The 3 talent management issues the Insurance sector must consider

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Over the past few years following the global recession there has been a significant increase in mergers and acquisitions within the insurance market creating considerable opportunities for expansion for firms. However, specialist insurance recruiter, Saxton Leigh has identified the three potential talent management mistakes that organisations are making as a result of this intensification in activity and how it could potentially cost them dearly.

1. Overly narrow and niche skill sets - One of the more noticeable, and obvious, changes that has taken place because of the increased activity is that firms now have considerably larger headcounts. This has led to a situation where professionals are becoming more and more specialised and, consequently, their roles are becoming ever narrower. While this may be productive for firms in terms of having dedicated experts within their workforce, it does create a number of additional challenges, not least that it becomes more difficult to replace employees should they choose to leave. Both firms and talent need to ensure their skill sets remain flexible and adaptable as, where there may previously have been too few niche specialists within the market, there are now far too many.

2. The junior pipeline – The second issue is around talent pipelining for the whole sector. The legal industry has already suffered from a middle management skills gap after slowing its recruitment of graduates during the global downturn and insurance firms should take notice and recognise the importance of developing talent internally, rather than relying on poaching experienced professionals from their rivals. While they may benefit from the short term impact and lower risk involved in taking on an established talent, in the long run it can spell trouble and could potentially lead to sector-wide skills shortages.

3. M&A transaction day – A range of firms have lost talented specialists to their rivals because of a legal loophole which meant they were technically unemployed at the point of transaction when the two companies were merging together. This meant that, in some cases, teams of up to 15 professionals were being headhunted at any one time prior to the merger and were able to be recruited without serving their notice periods, something that's not particularly easy (or cheap) to remedy.

"As we're all aware, talent is what makes an organisation tick and regardless of how big these firms are, they're going to struggle if they can't hire or develop the right people," said Lucy Raymond, insurance recruitment manager at Saxton Leigh. "The increased number of mergers and acquisitions within the sector has created a lot of activity and many firms may have to revaluate their entire people strategies if they want to continue to remain successful."