

Are You Ready to Heed the Warning?



With baby boomers reaching retirement age, a looming talent crisis is facing our industry.

And like all knowledge industries, property-casualty insurance is particularly vulnerable to the effects the talent gap created by retiring boomers will have.

To help you prepare, the Institutes have provided this list of questions to get you and your organization thinking about professional development in a holistic way:

- Does your organization practice succession planning at all levels?
- Do you know where your organization's next generation of leaders is coming from?
- Do you know how many of your employees may leave your organization in the next 5 years?

The problem may seem far away, but it's not.

Real professional development is a long-term commitment.

The sooner your organization—and you as a manager—take a serious look at how this talent gap will affect you, the better off you will be.

Use these questions to start the conversation about how your organization can prepare for the effects of the coming boomer retirement wave.

The American Institute for CPCU and the Insurance Institute of America have a wide variety of professional development solutions and services to help you.

Lars Dalgaard, CEO of the employee performance management software company, SuccessFactors, recently warned, “The talent gap is growing for companies across America and around the world, making human capital management and development more strategic to businesses than ever before.” But he’s optimistic, too, citing research indicating that those companies addressing the talent gap are “reaping huge competitive advantages and better financial results.”

Does your organization practice succession planning at all levels?

If the answer is “no,” you’re not alone. But that’s not a good thing.

Succession planning is often thought to be reserved for the upper echelons of the company. But nothing could be farther from the truth. Gen Xers and Millennials tend to be less loyal to a single company than their baby boomer counterparts have been. It’s not that they don’t like your organization. It’s just that their generations tend to be more mobile. They’re alert for opportunities that will meet their personal and professional needs and they’re more willing and able to act on those opportunities.

As your boomers start to retire, there is a possibility you will find yourself with knowledge and performance gaps at all levels within your organization. However, by developing all of your employees, you will have knowledgeable people who can be better prepared to take advantage of advancement opportunities as they arise in your company. As an added bonus, professional development can help you retain employees longer and help you reduce turnover (and its associated lost productivity and replacement costs).

Do you know where your next generation of leaders is coming from?

If not, you need to start identifying these people now. Real professional development takes time. If you want to be prepared to handle the looming talent crisis, you must start NOW. If you’ve already started, that’s wonderful. You can take this time to ensure that the content you’re delivering is on target. We can help with that, too.

When we say “leaders,” we don’t necessarily mean C-suite executives. We mean line of business executives; department heads; managers and supervisors; skilled and confident employees who lead by example; and creative, knowledgeable people who can contribute to your organization’s long-term success. You need to make sure that people at all levels of your organization receive targeted professional development so that they will be prepared to advance as opportunities arise.

Do you know how many of your employees may leave your organization in the next 5 to 10 years?

This is a hard question to answer. Of course, you can guess that anyone in the age range of 57–62 years old will be announcing retirement sooner rather than later. You need to ask yourself some serious, soul-searching questions. Am I retaining the right people? Are my employees engaged in our organization and its mission? Are we providing adequate professional development opportunities

that will encourage employees to stay? Do I have enough qualified employees in the pipeline to fill talent gaps left by retiring boomers?

The Institutes offer a wide range of professional development solutions suitable for employees at every level and in every function in your organization. With solutions that include COMET Online Learning, INTRO, the Program in General Insurance, specialty programs, and CPCU, we can help you meet your unique educational needs, from Hire to Retire.

We will partner with your organization, learn about your needs, and provide you with some tools to help you remain competitive and successful.

Contact the Institutes to learn how we can help you prepare for an upcoming talent gap and grow your business by developing your most important asset—your people. Call Customer Support at (800) 644-2101 or e-mail customersupport@cpcuia.org.

Look for the rest of this series on our Web site, www.aicpcu.org.