

Updated Requirements for Developing New Leaders and Onboarding New Hires

Over the past five years, companies have created efficiencies in operations while controlling headcount growth. The trend has been lower hiring numbers while needing to do very little to retain their talent. As a result, limited investments have been made in training approach or methodology.

The current market place and changing employee demographics will require firms to focus on two key factors: Developing New Leaders and Onboarding New Hires.

Below are turnover and staffing findings to illustrate the changing demand in hiring, onboarding and staff development needs:

- The **average age** of an insurance industry professional is **54** and **60%** of insurance industry professionals are older than **45**.
- According to McKinsey, **20%** of the insurance workforce is near retirement.
- **18%** of boomers will retire within **five years** and **68%** of **HR professionals** say that boomers retiring will have a major impact on the workforce.
- In 2014, *Millenials ("Gen Y") will account for 36% of the American workforce*. This number will continue to grow.
- Close to **25%** of a company's employee base may leave their jobs in search of a **new opportunity**.
- According to employee surveys, for the **first time in five years**, employees will feel positive about controlling their career destiny.
- According to a survey of HR professionals, **71%** of respondents were in the process of updating their onboarding programs.
- Cost of turnover: **"14 times the base salary for those earning under \$100K."**



Succession planning, hiring strategies and employee development will be back on the leadership team's monthly agenda. With the impact of change over the next two years, hiring and training are priorities.

There are two clear needs:

1. *Preparing Generation X to step up and replace the retiring boomers*
2. *Creating an Onboarding program for assimilating Generation Y talent into your organization*

Developing Leaders: Preparing Generation X

At every company right now, the most vulnerable population will be the “Gen X-ers.” Staff in their 30’s to late 40’s are Generation X and have been focused during the difficult economic years on staying put and growing in their current jobs. Their goal is to excel and perform. The Generation X population will be most sought after by recruiters hunting talent for gaps in numerous organizations to replace key positions left vacant by exiting boomers. Business and HR Leaders will need to map a succession plan for development and retention of key Generation X staff.

“There are 6 million Americans born between 1965 and 1978. They are ambitious, squeezed by debt and frustrated by people who aren’t retiring on schedule.”

(Bloomberg Report)

Succession Planning strategies at both the carrier and brokerage level are targeted vacancies from expected retirements and, in parallel, strategic staffing identifies vulnerability in key leadership positions. The process also needs to expand to include key technical roles as lynchpins to maintaining product development, new market expansion and priority client retention. According to PwC, leaders will need to build coherent talent strategies to succeed in the next five years of dynamic staffing.

Cost rationalization during the recession significantly impaired employee engagement across organizations. With the job market improving and the pool of highly-experienced talent narrowing, a coherent talent strategy must include focused retention tactics on key employees and not wait for the vacancies in coveted positions to surface. Many companies have proven that they can design a comprehensive strategy; however, they lack the focus and success during implementation.



NEW LEVEL PARTNERS

Typically, the first step is to make the list of vulnerable leadership positions and identify the emerging leaders to fill those positions “someday.” In the meantime:

➤ Capture the Boomer’s Intellectual Capital:

Every company should be curating content right now to capture the expertise hidden within their boomer generation. Focus on the transfer of knowledge. Make the boomers accountable for creating knowledge-based objects to reflect information that they only possess, relative to products, markets, key client groups, systems, workflows, etc. Make the elements learning objects such as recorded, short webinars, you tube videos or interactive online learning modules. Maintain the paperless strategy that exists within many organizations.

➤ Begin Investing in Generation X Immediately:

During competitive job market times, Generation X will have the most flight risk. Generation X has taken the most hit financially during the turbulent times. They have not received rapid promotions similar to Boomers and are well aware that Generation Y will rapidly dominate the workforce population. They will expect to be recognized for their commitment while always maintaining work-life balance. Many of Generation X initiated teleworking within organizations. They will continue to push for virtual roles including those with leadership responsibilities.



Companies will need to train Generation X (and Generation Y) before their boomers retire. If they intend to promote individuals to leadership positions, it is time to invest in a formal program for Generation X.

