

What the Insurance Workforce Wants

September 2021

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In a global survey, employees in the industry shared their attitudes regarding remote work, workplace values, automation, and learning

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What the Insurance Workforce Wants

This article is part of BCG's [Decoding Global Talent series](#), which investigates how work gets done around the world to uncover long-term workforce trends.

The global insurance industry coped with the COVID-19 pandemic relatively well compared with other industries. Fewer jobs were lost, and people moved quickly to remote work. At the same time, megatrends reshaping the industry didn't let up. In fact, the crisis accelerated insurers' transition to digital and automation, which is transforming the nature of work and how it's done.

For insurance talent, changing times have solidified the value of flexibility and of good relationships with coworkers and supervisors. This is among the findings of a survey of 3,000 respondents in the industry conducted by Boston Consulting Group and The Network, a global alliance of recruitment websites, in October and November of 2020. (See [Exhibit 1](#) and the sidebar, "[Methodology](#).") Changing times have also elevated the importance of newer workplace values, such as diversity and inclusion and environmental consciousness. At the same time, steps that insurers are taking to modernize are stoking people's fears that their jobs could become obsolete.

Insurers will continue to transform. To remain attractive as employers, companies must understand how talent in the industry imagines the future workplace and develop a thoughtful [talent strategy](#) to accommodate those expectations.

The Industry Rapidly Took to Remote Work

The shift to remote work and other changes that the insurance industry embraced during the COVID-19 crisis will persist. Even before the pandemic, companies had begun to [digitize](#) internal processes and [adopt new ways of working](#), such as agile, to become more productive and efficient and to satisfy B2B and B2C customers' desire to receive more personalized service and to do more business online. The crisis accelerated those changes, including where insurance employees do their work. Before the pandemic, 37% of insurance talent worked outside the office some or all of the time. By late 2020, that number more than doubled, to 75%, well above the 51% cross-industry average. (See [Exhibit 2](#).)

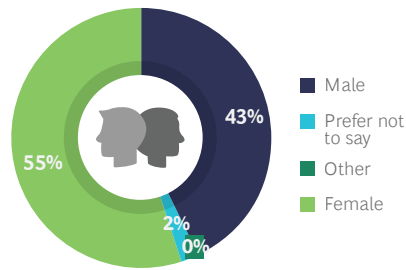
The nature of the insurance business, which primarily involves knowledge work, makes remote work more feasible than it is in industries such as manufacturing, retail, or hospitality, where a larger portion of the workforce has to be onsite. Truly agile insurance teams were especially successful with remote work during the pandemic, even though the usual practice is to locate such teams in a single office to boost collaboration and productivity. The product owner at one of our insurance company clients said the company never expected that its transition to remote work would be so smooth.

