

# Recruitment revisited

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At the dawn of a new decade, the entire re/insurance industry needs to look sharp to avoid a potential talent crisis. As a generation of industry leaders that have shaped the market approach to retirement, there is much to gain by casting the hiring net outside of replacements already entrenched in the business of re/insurance.

“Unless re/insurance experience is a prerequisite to the job, then we should definitely consider those outside of the industry,” says Josh Brekenfeld, Director of Global Corporate Development at Aspen. “This will widen the talent pool, helping to create a more diverse workforce, and bring fresh and innovative ideas to our industry that otherwise may not have been considered.”

Now more than ever the insurance industry is creating roles in which an insurance background is not necessarily advantageous, says Amanda Seidler, Senior Vice President and Global Head of Talent at AXIS Capital.

“Broadly speaking, the entire labour model is shifting from experience-based expertise to transferable skills because of market changes, shifts to cross-functional methods of working, and increasing focus on and use of data,” says Seidler.

She lists newly created roles in data science, engineering, product development and business development as examples where candidates from outside the industry have performed well.

“In the future, as cross-specialists are developed and as data and machine-centric intelligence augment and complement our experts, we expect to see increasingly democratised talent models,” she adds.

At Lloyd’s, where personal relationships are paramount, the advantages of a broader approach to recruitment are possibly most pronounced.

With its goals expressed in Blueprint One to transform how business is done at Lloyd’s, with a focus on efficiency and digitalisation, looking outside the industry might even be a recommended route for certain roles.

“As the [Lloyd’s] market begins to embrace technology, it needs technological natives,” says Peter Clarke, Founder and Managing Director of insurance networking platform provider Insurcore. “The industry will require decision-makers who understand the technological landscape, what is already there and what is on the horizon. As well as those with the expertise to implement and utilise this technology, we need round pegs for round holes.”

## **More ‘lateral thinking’ required**

**There is a perception that for too long, the incumbents have recruited from within the same pool of talent. Amit Ranjan, Executive Vice President of Global Insurance Services for consulting and tech firm Xceedance, who believes the industry has been too narrow in its target groups for hiring.**

**This, he says, is partly exacerbated by geographic and regional considerations in addition to traditional skill sets.**

**“Insurance organisations, as well as providers in the industry, often look to hire for specific functions within the insurance life cycle and expect applicants to have, for example, a combination of advanced domain knowledge, technical expertise and line of business experience,” says Ranjan. “However, if the insurance-focussed talent-acquisition strategy can be more flexible and expansive – and complementary, synergistic roles are re-imagined and created to fulfil business requirements – the industry can alleviate some of its talent-shortage challenges.”**

Start-ups and tech firms trying to disrupt the industry are increasingly leading the charge to introduce new ways of thinking to the incumbents.

“Recruiting from a narrow pool of people who look the same and come from similar backgrounds can stifle innovation and lead to groupthink,” says Sofie Quidenus-Wahlforss, CEO of claims InsurTech Omni:us. “By widening the net to recruit people from more diverse backgrounds, the insurance industry will undoubtedly benefit from fresher thinking.”

But for the established firms, particularly those in specialised markets like Lloyd's, to be successful they have to retain crucial inside industry knowledge and relationships while preparing for fast-approaching changes on the horizon.

The obvious challenge that comes with hiring candidates from outside the industry to help navigate through market changes is the lack of experience and relationships. Seidler says this does often make industry outsiders unsuitable for specialised roles like underwriters and actuaries.

Lorraine Denny, Chief Engagement Officer at Brit, agrees, adding that the need for individuals with a specific expertise will always inform hiring. Nevertheless, there are certain areas of insurance she thinks could play well to the strengths of outsiders.

"There should be no 'absolutes' but generally roles which are more focussed on strategy or innovation are particularly well-suited to those with broad experience beyond just insurance," Denny says. "Ultimately, anything that can benefit from new ideas or ways of working can see value from welcoming outside perspectives."

Seidler says talent from areas including fintech, healthtech, cybersecurity, renewable energy and intangible assets should be among those particularly targeted for what they can bring to the re/insurance industry.

But whether the decision is to opt for someone from inside or outside the industry for a given role, Vivian Leinster, Chief People Officer at MS Amlin, says businesses must remain strategic and unbiased when making appointment decisions, and select candidates on merit, skill and ability.

"The Lloyd's market is full of talented, young professionals with the qualities and capabilities needed to take on senior leadership positions, and they should not be dismissed," says Leinster. "However, there are also many talented professionals from outside the industry that can bring a fresh perspective and different approach to a role that could prove invaluable."

Leinster says while there is great need for fresh thinking in the market, there is currently a reluctance to approve people without specific industry experience in key roles. "More lateral thinking is needed from regulators on how outside industry experience can be applied and prove beneficial to the re/insurance industry," she adds.

Concerns around lack of insurance experience can be overcome by strong training programmes for industry outsiders, says Seidler.

However, she adds, these programmes must be carefully crafted to retain the benefits that outsider thinking can bring to the industry: "When onboarding talented people without industry expertise, we have to balance teaching technical aspects without engraining them in the same-old-methods they could help us address differently."

### **Effective onboarding critical**

Tony Cicio is a Senior Vice President and Chief Human Resources Officer at Argo Group. He came from outside the insurance industry, having worked for Samsung and Danone, and believes having diversity of thought among key leaders is paramount.

"One way to disrupt the typical way of thinking is to bring in talent from outside the industry to challenge the status quo and support more innovative ways of thinking," he says.

Cicio believes industry outsiders add value to digital and IT transformation, cyber security, emerging risk management, talent management and change management, but says the onboarding process has to be managed very carefully.

"The key stakeholders, peers and external partners need to have the openness and commitment to an inclusive work environment to allow the whole team to be successful," he notes. "It is more significant of a challenge than most would consider, and needs to be managed with a proper onboarding programme and periodic team reviews."

The challenge is described by Cicio as a diversity & inclusion issue.

"A more diverse group would yield more innovative solutions," he adds. "I have experience with disruptors of the cultural norm bringing significant value and direct business impact, so I suggest it's important to challenge the reason for not hiring someone because they do not 'fit our culture'."

Leinster concurs, adding that research proves the most successful companies have greater diversity in their leadership teams and throughout their organisations.

She says while subject matter expertise is required, lack of familiarity with re/insurance intricacies should not rule candidates out of top jobs.

“Leadership is about more than just understanding the technical aspects of our industry,” says Leinster. “General management and, in particular, people and cultural management, is the differentiator for good versus great leaders.”

#### **What’s next?**

Aspen is piloting a programme of bringing local school talent into its offices and is creating a talent pipeline involving the armed services. Brit, meanwhile, is working closely with recruiters to ensure a broader set of candidates for roles. MS Amlin says it has “overhauled its recruitment practices” to focus on competency-based interviews that consider values and behaviours in addition to technical expertise.

With the spotlight on Lloyd’s to improve its record on diversity & inclusion, the actions could represent a fantastic opportunity to welcome new talent into the market at a time when it needs it most.

Today Leinster says there is now greater emphasis on offering apprenticeships or programmes supporting and encouraging young people from more disadvantaged backgrounds and different communities to enter the market, as well as businesses putting more resources into recruiting mid-level executives from vertical industries.

But she adds that progress is still slow, and there is more to be done in broadening recruitment channels to ensure that no talented professionals fall through the cracks.

“Demographics of the industry indicate that the average age of those working at Lloyd’s is getting older, not younger,” she says. “As a result, we are likely to see many of our longtime market professionals retiring over the next five to 10 years. Attracting and retaining talent has thus never been more important to protecting the future success and viability of the market.”