

# Relevant Recruitment

IN LIGHT OF THE CURRENT AND IMPENDING INSURANCE INDUSTRY TALENT GAP, IT'S BECOME IMPERATIVE THAT COMPANIES SHOW MILLENNIALS JUST HOW MUCH THEIR CAREER DESIRES AND THE MUTUAL INDUSTRY'S STORY MATCH ONE ANOTHER.

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You've no doubt heard the expression "possession is nine-tenths of the law." It means that ownership is easier to maintain if one has possession of something and difficult to enforce if one does not.

For the insurance industry, a slight modification to that old adage may be in order. When it comes to the looming professional talent gap, a more appropriate saying may be "perception is nine-tenths of the problem."

The unfortunate reality is that despite the many diverse career opportunities that exist within the insurance industry, the nagging perception of insurance as boring and conservative is making it difficult for insurance companies to attract the next generation of professional talent.

## [Is There Really a Talent Gap?](#)

The answer is yes, with some sobering facts as evidence.

The U.S. Bureau of Labor Statistics reports current insurance industry employment stands at 2.5 million workers. The number of insurance professionals age 55 and older has increased 74 percent in the past 10 years. And with 25 percent of industry employees nearing retirement by 2018, it is expected that nearly 400,000 insurance jobs will need to be filled by 2020.

Right now, only 27 percent of insurance professionals are under the age of 35. The industry's future lies with the millennial generation – those born from around 1980 to the early 2000s – but current statistics show the industry lagging in attracting that group. According to the Insurance Information Institute, eight out of 10 millennials are unfamiliar with insurance industry career opportunities. Among those students who show interest, a recent study out of the University of Hawaii reports that graduates of existing risk management and insurance programs will meet only 10 percent to 15 percent of the current industry needs.

Clearly, there is much work to be done to overcome some significant challenges. But there is some promise.

## The Education Challenge

First, the bad news. As already pointed out, insurance is not perceived as among the most exciting careers option. Much of that perception, however, is because of a lack of awareness about the diversity of opportunities available within the industry. The fact is the insurance industry has a great story to tell. The trick is telling that story effectively. That means first getting the attention of the younger generation and then telling them insurance's story in a way that appeals to them.

Now for the good news. There are some important positives for insurance companies.

- Insurance is a stable industry. The insurance industry unemployment rate of 2.4 percent is well below the most recently reported national average of 4.7 percent.
- Even in the worst economic times, individuals and businesses will always need insurance.
- According to the I.I.I., more than 60 percent of millennials are interested in a job that involves analyzing risk and recommending solutions, which are key aspects of insurance.

Add to these the fact that 50 percent of millennials want a stable job and more than two-thirds want to make a difference. A career in insurance makes for a perfect match.

Professor Mark Browne, Ph.D., Robert Clemens distinguished chair in the School of Risk Management at the Peter J. Tobin College of Business at St. John's University, echoes that sentiment.

"A lot of young people do want to be involved in work that makes a difference," Browne says. "And as you and I know, when bad things happen the insurance industry steps up."

The key is convincing young people of the match. Professor Robert Hoyt, Ph.D., head of the risk management and insurance program in the Terry College of Business at the University of Georgia says at schools like his, which has a robust and well-known insurance program, overcoming negative perceptions and getting students' attention is not a problem. It's the schools without insurance programs that present bigger concerns.

"On a lot of campuses there's not even a basic entry-level course," Hoyt says, "so you're trying to communicate about an industry where people don't even really have a basic understanding about it. Then the problem is that the stereotypes kick in, like for insurance, where kids think that it's not very exciting and that it's just a lot of sales."

### Advice from Educators

**"An awful lot of companies, regardless of size, have people who are interested in giving back. And, for some, that involves getting involved with the university program. I would encourage companies to create a culture where people want to give back. The natural drive then for people is to want to give back to the profession that worked for them."**

*Professor Mark Browne, Ph.D.  
St. John's University School  
of Risk Management*



"What people don't always appreciate is that by and large most of those are very technically significant positions, too," Hoyt continues. "You've got to understand a lot about operating businesses, managing risks, and technical insurance things to be successful even in those sales-oriented positions. Once students learn that, they're likely to say, 'Oh, wow, that's pretty cool.'"