Exhibit 1 - Demographics of Insurance Industry Respondents

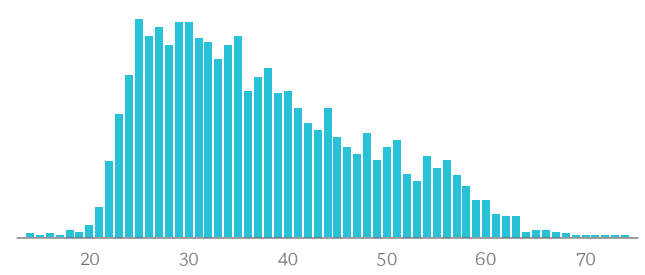
Workforce participants in insurance

2,933

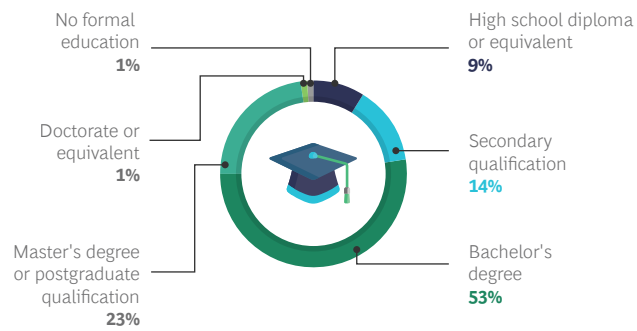
Gender



Age distribution

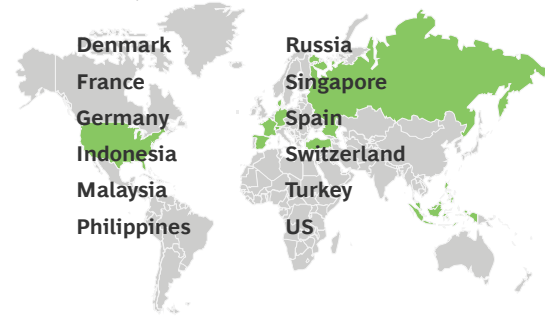


Education

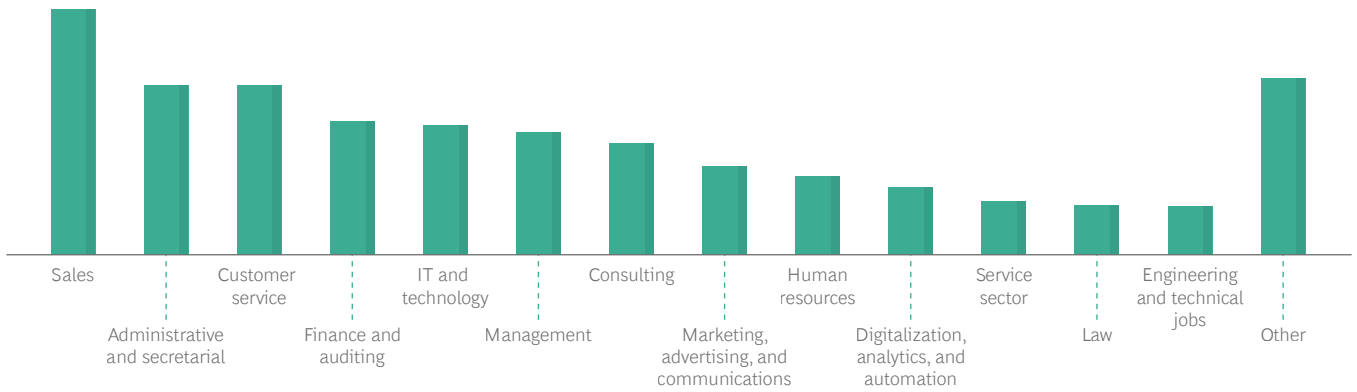


Regions

(100 or more respondents)

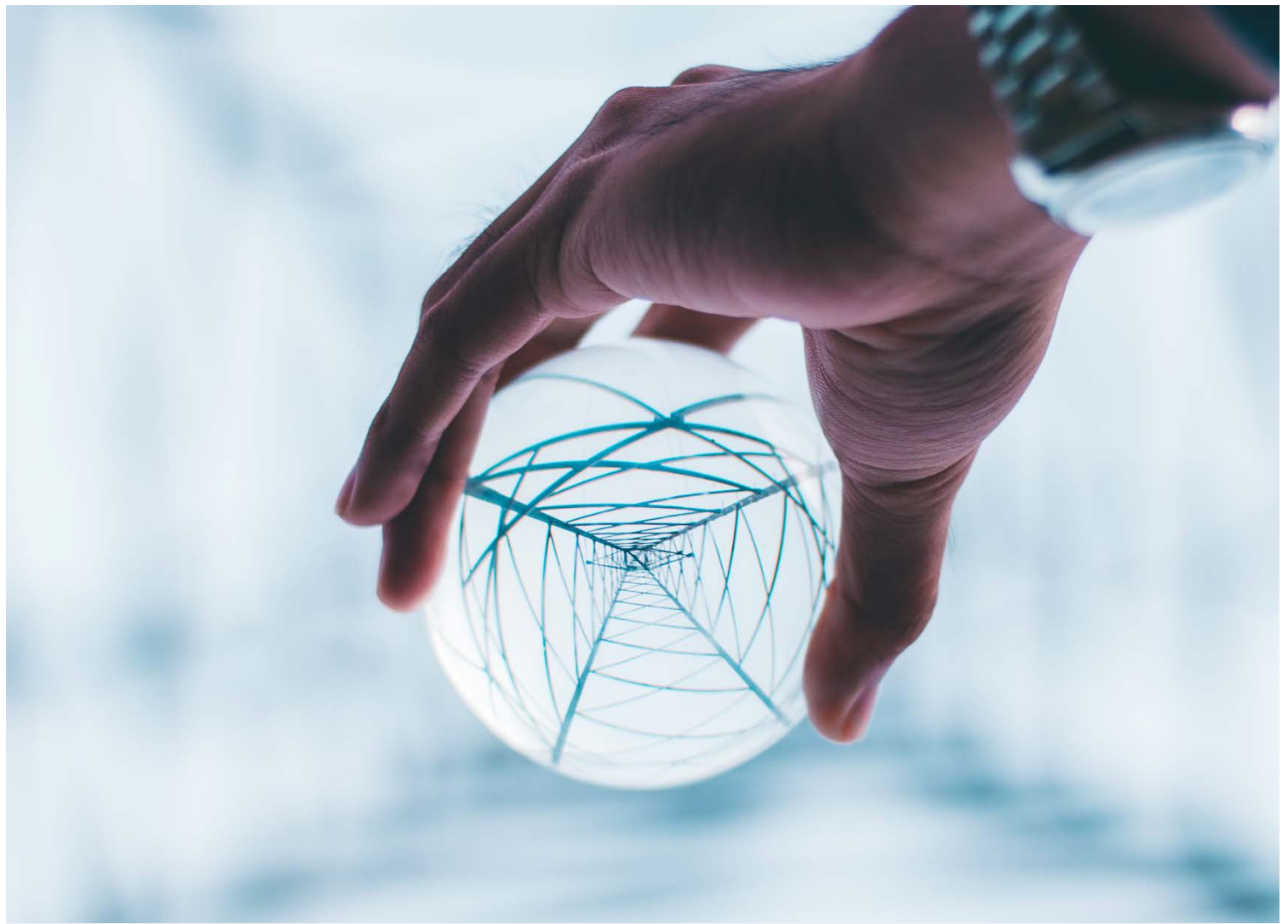


Job roles of currently employed respondents



Source: BCG/The Network proprietary web survey and analysis, 2020.

Note: Percentages do not add up to 100 because of rounding.