Generation X are known as “digital adapters.” They have spent all of their careers with a handheld device starting with the Palm Pilot, Blackberry and now iPhones and tablets. When it comes to training, they will likely seek a blend of self-study online learning along with virtual or classroom interactive programs where they can network with their peer group. They will value from case study learning and true application along with best practice sharing. This means that finding a curriculum blending a variety of options with exposure to leadership practical learning along with concepts would be ideal. Generation X should take over and continue to build the curated content within the organization. They will have the vision to implement online learning and take charge of millennial mentoring.

New Hires: Creating an Onboarding Program for Generation Y

The Millennial population is 80+ million strong. All organizations have Generation Y on their teams. By 2020, they will represent half of the US workforce. This is the digital native generation who will greatly impact our businesses as employees and economy as consumers.

Based on the fact that hiring numbers were down the past five years, trainee onboarding programs remained stagnant with minimal updates or were discontinued forcing new hires to sink-or-swim. The hiring numbers did not justify formalized programs that required a full time trainer or providing the trainee with a travel allowance to be offsite for two weeks. Many orientation programs had a transactional, event-based core curriculum.

More than 75% of new hires agree that to get up to speed quickly, they need onboarding. About a third of all new hires stated that having a mentor would be very helpful.

In a 2011 SHRM survey, about half of respondents said that limited time and insufficient human resources staffing prevented them from offering formal programs for new hires. Some 19% of firms lack onboarding programs entirely.

Today's new hires want to get up to speed and contribute as quickly as possible. Therefore, onboarding programs must contain flexibility that provide individuals with targeted learning opportunities. Regardless of organizational size or human resources capacity, every company can offer a formal onboarding program. By blending solutions and resources available, brokers and carriers can rejuvenate their onboarding process for millennial hires. The most critical period is the first three months.

➤ Online Learning:

More than half of the Generation Y in a survey group cited that Online Learning was preferred for fact-based information, such as topics relating to company, product or compliance. Many advancements within the online educational development and design community have enabled quick creation of learning elements focused on critical base-line information or knowledge the new hire will need. Online learning solutions provide many advantages including flexibility regardless of the new hire headcount, one or 50; everyone will receive a consistent welcome and the same critical need-to-know information.



NEW LEVEL PARTNERS

➤ **Virtual Programs:**

Virtual programs are a way to connect the new hire with a subject matter expert in any location or within a partner company. During the past five years of strict expense management, programs have emerged for new hires without having to travel to various locations. There is a difference between a webinar and virtual program – the trainee participates throughout the session. There should be pre-work assignments and opportunities for engagement and discussion throughout a virtual session.

➤ **Immediate Contribution:**

An element of onboarding is contribution and feedback. The employee should have some responsibility whether it is process, coordinating a department function or a project assignment. There needs to be immediate acculturation into the work team and organization. Simple responsibilities will create quick attachment to culture, verbiage, team dynamics, etc.

➤ **Mentoring:**

Millennial new hires (and Generation Y) value a mentor during the onboarding.

Millenials have lived a very structured life starting with play groups, sports teams, school activities, tutors, etc. There has been a leader within each group telling them where they have to be and when as well as what is clearly expected. They perform to test results or stated expectations. Applying logic in the workplace and learning to blend problem-solving with gut will require a mentor to help guide them. The perception of unclear expectations or serious risk of failure will result in turnover.

At the same time, the mentor should assume accountability by identifying potential “fast track” junior leaders for the organization.

In a recent Wall Street Journal survey of 479 college recruiters, more than half of the respondents representing the emerging workforce cited problem-solving and the ability to think critically as weaknesses in today’s crop of entry-level hires.

Given the fast-paced business environments, it’s wise to add Staffing Strategy to your next Leadership agenda. Two core objectives that are a must: Developing New Leaders and Onboarding New Hires. Share the statistics of this paper with your leadership team, begin the discussion of how you will develop and retain key employees while onboarding Generation Y.

William Harwood
New Level Partners, LLC
Co-Founder and Managing Partner

Nancy M. Langton
New Level Partners, LLC
Co-Founder and President