will be short.

THE NEED FOR UPSKILLING AND RESKILLING IS EMPHASIZED.

Business priorities are shifting and more repetitive tasks are being delegated to automation. As a result, many employees will have the bandwidth to leverage their skills in new ways and help support emerging needs. It's estimated reskilling will be required for half of employees around the world by 2025, according to the latest World Economic Forum [Future of Jobs Report](#).

Insurers must be strategic in understanding how individuals can expand and refine their skillsets to best support the organization's goals. Creatively utilizing talent and considering lateral and interdepartmental moves can help ensure employees remain relevant, are equipped to meet evolving demands, and continue to contribute to the organization's greater goals.



"Focusing on future needs is what will make insurers successful in 2023. It's imperative to look at current staff and determine how they can be upskilled or reskilled to meet pending needs, leveraging their innate talents and skillsets."

- Alicia Morris, Vice President of Temporary Staffing

INDUSTRY REACTS TO PAY TRANSPARENCY MANDATES.

In 2019, Colorado passed a law requiring companies to include salary ranges within their job postings. This past November, New York City also adopted this requirement. While some other states have various forms of salary transparency laws in place, California, Washington and New York will start requiring salary ranges to be shared in 2023. At the start of the year, [20% of all U.S. workers](#) will be covered under pay transparency laws requiring upfront salary disclosure, and it's likely this number will grow as more states follow suit.

This is a positive step to close the gender pay gap and reduce bias. However, insurers will need to take a fresh look at how they are approaching compensation, while also addressing the impact these laws will have on current employees. Insurers across all states must be more objective in how salaries are determined, clearly articulating these calculations and accounting for any discrepancies.


“The employment relationship is drastically different today than it was in past years. Post pandemic, people are demanding flexible work locations, flexible hours and higher salaries. They can — and do — shop around for organizations that can meet these demands. Opportunities are in abundance.”

*- JoJo Harris, Senior Vice President of
Human Resources*

VIRTUAL HIRING IS EMBRACED LONG TERM.

Remote recruiting and virtual interviews are here to stay, even as some organizations move their teams back into physical office locations. Candidates have become comfortable holding meetings through screens and enjoy the ease and flexibility virtual interviewing provides. As a result, many may turn down opportunities that overly infringe on their time and schedules.

Organizations have much to gain by embracing virtual hiring long term, such as expanded talent pools and the opportunity to interview individuals across geographic locations. This also eliminates travel expenses and provides the ability to move through the interview process at an accelerated pace. Becoming comfortable conducting effective interviews and making confident hiring decisions without meeting an individual in person will remain an expectation in 2023.



"Three years ago, many hiring managers couldn't have imagined making an offer to someone they hadn't met in person or condensing their interview processes. However, as we move into 2023, the most competitive employers will focus not on reverting back to more traditional hiring methods, but on excelling within the new virtual landscape."

- Beth Roekle, Executive Vice President, Temporary Staffing



Only a quarter of C-suite leaders are women, and only 5% are women of color, according to the [2022 Women in the Workplace report](#).

DEIB STRATEGIES ARE NO LONGER OPTIONAL.

DEI has been at the forefront of talent discussions for several years. However, according to a report from the [U.S. House Committee on Financial Services](#), the largest U.S. insurers have had little change in racial, ethnic and gender representation among employees between 2017 and 2021. The lack of diversity continues to be increasingly prevalent moving up the organizational ranks.

Identifying how to best support and sponsor diverse groups of individuals and providing equitable opportunities to move into leadership positions should be a top goal for insurers. Organizations are now also focusing on belonging – the positive relationships that emerge from equity and inclusion – to help individuals feel accepted and valued for contributing as their authentic selves. While insurers understand the importance of diversity within their workforce, making DEIB a business priority and weaving it into the company's guiding values is required for true progress.

BROAD AND COMPREHENSIVE SUCCESSION PLANNING BECOME MORE IMPORTANT THAN EVER.

Average monthly voluntary quits for the finance and insurance industry were at their highest level on record in 2022, according to data from the Bureau of Labor Statistics. In today's market, tenures are shorter, qualified talent is in high demand and many individuals are reaching retirement. Creating a bench of talent ready to step into key roles is essential and helps limit disruption in the event of a vacancy – whether planned or unplanned.

As industrywide reshuffling persists, it's important to define who could step into a role and the development and training they would need to be set up for success. Identify employees' career aspirations and ensure your succession plans are in alignment. By looking beyond C-level and senior management positions, organizations can create comprehensive succession plans that take a broad look at the organization and extend to middle management and individual contributor roles.

According to our 2022 Insurance Industry Succession Planning Study, 56% of carriers rate their company's overall succession planning as typical, with 21% rating it below average or poor.



ABOUT US

The Jacobson Group is the leading provider of talent to the insurance industry. For more than 50 years, Jacobson has been connecting organizations with insurance professionals at all levels across all industry verticals. We provide an array of services including executive search, professional recruiting, temporary staffing and subject matter experts. Regardless of the need or situation, Jacobson is the insurance talent solution.

EXECUTIVE SEARCH



Jacobson provides executive search and selection consulting for insurance leadership positions in all disciplines. We offer a highly-methodical, performance-driven approach and a network of marketplace relationships necessary for a successful executive search.

PROFESSIONAL RECRUITING



Jacobson provides professional recruiting services for a wide range of insurance positions on a direct-hire basis. Our solution is designed to source, recruit, screen and present insurance candidates, who closely align with client requirements.

TEMPORARY STAFFING



Jacobson offers temporary support for virtually any staffing need across all functional areas and for all levels. Additionally, we provide access to insurance-specific subject matter experts with the expertise to address consulting-level, business-critical needs.



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FOR MORE INFORMATION, CONTACT:

The Jacobson Group

+1 (800) 466-1578

jacobsononline.com