Methodology

BCG and The Network, together with its affiliate organizations, conducted the survey on which this report is based between October and November of 2020. All told, 208,807 people in 190 countries participated, of whom approximately 3,000 work in the insurance industry in a range of jobs. The insurance industry sample includes slightly more men than women. The majority are 20 to 40 years of age, and more than half have a bachelor's degree or above.

The 40-question survey elicited employees' attitudes on a variety of topics, including their willingness to work abroad, the countries other than their own in which they would most like to work, and the impact of COVID-19 on their

work preferences, employment, and willingness to learn new skills. The information gathered in the survey, including workers' nationalities and job roles, made it possible to analyze their preferences along a variety of dimensions. BCG also conducted follow-up Zoom interviews with select respondents around the world.

Survey results have been published in studies on how the pandemic has changed employees' preferences for physical and virtual mobility, how employees want to work, and employees' willingness to learn new skills or change careers to stay competitive.

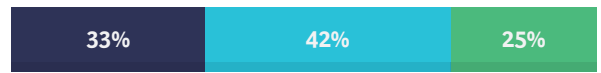
Exhibit 2 - Insurance Employees Shifted Rapidly to Remote Work

How people worked before the pandemic...



Cross-industry average

...and at the time of the survey (end of 2020)



■ Completely remote ■ Combination of remote and onsite ■ Completely onsite

Source: BCG/The Network proprietary web survey and analysis, 2020.

Changing Preferences About Where and When to Work

The change to remote work went so well in the insurance industry that almost all respondents to our survey—a full 94% around the world—said they would now prefer to work remotely some or all of the time. (See Exhibit 3.) That beats the 89% cross-industry average.

Given the option, 69% of insurance industry employees said they would prefer a hybrid work model that offers some combination of onsite and remote work. In addition, 25% would prefer to work remotely all the time, approximately on par with the 24% cross-industry average.

Insurers appear to be taking these preferences into consideration when planning their post-pandemic workplace strategies. In the US, Nationwide Mutual Insurance has instituted a hybrid work strategy that allows headquarters staff to work remotely either several days a week or every other week. The company closed some satellite offices and asked field services staff in those locations to work remotely. Other insurers are giving teams the authority to decide when members can work remotely and when they must come into the office.

As in other industries, insurance employees' desire for flexibility applies not just to where they work but also to when they work. The largest share of respondents to our survey, 45%, prefer some combination of fixed and flexible hours. Such a setup may require everyone on a team to work some of the same hours every day—from 10 a.m. to noon, for example—while allowing them to set the rest of their schedules themselves. Or they may have to work specific hours on specific days of the week, such as from 10 a.m. to noon, Monday through Thursday. Some employees—24% of respondents, slightly more than the global cross-industry average—also want complete control over when they work. Only 31% prefer a job with set hours, less than the 36% global average.

Flexibility in where and when work gets done doesn't just satisfy employee preferences. It also provides for a better balance between work and other aspects of life, such as family commitments, caregiving, or volunteering. The pandemic gave employees the freedom to fit work around their lives instead of the other way around, and they want it to stay that way.

Exhibit 3 - Insurance Employees Prefer Flexibility in Where and When They Work

Where people would work if given the choice



24%

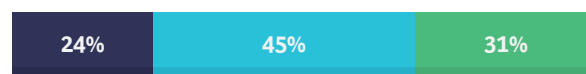
65%

11%

Cross-industry average

- Completely remote
- Combination of remote and on-site
- Completely onsite

When people would work if given the choice



20%

44%

36%

- Completely flexible schedule
- Combination fixed and flexible schedule
- Completely fixed schedule

Source: BCG/The Network proprietary web survey and analysis, 2020.

Across industries of all kinds, the pandemic curbed interest in relocating to other countries for work, extending a trend that dates at least as far back as 2014, when we conducted our initial survey of global talent trends. Along with the pandemic, stricter immigration policies and growing nationalism have contributed to declining enthusiasm for working abroad.


Positive feelings about remote work extend to working remotely for a foreign employer. Although only 47% of respondents said they would move abroad for work, 58% of global talent in insurance would work remotely for a foreign employer. Among those who work in digital fields, an even larger portion—64%—said they would do so. That cohort includes employees in roles in IT and technology, automation, data analytics, and digitization.

The willingness of the insurance workforce to work remotely for a foreign employer could open the door to new pools of virtual talent—in particular, those with digital and technology skills. However, this would have potential operational and regulatory implications, such as for salary strategies, payroll, and taxes.

