

Swimming in the Shallow End

>>BY SARA PEREIRA

RECRUITING TOP TALENT FOR BROKERAGES DURING AN ECONOMIC RECOVERY PRESENTS SPECIAL CHALLENGES

A slight upturn in the state of the Canadian and US economies

has meant a return towards normalcy and an improvement in conditions and operations for most businesses. Unfortunately, this improvement is countered by an increase in the difficulties associated with attracting and retaining employees. For the insurance industry and brokers in particular, the pain of the shift is especially heightened due to industry-specific challenges around human resources. The industry as a whole must adapt recruiting practices to the shifting economic times.

The economic downturn resulted in a sluggish job market where the talent pool was deep, applications were collected in abundance and candidates were often over-qualified. This arguably made hiring easier and retaining employees as simple as doling out a regular paycheque. An improvement in the markets, however, creates additional opportunity and options for existing and potential employees, forcing brokers into the task of adjusting hiring

practices fast enough to attract and retain talent. The talent pool is quickly becoming shallow, leaving firms to essentially bid on qualified candidates with multiple offers.

With the average age of an insurance industry professional estimated to be around 54, the availability of young, accredited

community due to the lack of candidates. Although the industry has taken steps to address the issue (e.g. campus job fairs, advertisements, sponsorships, etc.), insurance firms and brokers can certainly do more to improve the state of their recruitment and retention tactics.

“There seems to remain a belief that the talent pool is deep today, when in reality it is actually quickly getting shallow. The insurance industry as a whole, including brokers, must learn how to swim in these changing waters,” explains Tom Rivers, insurance recruitment expert at Summit Search Group in Vancouver. “Think real estate—attractive homes (qualified candidates) receive multiple offers in a strong market, so offers that either take too long or bid too low simply lose out.”

In addition to dwindling talent pools, insurance brokers have also come up against additional challenges when it comes to hiring. Clive Bird of Axis Insurance Managers points to the broad range of skills necessary to



individuals has become a key issue. Insurance is not positioned as a top-of-mind career option for recent grads and many do not discover the option or potential until later in life. With this shortage of young staff, talent is often “robbed” within the insurance

succeed in the industry as one such challenge.

“Apart from there being an absolute necessity to have good organizational skills and habits, it is a highly technical profession. We do not have pure sales staff; in our company, sales are driven by account executives. It is this combination of sales ability, technical strength and great organizational skills which poses a challenge to find the right candidate.”

The challenge of finding younger candidates who possess such a varied skill set means that brokers not only have to move faster during the hiring process, but must also dig deeper to find the ideal blend of skill and experience among a relatively inexperienced demographic.

Based on the strengthening markets and insurance-specific challenges for HR, there is much that can be done within the industry to improve hiring and recruiting practices. Both small and subtle changes as well as

foundational shifts will help to boost attraction and retention of new and top employees, particularly within the younger demographic so critical to long-term success.

Move faster

Companies with hiring and interview processes that move at glacial speed simply lose out on talent. To attract talent, companies need to quickly adapt their hiring practices to each shift in the economy. Rivers suggests that “companies need to start by picking up the pace. A younger talent pool is keen on landing their next job as quickly and easily as possible. Having to wait days to hear from a firm after an interview, or receive an official offer, provides opportunity for a competitor to scoop a candidate and in general just turns the candidate off.”

Creating a system for the hiring process, complete with tight timelines and prepared offers or employment packages provides the best blueprint

for success. “Because I often manage the timelines of the hiring process by buffering and coordinating between firm and candidate, I can confirm that timing often determines the overall outcome. It also goes a long way in establishing reputation and legitimacy of a firm.”

Perfect your company ‘pitch’

Hitting the market with a strong description and overall air of confidence as a firm will help to solidify outsider uptake and confidence in the business. Representing the company with an enthusiasm that will make a potential candidate want to work there can be extended into all forms of communication, whether directly to the candidate in an interview, on the corporate website, at a job fair or integrated into emails and promotional materials. Affirmation of positivity within a firm will undoubtedly resonate outwards.

It is also noteworthy to consider the

A Closer Look

TOM RIVERS ON THE LINK BETWEEN RECRUITING AND BRAND

I have been in the insurance industry for over 30 years. In my recruiting practice for insurance with Summit Search Group BC, I see the same scenario played out over and over and the results are continually disappointing.

