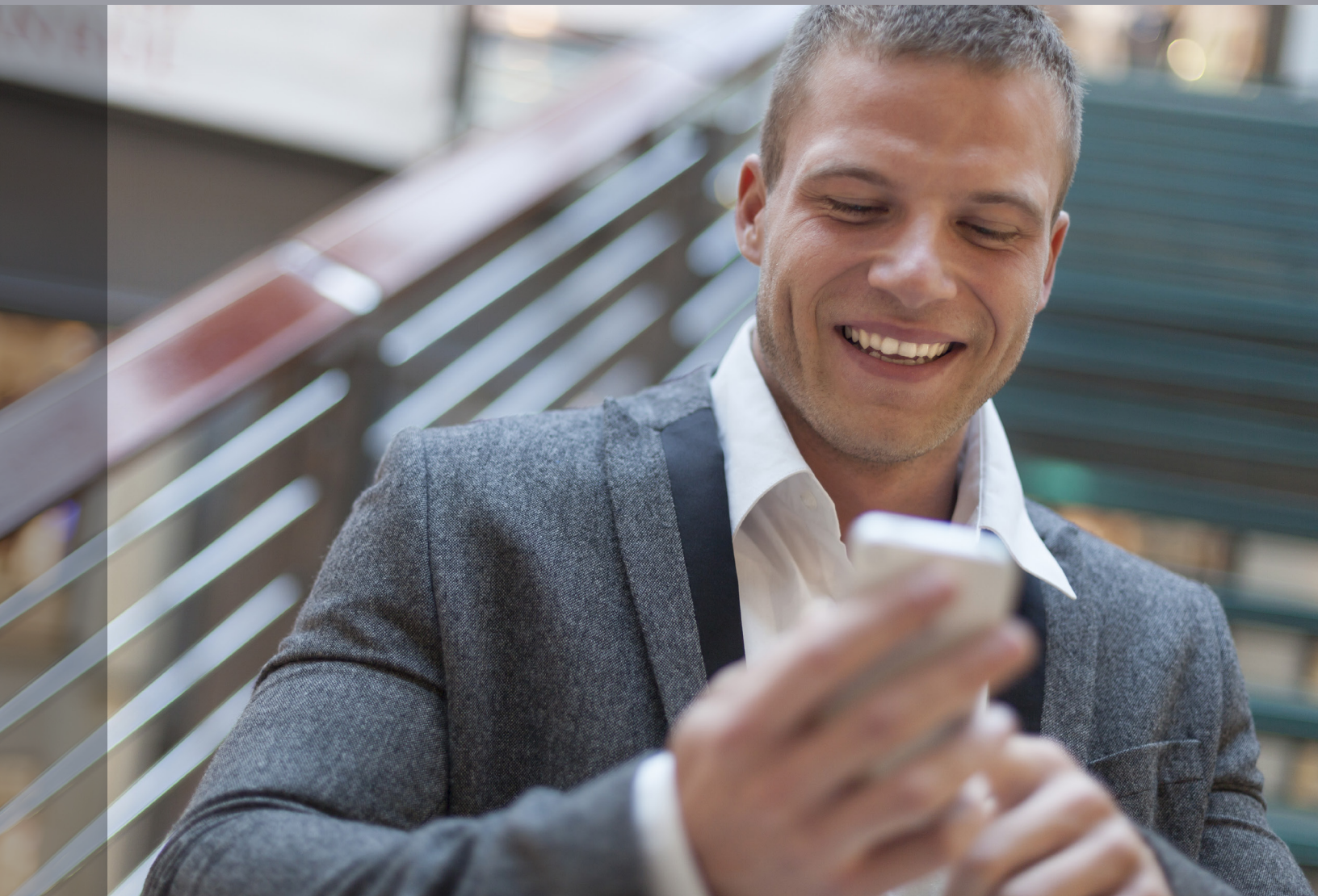# Vertafore®

Mind the Gap: 3 Keys to Attracting the Next Generation of Agents

THE BUSINESS CASE

Introduction

Within 10 years, half of the current insurance workforce will retire, according to the Independent Insurance Agents & Brokers of America, Inc. (IIABA). That's just the industry average. Depending on the employee demographics in your agency, you may lose even more of your most experienced and skilled employees. This impending "brain drain" will impact both your ability to service clients and to grow the business.

Replacing your aging workforce could prove problematic as Generation X and Generation Y have a greater number of job opportunities to choose from.

In fact, the Dukakis Center for Urban and Regional Policy at Northeastern University estimates that by 2018 there could be more than five million unfilled jobs in the United States.

The next generation of employees is comfortable with technology and expects to use tools such as mobile devices and social media in the work environment. How will insurance, which is perceived as a technologically lagging industry, compete for younger employees? And once hired, how do you keep them engaged and productive?

This paper outlines three steps your agency must take to attract and retain the best and brightest future employees to fuel profitable growth.

Three Generations at Work

1. **Baby Boomers**
   Born between 1946 – 1964

2. **Generation X**
   Born between 1965 – 1980

3. **Generation Y**
   Born after 1980

How will insurance, which is perceived as a technologically lagging industry, compete for younger employees?