Relationships Remain a Vital Part of the Work Experience

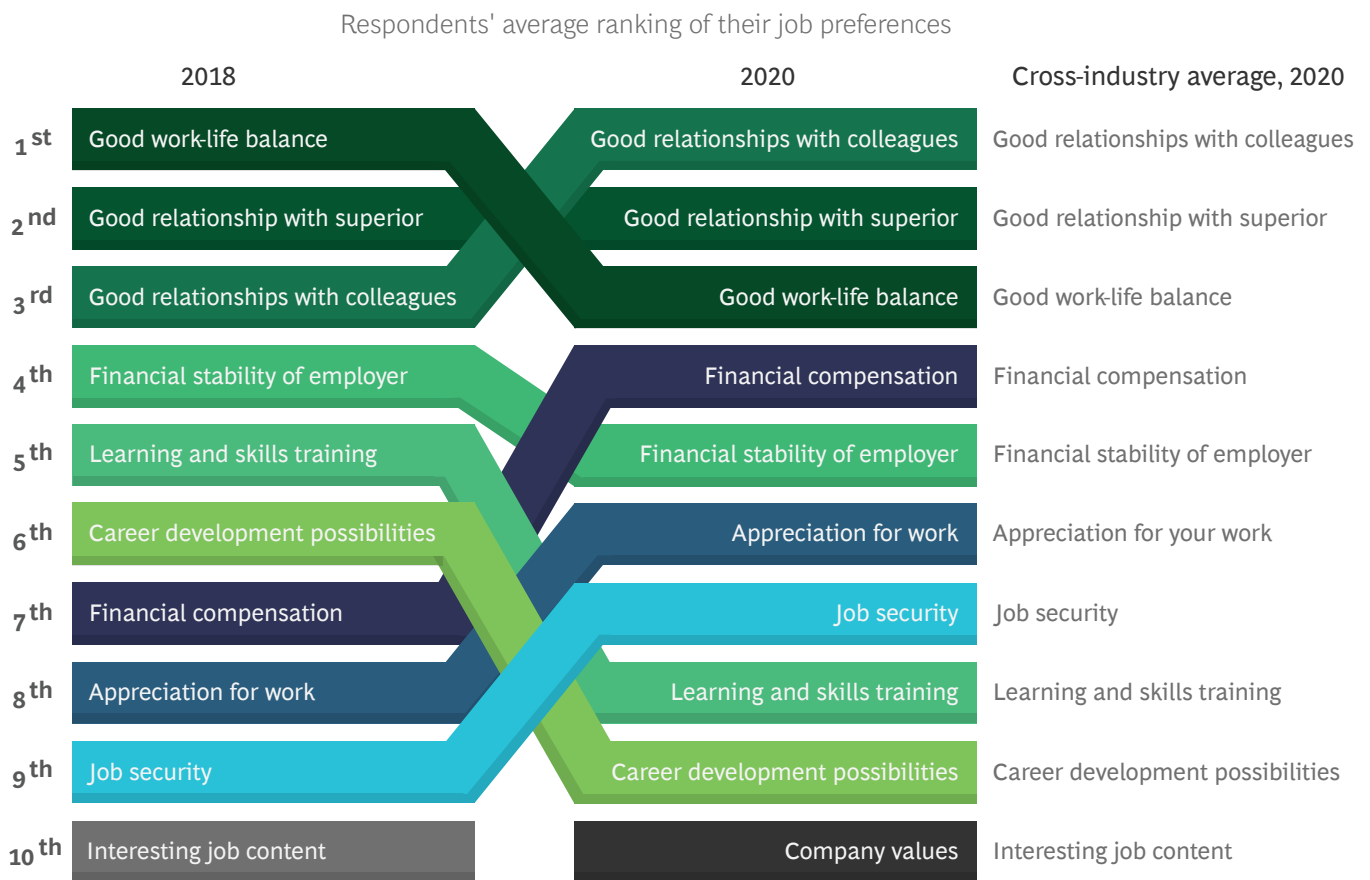
Even though the vast majority of the insurance workforce switched to working remotely during the pandemic, respondents to our survey said that maintaining a good relationship with colleagues is more important than any other facet of their job. (See Exhibit 4.) The perceived value of solid relationships with peers was strong enough to displace maintaining a good work-life balance from its spot in our previous survey as employees' top priority.

This finding is borne out by the actions that insurers are taking to support interpersonal relationships, even when the majority of employees work remotely at least some of the time and their hours don't always match. Companies are hosting virtual coffee dates, for example, in an effort to duplicate the breakroom chats that can happen spontaneously in the office.

A man with dark curly hair, wearing a light blue button-down shirt and dark trousers, is walking on a grey tiled floor in a large, modern building. He is holding a mobile phone to his ear. The building features a large, multi-paned glass wall that looks like a skylight or a high window, through which a river and some trees are visible. The floor is made of large, square, grey tiles. The overall atmosphere is professional and modern.

58% of global talent in insurance would work remotely for a foreign employer.

Exhibit 4 - Insurance Employees Value Collegiality Above Other Workplace Attributes



Source: BCG/The Network proprietary web survey and analysis, 2020.

Still, work-life balance remains among employees' top priorities, and companies are taking steps to promote it. Allianz Group, a leading global insurance company, is one of several enterprises around the globe experimenting with meeting-free days every week or month. One Allianz division bans meetings every Friday from 9 a.m. to noon; the objective of these "silent Friday mornings," according to a company executive, is "to safeguard the well-being of our teams and make a good work-life balance possible."

Finally, insurance industry employees see financial compensation as a more critical factor than they did in the past—not surprising during a time of crisis like the COVID-19 pandemic. Respondents also expressed less concern about individual career prospects or learning and development than they did in 2018, another possible consequence of the pandemic.

New Workplace Values Gain in Importance

The pandemic isn't the only crisis the world has had to contend with recently. The past several years have seen the rise of the #MeToo movement, Black Lives Matter protests, political upheavals, devastating wildfires and floods on multiple continents, and other climate catastrophes. As a result, job seekers have become more attuned to workplace values and to where prospective employers stand on the issues.

