



On the front lines

How insurers can win the war for talent



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The insurance industry has a rapidly aging workforce and many carriers are struggling to attract and retain the frontline talent that keeps the business running. This presents a significant challenge to the industry's long-term viability because claims serves as a common entry point for young professionals and adjusters, agents and other company representatives are the public face of their employers.

Even in the best of times, frontline positions can be difficult to fill and keep filled. Demanding work conditions and low wages for junior employees contribute to high turnover. Adjusters, agents and other customer-facing representatives often serve upset and sometimes deeply distraught policyholders. To be effective, employees need to exhibit strong interpersonal skills, deep policy knowledge and, depending on their responsibilities, the ability to become and remain licensed. Those are not common traits and may take years to develop.

Despite all this, some carriers successfully attract and retain capable frontline workers by offering stability, meaningful work experiences and growth opportunities that broaden career prospects. The key? Balancing recruiting with internal development to build an engaged and resilient workforce.



The talent magnet/factory equilibrium



The talent magnet/talent factory equilibrium: The key to engaging frontline employees

PwC's 2024 Workforce Radar report highlights key workforce signals that leaders should focus on to attract and retain talent. At the top of the list is building a talent magnet-talent factory equilibrium.

Insurers have traditionally been talent magnets, hiring outside candidates at all levels to fill skill gaps and adapt to evolving market demands. But to effectively attract, engage and retain today's frontline workforce, they also need to be talent factories. Talent factories emphasize employee development and engagement to be a place where employees want to stay and build their careers.

To achieve this talent magnet/factory balance, leading carriers are actively:

1. Listening to employees
2. Offering meaningful career paths
3. Fostering job ownership
4. Utilizing human-centered technology
5. Investing in skills development
6. Enhancing benefits

Note: Respondents who said "Agree" or "Strongly agree"

Source: Workforce Radar survey, April 2024

My organization is considered a talent magnet



My organization is considered a talent factory



Listening to employees

1

Listening to employees

It's hard to engage workers without knowing what they want. To boost engagement, some carriers use frontline advisory networks like quarterly forums where claims adjusters discuss their challenges and share their perspectives with leadership. Anonymous digital feedback tools like surveys also give employees a voice, especially those who may not speak up at in-person events. In addition, an increasing number of companies monitor independent employee forums to learn what workers say in a less inhibited space.



Offering meaningful career paths

2

Offering meaningful career paths

Meaningful career paths help companies attract and retain employees, especially younger ones. In fact, our Workforce Radar report notes that organizations functioning as talent factories become talent magnets. Employees who perceive a bright future at their company are 1.7 times more likely to stay, 2.3 times more engaged and 2.4 times more likely to recommend their company to others.

Leading insurers are refining role hierarchies, job descriptions and competency frameworks to clarify roles and behaviors and identify opportunities for recognition and career progression. They enhance career paths and outline alternative career trajectories in specializations and adjacent departments. Rotation, mentorship and cross-training programs are key to these retention strategies, enabling employees to explore their interests and find their next role within the organization.



Employees who perceive a bright future at their company are almost twice as likely to stay, more than twice as engaged, and almost two-and-a-half times more likely to recommend their company to others.



Fostering job ownership

3

Fostering job ownership

Job ownership is essential for creating meaningful work experiences. Carriers can foster this among their frontline (and other) employees through:

- **Satisfying work:** Offer meaningful work that fosters long-term engagement. Frontline employees want roles that align with their values and interests and desire a personal connection to an employer's culture. This often means being able to positively impact others — for instance, by helping a policyholder overcome a crisis.
- **Clear processes and accountability:** Implement mechanisms that, for example, give your adjusters greater accountability. This includes streamlining call paths to ensure customer contacts reach the correct owner and eliminating bureaucratic hurdles and unnecessary approvals that hinder outcomes. Take advantage of modern core system's ability to improve service by heightening claims, agent and call center representatives' awareness of policy details and claims status, facilitating effective policyholder service.
- **Relevant and useful data:** Empower your employees with data that facilitates effective problem-solving and provides them with greater visibility into their own performance metrics and goals.
- **Meaningful metrics:** What gets measured gets done. Start by measuring and rewarding ownership behaviors at the individual level instead of focusing primarily on transactional metrics like call availability. For instance, metrics that assess accuracy, leakage, and service can enhance accountability and promote a sense of ownership for your adjusters, agents and other representatives.



Utilizing human-centered technology

4

Utilizing human-centered technology

For starters, employees expect workplace technology to match their personal digital experiences. Having to repeat manual tasks in outdated systems and inadequate applications often leads to disengagement. The insurance industry has lagged many others in implementing user-friendly systems and applications, but leading carriers have figured out that effective technology doesn't just produce better data, it also makes for happier employees and customers.

Moreover, despite claims that automation may replace claims adjusters, agents and many other frontline representatives, a human touch will always be essential in customer service. To promote consistency in this area, prescient organizations are investing in innovative technologies that:

- Automate tedious manual and administrative tasks, notably in claims handling.
- Utilize natural language processing for thorough investigations with fewer follow-ups.
- Provide insightful data on customer needs and preferences, facilitating proactive customer outreach.



As technology eases administrative burdens on frontline personnel, there's an increasing need for critical thinking in complex scenarios and soft skills that enhance customer service.



Investing in skills development

5

Investing in skills development

As technology eases administrative burdens on frontline personnel, there's an increasing need for critical thinking in complex scenarios and soft skills that enhance customer service. Accordingly, leading carriers are investing in developing relationship management, problem-solving and customer communication skills. This is in line with making adjusters and agents financial professionals who handle complex cases, build strong client relationships and identify sales opportunities.

To facilitate these initiatives, many insurers offer employees opportunities for skills improvement like AI literacy and relationship management. They also integrate skills development into internal talent marketplaces, helping employees identify roles where they can apply their knowledge. Some companies also invest in coaching and mentorship initiatives to nurture socio-emotional and leadership skills. In addition, as we recommend in Workforce Radar, some are even collaborating with educational institutions to train current employees in a variety of disciplines and establish a steady pipeline of interns and new hires.



Enhancing benefits

6

Enhancing benefits

Employee benefits reflect an organization's commitment to its workers. To attract and retain workers, thoughtful carriers tailor benefits to suit the distinct needs of adjusters, claims support, policy administrators and other frontline staff.

Workplace and schedule flexibility are especially in demand. According to our Workforce Radar survey, fewer than half (48%) of employees who can't work remotely feel their work schedules are flexible enough for them to meet personal needs. But each role has different expectations. For example, in property and casualty claims organizations, field adjusters require different flexibility options than desk-based adjusters and agents.

Closely related to flexibility is the importance of benefits that are relevant to the nature of work and demonstrate employer concern about employee well-being. For example, because frontline positions can be stressful, counseling and other mental health services can help attract and retain qualified workers.



Stability, meaningful work experiences and career growth opportunities are essential to attract and retain capable frontline talent.



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