Step 1: Understand Generational Differences

As the agency workforce continues to age and new employees are hired, it's possible to have three generations working together. However, differences in work habits, expectations and communication styles can cause discord and misunderstanding between age groups.

A few examples:

• Baby Boomers tend to prefer face-to-face meetings, while Generation X-ers, many of whom were "latch key kids," tend to be independent and enjoy working alone. They may bristle at having to attend meetings organized by their Boomer colleagues.

• Generation Y employees , some raised by so-called "helicopter parents," may need more direction and constant feedback than their Gen X or Baby Boomer managers are accustomed to providing.

• Baby Boomers may be put off by Generation Y-ers tapping on their tablets during meetings, but the always-connected generation may simply be taking notes or looking up information pertinent to the meeting.

• A Boomer may value a promotion as a reward for hard work, whereas the Generation X-er may prefer time off or a flexible work schedule.

IIABA hosted a Technology Forum at its Young Agents Leadership Institute and asked Gen X and Gen Y agents about the generational differences they observe in their own work environments. The young agents noted that Baby Boomers are motivated differently and tend to measure success in life by their career and assess productivity by the number of hours they work. In contrast, younger agents prefer to measure productivity by "getting the job done." The agents suggested that agency managers adopt flexible employee scheduling that focuses on results rather than time spent.

Differences in work habits, expectations and communication styles can cause discord and misunderstanding between age groups.

Step 2: Use Technology to Be Attractive

INSURANCE JUST ISN'T APPEALING TO YOUNGER EMPLOYEES

A draft report from the ACT's, Agencies of the Future Work Group states it succinctly: "We need to change our image." Adds Ashley Brower-Whitney, vice president of Harbor/Brenn Agencies in Petoskey, Mich., "No one says, 'I'm going to be an insurance agent when I grow up.'"

However, technology can make your agency attractive to next-generation employees. Younger employees are digital natives and have different expectations for technology, and some agencies are using technology as a recruitment tool for younger employees. (Amazingly, many of the agency management systems in place are older than these newer employees.)

For Brower-Whitney, technology such as mobile devices and laptops with remote access helps her agency attract and retain younger employees with young children who need flexibility, and those who simply value the ability to telecommute. But that mobility can also work in the agency's favor as younger employees are willing to respond to email and texts while not officially "on the clock."

"There is a shift in how work is being done. Historically, it was always 9-to-5, but that division between work and personal life is dissolving," explains Brower-Whitney. It's a give-and-take: Brower-Whitney allows employees to access personal devices to check messages and email from family and friends while in the office with the caveat that the work gets done and customers are serviced.

> **"There is a shift in how work is being done.** Historically, it was always 9-to-5, but that division between work and personal life is dissolving."
>
> – Ashley Brower-Whitney, vice president, Harbor/Brenn Agencies

Step 3: Be Social and Flexible

CHALLENGES OF A MULTIGENERATIONAL WORKFORCE

Dealing with a multigenerational workforce does have challenges, says Stephen Moriyama, executive vice president of Hayward, Tilton & Rolapp Insurance Associates in Anaheim, Calif.

Older employees may resent the time younger agents spend on Facebook or LinkedIn, not understanding the role of social media in creating relationships and building business. The solution is to educate all employees on how to use social media.

"Social networking has changed the way people connect, and it's changing the face of the insurance business," says Moriyama. "The younger generation can help lead the way to social media adoption and teach older employees new ways to communicate and connect with customers."

Says Brower-Whitney, "Insurance is still a relationship-building business, and social media is how the younger generation communicates."

"Social networking **has changed the way people connect** and it's changing the face of the insurance business."

– Stephen Moriyama,
   executive vice president,
   Hayward, Tilton & Rolapp
   Insurance Associates

Conclusion

Crossing the Generational Divide

Ideas to help create a multigenerational workplace:

- Implement a mentoring program to help younger employees grow as professionals.
- Implement "reverse mentoring" in which younger employees teach older employees social media skills.
- Have younger employees interview older employees on the history of the agency and share their findings with all employees.
- Ask younger-generation employees to research new technologies and train other workers.
- Allow employees to advance by moving up, down or laterally within the agency, depending on their needs and aspirations.
- Provide frequent feedback to those employees who thrive on it.
- Offer a "menu" of rewards and recognition that employees can select from.
- Have clearly defined work performance objectives so that all employees are reviewed the same way, regardless of whether or not they telecommute.

Attracting the next generation of talent is critical for insurance agencies to sustain growth. Without younger employees to replace an aging workforce, agencies will be unable to service customers and book business.

Rather than viewing the glass as half empty, consider the benefits of attracting a younger workforce. Technology-savvy employees can help your agency leverage social media to market to new customer segments and attract younger customers. **They can infuse your agency with new ways of thinking and reinvigorate existing employees.** Understand what Generations X and Y value in the work environment and make changes to your agency as needed. Perhaps you'll find that older employees—and long-time customers—will embrace these changes as well.

Technology-savvy employees can help your agency leverage social media to market to new customer segments and attract younger customers.

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