In 2020, for the first time, insurance industry talent included company values as one of the ten workplace attributes that they care about most. The vast majority, 71%—and 78% of employees age 30 or younger—said that issues related to diversity and inclusion have become more important to them over the past year. (See Exhibit 5.) Equity issues are significant enough that 55% of all insurance talent and 60% of younger employees would exclude from a job search companies whose positions on diversity and inclusion do not match their own.

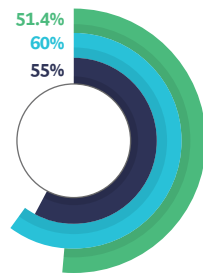
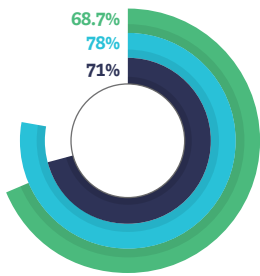
Exhibit 5 - Global Issues Have Become More Important to Insurance Employees



Diversity and inclusion

Employees who agree that issues of diversity and inclusion became more important over the last year

Employees who would exclude from a job search companies whose position on diversity and inclusion is not compatible with their own



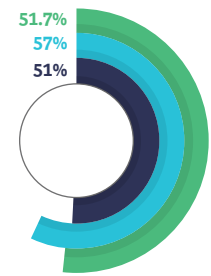
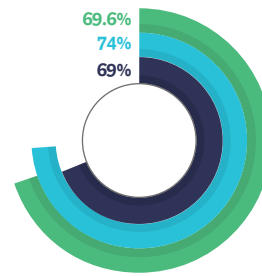
■ Industry employees overall ■ Young people ■ Cross-industry average



Environmental responsibility

Employees for whom issues of environmental responsibility became more important over the last year

Employees who would exclude from a job search companies whose position on environmental responsibility is not compatible with their own search



Source: BCG/The Network proprietary web survey and analysis, 2020.

Employees in the industry feel almost as adamantly about environmental justice issues. Close to 69% overall and 74% of those age 30 or younger agree that issues of environmental responsibility gained in importance in the past year. Slightly more than half (51%), and 57% of younger workers, would not take a job with an employer whose environmental policies are not consistent with their values.

Insurers are taking matters pertaining to equity and sustainability to heart in their operations, investment portfolios, and underwriting. On the sustainability side, in July, eight leading insurance companies—Axa, Allianz, Aviva, Generali, Munich Re, SCOR, Swiss Re, and Zurich—formed a UN-backed alliance committed to transitioning its underwriting portfolios to net zero greenhouse gas emissions by 2050 and to providing annual reports on each company's progress.

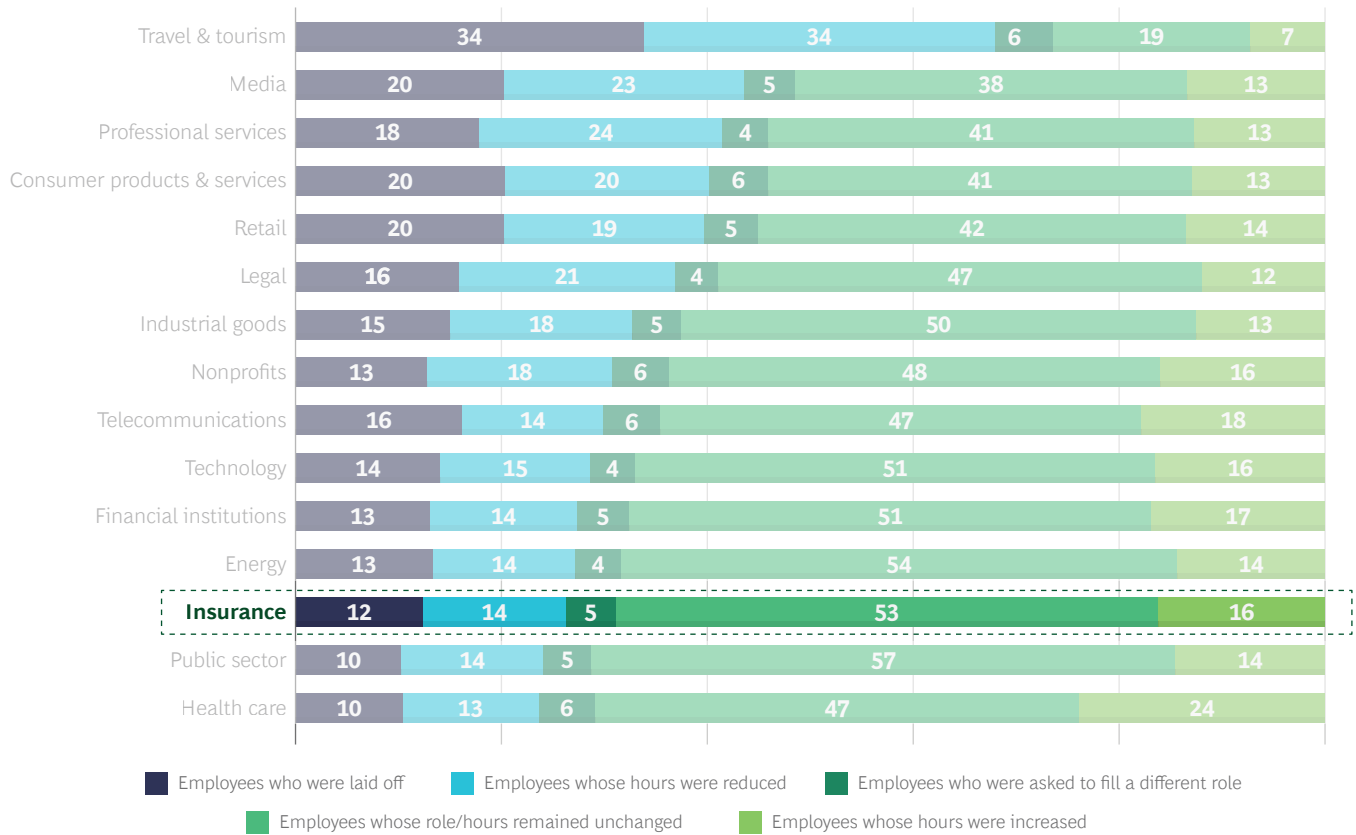
Insurance Employees Weathered the Pandemic Relatively Well but Are Concerned About the Future