Hoyt believes the insurance industry needs to consider ways it can help grow the educational opportunities for students. "You need an audience that's going to listen to you for more than a couple of minutes to really have an impact," he says. "Expanding the base of education at colleges around risk management and insurance would be the absolute best thing to support."

Growing that education base is critical, but so is communicating with millennials from a perspective to which they can relate. That means focusing on the future and not on the past. Joan Schmit, distinguished chair in risk management and insurance at the University of Wisconsin School of Business, offers this

advice to insurers.

"I asked for input on this topic from one of our new lecturers. He recently completed his MBA, holds a law degree, and has significant work experience, giving him useful perspective,"





### My Path

[insuremypath.org](http://insuremypath.org)

A program dedicated to educating students and young professionals about the insurance industry as well as the limitless career opportunities it has to offer. MyPath was created as a marketplace of information, providing educational information about the insurance industry and connecting students to insurance internships.

### Insurance Careers Trifecta

[insurancecareerstrifecta.com](http://insurancecareerstrifecta.com)

A cross-industry, multi-phased initiative designed to raise awareness for career opportunities in the risk management and insurance professions as well as recruiting the next generation of industry leaders.

### Gamma Iota Sigma

[gammaiotasigma.org](http://gammaiotasigma.org)

The international risk management, insurance, and actuarial science collegiate fraternity promoting, encouraging, and sustaining student interest in insurance, risk management, and actuarial science as professions.

### InVEST Program

[investprogram.org](http://investprogram.org)

A school-to-work insurance program that teams with high school and college educators to provide a useful insurance curriculum for students.

## Industry-Wide Initiatives

Schmit says. "He commented that the common approach by insurers to use their length in business as a selling point may actually have the opposite effect. Students often perceive duration in business as lacking innovation.

"He recommended that insurers demonstrate to students what their entire careers will be, that the first job is not the only position," she continues. "He thinks that the industry is fascinating and has numerous fields. As individuals develop, they can move from place to place."

### Recruiting the Next Generation

Having a good story to tell is critical to attracting new talent. But equally important is having a plan for how to make a meaningful connection with prospective talent. Insurers across the United States increasingly identify recruiting as a significant part of their long-term strategic planning. One such company is **Indiana Farmers Mutual Insurance Company**. **Kim Smith**, the company's president and CEO, says her company has seen a decrease in the available talent the last several years. That fact – that incoming talent is not keeping pace with retiring talent – is particularly alarming to Smith.

"The statistics that I see, which forecast the number of boomer retirements from our industry over the next two plus years are staggering," Smith says. "Plus, many of those who will transition out of our organization are our top leaders, those who are seasoned and possess a great deal of institutional knowledge and industry expertise."

Smith says Indiana Farmers is responding to the need to fill those positions in part by trying to better understand what the next generation of associates wants and values in the workplace. "We know first-hand that they want opportunity, flexibility, community and social engagement, and a 'purpose.' We are trying to be responsive," she says. "It isn't that difficult. In fact, most of what these folks want are the same things we all want."

### Advice from Educators

"The key is to reach out to local colleges and universities and offer to come speak to a class or participate in a program on campus to provide support to the students. Often, what they're able to gain from that is enriching for the professionals that participate, but they also, by virtue of representing their company, will help expand the attention that students on that campus are going to have."

*Professor Robert Hoyt, Ph.D.  
University of Georgia  
Risk Management and  
Insurance Program*



Several new initiatives are under way at **Indiana Farmers** that Smith says are specifically designed to identify and bring in new talent. They include an internship program with a multi-faceted approach that includes a strategy that provides internships in partnership with independent agents; stronger relationships with universities through greater on-campus participation; a new corporate social responsibility program; and an internal training and development program focused on developing new leaders from within the company.