Brokers contact me with urgency to post and fill a job and notice is immediately sent out. Interested and qualified candidates respond immediately. Sometimes, this is where things go awry. Resumés stack and sit, and no further action is taken. Other times, extensive interviews are conducted and I work with

candidates to prepare them, I share in their excitement and motivation and I confirm interest with the client. Then, following interviews, the stall occurs. No phone calls, no emails, no confirmation and no activity. This is when the competition swoops in and the candidate makes the move to another company. It is also the point at which the candidate sours on that broker’s brand and is left disappointed and doubtful of their capabilities and reliability as a company. The risk of this type of behaviour is just too high, I tell my clients. They need to be serious about not just hiring, or

the need to fill a spot, but the hiring process as well.

I serve as the gasoline needed to push things along and ensure no stalls in the hiring process. My tips on doing this can be easily adapted for use in any company and include:

1. **Highlight** those candidates that should be carefully considered to make the evaluation process that much easier.
2. **Assign** timelines to the hiring process.
3. **Work** to understand the candidate motivation so that this can be communicated to management.
4. **Understand** the firm’s



Tom Rivers is an insurance recruitment expert at Summit Search Group

motivation in hiring, beyond just the need to fill a position. This helps to narrow down the search.

5. **Ensure** follow-ups are done before and during the hiring process, but also after; to both placed candidates and those that were not selected. It is a great way to ensure that the brand impression of a company is kept intact, regardless of job outcome.

nature and overall perception of insurance, when considering how to present your firm, suggests James R. Clay, president and CEO of J.T. Insurance Services (Canada), Inc. “Insurance is not a ‘sexy’ business and many of us did not start in the industry. Planes don’t fly, ships don’t sail and buildings don’t get built without insurance. It is the oxygen of commerce and industry and we must do a better job marketing the importance to the public and ultimately our talent pool.”

Offer an attractive package

Candidates have the ability to shop around in a strong market, so standards in terms of pay and benefits need to be raised. The exact components of an offer, however, can be as creative or flexible as desired.

“We entice junior people by giving them the opportunity to work closely with seasoned and highly productive executives to garner experience and

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accelerate skill building in insurance knowledge and the industry,” explains Bird.

“We have a clear entrepreneurial bent and we offer partnership opportunities to senior insurance professionals. This is not appealing to everyone, some people prefer to be sheltered by the company they work for rather than take on more responsibility for their own business opportunities for possibly bigger rewards. Our compensation structure tends to tie in with the individual’s goals and achievement aligned with our entrepreneurial spirit.”

Keep an open mind when it comes to what might appeal to each potential candidate and remain flexible in

possibly offering them package options specifically suited to their needs. This personalized approach will not go unnoticed.

Identify your ‘ideal’ candidate

It is imperative that brokers are able to immediately identify the qualities of a good candidate and present them with a suitable offer quickly, warranting an additional look at what some of these key qualities indeed are.

Rivers agrees that “having a solid grasp on what to look for in a new hire can mean the difference between securing a hire and losing them to a competitor. If they possess the right stuff, brokers need to be on the ball in

acknowledging this.”

He adds, “working for 30 years in insurance and insurance recruitment has sharpened my senses to an amazing candidate and we consider that a major advantage in our ability to place and ensure the correct hire with Summit. An amazing candidate is a natural communicator, driven by sales but willing to pay attention to the finer details while accomplishing goals. These are core qualities that often cannot be taught.”

Likewise, Clay says “experience married with the technical expertise is what makes good brokers great. This is a challenge for our younger brokers and HR departments over the next few years as the current broker force nears retirement.”

A sense of ownership can also be noted as a critical key quality in potential employees. To a certain extent, brokers and insurance professionals must think and act like ‘owners’ when

it comes to their portfolio and the firm’s sales in general. Clay points out, “We look for employees that think like ‘owners’ and understand that as a sales organization we need to do what is necessary to win new clients and sometimes, more importantly, retain current ones.”

Prepare for the future

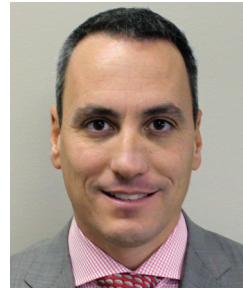
Consideration must be paid to a firm’s overall structure and future preparedness. Does your company have the right people in the right positions to ensure success in an up market? A careful look at overall staffing structure will help to identify potential issues and define how a firm will cope with issues such as succession planning and staff shortages. Contingencies in such cases can

be built around operational and staff structures that encourage team work and cooperation, meaning that when one person steps out, their work can be picked up or shared by others easily.

The upturn in the economy has shed light on, and in some cases exacerbated, issues around attracting and retaining employees in insurance. But with attention to key hiring practices, brokers can ensure that they are equipped to ride the waves of the market and guarantee success in attracting young talent.

The HR scene is proving to be tumultuous and competitive, so taking heed and taking action in making changes to recruitment is a must. ■

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James R. Clay is president and CEO of J.T. Insurance Services (Canada) Inc.