The pandemic didn't affect employment levels in insurance as much as it did in other industries: 69% of survey respondents reported that they worked the same amount of time or more. (See Exhibit 6.) Only health care and public-sector jobs were more secure. Slightly more than a quarter (26%) of employees in the insurance industry were laid off or worked reduced hours, compared with a global average of 36%. The industry's fortunes look even better when compared with hard-hit industries such as travel and tourism, which laid off or reduced the hours of 60% or more of their workforce.

Insurers appear to have coped with the sudden move to remote sales. Although gross written premiums declined because of the pandemic, the decrease was less than anticipated. Insurers used the forced shift to accelerate digitization of sales functions. For example, some launched digital support for the independent insurance agents they work with and encouraged them to use more self-service tools.

Exhibit 6 - Employment in Insurance Was Relatively Unaffected by the Pandemic

Impact of COVID-19 on employment by industry (% respondents)



Source: BCG/The Network proprietary web survey and analysis, 2020.

The shift to remote work that the pandemic accelerated is part of a larger trend of digitization and automation that is changing how work in the insurance industry gets done. As those megatrends shape what jobs will look like in the future, they are heightening fears that some positions could eventually be replaced by machines. Although insurance industry talent adapted well to remote work, a substantial portion feels threatened by the changes taking place as insurers automate and take other steps to upgrade their operations to digital. (See Exhibit 7.)

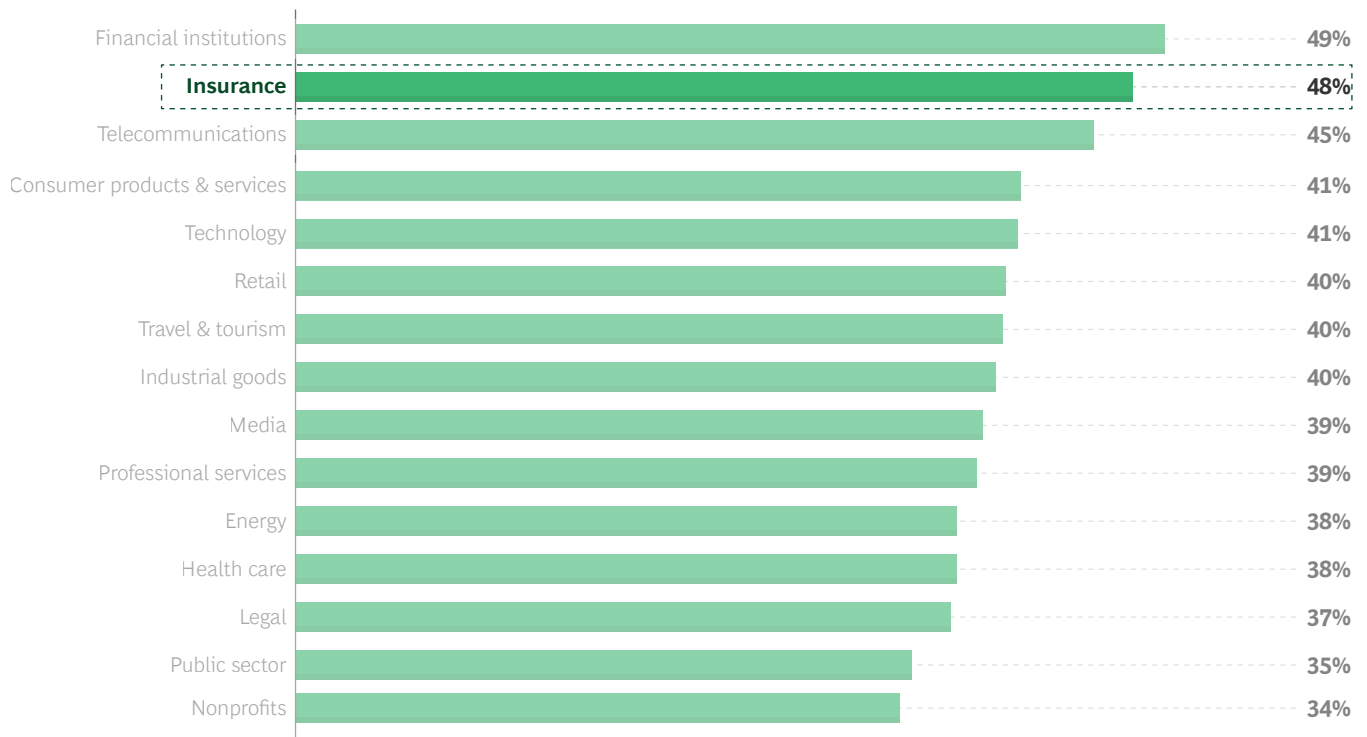
Nearly half (48%) of insurance industry respondents to our survey are concerned that their jobs may one day become redundant, exceeding the 40% global average. Only people working in the financial industry—which is undertaking its own journey to digital—feel more threatened by the prospect of automation wiping out their livelihoods. In insurance, the employees most concerned about losing their positions to automation are those in customer service (56%) and administration (53%), two areas that insurers have identified as being ripe for digital transformation.

