

The Power of Culture

By embracing diversity and fostering innovation, insurance companies can help their businesses thrive.

Culture is a major driver of long-term results and success. This has never been truer in the insurance industry than now. The best insurers and the most successful independent agents thrive because their cultures propel them to innovate, challenge the status quo and create environments where outstanding talent wants to build careers and grow personally.

The industry is feeling more pressure than ever to elevate its game, and a vibrant culture can be the fuel to make that happen. The major forces challenging our industry include:

- Customer demands are changing rapidly which are increasing expectations of digital interaction, speed and transparency.
- Insurtech investments continue to pour in, directed at the perceived friction points in our value chain and enabling innovative solutions.
- Talent gaps are emerging, with baby boomers retiring and millennials having different expectations and demands of their employers.

The potential impact of the talent shortage facing the insurance industry over the next five years can't be overstated. Experts predict some four million baby boomers will retire each year and, as a result, the industry is expected to be left with an estimated 400,000 job openings by 2020. Recruiting top talent is a priority as carriers and agents try to minimize the impending talent gap.

Furthermore, diversity and inclusion firm Cook Ross estimates millennials will make up 75% of the global workforce by 2025, and yet today, only one third of millennials feel their current organization



By
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is using their skills and experiences. They are eager to establish themselves at progressive companies. It starts with a culture that allows them to challenge themselves and current practices, immerse themselves in technology, gain insights and learn and develop as leaders.

To respond to these challenges, the following target cultural initiatives can help companies and agencies thrive.

Foster a growth mindset. Create a safe environment to challenge the status quo, identify opportunities for improvement and encourage employees to have a “can-do attitude.” By embracing this, carriers and agents can see a lift in engagement and output. Carol Dweck, a psychology professor at Stanford, found employees of companies that support a growth mindset are 34% more likely to feel a strong sense of ownership and commitment to their organizations.

Embrace diversity and inclusivity. Welcoming multiple perspectives is essential for better, more thoughtful outcomes and vibrant work environments. McKinsey & Company found companies embracing diversity are 35% more likely to have financial returns above their respective

national industry medians. This is a transformative organizational change for the insurance industry, and it's critical to its future.

Harness innovation. Diversity/inclusion and growth mindset are key ingredients for fostering innovation. And, building an innovation platform will ensure relevance. Research has found that 78% of employees who say their company encourages creativity and innovation are highly committed to their employer.

To thrive, the industry must enable these cultural elements and model these behaviors every day. Our leadership moment is now.

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