**PEMCO Insurance Companies** is taking a similarly aggressive and innovative approach for its recruiting strategy. **Mari Anderson**, PEMCO's vice president of people and customer service, says her company is working diligently to attract new talent. One thing she's discovered is that new hires of any age or experience level want to make an impact right away.

"In previous years, you may have had to 'earn your keep' by being there five years, ten years, or whatever that magical number was to get the really impactful projects," Anderson says. "Today, they want to be able to come in and work day one on key projects toward impact."

Anderson acknowledges that this desire for immediate impact has created some cultural challenges for the company.

“But how do you pull that impact early when employers really don’t know how long people will be with us? I often refer to it as moving a boat,” she says. “We’re moving a boat toward that agility, that flexibility to be able to anticipate and adapt to the needs of our talented people and our competitive strategies.

“It’s not standard in a lot of traditional industries, or a lot of corporations, to be that agile in talent management,” she continues. “But that’s the way of the world now, and that’s the way of the employment world, especially in our market.”

Connecting with students can take many forms, from social media outreach to industry events to guest lectures and scholarship programs, but professional educators agree that it’s the high-touch activities that remain the most effective.

“It’s the interpersonal contact and the ability to talk to people that influence students more than social media, although social media certainly has its role in raising awareness,” Browne states.

For that reason, career fairs and internships remain at the top of the list for effective recruiting strategies. Anderson says PEMCO has a robust engagement program with local colleges and universities, but it has changed its philosophy on internships in recent years to meet students’ changing expectations. PEMCO’s emphasis is no longer just exposing students to the organization, it’s more on demonstrating to them how they can make an impact.

“Today, exposure is a baseline,” Anderson says. “We want you to be able to impact us during your time here and you to be impacted as well, so you can see what you could be able to achieve. We keep in contact in hopes of bringing students back for multi-year internships.

“We try to recruit them for longer-term positions after graduation,” she continues. “We also are connecting with them to influence incoming interns as referrals. Our past interns help cultivate and encourage new interns to choose us as an opportunity.”

Regardless of company size, the internship remains one of the most effective tools. For companies with internship programs, Schmit encourages them to take full advantage of the opportunities with local educators. For companies that don’t already have a program, she strongly recommends they put one in place.

“If there’s one thing I would really suggest, it is that companies go to their local universities or colleges and try to get together an internship program,” she says. “Even if the college doesn’t have risk management or insurance programs, they probably have finance. They can get some of those students to have internships with them.”

## Hope for the Future

With 2020 looming and the growing demand for young insurance professionals not abating anytime soon, there is no time for companies to waste in defining or refining the approach to talent recruitment. That said, the growing awareness of the issue and the increasing strategic focus on the problems by companies of all sizes give educators and employers hope for the future.

Indiana Farmers’ Smith sums it up this way: “This talent gap is real and is certainly a challenge, but it is also an opportunity, which I am confident we can seize upon. As an industry, we must work together to help job seekers know and understand us better. We have a great story to tell. Collectively, we just need to tell it and tell it more often with more effectiveness and with greater passion.”

# Social Media’s Role in Closing the Gap

## Social Media vs. Traditional Channels

“Most of what would perhaps be viewed as the more traditional channels of recruitment still seem to be very important. Where some of our students have gotten their best opportunities — they came to our career fairs, got an internship, and worked with that company. Maybe they got a permanent offer from that same company or they had a strong internship that gave them a good platform that then helped them secure a job.

“Is technology becoming an increasingly important means of supporting those more traditional channels? Absolutely. But there still aren’t many students that I can think of from our university who are really securing jobs purely through applying on a web portal.

“We don’t discourage students from using every channel possible and networking with people they’ve met at industry events. We’ve increasingly seen students participating in industry conferences, and that’s been a great development. It helps students gain a deeper understanding of the business, but it also serves as a tremendous networking tool.”

*Professor Robert Hoyt, Ph.D., University of Georgia Risk Management and Insurance Program*