**62% of workers in insurance
spend a few weeks or more
on training per year, the third
lowest of all industries.**



Exhibit 7 - Insurance Employees Are Especially Concerned About Automation

Respondents who fear that their jobs will be automated, by industry



Source: BCG/The Network proprietary web survey and analysis, 2020.

Employees in Insurance Are Open to Learning New Skills

It follows that people who feel their jobs are at risk are open to reskilling (learning new skills needed in a different role). In our survey, 71% of employees in insurance said they are willing to reskill. (See Exhibit 8.) That makes the insurance workforce one of the most willing to learn new skills, even though jobs in the industry were among those least affected during the pandemic.

Nonetheless, insurance industry employees spend slightly less time than the global average on reskilling and upskilling (learning new skills needed in the same role). Sixty-two percent of workers in insurance spend a few weeks or more on training per year, the third lowest of all industries. This may be because employers don't offer training in the formats that workers prefer or don't provide enough time during the workweek for employees to learn new skills. Learning strategies in insurance may also be less developed than they are in other industries.

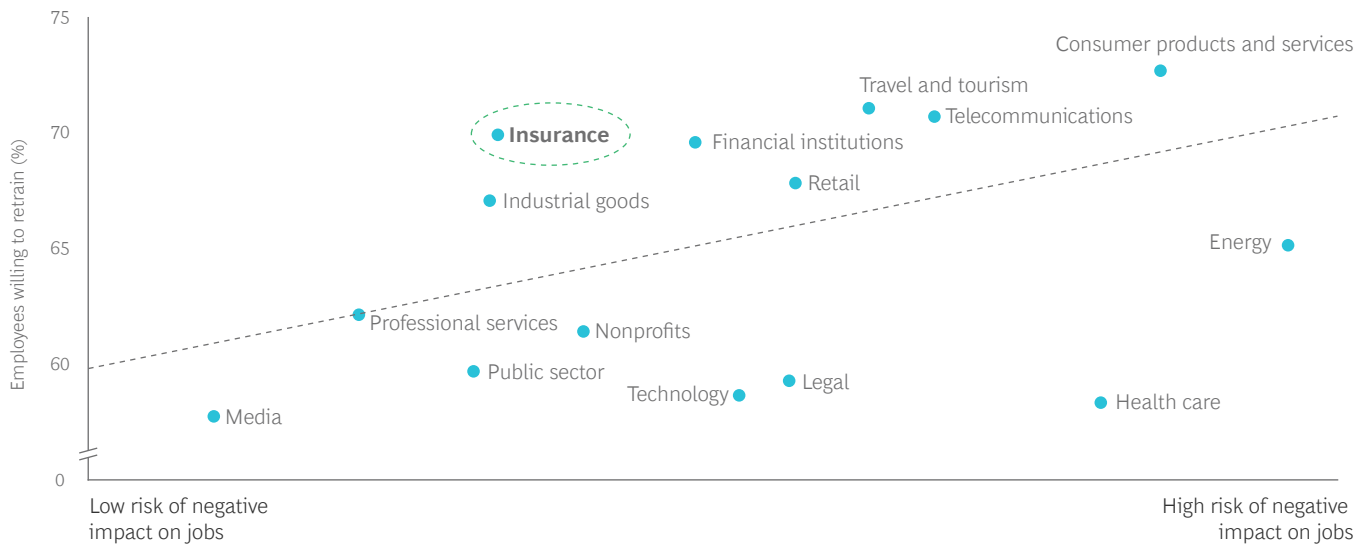
Some employee preferences regarding learning in the insurance industry have changed since our 2018 survey. (See Exhibit 9.) Although workers still prefer learning on the job or on their own, online classes and mobile apps are much more popular than they were two years ago. The increase may be the result of the proliferation of such options that became available during the pandemic.

How Insurers Can Prepare for the Future

While the pandemic strained the insurance industry, it also quickened the transformation to digital, which helped companies weather the crisis and put them on a good footing for the future. But insurers can't stop there. They must continue to refine their workforce strategies to gain the full benefits of the changes they've initiated, as well as hang on to valued employees and attract new talent.

Exhibit 8 - A Large Majority of Insurance Employees Are Open to Reskilling

Across industries, a high correlation between job insecurity and a willingness to learn new skills



Source: BCG/The Network proprietary web survey and analysis, 2020.

Note: Job risk reflects two factors: the extent of the impact of the pandemic and the perceived threat from automation according to workers in each industry.

Start with strategic workforce planning. If you haven't already, analyze your current workforce against anticipated future needs by job category to determine a talent strategy and the role that remote or hybrid work will play in it. A well-developed people strategy should identify the skills you may need in the future, the mechanisms required to obtain them, and the roles that reskilling and upskilling could play. Having a strategy makes it easier to adapt plans in real time as new economic or other conditions develop.

Craft a hybrid or remote work plan. Structure policies to support the company's business goals and situation, as well as worker preferences. As more organizations develop future workforce plans, we see the potential for a significant rift between employees and employers. Avoid that by cultivating a "We're all in it together" mindset. Develop a culture that supports trust, collegiality, and flexibility in where and when people work, while recognizing that some jobs allow for more flexibility than others. Give teams the authority to set hybrid and remote work norms. Insist that top leadership set the tone by being as flexible—or even more flexible—than everyone else. Otherwise, employees may not take the new policy seriously, which could weaken the new culture you're trying to build. Adapt recruiting strategies to reach talent willing to work remotely for an employer in a different country, now that people are looking more favorably on this option.

Increase reskilling and upskilling. The insurance industry's talent needs are changing. Offering opportunities for learning is a way to meet those needs. Provide reskilling and upskilling to workers in jobs that are the likeliest to be automated, such as those that support basic insurance claims, underwriting, and policy management. Give people options for learning the skills that insurers are expected to need in the future, such as those in digital, data analytics, agile ways of working, user research, and customer experience. Reskilling can be especially useful in filling roles that require specialized knowledge. Project managers, for example, could build on their existing management training to become agile coaches, agile masters, or product owners. Actuaries could use their expertise to become data scientists. In our client work, we've found that helping employees obtain the skills needed to transition from one role to another is generally more cost effective than recruiting new hires on a large scale. And insurance talent is willing to learn. Cultivate skill-building strategies and ecosystems that integrate learning into daily work, make them convenient, and connect them to other career development activities.

Helping employees obtain the skills needed to transition from one role to another is generally more cost effective than recruiting new hires on a large scale.



Exhibit 9 - Online Learning Resources Have Become More Attractive to Insurance Employees

Respondents who have used a given resource to learn new skills

2018		2020	
On-the-job training (including coaching and job rotation)	68%	On-the-job training (including coaching and job rotation)	68%
Self-study	60%	Self-study	59%
Conferences and seminars	42%	Online educational institutions (including digital academies and MOOCs)	51%
Traditional educational institutions (academic and vocational)	32%	Conferences and seminars	45%
Online educational institutions (such as digital academies and MOOCs)	31%	Traditional educational institutions (academic and vocational)	35%
Mobile apps	22%	Mobile apps	35%
Government programs	5%	Government programs	13%

Source: BCG/The Network proprietary web survey and analysis, 2020.

Note: MOOCs = massive open online courses.

Invest in building connections among employees. A workforce in which a significant portion of people work virtually requires leaders to have different skills than in the past. Chief among them is the ability to support direct reports regardless of where they work. The insurance workforce values collegiality, so leaders must know how to support good working relationships among employees. And employees need training in how to work collaboratively, whether their colleagues are in the same office or halfway across the world. BCG research on remote work during the pandemic found that people’s well-being affects performance and productivity, so leaders also need to help employees maintain a healthy balance between work and the rest of their lives.

Promote societal values. Employees in the insurance industry care about what’s happening in the world, as evidenced by the large number for whom social responsibility and environmental issues have become more important. Those issues are especially meaningful to younger people, who could be working in the industry for years to come. To appeal to current and future talent, take or continue to advance measures related to social and environmental issues. Back up the company’s promises by setting KPIs, for example, to improve diversity and inclusion. Build guidelines for social and environmental responsibility into investments, underwriting, and other operations.

Become a bionic insurer. Insurance companies that map out a successful workforce strategy for their future needs—including offering reskilling to promote the transition to digital—will be in a better position to become bionic. A bionic insurance company combines human capabilities with technology to spark efficiency, innovation, customer satisfaction, and growth. Bionic insurers can use artificial intelligence to automate services and provide dynamic support for insurance agents, while human intelligence continues to provide an edge in more complex, subjective cases. Bionic insurers are better able to continuously transform how work gets done by moving more operations to agile ways of working.

The pandemic was a shock to the global economy. There will likely be other shocks, sooner rather than later. Insurers, by the very nature of their business, must respond quickly to changing markets and environments. The transformation to digital and automation that many insurers are undertaking will help both their business and their talent—but only if they take into account how people in the industry want to work.

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Acknowledgments

We thank The Network's member organizations for their role in distributing the survey and collecting responses around the world, and we are grateful to the participants who completed the survey. We also thank the members of the project team—Valeria Rondo-Brovetto, Bojan Divcic, Guillaume Epitoux, Jan Heming, Niharika Jajoria, Stephane Lacour, Philipp Löwer, Katerina Mala, and other colleagues from BCG and The Network—for their insights, research, coordination, and analysis.

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WHAT THE INSURANCE WORKFORCE WANTS BOSTON CONSULTING GROUP THE NETWORK